Terreno Realty Corporation

Q2 2012

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Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws. All statements other than statements of historical fact are forward-looking statements and, in some cases, can be identified by the use of the words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “may”, “might”, “plan”, “project”, “result”, “should”, “will”, “opportunity” and similar expressions. These statements are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected.

We caution investors that forward-looking statements are based on management’s beliefs and on assumptions made by, and information currently available to, management. Factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to: (i) our ability to identify and acquire industrial properties on terms favorable to us; (ii) general volatility of the capital markets and the market price of our stock; (iii) adverse economic or real estate conditions or developments in the industrial real estate sector and/or in the markets in which we acquire properties; (iv) our dependence on key personnel and our reliance on third parties to property manage the majority of our industrial properties; (v) our dependence upon tenants; (vi) our ability to comply with the laws, rules and regulations applicable to companies, and in particular, public companies; (vii) our inability to manage our growth effectively; (viii) tenant bankruptcies and defaults on or non-renewal of leases by tenants; (ix) decreased rental rates or increased vacancy rates; (x) increased interest rates and operating costs; (xi) declining real estate valuations and impairment charges; (xii) our expected leverage, our failure to obtain necessary outside financing, and future debt obligations; (xiii) our ability to make distributions to our stockholders; (xiv) our failure to successfully hedge against interest rate increases; (xv) our failure to successfully operate acquired properties; (xvi) our failure to maintain our status as a real estate investment trust (“REIT”) and possible adverse changes to tax laws; (xvii) uninsured or underinsured losses relating to our properties; (xviii) environmental uncertainties and risks related to natural disasters; (xix) financial market fluctuations; and (xx) changes in real estate and zoning laws and increases in real property tax rates. Other factors that could materially affect results can be found in the Company’s Annual Report on Form 10-K for the year ended December 31, 2011, including those set forth under the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in our other public filings.

We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events, or otherwise. Accordingly, investors should use caution in relying on past forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends.

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Investment Strategy

Unique and Highly Selective Market Approach

- We acquire, own and operate industrial real estate exclusively in 6 major coastal U.S. markets
  - Mix of both core and value-added investments
  - No ground up development
  - No complex joint ventures
- Superior market fundamentals, including lower availability and higher rent growth
  - Strong demand generators (high population densities, near high volume distribution points)
  - Physical and regulatory constraints to new supply

Focus on Functional Assets in Infill Locations

- Broad product opportunity set
  - Warehouse / distribution
  - Flex (including light industrial and R&D)
  - Trans-shipment
- Functional and flexible assets
  - Generally suitable for multiple tenants
  - Close proximity to transportation infrastructure
  - Caters to sub-market tenant demands
- Multiple value creation opportunities
  - Emphasis on discount to replacement cost to provide for margin of safety
  - Opportunity for higher and better use over time

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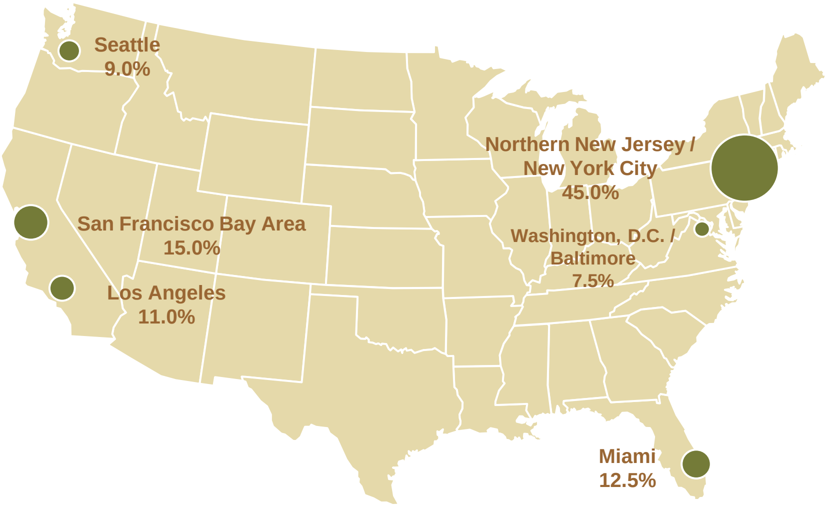
Current Portfolio Overview

Key Metrics

Square Feet	3.5 million
Number of Buildings	48
Total Purchase Price	$259 million(2)
Weighted Average Estimated Stabilized Cap Rate at Acquisition	7.4%
Average Acquisition Size	$10 million
Weighted Average Occupancy at Acquisition	73.5%
Occupancy as of March 31, 2012	92.9%

Capital Deployment by Geography (1)



Value-add Investments

- 10 of 13 value-add investments now stabilized

Note: Reflects Terreno portfolio composition at March 31, 2012

(1) Based on purchase price by market
(2) Including approximately $38.7 million of mortgage debt assumed

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Recent Activities and Developments

- $75.2 million of acquisitions under contract aggregating 7 buildings totaling approximately 773,000 square feet as of May 7, 2012(1)
- Issued 4.0 million shares of common stock in January 2012 for net proceeds of approximately $54.7 million
- Extended the undrawn(2) $80.0 million line of credit maturity to 2015 and closed on a $20.0 million, 7-year secured mortgage at a fixed interest rate of 3.8 percent
- Near-term financing options
  - Accordion option to increase line of credit up to $150.0 million
  - Long-term financing on stabilized assets at attractive rates

(1) Includes approximately $3.6 million of mortgage debt to be assumed on one building
(2) As of March 31, 2012

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Selected Examples of Value Creation

- As well as the acquisition and management of core properties, Terreno has successfully stabilized 10 of 13 value-added investments to date

Strategy	Examples
Acquisition and Repositioning of Vacant Properties	▪ 620 Division: At the time the contract was signed the Elizabeth, NJ property was expected to be approximately 20% leased to the seller. A tenant was identified by Terreno during due diligence and the property was 100% leased by the time the transaction was closed ▪ 630 Glasgow: The Inglewood, CA property was purchased vacant and was subsequently 100% leased to one tenant within one week of transaction close
Near Term Lease Expirations	▪ Kent 188: Property in Kent, WA was acquired in December 2010 at an above market cap rate and significant discount to replacement cost due to a near-term lease expiring in February 2012. In December 2011, Terreno successfully executed an early renewal of the lease for 100% of the rentable square feet to a subsidiary of International Paper ▪ Fortune Qume: Asset in San Jose, CA was acquired in March 2010 at an above market cap rate due to a near term lease expiring in January 2011. In March 2011, Terreno expanded an existing tenant into approximately 90% of the building pursuant to a new ten year lease. The remaining space in the building was leased in September 2011 resulting in 100% occupancy

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Value Creation - 620 Division

- **Location:** Elizabeth, NJ
- **Size:** 1 building 150,348 SF
- **Acquisition Price:** $10.4 million, $69 psf
- **Stabilized Cap Rate:** 7.4%
- **Occupancy:** 100% leased to 2 tenants at acquisition
- **Product Type:** Warehouse / Distribution
- Newark Airport adjacent and close proximity to Port Elizabeth

Value Creation – Property was under contract at 20% leased and 100% leased by close

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Value Creation - Kent 188

- **Location:** Kent, WA
- **Size:** 1 building, 137,872 SF
- **Acquisition Price:** $8.3 million, $60 psf
- **Stabilized Cap Rate:** 7.2%
- **Occupancy:** 100% leased to 1 tenant at acquisition
- **Product Type:** Warehouse / distribution

Value Creation – Property acquired with near-term lease expiration. Executed an early renewal for 100% of the property to a subsidiary of International Paper in December 2011

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Market Leading Corporate Structure

Management Alignment

- Executive long-term incentive compensation aligned with stockholders; tied solely to multi-year total stockholder return exceeding the MSCI U.S. REIT Index and FTSE NAREIT Equity Industrial Index
  - No annual cash bonus plan for executives
  - Long-term incentive compensation paid solely in stock to executive officers
- No stock options, SARs, dividend equivalent units or UPREIT units
- Significant insider ownership

Corporate Governance

- Majority independent directors with diverse expertise serving annual terms
- Adopted a majority voting standard in non-contested director elections
- Opted out of two Maryland anti-takeover provisions (no opt in without stockholder approval)
- Ownership limits designed to protect REIT status and not for the purpose of serving as an anti-takeover device
- No stockholder rights plan intended unless approved in advance by stockholders or if adopted, subject to termination if not ratified by stockholders within 12 months
- Not structured as an UPREIT

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Key Takeaways

- Focused strategy
  - Six major coastal US markets exclusively
  - Flexible and functional assets in infill locations
- Growing set of acquisition opportunities across our target markets at discounts to replacement cost
  - Opportunity for accelerated investment pace
  - Ability to convert value-add investments into stabilized assets
- Strong balance sheet and acquisition capacity
- Aligned management team and market leading corporate governance
  - Executive management incentive compensation based solely on total shareholder return outperformance
  - Significant insider ownership

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