NATIONAL RETAIL PROPERTIES, INC.
Form 424B5
September 08, 2011
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-157583

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to Be Registered(1)	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee(2)
Common Stock, par value $0.01 per share	9,200,000	$26.07	$239,844,000	$27,846

(1) Includes 1,200,000 shares of common stock that may be issued and sold pursuant to the underwriters option to purchase additional shares.
(2) Calculated in accordance with Rule 457(r) of the Securities Act of 1933. In accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, the registrant deferred payment of the registration fee for Registration Statement No. 333-157583.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated February 27, 2009)

8,000,000 Shares

National Retail Properties, Inc.

Common Stock

$26.07 per share

We are selling 8,000,000 shares of our common stock.

We have granted the underwriters an option to purchase up to 1,200,000 additional shares of common stock within 30 days from the date of this prospectus supplement.

Our common stock is listed on the New York Stock Exchange under the symbol NNN. The last reported sale price of our common stock on the New York Stock Exchange on September 6, 2011 was $26.60 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page 8 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which is incorporated herein by reference.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	$ 26.070000	$ 208,560,000
Underwriting Discount	$ 1.107975	$ 8,863,800
Proceeds to National Retail Properties, Inc. (before expenses)	$ 24.962025	$ 199,696,200

The underwriters expect to deliver the shares to purchasers on or about September 12, 2011 through the book-entry facilities of The Depository Trust Company.

Joint Book-Running Managers

Citigroup **Wells Fargo Securities** **BofA Merrill Lynch**

Senior Co-Managers

RBC Capital Markets

Raymond James

Stifel Nicolaus Weisel

Co-Managers

Janney Montgomery Scott
BB&T Capital Markets
PNC Capital Markets LLC
SunTrust Robinson Humphrey
FBR Capital Markets

UBS Investment Bank
Morgan Keegan
Piper Jaffray
Capital One Southcoast

The date of this prospectus supplement is September 6, 2011.

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ABOUT THIS PROSPECTUS SUPPLEMENT

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any free writing prospectus we may authorize to be delivered to you. We have not, and the underwriters have not, authorized anyone to provide you with different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. We and the underwriters are offering to sell, and seeking offers to buy, the securities only in jurisdictions where offers and sales are permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus, any free writing prospectus or the documents incorporated by reference is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

This document is in two parts. The first part is this prospectus supplement, which adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering. This prospectus supplement adds, updates and changes information contained in the accompanying prospectus and the information incorporated by reference. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document incorporated by reference, the information in this prospectus supplement shall control.

In this prospectus supplement, the words we, our, ours and us refer to National Retail Properties, Inc. and its subsidiaries and joint ventures, unless the context indicates otherwise.

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FORWARD-LOOKING STATEMENTS

Statements contained in this prospectus supplement and the accompanying prospectus, including the documents that are incorporated by reference, that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Also, when we use any of the words anticipate, assume, believe, estimate, expect, intend, or similar expressions, we are making forward-looking statements. The forward-looking statements are not guaranteed and are based on our present intentions and on our present expectations and assumptions. These statements, intentions, expectations and assumptions involve risks and uncertainties, some of which are beyond our control, that could cause actual results or events to differ materially from those we anticipate or project, such as:

- the ability of our tenants to make payments under their respective leases, including our reliance on certain major tenants and our ability to re-lease properties that are currently vacant or that become vacant;
- our ability to locate suitable tenants for our properties;
- changes in real estate market conditions and general economic conditions that could adversely impact our occupancy or rental rates;
- the inherent risks associated with owning real estate (including local real estate market conditions, governing laws and regulations and illiquidity of real estate investments);
- our ability to successfully implement our selective acquisition strategy;
- our ability to sell properties at an attractive price;
- the ability of borrowers to make payments of principal and interest under structured finance investments we make to such borrowers;
- our ability to gain access to the underlying collateral for any structured finance investments to borrowers;
- our ability to repay debt financing obligations;
- our ability to refinance amounts outstanding under our credit facilities at maturity on terms favorable to us;
- the loss of any member of our management team;
- our ability to be in compliance with certain debt covenants;
- our ability to integrate acquired properties and operations into existing operations;

continued availability of debt or equity capital, as needed, to meet our liquidity needs;

the availability of other debt and equity financing alternatives;

volatility and general market conditions affecting our sources and costs of capital;

changes in interest rates under our credit facility and under any additional variable rate debt arrangements that we may enter into in the future;

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- our ability to maintain internal controls and processes to ensure all transactions are accounted for properly, all relevant disclosures and filings are timely made in accordance with all rules and regulations, and any potential fraud or embezzlement is thwarted or detected;

- changes in accounting rules or the application or interpretation of such rules;

- changes in laws, the impact of future laws and regulations, and litigation risks;

- changes in federal or state tax rules or regulations that could have adverse tax consequences; and

- our ability to qualify as a real estate investment trust for federal income tax purposes.

You should not place undue reliance on these forward-looking statements, as events described or implied in such statements may not occur. We undertake no obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise.

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SUMMARY

The following summary is qualified in its entirety by the more detailed information and consolidated financial statements and notes thereto appearing elsewhere in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus.

The Company

We are a leading owner, operator, acquirer and developer of retail properties that are leased primarily to retail tenants under long-term net leases. As of June 30, 2011, we owned 1,248 investment properties with an aggregate gross leasable area of approximately 13.6 million square feet, located in 46 states.

We are a fully integrated real estate investment trust (REIT) for U.S. federal income tax purposes, formed in 1984. Prior to our name change on May 1, 2006, we were known as Commercial Net Lease Realty, Inc.

Our executive offices are located at 450 S. Orange Avenue, Suite 900, Orlando, Florida 32801, and our telephone number is (407) 265-7348.

Recent Developments

Common Dividend Increase

On July 15, 2011, we announced that our Board of Directors increased the dividend rate on our common stock, declaring a quarterly cash dividend of 38.5 cents per share paid on August 15, 2011 to common stockholders of record as of July 29, 2011. The dividend represents an annualized rate of $1.54 per share and marks the twenty-second consecutive year we have paid increased annual dividends per share. With respect to shares purchased in this offering, purchasers will not be entitled to receive the dividend paid on August 15, 2011.

Financing Update

On August 15, 2011, we notified each holder of our 3.95% Convertible Senior Notes due 2026 (the 3.95% Notes) that, pursuant to the terms of the 3.95% Notes and related indenture, the holder has the option to require us to purchase for cash, on September 20, 2011 (the Repurchase Date), all or a portion of their 3.95% Notes (the Put Option) at a price equal to 100% of the principal amount of the 3.95% Notes, plus any accrued and unpaid interest to, but not including, the Repurchase Date. The opportunity to surrender the 3.95% Notes for purchase pursuant to the Put Option expires September 13, 2011. The aggregate principal amount outstanding under the 3.95% notes was $138.7 million as of June 30, 2011. Repurchases of the 3.95% Notes, if any, will be funded by amounts borrowed under our credit facility and/or cash on hand.

On July 6, 2011, we issued and sold $300 million aggregate principal amount of our 5.500% Notes due 2021 pursuant to an underwritten public offering. We used a portion of the approximately $293.8 million in net proceeds from the offering to repay the amount outstanding under our credit facility and the remaining proceeds will be used for general corporate purposes, which may include future property acquisitions.

Acquisition Update

In 2011 through the date of this prospectus, we completed the acquisition of approximately $281.5 million in our investment portfolio, including acquiring 99 properties with an aggregate 1.8 million square feet of gross leasable area. As a result of our recent acquisitions and our expectation of increased acquisition activity, we have increased our projected acquisition volume for 2011 to between $400 million and $500 million from our prior projected acquisition volume between $200 million and $250 million for 2011. There can be no assurance, however, that we will complete any projected additional acquisitions this year, if at all.

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The Offering

Issuer	National Retail Properties, Inc.
Shares of Common Stock Offered	8,000,000 shares (or 9,200,000 shares if the underwriters option to purchase additional shares is exercised in full).
Shares of Common Stock to be Outstanding After the Offering	94,178,849 shares (or 95,378,849 shares if the underwriters option to purchase additional shares is exercised in full).
New York Stock Exchange Symbol	NNN
Use of Proceeds	We intend to use the net proceeds from this offering to repay borrowings under our credit facility and for general corporate purposes, which may include additional property acquisitions. Affiliates of certain of the underwriters in this offering are lenders under our credit facility and will receive their proportionate share of the amount repaid under the credit facility with net proceeds from this offering. See Use of Proceeds in this prospectus supplement.
Risk Factors	You should carefully read the Risk Factors beginning on page 8 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, as well as the risk factors relating to our business that are incorporated by reference into this prospectus supplement and the accompanying prospectus, for certain considerations relevant to an investment in our common stock.

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USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately $199.5 million, after deducting the underwriting discount and other estimated expenses of this offering payable by us. We intend to use the net proceeds from this offering to repay the amount outstanding borrowings under our credit facility and for general corporate purposes, which may include additional property acquisitions. Borrowings outstanding under the credit facility were $80.5 million as of September 2, 2011, and currently accrue interest at a rate of 1.73%. The credit facility expires on May 24, 2015, unless we exercise our option to extend the termination date by one year. Affiliates of Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and certain of the other underwriters in this offering are lenders under the credit facility and will receive their proportionate share of the amount repaid under the credit facility with net proceeds from this offering. Pending application of the net proceeds, we may invest the net proceeds in short-term income-producing investments.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

General

For a discussion of the taxation of us and the tax considerations relevant to stockholders generally, see Federal Income Tax Considerations beginning on page 31 of the accompanying prospectus. The following is a general discussion of the material U.S. federal income tax considerations applicable to the acquisition, ownership and disposition of our common stock and should be read in conjunction with the referenced sections in the accompanying prospectus. This discussion is based on the Internal Revenue Code of 1986, as amended (the Code), income tax regulations promulgated thereunder, judicial decisions, published positions of the Internal Revenue Service (IRS) and other applicable authorities, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion is general in nature and is not exhaustive of all possible tax considerations, nor does the discussion address any state, local or foreign tax considerations or any U.S. tax considerations (e.g., estate or gift tax) other than U.S. federal income tax considerations, that may be applicable to particular holders. This discussion does not address all the tax consequences that may be relevant to a prospective stockholder in light of its particular circumstances or to certain types of stockholders subject to special treatment under the Code, such as financial institutions, brokers, dealers in securities and commodities, insurance companies, certain former U.S. citizens or long-term residents, regulated investment companies, real estate investment trusts, tax-exempt organizations, controlled foreign corporations, passive foreign investment companies, persons that acquire their stock in connection with employment or other performance of personal services, persons subject to the alternative minimum tax, persons that are, or that hold their common stock through, partnerships or other pass-through entities, U.S. stockholders whose functional currency is not the U.S. dollar, or persons that hold common stock as part of a straddle, hedge, conversion, synthetic security or constructive sale transaction for U.S. federal income tax purposes.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF HOLDING AND DISPOSING OF OUR COMMON STOCK.

Recent Tax Law Changes

Medicare Tax

For taxable years beginning after December 31, 2012, certain taxable U.S. stockholders who are individuals, estates or trusts will be subject to a 3.8% tax on all or a portion of their net investment income, which may include all or a portion of their dividends on our common stock and net gains from the disposition of our common stock. Taxable U.S. stockholders that are individuals, estates or trusts should consult their tax advisors regarding the applicability of the Medicare tax to any of their income or gains in respect of our common stock.

Reporting and Withholding on Foreign Financial Accounts

On March 18, 2010, the President signed the Hiring Incentives to Restore Employment Act into law. Effective for payments made after December 31, 2012, this law imposes a 30% U.S. federal withholding tax on distributions and the gross proceeds of sale in respect of our common stock to a foreign financial institution or non-financial foreign entity, unless (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) and to withhold on certain payments and (ii) in the case of a non-financial foreign entity, such entity provides the withholding agent with a certification identifying the direct and indirect U.S. owners of the entity. Under certain circumstances, a non-U.S. stockholder might be eligible for refunds or credits of such taxes. Prospective investors should consult with their own tax advisors regarding the possible implications of this recently enacted legislation on the ownership and disposition of our common stock.

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Extension of Reduced Tax Rates

On December 17, 2010, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, or the Job Creation Act, was enacted. Among other things, the Job Creation Act extended until December 31, 2012 certain reduced tax rates that had been scheduled to expire after December 31, 2010, including the reduced 15% maximum rate of tax on capital gains, the reduced 35% maximum rate of tax on ordinary income, and the application of the capital gains tax rate to certain qualified dividend income discussed in the accompanying prospectus.

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UNDERWRITING

Citigroup Global Markets Inc., Wells Fargo Securities, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as joint book-running managers of the offering, and as the representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement, dated the date of this prospectus supplement, we have agreed to sell to each of the underwriters named below and each underwriter has severally and not jointly agreed to purchase from us, the number of shares set forth opposite the underwriter s name.

Underwriter	Number of Shares
Citigroup Global Markets Inc.	2,080,000
Wells Fargo Securities, LLC	1,680,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	1,200,000
RBC Capital Markets, LLC	600,000
Raymond James & Associates, Inc.	600,000
Stifel, Nicolaus & Company, Incorporated	600,000
Janney Montgomery Scott LLC	240,000
UBS Securities LLC	240,000
BB&T Capital Markets, a division of Scott & Stringfellow, LLC	120,000
Morgan Keegan & Company, Inc.	120,000
PNC Capital Markets LLC	120,000
Piper Jaffray & Co.	120,000
SunTrust Robinson Humphrey, Inc.	120,000
Capital One Southcoast, Inc.	80,000
FBR Capital Markets & Co.	80,000
Total	8,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the shares included in this offering are subject to approval of legal matters by counsel and other customary conditions. The underwriters are obligated to purchase all of the shares (other than those covered by the underwriters option to purchase additional shares described below) if they purchase any of the shares.

Shares sold by the underwriters to the public will initially be offered at the public offering price set forth on the cover of this prospectus supplement. Any shares sold by the underwriters to securities dealers may be sold at a discount from the public offering price not to exceed $0.664785 per share. If all the shares are not sold at the public offering price, the underwriters may change the offering price and the other selling terms.

If the underwriters sell more shares than the total number set forth in the table above, we have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 1,200,000 additional shares at the public offering price less the underwriting discount. To the extent the option is exercised, each underwriter must purchase a number of additional shares approximately proportionate to that underwriter s initial purchase commitment. Any shares issued or sold under the option will be issued and sold on the same terms and conditions as the other shares that are the subject of this offering.

We have agreed that, for a period of 60 days from the date of this prospectus supplement, we will not, without the prior written consent of Citigroup Global Markets Inc., Wells Fargo Securities, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, dispose of or hedge any shares of our common stock or any securities convertible into or exchangeable for our common stock, except for issuances (i) pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options, in each case outstanding at the time the underwriting agreement is executed and delivered, (ii) of employee stock options and restricted shares pursuant to the terms of any equity incentive plan in effect at the time the underwriting agreement is executed and delivered, (iii) pursuant to our dividend reinvestment and stock purchase plan in effect at the time the underwriting agreement is executed and delivered, and (iv) of no more than 100 shares of common stock, for no consideration, to one or more persons unaffiliated with us as door or drawing prizes in connection with our marketing efforts.

In addition, each of our named executive officers has agreed that, for a period of 60 days from the date of this prospectus supplement, they will not, without the prior written consent of Citigroup Global Markets Inc., Wells Fargo Securities, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, dispose of or hedge any shares of our common stock or any securities convertible into or exchangeable for our common stock. The restrictions described in this paragraph do not apply to the following transfers of shares of common stock by our named executive officers: (i) as a bona fide gift or gifts, provided that the donee or donees agree to be bound in writing by the restrictions in this paragraph, (ii) to any trust for the direct or indirect benefit of such named executive officer or the immediate family of such named executive officer, provided that the trustee of the trust agrees to be bound in writing by the restrictions in this paragraph, and provided further that any such transfer shall not involve a disposition for value, or (iii) according to the laws of descent and distribution, provided that the descendant agrees to be bound in writing by the restrictions in this paragraph.

Citigroup Global Markets Inc., Wells Fargo Securities, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, in their sole discretion, may release any of the securities subject to these lock-up agreements at any time without notice.

The shares are listed on the New York Stock Exchange under the symbol NNN.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters option to purchase additional shares of common stock.

	No Exercise	Full Exercise
Per share	$ 1.107975	$ 1.107975
Total	$ 8,863,800	$ 10,193,370

We estimate that our total expenses for this offering (excluding the underwriting discount) will be $200,000.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions, which may include purchases pursuant to the underwriters option to purchase additional shares of common stock, and stabilizing purchases.

Short sales involve secondary market sales by the underwriters of a greater number of shares than they are required to purchase in the offering.

- o Covered short sales are sales of shares in an amount up to the number of shares represented by the underwriters option to purchase additional shares of common stock.

- o Naked short sales are sales of shares in an amount in excess of the number of shares represented by the underwriters option to purchase additional shares of common stock.

Covering transactions involve purchases of shares either pursuant to the underwriters option to purchase additional shares of common stock or in the open market after the distribution has been completed in order to cover short positions.

- o To close a naked short position, the underwriters must purchase shares in the open market after the distribution has been completed. A naked short position is more likely to be created if the

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underwriters are concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

- To close a covered short position, the underwriters must purchase shares in the open market after the distribution has been completed or must exercise the option to purchase additional shares of common stock. In determining the source of shares to close the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option to purchase additional shares of common stock.

Stabilizing transactions involve bids to purchase shares so long as the stabilizing bids do not exceed a specified maximum. Purchases to cover short positions and stabilizing purchases, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the shares. They may also cause the price of the shares to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

Conflicts of Interest

The underwriters are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The underwriters and their respective affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. An affiliate of Wells Fargo Securities has acted, and may in the future act, as broker in connection with purchases of certain real estate assets by us, including assets which may ultimately be purchased directly or indirectly with proceeds of this offering. Upon consummation of these purchases, such affiliate expects to receive customary brokerage fees paid by the seller.

In addition, affiliates of Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and certain of the other underwriters are lenders, and in some cases agents or managers for the lenders, under our credit facility. We intend to use a portion of the net proceeds of this offering to reduce borrowings under our credit facility. Affiliates of certain underwriters in this offering are lenders under our credit facility and will receive their proportionate share of the amount repaid under the credit facility with the net proceeds of this offering. Upon such application, more than 5% of the proceeds of this offering (not including underwriting discounts) may be received by an underwriter or its affiliates. Nonetheless, in accordance with FINRA Rule 5121, the appointment of a qualified independent underwriter is not necessary in connection with this offering because we, as the issuer of the securities in this offering, are a real estate investment trust.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

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No action has been taken in any jurisdiction (except in the United States and Canada) that would permit a public offering of the common shares, or the possession, circulation or distribution of this prospectus supplement, the accompanying prospectus or any other material relating to us or the common shares in any jurisdiction where action for that purpose is required. Accordingly, the common shares may not be offered or sold, directly or indirectly, and none of this prospectus supplement, the accompanying prospectus or any other offering material or advertisements in connection with the common shares may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each of the underwriters may arrange to sell the shares offered hereby in certain jurisdictions outside the United States, either directly or through affiliates, where they are permitted to do so.

Notice To Prospective Investors In The European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of shares described in this prospectus supplement may not be made to the public in that relevant member state other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by us for any such offer; or

- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of securities to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe for the shares, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state) and includes any relevant implementing measure in the relevant member state. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

The sellers of the shares have not authorized and do not authorize the making of any offer of shares through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the shares as contemplated in this prospectus supplement. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of the shares on behalf of the sellers or the underwriters.

Notice To Prospective Investors In The United Kingdom

This prospectus supplement and the accompanying prospectus are only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a relevant person). This prospectus supplement and its contents are

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confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in Switzerland

We have not and will not register with the Swiss Financial Market Supervisory Authority (FINMA) as a foreign collective investment scheme pursuant to Article 119 of the Federal Act on Collective Investment Scheme of June 23, 2006, as amended (CISA), and accordingly, the shares being offered pursuant to this prospectus supplement and the accompanying prospectus have not and will not be approved, and may not be licenseable, with FINMA. Therefore, the shares have not been authorized for distribution by FINMA as a foreign collective investment scheme pursuant to Article 119 CISA and the shares offered hereby may not be offered to the public (as this term is defined in Article 3 CISA) in or from Switzerland. The shares may solely be offered to qualified investors, as this term is defined in Article 10 CISA, and in the circumstances set out in Article 3 of the Ordinance on Collective Investment Scheme of November 22, 2006, as amended (CISO), such that there is no public offer. Investors, however, do not benefit from protection under CISA or CISO or supervision by FINMA. This prospectus supplement and the accompanying prospectus and any other materials relating to the shares are strictly personal and confidential to each offeree and do not constitute an offer to any other person. This prospectus supplement and the accompanying prospectus may only be used by those qualified investors to whom they have been handed out in connection with the offer described herein and may neither directly or indirectly be distributed or made available to any person or entity other than their recipients. They may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in Switzerland or from Switzerland. This prospectus supplement and the accompanying prospectus do not constitute an issue prospectus as that term is understood pursuant to Article 652a and/or 1156 of the Swiss Federal Code of Obligations. We have not applied for a listing of the shares on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in this prospectus supplement and the accompanying prospectus does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange.

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LEGAL MATTERS

Certain legal matters will be passed upon for us by Pillsbury Winthrop Shaw Pittman LLP, Washington, D.C., as our securities and tax counsel. Certain legal matters will be passed upon for the underwriters by K&L Gates LLP.

EXPERTS

The consolidated financial statements of National Retail Properties, Inc. appearing in National Retail Properties, Inc. s Annual Report (Form 10-K) for the year ended December 31, 2010 (including schedules appearing therein), and the effectiveness of National Retail Properties, Inc. s internal control over financial reporting as of December 31, 2010, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the SEC). Our SEC filing number is 001-11290. You may read and copy any document that we have filed at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain further information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our filings are available to the public at the SEC s website at http://www.sec.gov and at our website at http://www.nnnreit.com. The information found on, or otherwise accessible through, our website is not and shall not be deemed part of, or incorporated by reference into, this prospectus supplement or the accompanying prospectus. Our common stock is listed on the New York Stock Exchange under the ticker symbol NNN. You may inspect our reports, proxy statements and other information at the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

We have filed with the SEC a registration statement (of which this prospectus supplement and the accompanying prospectus are a part) on Form S-3 under the Securities Act with respect to our securities. This prospectus supplement and the accompanying prospectus do not contain all of the information set forth in the registration statement, including the exhibits and schedules thereto, certain parts of which are omitted as permitted by the rules and regulations of the SEC.

We are incorporating by reference the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is considered to be part of this prospectus supplement and the accompanying prospectus, except for any information superseded by information in this prospectus supplement. We incorporate by reference the documents listed below, which we have filed with the SEC under Sections 13(a), 13(c) and 15(d) of the Exchange Act.

- Annual Report on Form 10-K for the fiscal year ended December 31, 2010, filed with the SEC on February 24, 2011.

- Definitive Proxy Statement on Schedule 14A relating to the 2011 annual meeting of stockholders, filed with the SEC on March 31, 2011.

- Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, filed with the SEC on May 5, 2011.

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Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, filed with the SEC on August 4, 2011.

Current Report on Form 8-K filed with the SEC on February 22, 2011.

Current Report on Form 8-K filed with the SEC on May 20, 2011.

Current Report on Form 8-K filed with the SEC on June 1, 2011.

Current Report on Form 8-K filed with the SEC on June 28, 2011.

Current Report on Form 8-K filed with the SEC on July 1, 2011.

Current Report on Form 8-K filed with the SEC on July 6, 2011.

All documents that we file with the SEC under Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act after the date of this prospectus supplement but before we terminate the offering of our securities shall be deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus and will be part of this prospectus supplement and the accompanying prospectus from the date we file that document. Any information in that document that is meant to supersede or modify any existing statement in this prospectus supplement will so supersede or modify the statement as appropriate.

You may request a copy of any or all of the documents incorporated by reference in this prospectus supplement, except the exhibits to such documents (unless such exhibits are specifically incorporated by reference in such documents), at no cost, by writing or telephoning our offices at the following address:

National Retail Properties, Inc.

450 South Orange Avenue, Suite 900

Orlando, Florida 32801

Attention: Kevin B. Habicht

(telephone number (407) 265-7348)

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Prospectus

National Retail Properties, Inc.

Debt Securities, Preferred Stock, Depositary Shares,

Common Stock and Warrants

We, National Retail Properties, Inc., may from time to time offer, in one or more series, separately or together, the following: