

W. P. CAREY & CO. LLC
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(in thousands, except share and per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Revenues				
Asset management revenue	\$ 18,648	\$ 14,364	\$ 63,886	\$ 43,478
Structuring revenue	9,778	3,434	67,809	15,788
Reimbursed costs from affiliates	3,422	13,762	10,141	36,654
Lease revenues	19,845	18,191	59,112	54,157
Other real estate income	4,159	2,514	10,574	7,046
	<u>55,852</u>	<u>52,265</u>	<u>211,522</u>	<u>157,123</u>
Operating Expenses				
General and administrative	(12,345)	(8,800)	(47,838)	(29,829)
Reimbursable costs	(3,422)	(13,762)	(10,141)	(36,654)
Depreciation and amortization	(6,246)	(5,912)	(20,035)	(17,784)
Property expenses	(2,725)	(2,333)	(6,038)	(5,346)
Other real estate expenses	(2,255)	(1,381)	(6,080)	(4,414)
	<u>(26,993)</u>	<u>(32,188)</u>	<u>(90,132)</u>	<u>(94,027)</u>
Other Income and Expenses				
Other interest income	1,287	831	5,528	2,369
Income from equity investments in real estate and CPA® REITs	8,945	2,932	13,312	5,726
Minority interest in (income) loss	(555)	40	(4,027)	(568)
Gain on sale of securities, foreign currency transactions and other, net	1,029	245	1,384	5,723
Interest expense	(5,618)	(4,395)	(16,150)	(13,324)
	<u>5,088</u>	<u>(347)</u>	<u>47</u>	<u>(74)</u>
Income from continuing operations before income taxes	33,947	19,730	121,437	63,022
Provision for income taxes	(11,519)	(5,580)	(49,041)	(16,300)
Income from continuing operations	<u>22,428</u>	<u>14,150</u>	<u>72,396</u>	<u>46,722</u>
Discontinued Operations				
Income (loss) from operations of discontinued properties	298	340	2,198	(506)
(Loss) gain on sale of real estate, net	-	(185)	962	(185)
Impairment charges on assets held for sale	(2,317)	-	(2,317)	(3,357)
(Loss) income from discontinued operations	<u>(2,019)</u>	<u>155</u>	<u>843</u>	<u>(4,048)</u>
Net Income	<u>\$ 20,409</u>	<u>\$ 14,305</u>	<u>\$ 73,239</u>	<u>\$ 42,674</u>
Basic Earnings (Loss) Per Share				
Income from continuing operations	\$ 0.58	\$ 0.38	\$ 1.90	\$ 1.24
(Loss) income from discontinued operations	(0.05)	-	0.02	(0.11)
Net income	<u>\$ 0.53</u>	<u>\$ 0.38</u>	<u>\$ 1.92</u>	<u>\$ 1.13</u>
Diluted Earnings (Loss) Per Share				
Income from continuing operations	\$ 0.58	\$ 0.37	\$ 1.88	\$ 1.20
(Loss) income from discontinued operations	(0.05)	-	0.02	(0.10)
Net income	<u>\$ 0.53</u>	<u>\$ 0.37</u>	<u>\$ 1.90</u>	<u>\$ 1.10</u>
Weighted Average Shares Outstanding				
Basic	38,298,979	38,034,590	38,117,280	37,880,778
Diluted	<u>39,601,853</u>	<u>39,303,948</u>	<u>39,718,522</u>	<u>39,215,134</u>
Distributions Declared Per Share	<u>\$ 0.472</u>	<u>\$ 0.456</u>	<u>\$ 1.401</u>	<u>\$ 1.362</u>

W. P. CAREY & CO. LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(in thousands)

	Nine months ended September 30,	
	2007	2006
Cash Flows — Operating Activities		
Net income	\$ 73,239	\$ 42,674
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization including intangible assets and deferred financing costs	21,140	19,063
Income from equity investments in real estate in excess of distributions received	(9,269)	(324)
Gain on sale of real estate and investments, net	(962)	(4,615)
Minority interest in income	4,027	568
Straight-line rent adjustments	2,045	2,343
Management income received in shares of affiliates	(43,415)	(23,721)
Unrealized gain on foreign currency transactions, warrants and securities	(1,279)	(781)
Impairment charges	2,317	3,357
Realized gain on foreign currency transactions	(105)	(142)
Stock-based compensation expense	3,795	2,520
Decrease in deferred structuring revenue receivable	16,164	12,543
Increase in structuring revenue receivable	(50,253)	(3,039)
Increase in income taxes, net	8,465	445
Net changes in other operating assets and liabilities	(1,016)	(2,031)
Net cash provided by operating activities	24,893	48,860
Cash Flows — Investing Activities		
Distributions received from equity investments in real estate in excess of equity income	24,358	4,669
Purchases of real estate and equity investments in real estate	(40,845)	(150)
Capital expenditures	(11,768)	(4,194)
Loan to affiliate	(8,676)	(84,000)
Proceeds from repayment of loan to affiliate	8,676	84,000
Proceeds from sales of property and investments	6,014	32,350
Funds placed in escrow in connection with the sale of property	(3,315)	(9,314)
Payment of deferred acquisition revenue to affiliate	(524)	(524)
Net cash (used in) provided by investing activities	(26,080)	22,837
Cash Flows — Financing Activities		
Distributions paid	(53,432)	(51,590)
Contributions from minority interests	1,181	1,646
Distributions to minority interests	(1,295)	(5,415)
Scheduled payments of mortgage principal	(13,854)	(9,191)
Proceeds from mortgages and credit facilities	150,383	83,000
Prepayments of mortgage principal and credit facilities	(70,590)	(92,971)
Release of funds from escrow in connection with the financing of properties	-	4,031
Payment of financing costs	(1,317)	(815)
Proceeds from issuance of shares	4,532	6,251
Excess tax benefits associated with stock-based compensation awards	1,352	193
Repurchase and retirement of shares	(21,104)	(1,935)
Net cash used in financing activities	(4,144)	(66,796)
Change in Cash and Cash Equivalents During the Period		
Effect of exchange rate changes on cash	291	84
Net (decrease) increase in cash and cash equivalents	(5,040)	4,985
Cash and cash equivalents, beginning of period	22,108	13,014
Cash and cash equivalents, end of period	\$ 17,068	\$ 17,999

W. P. CAREY & CO. LLC
Financial Highlights (Unaudited)
(in thousands, except share and per share data)

These financial highlights include non-GAAP financial measures, including earnings before interest, taxes, depreciation and amortization (“EBITDA”), funds from operations (“FFO”) and adjusted cash flow from operating activities. A description of these non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures is provided on the following pages.

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
EBITDA				
Investment management	\$ 19,961	\$ 13,989	\$ 95,051	\$ 40,729
Real estate ownership	17,454	16,446	57,105	49,835
Total	\$ 37,415	\$ 30,435	\$ 152,156	\$ 90,564
FFO				
Investment management	\$ 17,040	\$ 9,903	\$ 83,450	\$ 29,772
Real estate ownership	15,184	13,370	46,905	43,882
Total	\$ 32,224	\$ 23,273	\$ 130,355	\$ 73,654
EBITDA Per Share (Diluted)				
Investment management	\$ 0.50	\$ 0.35	\$ 2.39	\$ 1.04
Real estate ownership	0.44	0.42	1.44	1.27
Total	\$ 0.94	\$ 0.77	\$ 3.83	\$ 2.31
FFO Per Share (Diluted)				
Investment management	\$ 0.43	\$ 0.25	\$ 2.10	\$ 0.76
Real estate ownership	0.38	0.34	1.18	1.12
Total	\$ 0.81	\$ 0.59	\$ 3.28	\$ 1.88
Adjusted Cash Flow From Operating Activities				
Adjusted cash flow			\$ 68,098	\$ 59,053
Adjusted cash flow per share (diluted)			\$ 1.71	\$ 1.51
Distributions paid			\$ 53,432	\$ 51,590
Payout ratio (distributions paid/adjusted cash flow)			78%	87%

W. P. CAREY & CO. LLC
Reconciliation of Net Income to EBITDA (Unaudited)
(in thousands, except share and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Investment Management				
Net income	\$ 12,685	\$ 7,002	\$ 49,174	\$ 20,394
Adjustments:				
Provision for income taxes	11,171	5,509	47,685	15,937
Depreciation and amortization ⁽¹⁾	(3,895)	1,478	(1,808)	4,398
EBITDA - investment management	\$ 19,961	\$ 13,989	\$ 95,051	\$ 40,729
EBITDA per share (diluted)	\$ 0.50	\$ 0.35	\$ 2.39	\$ 1.04
 Real Estate Ownership				
Net income	\$ 7,724	\$ 7,303	\$ 24,065	\$ 22,280
Adjustments:				
Interest expense	5,618	4,395	16,150	13,324
Provision for income taxes	348	71	1,356	363
Depreciation and amortization ⁽¹⁾	3,606	4,434	15,308	13,386
Reconciling items attributable to discontinued operations	158	243	226	482
EBITDA - real estate ownership	\$ 17,454	\$ 16,446	\$ 57,105	\$ 49,835
EBITDA per share (diluted)	\$ 0.44	\$ 0.42	\$ 1.44	\$ 1.27
 Total Company				
EBITDA	\$ 37,415	\$ 30,435	\$ 152,156	\$ 90,564
EBITDA per share (diluted)	\$ 0.94	\$ 0.77	\$ 3.83	\$ 2.31
Diluted weighted average shares outstanding	39,601,853	39,303,948	39,718,522	39,215,134

⁽¹⁾ Includes adjustment to amortization as described in the attached press release.

Non-GAAP Financial Disclosure

EBITDA as disclosed represents earnings before interest, taxes, depreciation and amortization. We believe that EBITDA is a useful supplemental measure for assessing the performance of our business segments, although it does not represent net income that is computed in accordance with GAAP. Accordingly, EBITDA should not be considered an alternative for net income as an indicator of our financial performance. EBITDA may not be comparable to similarly titled measures of other companies.

W. P. CAREY & CO. LLC
Reconciliation of Net Income to Funds From Operations (FFO) (Unaudited)
(in thousands, except share and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
Investment Management				
Net income	\$ 12,685	\$ 7,002	\$ 49,174	\$ 20,394
Amortization, deferred taxes and other non-cash charges	7,114	2,496	32,660	5,443
FFO from equity investments	(2,759)	405	1,616	3,935
FFO — investment management	<u>\$ 17,040</u>	<u>\$ 9,903</u>	<u>\$ 83,450</u>	<u>\$ 29,772</u>
FFO per share (diluted)	<u>\$ 0.43</u>	<u>\$ 0.25</u>	<u>\$ 2.10</u>	<u>\$ 0.76</u>
Real Estate Ownership				
Net income	\$ 7,724	\$ 7,303	\$ 24,065	\$ 22,280
Loss (gain) on sale of real estate, net	-	185	(962)	185
Depreciation, amortization and other non-cash charges	4,228	4,033	15,343	12,602
Straight-line and other rent adjustments	660	786	2,116	2,343
Impairment charges	2,317	-	2,317	3,357
FFO from equity investments	464	1,241	4,650	3,711
Minority investees share of FFO	(209)	(178)	(624)	(596)
FFO — real estate ownership	<u>\$ 15,184</u>	<u>\$ 13,370</u>	<u>\$ 46,905</u>	<u>\$ 43,882</u>
FFO per share (diluted)	<u>\$ 0.38</u>	<u>\$ 0.34</u>	<u>\$ 1.18</u>	<u>\$ 1.12</u>
Total Company				
FFO	<u>\$ 32,224</u>	<u>\$ 23,273</u>	<u>\$ 130,355</u>	<u>\$ 73,654</u>
FFO per share (diluted)	<u>\$ 0.81</u>	<u>\$ 0.59</u>	<u>\$ 3.28</u>	<u>\$ 1.88</u>
Diluted weighted average shares outstanding	<u>39,601,853</u>	<u>39,303,948</u>	<u>39,718,522</u>	<u>39,215,134</u>

Non-GAAP Financial Disclosure

Funds from operations (FFO) is a non-GAAP financial measure that is commonly used in evaluating real estate companies. Although the National Association of Real Estate Investment Trusts (NAREIT) has published a definition of FFO, real estate companies often modify this definition as they seek to provide financial measures that meaningfully reflect their operations. FFO should not be considered as an alternative to net income as an indication of a company's operating performance or to cash flow from operating activities as a measure of its liquidity. It should be used in conjunction with GAAP net income. FFO disclosed by other REITs may not be comparable to our FFO calculation.

NAREIT's definition of FFO adjusts GAAP net income to exclude depreciation and gains/losses from the sales of properties and adjustments for FFO applicable to unconsolidated partnerships and joint ventures. We calculate FFO in accordance with this definition and then include other adjustments to GAAP net income to adjust for certain non-cash charges such as amortization of intangibles, deferred income tax benefits and expenses, straight-line rents, stock compensation, impairment charges on real estate and unrealized foreign currency exchange gains and losses. We exclude these items from GAAP net income as they are not the primary drivers in our decision making process. Our assessment of our operations is focused on long term sustainability and not on such non-cash items which may cause short-term fluctuations in net income but that have no impact on cash flows.

W. P. CAREY & CO. LLC
Adjusted Cash Flow from Operating Activities (Unaudited)
(in thousands)

	Nine months ended September 30,	
	2007	2006
Cash flow from operating activities — as reported	\$ 24,893	\$ 48,860
Adjustments:		
CPA [®] :16 – Global performance adjustment, net ⁽¹⁾	9,425	3,493
CPA [®] :12/14 Merger — payment of taxes ⁽²⁾	20,708	-
Distributions received from equity investments in real estate in excess of equity income ⁽³⁾	8,077	4,669
Changes in working capital ⁽²⁾	4,995	2,031
Adjusted cash flow from operating activities	\$ 68,098	\$ 59,053
Distributions paid	\$ 53,432	\$ 51,590
Payout ratio (distributions paid/adjusted cash flow)	78%	87%

Non-GAAP Financial Disclosure

Adjusted cash flow from operating activities is a non-GAAP financial measure that represents cash flow from operating activities on a GAAP basis adjusted for certain timing differences and deferrals as described below. We believe that adjusted cash flow from operating activities is a useful supplemental measure for assessing the cash flow generated from our core operations and is used in evaluating distributions to shareholders. Adjusted cash flow from operating activities should not be considered as an alternative for cash flow from operating activities computed on a GAAP basis as a measure of our liquidity. Adjusted cash flow from operating activities may not be comparable to similarly titled measures of other companies.

(1) Amounts deferred in lieu of CPA[®]:16 – Global achieving its performance criterion, net of a 45% tax provision. In determining cash flow generated from our core operations, we believe it is more appropriate to normalize cash flow for the impact of CPA[®]:16 – Global achieving its performance criterion, rather than recognizing the entire deferred amount in the quarter in which the performance criterion was met as this revenue was actually earned over a three year period.

(2) Timing differences arising from the payment of certain liabilities in a period other than that in which the expense is recognized in determining net income may distort the actual cash flow that our core operations generate. We adjust our GAAP cash flow from operations to record such amounts in the period in which the liability was actually incurred. We believe this is a fairer measure of determining our cash flow from core operations.

(3) We take a substantial portion of our asset management revenue in shares of the CPA[®] REIT funds. To the extent we receive distributions in excess of the equity income that we recognize, we include such amounts in our evaluation of cash flow from core operations.