

W. P. CAREY & CO. LLC

Funds From Operations
(in thousands except per share amounts)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Net income (loss)	\$ 11,237	\$ 11,375	\$ 35,628	\$ (9,041)
(Gain) loss on sale of real estate	(786)	618	(1,227)	752
FFO of equity investees in excess of equity income	663	823	2,266	1,941
Depreciation, amortization and other noncash charges	8,892	7,295	24,418	15,778
Minority interest in (loss) income in excess of distributions	(36)	(96)	(98)	304
Straight-line rents	(220)	(417)	(669)	(1,459)
Writeoff of straight-line rents			1,321	
Build to suit income in excess of capitalized interest				277
Impairment loss on real estate	763	(331)	763	
Deferred management income (1)	196	193	588	193
Termination of management contract (2)				38,000
Funds from operations	<u>\$ 20,709</u>	<u>\$ 19,460</u>	<u>\$ 62,990</u>	<u>\$ 46,745</u>
Funds From Operations per share -				
Basic	<u>\$ 0.60</u>	<u>\$ 0.58</u>	<u>\$ 1.83</u>	<u>\$ 1.65</u>
Diluted	<u>\$ 0.59</u>	<u>\$ 0.57</u>	<u>\$ 1.81</u>	<u>\$ 1.65</u>

Notes:

(1) Represents adjustment for management income that has been deferred in accordance with SAB 101.

(2) Represents addback of non-recurring charge in connection with the termination of the Company's management contract which was acquired pursuant to the merger.

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W. P. CAREY & CO. LLC

Consolidated Statements of Operations
(in thousands except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
Revenues:				
Rental income	\$ 11,905	\$ 13,286	\$ 35,476	\$ 39,108
Interest income from direct financing leases	7,949	8,404	24,305	25,164
Management income from affiliates	11,141	9,951	32,189	12,794
Interest and other income	517	342	4,265	2,029
Revenue of hotel operations	1,829	1,946	4,661	4,721
	<u>33,341</u>	<u>33,929</u>	<u>100,896</u>	<u>83,816</u>
Expenses:				
Interest	4,979	7,153	15,931	20,037
Depreciation	2,554	3,490	7,838	10,072
Amortization	3,664	3,413	10,977	4,058
General and administrative	6,874	5,925	19,765	10,015
Property expenses	998	861	5,067	4,706
Operating expenses of hotel operations	1,216	1,272	3,519	3,629
Impairment of real estate	763		763	
Termination of management contract				38,000
	<u>21,048</u>	<u>22,114</u>	<u>63,860</u>	<u>90,517</u>
Income (loss) before minority interest, equity investments, gain (loss) on sale and income taxes	12,293	11,815	37,036	(6,701)
Minority interest in loss (income)	36	21	98	(1,551)
Income from equity investments	1,005	474	3,235	1,804
Gain (loss) on sale of real estate	786	(287)	1,227	(752)
	<u>14,120</u>	<u>12,023</u>	<u>41,596</u>	<u>(7,200)</u>
Income (loss) before income taxes	14,120	12,023	41,596	(7,200)
Provision for income taxes	(2,883)	(648)	(5,968)	(1,841)
	<u>(2,883)</u>	<u>(648)</u>	<u>(5,968)</u>	<u>(1,841)</u>
Net income (loss)	\$ <u>11,237</u>	\$ <u>11,375</u>	\$ <u>35,628</u>	\$ <u>(9,041)</u>
Basic earnings (loss) per share	\$ 0.33	\$ 0.34	\$ 1.04	\$ (0.32)
Diluted earnings (loss) per share	\$ 0.32	\$ 0.34	\$ 1.03	\$ (0.32)
Weighted average shares outstanding:				
Basic	<u>34,535,728</u>	<u>33,718,638</u>	<u>34,403,331</u>	<u>28,290,267</u>
Diluted	<u>34,855,481</u>	<u>33,947,369</u>	<u>34,720,700</u>	<u>28,290,267</u>

