

W.P. CAREY & CO. LLC

Funds From Operations
(in thousands except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
Net income (loss)	\$ 11,752	\$ (30,041)	\$ 24,391	\$ (20,416)
(Gain) loss on sale of real estate	(224)	18	(441)	134
FFO of equity investees in excess of equity income	1,215	1,161	1,603	1,118
Depreciation and other noncash charges	8,984	4,961	15,526	8,483
Minority interest in (loss) income in excess of distributions	(18)	116	(62)	400
Straight-line rents	(207)	(549)	(449)	(1,042)
Writeoff of straight-line rents	1,321		1,321	
Build to suit income in excess of capitalized interest		322		277
Impairment loss on real estate		331		331
Deferred management income (1)	189		392	
Termination of management contract (2)		38,000		38,000
Funds from operations	\$ 23,012	\$ 14,319	\$ 42,281	\$ 27,285
Funds From Operations per share -				
Basic	\$ 0.67	\$ 0.56	\$ 1.23	\$ 1.07
Diluted	\$ 0.66	\$ 0.56	\$ 1.22	\$ 1.06

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.

W.P. CAREY & CO. LLC

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues:				
Rental income	\$ 11,745	\$ 13,079	\$ 23,571	\$ 25,822
Interest income from direct financing leases	8,167	8,436	16,356	16,760
Other interest income	292	170	535	205
Management income from affiliates	13,505	2,843	21,048	2,843
Other income	502	630	3,213	1,482
Revenue of hotel operations	1,447	1,453	2,832	2,775
	<u>35,658</u>	<u>26,611</u>	<u>67,555</u>	<u>49,887</u>
Expenses:				
Interest	5,356	6,874	10,952	12,884
Depreciation	2,672	3,663	5,284	6,582
Amortization	3,467	437	7,313	645
General and administrative	6,650	2,405	12,891	4,090
Property expenses	2,767	2,179	4,069	3,845
Operating expenses of hotel operations	1,109	1,186	2,303	2,357
Impairment of real estate		331		331
Termination of management contract		38,000		38,000
	<u>22,021</u>	<u>55,075</u>	<u>42,812</u>	<u>68,734</u>
Income (loss) before minority interest, equity investments, gain (loss) on sale and income taxes	13,637	(28,464)	24,743	(18,847)
Minority interest in loss (income)	18	(702)	62	(1,572)
Income from equity investments	778	108	2,230	1,330
Gain (loss) on sale of real estate	224	(18)	441	(134)
Income (loss) before income taxes	14,657	(29,076)	27,476	(19,223)
Provision for income taxes	<u>(2,905)</u>	<u>(965)</u>	<u>(3,085)</u>	<u>(1,193)</u>
Net income (loss)	<u>\$ 11,752</u>	<u>\$ (30,041)</u>	<u>\$ 24,391</u>	<u>\$ (20,416)</u>
Basic earnings (loss) per share	<u>\$ 0.34</u>	<u>\$ (1.18)</u>	<u>\$ 0.71</u>	<u>\$ (0.80)</u>
Diluted earnings (loss) per share	<u>\$ 0.34</u>	<u>\$ (1.18)</u>	<u>\$ 0.70</u>	<u>\$ (0.80)</u>
Weighted average shares outstanding:				
Basic	<u>34,402,356</u>	<u>25,425,965</u>	<u>34,336,036</u>	<u>25,525,951</u>
Diluted	<u>34,719,525</u>	<u>25,425,965</u>	<u>34,652,212</u>	<u>25,525,951</u>