

W. P. CAREY & CO. LLC

Funds From Operations

(in thousands except share and per share amounts)

	Three Months Ended March 31,	
	2003	2002
Net income	\$ 17,273	\$ 13,729
Gain on sale of real estate	(164)	(1,149)
Funds from operations of equity investees in excess of equity income (loss)	902	1,564
Depreciation, amortization, deferred taxes and other noncash charges	10,049	7,879
Funds from operations applicable to minority investees in excess of minority income (loss)	(74)	(15)
Straight-line rents	136	(139)
SAB 101 adjustment		200
Funds from operations	\$ 28,122	\$ 22,069
Funds From Operations per share -		
Basic	\$ 0.77	\$ 0.63
Diluted	\$ 0.76	\$ 0.61
Weighted average shares outstanding:		
Basic	36,389,289	35,289,369
Diluted	37,211,485	35,939,985

Funds from operations is calculated as net income, excluding gains (or losses) from debt restructuring and sales of property, plus certain noncash items (primarily real estate depreciation, amortization, impairments and deferred taxes) and after adjustments for unconsolidated partnerships and joint ventures. Funds from operations is a supplemental measure of performance and does not represent net income or cash flows generated from operating activities in accordance with GAAP. It should not be considered an alternative to net income as an indication of the Company's operating performance or to cash flows as a measure of liquidity or an indicator of the Company's ability to fund its cash needs.

W. P. CAREY & CO. LLC

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

	Three Months Ended March 31,	
	2003	2002
Revenues:		
Management income from affiliates	\$ 25,793	\$ 13,485
Rental income	11,934	11,938
Interest income from direct financing leases	5,272	5,988
Interest and other income	3,463	851
Revenue of other business operations	699	688
	47,161	32,950
Expenses:		
Interest	3,923	4,284
Depreciation	2,821	2,575
Amortization	2,155	2,310
General and administrative	12,061	7,343
Property expenses	2,668	1,801
Impairment charge on real estate investments and other investments	272	-
Operating expenses of other business operations	563	512
	24,463	18,825
Income from continuing operations before minority interest, equity investments, gain on sale and income taxes	22,698	14,125
Minority interest in (income) loss	(33)	15
Income from equity investments	918	187
Gain on sale of other investments	-	94
	-	94
Income from continuing operations before income taxes and gain on sale of real estate	23,583	14,421
Provision for income taxes	(7,024)	(2,890)
	-	(2,890)
Income from continuing operations before gain on sale of real estate	16,559	11,531
Discontinued operations:		
Income from discontinued operations	550	1,049
Gain on sale of real estate	164	-
Income from discontinued operations	714	1,049
	-	1,049
Gain on sale of real estate	-	1,149
	-	1,149
Net income	\$ 17,273	\$ 13,729

W. P. CAREY & CO. LLC

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

	Three Months Ended March 31,	
	<u>2003</u>	<u>2002</u>
Basic earnings per share:		
Earnings from continuing operations	\$ 0.46	\$ 0.36
Earnings from discontinued operations	0.02	0.03
Basic earnings per share	<u>\$ 0.48</u>	<u>\$ 0.39</u>
Diluted earnings per share:		
Earnings from continuing operations	\$ 0.44	\$ 0.35
Earnings from discontinued operations	0.02	0.03
Diluted earnings per share	<u>\$ 0.46</u>	<u>\$ 0.38</u>
Weighted average shares outstanding:		
Basic	<u>36,389,289</u>	<u>35,289,369</u>
Diluted	<u>37,211,485</u>	<u>35,939,985</u>

