

W. P. CAREY & CO. LLC

Funds From Operations
(in thousands except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net income	\$ 12,974	\$ 23,592	\$ 30,247	\$ 37,321
(Gain) loss on sale of real estate	10	(11,181)	(154)	(12,330)
Non-cash settlement income	-	(2,097)	-	(2,097)
Funds from operations of equity investees in excess of equity income	1,069	1,497	1,971	3,061
Depreciation, amortization, deferred taxes and other noncash charges	6,900	8,266	16,950	16,345
Funds from operations applicable to minority investees in excess of minority income (loss)	(67)	(29)	(142)	(44)
Straight-line rents	220	(159)	356	(298)
Impairment loss on real estate	1,430	4,321	1,430	4,321
Funds from operations	\$ 22,536	\$ 24,210	\$ 50,658	\$ 46,279
Funds From Operations per share -				
Basic	\$ 0.62	\$ 0.68	\$ 1.39	\$ 1.31
Diluted	\$ 0.60	\$ 0.67	\$ 1.35	\$ 1.28

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 generally accepted accounting principles. It should not be considered an alternative to net income as an indication of the Company's operating performance or to A8cash 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 June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Revenues:				
Management income from affiliates	\$ 17,179	\$ 18,598	\$ 42,971	\$ 32,083
Rental income	11,599	11,813	23,452	23,671
Interest income from direct financing leases	5,204	5,550	10,328	11,390
Interest and other income	1,919	507	5,212	1,358
Revenue of other business operations	428	69	600	69
	<u>36,329</u>	<u>36,537</u>	<u>82,563</u>	<u>68,571</u>
Expenses:				
Interest	3,902	4,071	7,825	8,168
Depreciation	2,694	2,631	5,416	5,116
Amortization	1,756	2,310	3,911	4,620
General and administrative	10,821	9,330	22,881	16,675
Property expenses	1,434	1,054	4,101	2,854
Impairment charges on real estate and other investments	-	-	272	-
	<u>20,607</u>	<u>19,396</u>	<u>44,406</u>	<u>37,433</u>
Income from continuing operations before minority interest, equity investments, gain on sale of real estate and income taxes	15,722	17,141	38,157	31,138
Minority interest in (income) loss	(58)	29	(91)	44
Income from equity investments	1,154	442	2,072	629
Gain on sale of investments and foreign currency transactions	497	-	497	94
Income from continuing operations before gain on sale of real estate and income taxes	17,315	17,612	40,635	31,905
Provision for income taxes	(3,338)	(4,410)	(10,327)	(7,280)
Income from continuing operations before gain on sale of real estate	13,977	13,202	30,308	24,625
Discontinued operations:				
Income from operations of discontinued properties	437	3,564	1,215	4,721
(Loss)/gain on the sale of real estate	(10)	(34)	154	(34)
Impairment charge on properties held for sale	(1,430)	(4,321)	(1,430)	(4,321)
(Loss) income from discontinued operations	(1,003)	(791)	(61)	366
Gain on sale of real estate	-	11,181	-	12,330
Net income	<u>\$ 12,974</u>	<u>\$ 23,592</u>	<u>\$ 30,247</u>	<u>\$ 37,321</u>
Basic earnings per share:				
Earnings from continuing operations	\$ 0.38	\$ 0.68	\$ 0.83	\$ 1.04
Earnings from discontinued operations	(0.03)	(0.02)	-	0.01
Basic earnings per share	<u>\$ 0.35</u>	<u>\$ 0.66</u>	<u>\$ 0.83</u>	<u>\$ 1.05</u>
Diluted earnings per share:				
Earnings from continuing operations	\$ 0.37	\$ 0.67	\$ 0.81	\$ 1.03
Earnings from discontinued operations	(0.03)	(0.02)	-	0.01
Diluted earnings per share	<u>\$ 0.34</u>	<u>\$ 0.65</u>	<u>\$ 0.81</u>	<u>\$ 1.04</u>
Weighted average shares outstanding:				
Basic	<u>36,519,037</u>	<u>35,588,117</u>	<u>36,440,831</u>	<u>35,440,294</u>
Diluted	<u>37,758,129</u>	<u>36,142,003</u>	<u>37,471,475</u>	<u>36,043,107</u>