

W. P. CAREY & CO. LLC

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(in thousands, except share and per share amounts)

	<u>Three months ended March 31,</u>	
	<u>2007</u>	<u>2006</u>
Revenues		
Asset management revenue	\$ 15,034	\$ 14,362
Structuring revenue	4,583	9,892
Reimbursed costs from affiliates	3,475	2,998
Lease revenues	19,632	18,127
Other real estate income	3,174	2,383
	<u>45,898</u>	<u>47,762</u>
Operating Expenses		
General and administrative	(12,237)	(11,158)
Reimbursable costs	(3,475)	(2,998)
Depreciation and amortization	(6,944)	(5,970)
Property expenses	(1,420)	(1,668)
Other real estate expenses	(2,524)	(1,567)
	<u>(26,600)</u>	<u>(23,361)</u>
Other Income and Expenses		
Other interest income	598	727
Income from equity investments in real estate	2,438	1,550
Minority interest in income	(331)	(862)
Gain on sale of securities, foreign currency transactions and other gains, net	186	250
Interest expense	(4,863)	(4,388)
	<u>(1,972)</u>	<u>(2,723)</u>
Income from continuing operations before income taxes:	17,326	21,678
Provision for income taxes	(6,378)	(6,722)
Income from continuing operations	<u>10,948</u>	<u>14,956</u>
Discontinued Operations		
Loss from operations of discontinued properties	(148)	(534)
Impairment charges on assets held for sale	-	(3,357)
Loss from discontinued operations	<u>(148)</u>	<u>(3,891)</u>
Net Income	<u>\$ 10,800</u>	<u>\$ 11,065</u>
Basic Earnings (Loss) Per Share		
Income from continuing operations	\$ 0.28	\$ 0.40
Loss from discontinued operations	-	(0.10)
Net income	<u>\$ 0.28</u>	<u>\$ 0.30</u>
Diluted Earnings (Loss) Per Share		
Income from continuing operations	\$ 0.27	\$ 0.39
Loss from discontinued operations	-	(0.10)
Net income	<u>\$ 0.27</u>	<u>\$ 0.29</u>
Distributions Declared Per Share		
	<u>\$ 0.462</u>	<u>\$ 0.452</u>
Weighted Average Shares Outstanding		
Basic	<u>37,930,777</u>	<u>37,727,782</u>
Diluted	<u>39,851,353</u>	<u>38,627,267</u>

W. P. CAREY & CO. LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Three months ended March 31,	
	2007	2006
Cash Flows — Operating Activities		
Net income	\$ 10,800	\$ 11,065
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Depreciation and amortization including intangible assets and deferred financing costs	7,308	6,229
Income from equity investments in real estate in excess of distributions received	(32)	(247)
Minority interest in income	331	862
Straight-line rent adjustments	850	732
Management income received in shares of affiliates	(8,467)	(7,892)
Unrealized gain on foreign currency transactions, warrants and securities	(160)	(165)
Impairment charges	-	3,357
(Decrease) increase in income taxes, net	(17,786)	4,329
Realized gain on foreign currency transactions	(26)	(85)
Stock-based compensation expense	923	719
Deferred acquisition revenue received	13,882	12,543
Increase in structuring revenue receivable	(158)	(3,039)
Net changes in other operating assets and liabilities	(7,744)	(3,061)
Net cash (used in) provided by operating activities	<u>(279)</u>	<u>25,347</u>
Cash Flows — Investing Activities		
Distributions received from equity investments in real estate in excess of equity income	1,093	1,400
Purchases of real estate and equity investments in real estate	(27,710)	-
Capital expenditures	(3,881)	(674)
Release of funds from escrow in connection with the sale of property	465	-
Payment of deferred acquisition revenue to affiliate	(536)	(524)
Net cash (used in) provided by investing activities	<u>(30,569)</u>	<u>202</u>
Cash Flows — Financing Activities		
Distributions paid	(17,484)	(16,965)
Contributions from minority interests	206	506
Distributions to minority interests	(577)	(136)
Scheduled payments of mortgage principal	(2,618)	(2,916)
Proceeds from mortgages and credit facilities	54,059	10,000
Prepayments of mortgage principal and credit facilities	(13,000)	(19,000)
Release of funds from escrow in connection with the financing of properties	-	4,031
Payment of financing costs	(69)	(217)
Proceeds from issuance of shares	1,000	1,323
Excess tax benefits associated with stock based compensation award	487	77
Repurchase and retirement of shares	-	(482)
Net cash provided by (used in) financing activities	<u>22,004</u>	<u>(23,779)</u>
Change in Cash and Cash Equivalents During the Period		
Effect of exchange rate changes on cash	36	49
Net (decrease) increase in cash and cash equivalents	(8,808)	1,819
Cash and cash equivalents, beginning of period	22,108	13,014
Cash and cash equivalents, end of period	<u>\$ 13,300</u>	<u>\$ 14,833</u>

W. P. CAREY & CO. LLC

FUNDS FROM OPERATIONS (UNAUDITED)
(in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2007	2006
Net income	\$ 10,800	\$ 11,065
Funds from operations of equity investees in excess of equity income	4,390	2,825
Depreciation, amortization, deferred taxes and other noncash charges	2,747	4,125
Funds from operations applicable to minority investees in excess of minority income	(203)	(237)
Straight-line rent adjustments	833	691
Impairment charges	-	3,357
Funds from operations	<u>\$ 18,567</u>	<u>\$ 21,826</u>
Per Share Reconciliation :		
Diluted net income per share (1)	\$ 0.27	\$ 0.29
Plus: Funds from operations of equity investees in excess of equity income, net of minority interest	0.11	0.06
Plus: Depreciation, amortization, deferred taxes, straight-line rents and other noncash charges	0.09	0.13
Plus: Impairment charges	-	0.09
Diluted funds from operations per share (1)	<u>\$ 0.47</u>	<u>\$ 0.57</u>
Diluted weighted average shares outstanding	<u>39,851,353</u>	<u>38,627,267</u>

(1) Diluted net income per share and diluted funds from operations per share include the dilutive effect of securities, net of taxes.

NON-GAAP FINANCIAL DISCLOSURE

W. P. Carey & Co. LLC's (W. P. Carey) first quarter 2007 earnings press release and the aforementioned financials contain references to W. P. Carey's definition of funds from operations (FFO), which is a non-GAAP financial measure. The National Association of Real Estate Investment Trusts (NAREIT) defines funds from operations as net income computed in accordance with generally accepted accounting principles (GAAP), excluding gains or losses from sales of property, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. W. P. Carey calculates its FFO in accordance with this definition and then makes adjustments to add back certain non-cash charges to earnings, such as the amortization of intangibles, stock based compensation and impairment charges on real estate, resulting in its FFO. W. P. Carey considers its definition of FFO to be an appropriate supplemental measure of operating performance because, by excluding these non-cash charges, it can be a helpful tool to assist in the comparison of the operating performance of W. P. Carey's real estate assets between periods, or as compared to different companies. W. P. Carey's definition of FFO should not be considered as an alternative to net income as an indication of its operating performance or to net cash provided by operating activities as a measure of its liquidity. FFO and adjusted FFO disclosed by other REITs may not be comparable to W. P. Carey's FFO calculation. Please see the above table for a reconciliation of W. P. Carey's FFO to net income.