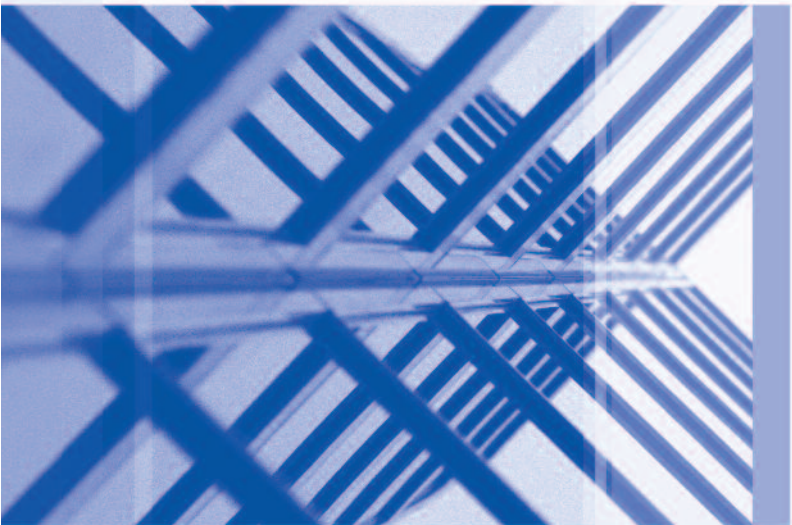


Investing for the long run™



CPA:14

Corporate Property Associates 14
2009 Second Quarter Report

A MEMBER OF THE
W. P. CAREY
GROUP

Dear Fellow Shareholders

Wm. Polk Carey founded the Corporate Property Associates series of investment programs 30 years ago with the intention of creating an investment product that provided rising income and could work in good times and in bad. CPA[®]:14 continues to perform well despite the challenging economic climate for two fundamental reasons: our portfolio was constructed with the same long-term and conservative investment discipline W. P. Carey has adhered to for decades and we continue to manage our assets diligently today.

Increasing Distributions

We are proud to have been able to continue providing you with rising income in the form of quarterly distribution payments. Our second quarter 2009 distribution increased from the prior quarter and was paid at an annualized rate of 8.30%. These cash distributions continue to be supported by both adjusted cash flow and funds from operations.

Adjusted cash flow per share	\$0.54
FFO per share	\$0.54
Distributions declared per share	\$0.3957
Payout ratio (distributions/Adjusted cash flow)	73%
Payout ratio (distributions/FFO)	73%

Portfolio Performance

Our occupancy rate of approximately 97% and long weighted-average lease term of 10.2 years are major determinants of why CPA[®]:14's cash flow has remained relatively stable through these challenging economic times. In addition, we generally structure our leases so that rent adjustments are tied to the consumer price index, providing our shareholders a potential hedge against inflation. CPA[®]:14's annualized same-tenant rent for the first six months in 2009 increased by \$1.7 million or 2.4% over the same period in 2008.

Because our portfolio is substantially invested, we seek to create shareholder value by managing lease expirations and mortgage maturities; year-to-date we refinanced approximately \$38 million of non-recourse debt over four properties at an average rate of 6.32%.

Strong Financial Position

Our portfolio occupancy remains high, although we have seen an increase in tenant defaults and experienced a related decline in cash flow. However, with more than \$100 million in cash as of June 30, 2009 and having refinanced the majority our debt maturing this year, we feel we are in a solid liquidity position. We will continue to monitor our portfolio closely, as we remain cautious about tenant defaults going forward.

On behalf of the entire W. P. Carey family, we thank you for your ongoing confidence and support. We shall continue to work diligently on your behalf to maintain our track record of excellence.

With best regards,



Wm. Polk Carey
Chairman of the Board



Gordon F. DuGan
Chief Executive Officer



Edward V. LaPuma
President

Please note that these highlights provide only a summary of the information contained in our quarterly report on Form 10-Q for the three months ended June 30, 2009, which we have filed with the Securities and Exchange Commission. We encourage you to read the full report, which can be found at www.cpa14.com.

Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

	Six months ended June 30,	
	2009	2008
Cash Flows — Operating Activities		
Net income	\$ 25,834	\$ 33,228
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization, including intangible assets and deferred financing costs	17,122	19,418
Straight-line rent adjustments	3,317	(1,237)
Income from equity investments in real estate in excess of distributions received	1,185	981
Issuance of shares to affiliate in satisfaction of fees due	5,008	6,158
Realized gain on sale of real estate	(8,611)	(159)
Realized loss (gain) on foreign currency transactions, derivative instruments and other, net	25	(2,231)
Unrealized loss on foreign currency transactions, derivative instruments and other, net	101	351
Reversal of unrealized gain on derivatives	—	708
Change in other operating assets and liabilities, net	(3,517)	(68)
Net cash provided by operating activities	40,464	57,149
Cash Flows — Investing Activities		
Equity distributions received in excess of equity income in real estate	7,206	2,400
Capital expenditures	(2,622)	(6)
Proceeds from sale of real estate and securities	26,247	7,136
Payment of deferred acquisition fees to an affiliate	(3,638)	(3,846)
Net cash provided by investing activities	27,193	5,684
Cash Flows — Financing Activities		
Distributions paid	(34,593)	(34,301)
Distributions paid to noncontrolling interests	(1,737)	(1,560)
Proceeds from mortgages	5,000	3,215
Prepayment of mortgage principal	(22,219)	(5,339)
Scheduled payments of mortgage principal	(8,945)	(8,798)
Deferred financing costs and mortgage deposits	(578)	(774)
Proceeds from stock issuance, net of costs	4,598	4,550
Purchase of treasury stock	(21,882)	(8,070)
Net cash used in financing activities	(80,356)	(51,077)
Change in Cash and Cash Equivalents During the Period		
Effect of exchange rate changes on cash	171	1,185
Net (decrease) increase in cash and cash equivalents	(12,528)	12,941
Cash and cash equivalents, beginning of period	125,746	122,503
Cash and cash equivalents, end of period	\$ 113,218	\$ 135,444

Consolidated Balance Sheets (Unaudited)

(in thousands, except share and per share amounts)

	June 30, 2009	December 31, 2008 (NOTE)
Assets		
Real estate, net	\$ 1,064,886	\$ 1,087,036
Net investment in direct financing leases	114,953	124,731
Equity investments in real estate	148,394	156,344
Cash and cash equivalents	113,218	125,746
Intangible assets, net	69,687	72,877
Other assets, net	72,222	70,696
Total assets	\$ 1,583,360	\$ 1,637,430
Liabilities and Equity		
Liabilities:		
Non-recourse debt	\$ 784,834	\$ 810,794
Accounts payable, accrued expenses and other liabilities	19,126	19,149
Prepaid and deferred rental income and security deposits	24,760	25,650
Due to affiliates	15,529	21,322
Distributions payable	17,195	17,315
Total liabilities	861,444	894,230
Commitments and contingencies		
Equity:		
CPA*:14 shareholders' equity:		
Common stock, \$0.001 par value; 120,000,000 shares authorized; 94,394,495 and 93,654,012 shares issued, respectively	94	94
Additional paid-in capital	925,675	916,069
Distributions in excess of accumulated earnings	(136,998)	(127,093)
Accumulated other comprehensive income	5,781	4,427
	794,552	793,497
Less, treasury stock at cost, 7,593,461 and 5,804,003 shares, respectively	(88,727)	(66,845)
Total CPA*:14 shareholders' equity	705,825	726,652
Noncontrolling interests	16,091	16,548
Total equity	721,916	743,200
Total liabilities and equity	\$ 1,583,360	\$ 1,637,430

Note: The consolidated balance sheet at December 31, 2008 has been derived from the consolidated financial statements at that date as adjusted.

Consolidated Statements of Income (Unaudited)

(in thousands, except share and per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Revenues				
Rental income	\$ 36,760	\$ 36,461	\$ 71,660	\$ 72,033
Interest income from direct financing leases	3,513	3,841	7,240	7,649
Other operating income	1,424	830	2,472	2,362
	<u>41,697</u>	<u>41,132</u>	<u>81,372</u>	<u>82,044</u>
Operating Expenses				
Depreciation and amortization	(8,012)	(8,263)	(15,843)	(16,511)
Property expenses	(9,377)	(7,825)	(21,704)	(16,218)
General and administrative	(1,712)	(3,139)	(3,343)	(5,145)
	<u>(19,101)</u>	<u>(19,227)</u>	<u>(40,890)</u>	<u>(37,874)</u>
Other Income and Expenses				
Advisor settlement	—	—	—	10,868
Income from equity investments in real estate	3,856	2,862	7,104	6,127
Other interest income	428	1,143	781	2,423
Other income and expenses	378	394	(126)	1,162
Interest expense	(15,401)	(15,885)	(30,084)	(31,794)
	<u>(10,739)</u>	<u>(11,486)</u>	<u>(22,325)</u>	<u>(11,214)</u>
Income from continuing operations before income taxes	11,857	10,419	18,157	32,956
Provision for income taxes	(1,059)	(827)	(1,570)	(1,538)
Income from continuing operations	<u>10,798</u>	<u>9,592</u>	<u>16,587</u>	<u>31,418</u>
Discontinued Operations				
Income from operations of discontinued properties	205	851	636	1,651
Gain on sale of real estate	8,209	159	8,611	159
Income from discontinued operations	<u>8,414</u>	<u>1,010</u>	<u>9,247</u>	<u>1,810</u>
Net Income	<u>19,212</u>	<u>10,602</u>	<u>25,834</u>	<u>33,228</u>
Less: Net income attributable to noncontrolling interests	(628)	(378)	(1,266)	(817)
Net Income Attributable to CPA®:14 Shareholders	<u>\$ 18,584</u>	<u>\$ 10,224</u>	<u>\$ 24,568</u>	<u>\$ 32,411</u>
Earnings Per Share				
Income from continuing operations attributable to CPA®:14 shareholders	\$ 0.12	\$ 0.11	\$ 0.17	\$ 0.35
Income from discontinued operations attributable to CPA®:14 shareholders	0.09	0.01	0.11	0.02
Net income attributable to CPA®:14 shareholders	<u>\$ 0.21</u>	<u>\$ 0.12</u>	<u>\$ 0.28</u>	<u>\$ 0.37</u>
Weighted Average Shares Outstanding	<u>87,485,222</u>	<u>88,191,615</u>	<u>87,721,704</u>	<u>88,105,996</u>
Amounts Attributable to CPA®:14 Shareholders				
Income from continuing operations, net of tax	\$ 10,170	\$ 9,214	\$ 15,321	\$ 30,601
Income from discontinued operations, net of tax	8,414	1,010	9,247	1,810
Net income	<u>\$ 18,584</u>	<u>\$ 10,224</u>	<u>\$ 24,568</u>	<u>\$ 32,411</u>
Distributions Declared Per Share	<u>\$ 0.1981</u>	<u>\$ 0.1959</u>	<u>\$ 0.3957</u>	<u>\$ 0.3913</u>



c/o Phoenix American Financial Services
2401 Kerner Boulevard
San Rafael, CA 94901

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