

CPA:15

CORPORATE PROPERTY ASSOCIATES 15

2007 SECOND QUARTER
REPORT



GENERATING INCOME
FOR INVESTORS SINCE 2001

A MEMBER OF THE

W. P. CAREY
GROUP

DEAR FELLOW SHAREHOLDERS

We are pleased to provide you with updated information about our portfolio for the second quarter of 2007. Among the highlights were:

PORTFOLIO UPDATE

During the second quarter of 2007, we provided \$172 million of a total \$446 million in financing to German Do-It-Yourself Retailer, Hellweg Die Profi-Baumärkte GmbH & Co. KG, through a partial purchase of Hellweg's real estate subsidiary and a loan collateralized by 37 operating sites. This came as a follow-on transaction to a \$154 million sale-leaseback that we and an affiliate completed with Hellweg in 2005.

We are pleased to report that Tower Automotive, Inc., a tenant that manufactures parts for the automotive industry and that had been operating under bankruptcy protection, affirmed its lease with us upon emerging from bankruptcy protection this July.

We continually strive to create value for our portfolio of properties by restructuring leases, refinancing mortgages, selling and releasing properties. As of June 30, 2007, our portfolio consisted of our full or partial ownership interest in 372 properties leased to 83 tenants, totaling approximately 32 million square feet. We are proud to convey that our portfolio of properties is approximately 99.8% occupied.

DISTRIBUTION INCREASE

In June 2007, our board of directors increased the 2007 second quarter distribution to \$0.1664 per share, which was paid in July to shareholders of record as of June 29, 2007.

DISTRIBUTION REINVESTMENT AND SHARE PURCHASE PLAN (DRIP)

As a reminder, our DRIP enables you to reinvest your quarterly distributions in new CPA®:15 shares at our current Net Asset Value and enjoy the effects of compounding returns. It's a convenient and cost-effective way to increase your investment portfolio. For more information about how you can take advantage of this program, please contact our Investor Relations Department at 1-800-WP CAREY or IR@wpcarey.com.

ONLINE ACCOUNT ACCESS

Please consider receiving your future investor correspondence, such as this quarterly report, electronically. Register at www.wpcarey.com/ShareholderAccess and you will find a convenient and cost-effective way to access your CPA®:15 investment information online 24 hours a day, seven days a week. In addition to lowering shareholder expenses, you will be able to access your current investment balances and distribution history, among other options.

On behalf of the entire CPA®:15 family, we thank you for your continued confidence and support.

With best regards,



Wm. Polk Carey
Chairman of the Board



Gordon F. DuGan
Chief Executive Officer



Benjamin P. Harris
President

Please note that this letter provides only a summary of the information contained in our quarterly report on Form 10-Q for the three months ended June 30, 2007, which we have filed with the Securities and Exchange Commission. We encourage you to read the full report, which can be found at www.cpa15.com.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)

	Six months ended June 30,	
	2007	2006
CASH FLOWS — OPERATING ACTIVITIES		
Net income	\$ 29,317	\$ 37,832
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization including intangible assets and deferred financing costs	31,667	31,782
Straight-line rent adjustments	2,500	3,020
Income from equity investments in real estate in excess of distributions received	(1,537)	(1,109)
Minority interest in income	13,290	18,771
Issuance of shares to affiliate in satisfaction of fees due	7,150	6,387
Impairment charge	—	27,571
Realized gain on foreign currency transactions and other gains, net	(533)	(145)
Unrealized loss (gain) on foreign currency transactions and other gains, net	233	(1,220)
Gains on sale of real estate, net	—	(45,186)
Changes in operating assets and liabilities	6,109	(4,777)
Net cash provided by operating activities	88,196	72,926
CASH FLOWS — INVESTING ACTIVITIES		
Distributions from equity investments in real estate in excess of equity income	5,371	534
Acquisitions of real estate and equity investments in real estate and other capital expenditures	(35,445)	(181,606)
VAT taxes paid in connection with acquisition of real estate	(2,336)	—
Proceeds from sale of real estate	—	217,081
Increase in cash due to consolidation of certain ventures	—	8,181
Payment of deferred acquisition fees to an affiliate	(10,802)	(9,455)
Net cash (used in) provided by investing activities	(43,212)	34,735
CASH FLOWS — FINANCING ACTIVITIES		
Distributions paid	(42,386)	(41,130)
Distributions paid to minority interest partners	(16,450)	(63,641)
Contributions from minority interest partners	808	9,869
Proceeds from mortgages	29,938	145,222
Scheduled payments of mortgage principal	(18,849)	(15,468)
Prepayment of mortgage principal	—	(89,226)
Loan from affiliate	—	84,000
Repayment of loan from affiliate	—	(84,000)
Deferred financing costs and mortgage deposits, net of deposits refunded	280	(314)
Proceeds from issuance of shares, net of costs	10,108	9,657
Purchase of treasury stock	(15,875)	(10,599)
Net cash used in financing activities	(52,426)	(55,630)
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		
Effect of exchange rate changes on cash	1,101	1,916
Net (decrease) increase in cash and cash equivalents	(6,341)	53,947
Cash and cash equivalents, beginning of period	174,375	131,448
Cash and cash equivalents, end of period	\$ 168,034	\$ 185,395

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in thousands except share and per share amounts)

	June 30, 2007	December 31, 2006 (NOTE)
ASSETS		
Real estate, net	\$ 2,149,159	\$ 2,129,076
Net investment in direct financing leases	484,558	480,699
Equity investments in real estate	138,920	116,577
Real estate under construction	—	11,587
Cash and cash equivalents	168,034	174,375
Intangible assets, net	275,957	285,651
Funds in escrow	58,983	56,900
Other assets, net	90,350	81,431
Total assets	\$ 3,365,961	\$ 3,336,296
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Limited recourse mortgage notes payable	\$ 1,874,233	\$ 1,845,884
Prepaid and deferred rental income and security deposits	85,460	80,763
Accounts payable, accrued expenses and other liabilities	31,358	27,102
Due to affiliates	32,069	39,703
Distributions payable	21,371	21,099
Total liabilities	2,044,491	2,014,551
Minority interest in consolidated entities	277,516	275,809
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$0.001 par value; 240,000,000 shares authorized; 134,154,732 and 132,562,897 shares issued and outstanding, respectively	134	133
Additional paid-in capital	1,228,880	1,211,624
Distributions in excess of accumulated earnings	(152,744)	(139,223)
Accumulated other comprehensive income	23,402	13,245
	1,099,672	1,085,779
Less, treasury stock at cost, 5,724,300 and 4,178,710 shares, respectively	(55,718)	(39,843)
Total shareholders' equity	1,043,954	1,045,936
Total liabilities and shareholders' equity	\$ 3,365,961	\$ 3,336,296

NOTE: The consolidated balance sheet at December 31, 2006 has been derived from the audited consolidated financial statements at that date.

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(in thousands, except share and per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
REVENUES				
Rental income	\$ 61,073	\$ 58,270	\$ 120,214	\$ 112,409
Interest income from direct financing leases	11,019	10,366	21,641	20,410
Other operating income	2,194	1,851	3,725	2,188
	<u>74,286</u>	<u>70,487</u>	<u>145,580</u>	<u>135,007</u>
OPERATING EXPENSES				
Depreciation and amortization	(15,906)	(15,454)	(31,490)	(29,753)
Property expenses	(9,395)	(8,867)	(18,751)	(16,610)
General and administrative	(2,722)	(2,550)	(4,766)	(5,166)
Impairment charge	—	(18,957)	—	(18,957)
	<u>(28,023)</u>	<u>(45,828)</u>	<u>(55,007)</u>	<u>(70,486)</u>
OTHER INCOME AND EXPENSES				
Income from equity investments in real estate	2,050	1,781	4,757	4,194
Interest and other income	3,581	1,561	5,842	2,913
Minority interest in income	(6,718)	(282)	(13,290)	(6,745)
Gain on foreign currency transactions and other gains, net	561	1,091	299	1,443
Interest expense	(28,347)	(28,479)	(56,234)	(54,779)
	<u>(28,873)</u>	<u>(24,328)</u>	<u>(58,626)</u>	<u>(52,974)</u>
Income from continuing operations before income taxes	17,390	331	31,947	11,547
Provision for income taxes	(1,877)	(253)	(3,058)	(102)
Income from continuing operations	<u>15,513</u>	<u>78</u>	<u>28,889</u>	<u>11,445</u>
DISCONTINUED OPERATIONS				
Income (loss) from operations of discontinued properties	223	(623)	428	1,841
Gains on sale of real estate, net	—	42,870	—	45,186
Impairment charge	—	(8,614)	—	(8,614)
Minority interest in income	—	(11,218)	—	(12,026)
Income from discontinued operations	<u>223</u>	<u>22,415</u>	<u>428</u>	<u>26,387</u>
NET INCOME	<u>\$ 15,736</u>	<u>\$ 22,493</u>	<u>\$ 29,317</u>	<u>\$ 37,832</u>
EARNINGS PER SHARE				
Income from continuing operations	\$ 0.12	\$ —	\$ 0.23	\$ 0.08
Income from discontinued operations	—	0.17	—	0.21
Net income	<u>\$ 0.12</u>	<u>\$ 0.17</u>	<u>\$ 0.23</u>	<u>\$ 0.29</u>
WEIGHTED AVERAGE				
SHARES OUTSTANDING	<u>129,124,801</u>	<u>128,573,708</u>	<u>128,961,591</u>	<u>128,296,778</u>
DISTRIBUTIONS DECLARED PER SHARE	<u>\$ 0.1664</u>	<u>\$ 0.1624</u>	<u>\$ 0.3318</u>	<u>\$ 0.3238</u>



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