

Investing for the long run™



**CPA:15**

Corporate Property Associates 15  
2009 First Quarter Report

A MEMBER OF THE

W. P. CAREY

GROUP

## Dear Fellow Shareholders

The Corporate Property Associates series of investment programs was founded 30 years ago with the intention of creating an investment product that provided rising income and could work in good times and in bad. Despite turbulent economic conditions, CPA<sup>®</sup>:15 continues to perform well today. We attribute this performance to our long-term investment strategy, rigorous risk management process and broad portfolio diversification.

### Investing for the Long Run™

We believe in a long-term investment strategy and thus secure long lease terms and long-term non-recourse debt on our investments. Now that our portfolio is substantially invested in assets meeting these parameters, we seek to create additional value for our investors through lease renewals, mortgage refinancings, strategic asset sales and investment restructurings, which can be challenging in today's environment.

However, in the first quarter of 2009, we sold a property for proceeds of \$4.1 million. In addition, in April, we and an affiliate refinanced a non-recourse mortgage loan of \$18.7 million on a CompuCom Systems Inc. office/data center in Dallas, Texas that was scheduled to mature in May 2009 for a new \$22.6 million non-recourse mortgage loan.

### Diversification

We diversify our portfolio by industry, tenant and geography in order to limit our exposure to any one tenant or region and because we believe companies in the same industry tend to correlate in terms of how they perform in a downturn. Our portfolio currently consists of 367 properties leased to 83 tenants in 24 industries located in 38 states and 8 countries. As of March 31, 2009, our portfolio was approximately 99% occupied. While we are pleased with our performance, we remain cautious about

corporate defaults and bankruptcies in this environment. However, we feel we are well positioned to deal with potential defaults not only because of our diversification but also because we seek to acquire properties critical to each company's business.

### Strong Financial Position

We are pleased to have been able to continue providing you with rising income in the form of quarterly distribution payments. Our distributions are well covered by adjusted cash flow and our payout ratio for the first quarter of 2009—the percentage of adjusted cash flow we pay out in distributions—was 76%. We believe this coverage is important to maintaining and growing our dividend. We are also pleased to report that our Board recently increased the second quarter distribution to an annualized rate of 7.25%.

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

With best regards,



Wm. Polk Carey  
*Chairman of the Board*



Gordon F. DuGan  
*Chief Executive Officer*



Benjamin P. Harris  
*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 March 31, 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.cpa15.com](http://www.cpa15.com).*

# Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

	Three months ended March 31,	
	2009	2008
<b>Cash Flows — Operating Activities</b>		
Net (loss) income	\$ (3,592)	\$ 34,750
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization including intangible assets and deferred financing costs	15,579	16,700
Straight-line rent adjustments	1,830	1,075
Income from equity investments in real estate in excess of distributions received	(430)	(473)
Issuance of shares to affiliate in satisfaction of fees due	4,036	4,018
Realized gain on foreign currency transactions, derivative instruments and other, net	425	(1,010)
Unrealized loss (gain) on foreign currency transactions, derivative instruments and other, net	439	(3,067)
Gain on sale of real estate	(851)	—
Impairment charges	23,830	—
Receivable for advisor settlement	—	(9,111)
Changes in operating assets and liabilities	(4,395)	(1,856)
<b>Net cash provided by operating activities</b>	<b>36,871</b>	<b>41,026</b>
<b>Cash Flows — Investing Activities</b>		
Distributions from equity investments in real estate in excess of equity income	2,612	384
Capital expenditures	(43)	(278)
Proceeds from sale of real estate	4,129	—
Repayment of loan by affiliate	—	7,569
Payment of deferred acquisition fees to an affiliate	(6,903)	(8,413)
<b>Net cash used in investing activities</b>	<b>(205)</b>	<b>(738)</b>
<b>Cash Flows — Financing Activities</b>		
Distributions paid <sup>(a)</sup>	(22,037)	(32,055)
Distributions paid to noncontrolling interests	(13,809)	(5,159)
Contributions from noncontrolling interests	159	—
Prepayment of mortgage principal	(2,745)	—
Scheduled payments of mortgage principal	(15,687)	(11,130)
Proceeds from issuance of shares, net of costs	5,103	5,110
Purchase of treasury stock	(17,946)	(9,073)
<b>Net cash used in financing activities</b>	<b>(66,962)</b>	<b>(52,307)</b>
<b>Change in Cash and Cash Equivalents During the Period</b>		
Effect of exchange rate changes on cash	(3,596)	6,434
Net decrease in cash and cash equivalents	(33,892)	(5,585)
Cash and cash equivalents, beginning of period	112,032	166,851
Cash and cash equivalents, end of period	<b>\$ 78,140</b>	<b>\$ 161,266</b>

(a) Includes a special distribution of \$10.2 million (\$0.08 per share) declared in December 2007 and paid in January 2008.

## Consolidated Balance Sheets (Unaudited)

(in thousands, except share and per share amounts)

	March 31, 2009	December 31, 2008 (NOTE)
<b>Assets</b>		
Real estate, net	\$ 2,008,412	\$ 2,067,658
Net investment in direct financing leases	410,750	448,635
Equity investments in real estate	192,894	199,124
Cash and cash equivalents	78,140	112,032
Intangible assets, net	227,461	241,083
Other assets, net	138,616	120,673
Total assets	\$ 3,056,273	\$ 3,189,205
<b>Liabilities and Equity</b>		
Liabilities:		
Non-recourse debt	\$ 1,735,136	\$ 1,805,397
Accounts payable, accrued expenses and other liabilities	54,225	34,214
Prepaid and deferred rental income and security deposits	75,848	81,064
Due to affiliates	19,642	28,327
Distributions payable	21,963	22,055
Total liabilities	1,906,814	1,971,057
Commitments and contingencies		
Equity:		
CPA <sup>®</sup> :15 shareholders' equity:		
Common stock, \$0.001 par value; 240,000,000 shares authorized; 139,629,898 and 138,840,480 shares issued, respectively	140	139
Additional paid-in capital	1,291,964	1,282,826
Distributions in excess of accumulated earnings	(240,820)	(207,949)
Accumulated other comprehensive (loss) income	(14,807)	460
	1,036,477	1,075,476
Less, treasury stock at cost, 13,985,173 and 12,308,293 shares, respectively	(147,179)	(129,233)
Total CPA <sup>®</sup> :15 shareholders' equity	889,298	946,243
Noncontrolling interests	260,161	271,905
Total equity	1,149,459	1,218,148
Total liabilities and equity	\$ 3,056,273	\$ 3,189,205

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 Operations (Unaudited)

(in thousands, except share and per share amounts)

	Three months ended March 31,	
	2009	2008
<b>Revenues</b>		
Rental income	\$ 60,583	\$ 62,830
Interest income from direct financing leases	9,904	11,889
Other operating income	2,198	1,468
	<u>72,685</u>	<u>76,187</u>
<b>Operating Expenses</b>		
Depreciation and amortization	(15,220)	(16,316)
Property expenses	(11,998)	(10,152)
General and administrative	(2,336)	(3,288)
Impairment charges	(23,830)	—
	<u>(53,384)</u>	<u>(29,756)</u>
<b>Other Income and Expenses</b>		
Advisor settlement	—	9,111
Income from equity investments in real estate	4,014	4,495
Other interest income	847	1,825
Other income and expenses	(858)	4,077
Interest expense	(25,582)	(28,943)
	<u>(21,579)</u>	<u>(9,435)</u>
(Loss) income from continuing operations before income taxes	(2,278)	36,996
Provision for income taxes	(1,770)	(2,434)
(Loss) income from continuing operations	<u>(4,048)</u>	<u>34,562</u>
<b>Discontinued Operations</b>		
(Loss) income from operations of discontinued properties	(395)	188
Gain on sale of real estate	851	—
Income from discontinued operations	<u>456</u>	<u>188</u>
<b>Net (Loss) Income</b>	<u>(3,592)</u>	<u>34,750</u>
Less: Net income attributable to noncontrolling interests	(7,334)	(8,991)
<b>Net (Loss) Income Attributable to CPA®:15 Shareholders</b>	<u>\$ (10,926)</u>	<u>\$ 25,759</u>
<b>(Loss) Earnings Per Share</b>		
(Loss) income from continuing operations attributable to CPA®:15 shareholders	\$ (0.09)	\$ 0.20
Income from discontinued operations attributable to CPA®:15 shareholders	—	—
<b>Net (loss) income attributable to CPA®:15 shareholders</b>	<u>\$ (0.09)</u>	<u>\$ 0.20</u>
<b>Weighted Average Shares Outstanding</b>	<u>126,867,507</u>	<u>128,978,875</u>
<b>Amounts Attributable to CPA®:15 Shareholders</b>		
(Loss) income from continuing operations, net of tax	\$ (11,382)	\$ 25,571
Income from discontinued operations, net of tax	456	188
<b>Net (loss) income</b>	<u>\$ (10,926)</u>	<u>\$ 25,759</u>
<b>Distributions Declared Per Share</b>	<u>\$ 0.1748</u>	<u>\$ 0.1704</u>



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