

Investing for the long run™



CPA:15

Corporate Property Associates 15
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[®]:15 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 7.25%. These cash distributions continue to be supported by both adjusted cash flow and funds from operations.

Adjusted cash flow per share	\$0.39
FFO per share	\$0.47
Distributions declared per share	\$0.3546
Payout ratio (distributions/Adjusted cash flow)	91%
Payout ratio (distributions/FFO)	75%

Portfolio Performance

Our occupancy rate of approximately 98% and long weighted-average lease term of 11.6 years are major determinants of why CPA[®]:15'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[®]:15's annualized same-tenant rent for the first six months in 2009 increased by \$3.8 million or 3.1% over the same period in 2008. Our cash flow for the second quarter of 2009 decreased compared with the same period last year due to an increase in tenant defaults,

which we will continue to monitor closely going forward, as well as the delayed receipt of a rent increase in the third quarter that should have been received in the second quarter.

Now that our portfolio is substantially invested, we seek to create shareholder value by managing lease expirations and mortgage maturities; year-to-date, we refinanced \$16.9 million of non-recourse debt over three properties at an average rate of 6.18%.

Strong Financial Position

With more than \$60 million in cash as of June 30, 2009 and having refinanced a significant portion of our debt maturing this year, we feel we are in a solid liquidity position.

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



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 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.cpa15.com.

Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

	Six months ended June 30,	
	2009	2008
Cash Flows — Operating Activities		
Net income	\$ 6,125	\$ 57,521
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization including intangible assets and deferred financing costs	31,219	36,499
Straight-line rent adjustments	4,270	2,912
Income from equity investments in real estate in excess of distributions received	(1,354)	(126)
Issuance of shares to affiliate in satisfaction of fees due	6,955	7,997
Realized loss (gain) on foreign currency transactions, derivative instruments and other, net	561	(4,086)
Unrealized gain on foreign currency transactions, derivative instruments and other, net	(1,170)	(3,116)
Gain on sale of real estate	(851)	(90)
Impairment charges	33,450	—
Increase in cash held in escrow for operating activities	(14,517)	(7,062)
Changes in operating assets and liabilities	4,275	7,017
Net cash provided by operating activities	68,963	97,466
Cash Flows — Investing Activities		
Distributions from equity investments in real estate in excess of equity income	3,805	979
Capital expenditures	(659)	(319)
Proceeds from sale of real estate	4,129	1,010
Repayment of loan by affiliate	—	7,569
Payment of deferred acquisition fees to an affiliate	(6,903)	(8,413)
Net cash provided by investing activities	372	826
Cash Flows — Financing Activities		
Distributions paid ^(a)	(44,001)	(53,952)
Distributions paid to noncontrolling interests	(23,086)	(17,408)
Contributions from noncontrolling interests	797	—
Proceeds from mortgages	25,234	—
Prepayment of mortgage principal	(2,745)	(750)
Scheduled payments of mortgage principal	(48,443)	(21,354)
Proceeds from issuance of shares, net of costs	10,066	9,352
Purchase of treasury stock	(37,247)	(20,439)
Net cash used in financing activities	(119,425)	(104,551)
Change in Cash and Cash Equivalents During the Period		
Effect of exchange rate changes on cash	(191)	6,477
Net (decrease) increase in cash and cash equivalents	(50,281)	218
Cash and cash equivalents, beginning of period	112,032	166,851
Cash and cash equivalents, end of period	\$ 61,751	\$ 167,069

(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)

	June 30, 2009	December 31, 2008
		(NOTE)
Assets		
Real estate, net	\$ 2,037,756	\$ 2,067,658
Net investment in direct financing leases	420,265	448,635
Equity investments in real estate	196,813	199,124
Cash and cash equivalents	61,751	112,032
Intangible assets, net	225,883	241,083
Other assets, net	146,658	120,673
Total assets	<u>\$ 3,089,126</u>	<u>\$ 3,189,205</u>
Liabilities and Equity		
Liabilities:		
Non-recourse debt	\$ 1,782,439	\$ 1,805,397
Accounts payable, accrued expenses and other liabilities	45,750	34,214
Prepaid and deferred rental income and security deposits	84,382	81,064
Due to affiliates	18,235	28,327
Distributions payable	22,394	22,055
Total liabilities	<u>1,953,200</u>	<u>1,971,057</u>
Commitments and contingencies		
Equity:		
CPA [®] :15 shareholders' equity:		
Common stock, \$0.001 par value; 240,000,000 shares authorized; 140,337,953 and 138,840,480 shares issued, respectively	140	139
Additional paid-in capital	1,299,846	1,282,826
Distributions in excess of accumulated earnings	(261,043)	(207,949)
Accumulated other comprehensive income	134	460
	<u>1,039,077</u>	<u>1,075,476</u>
Less, treasury stock at cost, 15,789,913 and 12,308,293 shares, respectively	(166,480)	(129,233)
Total CPA [®] :15 shareholders' equity	<u>872,597</u>	<u>946,243</u>
Noncontrolling interests	263,329	271,905
Total equity	<u>1,135,926</u>	<u>1,218,148</u>
Total liabilities and equity	<u>\$ 3,089,126</u>	<u>\$ 3,189,205</u>

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 June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Revenues				
Rental income	\$ 62,429	\$ 63,957	\$ 123,012	\$ 126,787
Interest income from direct financing leases	10,116	11,862	20,020	23,751
Other operating income	894	1,259	3,092	2,727
	<u>73,439</u>	<u>77,078</u>	<u>146,124</u>	<u>153,265</u>
Operating Expenses				
Depreciation and amortization	(15,324)	(19,482)	(30,544)	(35,798)
Property expenses	(12,616)	(10,515)	(24,614)	(20,667)
General and administrative	(2,281)	(2,070)	(4,617)	(5,358)
Impairment charges	(9,620)	—	(33,450)	—
	<u>(39,841)</u>	<u>(32,067)</u>	<u>(93,225)</u>	<u>(61,823)</u>
Other Income and Expenses				
Advisor settlement	—	—	—	9,111
Income from equity investments in real estate	3,524	3,599	7,538	8,094
Other interest income	559	1,525	1,406	3,350
Other income and expenses	1,472	3,783	614	7,860
Interest expense	(26,941)	(29,417)	(52,523)	(58,360)
	<u>(21,386)</u>	<u>(20,510)</u>	<u>(42,965)</u>	<u>(29,945)</u>
Income from continuing operations before income taxes	12,212	24,501	9,934	61,497
Provision for income taxes	(2,711)	(2,080)	(4,481)	(4,514)
Income from continuing operations	<u>9,501</u>	<u>22,421</u>	<u>5,453</u>	<u>56,983</u>
Discontinued Operations				
Income (loss) from operations of discontinued properties	216	260	(179)	448
Gain on sale of real estate	—	90	851	90
Income from discontinued operations	<u>216</u>	<u>350</u>	<u>672</u>	<u>538</u>
Net Income	<u>9,717</u>	<u>22,771</u>	<u>6,125</u>	<u>57,521</u>
Less: Net income attributable to noncontrolling interests	(7,545)	(8,743)	(14,879)	(17,734)
Net Income (Loss) Attributable to CPA®:15 Shareholders	<u>\$ 2,172</u>	<u>\$ 14,028</u>	<u>\$ (8,754)</u>	<u>\$ 39,787</u>
Earnings (Loss) Per Share				
Income (loss) from continuing operations attributable to CPA®:15 shareholders	\$ 0.02	\$ 0.11	\$ (0.08)	\$ 0.30
Income from discontinued operations attributable to CPA®:15 shareholders	—	—	0.01	0.01
Net income (loss) attributable to CPA®:15 shareholders	<u>\$ 0.02</u>	<u>\$ 0.11</u>	<u>\$ (0.07)</u>	<u>\$ 0.31</u>
Weighted Average Shares Outstanding	<u>125,845,961</u>	<u>128,895,090</u>	<u>126,353,912</u>	<u>128,936,983</u>
Amounts Attributable to CPA®:15 Shareholders				
Income (loss) from continuing operations, net of tax	\$ 1,956	\$ 13,678	\$ (9,426)	\$ 39,249
Income from discontinued operations, net of tax	216	350	672	538
Net income (loss)	<u>\$ 2,172</u>	<u>\$ 14,028</u>	<u>\$ (8,754)</u>	<u>\$ 39,787</u>
Distributions Declared Per Share	<u>\$ 0.1798</u>	<u>\$ 0.1719</u>	<u>\$ 0.3546</u>	<u>\$ 0.3423</u>



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