

Investing for the long run™



CPA:15

Corporate Property Associates 15
2009 Third 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 third quarter 2009 distribution increased from the prior quarter and was paid at an annualized rate of 7.26%. These cash distributions continue to be supported by both adjusted cash flow from operating activities and funds from operations, as adjusted (AFFO).

Adjusted cash flow per share	\$0.72
AFFO per share	\$0.77
Distributions declared per share	\$0.5347
Payout ratio (distributions/Adjusted cash flow)	74%
Payout ratio (distributions/AFFO)	69%

For the nine months ended September 30, 2009

Portfolio Performance

Our occupancy rate of approximately 97% and long weighted-average lease term of 11.8 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 nine months of 2009 increased by approximately 3% over the same period in 2008.

We are pleased to report that, despite an increase in tenant defaults and a \$6.7 million net loss year-to-date due primarily to impairments, our distributions continue to be covered by adjusted cash flow from operating activities. We remain focused on increasing this metric, which is key to maintaining and growing our distributions and believe our portfolio is well positioned for the future because we have attempted to diversify by tenant, industry, property type and region.

Strong Financial Position

With no major debt coming due in the short term, we feel we are in a solid liquidity position to start the new year. We will continue to monitor our portfolio closely, as we remain cautious about tenant defaults.

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 strong track record.

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 and nine months ended September 30, 2009, which we filed with the Securities and Exchange Commission (SEC) on November 13, 2009. This letter also contains references to certain non-GAAP financial measures, including adjusted cash flow from operating activities and AFFO. A description of these non-GAAP measures and reconciliations to the most directly comparable GAAP measures can be found in our Supplemental Information attached as an exhibit to the current report on Form 8-K that we filed with the SEC on November 23, 2009. We encourage you to read both documents, either on the SEC website, www.sec.gov, or at www.cpa15.com.

Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

	Nine months ended September 30,	
	2009	2008
Cash Flows — Operating Activities		
Net income	\$ 15,204	\$ 60,824
Adjustments to net income:		
Depreciation and amortization including intangible assets and deferred financing costs	47,278	52,318
Straight-line rent adjustments	4,874	3,816
Loss (income) from equity investments in real estate in excess of distributions received	4,608	(307)
Issuance of shares to affiliate in satisfaction of fees due	9,887	11,948
Realized loss (gain) on foreign currency transactions, derivative instruments and other, net	920	(8,346)
Unrealized (gain) loss on foreign currency transactions, derivative instruments and other, net	(1,898)	1,128
Gain on sale of real estate, net	(9,836)	(90)
Impairment charges	47,216	17,233
(Increase) decrease in cash held in escrow for operating activities	(9,011)	1,076
Changes in operating assets and liabilities	3,802	7,101
Net cash provided by operating activities	113,044	146,701
Cash Flows — Investing Activities		
Distributions from equity investments in real estate in excess of equity income	5,790	1,773
Capital expenditures	(1,490)	(8,346)
Contributions to equity investments in real estate	—	(8,708)
Proceeds from sale of real estate	5,023	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 (used in) investing activities	2,420	(15,115)
Cash Flows — Financing Activities		
Distributions paid ^(a)	(66,395)	(75,996)
Distributions paid to noncontrolling interests	(31,444)	(31,514)
Contributions from noncontrolling interests	7,365	—
Proceeds from mortgages	34,234	25,000
Prepayment of mortgage principal	(7,224)	(17,588)
Scheduled payments of mortgage principal	(74,632)	(32,448)
Deferred financing costs and mortgage deposits, net of deposits refunded	—	(195)
Proceeds from issuance of shares, net of costs	15,048	14,432
Purchase of treasury stock	(38,020)	(35,751)
Net cash used in financing activities	(161,068)	(154,060)
Change in Cash and Cash Equivalents During the Period		
Effect of exchange rate changes on cash	1,565	935
Net decrease in cash and cash equivalents	(44,039)	(21,539)
Cash and cash equivalents, beginning of period	112,032	166,851
Cash and cash equivalents, end of period	\$ 67,993	\$ 145,312

(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)

	September 30, 2009	December 31, 2008
Assets		
Investments in real estate:		
Real estate, at cost	\$ 2,300,026	\$ 2,306,018
Accumulated depreciation	(269,984)	(238,360)
Net investments in properties	2,030,042	2,067,658
Net investment in direct financing leases	399,333	448,635
Equity investments in real estate	191,308	199,124
Net investments in real estate	2,620,683	2,715,417
Cash and cash equivalents	67,993	112,032
Intangible assets, net	219,766	241,083
Other assets, net	141,827	120,673
Total assets	<u>\$ 3,050,269</u>	<u>\$ 3,189,205</u>
Liabilities and Equity		
Liabilities:		
Non-recourse debt	\$ 1,741,614	\$ 1,805,397
Accounts payable, accrued expenses and other liabilities	50,463	34,214
Prepaid and deferred rental income and security deposits	83,084	81,064
Due to affiliates	18,397	28,327
Distributions payable	22,546	22,055
Total liabilities	<u>1,916,104</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; 141,049,145 and 138,840,480 shares issued, respectively	141	139
Additional paid-in capital	1,307,759	1,282,826
Distributions in excess of accumulated earnings	(281,534)	(207,949)
Accumulated other comprehensive income	5,277	460
	<u>1,031,643</u>	<u>1,075,476</u>
Less, treasury stock at cost, 15,862,125 and 12,308,293 shares, respectively	(167,253)	(129,233)
Total CPA*:15 shareholders' equity	<u>864,390</u>	<u>946,243</u>
Noncontrolling interests	269,775	271,905
Total equity	<u>1,134,165</u>	<u>1,218,148</u>
Total liabilities and equity	<u>\$ 3,050,269</u>	<u>\$ 3,189,205</u>

Consolidated Statements of Operations (Unaudited)

(in thousands, except share and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Revenues				
Rental income	\$ 61,704	\$ 60,836	\$ 179,962	\$ 182,421
Interest income from direct financing leases	9,871	11,925	29,891	35,676
Other operating income	1,666	978	4,758	3,663
	<u>73,241</u>	<u>73,739</u>	<u>214,611</u>	<u>221,760</u>
Operating Expenses				
Depreciation and amortization	(15,591)	(15,628)	(45,376)	(49,463)
Property expenses	(8,996)	(10,498)	(33,123)	(30,666)
General and administrative	(1,872)	(1,964)	(6,483)	(7,251)
Impairment charges	(13,766)	—	(47,216)	—
	<u>(40,225)</u>	<u>(28,090)</u>	<u>(132,198)</u>	<u>(87,380)</u>
Other Income and Expenses				
Advisor settlement	—	—	—	9,111
(Loss) income from equity investments in real estate	(3,419)	2,332	4,119	10,426
Other interest income	508	1,397	1,914	4,743
Other income and (expenses)	(1,730)	(614)	(1,116)	7,254
Interest expense	(26,203)	(27,161)	(77,441)	(83,973)
	<u>(30,844)</u>	<u>(24,046)</u>	<u>(72,524)</u>	<u>(52,439)</u>
Income from continuing operations before income taxes	2,172	21,603	9,889	81,941
Provision for income taxes	(1,829)	(2,075)	(6,298)	(6,589)
Income from continuing operations	<u>343</u>	<u>19,528</u>	<u>3,591</u>	<u>75,352</u>
Discontinued Operations				
Loss from operations of discontinued properties	(2,348)	(16,225)	(322)	(14,618)
Gain on sale of real estate	11,084	—	11,935	90
Income (loss) from discontinued operations	<u>8,736</u>	<u>(16,225)</u>	<u>11,613</u>	<u>(14,528)</u>
Net Income	9,079	3,303	15,204	60,824
Less: Net income attributable to noncontrolling interests	(7,024)	(2,108)	(21,903)	(19,842)
Net Income (Loss) Attributable to CPA®:15 Shareholders	<u>\$ 2,055</u>	<u>\$ 1,195</u>	<u>\$ (6,699)</u>	<u>\$ 40,982</u>
Earnings (Loss) Per Share				
Income (loss) from continuing operations attributable to CPA®:15 shareholders	\$ (0.02)	\$ 0.10	\$ (0.11)	\$ 0.40
Income (loss) from discontinued operations attributable to CPA®:15 shareholders	0.04	(0.09)	0.06	(0.08)
Net income (loss) attributable to CPA®:15 shareholders	<u>\$ 0.02</u>	<u>\$ 0.01</u>	<u>\$ (0.05)</u>	<u>\$ 0.32</u>
Weighted Average Shares Outstanding	<u>125,008,341</u>	<u>128,627,044</u>	<u>125,900,460</u>	<u>128,832,916</u>
Amounts Attributable to CPA®:15 Shareholders				
Income (loss) from continuing operations, net of tax	\$ (2,991)	\$ 13,067	\$ (13,850)	\$ 51,562
Income (loss) from discontinued operations, net of tax	5,046	(11,872)	7,151	(10,580)
Net income	<u>\$ 2,055</u>	<u>\$ 1,195</u>	<u>\$ (6,699)</u>	<u>\$ 40,982</u>
Distributions Declared Per Share	<u>\$ 0.1801</u>	<u>\$ 0.1736</u>	<u>\$ 0.5347</u>	<u>\$ 0.5159</u>



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