



CORPORATE PROPERTY
ASSOCIATES 16 – GLOBAL

2007 SECOND QUARTER
REPORT



GENERATING INCOME
FOR INVESTORS SINCE 2003

A MEMBER OF THE



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 completed four investments – three domestic and one in Germany – at a total cost of approximately \$585.5 million. The majority of this investment activity relates to a transaction in which we provided \$116 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 transaction, which is consolidated in our financial statements, came as a follow-on to a \$154 million sale-leaseback that we and an affiliate completed with Hellweg in 2005. Through the end of the second quarter, approximately 64% of our investment volume in 2007 was international, as compared to 38% last year.

As of June 30, 2007, our portfolio consisted of our full or partial ownership interest in 352 properties leased to 60 tenants. Totalling approximately 21 million square feet, these properties are located throughout the United States, Canada, Europe, Mexico, Malaysia and Thailand. We are proud to convey that our portfolio of properties is 99% occupied.

DISTRIBUTION INCREASE

In June 2007, our board of directors increased the 2007 second quarter distribution to \$0.1622 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®:16 – Global shares 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®:16 – Global 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®:16 – Global 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



Thomas E. Zacharias
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.cpa16global.com.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)

	Six months ended June 30,	
	2007	2006
CASH FLOWS — OPERATING ACTIVITIES		
Net income	\$ 21,341	\$ 11,849
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization including intangible assets and deferred financing costs	13,893	5,964
Straight-line rent adjustments and amortization of rent-related intangibles	(189)	(909)
Income from equity investments in real estate in excess of distributions received	(1,278)	(867)
Minority interest in income	6,626	991
Issuance of shares to affiliate in satisfaction of fees due	3,895	2,457
Realized gain on foreign currency transactions, net	(277)	(230)
Unrealized gain on foreign currency transactions, net	(41)	(2)
Increase (decrease) in accrued interest	5,516	(48)
Increase in due to affiliates	5,159	3,570
Changes in operating assets and liabilities	3,278	1,360
Net cash provided by operating activities	57,923	24,135
CASH FLOWS — INVESTING ACTIVITIES		
Distributions from equity investments in real estate in excess of equity income	1,396	3,372
Acquisitions of real estate and other capital expenditures	(385,182)	(145,964)
Purchases of notes receivable	(337,764)	—
Contributions to equity investments in real estate	(723)	(10,088)
Funds placed in escrow for future acquisition and construction of real estate	(19,112)	(29,915)
Release of funds held in escrow for acquisition and construction of real estate	3,985	2,251
VAT taxes (paid) recovered in connection with acquisitions of real estate	(796)	4,008
Proceeds from maturity of short-term investment	1,698	—
Receipt of principal payment of mortgage note receivable	142	135
Receipt of principal prepayment of mortgage note receivable	—	20,000
Net cash used in investing activities	(736,356)	(156,201)
CASH FLOWS — FINANCING ACTIVITIES		
Distributions paid	(34,623)	(17,978)
Distributions paid to minority interest partners	(296,565)	(985)
Contributions from minority interest partners	333,368	—
Proceeds from mortgages and notes payable	604,203	73,732
Scheduled payments of mortgage principal	(4,941)	(2,634)
Deferred financing costs and mortgage deposits, net of deposits refunded	(149)	(691)
Proceeds from issuance of shares, net of costs of raising capital	14,871	150,582
Purchase of treasury stock	(3,955)	(2,209)
Net cash provided by financing activities	612,209	199,817
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		
Effect of exchange rate changes on cash	(3,032)	(229)
Net (decrease) increase in cash and cash equivalents	(69,256)	67,522
Cash and cash equivalents, beginning of period	464,223	155,374
Cash and cash equivalents, end of period	\$ 394,967	\$ 222,896

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in thousands except share and per share amounts)

	June 30, 2007	December 31, 2006 (NOTE)
ASSETS		
Real estate, net	\$ 1,325,875	\$ 648,593
Net investment in direct financing leases	323,402	308,073
Equity investments in real estate	115,590	111,870
Real estate under construction	46,246	75,372
Notes receivable	350,368	9,603
Cash and cash equivalents	394,967	464,223
Intangible assets, net	158,330	108,001
Other assets, net	188,924	49,905
Total assets	\$ 2,903,702	\$ 1,775,640
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Limited recourse mortgage notes payable	\$ 1,230,788	\$ 630,795
Note payable	4,357	3,450
Accounts payable, accrued expenses and other liabilities	120,632	19,181
Prepaid and deferred rental income and security deposits	89,032	34,749
Due to affiliates	54,500	49,219
Distributions payable	18,744	16,067
Total liabilities	1,518,053	753,461
Minority interest in consolidated entities	389,437	31,358
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$0.001 par value; 250,000,000 shares authorized; 116,701,430 and 114,701,851 shares issued and outstanding, respectively	117	115
Additional paid-in capital	1,047,697	1,028,933
Distributions in excess of accumulated earnings	(56,728)	(40,679)
Accumulated other comprehensive income	15,719	9,090
	1,006,805	997,459
Less, treasury stock at cost, 1,139,065 and 713,803 shares, respectively	(10,593)	(6,638)
Total shareholders' equity	996,212	990,821
Total liabilities and shareholders' equity	\$ 2,903,702	\$ 1,775,640

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	\$ 29,028	\$ 11,798	\$ 47,271	\$ 22,153
Interest income from direct financing leases	6,468	3,370	12,614	6,522
Interest income on notes receivable	6,310	638	6,616	1,366
Other operating income	326	655	470	743
	<u>42,132</u>	<u>16,461</u>	<u>66,971</u>	<u>30,784</u>
OPERATING EXPENSES				
Depreciation and amortization	(8,515)	(3,112)	(13,747)	(5,766)
Property expenses	(5,181)	(2,881)	(9,170)	(5,672)
General and administrative	(1,900)	(1,019)	(3,219)	(2,093)
	<u>(15,596)</u>	<u>(7,012)</u>	<u>(26,136)</u>	<u>(13,531)</u>
OTHER INCOME AND EXPENSES				
Income from equity investments in real estate	1,519	1,777	3,271	3,480
Other interest income	6,122	1,970	12,319	3,431
Minority interest in income	(6,116)	(516)	(6,626)	(991)
Gain on foreign currency transactions and other, net	49	40	318	66
Interest expense	(17,175)	(5,824)	(27,367)	(11,110)
	<u>(15,601)</u>	<u>(2,553)</u>	<u>(18,085)</u>	<u>(5,124)</u>
Income before income taxes	10,935	6,896	22,750	12,129
Provision for income taxes	(892)	(47)	(1,409)	(280)
NET INCOME	<u>\$ 10,043</u>	<u>\$ 6,849</u>	<u>\$ 21,341</u>	<u>\$ 11,849</u>
EARNINGS PER SHARE	<u>\$ 0.09</u>	<u>\$ 0.10</u>	<u>\$ 0.19</u>	<u>\$ 0.19</u>
WEIGHTED AVERAGE				
SHARES OUTSTANDING	<u>115,527,351</u>	<u>65,680,890</u>	<u>115,102,574</u>	<u>61,420,609</u>
DISTRIBUTIONS DECLARED PER SHARE	<u>\$ 0.1622</u>	<u>\$ 0.1588</u>	<u>\$ 0.3239</u>	<u>\$ 0.3163</u>



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