

Investing for the long run™



CPA:16[®]
GLOBAL

Corporate Property Associates 16 – Global
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®:16 - Global 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. In the first quarter of 2009, we and our affiliates completed a noteworthy \$233.7 million transaction, of which our portion was \$69.3 million, with The New York Times Company involving their Renzo Piano-designed Manhattan headquarters. We also closed on a small build-to-suit expansion with existing tenant, Holopack International Corp.—now The Ritedose Corporation—on its Columbia, South Carolina facility.

In addition, we and an affiliate repaid the \$39 million outstanding balance on a non-recourse mortgage loan at a discount for \$32.5 million, and concurrently obtained new non-recourse debt of \$29 million. Refinancing debt in today's environment is a challenge; we are pleased to continue doing so, creating additional value for our investors.

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 391 properties leased to 79 tenants in 24 industries located in 38 states and 11 countries. As of March 31, 2009, our portfolio was more

than 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 79%. 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 6.62%.

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



Thomas E. Zacharias
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.cpa16global.com.

Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

	Three months ended March 31,	
	2009	2008
Cash Flows — Operating Activities		
Net income	\$ 2,565	\$ 14,358
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization including intangible assets and deferred financing costs	11,966	12,170
Straight-line rent adjustments and amortization of rent-related intangibles	345	(299)
Income from equity investments in real estate in excess of distributions received	(635)	(1,409)
Issuance of shares to affiliate in satisfaction of fees due	3,026	3,395
Gain on extinguishment of debt	(6,512)	—
Realized loss (gain) on foreign currency transactions, net	796	(1,109)
Unrealized gain on foreign currency and derivative transactions, net	(464)	(1,423)
Impairment charge	15,984	—
Change in other operating assets and liabilities, net	(909)	1,786
Net cash provided by operating activities	26,162	27,469
Cash Flows — Investing Activities		
Distributions from equity investments in real estate in excess of equity income	5,503	653
Contributions to equity investments in real estate	(65,318)	(2,298)
Acquisitions of real estate and other capital expenditures	(17,560)	(61,477)
Funding/purchases of notes receivable	(1,807)	(815)
Funds placed in escrow for future acquisition and construction of real estate	—	(17,751)
Release of funds held in escrow for acquisition and construction of real estate	6,620	19,844
Proceeds from sale of land	120	—
Receipt of principal payment of mortgage note receivable	—	74
Payment of deferred acquisition fees to affiliate	(9,082)	(29,546)
Net cash used in investing activities	(81,524)	(91,316)
Cash Flows — Financing Activities		
Distributions paid	(20,140)	(19,432)
Distributions paid to noncontrolling interests	(12,469)	(7,198)
Contributions from noncontrolling interests	2,543	—
Proceeds from mortgages and notes payable	29,000	88,972
Scheduled payments of mortgage principal	(3,979)	(3,986)
Prepayment of mortgages and note payable	(32,500)	(3,286)
Deferred financing costs and mortgage deposits, net of deposits refunded	(284)	(371)
Proceeds from issuance of shares, net of costs of raising capital	8,348	8,302
Purchase of treasury stock	(11,332)	(2,150)
Net cash (used in) provided by financing activities	(40,813)	60,851
Change in Cash and Cash Equivalents During the Period		
Effect of exchange rate changes on cash	(3,382)	1,210
Net decrease in cash and cash equivalents	(99,557)	(1,786)
Cash and cash equivalents, beginning of period	174,209	211,759
Cash and cash equivalents, end of period	\$ 74,652	\$ 209,973

Consolidated Balance Sheets (Unaudited)

(in thousands, except share and per share amounts)

	March 31, 2009	December 31, 2008 (NOTE)
Assets		
Real estate, net	\$ 1,539,903	\$ 1,584,217
Net investment in direct financing leases	328,798	341,335
Equity investments in real estate	239,081	185,120
Operating real estate, net	79,471	79,470
Real estate under construction	4,571	483
Notes receivable	331,898	351,200
Cash and cash equivalents	74,652	174,209
Intangible assets, net	161,146	168,088
Funds in escrow	27,777	52,163
Other assets, net	36,558	30,918
Total assets	\$ 2,823,855	\$ 2,967,203
Liabilities and Equity		
Liabilities:		
Non-recourse debt	\$ 1,385,841	\$ 1,438,226
Accounts payable, accrued expenses and other liabilities	39,620	52,836
Prepaid and deferred rental income and security deposits	57,031	56,053
Due to affiliates	12,246	21,502
Distributions payable	20,169	20,140
Total liabilities	1,514,907	1,588,757
Redeemable noncontrolling interests	310,914	331,841
Commitments and contingencies		
Equity:		
CPA [®] :16 – Global shareholders’ equity:		
Common stock, \$0.001 par value; 250,000,000 shares authorized; 126,536,255 and 125,352,123 shares issued, respectively	127	125
Additional paid-in capital	1,141,507	1,130,135
Distributions in excess of accumulated earnings	(169,752)	(141,938)
Accumulated other comprehensive (loss) income	(15,205)	2,140
	956,677	990,462
Less, treasury stock at cost, 4,529,584 and 3,286,473 shares, respectively	(41,898)	(30,566)
Total CPA [®] :16 – Global shareholders’ equity	914,779	959,896
Noncontrolling interests	83,255	86,709
Total equity	998,034	1,046,605
Total liabilities and equity	\$ 2,823,855	\$ 2,967,203

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
Revenues		
Rental income	\$ 37,555	\$ 36,781
Interest income from direct financing leases	6,663	7,081
Interest income on notes receivable	6,659	7,281
Other real estate income	5,714	4,541
Other income	822	574
	<u>57,413</u>	<u>56,258</u>
Operating Expenses		
Depreciation and amortization	(11,676)	(11,129)
Property expenses	(8,831)	(7,503)
Other real estate expenses	(4,441)	(4,040)
General and administrative	(2,552)	(3,270)
Impairment charge	(15,984)	—
	<u>(43,484)</u>	<u>(25,942)</u>
Other Income and Expenses		
Income from equity investments in real estate	3,064	2,553
Other interest income	125	1,592
Gain on extinguishment of debt	6,512	—
Other income and expenses	(332)	2,532
Interest expense	(20,436)	(21,307)
	<u>(11,067)</u>	<u>(14,630)</u>
Income before income taxes	2,862	15,686
Provision for income taxes	(297)	(1,328)
Net Income	<u>2,565</u>	<u>14,358</u>
Less: Net income attributable to noncontrolling interests	(4,183)	(1,887)
Less: Net income attributable to redeemable noncontrolling interests	(6,027)	(6,659)
Net (loss) income attributable to CPA®:16 – Global shareholders	<u>\$ (7,645)</u>	<u>\$ 5,812</u>
Earnings (Loss) Per Share		
Net (loss) income attributable to CPA®:16 – Global shareholders	<u>\$ (0.06)</u>	<u>\$ 0.05</u>
Weighted Average Shares Outstanding	<u>122,789,807</u>	<u>119,940,316</u>
Distributions Declared Per Share	<u>\$ 0.1653</u>	<u>\$ 0.1637</u>



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