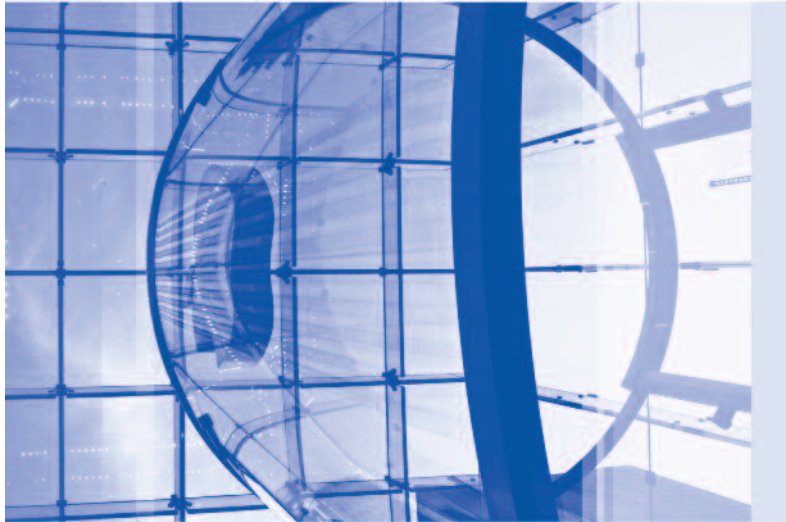


Investing for the long run™



CPA:16
GLOBAL

Corporate Property Associates 16 – Global
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[®]:16 - Global 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 6.62%. These cash distributions continue to be supported by both adjusted cash flow and funds from operations.

| | |
|---|----------|
| Adjusted cash flow per share | \$0.45 |
| FFO per share | \$0.38 |
| Distributions declared per share | \$0.3309 |
| Payout ratio (distributions/Adjusted cash flow) | 74% |
| Payout ratio (distributions/FFO) | 87% |

Portfolio Update

Our occupancy rate of approximately 99% and long weighted-average lease term of 15.1 years are major determinants of why CPA[®]:16 - Global's cash flow has remained relatively stable through these challenging economic times. In addition, we generally structure our leases so that rent increases are tied to the consumer price index, providing our shareholders a potential hedge against inflation. CPA[®]:16 - Global's annualized same-tenant rent for the first six months in 2009 increased by \$1.9 million or 2.5% over the same period in 2008. We remain cautious about tenant defaults and continue to monitor our portfolio closely.

Although we did not close any transactions in the second quarter of 2009, this July we and an affiliate completed a \$93.6 million sale-leaseback transaction with UK retailer Tesco plc—the third-largest retailer in the world—of which our share is 51%. This was our first Hungarian sale-leaseback and we acquired Tesco’s Budapest-area logistics facilities and closed with non-recourse mortgage financing of \$49.5 million on the properties. We believe that our ability to secure financing for our investments in today’s environment reflects positively on the risk management standards we apply to the underwriting of our investments.

Strong Financial Position

With more than \$60 million in cash as of June 30, 2009 and with no significant amount of debt maturing in the near term, we feel we are in a solid liquidity position. In addition, the recent Tesco investment should have a positive effect on cash flow going forward.

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



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 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.cpa16global.com.

Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

| | Six months ended June 30, | |
|--|---------------------------|-------------------|
| | 2009 | 2008 |
| Cash Flows — Operating Activities | | |
| Net income | \$ 14,896 | \$ 30,327 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization including intangible assets and deferred financing costs | 23,977 | 23,440 |
| Straight-line rent adjustments and amortization of rent-related intangibles | 1,364 | 1,288 |
| Income from equity investments in real estate in excess of distributions received | (639) | (3,018) |
| Issuance of shares to affiliate in satisfaction of fees due | 5,916 | 6,383 |
| Gain on extinguishment of debt | (6,512) | — |
| Realized loss (gain) on foreign currency transactions, net | 760 | (1,744) |
| Unrealized gain on foreign currency and derivative transactions, net | (1,742) | (1,431) |
| Realized gain on sale of real estate | — | (136) |
| Impairment charges | 21,085 | — |
| Change in other operating assets and liabilities, net | (1,476) | 3,536 |
| Net cash provided by operating activities | <u>57,629</u> | <u>58,645</u> |
| Cash Flows — Investing Activities | | |
| Distributions from equity investments in real estate in excess of equity income | 5,695 | 6,479 |
| Contributions to equity investments in real estate | (71,088) | (6,205) |
| Acquisitions of real estate and other capital expenditures | (17,713) | (125,785) |
| Funding/purchases of notes receivable | (3,159) | (1,926) |
| Funds placed in escrow for future acquisition and construction of real estate | — | (18,511) |
| Release of funds held in escrow for acquisition and construction of real estate | 6,610 | 40,616 |
| VAT taxes recovered in connection with acquisitions of real estate | — | 3,286 |
| Proceeds from sale of real estate | 120 | 22,886 |
| Receipt of principal payment of mortgage note receivable | — | 149 |
| Payment of deferred acquisition fees to affiliate | (9,082) | (29,546) |
| Net cash used in investing activities | <u>(88,617)</u> | <u>(108,557)</u> |
| Cash Flows — Financing Activities | | |
| Distributions paid | (40,309) | (39,085) |
| Distributions paid to noncontrolling interests | (21,827) | (18,686) |
| Contributions from noncontrolling interests | 2,786 | 282 |
| Proceeds from mortgages and notes payable | 29,000 | 100,212 |
| Scheduled payments of mortgage principal | (8,738) | (8,462) |
| Prepayment of mortgages and note payable | (32,500) | (3,286) |
| Deferred financing costs and mortgage deposits, net of deposits refunded | (284) | (456) |
| Proceeds from issuance of shares, net of costs of raising capital | 16,491 | 15,486 |
| Purchase of treasury stock | (20,409) | (4,741) |
| Net cash (used in) provided by financing activities | <u>(75,790)</u> | <u>41,264</u> |
| Change in Cash and Cash Equivalents During the Period | | |
| Effect of exchange rate changes on cash | (1,674) | (1,985) |
| Net decrease in cash and cash equivalents | (108,452) | (10,633) |
| Cash and cash equivalents, beginning of period | 174,209 | 211,759 |
| Cash and cash equivalents, end of period | <u>\$ 65,757</u> | <u>\$ 201,126</u> |

Consolidated Balance Sheets (Unaudited)

(in thousands, except share and per share amounts)

| | June 30, 2009 | December 31, 2008 |
|--|---------------|-------------------|
| | | (NOTE) |
| Assets | | |
| Real estate, net | \$ 1,564,198 | \$ 1,584,700 |
| Net investment in direct financing leases | 345,388 | 341,335 |
| Equity investments in real estate | 250,739 | 185,120 |
| Operating real estate, net | 78,777 | 79,470 |
| Notes receivable | 353,126 | 351,200 |
| Cash and cash equivalents | 65,757 | 174,209 |
| Intangible assets, net | 161,538 | 168,088 |
| Funds in escrow | 27,982 | 52,163 |
| Other assets, net | 35,934 | 30,918 |
| | <hr/> | <hr/> |
| Total assets | \$ 2,883,439 | \$ 2,967,203 |
| | <hr/> | <hr/> |
| Liabilities and Equity | | |
| Liabilities: | | |
| Non-recourse debt | \$ 1,422,783 | \$ 1,438,226 |
| Accounts payable, accrued expenses and other liabilities | 37,683 | 52,836 |
| Prepaid and deferred rental income and security deposits | 54,918 | 56,053 |
| Due to affiliates | 12,197 | 21,502 |
| Distributions payable | 20,232 | 20,140 |
| | <hr/> | <hr/> |
| Total liabilities | 1,547,813 | 1,588,757 |
| Redeemable noncontrolling interests | 330,688 | 331,841 |
| | <hr/> | <hr/> |
| Commitments and contingencies | | |
| Equity: | | |
| CPA [®] :16 – Global shareholders’ equity: | | |
| Common stock, \$0.001 par value; 250,000,000 shares authorized; 127,703,510 and 125,352,123 shares issued, respectively | 127 | 125 |
| Additional paid-in capital | 1,152,540 | 1,130,135 |
| Distributions in excess of accumulated earnings | (184,635) | (141,938) |
| Accumulated other comprehensive income | 1,440 | 2,140 |
| | <hr/> | <hr/> |
| | 969,472 | 990,462 |
| Less, treasury stock at cost, 5,525,470 and 3,286,473 shares, respectively | (50,975) | (30,566) |
| | <hr/> | <hr/> |
| Total CPA [®] :16 – Global shareholders’ equity | 918,497 | 959,896 |
| Noncontrolling interests | 86,441 | 86,709 |
| | <hr/> | <hr/> |
| Total equity | 1,004,938 | 1,046,605 |
| | <hr/> | <hr/> |
| Total liabilities and equity | \$ 2,883,439 | \$ 2,967,203 |
| | <hr/> | <hr/> |

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 | \$ 38,419 | \$ 38,888 | \$ 75,974 | \$ 75,669 |
| Interest income from direct financing leases | 6,934 | 7,596 | 13,597 | 14,677 |
| Interest income on notes receivable | 7,050 | 7,857 | 13,709 | 15,138 |
| Other real estate income | 6,233 | 6,455 | 11,947 | 10,996 |
| Other operating income | 876 | 882 | 1,698 | 1,456 |
| | <u>59,512</u> | <u>61,678</u> | <u>116,925</u> | <u>117,936</u> |
| Operating Expenses | | | | |
| Depreciation and amortization | (11,899) | (11,724) | (23,575) | (22,853) |
| Property expenses | (9,267) | (7,723) | (18,098) | (15,226) |
| Other real estate expenses | (4,596) | (4,949) | (9,037) | (8,989) |
| General and administrative | (2,086) | (2,866) | (4,638) | (6,136) |
| Impairment charges | (5,101) | — | (21,085) | — |
| | <u>(32,949)</u> | <u>(27,262)</u> | <u>(76,433)</u> | <u>(53,204)</u> |
| Other Income and Expenses | | | | |
| Income from equity investments in real estate | 5,329 | 3,035 | 8,393 | 5,588 |
| Other interest income | 45 | 1,145 | 170 | 2,737 |
| Gain on extinguishment of debt | — | — | 6,512 | — |
| Other income and expenses | 1,314 | 779 | 982 | 3,311 |
| Interest expense | (19,900) | (22,049) | (40,336) | (43,356) |
| | <u>(13,212)</u> | <u>(17,090)</u> | <u>(24,279)</u> | <u>(31,720)</u> |
| Income before income taxes | 13,351 | 17,326 | 16,213 | 33,012 |
| Provision for income taxes | (1,020) | (1,357) | (1,317) | (2,685) |
| | <u>12,331</u> | <u>15,969</u> | <u>14,896</u> | <u>30,327</u> |
| Net Income | | | | |
| Less: Net income attributable to noncontrolling interests | (1,244) | (981) | (5,427) | (2,868) |
| Less: Net income attributable to redeemable noncontrolling interests | (5,738) | (7,155) | (11,765) | (13,814) |
| | <u>5,349</u> | <u>7,833</u> | <u>(2,296)</u> | <u>13,645</u> |
| Net Income (Loss) Attributable to CPA®:16 – Global Shareholders | | | | |
| Earnings (Loss) Per Share | | | | |
| Net income (loss) attributable to CPA®:16 – Global shareholders | \$ 0.04 | \$ 0.06 | \$ (0.02) | \$ 0.11 |
| | <u>122,675,513</u> | <u>120,930,804</u> | <u>122,732,345</u> | <u>120,435,559</u> |
| Weighted Average Shares Outstanding | | | | |
| Distributions Declared Per Share | \$ 0.1656 | \$ 0.1642 | \$ 0.3309 | \$ 0.3279 |



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