NYSSA *Student Research*

Industry: Commercial Property Management

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W.P. Carey & Co. LLC

New York, NY
www.wpcarey.com

Date: March 11, 2008

Ticker: WPC
Price: $30.73 (as of 3/11/2008)

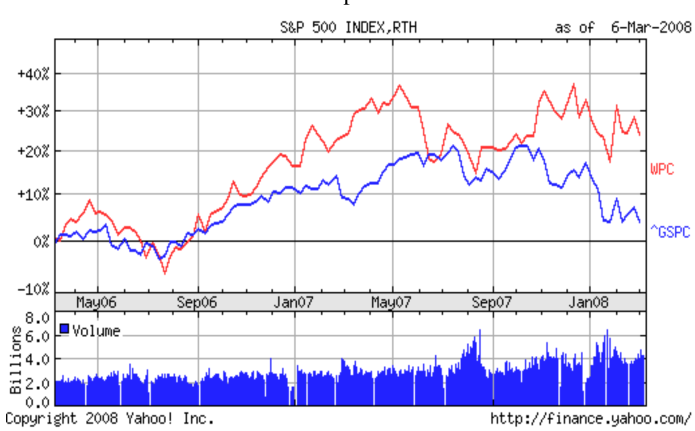
Recommendation: Buy
Price Target: $ 38.30

FFO/Share	Mar.	Jun.	Sept.	Dec.	Year	P/FFO Ratio
2006A	$0.56	$0.48	$0.52	$1.25	$2.81	10.94
2007A	0.47	1.34	0.74	0.66	3.20	9.60
2008E	0.70	0.72	0.71	0.74	2.87	10.69
2009E	0.71	0.74	0.73	0.76	2.94	10.44

W.P. Carey: Positioned to Weather the Credit Storm

Team I

- **Multiple valuation models point to a compelling BUY rating:** WPC's shares are currently undervalued according to our Sum of Parts valuation using P/FFO & P/E comparables, Dividend Discount Model, and Net Asset Valuation. These valuations point to a 12-month price target of $38.30, a 24.6% premium over the current share price.
- **Strategic changes within WPC create value for the firm and its shareholders:** WPC has shifted the focus related to Real Estate ownership to Investment Management, a higher margin business. WPC will also be collecting performance fees at a greater rate with CPA-17's new performance fee formula of 10% of operating cash flow. These fees will be diverted into the 2007 creation of REIT II, creating a tax shield for this income.
- **WPC will likely perform through the Credit Crunch:** In an unprecedented credit environment, WPC is favorably positioned. Commercial real estate markets are literally frozen presently, but WPC is under leveraged and has access to capital. WPC's managed CPAs have over $500 million of uninvested cash which can be put to work at rising cap rates. The company has conservatively financed its properties at less than a 65% loan to value, compared to 70-80% that has recently been typical in commercial real estate deals. WPC has less than $51.5 million of mortgages maturing in the next two years. The present low level of interest rates may benefit WPC's efforts to raise additional capital to fund CPA17 as retail investors hunt for yield.
- **Consistent historical growth and experience is expected to prevail:** Consistent growth in dividends and NAV appreciation overtime shows the company is able to create value in any type of market. WPC's 30+ years of experience in the industry has allowed it to withstand many different cycles. We believe WPC's position in the market will allow it to continue to grow while competitors may suffer.



Market Profile	
52-Week Price Range	$25.79-$36.86
Average Daily Volume	50,702
Beta	0.64
Dividend Yield (Estimated)	5.9
Shares Outstanding	39,130,000
Market Capitalization	$1,185,247,700
Institutional Holdings	12%
Insider Holdings	29%
Book Value per share (12/31/07)	$16.17
Debt to Equity	49.9%
Return on Equity	10.8%

New York Society of Security Analysts
1601 Broadway, 11th Floor
New York, NY 10019-7406

Important disclosures appear at the back of this report

Investment Summary

Our BUY recommendation is supported by a Sum of Parts valuation using P/FFO & P/E comparables, Dividend Discount Model, and Net Asset Valuation analyses. Assuming a capitalization rate of 6.4% and 15x P/E for the real estate ownership (REIT II) and investment management divisions (IMD), respectively, we arrived at a current price target of $38.30. Our Sum of Parts valuation (50% weight) results in a valuation of $36.52. The valuation assumes a real estate industry P/FFO ratio of 10.7x and an asset management P/E ratio of 15.8x. Our dividend discount model (25% weight) results in a valuation of $39.81. The price target takes into consideration a terminal dividend growth rate of 3.0% and cost of equity of 10.3%. Finally, our NAV (25% weight) results in a valuation of $48.06 but based on our discount to NAV seen through Green Street Adviosrs we come to a price of $40.37. For our REIT II NAV we computed a 6.4% cap. rate and used a 15x multiple for the investment management division. Using these weighted valuations results in a 1 year forward price of $38.30, which represents a 24.64% premium to March 11th's closing price of $30.73.

We believe that WPC has stable sources of income and is well positioned in the current market. WPC's strategic evolution over time has allowed the company to create value in almost any market. The company has shifted its focus of business to the more profitable Investment Management division. In addition, WPC has aligned its Real Estate Ownership division (now legally named REIT II) with its newly founded CPA 17-Global as a general partner under a REIT structure creating a greater tax shelter for the company and increasing value for common shareholders. We believe this new structure will allow WPC to reduce their effective tax rate from its 2007 level of 43% to 32%, a $.38 improvement on forecasted FY08 FFO/share

WPC's management continues to maintain their borrowing standards at a conservative level of 65% loan to value. In the past this has limited their ability to be competitive as other firms took advantage of cheap debt. In the current difficult credit environment, their conservative leverage ratio may allow them to obtain financing where other borrowers cannot. Although interest rates will inevitability be higher we believe the company has not lost access to capital. In addition, through talking with industry contacts it is clear WPC has a reputation for its internal credit analysis of potential deals and we see this as a core competency for the company.

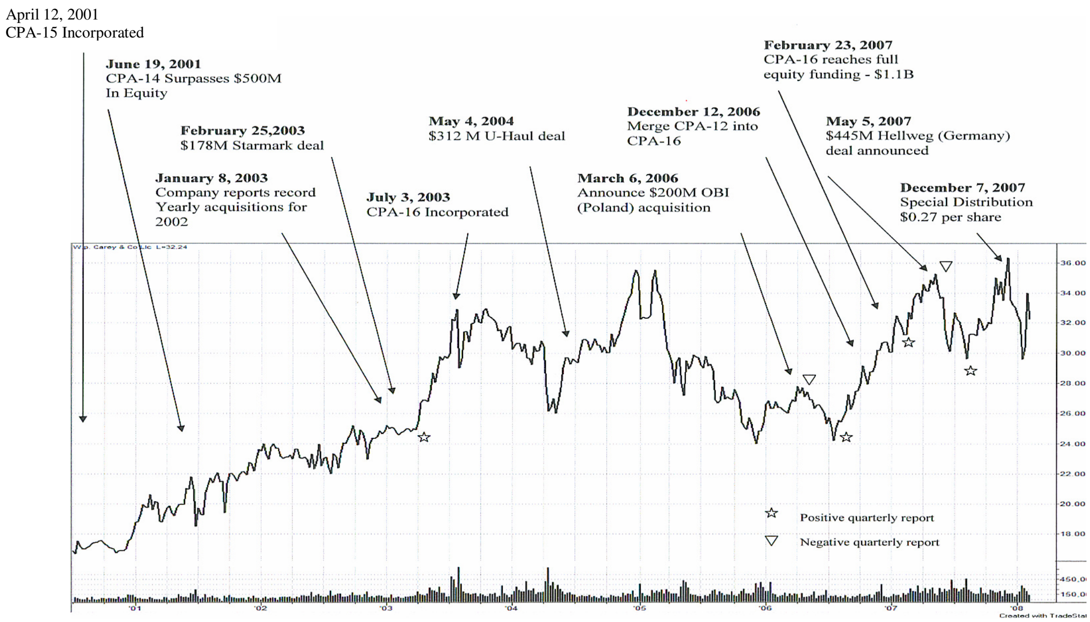
The impeccable track record of WPC's management will prove critical to the firm's success in maneuvering through the challenging credit markets that currently exist. WPC has been in the business for over 30 years and has seen a number of different cycles. In 2007 WPC was able to continue to grow revenues, increase FFO, increase dividends, and increase the NAVs of CPA-14 & CPA-15. With the creation of CPA 17 WPC has created a stable base during an unstable time. We believe WPC will invest $950 million this year in a tough environment. WPC does a large amount of its US business with private-equity funds and although many of the larger funds are currently having trouble a recent Barron's article stated that firms that invest between $1 million to $249 million raised a record $2.76 billion in the fourth quarter. This is a positive sign that WPC will be able to continue to invest in the current market, weathering the storm and continuing to create value for its shareholders.

The variations in FFO calculations across the commercial real estate industry offer some confusion as to how this metric should be calculated. NAREIT defines FFO as Net Income plus real estate adjustments due to depreciation. We apply this metric to WPC, taking into account Net Income, plus depreciation & amortization, minus gains in sales of depreciable assets, plus adjustments for straight line rent, minus real estate impairments, and finally adjusting for minority interests. The main difference in our FFO calculation and WPC's is that we take into account an additional adjustment for gains or losses in the sales of securities. We believe this captures WPC's true FFO. Further, WPC also takes into account other adjustments that are not fully disclosed. We have decided to keep these out so to not complicate our projections.

We have spoken to several senior people in the Commercial Real Estate Industry and it is clear that those who knew about WPC believed they were well regarded in its business. Our sources have specifically mentioned that the company is known for their credit analysis of properties. One source cited WPC as, "being able to perform the in depth credit analysis of properties that only local banks are capable of doing." In addition to this our contacts have pointed out that WPC is in the business of providing financing for companies than acquiring commercial properties. We believe this is another favorable signal that the company is able to put their words into action.

We reiterate that we WPC is well positioned to withstand current an future market volatility. And view any pullback in the stock as an opportunity to buy.

Figure 1: WPC Stock Price History and Recent Events



Valuation

We valued WPC using a combination of a Sum of Parts valuation, a Dividend Discount Model and a NAV analysis. The weighed price target was calculated as follows:

- 50% Sum of Parts – P/FFO & P/E: $36.52
- 25% Dividend Discount Model: $39.81
- 25% NAV Analysis w/ Implied NAV Discount: $40.37

We valued WPC using combination of valuations.. resulting in a price target of $38.30

These calculations result in a 12-month price target of $38.30. This price represents a 24.6% premium to the 3/11/08 closing price of $30.73.

Financial Forecast Assumptions

Investment Management

We forecast EPS for the Investment Management Division to be $1.29 for FY08. This is an increase of 39.6% from FY07 EPS of $.92 (including the provision for the SEC charge). EPS is expected to decline 4.6% in FY09 as less revenue is received due to the accrual of deferred revenue. Driving these revenues are our projections for yearly investment volume. We project them to decline by 20% to $950 million in FY08 due to constraints in the credit market, but still higher than WPC's 5-year average of 800 million. (AUM - $1.2 billion in FY07, $950 million in FY08, $1 billion in FY09, $900 million in FY10) This is a 9.5% increase in total AUM. These acquisitions will have a positive impact on structuring and management revenue, but revenues will be lower than 2007 due to the recognition of about $50 million in deferred revenue from CPA 16 meeting its performance criterion in 2nd quarter 2007. The recognition of this revenue has also increased WPC's percentage participation in the CPA funds to 6.6%, 4.5%, 2.9%, for CPA 14, CPA 15, and CPA – 16, respectively. We forecast this increased participation to have a positive 14.4% growth on WPC's income from equity investment in CPA REITS.

The accrual of deferred revenue based on structuring revenue and performance fees is expected to increase to $21.2 million over the next 2 years ($2.6 million in FY08, $18.8 million in FY09). We forecast CPA-17 to meet its performance criteria in 2010, allowing this amount, plus interest earned on it, to be recognized as revenue. See Appendix XV

Real Estate Management (REIT II)

FFO/share from REIT II is expected to increase to $1.51 per share, a 13.9% increase from FY07 FFO of $1.33. FFO/share is expected to increase 8.4% in FY09, 2.7% in FY10, and 6.6% in FY11. See Appendix VIII Valuation for FFO calculations.

In REIT II we forecasted lease revenues to increase 2.95% (3% inflation – 0.05% reduction in average real estate from FY07) in FY08, while revenues from other business operations (Livho Hotel and Carey Storage) increasing 9.1%. The increase in other business operations is primarily due a 3% inflation rate plus a 6% forecasted growth in operating real estate from FY07 from the establishment of Carey Storage. The increase in lease revenues is primarily from rent increases, as most of their lease contracts are pegged to CPI or predetermined rent step ups.

Property Expenses as a percentage of lease revenues is expected to remain at 5-year averages of 8.5%, while other real estate expense (operating real estate expenses) is expected to decline as a percentage of other business operation's revenues to 6.5% from 7%.

In 2011, we forecasted a normal year in respect to structuring and asset management revenues, in addition to lease revenues. We used this year as a terminal value for our DDM.

Sum of Parts- Relative Valuation

Our P/FFO valuation for owned real estate resulted in a per share value of $16.17

We valued WPC's Investment Management division and REIT II separately as to take into consideration WPC's unique position in the market. We used a P/FFO analysis in valuing REIT II. This P/FFO analysis resulted in a per share valuation of $16.17, based on a FY08 FFO of $1.51 for REIT II and an industry multiple of 10.7x from our list of comparables in Appendix IX. We applied a P/E analysis to value the Investment Management division. Using a list of comparable alternative asset managers, we calculated an industry P/E multiple of 15.8x. Our 12-month forward diluted-EPS for the Investment Management side is $1.29, which combine with the multiple calculates into a price of $20.34. See Appendix VIII and IX for more information.

Our P/E valuation for investment management resulted in a per share value of $20.34

We conducted a sensitivity analysis to take into account the impact changes in our forecast for EPS, FFO/share, and their pertaining multiples could have on our target price per share.

REIT II

FFO per Share	P/FFO Multiples 9.2x	9.7x	10.2x	10.7x	11.2x	11.7x	12.2x
$1.42	$ 13.08	$ 13.79	$ 14.50	$ 15.21	$ 15.92	$ 16.62	$ 17.33
$1.45	$ 13.36	$ 14.08	$ 14.81	$ 15.53	$ 16.25	$ 16.98	$ 17.70
$1.48	$ 13.64	$ 14.38	$ 15.11	$ 15.85	$ 16.59	$ 17.33	$ 18.07
$1.51	$ 13.92	$ 14.67	$ 15.42	**$ 16.17**	$ 16.93	$ 17.68	$ 18.43
$1.54	$ 14.19	$ 14.96	$ 15.73	$ 16.50	$ 17.27	$ 18.03	$ 18.80
$1.57	$ 14.47	$ 15.25	$ 16.04	$ 16.82	$ 17.60	$ 18.39	$ 19.17
$1.60	$ 14.75	$ 15.55	$ 16.34	$ 17.14	$ 17.94	$ 18.74	$ 19.54

Investment Management

Earnings per Share	P/E Multiples 14.3x	14.8x	15.3x	15.8x	16.3x	16.8x	17.3x
$1.20	$ 17.13	$ 17.72	$ 18.32	$ 18.92	$ 19.52	$ 20.12	$ 20.72
$1.23	$ 17.55	$ 18.17	$ 18.78	$ 19.40	$ 20.01	$ 20.63	$ 21.24
$1.26	$ 17.98	$ 18.61	$ 19.24	$ 19.87	$ 20.50	$ 21.13	$ 21.76
$1.29	$ 18.41	$ 19.06	$ 19.70	**$ 20.34**	$ 20.99	$ 21.63	$ 22.28
$1.32	$ 18.84	$ 19.50	$ 20.16	$ 20.82	$ 21.48	$ 22.14	$ 22.80
$1.35	$ 19.27	$ 19.94	$ 20.62	$ 21.29	$ 21.97	$ 22.64	$ 23.31
$1.38	$ 19.70	$ 20.39	$ 21.08	$ 21.76	$ 22.45	$ 23.14	$ 23.83

Dividend Discount Model

Our market assumptions for a terminal growth of 3% and a cost of equity of 10.3%, brought us to a price of $39.81

A second valuation technique is the Dividend Discount Model, which takes into account the full return to investors. WPC manages their dividend growth at a consistent increasing rate. Therefore, we forecasted dividends for FY08 and FY09 to grow at $0.005 per quarter (historic increase). In FY10, we project CPA-17 to meets its performance criteria goals, therefore we applied a similar FFO payout ratio that was used in FY07, when CPA-16 met its performance criteria. On our terminal year, we placed a 100% payout ratio. This, together with our market assumptions for a terminal growth of 3% and a cost of equity of 10.3%, brought us to a price of $39.81. We analyzed this valuation using a sensitivity analysis to take into account management changes in dividends and changes in the cost of equity. See Appendix X.

DDM

Dividend Growth	Cost of Equity 9.3%	9.8%	10.3%	10.8%	11.3%
1.5%	41.00	38.39	36.08	34.02	32.18
2.0%	43.39	40.47	37.89	35.62	33.59
2.5%	46.14	42.83	39.94	37.41	35.16
3.0%	49.32	45.53	**$ 40.21**	39.43	36.93
3.5%	53.06	48.67	44.94	41.72	38.92
4.0%	57.50	52.36	48.04	44.36	41.19
4.5%	62.87	56.74	51.67	47.41	43.79

NAV Analysis

Our third valuation methodology is a Net Asset Value analysis, adjusted for current market Price/NAV discounts. In this analysis we applied a capitalization rate to our 12-month forward NOI of REIT II, while also applying an industry multiple on the Income from the Investment Management division. Our 12-month forward NOI of $114 million and an industry-weighted capitalization rate of 6.64% values REIT II at $1.6 billion. Investment Management Income for FY08 is forecasted at approximately $51.4 million. We applied a conservative industry multiple of 15x to give us a value of $770.6 million.

Green Street Advisors, a firm specializing in… values the current discount at which firms are trading to their respective NAVs at 16%

These two valuations, adjusting for total liabilities outstanding and diluted shares outstanding give us a NAV per share of $48.06. WPC's share price on 3/11/08 was $30.73, which relates to a 38% discount to our NAV estimate. Green Street Advisors, a firm specializing in the analysis of REITs and other publicly traded real estate firms, values the current discount at which firms are trading to their respective NAVs at 16%. Analyzing the firms in their portfolio of REITS, we believe their Price/NAV discount captures the level at which WPC should be trading. This 16% discount applied to our NAV gives us a valuation of $40.37. With the overall change in cap rates over the past several months, the below sensitivity analysis will describe any further fluctuations that could affect our NAV valuation. See Appendix XI and XII

NAV Analysis	Capitalization Rate						
Management Income Multiple	5.14%	5.64%	6.14%	6.64%	7.14%	7.64%	8.14%
12.0x	$ 47.20	$ 43.28	$ 40.00	$ 37.22	$ 34.83	$ 32.75	$ 30.92
13.0x	$ 48.28	$ 44.36	$ 41.09	$ 38.30	$ 35.91	$ 33.83	$ 32.00
14.0x	$ 49.36	$ 45.45	$ 42.17	$ 39.39	$ 36.99	$ 34.91	$ 33.09
15.0x	$ 50.45	$ 46.53	$ 43.25	**$ 40.47**	$ 38.07	$ 35.99	$ 34.17
16.0x	$ 51.53	$ 47.61	$ 44.33	$ 41.55	$ 39.16	$ 37.08	$ 35.25
17.0x	$ 52.61	$ 48.69	$ 45.42	$ 42.63	$ 40.24	$ 38.16	$ 36.33
18.0x	$ 53.69	$ 49.78	$ 46.50	$ 43.72	$ 41.32	$ 39.24	$ 37.42

* Includes -16% Discount from GreenStreet Advisors
** 6.64% Cap Rate from Real Capital Analytics

We believe a industry P/FFO multiple is a weak valuation method and could explain market underpricing.

Firm Wide P/FFO – A Misleading Metric with WPC

We completed another valuation through the comparable analysis of WPC's total P/FFO to its closest comparables. Forecasting FY08 FFO at $2.82 and calculating an industry multiple of 11.2x, we come to a price of $31.68. Although this method takes into account industry accepted metrics of FFO, it does not apply the correct multiple as WPC has very few direct comparables. Therefore, we believe this is a very weak valuation method. This may explain why the market has underpriced WPC at $30.73. Appendix VIII

Risks to Price Target

The launch of CPA-17 and the attractiveness of sale-leasebacks in the current credit market places WPC in a prime position to take advantage of its strengths in tenant credit analysis and its low leverage ratio. However, any further declines in the credit market could leave WPC closed out to further sale-leasebacks as banks decline to extend more credit. Also, the attractiveness of CPA-17 to investors is very dependent on the current sentiment towards commercial real estate and WPC. The inability of WPC to get access to this needed equity in their CPA-funds could lower generated fees. Our valuation will be slightly affected as short-term gains in structuring revenue and asset management revenue could be reduced. Our price target could also be considered undervalued if WPC is able to acquire more than $950 million in assets for its funds.

Business Description

Founded in 1973, the WPC Group owns over 850 commercial and industrial properties and manages a series of publicly traded REITs with over $8.4 billion in AUM under the name Corporate Property Associates (CPA®). The CPAs own a diversified portfolio of triple net leased properties acquired through sale-leaseback transactions (Appendix XXIV). WPC earns revenues through rental income, interest on direct financing leases, management fees, structuring fees and equity investment income. WPC Group, WPC LLC., and the CPA® REITS, own more than 850 commercial and industrial properties, distributed among 14 countries, and totaling approximately 100 million square feet of space.

Properties: Properties held by WPC are diversified geographically throughout the United States and Europe. The CPA® REITS own a diversified portfolio of properties in the United States, Europe, and Malaysia. Most properties have long term single tenant leases with built-in index (such as CPI) adjusted rent increases. Tenant industries are diversified with emphasis in office, industrial and warehouse/distribution, telecommunications, and business and commercial services.

Recent Strategy Developments

Investment Management Focus

Over time, WPC has shifted focus from real estate ownership to its Investment Management, a higher return business. WPC's earnings are shifting from low return-on-capital owned real estate to higher return management of assets for others. We see FFO/share from WPC's owned properties growing less than 7.7% per year from $1.33 in 2007 to $1.79 in 2011. Meanwhile, we forecast earnings per share from WPC's Investment Management division expanding at 15.1% a year from $0.92 per share in 2007 to $1.62 per share

Investment Management requires very little capital, so the valuation of the stock benefits as this shift unfolds

in 2011. Investment Management requires very little capital and is a high return and higher multiple business than owning real estate, so the valuation of the stock benefits as this shift unfolds. WPC has increased its holdings by receiving more fees in form of shares, aligning it more closely with its CPAs returns. This participation is expected to increase as WPC unfolds its new fee structure that charges up to 10% of CPA 17's operating cash flows, rather than the previous .5% of AUM. Also, WPC will divert this performance fee into REIT II, the Real Estate Ownership division of WPC legally formed as a general partner to CPA 17 in Q2 2007 which provides tax savings to the company by sheltering those performance fees under its federal tax protection. This REIT structure serves a second purpose by sheltering shareholders from having to file Unrelated Business Taxable Income (UBTI) with the IRS, thus widening WPC's shareholder base.

International Acquisitions

WPC has increasingly purchased properties outside of the US, focusing on countries such as Germany and France. The movement into Europe allows WPC to create more diversification in its CPA funds and focus on new growth opportunities yielding greater potential returns for investors. WPC is very selective in the properties it acquires, completing a deep credit analysis of potential tenants that widens their perspective of possible acquisitions, allowing WPC to find the best properties with credit worthy tenants. The larger presence in the international market allows WPC to reach out to a new, yet sophisticated investor base (European investors) that have a strong perception on the value of property, primarily as a secure vehicle for wealth.

We believe WPC will be successful in its fundraising based on the high satisfaction rate that shareholders have had in the CPA funds.

CPA 17 Global

CPA 17 is currently in its initial fundraising step. This is the 16th CPA under WPC's Investment Management, increasing the number of live CPAs to four (CPA-14, CPA-15, CPA-16 Global and CPA-17 Global). The new CPA will have a similar global focus as CPA-16. Historically, the formation of new funds has increased WPC's revenue, especially structuring revenue. Although market conditions are challenging, we believe WPC will be successful in its fundraising based on the high satisfaction rate that shareholders have had in the CPA funds. Although there are indications from the Treasury markets that investors are less willing to put money into long-term securities, we believe the CPA's target investor base is less concerned with liquidity than with the security's ability to offer consistent dividends at an increasing rate.

Storage Facilities

In November 2006 WPC formed "Carey Storage", a subsidiary of WPC, LLC, for the purpose of investing in self-storage real estate properties in the US. WPC has already acquired 13 such properties with square footage totaling 0.9 million square feet. It is clear the company sees value in this market and has used the facilities as collateral for their credit facility. We believe more storage acquisitions are on the horizon.

Company Management:

Stable Experienced Team of Innovators Reap Benefits

W.P. Carey is considered the pioneer of sale-leaseback transactions and has worked with more than 250 tenant companies and built a portfolio of over 100 million square feet of real estate. Under founder and Chairman of the Board Wm. P. Carey and CEO Gordon T. DuGan, AUM grew over the last five years at a compound rate of over 25%, and from 1979 to 2006 the average return (net of fees) for the CPAs has been 11.56%. In 2007, WPC common stock returned 16.6% to its investors compared to 5.49% for the S&P 500 Index and 16.8% for the NAREIT Index.

Management Formula and Outlook

WPC has a highly integrated investment process consisting of origination, underwriting and structuring, and portfolio asset management. Stressing investing for the long run rather than chasing short term advantage, the firm's expertise in sourcing transactions and structured finance has enabled WPC to successfully withstand several business and economic cycles. Despite the uncertain global economic outlook, we believe there are still significant market opportunities for which WPC is well positioned to take advantage.

Company Ownership

WP Carey & Co. LLC is a relatively closely held company. Corporate insiders own 34.86% of the firm with Wm. P. Carey retaining ownership of over 10.1 million shares. Other than planned purchases via long term incentive compensation plans, there has been no net insider trading over the last six months. Institutions hold 12.44% with JP Morgan Value Advantage Fund and Royce Total Return Fund being the two largest participants. There has been no material buying or selling activity over the last six months. Additionally, WPC is well aligned with its CPA REIT funds with ownership of over $130 million.

Credit Crunch (Other Heading)

The current credit crunch has begun to take its toll on the commercial mortgage industry. The crunch has affected developers, owners, and banks reliant on the Credit Mortgage Backed Securities (CMBS) market to construct projects or refinance loans. This has created difficulty in accessing the capital required to construct projects. We spoke with an index analyst at Markit who explained the widening cost of protection for CMBS loans that has occurred since August of 2007. The cost of protection for a CMBS loan (as shown in the Chart 5.) shows the cost of protection has expanded over 900 basis points in the past 5 months (See Appendix XXI). This has resulted in a freezing of the CMBS market where no securities were priced in January despite 37 billion worth of CMBS issues in the pipeline.

***The firm's historic debt level on deals of 65% is low compared to industry standards*.**

Although WPC has little direct exposure to these loans and does not rely on them for its business to function, the company could still experience difficulty in obtaining capital from banks and may have to rely more heavily on investors. We believe where uncertainty exists opportunity can be found and see WPC's lack of exposure to such loans and conservative debt policy now beneficial to the company providing more flexibility than competitors in this market. WPC may have to pay higher interest rates and may not be fully protected against the headwinds that exist but the firm's historic debt level on deals of 65% is low compared to industry standards. WPC could benefit for taking a conservative policy as banks have tightened up lending and increased credit standards.

Industry Overview and Competitive Positioning

Our Porter's Five Forces and SWOT analyses (Appendix XVII, XVIII) demonstrate the environment in which WPC competes. There is a high diversity of competition within the commercial real estate industry, including private equity real estate funds, pension funds, banks, hedge funds and a variety of real estate investment trusts (REITs). Over $200 billion of investment capital has flowed into the US in the last two years in the form of private equity and pension funds alone. The REIT industry is forecast to grow an average of 14.7% per year through 2010. The global REIT industry is anticipated to reach $995 billion by 2011 which represents a 15-20% per annum increase. The popularity of investing in REITs is driven by three factors: 1) proven performance records, 2) guaranteed dividends, and 3) diversity of portfolio holdings.

The market that WPC operates in is very fragmented with a number of companies specializing in different segments. Comparable companies we focused on were Kimco, ProLogis, and Cohen & Steers. Significant barrier-to-entry exists in the real estate market due to capital requirements. However, WPC operates within the less developed, smaller specialized niche of triple net lease and lease-buybacks (XVI) where competitors have entered from different backgrounds with varying levels of sophistication. The triple net lease market in the US is currently $11.2 billion/annum with the potential to reach $1 trillion/annum. In Europe, the market is €40.4 billion/year with the potential for up to €3 trillion/year.

Moderating REIT property operating results and moderately weakening REIT financial profiles have caused the overall sentiment of REITS in 2008 to decline. Total return for the NAREIT All REIT Index in 2007 was -14.3%. Unlike residential property, commercial property fundamentals overall are relatively unchanged with surveys across all sectors reporting stable occupancy rates and healthy, but slowing, rental rates. Tenant default rates are running near its multi-year average of 0.4%, although they may rise as high as 1-3%. A slowing economy will likely curtail space demand growth, but the lack of excess supply is expected to help maintain healthy property fundamentals with divergence across property sectors and regions. In general, REITs have long-term leases to help protect their earning streams. Many REITs benefited from multiple strong years and have repositioned their portfolios into stronger markets (Europe) to weather any slowdown.

WPC's REIT business has grown at a compound rate of 24% over the last seven years.

WPC appeals to income oriented investors seeking reliable, consistent returns with low risk. While their REIT business has grown at a compound rate of 24% over the last seven years, WPC retains a low volatility profile. The firm is focused on compounding investor dollars rather than generating high internal rates of return, which is difficult with REIT lease holding periods averaging 18.8 years. The four REIT programs have over 120,000 investors with an average investment size of $30,000. The majority of their retail investors are "baby boomers" desiring income investment vehicles. This segment of the US population will expand through 2012 and reach 50,000 million persons after which the rapid growth will cease (see Appendix XIX).

Capitalization rates have increased and are headed higher. WPC's market risk is spread over many non-correlated industries in the US and Europe. Although the firm may suffer a short-term decrease in cash flows, it is well positioned to withstand a downturn. With 30% of WPC's revenue generated outside the US, foreign currency appreciation should help offset possible decreases (5-10%) in US asset valuation.

In 2007 WPC completed a corporate restructuring which simplifies the K-1 for shareholders. The elimination of mechanical restrictions should help broaden WPC's investor base and benefit the company's market valuation. In addition, the firm is presently considering methods to alter the flow of earned fees from their asset management business to WPC that will lower their corporate tax burden.

Sector and Regional Analysis

WPC has a significant proportion of its assets in the stronger performing industrial, warehouse, and office sectors and lower exposure in the retail space where fundamentals have turned negative (Appendix XXIV). Approximately 87% of its revenues stem from industrial, warehouse/distribution and office properties. WPC owned real estate portfolio consists of 181 properties with 109 tenants. Overall vacancy rate is 3.8%. The largest tenant sectors include industrial 49.3%, warehouse 29.3%, and office 12.7%, with retail only 5.7%. The CPA REIT programs consist of 677 properties with 179 tenants. Overall vacancy rate is .007%. The largest representative sectors are industrial 35.2%, office 25.8%, warehouse 20.6% and retail 7.8%. Over the last five years, WPC has divested of a portion of its retail and leisure/entertainment holdings in favor of healthcare, cargo and transportation related properties (see Appendices).

European Focus

We project that WPC will continue and increase its global focus, particularly in Europe. Commercial property markets in Europe are projected to suffer a milder and shorter duration soft period than US markets as per the European real market consultant king Sturge's outlook report and the analysis made by the Economists. WPC already has substantial experience and contacts within European real estate markets which will enable them to fully capitalize on these opportunities. Rising interest rates and seizures in the CMBS markets may increase the attractiveness of sale-leaseback arrangements, while strong occupier demand and business fundamentals make European commercial real estate a more attractive investment for WPC. While the US has a mature sale-leaseback market, Europe still has high levels of owner-occupied commercial real estate with a large and growing market for sale-leaseback arrangements

Financial Analysis

Revenues & Earnings

After a surge in structuring revenue in 2007, we expect WPC's revenues to fall 14% in 2008 and then grow at an 8% annual rate from 2008 through 2011. Upward trends in revenue growth are expected to continue with annual variation in the timing of several revenue streams. As we saw in 2008, these streams relate to structuring revenues and deferred revenues subject to performance thresholds in the CPA REITs and the timing of new acquisitions. The lumpy nature of WPC's investment management business will lead to a revenue decline in 2008, but this is a growing business for WPC.

WPC's main source of revenue growth, Assets Under Management is expected to increase steadily from $8.5 billion to $12.1 billion in FY11

Within the Investment Management operation, the establishment of CPA-17 in FY08 will be the driving force in the increase in WPC's main source of revenue growth, Assets Under Management (AUM). AUM is expected to increase steadily from $8.5 billion to $12.1 billion in FY11 as new properties are acquired in CPA-17 & CPA-16. Importantly, due to WPC's business structure most of these revenues will be received in lumpy payments over the next three years. We project Investment Management revenue will decline from $161 million in 2007 to $117 million in 2008 before growing at an 8% rate through 2011. Following the patterns set by previous CPAs, we expect CPA17 to meet its hurdle rates in FY10 of 5.0% and 6.0% for structuring and acquisitions fees, respectively. We have modeled this situation, taking into account the recognition of accrued deferred revenue of about $21 million from CPA-17 during FY10. We model 2011, our terminal year, as a normal year with average levels of structuring and deferred revenue flowing through WPC's income statement.

Revenues from the WPC's Real Estate Operations are also expected to continue in a strong, upward trend in spite of overall economic weakening. We project revenue from owned assets to expand 10% in 2008 and at an 8% rate from 2008 through 2011. This is partially due to the increased revenue expected from the newly formed subsidiary, Carey Storage, which is the primary asset base expected to grow. We expect 3-4% of these annual gains will come from step-ups embedded in existing leases, based on CPI.

Lease income and asset management fees for the CPAs are vulnerable to reductions in asset values and lessee default. Although we do anticipate some impairment in asset values as a result of the current credit crunch and weakness in the commercial real estate market, lease revenues should be protected as long-term leases serve as a hedge against negative asset value fluctuations. Further, we anticipate increases in asset values from new acquisitions in CPA17. This should partially offset these impairments, while also increasing WPC's asset base.

Overall FFO growth is expected to decline to $2.81 in FY08 due to the lumpy payment scheme in the Investment Management Division, but will increase to $2.87, $3.47, & $3.42 in FY09-FY11 as CPA-17 meets its performance criteria in FY10 and AUM expands. These increases in FFO are also dependent on WPC's ability to acquire additional properties for the CPA REITS, while accruing attractive fees on the structuring, managing, and disposition of these properties. WPC management is very experienced in structuring sale-leaseback deals in the United States and Europe and has been successful in increasing their global diversification. We anticipate continued growth in the European markets where a much greater proportion of commercial real estate is owner-occupied than in the US. Disruption in the credit markets makes sale-leaseback transactions a more attractive financing option for companies less able to raise funds on the capital markets at attractive rates.

Cash Flow

We expect WPC to generate $109 million from net income and depreciation in 2008. About $21 million of this will be used for the after-tax cost of the SEC settlement and another $21 million will go to grow the structuring revenue and deferred acquisition revenue receivables that will turn into cash in future years. WPC will also use $50 million of cash flow in 2008 in taking management income in the form of CPA shares. We expect the company will use about $29 million to invest in fixed assets and will return $99 million to shareholders in dividends and share buyback. As a result of these flows, we see debt increasing $116 million in 2008. Please see Figure 3 for our complete cash flow model. If capital is difficult or expensive to raise, WPC could scale back investment in fixed asset acquisitions and could elect to take its management income in cash.

WPC is very dependent on a strong cash flow to be able to pay the hefty dividend they distribute each year. Distributions to shareholders are expected to be about $85 million in FY08, an 18.3% increase from FY07. This is primarily due to a one-time special dividend of $.27 declared in FY07. This dividend payout is expected to decline in FY09, but will increase steadily from there on. In addition, WPC is completing its share repurchase of $40 million, with about $14.5 million still awaiting repurchase in Q1 of FY08. Between dividends and share repurchase, WPC is returning $97 million to stockholders in 2007 and $99 million in 2008. These large increases in cash flow outlay to shareholders indicate the strength management has in its business structure.

Principal payments and interest expense also have a large impact on cash flows. In FY07 interest expense was approximately $21 million. This amount is expected to increase as WPC taps their credit facilities and adds new mortgages to finance principal and balloon mortgage payments, in addition to new properties. However, WPC's effective interest rate is projected to decline in FY08 as fixed mortgage rates benefit WPC in a rising interest rate environment (primarily due to the credit crunch). See Appendix VI (Debt Schedule) for further detail.

Based on CPA-17's new performance fee structure of 10% of OCF, fees from CPA REITS are expected to increase…

Another strain on WPC's cash flow is the large portion of fees that WPC receives in the form of shares in the CPAs, rather than as cash. This has a negative impact on operating cash flow. In FY07, this amounted to $55.5 million, of which approximately $11 million came from deferred performance fees due to CPA-16 meeting its performance criteria. We expect this amount to decline slightly to $50.4 million in FY08. On the other hand, these shares do generate cash in the form of distributions from the CPA REITS. We expect the net effect of the investment in the CPA REITS to continue to be a drag on cash flow until one of the REITS enters a liquidity stage and is required to payout its NAV to shareholders. Based on CPA-17's new performance fee structure of 10% of OCF, fees from CPA REITS are expected to increase as the performance fees (which are fully paid for in shares, not cash) increases slightly in comparison to previous CPA REIT structures. See Appendix XIIII for the impact this could have on fees, and therefore on cash flows.

Principal and balloon payments of $51 million are expected to come due in the next two years. WPC should be able to refinance most of their balloon payments, but principal payments will have to be made through cash available.

On a strong note, WPC's Real Estate Operations' revenue is a stable source of cash to sustain some of the firm's cash needs. Furthermore, they have only used $62.7 million of their $250 million credit facility as of FY07. With attractive interest rates pegged to a declining LIBOR rate, this credit facility will allow WPC to finance their cash needs at rates lower than their mortgage debt.

Balance Sheet & Financing

This debt/asset ratio of about 63.5% is low compared to the usual recent industry leverage on real estate at 80%

WPC has a strong balance sheet with *real* assets that have *appreciable* value. The balance sheet is also conservatively leveraged at a debt/equity level of 49.9%. At the end of FY07, they were invested in upwards of $1 billion in assets (real estate, equity in real estate, and financing leases), with only $635 million in debt. This debt/asset ratio of about 63.5% is low compared to the usual recent industry leverage on real estate at 80%. This debt has a weighted average interest rate of 6.3% on fixed rate debt and 5.9% on variable rate debt. Interest coverage is strong with EBITDA more than 6.7X interest expense, while anticipated interest coverage is 5.6X for FY2008. The majority of the mortgage loans are variable rate with eventual balloon payments, presenting interest rate and credit market risks. However, the overall low level of leverage combined with a lack of direct reliance on the CMBS market puts WPC in a relatively strong position within the industry. Due to mortgage interest rates primarily pegged to LIBOR which is trending downward, and rents primarily pegged to CPI which is trending upward, we anticipate increased earnings in the short term (see Appendix XXII). Increased spreads over LIBOR for new mortgages and balloon mortgages that must be rolled over in the near future are anticipated to eliminate this temporary benefit. WPC has a spike in balloon payments due in FY2009; however, we anticipate a fully functioning credit market at that time. If this is not the case, WPC will still be able to lean on credit facilities for support, especially since they can do so at lower interest rate than the current mortgage interest rate. WPC's strong balance sheet and solid credit history are expected to provide continued access to credit at relatively low interest rates. Combined with a history of financing their mortgages directly through banks, we project the firm will have sufficient access to capital to refinance the balloon mortgages due even in the near term while credit markets remain difficult. See Appendix IV, VI and XXII –Balance Sheet, Debt Schedule,LIBOR/CPI graph.

Investment Risks to the Buy Recommendation

The inability of CPA-17 to raise funds for acquisitions is one of the biggest risks to our price target

W.P. Carey's "Independent Investment Team" is not so independent.
WPC has spoken publicly about its investment team of members independent of WPC who specialize in the arrangement of private financing for companies, primarily in in net lease transactions. However, we have found 2 members of this Investment Committee are actually employed by WPC. George E. Stoddard and Dr. Karsten von Koller have been employed at WPC since 1979 and March 2004 respectively. The lack of true independence could lead to a conflict of interest in working on potential deals for the company. However, the CPA REITs have historically had excellent returns with this structure.

CPA Share Haircut
Two things have caught our attention regarding shares of the CPAs. The first is found the CPA 17 prospectus. In Appendix XXVII we show a section from the CPA 17 prospectus that shows financial planners collection of a 10% selling expense to clients. This is a steep haircut on investments and could be giving investors less than they bargained for. Nevertheless, CPA REITs have been very successfully sold in the past.

CPA 17 will now receive performance fees as a percentage of Operating Cash Flow, not AUM.
WPC's CPA 17 fund will now be receiving performance fees based on Operating Cash Flows. We believe WPC will continue to take a portion of these fees in shares of the CPA. Although this could be more beneficial to the company as a whole it ties WPC more into the performance of the REIT. Should problems arise with the REIT, WPC could be affected more than if fees were collected off AUM. However, long-term leases usually represent highly stable cash flows.

WPC European business operations are subject to risk from effects of foreign currency exchange rates and are subject to economic conditions and laws of the countries they operate in.
WPC manages foreign exchange risk by placing both its debt obligation to the lender and the tenant's rental obligation in the local currency. WPC typically uses a much higher leverage ratio on international deals so the local currency debt serves as a natural hedge for the company. However, there are some deals that are paid in equity which is not hedged leaving WPC to some level of FX risk. The US sub-prime mortgage and real estate crisis have affected the European economy. Nevertheless, the European outlook remains positive. Also, WPC is subject to the local laws of the areas that they participate in. A recent example of this, in the retail industry in France, involves two new laws ("Loi Royer" and "Loi Raffarin") that limit the number of newly constructed supermarkets over 300 square meters in France. A similar law exists also in Poland. We view this as a risk to WPC's overall growth due to the limit it puts on an industry they currently operate in with Carrefour SA. However, this could also be an opportunity for WPC if they are able to get more contracts for Carrefour's real estate.

WPC & Carey Financial are subject of an ongoing SEC investigation.
W.P. Carey has been involved with an ongoing SEC investigation regarding the sale of shares from its CPA 15 in late 2002. Although the company reached a $30 million agreement the settlement is still under review and WPC could be subject to further charges. WPC recognized an $8.9 million tax credit resulting in a net charge of approximately $21 million. However, we anticipate the SEC accepting the settlement.

WPC may have trouble raising capital for and maintaining historic returns in its CPA 17 fund.
Current turmoil in the markets may impede CPA17's ability to raise capital by selling shares. CPA 17 had raised approximately $40M on February 28, 2008. That is significantly behind fundraising at this stage in the previous two CPAs. (See Appendix XIV for CPA 17 funding projections)

Default by tenants is a substantial risk to WPC's revenues and asset values. Our analysis of tenants for which credit ratings have been assigned by S&P reveals that the average risk of rated firms directly owned by WPC is BBB, while the average credit grade in each of the three active CPAs is BB+. In addition, the average credit rating of rated companies in the group as a whole is BB+. This validates the internal credit risk analysis performed by WPC on unrated companies. This in-house credit analysis allows the identification of companies with better credit prospects than may be shown in their external ratings, improving WPC's profitability. However, we have projected slower capital accumulation and anticipate strong overall tenant performance due to historic good returns and the extra, in-house credit analysis.

Appendix – Table of Contents

Appendix I: Income Statement- REIT II

WP Carey

W. P. Carey & Co. LLC.

Income Statement - Real Estate Ownership - REIT II

($ in thousands)

	2007		2008E								2008E		2009E		2010E		2011E	
	YEAR	% CHG	1ST Q	% CHG	2ND Q	% CHG	3RD Q	% CHG	4TH Q	% CHG	YEAR	% CHG	YEAR	% CHG	YEAR	% CHG	YEAR	% CHG
REVENUE:																		
Rental Income	63,682.0	14.2%																
Interest Income from direct financing leases	11,721.0	-12.9%																
Lease revenues	75,403.0	9.0%	19,071.2	4.7%	19,293.9	4.7%	19,518.8	4.7%	19,746.0	4.7%	77,629.9	3.0%	81,302.9	4.7%	85,127.1	4.7%	89,108.5	4.7%
Other Operating income																		
Revenues of other business operations																		
Other real estate income	12,718.0	49.6%	3,301.0	15.3%	3,416.1	13.9%	3,526.0	12.9%	3,631.6	12.0%	13,874.8	9.1%	15,169.6	9.3%	16,019.2	5.6%	16,693.7	4.2%
TOTAL REVENUE:	88,121.0	13.4%	22,372.2	-1.9%	22,710.0	-2.3%	23,044.8	-4.0%	23,377.7	29.4%	91,504.7	3.8%	96,472.5	5.4%	101,146.4	4.8%	105,802.2	4.6%
OPERATING EXPENSES:																		
G&A	7,256.0	28.8%	2,228.1	5.0%	2,168.3	5.0%	1,978.2	5.0%	1,244.3	5.0%	7,618.8	5.0%	7,999.7	5.0%	8,399.7	5.0%	8,819.7	5.0%
Depreciation & Amortization	21,364.0	22.1%	4,132.3	-29.9%	4,210.6	-28.7%	4,288.9	-17.5%	4,367.2	0.2%	16,999.0	-20.4%	17,984.7	5.8%	18,575.6	3.3%	18,977.4	2.2%
Property expenses	6,245.0	4.4%	1,621.1	14.2%	1,640.0	-13.4%	1,659.1	-39.1%	1,678.4	710.8%	6,598.5	5.7%	6,910.7	4.7%	7,235.8	4.7%	7,574.2	4.7%
Impairment charges and loan losses	1,017.0	-11.3%	0.0	NM	0.0	NM	0.0	NM	0.0	-100.0%	0.0	-100.0%	0.0	NM	0.0	NM	0.0	NM
Other real estate expenses	7,690.0	30.8%	1,454.2	-42.4%	1,476.1	13.5%	1,497.9	-33.6%	1,519.5	-5.6%	5,947.8	-22.7%	6,270.7	5.4%	7,080.2	12.9%	6,877.1	-2.9%
TOTAL OPERATING EXPENSES:	43,572.0	20.6%	9,435.7	-21.1%	9,495.0	-15.0%	9,424.1	-21.9%	8,809.4	5.2%	37,164.1	-14.7%	39,165.9	5.4%	41,291.4	5.4%	42,248.5	2.3%
OPER. INCOME (Margins in Box):	44,549.0	50.6%	12,936.6	57.8%	13,215.0	58.2%	13,620.7	59.1%	14,568.3	62.3%	54,340.6	59.4%	57,306.6	59.4%	59,855.0	59.2%	63,553.7	60.1%
OTHER INCOME (EXPENSE):																		
Other interest income	811.0	79.4%	75.7		75.7		75.7		75.7		302.7		0.0		0.0		0.0	
Income from equity investments in real estate	7,191.0	175.9%	1,874.1		1,897.6		1,921.3		1,943.6		7,636.5		8,018.4		8,419.3		8,840.2	
Minority interest in income	(1,409.0)	20.7%	(400.0)		(400.0)		(400.0)		(400.0)		(1,600.0)		(1,600.0)		(1,600.0)		(1,600.0)	
Gain (loss) on sale of securities, foreign currency trans	3,114.0	-51.7%	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
Interest Expense	(20,880.0)	22.7%	(4,964.0)		(5,071.9)		(5,143.5)		(5,239.6)		(20,419.0)		(19,276.7)		(21,014.5)		(21,000.0)	
TOTAL OTHER INCOME:	(11,173.0)	28.8%	(3,414.2)		(3,498.7)		(3,546.5)		(3,620.4)		(14,079.8)		(12,858.3)		(14,195.2)		(13,759.8)	
PRETAX INCOME (Margins in Box):	33,376.0	37.9%	9,522.4	42.6%	9,716.3	42.8%	10,074.2	43.7%	10,947.9	46.8%	40,260.8	44.0%	44,448.3	46.1%	45,659.7	45.1%	49,794.0	47.1%
INCOME TAXES (CREDIT):	1,581.0		285.7		291.5		302.2		328.4		1,207.8		1,333.4		1,369.8		1,493.8	
Tax Rate	4.7%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%		3.0%	
Net INCOME from continuing operations	31,795.0		9,236.7		9,424.8		9,772.0		10,619.5		39,053.0		43,114.8		44,289.9		48,300.1	
Income (loss) from operations of discontinued operatio	2,874.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
(Loss) gain on sale of real estate, net	15,486.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
Minority interest in income	(5,394.0)																	
Impairment charges on assets held for sale	(2,317.0)		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
(Loss) income from discontinued operations	10,649.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
NET INCOME:	42,444.0		9,236.7		9,424.8		9,772.0		10,619.5		39,053.0		43,114.8		44,289.9		48,300.1	

Source: Company Documents, Student Estimates

Appendix II: Income Statement- Investment Management

WP Carey

W. P. Carey & Co. LLC.

Income Statement - Investment Management

($ in thousands)

	2007		2008E								2008E		2009E		2010E		2011E	
	YEAR	% CHG	1ST Q	% CHG	2ND Q	% CHG	3RD Q	% CHG	4TH Q	% CHG	YEAR	% CHG	YEAR	% CHG	YEAR	% CHG	YEAR	% CHG
REVENUE:																		
Asset Management Revenue	83,051.0	44.1%	21,445.3	42.6%	21,841.1	-27.7%	22,171.0	18.9%	22,500.9	17.4%	87,958.3	5.9%	87,641.8	-0.4%	129,083.0	47.3%	122,673.3	-5.0%
Structuring Revenue	78,175.0	247.4%	11,175.5	143.8%	12,027.5	-77.5%	9,142.7	-6.5%	9,540.2	-8.0%	41,886.0	-46.4%	39,038.3	-6.8%	47,611.3	22.0%	41,433.3	-13.0%
Incentive, termination and sub. Disposition	0.0	-100.0%	0.0	NM	0.0	NM	0.0	NM	0.0	NM	0.0	NM	0.0	NM	0.0	NM	0.0	NM
Other Income	0.0	NM	0.0	NM	0.0	NM	0.0	NM	0.0	NM	0.0	NM	0.0	NM	0.0	NM	0.0	NM
TOTAL REVENUE:	**161,226.0**	27.8%	**32,620.8**	66.3%	**33,868.6**	-59.5%	**31,313.8**	10.2%	**32,041.1**	8.5%	**129,844.4**	-19.5%	**126,680.1**	-2.4%	**176,694.3**	39.5%	**164,106.6**	-7.1%
OPERATING EXPENSES:																		
G&A	54,565.0	52.7%	12,395.9	22.5%	12,870.1	-39.3%	11,899.2	13.7%	12,175.6	-4.9%	49,340.9	-9.6%	53,839.0	9.1%	68,851.8	27.9%	69,745.3	1.3%
Provision for settlement	29,979.0																	
Depreciation & Amortization	4,179.0	-45.3%	1,046.0	0.0%	1,046.0	0.5%	1,046.0	0.0%	1,046.0	0.0%	4,184.0	0.1%	4,184.0	0.0%	4,184.0	0.0%	4,184.0	0.0%
TOTAL OPERATING EXPENSES:	**88,723.0**	104.5%	**13,441.9**	20.4%	**13,916.1**	-37.4%	**12,945.2**	12.5%	**13,221.6**	-69.8%	**53,524.9**	-39.7%	**58,023.0**	8.4%	**73,035.8**	25.9%	**73,929.3**	1.2%
OPER. INCOME (Margins in Box):	**72,503.0**	**45.0%**	**19,178.9**	**58.8%**	**19,952.6**	**58.9%**	**18,368.5**	**58.7%**	**18,819.5**	**58.7%**	**76,319.5**	**58.8%**	**68,657.0**	**54.2%**	**103,658.5**	**58.7%**	**90,177.3**	**55.0%**
OTHER INCOME (EXPENSE):																		
Other interest income	6,031.0		405.4		407.8		413.5		423.5		1,650.3		2,110.9		1,564.3		1,564.3	
Income from equity investments in CPA REITS	11,166.0	123.2%	3,194.0		3,194.0		3,194.0		3,194.0		12,776.0	14.4%	12,776.0		14,053.6		14,053.6	
Minority interest	(2,734.0)		250.0		250.0		250.0		250.0		1,000.0		1,000.0		1,000.0		1,000.0	
Gain foreign currency transactions and other gains, net	0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
TOTAL OTHER INCOME:	**14,463.0**		**3,849.4**		**3,851.8**		**3,857.5**		**3,867.5**		**15,426.3**		**15,886.9**		**16,617.9**		**16,617.9**	
PRETAX INCOME (Margins in Box):	**86,966.0**	**53.9%**	**23,028.3**	**70.6%**	**23,804.4**	**70.3%**	**22,226.0**	**71.0%**	**22,687.0**	**70.8%**	**91,745.8**	**70.7%**	**84,544.0**	**66.7%**	**120,276.4**	**68.1%**	**106,795.2**	**65.1%**
INCOME TAXES (CREDIT):	**50,158.0**		**10,132.5**		**10,473.9**		**9,779.5**		**9,982.3**		**40,368.1**		**35,508.5**		**48,110.5**		**40,582.2**	
Tax Rate	**57.7%**		**44.0%**		**44.0%**		**44.0%**		**44.0%**		**44.0%**		**42.0%**		**40.0%**		**38.0%**	
NET INCOME (before extaordinary):	**36,808.0**		**12,895.9**		**13,330.5**		**12,446.6**		**12,704.7**		**51,377.6**		**49,035.5**		**72,165.8**		**66,213.0**	
Extraordinary Items	5,094.9		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
Net Income (after ExtraOrdinary adjustments):	**41,902.9**		**12,895.9**		**13,330.5**		**12,446.6**		**12,704.7**		**51,377.6**		**49,035.5**		**72,165.8**		**66,213.0**	

Source: Company Documents, Student Estimates

Appendix III: Income Statement- Consolidated

WP Carey

W. P. Carey & Co. LLC.

Income Statement - Consolidated

($ in thousands)

	2007		2008E								2008E		2009E		2010E		2011E	
	YEAR	% CHG	1ST Q	% CHG	2ND Q	% CHG	3RD Q	% CHG	4TH Q	% CHG	YEAR	% CHG	YEAR	% CHG	YEAR	% CHG	YEAR	% CHG
REVENUE:																		
Asset Management Revenue	83,051.0	44.1%	21,445.3	42.6%	21,841.1	-27.7%	22,171.0	18.9%	22,500.9	17.4%	87,958.3	5.9%	87,641.8	-0.4%	129,083.0	47.3%	122,673.3	-5.0%
Structuring Revenue	78,175.0	247.4%	11,175.5	143.8%	12,027.5	-77.5%	9,142.7	-6.5%	9,540.2	-8.0%	41,886.0	-46.4%	39,038.3	-6.8%	47,611.3	22.0%	41,433.3	-13.0%
Lease revenues	75,403.0	9.0%	19,071.2	-2.9%	19,293.9	-3.5%	19,518.8	-1.6%	19,746.0	24.0%	77,629.9	3.0%	81,302.9	4.7%	85,127.1	4.7%	89,108.5	4.7%
Other income	12,718.0	49.6%	3,301.0	4.0%	3,416.1	5.4%	3,526.0	-15.2%	3,631.6	69.4%	13,874.8	9.1%	15,169.6	9.3%	16,019.2	5.6%	16,693.7	4.2%
TOTAL REVENUE:	**249,347.0**	**22.3%**	**54,993.1**	**29.6%**	**56,578.6**	**-47.1%**	**54,358.6**	**3.7%**	**55,418.8**	**16.4%**	**221,349.1**	**-11.2%**	**223,152.6**	**0.8%**	**277,840.7**	**24.5%**	**269,908.8**	**-2.9%**
OPERATING EXPENSES:																		
G&A	61,821.0	49.4%	14,624.0	19.5%	15,038.3	-35.3%	13,877.4	12.4%	13,419.9	-4.0%	56,959.7	-7.9%	61,838.8	8.6%	77,251.6	24.9%	78,565.0	1.7%
Provision for settlement	29,979.0																	
Depreciation & Amortization	25,543.0	1.6%	5,178.3	-25.4%	5,256.6	-24.4%	5,334.9	-14.6%	5,413.2	0.2%	21,183.0	-17.1%	22,168.7	4.7%	22,759.6	2.7%	23,161.4	1.8%
Property expenses	6,245.0	4.4%	1,621.1	14.2%	1,640.0	-13.4%	1,659.1	-39.1%	1,678.4	710.8%	6,598.5	5.7%	6,910.7	4.7%	7,235.8	4.7%	7,574.2	4.7%
Impairment charges and loan	1,017.0	-11.3%	0.0	NM	0.0	NM	0.0	NM	0.0	-100.0%	0.0	-100.0%	0.0	NM	0.0	NM	0.0	NM
Other real estate expenses	7,690.0	30.8%	1,454.2	-42.4%	1,476.1	13.5%	1,497.9	-33.6%	1,519.5	-5.6%	5,947.8	-22.7%	6,270.7	5.4%	7,080.2	12.9%	6,877.1	-2.9%
TOTAL OPERATING EXPENSES:	**132,295.0**	**66.4%**	**22,877.6**	**-1.1%**	**23,411.1**	**-29.9%**	**22,369.3**	**-5.1%**	**22,031.0**	**-57.8%**	**90,689.0**	**-31.4%**	**97,189.0**	**7.2%**	**114,327.2**	**17.6%**	**116,177.8**	**1.6%**
OPER. INCOME (Margins in Box):	**117,052.0**	46.9%	**32,115.5**	58.4%	**33,167.6**	58.6%	**31,989.3**	58.8%	**33,387.8**	60.2%	**130,660.1**	59.0%	**125,963.7**	56.4%	**163,513.5**	58.9%	**153,731.0**	57.0%
OTHER INCOME (EXPENSE):																		
Other interest income	6,842.0		481.1		483.5		489.2		499.2		1,952.9		2,110.9		1,564.3		1,564.3	
Income from equity investments in real estate	18,357.0		5,068.1		5,091.6		5,115.3		5,137.6		20,412.5		20,794.4		22,472.9		22,893.8	
Minority interest in income	(4,143.0)		(150.0)		(150.0)		(150.0)		(150.0)		(600.0)		(600.0)		(600.0)		(600.0)	
Gain (loss) on sale of securities, foreign currency trar	3,114.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
Interest Expense	(20,880.0)		(4,964.0)		(5,071.9)		(5,143.5)		(5,239.6)		(20,419.0)	5.76	(19,276.7)		(21,014.5)		(21,000.0)	
TOTAL OTHER INCOME:	**3,290.0**		**435.2**		**353.2**		**311.0**		**247.1**		**1,346.5**		**3,028.6**		**2,422.6**		**2,858.1**	
PRETAX INCOME (Margins in Box):	**120,342.0**	48.3%	**32,550.7**	59.2%	**33,520.7**	59.2%	**32,300.2**	59.4%	**33,634.9**	60.7%	**132,006.6**	59.6%	**128,992.2**	57.8%	**165,936.1**	59.7%	**156,589.1**	58.0%
INCOME TAXES (CREDIT):	**51,739.0**		**10,418.1**		**10,765.4**		**10,081.7**		**10,310.7**		**41,576.0**		**36,841.9**		**49,480.3**		**42,076.0**	
Tax Rate	**43.0%**		**32.0%**		**32.1%**		**31.2%**		**30.7%**		**31.5%**	**56753.999**	**28.6%**		**29.8%**		**26.9%**	
Net INCOME from continuing operations	**68,603.0**		**22,132.6**		**22,755.3**		**22,218.6**		**23,324.2**		**90,430.6**	**15,178.0**	**92,150.3**		**116,455.8**		**114,513.1**	
Income (loss) from operations of discontinued operati	2,874.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
(Loss) gain on sale of real estate, net	15,486.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
Minority interest in income	(5,394.0)																	
Impairment charges on assets held for sale	(2,317.0)		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
(Loss) income from discontinued operations	**10,649.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**		**0.0**	
NET INCOME (before extaordinary):	**79,252.0**		**22,132.6**		**22,755.3**		**22,218.6**		**23,324.2**		**90,430.6**		**92,150.3**		**116,455.8**		**114,513.1**	
Extraordinary Items	5,094.9		0.0		0.0		0.0		0.0		0.0		0.0		0.0		0.0	
Net Income (after ExtraOrdinary adjustments):	**84,346.9**		**22,132.6**		**22,755.3**		**22,218.6**		**23,324.2**		**90,430.6**		**92,150.3**		**116,455.8**		**114,513.1**	
Shares Outstanding																		
Basic	38,113.9		37,988.1		37,988.1		37,988.1		37,988.1		37,988.1		37,988.1		37,988.1		37,988.1	
Diluted	39,868.2		39,868.2		39,868.2		39,868.2		39,868.2		39,868.2		39,868.2		39,868.2		39,868.2	
EPS																		
Basic																		
Earnings from continuing operations	1.80		0.58		0.60		0.58		0.61		2.38		2.43		3.07		3.01	
(Loss) income from discontinued operations	0.28		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	
Net Income	**2.08**		**0.58**		**0.60**		**0.58**		**0.61**		**2.38**		**2.43**		**3.07**		**3.01**	
Diluted																		
Earnings from continuing operations	1.79		0.56		0.57		0.56		0.59		2.27		2.31		2.92		2.87	
(Loss) income from discontinued operations	0.27		0.00		0.00		0.00		0.00		0.00		0.00		0.00		0.00	
Net Income	**1.99**		**0.56**		**0.57**		**0.56**		**0.59**		**2.27**		**2.31**		**2.92**		**2.87**	
Distributions Declared per Share	$1.878	3.2%	$0.482	4.3%	$0.487	4.3%	$0.492	4.2%	$0.497	4.2%	$1.958	4.3%	$2.038		$2.093		$3.528	
Special Distribution	$0.270																	

Source: Company Documents, Student Estimates

Appendix IV: Balance Sheet

WP Carey

W. P. Carey & Co. LLC.

Balance Sheet - Consolidated

($ in thousands)

	2007	2008E				2008E	2009E	2010E	2011E
	YEAR	1ST Q	2ND Q	3RD Q	4TH Q	YEAR	YEAR	YEAR	YEAR
ASSETS									
Real Estate Cost	602,109.0	604,634.0	607,159.0	609,684.0	612,209.0	612,209.0	622,309.0	632,409.0	642,509.0
Real Estate Depreciation	(88,704.0)	(92,467.2)	(96,246.1)	(100,040.9)	(103,851.4)	(103,851.4)	(119,251.3)	(134,903.7)	(150,808.7)
Operating real estate, cost	81,358.0	91,358.0	101,358.0	111,358.0	121,358.0	121,358.0	141,358.0	151,358.0	156,358.0
Operating real estate, depreciation	(8,169.0)	(8,677.5)	(9,248.5)	(9,882.0)	(10,578.0)	(10,578.0)	(13,799.4)	(17,427.1)	(21,257.9)
Net investment in direct financing leases	89,463.0	89,463.0	89,463.0	89,463.0	89,463.0	89,463.0	89,463.0	89,463.0	89,463.0
Equity investments in real estate and CPA REITS	242,677.0	249,995.1	257,336.7	264,702.0	272,089.5	272,089.5	301,883.9	333,356.8	365,250.6
Real estate under construction and redevelopment	0.0					0.0	0.0	0.0	0.0
Assets held for sale	0.0					0.0	0.0	0.0	0.0
Cash and cash equivalents	12,137.0	18,045.9	15,327.0	15,654.5	16,670.9	16,670.9	14,954.2	14,707.8	15,234.0
Due from affiliates	88,329.0	32,432.0	32,626.8	33,081.2	33,881.8	33,881.8	47,958.5	31,285.1	31,285.1
Intangibles assets, net	36,266.0	35,359.4	34,452.7	33,546.1	32,639.4	32,639.4	29,092.0	25,612.5	22,186.9
Goodwill	63,607.0	63,607.0	63,607.0	63,607.0	63,607.0	63,607.0	63,607.0	63,607.0	63,607.0
Other assets, net	34,211.0	34,211.0	34,211.0	34,211.0	34,211.0	34,211.0	34,211.0	34,211.0	69,528.0
Total Assets	1,153,284.0	1,117,960.7	1,130,046.5	1,145,383.8	1,161,700.2	1,161,700.2	1,211,785.9	1,223,679.4	1,283,355.1
Liabilities and Members' Equity									
Liabilities:									
Limited recourse mortgage notes payable	218,470.0	220,955.0	223,440.0	225,925.0	223,410.0	223,410.0	229,975.0	236,540.0	241,463.8
Limited recourse mortgage notes payable on assets h	0.0					0.0	0.0	0.0	0.0
Secured credit facility	35,581.0	42,081.0	48,581.0	55,081.0	61,581.0	61,581.0	74,581.0	81,081.0	84,331.0
Unsecured credit facility	62,700.0	72,700.0	73,700.0	78,700.0	88,700.0	88,700.0	133,700.0	156,200.0	171,200.0
Accrued interest	0.0					0.0	0.0	0.0	0.0
Due to affiliates	0.0					0.0	0.0	0.0	0.0
Deferred revenue	0.0	194.8	649.2	1,449.8	2,596.7	2,596.7	16,673.3	0.0	0.0
Accounts payable and accrued expenses	71,819.0	68,859.4	66,060.7	62,894.0	59,444.5	59,444.5	28,983.7	16,208.6	15,071.5
Prepaid and deferred rental income and security depo	0.0					0.0	0.0	0.0	0.0
Accrued income taxes	65,152.0	65,152.0	65,152.0	65,152.0	65,152.0	65,152.0	51,566.5	21,097.9	21,097.9
Deferred income taxes	0.0	0.0				0.0	0.0	0.0	0.0
Other Liabilities	0.0	0.0				0.0	0.0	0.0	0.0
Settlement Provision	29,979.0	0.0							
Distributions payable	29,222.0	18,310.3	18,500.2	18,690.1	18,880.1	18,880.1	19,639.8	18,932.6	19,701.4
Total liabilities	512,923.0	488,252.4	496,083.1	507,892.0	519,764.3	519,764.3	555,119.4	530,060.1	552,865.5
Minority interest in consolidated entities	6,090.0	6,090.0	6,090.0	6,090.0	6,090.0	6,090.0	6,090.0	6,090.0	6,090.0
Members' equity:									
Listed shares	748,584.0	734,109.0	734,109.0	734,109.0	734,109.0	734,109.0	734,109.0	734,109.0	734,109.0
Dividends in excess of accumulated earnings	(117,051.0)	(113,228.7)	(108,973.6)	(105,445.2)	(101,001.1)	(101,001.1)	(86,270.5)	(49,317.7)	(12,447.5)
Unearned compensation	0.0					0.0	0.0	0.0	0.0
Accumulated other comprehensive income	2,738.0	2,738.0	2,738.0	2,738.0	2,738.0	2,738.0	2,738.0	2,738.0	2,738.0
Less, shares in treasury	0.0					0.0	0.0	0.0	0.0
Total members' equity:	634,271.0	623,618.3	627,873.4	631,401.8	635,845.9	635,845.9	650,576.5	687,529.3	724,399.5
Total liabilities and members' equity:	1,153,284.0	1,117,960.7	1,130,046.5	1,145,383.8	1,161,700.2	1,161,700.2	1,211,785.9	1,223,679.4	1,283,355.1

Source: Company Documents, Student Estimates

Appendix V: Cash Flow Statement

WP Carey
W. P. Carey & Co. LLC.
Cash Flow Statement - Consolidated
($ in thousands)

	2007	2008E				2008E	2009E	2010E	2011E
	YEAR	1ST Q	2ND Q	3RD Q	4TH Q	YEAR	YEAR	YEAR	YEAR
Cash Flows from Operating Activities									
Net Income	79,252.0	22,132.6	22,755.3	22,218.6	23,324.2	90,430.6	92,150.3	116,455.8	114,513.1
Loss (income from dicontinued operations)						0.0	0.0	0.0	0.0
Depreciation and amortization including intangible assets and deferred financing costs	27,321.0	5,178.3	5,256.6	5,334.9	5,413.2	21,183.0	22,168.7	22,759.6	23,161.4
Income from equity investments in real estate in excess of distributions received	(2,296.0)	0	0	0	0	0.0	0.0	0.0	0.0
Gains on sale of real estate and investments, net	(15,827.0)	0	0	0	0	0.0	0.0	0.0	0.0
Recognition of deferred gain on completion of development project	0.0	0	0	0	0	0.0	0.0	0.0	0.0
Minority interest in income	9,537.0	150.0	150.0	150.0	150.0	600.0	600.0	600.0	600.0
Straight-line rent adjustments	2,972.0	600.0	600.0	600.0	600.0	2,400.0	2,400.0	2,400.0	2,400.0
Management income received in shares of affiliates	**(55,535.0)**	**(13,459.0)**	**(13,780.6)**	**(14,085.7)**	**(14,390.8)**	**(55,716.1)**	**(59,316.7)**	**(73,192.6)**	**(74,965.2)**
Unrealized (gain) loss of foreign currency transactions, warrants and securities	(1,659.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges and loan losses	3,334.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes	0.0	0	0	0	0	0.0	0.0	0.0	0.0
Realized (gain) loss on foreign currency transactions	(1,332.0)	0	0	0	0	0.0	0.0	0.0	0.0
Costs paid by issuance of shares	0.0	0	0	0	0	0.0	0.0	0.0	0.0
Increase (decrease) in accrued income taxes	1,796.0	0	0	0	0	0.0	0.0	0.0	0.0
Decrease in prepaid income taxes	0.0	0	0	0	0	0.0	0.0	0.0	0.0
Tax charge - share incentive plan	0.0	0	0	0	0	0.0	0.0	0.0	0.0
Settlement Provision	**29,979.0**	**-29979**				**(29,979.0)**	**0.0**		
Stock-based compensation expense (Amortization of Unearned Compensation)	5,551.0	900	900	900	900	0.0	0.0	0.0	0.0
Deferred acquisition revenue received	16,164.0	55,897.0				**55,897.0**	0.0	0.0	0.0
Increase in structuring revenue receivable	(55,897.0)	0	0	0	0	0.0	0.0	0.0	0.0
Net changes in other operating assets and liabilities	4,111.0	0	0	0	0	0.0	0.0	0.0	0.0
Net cash provided by operating activities	47,471.0	41,419.9	15,881.3	15,117.7	15,996.5	84,815.5	58,002.4	69,022.7	65,709.4
Cash Flows from Investing Activities:									
Distributions received from equity investment in real estate in excess of equity income	17,441.0	2250	2250	2250	2250	9,000.0	9,000.0	9,000.0	9,000.0
Capital distributions from equity investment	(3,596.0)					0.0	0.0	0.0	0.0
Purchases of real estate and equity investments in real estate	(80,491.0)	-10000	-10000	-10000	-10000				
Self-Storage Real Estate		-10000	-10000	-10000	-10000	(40,000.0)	(20,000.0)	(10,000.0)	(5,000.0)
Other Real Estate		0	0	0	0	0.0	0.0	0.0	0.0
Capital expenditures	(15,987.0)	(2,525.0)	(2,525.0)	(2,525.0)	(2,525.0)	(7,600.0)	(10,100.0)	(10,100.0)	(10,100.0)
Purchase of investment	0.0					0.0	0.0	0.0	0.0
Loans to affiliates	(8,676.0)					0.0	0.0	0.0	0.0
Proceeds from repayment of loans to affiliates	8,676.0					0.0	0.0	0.0	0.0
Proceeds from sales fo property and investments	42,214.0	0	0	0	0	0.0	0.0	0.0	0.0
Release of funds from escrow in connection with the sale of property	19,410.0					0.0	0.0	0.0	0.0
Funds placed in escrow in connection with the sale of property	(19,515.0)					0.0	0.0	0.0	0.0
Cash acquired on acquisition of subsidiary	0.0					0.0	0.0	0.0	0.0
Payment of deferred acquisition revenue to affiliate	(524.0)	-524	0	0	0	(524.0)	(524.0)	(524.0)	(524.0)
Net cash (used in) provided by investing activities	(41,048.0)	(10,799.0)	(10,275.0)	(10,275.0)	(10,275.0)	(39,124.0)	(21,624.0)	(11,624.0)	(6,624.0)
Cash Flows from Financing Activities:									
Distributions paid	(71,608.0)	(29,222.0)	(18,310.3)	(18,500.2)	(18,690.1)	(84,722.6)	(76,660.0)	(80,210.2)	(76,874.1)
Contributions from minority interests	1,703.0					0.0	0.0	0.0	0.0
Distributions to minority interests	(8,168.0)					0.0	0.0	0.0	0.0
Scheduled payments of mortgage principal	**(16,072.0)**	**(2,407.0)**	**(2,407.0)**	**(2,407.0)**	**(7,407.0)**	**(14,628.0)**	**(36,730.0)**	**(14,552.0)**	**(27,846.0)**
Proceeds from mortgage and credit facility	189,383.0	21,392.0	12,392.0	16,392.0	21,392.0	71,568.0	75,295.0	37,117.0	46,161.0
Proceeds from loans from affiliates	7,569.0								
Prepayment of mortgage principal and credit facility	(115,090.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepayment of mortgage principal and notes payable	0.0					0.0	0.0	0.0	0.0
Release of funds from escrow in connection with the financing of properties	0.0					0.0	0.0	0.0	0.0
Payment of financing costs	(1,350.0)					0.0	0.0	0.0	0.0
Proceeds from issuance of shares	20,682.0					0.0	0.0	0.0	0.0
Excess tax benefits associated with stock based compensation awards	1,939.0					0.0	0.0	0.0	0.0
Repurchase and retirement of shares	(25,525.0)	(14,475.0)	0.0	0.0	0.0	**(14,475.0)**	0.0	0.0	0.0
Net cash used in financing activities	(16,537.0)	(24,712.0)	(8,325.3)	(4,515.2)	(4,705.1)	(42,257.6)	(38,095.0)	(57,645.2)	(58,559.1)
Effect of exchange rate changes on cash	143.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net increase (decrease) in cash and cash equivalents	(9,971.0)	5,908.9	(2,719.0)	327.5	1,016.4	4,533.9	(1,716.6)	(246.4)	526.2
Cash and cash equivalents, beginning of year	22,108.0	12,137.0	18,045.9	15,327.0	15,654.5	12,137.0	16,670.9	14,954.2	14,707.8
Cash and cash equivalents, end of year	12,137.0	18,045.9	15,327.0	15,654.5	16,670.9	16,670.9	14,954.2	14,707.8	15,234.0

Source: Company Documents, Student Estimates

Appendix VI: Debt Schedule

WP Carey

W. P. Carey & Co. LLC.

Debt Schedule

($ in thousands)

	2007	2008E				2008E	2009E	2010E	2011E
	YEAR	1ST Q	2ND Q	3RD Q	4TH Q	YEAR	YEAR	YEAR	YEAR
	12/31/2007	3/31/2008	6/30/2008	9/30/2008	12/31/2008	12/31/2008	12/31/2009	12/31/2010	12/31/2011
Debt Schedule									
Unsecured Credit Facility									
Credit Line	250,000.0	250,000.0	250,000.0	250,000.0	250,000.0	250,000.0	250,000.0	250,000.0	250,000.0
Balance	**62,700.0**	**72,700.0**	**73,700.0**	**78,700.0**	**88,700.0**	**88,700.0**	**133,700.0**	**156,200.0**	**171,200.0**
Rate	4.40%	4.27%	4.20%	3.70%	3.70%	3.95%	4.20%	5.20%	5.20%
Interest Expense	**2,290.8**	**722.7**	**768.6**	**704.9**	**774.2**	**2,970.4**	**5,064.2**	**7,547.2**	**8,674.9**
Unused Credit	**187,300.0**	**177,300.0**	**176,300.0**	**171,300.0**	**161,300.0**	**161,300.0**	**116,300.0**	**93,800.0**	**78,800.0**
Rate	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%
Interest Expense	**249.9**	**57.0**	**55.3**	**54.3**	**52.0**	**218.5**	**161.8**	**131.1**	**104.0**
Secured Credit Facility *									
Credit Line	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0	105,000.0
Balance	**35,581.0**	**42,081.0**	**48,581.0**	**55,081.0**	**61,581.0**	**87,581.0**	**87,581.0**	**87,581.0**	**87,581.0**
New Credit	20,080.0	6,500.0	6,500.0	6,500.0	6,500.0	26,000.0	13,000.0	6,500.0	3,250.0
1st Month Rate	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%
Rate	6.47%	5.32%	5.25%	4.75%	4.75%	4.98%	5.25%	6.25%	6.25%
Interest Expense	**2,199.9**	**692.9**	**658.5**	**735.7**	**746.7**	**2,833.7**	**3,759.7**	**4,818.7**	**5,249.0**
Mortgage Debt									
Opening Principal Balance	**261,152.0**	**218,470.0**	**220,955.0**	**223,440.0**	**225,925.0**	**218,470.0**	**223,410.0**	**229,975.0**	**236,540.0**
@Rate **	6.52%	6.36%	6.46%	6.50%	6.53%	6.46%	6.84%	6.97%	7.02%
Principal Payment	(16,072.0)	(2,407.0)	(2,407.0)	(2,407.0)	(7,407.0)	(14,628.0)	(36,730.0)	(14,552.0)	(27,846.0)
@Rate									
PrePayment	(115,090.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
@Rate									
New Mortgages	88,480.0	4,892.0	4,892.0	4,892.0	4,892.0	19,568.0	43,295.0	21,117.0	34,411.0
@Rate		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Leverage		0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Interest Expense	**16,865.0**	**3,491.4**	**3,589.6**	**3,648.6**	**3,666.7**	**14,396.3**	**15,517.0**	**16,195.8**	**16,787.3**
Closing Principal Balance	218,470.0	220,955.0	223,440.0	225,925.0	223,410.0	223,410.0	229,975.0	236,540.0	243,105.0
Total Interest Expense	**19,064.9**	**4,964.0**	**5,071.9**	**5,143.5**	**5,239.6**	**20,419.0**	**19,276.7**	**21,014.5**	**22,036.3**
Spreads based on Leverage									
Unsecured Credit Facility									
Balance	0.75%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Unused Balance	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%
Secured Credit Facility									
Balance	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Market Rates									
LIBOR ***	4.90%	3.07%	3.00%	2.50%	2.50%	2.50%	3.00%	4.00%	4.00%

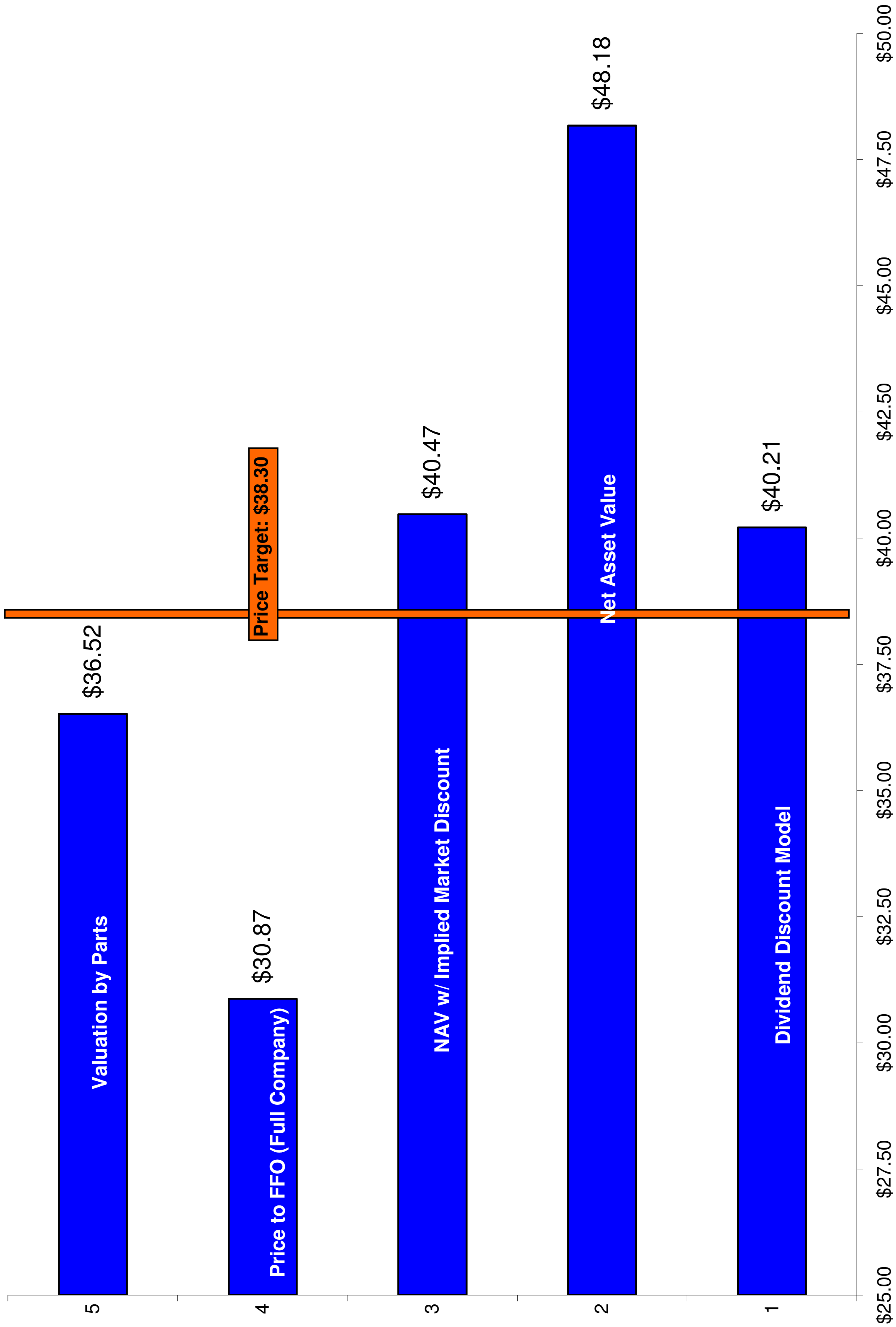
* Assumes Secured Credit Facility is renewed Dec. 2008 on similar terms

**Rate is a weighted average of previous debt rate- minus paid debt rate + new debt rate

***LIBOR Rates are estimated for forecasted terms. LIBOR rates are taken at the middle of the quarter for current quarter. Feb. 15, 2007

Source: Company Documents, Student Estimates

Appendix VII: Valuation Overview



Source: Company Documents, Student Estimates

Appendix VIII: Sum of Parts and P/FFO Valuation

Firm-Wide Valuation - P/FFO

	2007 A	2008 E				2008 E	2009 E	2010E	2011E
	FY	1st Q	2nd Q	3rd Q	4th Q	FY	FY	FY	FY
FFO									
Net Income	$ 79,252.0	$ 22,132.6	$ 22,755.3	$ 22,218.6	$ 23,324.2	$ 90,430.6	$ 92,150.3	$ 116,455.8	$ 114,513.1
+ Depreciation	14,236.0	4,271.7	4,349.9	4,428.2	4,506.5	17,556.4	18,621.4	19,280.1	19,735.7
- Gain/ + Loss from sales of depreciable real estate	15,486.0	-	-	-	-	-	-	-	-
+ Amortization	11,307.0	906.7	906.6	906.7	906.6	3,626.6	3,547.4	3,479.5	3,425.7
+ Straight - line Rent	2,972.0	600.0	600.0	600.0	600.0	2,400.0	2,400.0	2,400.0	2,400.0
+ Provision for SEC Settlement									
- Gain/ + Loss from sales of securities	(3,114.0)	-	-	-	-	-	-	-	-
+ Impairment losses related to depreciable property	3,334.0	-	-	-	-	-	-	-	-
+ Adjustments for minority interests - consolidated affiliates	4,143.0	150.0	150.0	150.0	150.0	600.0	600.0	600.0	600.0
FFO	$ 127,616.0	$ 28,060.9	$ 28,761.9	$ 28,303.4	$ 29,487.3	$ 114,613.6	$ 117,319.0	$ 142,215.4	$ 140,674.5
FFO - per share (basic)	$ 3.35	$0.74	$0.76	$0.75	$0.78	$3.02	$3.09	$3.74	$3.70
FFO - per share (diluted)	$3.20	$0.70	$0.72	$0.71	$0.74	$2.87	$2.94	$3.57	$3.53

Industry P/FFO Multiple	10.7x
WPC - Total FFO (2008E)	$2.87
Price per share	$30.87

REIT II Valuation - P/FFO

	2007 A	2008 E				2008 E	2009 E	2010E	2011E
	FY	1st Q	2nd Q	3rd Q	4th Q	FY	FY	FY	FY
FFO									
Net Income	$ 42,444.0	$ 9,236.7	$ 9,424.8	$ 9,772.0	$ 10,619.5	$ 39,053.0	$ 43,114.8	$ 44,289.9	$ 48,300.1
+ Depreciation & Amortization	21,364.0	4,132.3	4,210.6	4,288.9	4,367.2	16,999.0	17,984.7	18,575.6	18,977.4
+ Straight - line Rent	2,972.0	600.0	600.0	600.0	600.0	2,400.0	2,400.0	2,400.0	2,400.0
- Gain/ + Loss from sales of depreciable real estate	(15,486.0)	-	-	-	-	-	-	-	-
- Gain/ + Loss from sales of securities	(3,114.0)	-	-	-	-	-	-	-	-
+ Impairment losses related to depreciable property	3,334.0	-	-	-	-	-	-	-	-
- Adjustments for minority interests - consolidated affiliates	1,409.0	400.0	400.0	400.0	400.0	1,600.0	1,600.0	1,600.0	1,600.0
FFO	$ 52,923.0	$ 14,369.0	$ 14,635.4	$ 15,060.9	$ 15,986.6	$ 60,052.0	$ 65,099.5	$ 66,865.6	$ 71,277.5
FFO - per share (basic)	$1.39	$0.38	$0.39	$0.40	$0.42	$1.58	$1.71	$1.76	$1.88
FFO - per share (diluted)	$1.33	$0.36	$0.37	$0.38	$0.40	$1.51	$1.63	$1.68	$1.79

Industry P/FFO Multiple	10.7x
WPC - Total FFO (2008E)	$1.51
Price per share	$16.17

Investment Management Valuation - P/E

	2007 A	2008 E				2008 E	2009 E	2010E	2011E
	FY	1st Q	2nd Q	3rd Q	4th Q	FY	FY	FY	FY
Investment Management Net Income	$ 36,808.0	$ 12,895.9	$ 13,330.5	$ 12,446.6	$ 12,704.7	$ 51,377.6	$ 49,035.5	$ 72,165.8	$ 66,213.0
Net Income - per share (basic)	$ 0.97	$ 0.34	$ 0.35	$ 0.33	$ 0.33	$ 1.35	$ 1.29	$ 1.90	$ 1.74
Net Income - per share (diluted)	$ 0.92	$ 0.32	$ 0.33	$ 0.31	$ 0.32	$ 1.29	$ 1.23	$ 1.81	$ 1.66

Industry P/E Multiple	15.8x
WPC - IM EPS (2008E)	$1.29
Price per share	$20.34

Source: Company Documents, Student Estimates

Appendix IX: Comparables

Company	Ticker	Price as of 3/11/08	52 Week Low	52 Week High	Market Value	Enterprise Value	Dividend Yield	Dividend Payout Ratio	Funds From Operations 2008E	Funds From Operations 2009E	Price as a Multiple of: FFO 2008E	Price as a Multiple of: FFO 2009E	FFO Growth 2008E	FFO Growth 2009E
REITS & Real Estate Management														
Boston Properties	BXP	$ 86.16	$ 79.88	$ 120.51	$ 10,296	$ 15,146	3%	60%	4.63	4.93	18.6x	17.5x	2%	6%
Brandywine	BDN	15.94	15.16	35.19	1,384	4,657	11%	68%	2.51	2.58	6.3x	6.2x	(3%)	3%
Duke Realty	DRE	21.23	20.50	45.40	3,091	8,410	9%	71%	2.71	2.85	7.8x	7.5x	(1%)	5%
General Growth	GGP	32.73	31.00	67.43	7,983	33,208	6%	57%	3.61	3.93	9.1x	8.3x	3%	9%
Kimco	KIM	33.22	29.00	51.42	8,398	13,238	5%	62%	2.71	3.01	12.2x	11.0x	5%	11%
Prologis	PLD	51.66	50.10	73.35	13,334	24,229	4%	46%	4.81	5.23	10.8x	9.9x	6%	9%
Simon Property	SPG	82.14	74.80	118.25	18,320	37,600	4%	62%	6.44	6.97	12.8x	11.8x	11%	8%
Vornado	VNO	85.92	77.39	125.47	13,178	26,825	4%	59%	6.03	6.54	14.3x	13.1x	(2%)	8%
WP Carey	WPC	30.73	25.79	36.86	1,208	1,550	6%	56%	2.95	2.97	10.4x	10.4x	(12%)	1%
Capital Lease	LSE	8.81	6.85	12.21	391	2,091	9%	79%	1.08	1.12	8.1x	7.9x	6%	3%
Lexington Corp	LXP	15.40	12.01	22.73	981	3,952	9%	72%	1.57	1.65	9.8x	9.3x	(14%)	6%
One Liberty	OLP	16.59	16.00	26.13	168	366	9%	77%	1.98	NM	8.4x	NM	6%	NM
National Retail	NNN	21.30	19.87	25.95	1,545	2,617	7%	76%	2.00	2.10	10.7x	10.1x	7%	5%
Realty Income	O	24.13	20.27	30.70	2,444	4,013	7%	87%	1.97	2.07	12.3x	11.7x	4%	5%
Amer Finance Rlt	AFR	7.40	6.17	12.25	951	2,917	10%	109%	0.75	0.74	9.9x	10.0x	7%	(1%)
Gladstone Comm	GOOD	15.64	14.75	22.90	134	422	10%	108%	1.51	NM	10.4x	NM	8%	NM
Brookfield Asset	BAM	28.66	25.20	43.82	17,397	53,056	2%	16%	2.24	2.48	12.8x	11.6x	(31%)	11%
						Average	7%	72%	$2.95	$3.33	10.7x	10.4x	2%	6%

Company	Ticker	Price as of 3/11/08	52 Week Low	52 Week High	Market Value	Enterprise Value	Assets Under Management	Dividend Yield	EV/AUM 2007	EPS 2008E	EPS 2009E	Price/EPS 2008E	Price/EPS 2009E
Asset Management													
Cohen&Steers	**CNS**	**23.86**	**21.01**	**56**	**950**	**873**	**29,800**	3%	**3%**	**1.56**	**1.84**	**15.3x**	**13.0x**
Greenhill & Co.	GHL	62.58	47.14	76.98	1,745	1,587	0	3%	NM	4.16	4.78	15.0x	13.1x
Blackstone Group	BX	16.19	15.25	38	4,113	23,190	91,769	2%	25%	1.35	1.93	12.0x	8.4x
T. Rowe Price Group,	TROW	49.93	44.72	65.46	13,170	12,334	400,000	2%	3%	2.61	3.05	19.1x	16.4x
BlackRock, Inc.	BLK	188.16	139.2	231.99	24,169	23,503	1,357,000	2%	2%	9.42	10.99	20.0x	17.1x
Legg Mason Inc.	LM	63.96	63.75	106.36	8,623	9,054	998,000	2%	1%	4.83	5.01	13.2x	12.8x
WP Carey	WPC	30.73	25.79	36.86	1,208	1,550	8,400	6%	18%	2.08	2.10	14.8x	14.6x
							Average	2.19%	6.78%	$3.72	$4.24	15.8x	13.5x

Source: Company Documents, Yahoo! Finance, Student Estimates

Appendix X: Dividend Discount Model

Dividend Discount Model

	2007 A	2008 E				2008 E	2009 E	2010E	2011E
	FY	1st Q	2nd Q	3rd Q	4th Q	FY	FY	FY	FY
FFO	$ 3.201	$ 0.704	$ 0.721	$ 0.710	$ 0.740	$ 2.875	$ 2.943	$ 3.567	$ 3.528
Dividend	1.878	0.482	0.487	0.492	0.497	1.958	2.038	2.093	3.528
Payout Ratio	58.67%	68.48%	67.51%	69.30%	67.20%	68.11%	69.26%	58.67%	100%

DDM	2008 E	2009 E	2010E	2011E
Dividends	$ 1.958	$ 2.038	$ 2.093	$ 3.528
			Terminal Value	$ 48.522
PV of Dividends	$ 1.776	$ 1.676	$ 1.561	$ 35.201
Price	$ 40.214			

Market Assumptions	
Risk free rate (Rf)	4.0%
Market Risk Premium (Rm-Rf)	9.8%
Equity "levered" Beta (Bl)	0.64
Equity Cost of Capital (Ke)	10.3%
Growth Rate (perpetuity)	3.0%
Historical Dividend Growth	3.1%

Source: Company Documents, Student Estimates

Appendix XI: Net Asset Value Analysis

W. P. Carey & Co. LLC.

NAV Estimate		4Q 2007
NAV per Share		$48.18
Forward 12 Month NOI		117,706
Less: Straight-Line Rent		(2,400)
Less: Capital Expenditures		(7,600)
Forward 12-Month Cash NOI		107,706
Nominal Cap Rate		6.64%
Real Estate Value	$	1,622,328
Management Income		51,378
Multiple		15.0x
Value of Management Income	$	770,664
Gross Asset Value	$	2,392,993
Secured Credit Facility	$	35,581
Unsecured Credit Facility	$	88,700
Mortgage Notes	$	223,410
Accounts Payable	$	59,445
Accrued Taxes	$	65,152
Total Debt	$	472,288
Net Asset Value	$	1,920,705
Shares Outstanding		37,988
Options		542
Fully Diluted Shares Outstanding		39,868

Net Asset Value/ Share	$	48.18
Current Common Stock Price	$	30.73
Premium/ Discount to NAV		(36%)
Current REIT Market Price/NAV Premium *		(16%)
Target Price	$	40.47

* Provided by Green Street Advisors

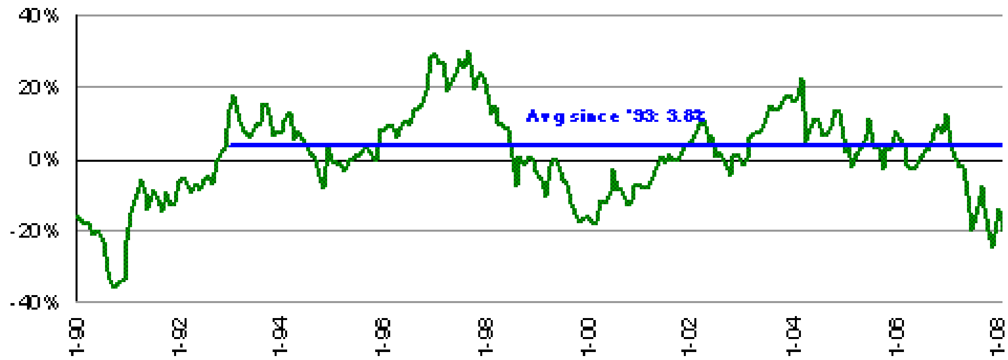
W.P Carey LLC Dec. 31, 2007 Cap. Rate		
	WPC	National Cap Rate
Retail	**8.00%**	**6.5%**
Warehouse/ Distribution	**15.00%**	**6.9%**
Office	**34.00%**	**6.3%**
Industrial	**38.00%**	**6.9%**
Other.	**5.00%**	**6.4%**
TOTAL	**100.00%**	
Implied Cap. Rate	**6.64%**	**6.40**

*Cap. Rates Provided By Real Capital Analytics

Source: Company Documents, Student Estimates

Appendix XII: Green Street Advisors- Price Premium to NAV Graph

REIT Share Price Premiums to Green Street NAV Estimates
January 1990 – February 2008



Source: Green Street Advisors

Appendix XIII: CPA-17 New Performance Fee Impact

WP Carey

W. P. Carey & Co. LLC.

CPA 17- Performance Fee - AUM VS Operating Cash Flow

($ in thousands)

			2004	2005	2006	2007				2007
			YEAR	YEAR	YEAR	1ST Q	2ND Q	3RD Q	4TH Q	YEAR
Apply CPA-17 fee schedule to CPA -16			12/31/2004	12/31/2005	12/31/2006	3/31/2007	6/30/2007	9/30/2007	12/31/2007	12/31/2007
CPA - 16										
Assets Under Management: AUM			252,448.0	681,985.0	1,168,728.0	1,311,643.0	2,161,481.0	2,422,115.0	-	2,422,115.0
Operating Cash Flow: OCF			7,584.0	40,338.0	52,255.0	22,496.0	36,705.0	30,793.0		30,793.0
Peformance Fee										
Old Fee Method	Base: AUM	0.125% per quarter	$ 667.40	$ 2,900.51	$ 4,455.34	$ 1,639.55	$ 2,701.85	$ 3,027.64	$ -	$ 7,369.05
New Fee Method	Base: OCF	10% per quarter	$ 758.40	$ 4,033.80	$ 5,225.50	$ 2,249.60	$ 3,670.50	$ 3,079.30	$ -	$ 8,999.40
		Difference	$ 91.00	$ 1,133.29	$ 770.16	$ 610.05	$ 968.65	$ 51.66	$ -	$ 1,630.35

Average additional yearly performance fee on OCF vs AUM	$ 906.20
Additional Fee as a percentage of AUM	0.0390%

Source: Company Documents, Student Estimates

Appendix XIV: Forecasted Acquisitions & CPA-17 Funding

CPA - Assets Under Management

Actual & Forecasted ($ in millions)

	Yearly Acquisitions	Total Assets
2007	$ 1,200.0	$8,400
2008	950.0	$9,350
2009	1,000.0	$10,350
2010	900.0	$11,250
2011	900.0	$12,150

CPA -17- Forecasted Investment Volume

	Property Acquisitions	Equity Capital	Debt Capital	Leverage
2008	$ 699.3	$ 332.2	$ 367.1	52.5%
2009	900.0	405.0	495.0	55.0%
2010	810.0	324.0	486.0	60.0%
2011	810.0	303.8	506.3	62.5%
Total:	$ 3,219.3	$ 1,364.9	$ 1,854.4	57.6%

CPA -14, 15, & 16- Forecasted Investment Volume

	Property Acquisitions	Equity Capital	Debt Capital	Leverage
2008	$ 250.7	$ 100.3	$ 150.4	60%
2009	100.0	40.0	60.0	60%
2010	90.0	36.0	54.0	60%
2011	90.0	36.0	54.0	60%
Total:	$ 530.7	$ 212.3	$ 318.4	60.0%

Forecasted CPA-17 Fundraising

	Equity (Pre-fee)	Fees 10% Haircut	New Equity	Year end cash balance
2008	$ 373.3	$ 37.3	$ 336.0	$ 3.8
2009	777.8	77.8	700.0	298.8
2010	777.8	77.8	700.0	674.8
2011	-	-	-	371.1
Total:	$ 1,928.9	$ 192.9	$ 1,736.0	$ 371.1

Cash Available for Acquisitions (3Q07)	
CPA -16	$ 338.4
CPA -15	108.7
CPA -14	57.5
Total:	$ 504.6

Source: Company Documents, Student Estimates

Appendix XV: Asset Management Revenue

WP Carey

W. P. Carey & Co. LLC.

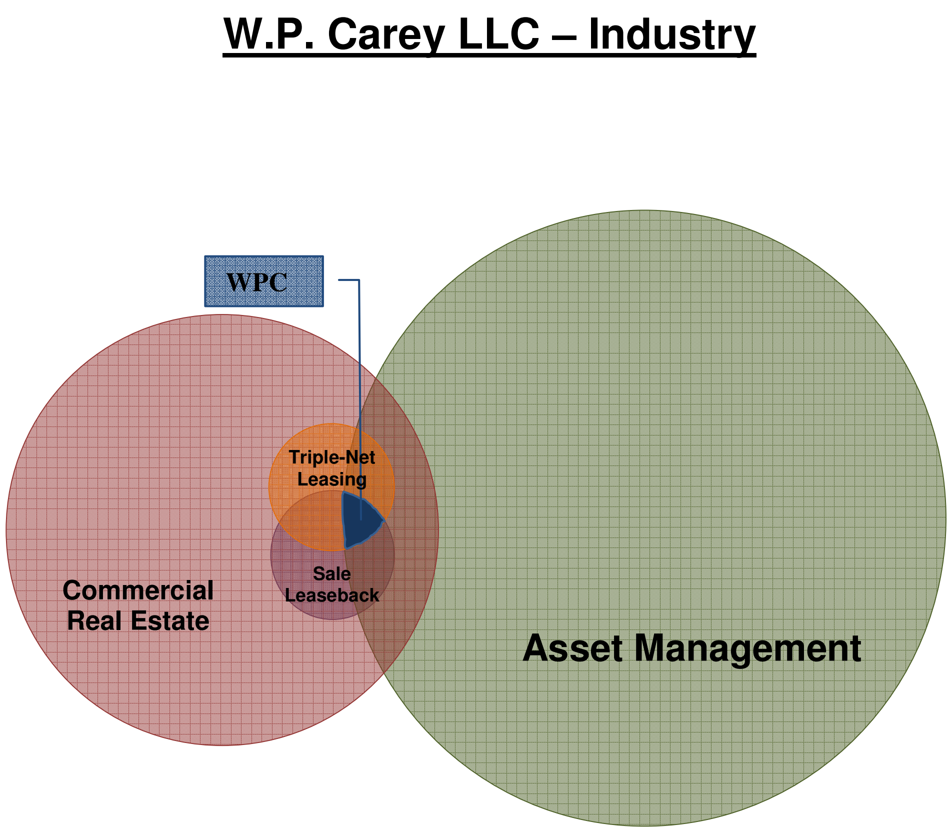
Asset Management Revenue

($ in thousands)

			2007	2008E				2008E	2009E	2010E	2011E
			YEAR	1ST Q	2ND Q	3RD Q	4TH Q	YEAR	YEAR	YEAR	YEAR
			12/31/2007	3/31/2008	6/30/2008	9/30/2008	12/31/2008	12/31/2008	12/31/2009	12/31/2010	12/31/2011
Assets Under Management- Opening Balance			**$7,310,247.0**	**$8,400,000.0**	**$8,637,500.0**	**$8,875,000.0**	**$9,112,500.0**	**$8,400,000.0**	**$9,350,000.0**	**$10,350,000.0**	**$11,250,000.0**
Total Acquisitions											
CPA 17			0.0	118,750.0	158,333.3	211,111.1	211,111.1	699,305.6	900,000.0	810,000.0	810,000.0
CPA 16 & others			1,135,103.0	118,750.0	79,166.7	26,388.9	26,388.9	250,694.4	100,000.0	90,000.0	90,000.0
Total Acquisitions			1,135,103.0	237,500.0	237,500.0	237,500.0	237,500.0	950,000.0	1,000,000.0	900,000.0	900,000.0
Total Dispositions			45,350.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assets Under Management - Closing Balance			**$8,400,000.0**	**$8,637,500.0**	**$8,875,000.0**	**$9,112,500.0**	**$9,350,000.0**	**$9,350,000.0**	**$10,350,000.0**	**$11,250,000.0**	**$12,150,000.0**
Assets Under Management CPA-17			0.0	118,750.0	277,083.3	488,194.4	699,305.6	699,305.6	1,599,305.6	2,409,305.6	3,219,305.6
Management Fee	0.125%		$36,389.0	$10,796.9	$11,093.8	$11,390.6	$11,687.5	$44,968.8	$49,875.0	$54,562.5	$59,062.5
Performance Fee / CPA-17 Performance Fee	0.125%	0.164%	$ 18,879.3	$ 10,648.4	$ 10,747.4	$ 10,780.4	$ 10,813.4	$ 42,989.6	$ 37,766.8	$ 74,520.5	$ 63,610.8
Revenue			**37,759**	**21,445**	**21,841**	**22,171**	**22,501**	**87,958**	**87,642**	**129,083**	**122,673**
Deferred Revenue			0.0	194.8	454.4	800.6	1,146.9	2,596.7	14,076.7	-16,673.3	
Accrued Deferred Revenue			0.0	194.8	649.2	1,449.8	2,596.7	2,596.7	16,673.3	0.0	

Source: Company Documents, Student Estimates

Appendix XVI: WPC's Market Positioning



Source: Company Documents, Student Estimates

Appendix XVII & XVIII: SWOT Analysis & Porter's 5 Forces

Strengths	Weaknesses
Stable experienced management team	Lack of scale
Strong business model, net lease pioneer	Low brand name recognition
Diversified development capabilities	High corporate tax rate
Recurrent client business	mortgage baloon payments
High debt coverage (non-recourse debt)	Declining US REIT values
Risk spread over portfolio of owed and managed real estate	
Strong returns	

Opportunities	Threats
Growing REIT market	Economic slowdown in US and Eurozone
Global expansion (European emphasis)	Intense industry competition
Strategic investments	Increasing tenant defaults
Continued trend for corporate disposition of owned real estate	Lease rollover risk due to widening financial credit spreads
	Challenges raising equity capital
	Outstanding litigation
	Environmental risks and regulations

Barriers To Entry: Medium
- High Capital Requirements
- Credit Worthiness Important
- Experience in structuring finance deals essential

Bargaining Power of Suppliers: Medium
- Growing need for capital
- Quality management important
- Ability to consummate deals on timely basis necessary
- Decreasing underlying asset value
- Higher supplier switching costs

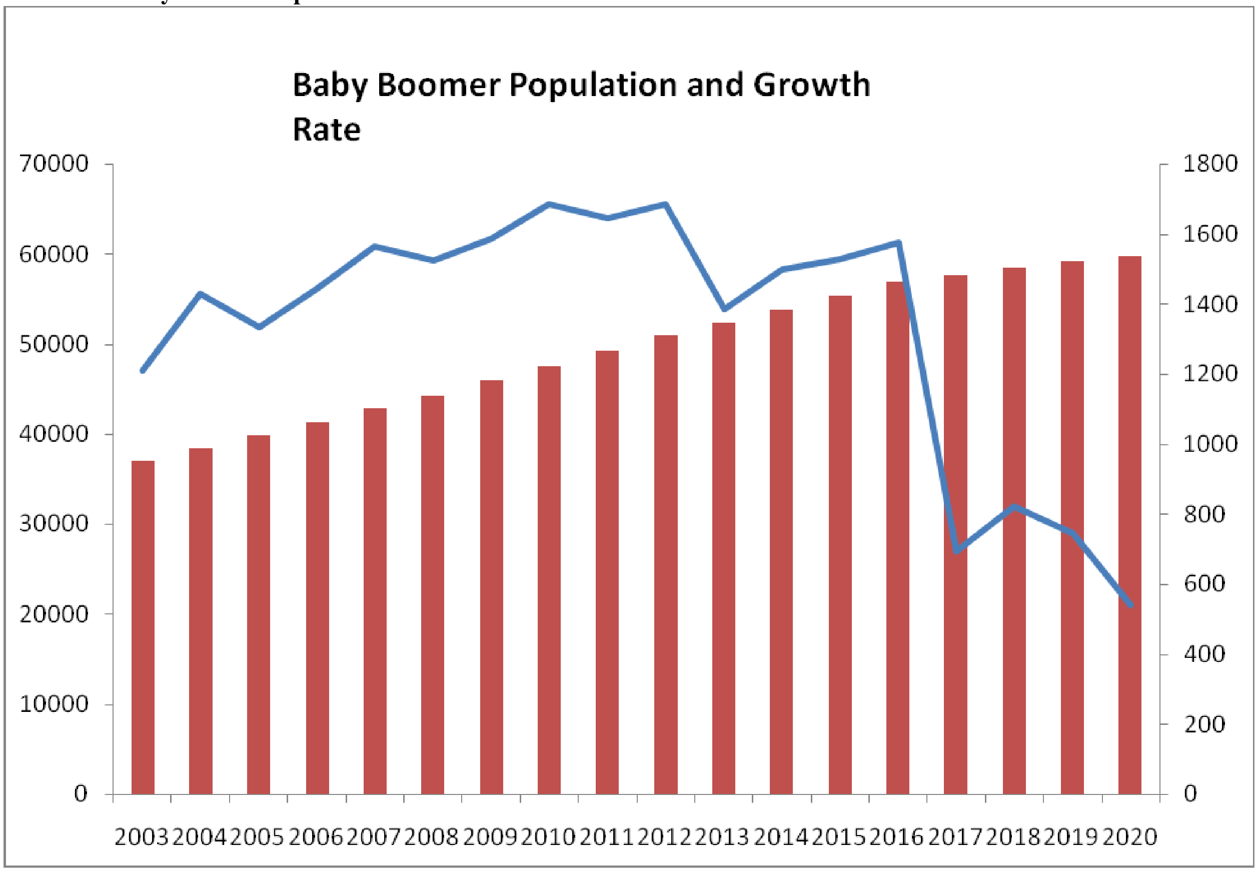
Industry Competitors: High
- Many domestic and global, large and small players
- High diversity of competitors
- Moderate brand identity
- High Exit Barriers

Bargaining Power of Buyers: High
- Many large and small investors
- Investor appetite to yield
- Low investor switching cost.

Threat of Substitutes: High
- Many large and small investors
- Investor appetite to yield
- Low investor switching cost.

Source: Company Documents, Student Estimates

Appendix XIX: Baby Boomer Population



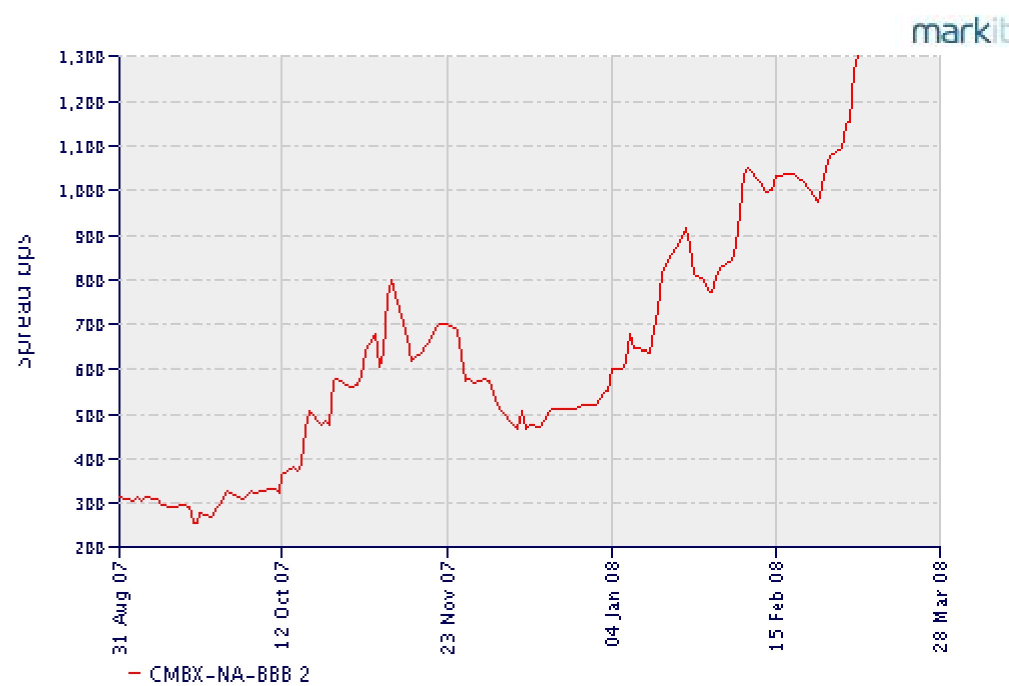
Source: US Census

Appendix XX: WPC & CPA Tenant Credit Ratings

	Rating		CPA-15	Rating		CPA-16	Rating	
24 Hour Fitness USA,Inc	B-	16	24 Hour Fitness USA, Inc.	B-	16	Actuant Corporation	BB	12
Advanced Micro Devices, Inc.	B-	16	Actuant Corporation	BB	12	CWD Windows and Door, Inc.	BB-	13
American Tire Distributors, Inc.	B-	16	Advanced Micro Devices, Inc.	B-	16	Hellweg Die Profi-Baumarkte GmbH Und Co	A+	5
Atrium Companies, Inc.	B-	16	BE Aerospace, Inc.	BBB-	10	Hilite Germany GmbH	BB-	13
Best Buy Stores, LP	BBB	9	Belgium Government	AA+	2	MetalsAmerica, Inc.	B-	16
Bon-Ton Department Stores	CCC+	17	Bell Sports, Inc.	B-	16	MetoKote Corporation	B+	14
Buffet's , Inc.	CCC+	17	Berry Plastics Corporation	B-	16	Ply Gem Industries, Inc.	B	15
Builder's FirstSource, Inc.	B+	14	Best Buy Stores, LP	BBB-	10	Polestare Petty Limited	BBB	9
Caremark Rx, Inc.	BBB+	8	Builder's FirstSource, Inc.	B+	14	Telcordia Technologies, Inc.	B	15
Carrefour France, SAS	A	6	Carrefour France, SAS	AA+	2	Thales, S.A..	A-	7
Collins&Aikman Products Co.	B+	14	CompuCom Systems, Inc.	B+	14	TRW Vehicle Safety	BB+	11
CompuCom Systems, Inc.	B+	14	Del Monte Corp.	BB-	13	Huntsman International, LLC	BB-	13
Del Monte Corp.	BB-	13	Foster Wheeler	BB	12	Infor Global Solutions(Michigan), Inc.	B-	16
Nortel Networks Inc.	B-	16	Oriental trading Company, Inc.	B-	16	U-Haul Moving Partners Inc.	AAA	1
Office Depot	BBB-	10	PETsMART, Inc.	BB	12			
Perkin Elmer, Inc.	A-	7	Thales S.A..	A-	7	**Average Credit Rating in CPA 16**	**BB+**	**11.4**
PMI	BB	12	Tower Automotive Co, Inc.	A-	7			
Production Resource Group	B+	14	Grande Communications	B	15	**WPC (Owned)**	**Rating**	
Silgan Containers	BBB	9	Hellweg Die Profi-Baumarkte GmbH Und Cc	A+	5	Carrefour France, SA	A	6
Sovereign Bank	BBB+	8	Hologic, Inc.	BB	12	Hologic, Inc.	BB	12
TEVA Pharmaceuticals	BBB	9	ISA Trading	BB+	11	Federal Express Corp.	BBB	9
Textron, Inc.	A-	7	Kerr Corporation	BBB-	10	Hellweg Die Profi-Baumarkte GmbH Und Co	A+	5
Federal Express Corp.	BBB	9	Kroger Co.	BBB	9	Omnicon Group Inc.	A-	7
Henkel Corporation	A	6	LTF Real Estate Company, Inc.	BB	12	Bell South Tel., Inc.	A	6
L-3 Communications	BBB-	10	Town Sports International Holdings, Inc.	B+	14	Bouygues Telecom, SA	A-	7
LPL Incorporated	B	15	U-Haul Moving Partners Inc.	AAA	1	Orbital Sciences Corp.	BB+	11
Town Sports International Holdings, In	B+	14	Worthington Precision Metals	BBB	9	Titan Corporation	BB	12
US Home Corporation	AAA	1				US Airways Group	B-	16
U-Haul Moving Partners Inc.	AAA	1				AuoZone, Inc.	BBB+	8
						Quebecor Printing, Inc.	BB-	13
Average Credit Rating in CPA 14	**BB+**	**11.2**	**Average Credit Rating in CPA 15**	**BB+**	**10.9**	Lucent Technologies, Inc.	BB-	13
						BE Aerospace Inc.	BBB-	10
						Eagle Hardware & Garden	A+	5
						AT & T Corp.	A	6
Average Credit Grade of the CPA s	**BB+**	**11.1**						
Average Grade of WPC Group	**BB+**	**10.7**				**Average Credit Rating in WPC (Owned)**	**BBB**	**9.1**

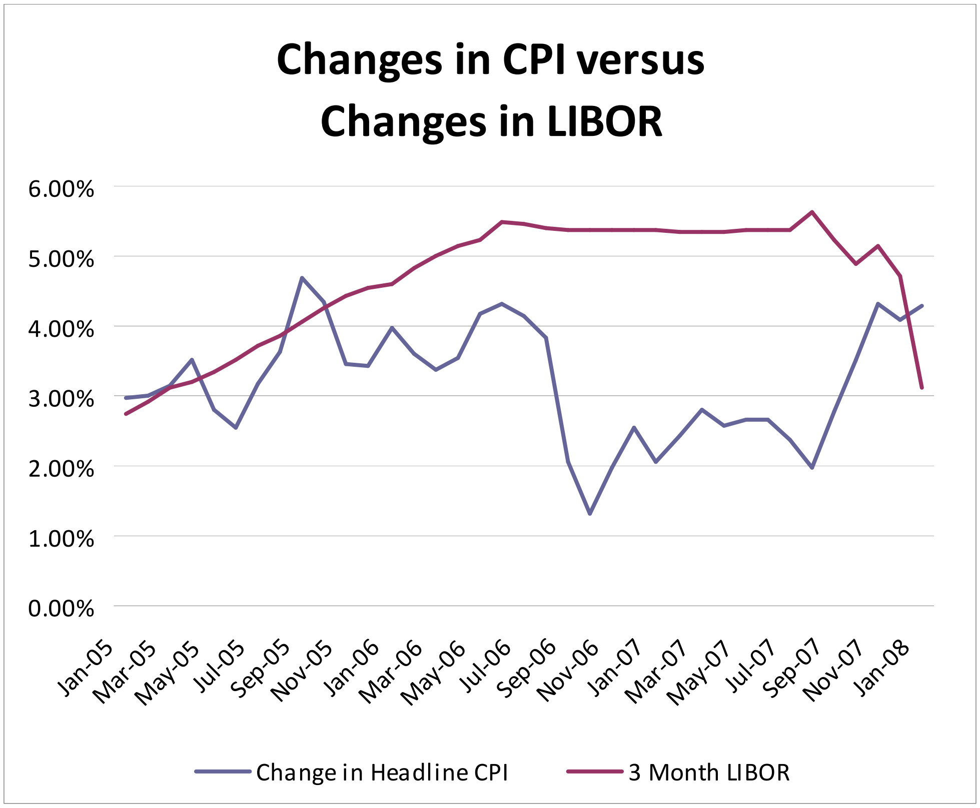
Source: Company Documents, Standard & Poors.com

Appendix XXI: Markit – CMBX Spreads



Source: Markit.com

Appendix XXII: CPI vs LIBOR



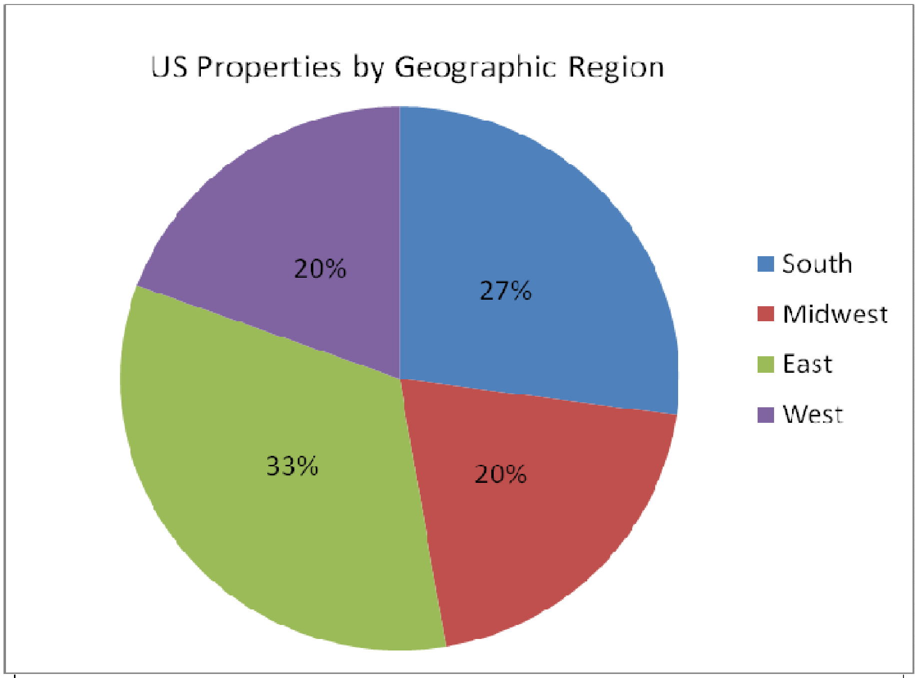
Source: US Government, British Bankers" Association

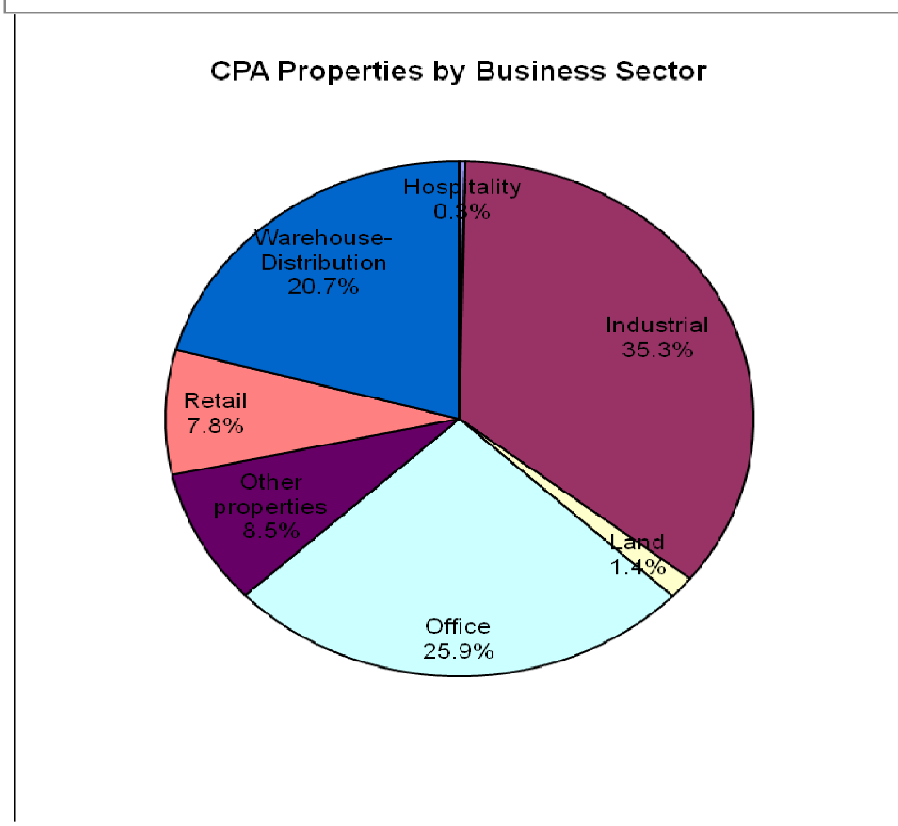
Appendix XXIII: Comparisons of CPA Fee Structures

	Asset Management Fee General partner profits interest	Hurdle return	Interet rate on deferred fees
CPA 15	N/A	6%	6%
CPA 16- Global	N/A	6%	5%
CPA 17- Global	10% of operating cash flows	5% for structuring fee; 6% for incentive fee	5%

Source: Company Documents

Appendix XXIV: U.S. Properties by Geographic Region





Source: Company Documents

Appendix XXV: Sale Leaseback Structure

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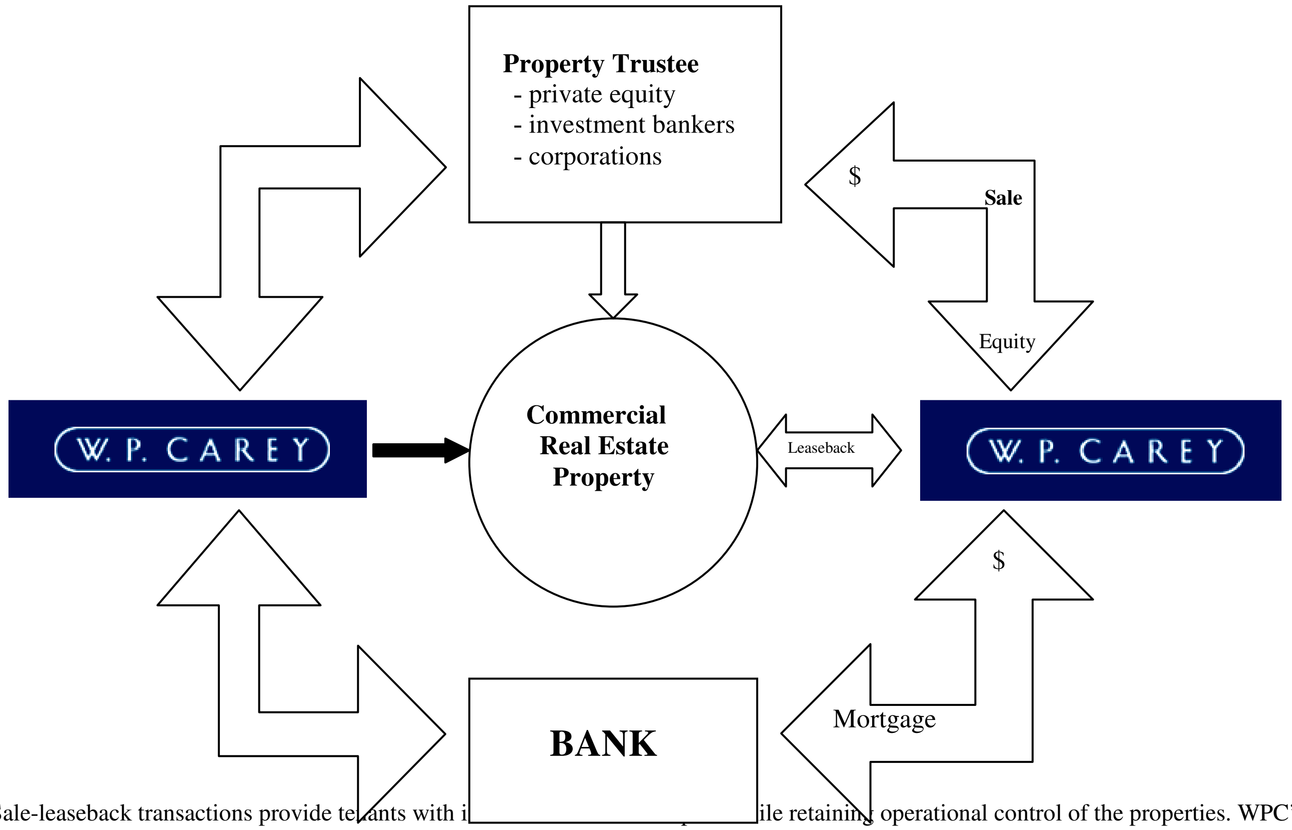
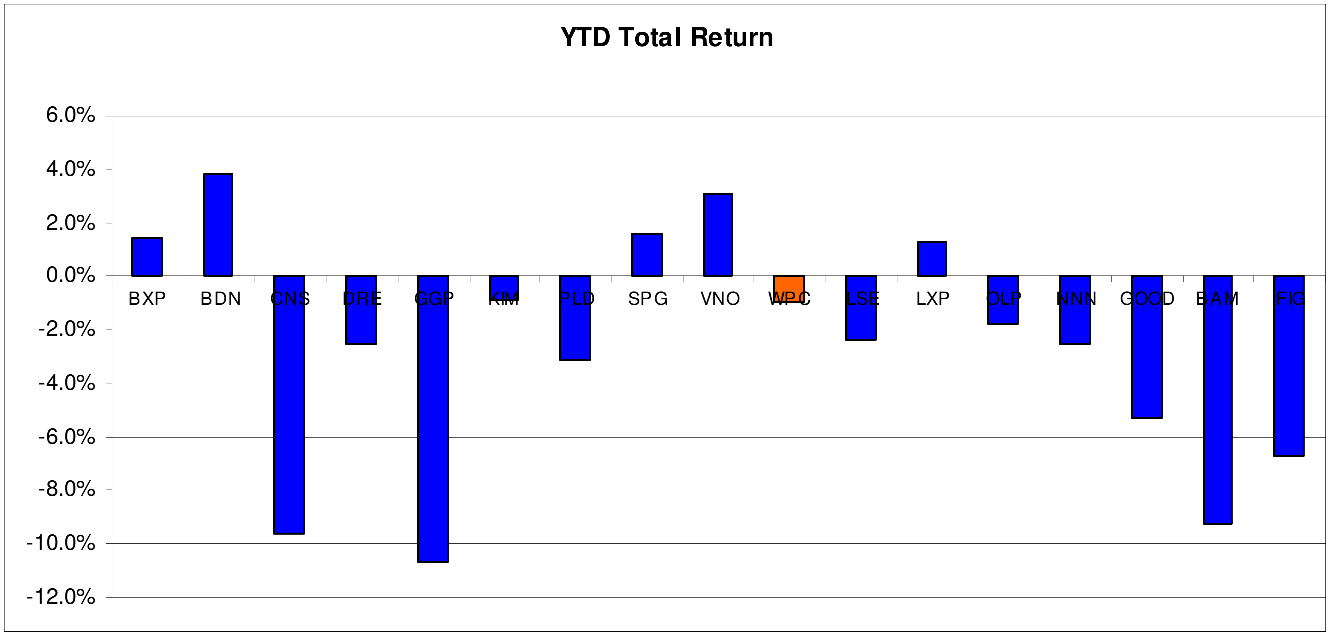
<u>Sale Leaseback Structure</u>



Sale-leaseback transactions provide te ants with i ile retainin operational control of the properties. WPC's properties are triple-net-leased, so tenants are responsible for all taxes, maintenance, insurance, and other expenses that arise from the use of the property. This arrangement is attractive to tenants desiring to improve their balance sheets, reduce debt, or free capital for expansion.

Source: Company Documents

Appendix XXVI: Common Stock - YTD Returns for WPC and Comparables (Excluding dividend yield)



Source: Company Documents

Appendix XXVII: CPA- 17 Share Hair Cut

	Maximum Aggregate Price to Public	Maximum Selling Commissions	Maximum Selected Dealer Fee	Maximum Wholesaling Fee	Proceeds, Before Expenses, to Us
Maximum Offering	$2,000,000,000.00	$130,000,000.00	$40,000,000.00	$30,000,000.00	$1,800,000,000.00
Per Share	$10.00	$0.65	$0.20	$0.15	$9.00
Maximum Reinvestment Plan	$475,000,000.00	-	-	-	$475,000,000.00
Per Share	$9.50	-	-	-	$9.50

Disclosures:

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