

W. P. CAREY

Past performance does not assure future results.

The following presentation includes forward looking statements. Forward looking statements, which are based on certain assumptions, describe future plans, strategies and expectations of WPC. Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements may include words such as "anticipate", "believe", "expect", "estimate", "intend", "could", "should", "would", "may", or similar expressions. Do not unduly rely on forward looking statements. They give our expectations about the future and are not guarantees, and speak only as of the date they are made. Such statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievement of W. P. Carey & Co. to be materially different from the results of operations or plan expressed or implied by such forward looking statements. The risk factors are fully described in Item 1 of the Annual Report on Form 10-K for the year ended December 31, 2004.

Slides 31 and 34 reference Funds from operations (FFO) which is a non-GAAP financial measure. The National Association of Real Estate Investment Trusts (NAREIT) defines funds from operations as net income computed in accordance with generally accepted accounting principles (GAAP), excluding gains or losses from sales of property, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. W. P. Carey calculates its FFO in accordance with this definition and then makes adjustments to add back certain non-cash charges to earnings, such as the amortization of intangibles, stock compensation and impairment charges on real estate, resulting in its FFO. W. P. Carey considers its definition of FFO to be an appropriate supplemental measure of operating performance because, by excluding these non-cash charges, it can be a helpful tool to assist in the comparison of the operating performance of W. P. Carey's real estate between periods, or as compared to different companies. W. P. Carey's definition of FFO should not be considered as an alternative to net income, as an indication of its operating performance or to net cash provided by operating activities as a measure of its liquidity. FFO and adjusted FFO disclosed by other REITs may not be comparable to W. P. Carey's FFO calculation. Please see the following tables for a reconciliation of W. P. Carey's FFO to net income.

# W. P. Carey & Co. LLC

- ◆ Since 1973, W. P. Carey has invested more than \$6 billion in over 300 net lease transactions.
- ◆ In 1978, it launched the Corporate Property Associates (CPA®) series of income generating real estate funds and has raised \$3.2 billion across 15 such funds.
- ◆ The first 11 CPA® funds have gone full-cycle and provided liquidity for investors generating average annual returns of more than 11%, after all fees and expenses, and significantly outperformed the NCREIF\* index over comparable periods.
- ◆ W. P. Carey currently manages and owns, in aggregate, more than \$7.4 billion in total assets.

*\* NCREIF Property Index tracks the performance of real estate acquired on behalf of tax exempt institutions and held in a fiduciary environment.*

# A Unique Business Model

W. P. Carey & Co. LLC

OWNS

DIVERSIFIED STABLE  
PORTFOLIO

\$1.4 billion total  
market capitalization

*Generates 42% of its revenue through  
rental income from its owned assets.*

MANAGES

CPA® REITS

\$5.9 billion in net-leased  
real estate

*Generates 58% of its revenue by  
managing day-to-day operations  
and new real estate investments.*

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# WPC Portfolio Highlights

## ◆ Vacancy

- Reduced from 16% in the beginning of 2004 to 3.2% today.

## ◆ Significant New Leases

- Alcoa operating in newly leased 200,000 square feet and interested in additional 80,000 sq.ft.
- Werner Company signed lease for 528,000 square feet.

## ◆ Recent Asset Sales

- Three buildings totaling 491,100 square feet to Fischer Scientific for \$28.85 million.
- Three vacant facilities totaling 260,000 square feet for \$3.8 million.

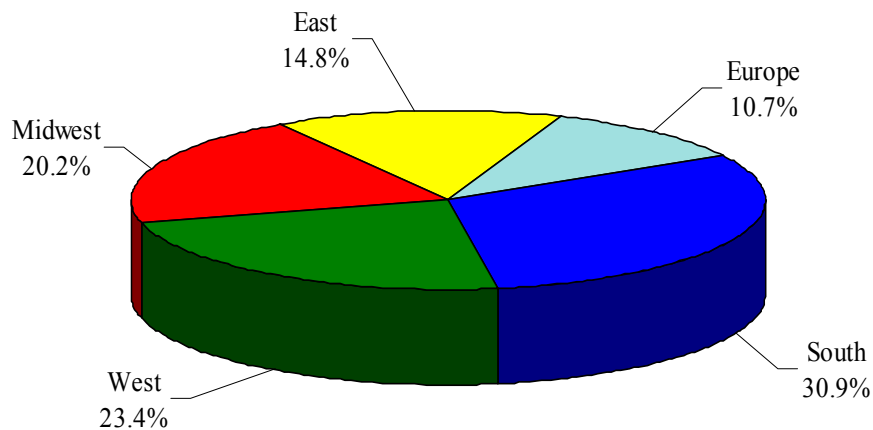
# WPC Portfolio Diversification

TOP 10 TENANTS	Annualized Rent*	% of Total Annualized Rent*
Dr Pepper/Seven-Up Bottling Group	\$ 4,527,460	5.2%
Detroit Diesel Corporation	4,157,524	4.7%
Gibson Greetings, Inc.	3,720,000	4.2%
Bouygues Telecom, S.A.	3,517,890	4.0%
Carrefour France, S.A.	3,480,518	4.0%
Quebecor Printing	3,127,203	3.6%
Orbital Sciences Corporation	3,022,947	3.4%
Federal Express Corporation	2,956,525	3.4%
The Titan Corporation	2,862,068	3.3%
America West Holdings Corporation	2,837,889	3.2%
	<hr/> \$ 32,210,024	<hr/> 35.8%

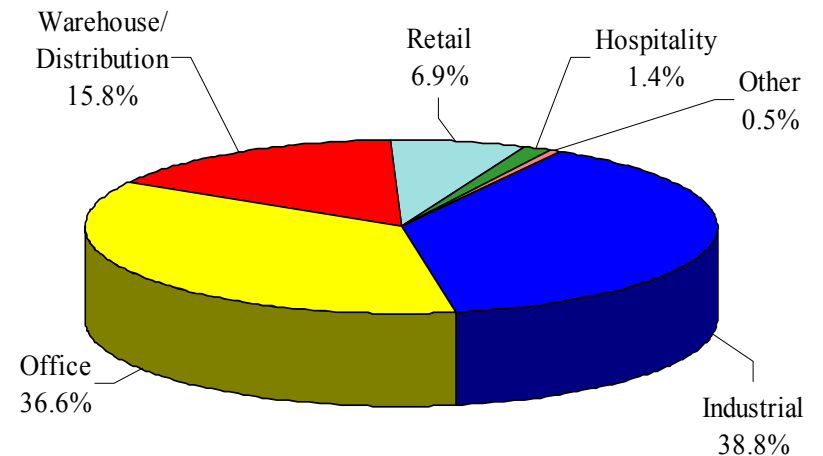
*\*Portfolio Diversification Analysis by Rent Contribution as of 6/30/05 annualized based on ongoing rental income on pro-rata basis.  
Portfolio diversification includes assets owned by W. P. Carey & Co.*

# WPC Portfolio Diversification

## By Region\*



## By Facility Type\*



*\*Portfolio Diversification Analysis by Rent Contribution as of 6/30/05 annualized based on ongoing rental income on pro-rata basis.  
Portfolio diversification includes assets owned by W. P. Carey & Co.*

# Management/Advisory Business

W. P. Carey & Co. LLC



MANAGES

CPA<sup>®</sup> REITS

**\$5.9 billion in net-leased  
real estate**

*Generates 58% of its revenue by  
managing day-to-day operations  
and new real estate investments.*

# Core Competencies

## ◆ Culture of Credit Analysis

- Investment committee members and investment team professionals have extensive training and experience in corporate credit underwriting.
- Broad experience across numerous industries.

## ◆ Net Lease Pioneer

- 30+ year history of financing net lease structures.

## ◆ Strong Origination Effort

- Emphasize originating opportunities and creating new transaction structures.
- Over 50% of investment opportunities in 2004 originated by investment team.

## ◆ Sophisticated Structuring Techniques

- Ability to create/underwrite complex financing structures.

## ◆ Track Record

- Outperformed NCREIF indices since inception.
- Increased dividends every year since becoming public.
- Distributed more than \$1.8 billion to investors of W. P. Carey and its affiliates.

# Competitive Advantages

## ◆ Consistent Strategy

- Seek to invest in higher yielding, credit-related real estate opportunities.
- Focus on long-term, consistent income generation and capital preservation.
- Historic, successful exposure to out-of-favor industries and asset types.

## ◆ Reputation, Relationships and Resources

- W. P. Carey brand name is synonymous with net lease financing.
- Meaningful presence in leveraged finance marketplace, with experience financing the earliest leveraged buyouts.
- “First call” for private equity sponsors, corporate owners, developers, lenders, investment bankers, and brokers.
- Borrow more than \$500 million annually, providing unrivaled pricing power in mortgage market.

## ◆ Principal Investment – Alignment of Interests

- The firm and its professionals have invested more than \$70 million in its currently active CPA® funds.

# Investment Team

- ◆ W. P. Carey has had a consistent 30+ year investment strategy – combine credit and real estate underwriting with sophisticated structuring techniques and direct origination.
- ◆ W. P. Carey senior investment professionals have more than 200 combined years of experience, with an average tenure of 12 years at the firm.

# Investment Committee

**Ralph F. Verni** – Chairman of the Investment Committee, Former Chief Investment Officer of New England Mutual and Former President and CEO of State Street Research & Management.

**Frank J. Hoenemeyer** - Vice Chairman of the Investment Committee and former Vice Chairman, Director and Chief Investment Officer of The Prudential Insurance Company of America..

**Nathaniel S. Coolidge** – Former Senior Vice President and head of the Bond and Corporate Finance Department of John Hancock Mutual Life Insurance Company.

**Dr. Lawrence R. Klein** – Recipient in 1980 of the Nobel Prize in Economics and consultant to both the Federal Reserve Board and the President's Council of Economic Advisors.

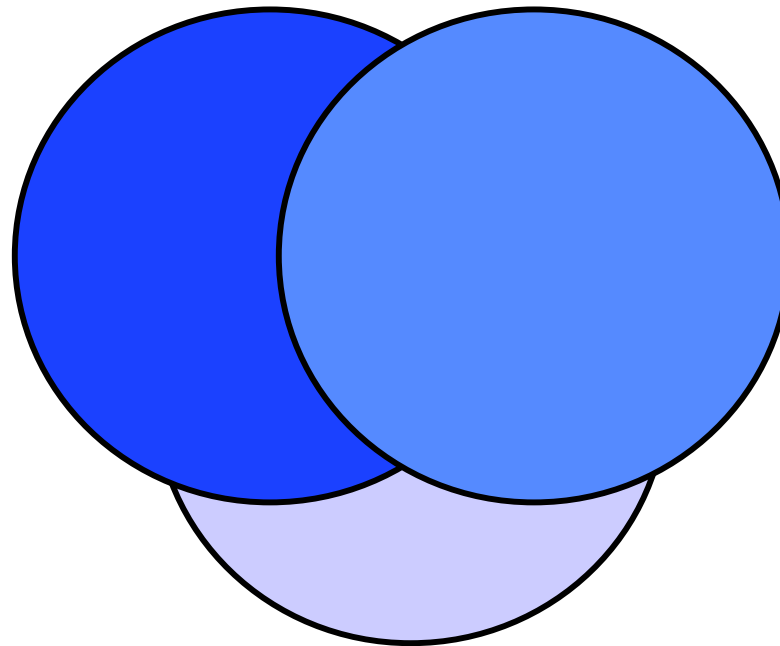
**Dr. Karsten von Köller** – Former Chairman of Eurohypo AG, the leading commercial real estate bank in Europe

**George E. Stoddard** – Former Chairman of the Investment Committee and former head of the multibillion dollar Direct Placement of The Equitable Life Assurance Society of the United States.

# Investment Process

## Origination

- 16 professionals
- Brand Name
- U.S. and International
- 30+ year market presence
- > 1,000 deals reviewed in depth annually, 20-40 closed



## Underwriting & Structuring

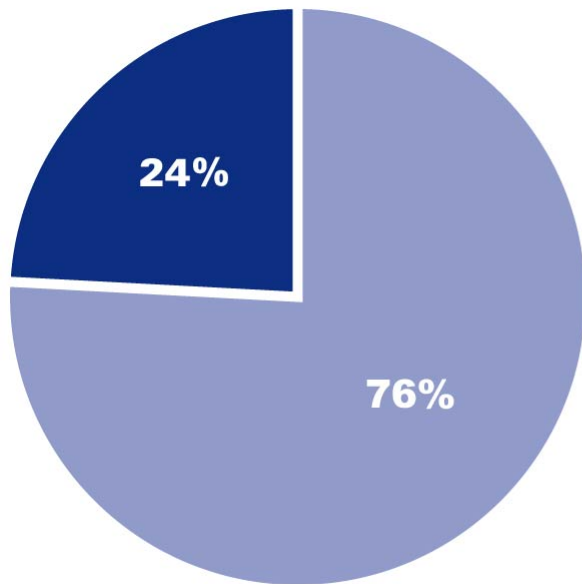
- Investment Committee
- Broad Industry Experience
- International Experience Since 1998
- Risk mitigation through mission critical assets and financial covenants

## Portfolio/Asset Management

- 9 professionals
- 650+ assets, 90+ million square feet
- Active portfolio management strategy

# Market Opportunity

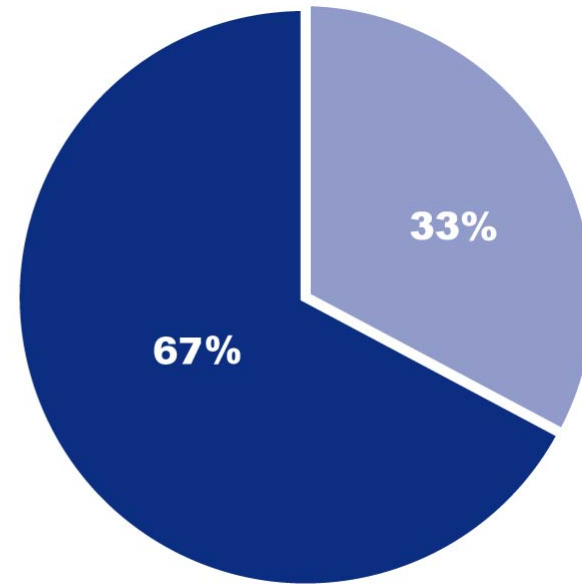
**Ownership of U.S.  
Commercial Real Estate\***



**Owner-Occupiers**  
**Private/Public Market**

Approximately 24% of U.S. commercial real estate is owner-occupied, representing over \$1 trillion in investment opportunity

**Ownership of European  
Commercial Real Estate\***



*\*Source: Jones Lang LaSalle*

# Investment Overview

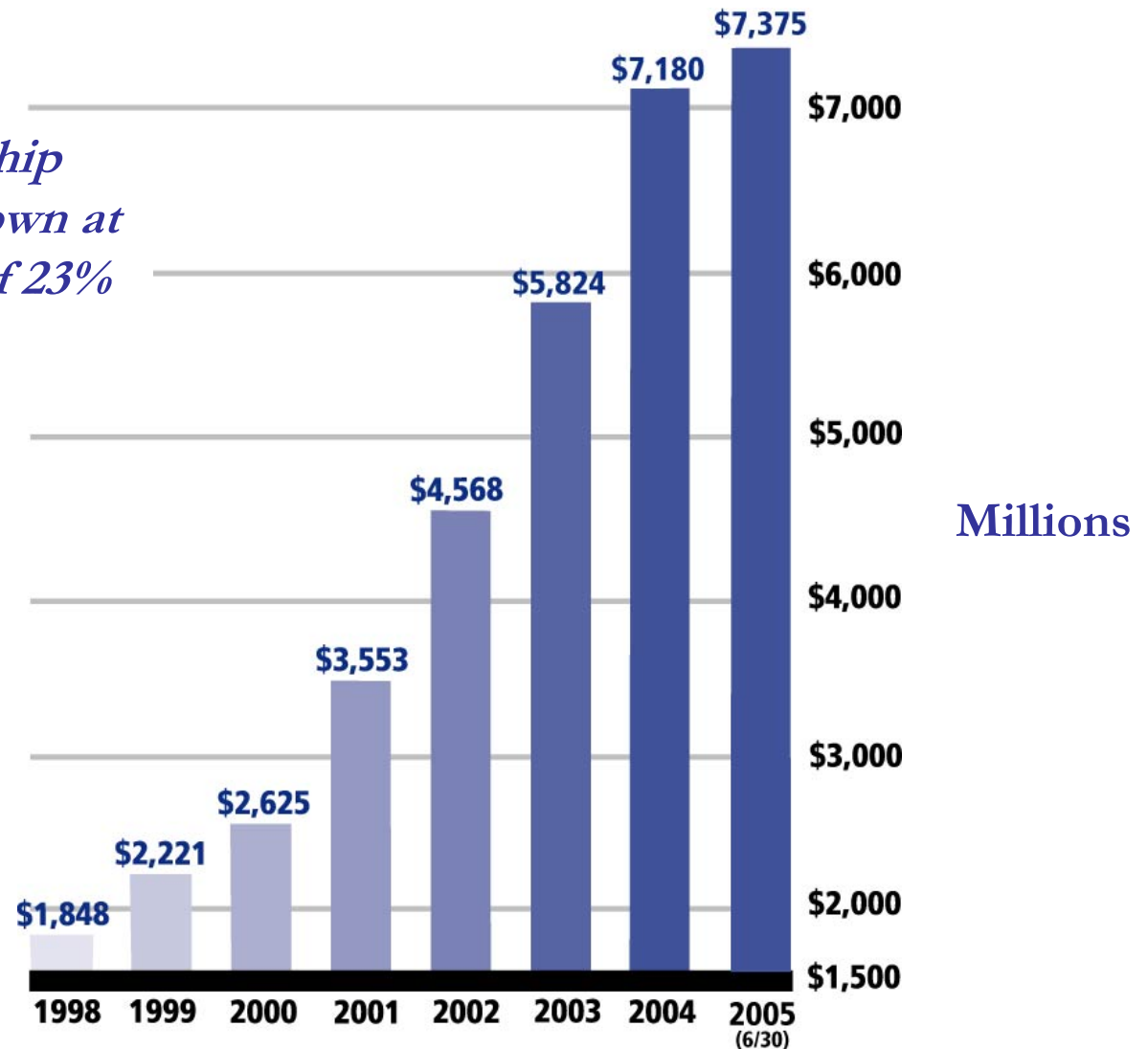
## Transaction Statistics

	2002	2003	2004	2005**
Total Investment Volume*	\$1,008,027	\$724,788	\$894,530	\$774,584
Number of Investments	30	29	24	22
Average Investment Size*	\$33,601	\$24,993	\$37,067	\$35,208
Number of Industries	24	20	18	19
Number of Countries	3	5	7	7
Average Lease Term of New Investments (years)	16.7	19.5	16.3	18.4

\* In thousands    \*\* As of 9/12/05

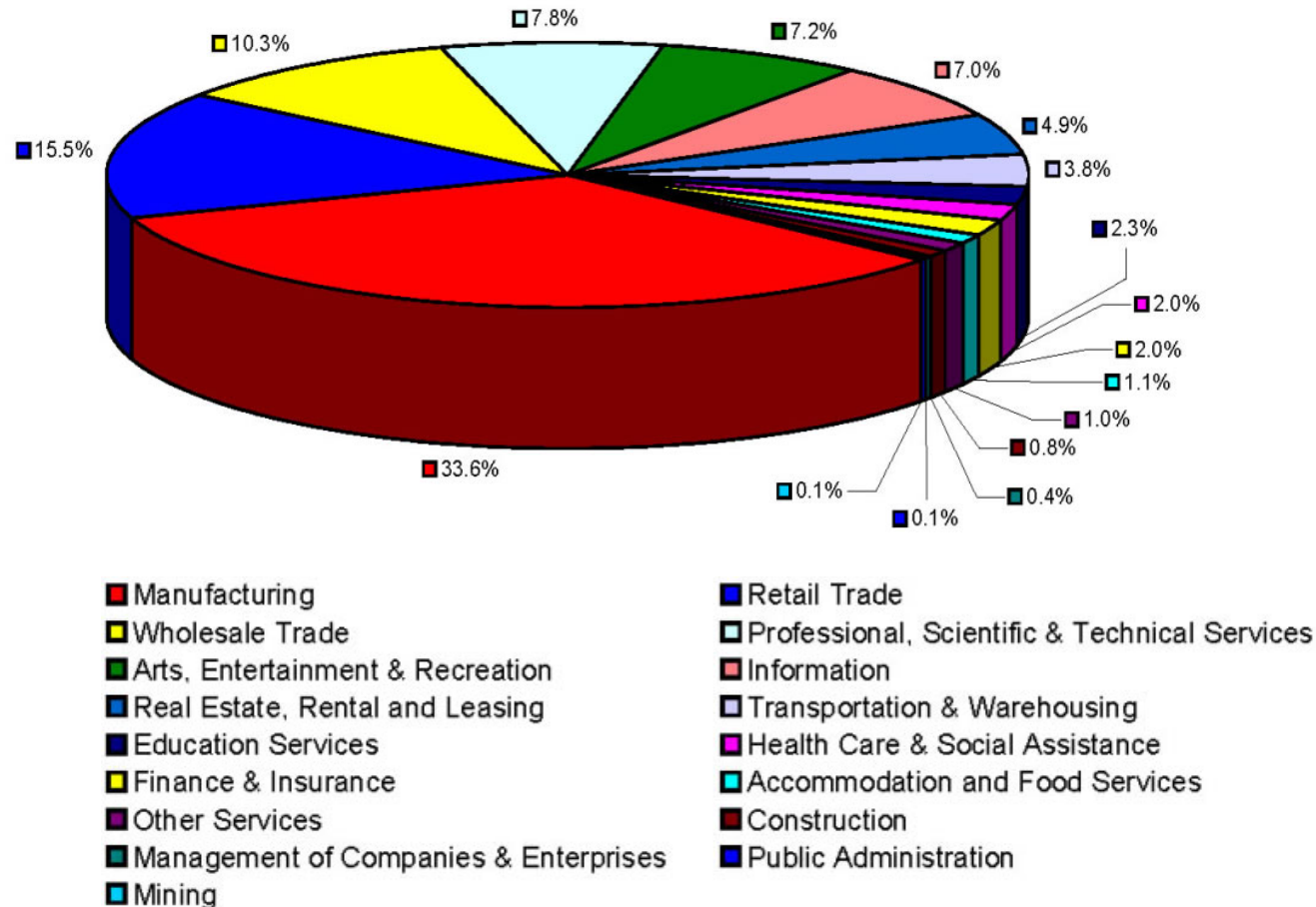
# Growth In Assets

*Total assets under ownership and management have grown at a compound annual rate of 23% over the last 25 years.*



# Portfolio Diversification

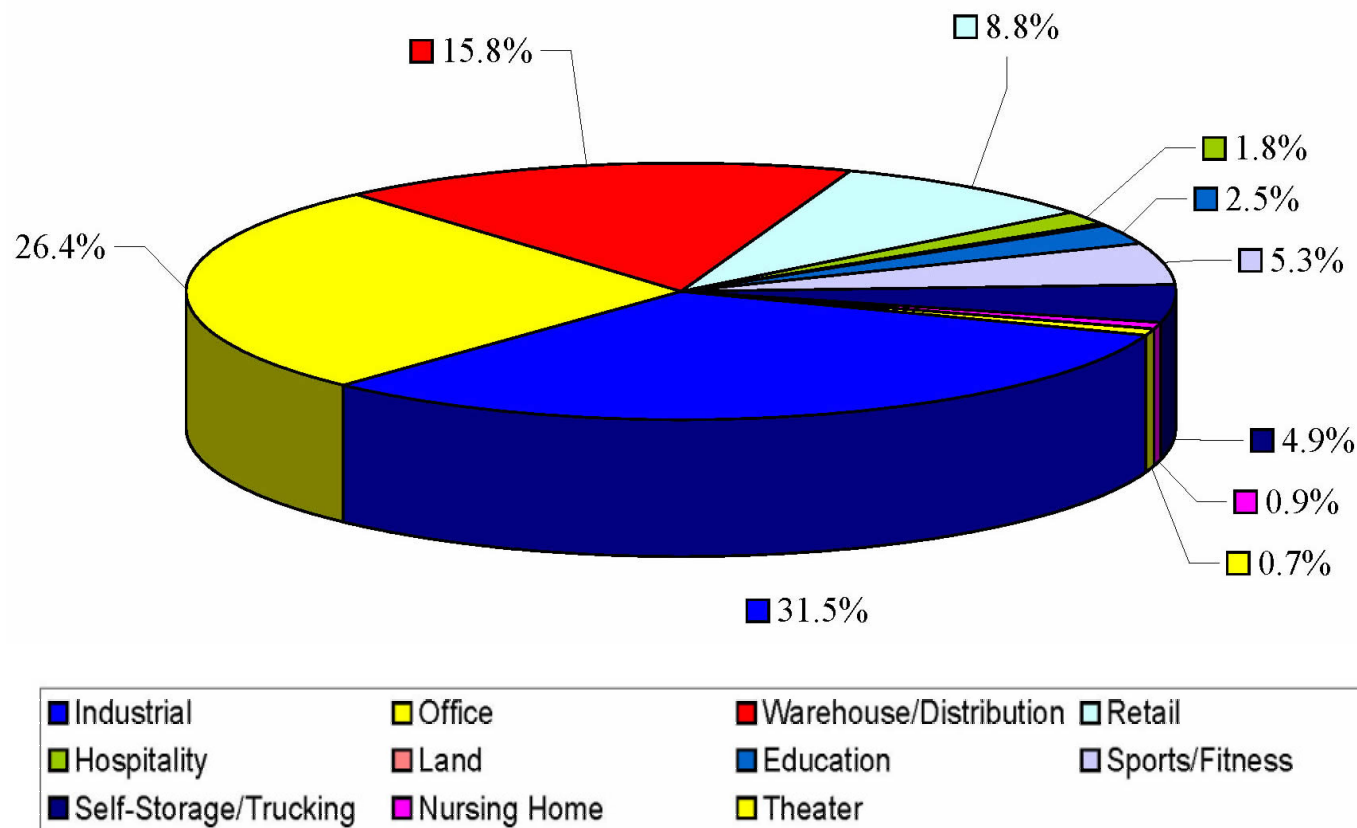
## By Industry\*



*\*Portfolio Diversification Analysis by Rent Contribution as of 6/30/05 annualized based on ongoing rental income on pro-rata basis. Portfolio diversification includes assets owned and managed by W. P. Carey & Co.*

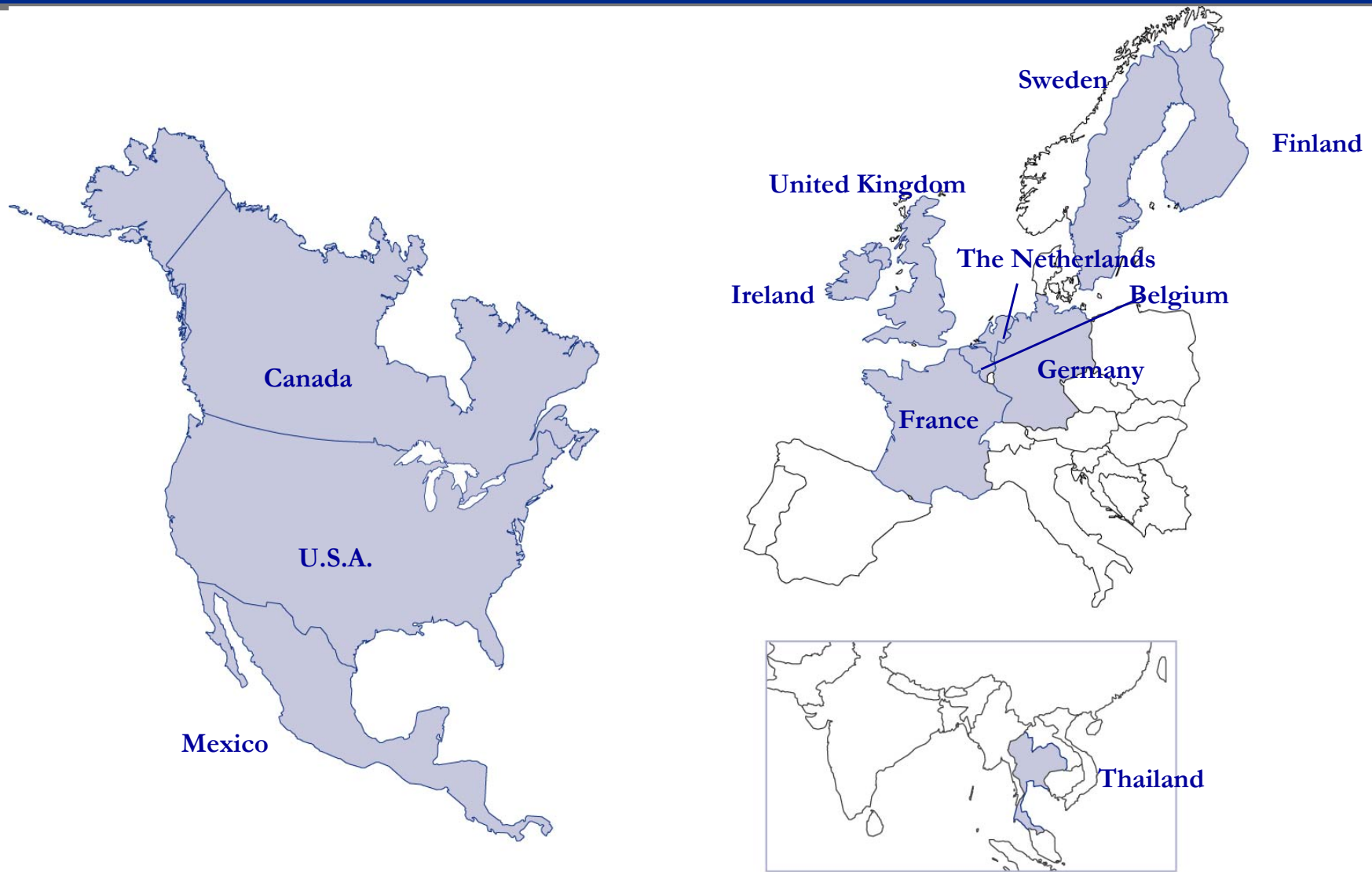
# Portfolio Diversification

## By Facility Type\*



*\*Portfolio Diversification Analysis by Rent Contribution as of 6/30/05 annualized based on ongoing rental income on pro-rata basis. Portfolio diversification includes assets owned and managed by W. P. Carey & Co.*

# Portfolio Diversification



# MetoKote Corporation



**Acquisition Price:** \$42 million

**Business:** Leading Provider of Protective Coating Applications

**Purpose:** Growth Financing

**Facility Type:** Industrial/Manufacturing

**Location:** United States, Canada and Mexico

*“W. P. Carey’s ability to execute this complex, cross-border transaction has enabled Metokote to release capital tied up in real estate assets which will be used to continue Metokote’s aggressive growth plan.”*

John M. Warner, Principal, J.P. Morgan Partners LLC

# Pressac plc



**Acquisition Price:** \$12.2 million

**Business:** Electrical and Electronic Components Supplier to Automotive and Telecommunications Industries

**Purpose:** Acquisition Financing

**Facility Type:** Manufacturing

**Location:** Scotland

*“The financing provided by W. P. Carey’s sale-leaseback was important to the successful completion of our LBO. This capital will help ensure the company’s future growth potential as it seeks to expand into additional markets.”*

Erik Krieger, Managing Member, Riverlake Partners

# U-Haul Moving Partners Inc.



**Acquisition Price:** \$312 million

**Business:** Leading “Do-It-Yourself” moving company

**Purpose:** Exit Refinancing

**Facility Type:** 78 Retail Self-storage and Truck Rental

**Location:** 69 cities in 24 U.S. states

*“We found that W. P. Carey was able to meet our needs when we confronted confronted them with a difficult timeframe and properties spread across the United States.”*

Joe Shoen, Chairman, AMERCO

# Telcordia Technologies, Inc.



**Acquisition Price:** \$116.5 million

**Business:** Leading Provider of Telecommunications Software and Services

**Purpose:** Acquisition Financing

**Facility Type:** Office Park

**Location:** Piscataway, New Jersey

*“This sale-leaseback transaction with W. P. Carey proved to be an important component of our overall acquisition financing. By converting Telcordia’s real estate assets into cash we were able to maximize our bid and in the end win the deal. W. P. Carey’s financing expertise and their ability to execute the transaction as promised was crucial in the success of this deal.”*

Larry Bettino, Managing Director, Warburg Pincus

# Pohjola Non-Life Insurance Company Ltd.



**Acquisition Price:** \$113 million

**Business:** Second Largest Scandinavian Insurance Company

**Purpose:** Re-balance of Investment Portfolio

**Facility Type:** Corporate Headquarters

**Location:** Finland

*“We had several, both domestic and foreign, parties interested in acquiring this property. We chose W. P. Carey because the company has extensive experience in real estate investing and we are pleased with the results.”*

Eero Heliövaara, Pohjola President and CEO

# Hellweg Die Profi-Baumärkte GmbH & Co. KG



**Acquisition Price:** \$154 million

**Business:** Leading “Do-it-yourself”  
Retailer

**Purpose:** Growth Financing

**Facility Type:** 16 Retail Stores

**Location:** Germany

*“Our decision to choose W. P. Carey was twofold: the ease and speed in which they converted our real estate into working capital and their track record of serving as long-term partners with the companies they finance.”*

Reinhold Semer, Hellweg Die Profi-Baumärkte GmbH & Co. KG Chairman

# Recent Trends

Flattening of yield curve

+ Increased M&A activity

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Potential positive trends for sale-leaseback transactions

# *WPC Fundamentals*

# WPC Capital Structure

## Market Capitalization

*As of 6/30/05, in thousands*

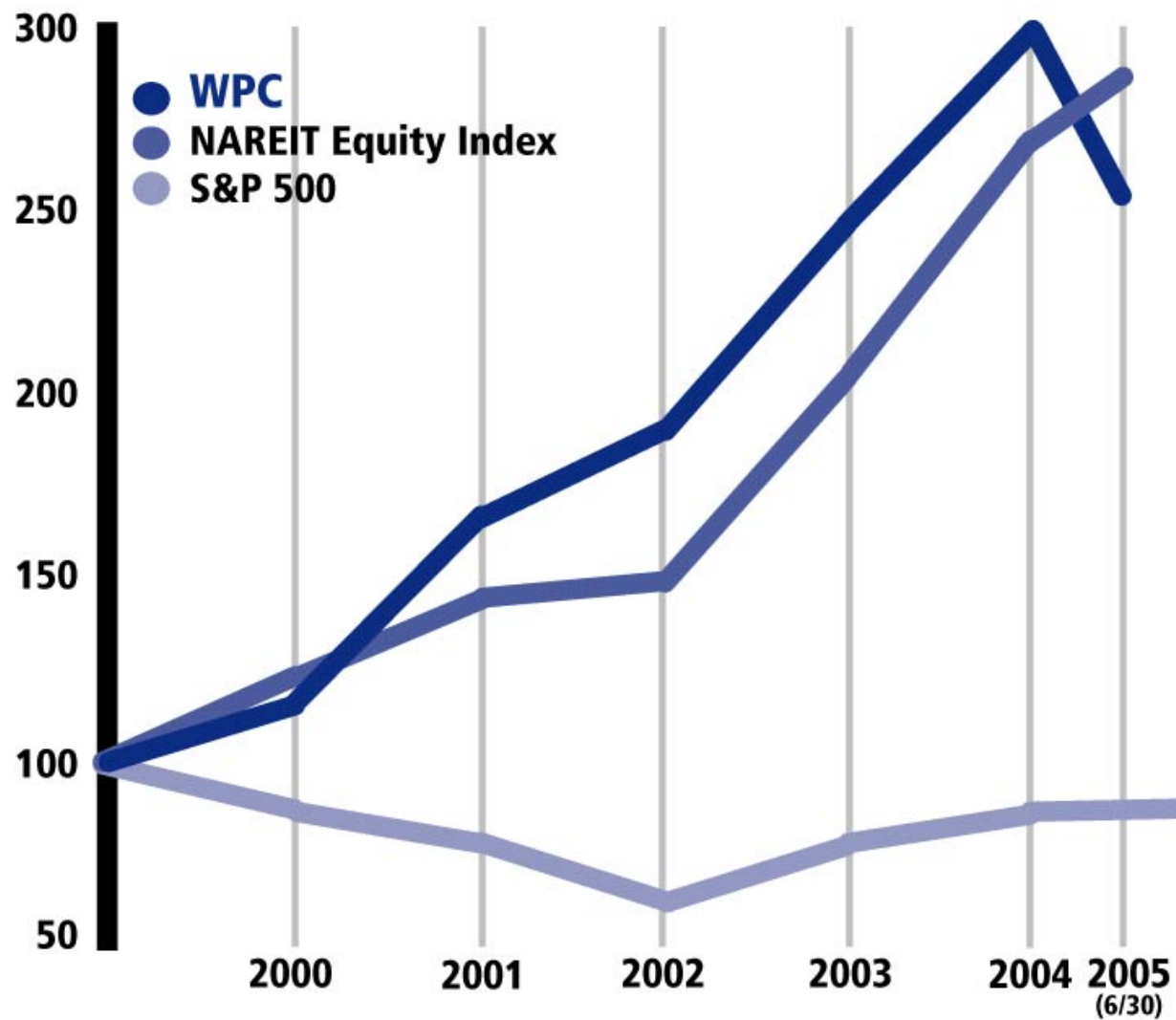
Equity Market Capitalization	\$1,103,719
Debt Capitalization	\$ 314,253
<b>Total Market Capitalization</b>	<b>\$1,417,972</b>

	W. P. Carey	NAREIT Equity Index
Debt % of Equity Market Cap	28.5%	39.4%*
Interest Coverage	5.97x	3.41x*

*\* As of 12/31/04*

*Source: Company Data, NAREIT chart book*

# Shareholder Returns



*Source: S&P, NAREIT and Bloomberg*

# Current Valuation

## REIT Peer Group<sup>1</sup>

	Close 9/12/05	2005 Estimate FFO <sup>2</sup>	FFO <sup>2</sup> Multiple	Dividend Yield
AMB Property	\$45.31	\$2.68	16.9	3.9%
Capital Automotive REIT	\$38.31	\$2.74	14.0	4.7%
Commercial Net Lease Realty	\$20.01	\$1.52	13.2	6.5%
Lexington Corp. Properties	\$23.93	\$2.05	11.7	6.1%
Realty Income	\$24.30	\$1.62	15.0	5.7%
Washington REIT	\$31.55	\$2.09	15.1	5.2%
iSTAR Financial	\$41.56	\$3.67	11.3	7.1%
ProLogis Trust	\$43.79	\$2.70	16.2	3.3%
W. P. Carey & Co. LLC	\$27.14	\$2.55	10.6	6.6%
Peer Average			13.2	5.9%

<sup>1</sup> Bloomberg

<sup>2</sup> Funds from Operations (FFO) definitions vary among companies. Please see slide 2 for W. P. Carey's definition.

# Current Valuation

Asset Manager Peer Group <sup>1</sup>	EV/EBITDA 2005 Estimate	Dividend Yield
Affiliated Managers Group	15.5x	0.0%
Alliance Capital	11.2	6.2%
BlackRock	14.3	1.4%
Calamos	13.7	1.2%
Cohen & Steers	12.9	2.1%
Eaton Vance	13.0	1.3%
Federated Investors	9.2	1.9%
Franklin Resources	12.2	3.0%
Gabelli Asset Management	10.9	1.5%
Janus Capital Group	14.2	0.3%
Legg Mason	13.1	0.7%
Nuveen	12.2	1.9%
T. Rowe Price	10.9	1.5%
Waddell & Reed	11.5	3.1%
W.P. Steward	14.1	5.1%
W. P. Carey & Co. LLC	12.0	6.4%
Peer Average	12.6x	2.1%

<sup>1</sup> Source: Merrill Lynch Universe as of 9/1/05 market close.

# Running Business as Owners

## Percentage of Management Ownership as of 2005 Proxy Season

W. P. Carey & Co. LLC	40.27%
REIT Peer Group	5.82%
Asset Manager Peer Group	12.33%

# Reconciliation of Net Income to FFO<sup>1</sup>

For the Year Ended <i>(in thousands)</i>	12/31/04	12/31/03	12/31/02
Net income	\$ 65,841	\$ 62,878	\$ 46,588
Net gain on sale of real estate	(92)	(1,238)	(15,323)
Non-cash settlement income	-	-	(2,097)
FFO of equity investees in excess of equity income	7,010	4,396	7,508
Depreciation, amortization, deferred taxes and other non-cash charges	39,113	34,688	36,685
FFO applicable to minority investees in excess of minority income (loss)	(555)	(344)	(120)
Straight-line rent adjustment	1,724	910	(639)
Impairment loss on investments	22,098	3,878	29,411
Charge on extinguishment of debt	-	350	-
<b>Funds from Operations (FFO)</b>	<b>\$135,139</b>	<b>\$105,518</b>	<b>\$102,013</b>

<sup>1</sup> Funds from Operations (FFO) definitions vary among companies. Please see slide 2 for W. P. Carey's definition.



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