



# W. P. Carey Inc.

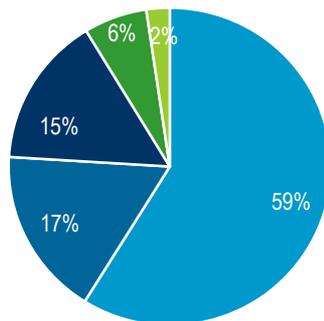
Capitalization & Leverage

Fourth Quarter 2016

## Balance Sheet Overview

### Capitalization (%)

Equity <sup>(1)</sup>	59%
Senior Unsecured Notes	17%
Mortgage Debt	15%
Unsecured Revolving Credit Facility	6%
Unsecured Term Loan	2%



### Recent Capital Markets Activity

- 1Q17** – Issued €500 million of 2.25% Senior Unsecured Notes due 2024 (through newly-established European subsidiary)
  - Amended credit facility and increased capacity of unsecured line of credit to \$1.85 billion
- 3Q16** – Issued \$350 million of 4.25% Senior Unsecured Notes due 2026
  - Raised \$84 million of net proceeds in 2016 through our ATM
- 2Q16** – Commenced primary market equity issuance under our \$400 million ATM
- 1Q16** – Exercised extension option on \$250 million term loan<sup>(2)</sup>
- 1Q15** – Increased revolving credit facility by an additional \$500 million to \$1.5 billion of capacity
  - Issued \$450 million of 4.0% Senior Unsecured Notes due 2025
  - Issued €500 million of 2.0% Senior Unsecured Notes due 2023

### Capitalization (\$ millions)

December 31, 2016

<b>Total Equity<sup>(1)</sup></b>	<b>\$6,281</b>
Senior Unsecured Notes	1,827
Mortgage Debt (pro rata)	1,639
Unsecured Revolving Credit Facility	677
Unsecured Term Loan	250
<b>Total Pro Rata Debt</b>	<b>\$4,392</b>
Less: Cash and Cash Equivalents	155
<b>Total Pro Rata Net Debt</b>	<b>\$4,237</b>
<b>Enterprise Value</b>	<b>\$10,518</b>
<b>Total Capitalization</b>	<b>\$10,673</b>

### Leverage Metrics

Pro Rata Net Debt / Enterprise Value <sup>(2)</sup>	40.3%
Total Consolidated Debt / Gross Assets <sup>(3)</sup>	49.7%
Pro Rata Net Debt / Adjusted EBITDA <sup>(4) (5)</sup>	5.8x
Weighted Average Interest Rate	3.7%

(1) Based on stock a price of \$59.09 and 106,294,162 common shares outstanding as of December 31, 2016.

(2) Pro rata net debt to enterprise value and pro rata net debt to Adjusted EBITDA are based on pro rata debt less consolidated cash and cash equivalents.

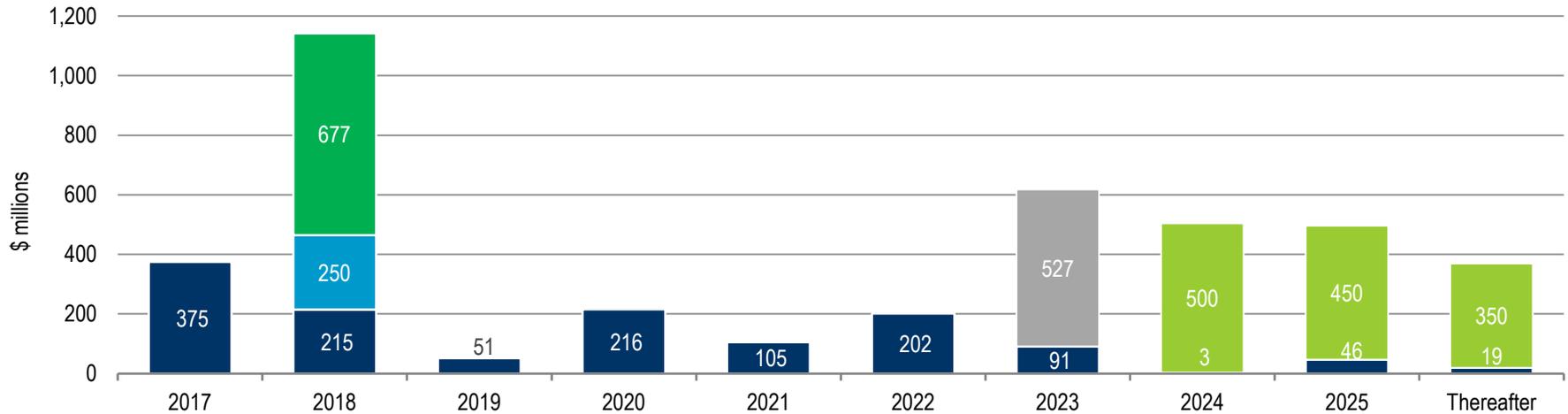
(3) Gross assets represents total assets, before accumulated depreciation.

(4) Adjusted EBITDA represents Q4 2016 annualized Adjusted EBITDA as reported in a Form 8-K furnished to the SEC on February 23, 2017.

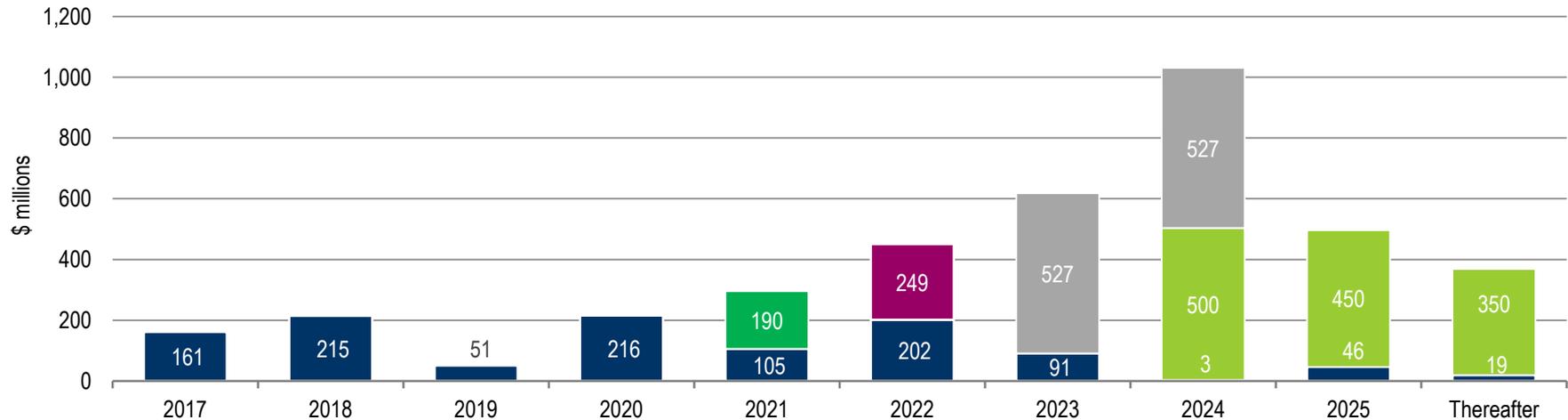
# Debt Maturity Schedule 2/23/17 vs. 12/31/16 <sup>(1)</sup>

■ Mortgage Debt ■ Unsecured Term Loan (EUR) ■ Unsecured Term Loan (USD) ■ Unsecured Revolver ■ Unsecured Bonds (USD) ■ Unsecured Bonds (EUR)

### Debt Maturity Schedule – 12/31/2016



### Debt Maturity Schedule – 2/23/2017



Note: Refer to 4Q16 Supplemental Information for additional disclosures and footnotes.

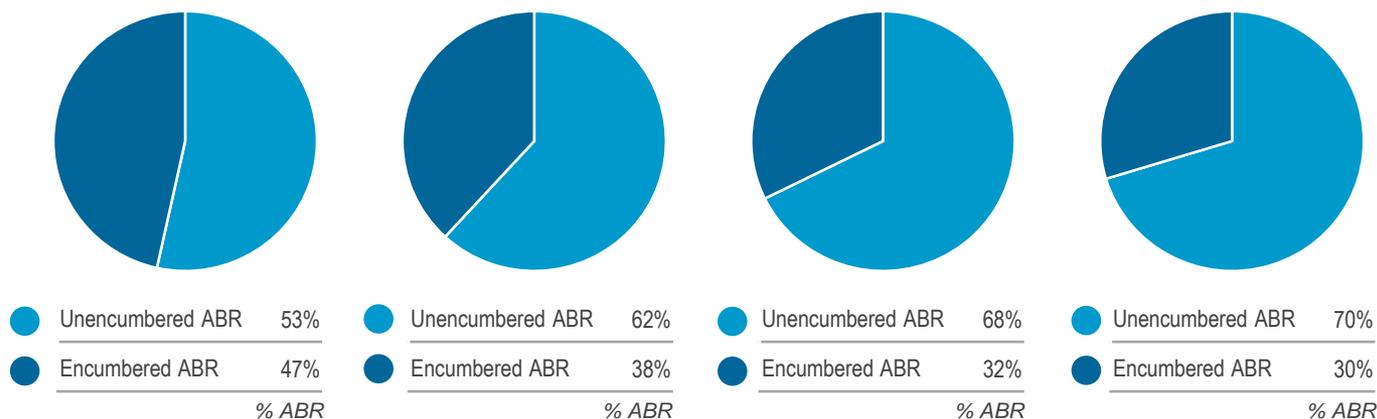
(1) Foreign currency debt balances converted at December 31, 2016 foreign exchange rates. Debt maturity data is presented on a pro rata basis as described in the Terms and Definitions section of our 4Q16 Supplemental Information. Balances include balloon payments after scheduled amortization for non-recourse debt. Excludes unamortized discount and unamortized deferred financing costs.

# Unencumbered Pool

## Unencumbered ABR Based on Scheduled Debt Maturity Repayments <sup>(1)</sup>

	As of Dec. 31, 2016	As of Dec. 31, 2017	As of Dec. 31, 2018	As of Dec. 31, 2019
Unencumbered Properties	655	723	757	768
Unencumbered ABR	\$352.2 MM	\$407.4 MM	\$446.1 MM	\$463.3 MM

*Analysis excludes potential future unencumbered acquisitions, dispositions, contractual rent increases and all investment management income.*



(1) Projection based on unencumbered ABR as of December 31, 2016, excluding two operating hotel properties; assumes that W. P. Carey will choose not to refinance maturing mortgages with mortgage debt and that such properties and associated ABR will become unencumbered, which may not occur.

## Unsecured Bond Covenants

- Investment grade balance sheet with Baa2 / stable rating from Moody's and BBB / stable rating from S&P

### Senior Unsecured Notes <sup>(1)</sup>

	Metric	Covenant	Dec 31, 2016
<b>Total Leverage</b>	Total Debt / Total Assets	≤ 60%	46.5%
<b>Secured Debt Leverage</b>	Secured Debt / Total Assets	≤ 40%	17.8%
<b>Fixed Charge Coverage</b>	Consolidated EBITDA / Annual Debt Service Charge	≥ 1.5x	4.3x
<b>Maintenance of Unencumbered Asset Value</b>	Unencumbered Assets / Total Unsecured Debt	≥ 150%	179.0%

(1) The above is a summary of the key financial covenants for the Senior Unsecured Notes, along with our estimated calculations of our compliance with those covenants at the end of the period presented. These ratios are not measures of our liquidity or performance and serve only to demonstrate our ability to incur additional debt, as permitted by the covenants governing the Senior Unsecured Notes.

## Cautionary Statement Concerning Forward-Looking Statements

Certain of the matters discussed in this communication constitute forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, both as amended by the Private Securities Litigation Reform Act of 1995. The forward-looking statements include, among other things, statements regarding the intent, belief or expectations of W. P. Carey and can be identified by the use of words such as “may,” “will,” “should,” “would,” “will be,” “will continue,” “will likely result,” “believe,” “project,” “expect,” “anticipate,” “intend,” “estimate” and other comparable terms. These forward-looking statements may include, but are not limited to, statements regarding: our estimated or future economic performance and results, including our underlying assumptions, occupancy rates, credit ratings, and possible new acquisitions and dispositions by us and for our investment management programs (including any capital recycling); our future growth prospects, capital expenditure levels, financing transactions and plans to fund our liquidity needs; our projected assets under management; our corporate strategy, including our continuing ability to qualify as a real estate investment trust (“REIT”); our annualized dividends, including the amount and timing of any future dividends; our international exposure and acquisition volume; our expectations about tenant credit quality and interest coverage; our portfolio lease terms; the investment management programs, including their earnings; our capital structure; our existing or future leverage and debt service obligations; and our capital markets programs, including our ability to sell shares under our ATM program and the use of any proceeds from that program.

These statements are based on the current expectations of our management. It is important to note that our actual results could be materially different from those projected in such forward-looking statements. There are a number of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on our business, financial condition, liquidity, results of operations, AFFO and prospects. You should exercise caution in relying on forward-looking statements as they involve known and unknown risks, uncertainties and other factors that may materially affect our future results, performance, achievements or transactions. Discussions of some of these other important factors and assumptions are contained in our filings with the Securities Exchange Commission (the “SEC”) and are available on the SEC’s website at <http://www.sec.gov>, including “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2016, and in other filings we make with the SEC from time to time. Moreover, because we operate in a very competitive and rapidly changing environment, new risks are likely to emerge from time to time. Given these risks and uncertainties, potential investors are cautioned not to place undue reliance on these forward-looking statements as a prediction of future results, which speak only as of the date of this presentation, unless noted otherwise. Except as required by federal securities laws and the rules and regulations of the SEC, we do not undertake to revise or update any forward-looking statements.

***All data presented herein is as of December 31, 2016 unless otherwise noted.***

***Amounts may not sum to totals due to rounding.***

***Past performance does not guarantee future results.***

## Disclosures

**The following non-GAAP financial measures are used in this presentation**

### **FFO and AFFO**

Due to certain unique operating characteristics of real estate companies, as discussed below, the National Association of Real Estate Investment Trusts, Inc., or NAREIT, an industry trade group, has promulgated a non-GAAP measure known as FFO, which we believe to be an appropriate supplemental measure, when used in addition to and in conjunction with results presented in accordance with GAAP, to reflect the operating performance of a REIT. The use of FFO is recommended by the REIT industry as a supplemental non-GAAP measure. FFO is not equivalent to nor a substitute for net income or loss as determined under GAAP.

We define FFO, a non-GAAP measure, consistent with the standards established by the White Paper on FFO approved by the Board of Governors of NAREIT, as revised in February 2004. The White Paper defines FFO as net income or loss computed in accordance with GAAP, excluding gains or losses from sales of property, impairment charges on real estate, and depreciation and amortization from real estate assets; and after adjustments for unconsolidated partnerships and jointly-owned investments. Adjustments for unconsolidated partnerships and jointly-owned investments are calculated to reflect FFO. Our FFO calculation complies with NAREIT's policy described above.

We modify the NAREIT computation of FFO to include other adjustments to GAAP net income to adjust for certain non-cash charges such as amortization of real estate-related intangibles, deferred income tax benefits and expenses, straight-line rents, stock compensation, gains or losses from extinguishment of debt and deconsolidation of subsidiaries and unrealized foreign currency exchange gains and losses. Our assessment of our operations is focused on long-term sustainability and not on such non-cash items, which may cause short-term fluctuations in net income but have no impact on cash flows. Additionally, we exclude non-core income and expenses such as property acquisition and other expenses, which includes costs recorded related to the restructuring of Hellweg 2 and our formal strategic review, the reversal of liabilities for German real estate transfer taxes that were previously recorded in connection with the CPA@:15 merger, certain lease termination income, and expenses related to restructuring and other compensation-related expenses resulting from a reduction in headcount and employment severance arrangements. We also exclude realized gains/losses on foreign exchange transactions (other than those realized on the settlement of foreign currency derivatives), which are not considered fundamental attributes of our business plan and do not affect our overall long-term operating performance. We refer to our modified definition of FFO as AFFO. We exclude these items from GAAP net income as they are not the primary drivers in our decision making process and excluding those items provides investors a view of our portfolio performance over time and make it more comparable to other REITs which are currently not engaged in acquisitions, mergers and restructuring which are not part of our normal business operations. We use AFFO as one measure of our operating performance when we formulate corporate goals, evaluate the effectiveness of our strategies, and determine executive compensation.

We believe that AFFO is a useful supplemental measure for investors to consider as we believe it will help them to better assess the sustainability of our operating performance without the potentially distorting impact of these short-term fluctuations. However, there are limits on the usefulness of AFFO to investors. For example, impairment charges and unrealized foreign currency losses that we exclude may become actual realized losses upon the ultimate disposition of the properties in the form of lower cash proceeds or other considerations. We use our FFO and AFFO measures as supplemental financial measures of operating performance. We do not use our FFO and AFFO measures as, nor should they be considered to be, alternatives to net earnings computed under GAAP or as alternatives to cash from operating activities computed under GAAP or as indicators of our ability to fund our cash needs.

## Disclosures (cont'd)

The following non-GAAP financial measures are used in this presentation (cont'd)

### EBITDA and Adjusted EBITDA

We believe that EBITDA is a useful supplemental measure to investors and analysts for assessing the performance of our business segments because (i) it removes the impact of our capital structure from our operating results and (ii) because it is helpful when comparing our operating performance to that of companies in our industry without regard to such items, which can vary substantially from company to company. Adjusted EBITDA as disclosed represents EBITDA, modified to include other adjustments to GAAP net income for certain non-cash charges, such as impairments, non-cash rent adjustments, and unrealized gains and losses from our hedging activity. Additionally, we exclude merger expenses related to the CPA@:16 merger, which are considered non-core, and gains and losses in real estate, which are not considered fundamental attributes of our business plans and do not affect our overall long-term operating performance. We exclude these items from adjusted EBITDA as they are not the primary drivers in our decision-making process. Our assessment of our operations is focused on long-term sustainability and not on such non-cash and non-core items, which may cause shortterm fluctuations in net income but have no impact on cash flows. We believe that adjusted EBITDA is a useful supplemental measure to investors and analysts, although it does not represent net income that is computed in accordance with GAAP. Accordingly, adjusted EBITDA should not be considered as an alternative to net income or as an indicator of our financial performance. EBITDA and adjusted EBITDA as calculated by us may not be comparable to similarly titled measures of other companies.

### Pro Rata Metrics

This supplemental package contains certain metrics prepared under the pro rata consolidation method. We refer to these metrics as pro rata metrics. We have a number of investments, usually with our affiliates, in which our economic ownership is less than 100%. Under the full consolidation method, we report 100% of the assets, liabilities, revenues and expenses of those investments that are deemed to be under our control or for which we are deemed to be the primary beneficiary, even if our ownership is less than 100%. Also, for all other jointly owned investments, which we do not control, we report our net investment and our net income or loss from that investment. Under the pro rata consolidation method, we present our proportionate share, based on our economic ownership of these jointly owned investments, of the assets, liabilities, revenues and expenses of those investments.

### ABR

ABR represents contractual minimum annualized base rent for our net-leased properties and reflects exchange rates as of the report date. If there is a rent abatement, we annualize the first monthly contractual base rent following the free rent period. ABR is not applicable to operating properties.