



W. P. Carey Inc.

Investor Presentation

Second Quarter 2017





Table of Contents

- I. Overview
- II. Owned Real Estate Portfolio
- III. Balance Sheet
- IV. Investment Management

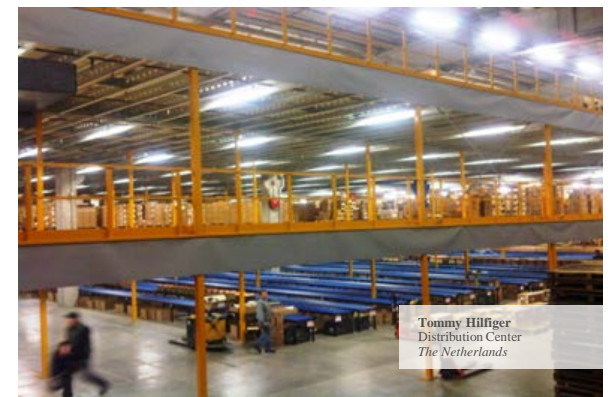
I. Overview



Company Highlights

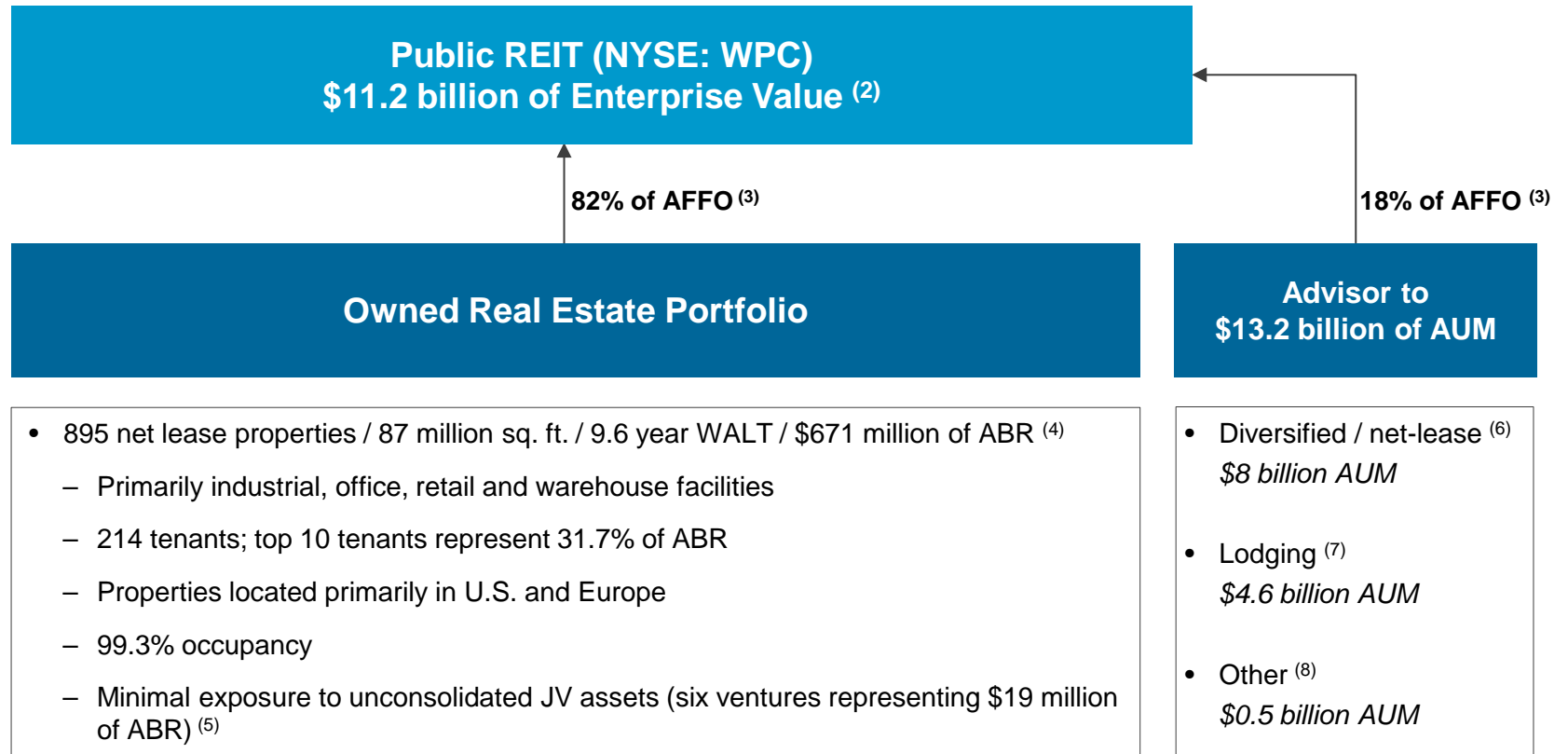
WPC is an internally managed publicly-traded REIT specializing in sale-leaseback investments of commercial real estate primarily in the U.S. and Europe

Size	One of the largest owners of net lease assets
Diversification	Highly diversified portfolio by geography, tenant, asset type and tenant industry
Track Record	Successful track record of investing and operating through multiple economic cycles since 1973 led by an experienced management team
Asset Management	U.S. and European asset management teams proactively manage tenant, property and leasing issues
Balance Sheet	Investment grade balance sheet with opportunity to access multiple forms of capital
Fee Income	Generates fee income from management of assets on behalf of non-traded investment programs



Business Model and Structure ⁽¹⁾

WPC is an internally managed REIT and advisor to non-traded investment programs



(1) Data as of or for the quarter ended June 30, 2017 unless otherwise noted.

(2) Enterprise value represents equity market capitalization based on a stock price of \$66.01 as of June 30, 2017 plus pro rata debt outstanding, less consolidated cash and cash equivalents.

(3) AFFO by segment for last twelve months ended June 30, 2017. Advisory AFFO includes fees associated with our investment management segment, including income related to our equity interests in the managed programs.

(4) Portfolio information reflects pro rata ownership and excludes two operating properties. As used herein, "ABR" represents pro rata contractual minimum annualized base rent and "WALT" represents weighted average lease term (refer to definition in Disclosures page).

(5) Excludes a preferred equity position in a jointly owned investment.

(6) Represents Corporate Property Associates 17 - Global Incorporated ("CPA@:17-Global") and Corporate Property Associates 18 - Global Incorporated ("CPA@:18-Global").

(7) Represents Carey Watermark Investors Incorporated ("CWI 1") and Carey Watermark Investors 2 Incorporated ("CWI 2")

(8) Represents (i) Carey Credit Income Fund ("CCIF") and its feeder funds, which are all business development companies, and (ii) Carey European Student Housing Fund I, L.P. ("CESH I"), which raised funds through a private placement to develop, own and operate student housing and similar investments in Europe.

Recent Achievements ⁽¹⁾

Since REIT conversion in September 2012

Acquisitions

- Completed \$9.6 billion in investments on our balance sheet comprised of:
 - \$7.0 billion through acquisition of CPA[®] REITs ⁽²⁾
 - \$2.6 billion through single-asset or portfolio purchases
- Well positioned to acquire additional net lease assets of \$6.3 billion from existing CPA[®] REITs

Balance Sheet & Capitalization

- \$2.4 billion total bond issuance (\$1.3 billion USD bonds and €1.0 billion Eurobonds) at rates well below WPC's average mortgage debt rate
- Issued \$400 million of total equity through inaugural follow-on offering and ATM program
- Amended credit facility increasing capacity to \$1.85 billion and lowering overall borrowing rates
- Received investment grade ratings from Moody's and S&P

Strategy

- Long-term strategy to invest exclusively for WPC's balance sheet
- Exit from non-traded retail fundraising, ultimately leading to:
 - More valuable company based on stable and predictable earnings
 - Simplified business / disclosure

Operational Efficiency

- Continue to right-size G&A expenses, lowering costs from \$103 million in 2015 to below \$85 million in 2016 ⁽³⁾
- Expect G&A to continue to decline in 2017 and 2018

(1) Data as of June 30, 2017.

(2) Includes acquisition of Corporate Property Associates[®] 15 Incorporated which closed concurrent with REIT conversion and acquisition of Corporate Property Associates[®] 16 - Global Incorporated.

(3) Excludes stock-based compensation.

Investment Strategy

- Generate attractive risk-adjusted returns by identifying and investing in commercial real estate, primarily in the U.S. and Western & Northern Europe
- Protect downside by combining credit and real estate underwriting with sophisticated structuring and direct origination
- Acquire “mission-critical” assets essential to a tenant’s continued success
- Create upside through lease escalations, credit improvements and real estate appreciation
- Hallmarks of our approach:
 - Diversification by tenant, industry, property type and geography
 - Disciplined
 - Opportunistic
 - Proactive asset management
 - Conservative capital structure

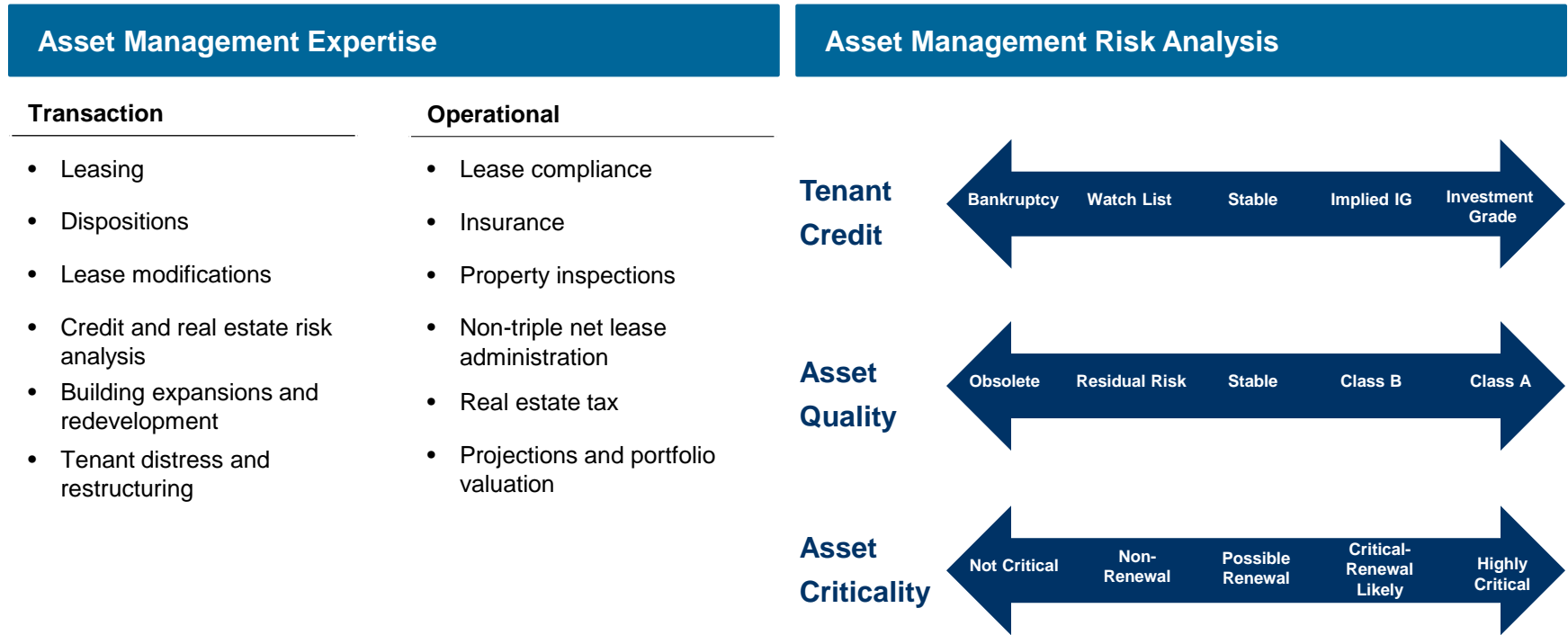
Transactions Evaluated on Four Key Factors

<p>Creditworthiness of Tenant</p>	<ul style="list-style-type: none"> • Industry drivers and trends • Competitor analysis • Company history • Historical financials
<p>Criticality of Asset</p>	<ul style="list-style-type: none"> • Corporate headquarters • Key distribution facility or profitable manufacturing plant • Critical R&D or data-center • Top performing retail stores
<p>Fundamental Value of the Underlying Real Estate</p>	<ul style="list-style-type: none"> • Local market analysis • Property condition • 3rd party valuation / replacement cost • Downside analysis / cost to re-lease
<p>Transaction Structure and Pricing</p>	<ul style="list-style-type: none"> • Lease terms – rent growth and maturity • Financial covenants • Security deposits / letters of credit

Proactive Asset Management

Domestic and international asset management capabilities to address lease expirations, changing tenant credit profiles and asset repositioning or dispositions

- Asset management offices in New York and Amsterdam
- WPC has proven experience repositioning assets through re-leasing, restructuring and strategic disposition
- Properties are evaluated quarterly for credit quality, asset quality and asset criticality



II. Owned Real Estate Portfolio



WPC Portfolio ⁽¹⁾

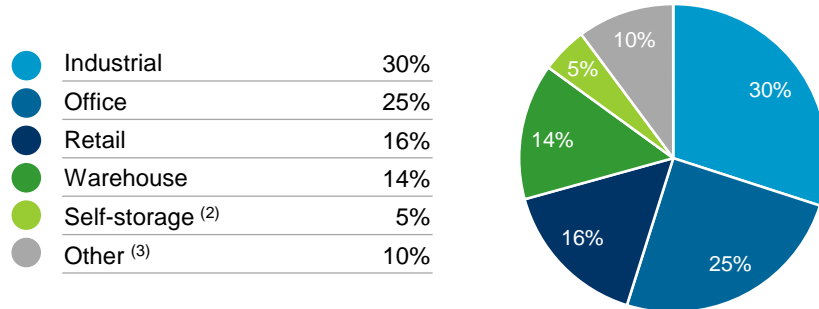
Large diversified portfolio

Number of Properties	895
Number of Tenants	214
Square Footage	87 million
ABR	\$671 million
US / Europe / Other (% of ABR)	66% / 29% / 5%
WALT	9.6 years
Occupancy	99.3%
Investment Grade Tenants (% of ABR) ⁽²⁾	27.6%
Top 10 Tenant Concentration (% of ABR)	31.7%

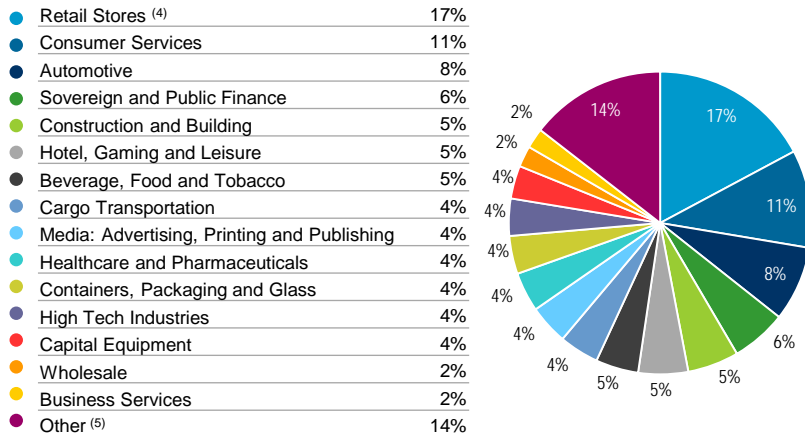
(1) Portfolio information reflects pro rata ownership of real estate assets as of June 30, 2017 and excludes two hotel operating properties.

Property and Industry Diversification ⁽¹⁾

By Property Type (% of ABR)



By Tenant Industry (% of ABR)



Top 10 Tenants

	Number of Properties	ABR (\$ millions)	WALT (years)	% of Total
HELLWEG	53	\$35	12.7	5.2%
U-HAUL ⁽²⁾	78	32	6.8	4.7%
State of Andalusia	70	28	17.5	4.1%
Pendragon PLC	71	21	12.8	3.2%
Marriott ⁽²⁾	18	20	6.4	3.0%
FORTERRA	49	17	18.8	2.6%
OBI	18	16	6.9	2.4%
True Value	7	16	5.5	2.3%
UNIVERSAL TECHNICAL INSTITUTE	5	14	4.7	2.1%
ABCgroup	14	14	19.4	2.1%
Top 10	383	\$213	11.3 yrs	31.7%

(1) Portfolio information reflects pro rata ownership of real estate assets as of June 30, 2017 and excludes two hotel operating properties.

(2) These are also net-leased properties.

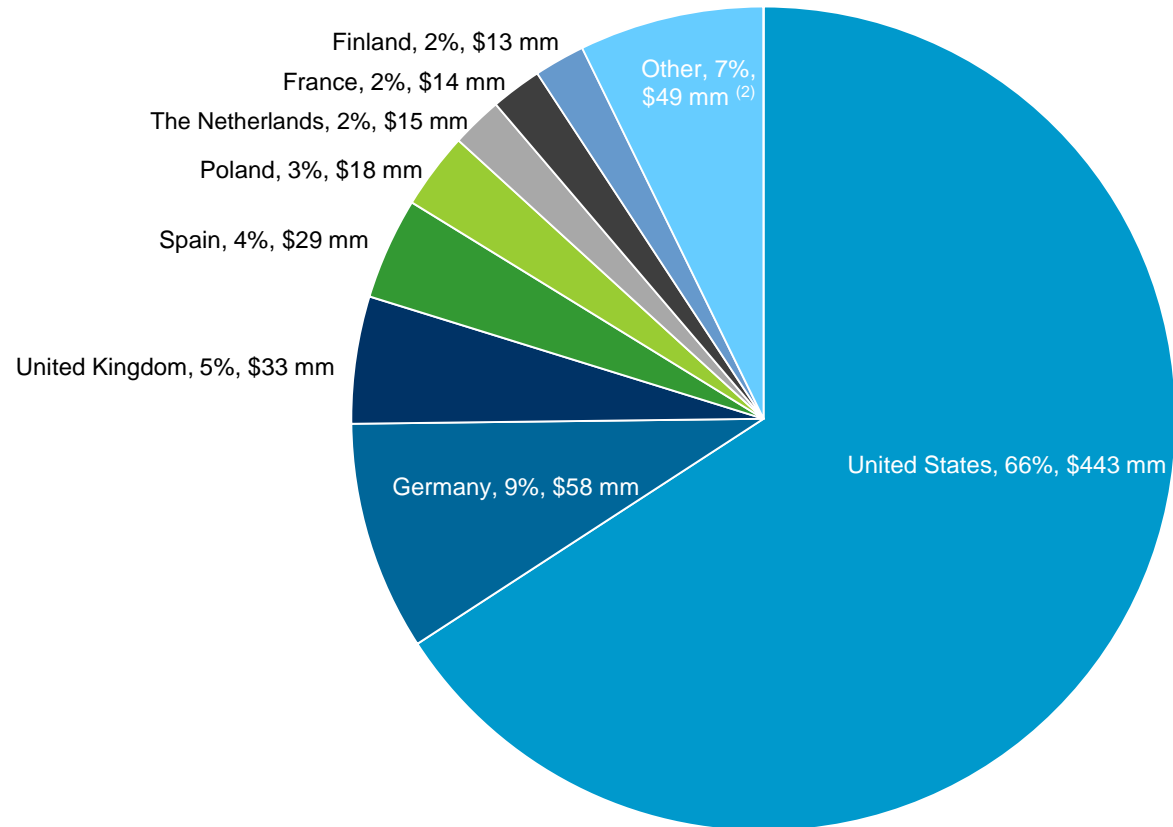
(3) Includes education facility, hotel, movie theater, fitness facility and student housing, which are all net-lease properties.

(4) Includes automotive dealerships.

(5) Includes ABR from tenants in the following industries: durable consumer goods; grocery; aerospace and defense; chemicals, plastics and rubber; metals and mining; oil and gas; telecommunications; non-durable consumer goods; banking; insurance; electricity; media: broadcasting and subscription; forest products and paper; environmental industries.

Geographic Diversification ⁽¹⁾

WPC has been investing internationally for 19 years, primarily in Western and Northern Europe

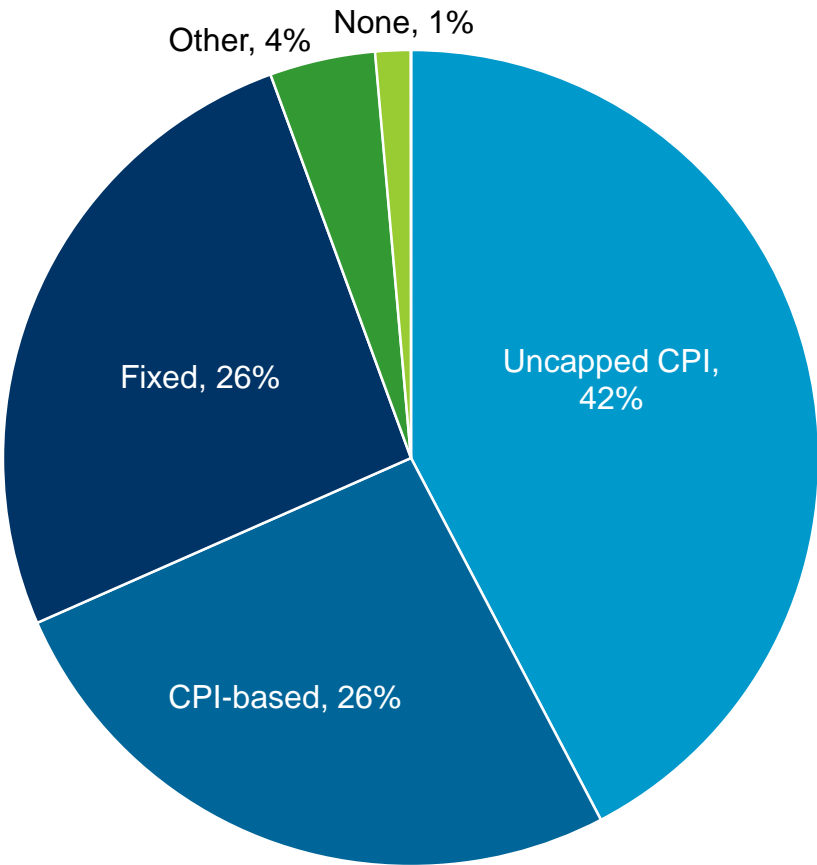


(1) Portfolio information reflects pro rata ownership of real estate assets as of June 30, 2017 and excludes two hotel operating properties.

(2) Includes Canada, Australia, Norway, Hungary, Austria, Thailand, Mexico, Sweden, Belgium, Malaysia and Japan.

Internal Growth from Contractual Rent Increases ⁽¹⁾

- Approximately 99% of leases have contractual rent increases
- Minimal exposure to operating expenses

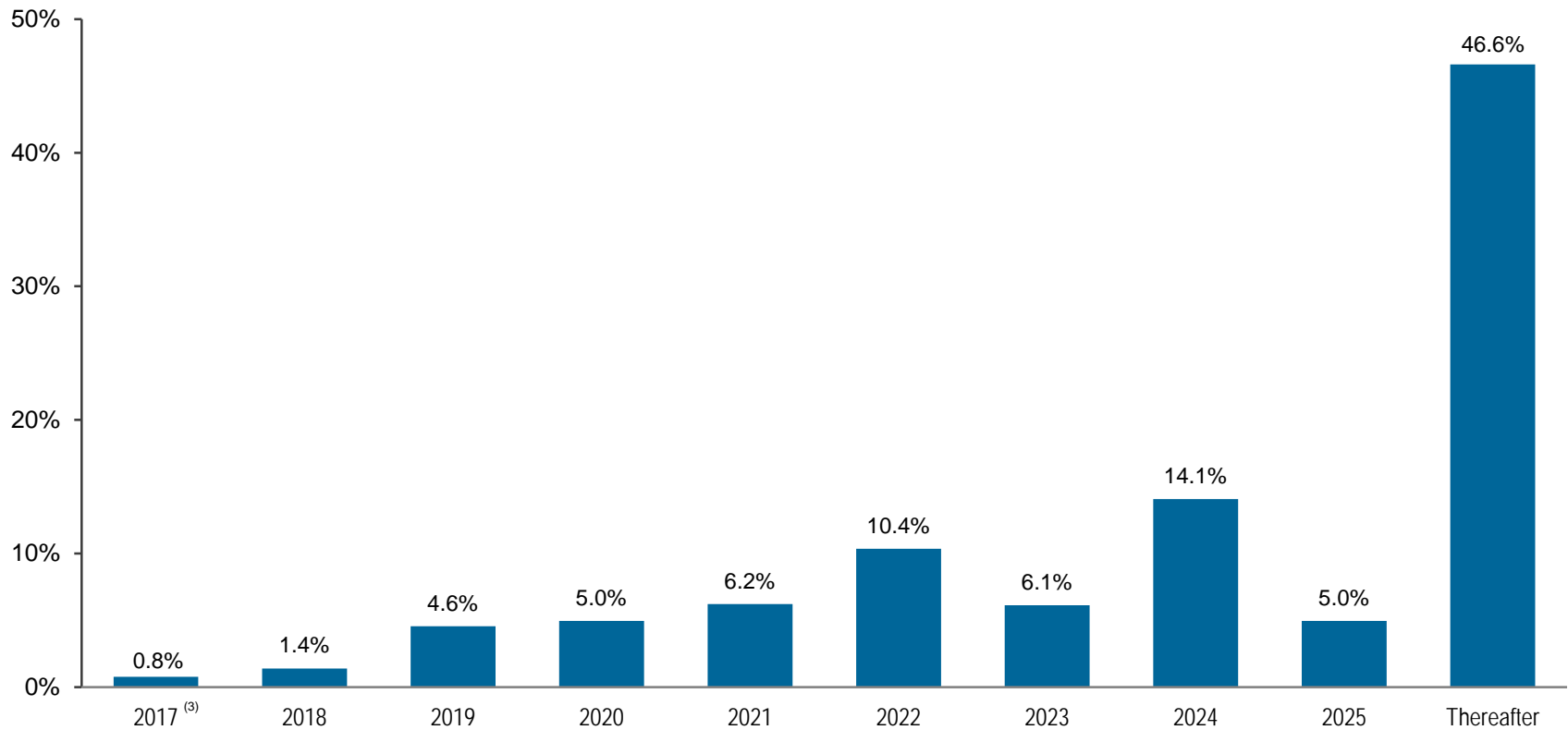


(1) Portfolio information reflects pro rata ownership of real estate assets as of June 30, 2017 and excludes two hotel operating properties.
(2) Represents leases with percentage rent.

Lease Expirations and Average Lease Term ⁽¹⁾

Weighted average lease term of 9.6 years

Lease Expirations (% ABR) ⁽²⁾



(1) Portfolio information reflects pro rata ownership of real estate assets as of June 30, 2017 and excludes two hotel operating properties.

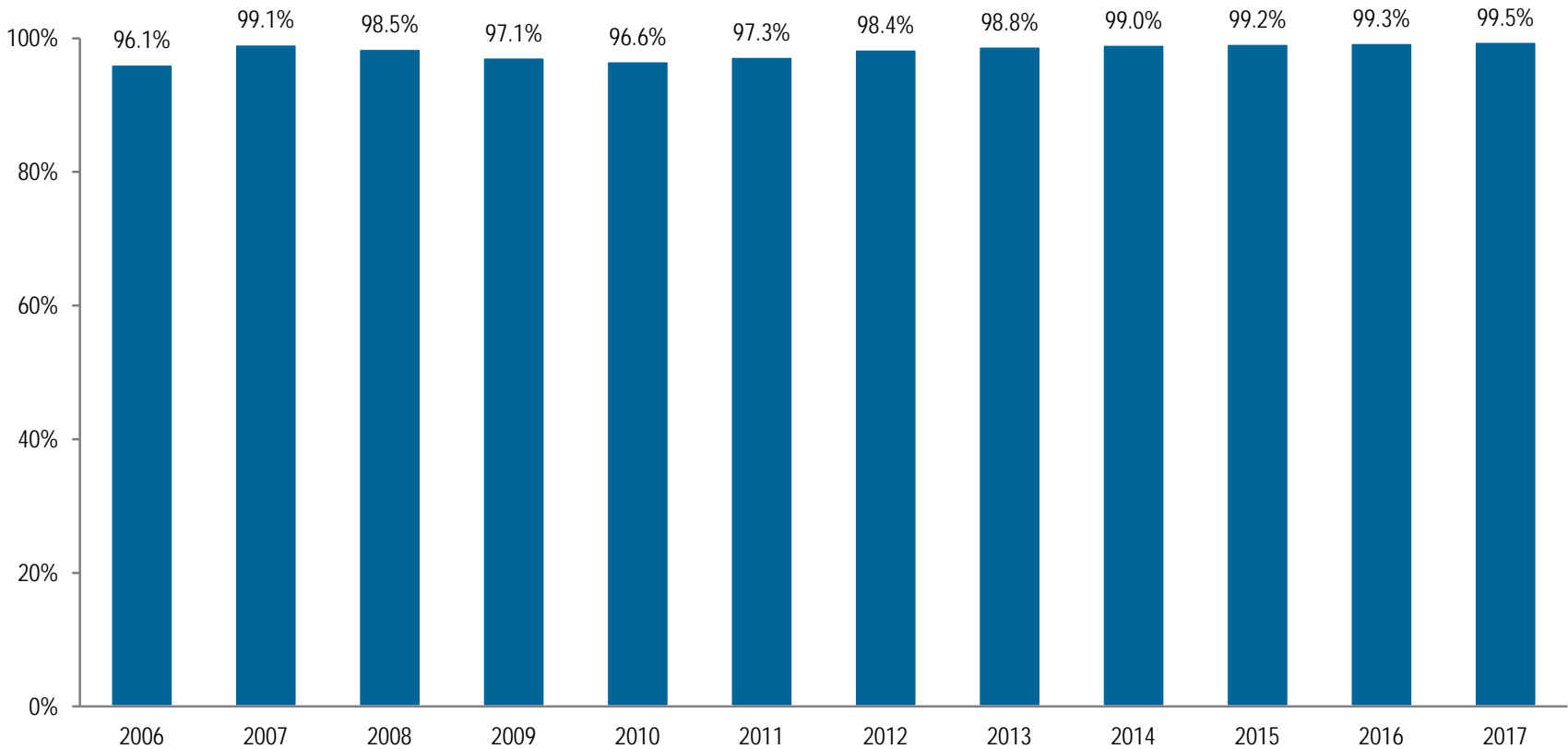
(2) Assumes tenants do not exercise any renewal options.

(3) Includes one month-to-month lease with ABR of \$0.1 million.

Historical Occupancy (1)

Stable occupancy maintained during the credit crisis and economic downturn

Occupancy (% Square Feet)



(1) Includes WPC and the CPA® REITs (collectively, Corporate Property Associates® 12 Incorporated, Corporate Property Associates® 14 Incorporated, Corporate Property Associates® 15 Incorporated, Corporate Property Associates® 16 - Global Incorporated, Corporate Property Associates® 17 - Global Incorporated and Corporate Property Associates® 18 - Global Incorporated). Portfolio information excludes operating properties.

Recent Investment Activity

Completed three on-balance-sheet portfolio acquisitions and one build-to-suit totaling \$544 million in 2016

- Acquisitions in 2016 were located in North America with a weighted average lease term of approximately 20 years
- Approximately \$60 million of redevelopment and expansion projects completed through 2Q17
- Disposed of 33 properties and land in 2016 for \$636 million and recycled the capital into higher quality, longer lease-term assets

Select Acquisitions

Forterra (2Q16)



Purchase Price: \$218 million
Facility Type: Industrial
Location: U.S. and Canada
Size: 4,069,982 square feet; 49 properties
Lease Term: 20-year lease
Rent Escalation: Fixed 2%

Nord Anglia Education (2Q16)



Purchase Price: \$168 million
Facility Type: Education
Location: U.S.
Size: 591,874 square feet; 3 properties
Lease Term: 25-year lease
Rent Escalation: CPI Uncapped

ABC Group (4Q16)



Purchase Price: \$141 million
Facility Type: Industrial
Location: U.S., Canada and Mexico
Size: 2,376,462 square feet; 14 properties
Lease Term: 20-year lease
Rent Escalation: CPI
Other: Three USD denominated master leases


Recent Investment Activity – Construction Projects

Completed four on-balance-sheet build-to-suits, expansions and redevelopments for \$60 million YTD 2Q17 with a weighted average lease term of approximately 21 years

Select Completed Construction Activity



Tire Rack (4Q16)

*McCall Road
Distribution Center ⁽¹⁾*



Purchase Price: \$14 million
Facility Type: Industrial
Location: U.S.
Size: 365,640 square feet
Lease Term: 12.5-year lease
Rent Escalation: Fixed 2.25%

Nord Anglia Education (2Q17)

Purchase Price: \$18 million
Facility Type: Education Facility
Location: U.S.
Size: 40,000 square feet
Lease Term: 25-year lease
Rent Escalation: CPI Uncapped

Inghams (2Q17)




Purchase Price: \$15 million
Facility Type: Industrial
Location: Australia
Size: 386,705 square feet; 2 properties
Lease Term: 18-year lease
Rent Escalation: CPI

(1) Multitenant building; lease term and rent escalation calculated on weighted average basis

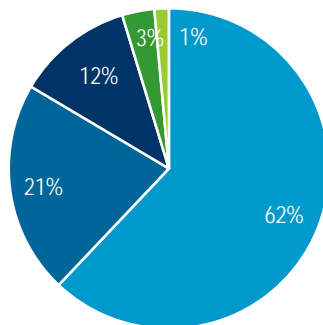
III. Balance Sheet



Balance Sheet Overview

Capitalization (%)

Equity ⁽¹⁾	62%
Senior Unsecured Notes	21%
Mortgage Debt (pro rata)	12%
Unsecured Term Loan	3%
Unsecured Revolving Credit Facility	1%



Recent Capital Markets Activity

- 2Q17** – Executed delayed draw term loan component of credit facility, €89 million draw, increasing total term loan to €325 million
 - Raised \$22 million of net proceeds year-to-date through our ATM program
- 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
 - Renewed our \$400 million ATM program
- 3Q16** – Issued \$350 million of 4.25% Senior Unsecured Notes due 2026
 - Raised \$84 million of net proceeds in 2016 through our ATM program

Capitalization (\$ millions)

June 30, 2017

Total Equity⁽¹⁾	\$7,054
Senior Unsecured Notes	2,441
Mortgage Debt (pro rata)	1,336
Unsecured Term Loan	371
Unsecured Revolving Credit Facility	166
Total Pro Rata Debt	\$4,314
Less: Cash and Cash Equivalents	172
Total Pro Rata Net Debt	\$4,142
Enterprise Value	\$11,197
Total Capitalization	\$11,368

Leverage Metrics

Pro Rata Net Debt / Adjusted EBITDA ⁽¹⁾⁽²⁾	5.4x
Pro Rata Net Debt / Enterprise Value ⁽²⁾⁽³⁾	37.0%
Total Consolidated Debt / Gross Assets ⁽⁴⁾	48.1%
Weighted Average Interest Rate	3.6%

(1) Adjusted EBITDA represents 2Q17 annualized Adjusted EBITDA, as reported in a Form 8-K furnished to the SEC on August 4, 2017.

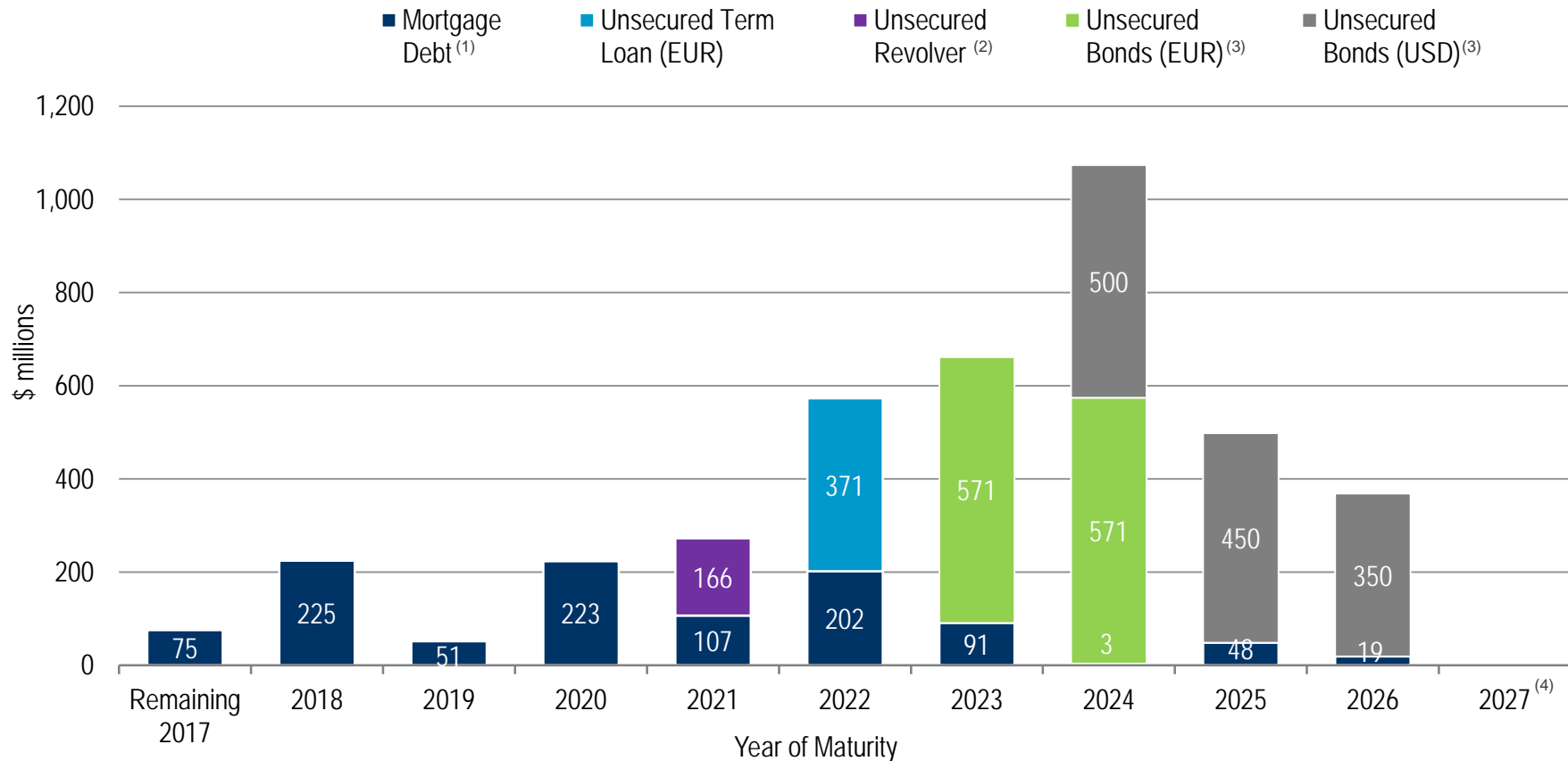
(2) Pro rata net debt to enterprise value and pro rata net debt to Adjusted EBITDA are based on pro rata debt less consolidated cash and cash equivalents.

(3) Based on stock a price of \$66.01 as of June 30, 2017 and 106,866,623 common shares outstanding as of June 30, 2017.

(4) Gross assets represent consolidated total assets before accumulated depreciation on real estate. Gross assets are net of accumulated amortization on in-place lease and tenant relationship intangible assets.

Debt Maturity Schedule

Principal at Maturity



	Remaining 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027 ⁽⁴⁾
% of Total⁽⁵⁾	1.8%	5.4%	1.4%	6.0%	6.8%	14.2%	16.6%	26.2%	12.4%	9.1%	0.3%
Interest Rate⁽⁵⁾	5.7%	3.7%	6.1%	4.8%	3.2%	2.7%	2.7%	3.5%	4.1%	4.5%	5.8%

(1) Reflects pro rata balloon payments due at maturity, excluding principal amortization.
 (2) Unsecured revolver has initial maturity in 2021 with two six-month extension options.
 (3) Reflects amount due at maturity, excluding unamortized discount and unamortized deferred financing costs.
 (4) 2027 is comprised of a single mortgage that is fully amortizing with no principal due at maturity.
 (5) Reflects the weighted average percentage of debt outstanding and the weighted average interest rate for each year based on the total outstanding balance.

Unsecured Bond Covenants (1)

- Investment grade balance sheet with Baa2/stable rating from Moody's and BBB/stable rating from S&P
- S&P recently upgraded the Company's Senior Unsecured Notes from BBB- to BBB

Senior Unsecured Notes (2)

	Metric	Covenant	June 30, 2017
Total Leverage	Total Debt / Total Assets	≤ 60%	45.3%
Secured Debt Leverage	Secured Debt / Total Assets	≤ 40%	13.9%
Fixed Charge Coverage	Consolidated EBITDA / Annual Debt Service Charge	≥ 1.5x	4.7x
Maintenance of Unencumbered Asset Value	Unencumbered Assets / Total Unsecured Debt	≥ 150%	188.3%

(1) This is a summary of the key financial covenants for our Senior Unsecured Notes, along with 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.

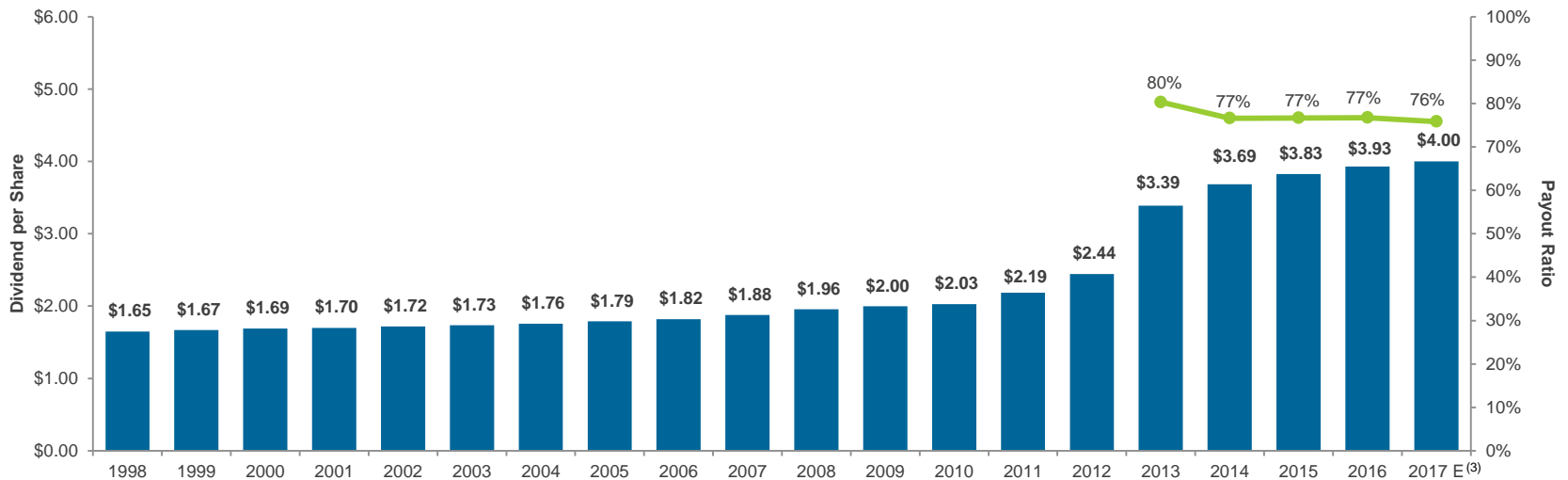
(2) Our Senior Unsecured Notes currently consist of the following note issuances: (i) \$500 million 4.6% senior unsecured notes due 2024, (ii) €500 million 2.0% senior unsecured notes due 2023, (iii) \$450 million 4.0% senior unsecured notes due 2025, (iv) \$350 million 4.250% senior unsecured notes due 2026 and (v) €500,000,000 2.250% Senior Notes due 2024.

History of Consistent Dividend Growth

WPC has increased its dividend every year since going public in 1998

- Current annualized dividend of \$4.00 with a yield of 6.1% ⁽¹⁾
- Conservative and stable payout ratio since conversion to a REIT in September 2012

Dividends per Share & Payout Ratio ⁽²⁾



Note: Past performance does not guarantee future results.

(1) Based on a stock price of \$66.01 as of June 30, 2017.

(2) Full year distributions declared per share, excluding special dividends, divided by full year AFFO per diluted share.

(3) Dividend per share reflects 2Q17 dividend annualized. Payout ratio is calculated using year-to-date dividend declared over year-to-date AFFO per share.

IV. Investment Management



Summary of Managed Programs as of June 30, 2017

Total AUM of \$13.2 billion including approximately **\$6.3 billion of net lease AUM**

	CPA®:17 – Global	CPA®:18 – Global	CWI 1	CWI 2	CCIF	CESH I	
Investment focus	Diversified / Net Lease	Diversified / Net Lease	Lodging / Hospitality	Lodging / Hospitality	Credit	Student Housing	
Fundraising Status	Closed	Closed	Closed	Closed ⁽¹⁾	NA ⁽²⁾	Closed	
AUM	\$5.8 billion	\$2.2 billion	\$2.9 billion	\$1.7 billion	\$398 million	\$147 million	\$13.2 bn
Net lease assets ⁽³⁾	\$5.0 billion	\$1.3 billion	--	--	--	--	\$6.3 bn
NAV per share	\$10.11	\$7.90	\$10.80	\$10.74	\$8.55	-- ⁽⁴⁾	
General liquidation guideline ⁽⁵⁾	8 - 12 years following investment of substantially all proceeds from the initial public offering ("IPO") in 2011	Beginning after the 7 th anniversary of the closing of the initial public offering in 2015	Beginning 6 years following the termination of the initial public offering in 2013	Beginning 6 years following the termination of the initial public offering in 2017	Permanent capital	Beginning 5 years after raising the minimum offering amount in 2016	

(1) CWI 2's offering closed on July 31, 2017.

(2) CCIF is a permanent investment vehicle.

(3) Net lease assets include current construction value of in-process net lease build-to-suit assets.

(4) We own limited partnership units of CESH I at its private placement price of \$1,000 per unit; we do not intend to calculate a net asset value per unit.

(5) Based on general liquidation guidelines set forth in the respective prospectuses, ultimately, liquidation is approved by the independent boards of the respective funds.

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 Inc. (“WPC”) 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 and 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 June 30, 2017 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 our investment in properties leased to Hellweg Die Profi-Baumärkte GmbH & Co. KG and our formal strategic review, the reversal of liabilities for German real estate transfer taxes that were previously recorded in connection with our merger with Corporate Property Associates 15 Incorporated, 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 our merger with Corporate Property Associates 16 – Global Incorporated, 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 short term 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 date of this report. 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 and is presented on a pro rata basis.