



W. P. Carey Inc. Capitalization & Leverage

Fourth Quarter 2017

Balance Sheet Progression

WPC remains committed to maintaining its investment grade ratings, growing its pool of unencumbered assets and strengthening its balance sheet

- Since WPC was rated by S&P and Moody's in 2013, maturing mortgages have generally been paid off with proceeds from equity or unsecured bond issuances and new acquisitions have been unencumbered

	December 2013 ⁽¹⁾	December 2017 ⁽²⁾
Total mortgage debt	\$3.1 billion	\$1.2 billion
Secured debt as % of gross assets	35.9%	13.4%
Unencumbered net-lease ABR (pro rata)	\$153 million	\$431 million
Estimated unencumbered net-lease asset value ⁽³⁾	\$2.0 billion	\$5.8 billion
Unsecured rating	BBB- (S&P / stable) Baa2 (Moody's / stable)	BBB (S&P / stable) Baa2 (Moody's / stable)

(1) Pro forma for WPC's January 31, 2014 acquisition of CPA®:16 - Global.

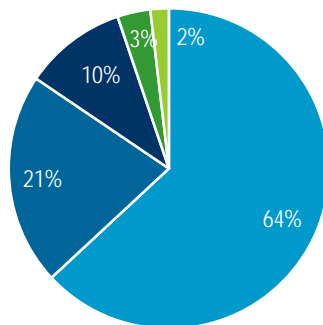
(2) Financial data as of December 31, 2017.

(3) Unencumbered net-lease asset value reflects ABR at a 7.50% capitalization rate, consistent with capitalization rate in the Unsecured Senior Notes covenants.

Balance Sheet Overview

Capitalization (%)

Equity ⁽¹⁾	64%
Senior Unsecured Notes	21%
Mortgage Debt (pro rata)	10%
Unsecured Term Loan	3%
Unsecured Revolving Credit Facility	2%



Capital Markets and Balance Sheet Activity – 2017

- Amended credit facility and increased capacity of unsecured line of credit to \$1.85 billion
- Executed delayed draw term loan component of credit facility, €89 million draw, increasing total term loan to €325 million
- Issued €500 million of 2.25% Senior Unsecured Notes due 2024 through European subsidiary
- Renewed our \$400 million ATM program and raised \$23 million of net proceeds
- Reduced pro rata mortgage debt by \$432 million during 2017

Capitalization (\$ millions)

December 31, 2017

Total Equity ⁽¹⁾	\$7,367
Senior Unsecured Notes	2,499
Mortgage Debt (pro rata)	1,207
Unsecured Term Loan	390
Unsecured Revolving Credit Facility	217
Total Pro Rata Debt	\$4,313
Less: Cash and Cash Equivalents	162
Total Pro Rata Net Debt	\$4,150
Enterprise Value	\$11,517
Total Capitalization	\$11,679

Leverage Metrics

Pro Rata Net Debt / Adjusted EBITDA ⁽²⁾⁽⁴⁾	5.5x
Pro Rata Net Debt / Enterprise Value ⁽¹⁾⁽²⁾	36.0%
Total Consolidated Debt / Gross Assets ⁽³⁾	48.1%
Weighted Average Interest Rate	3.4%

(1) Based on a stock price of \$68.90 as of December 31, 2017 and 106,922,616 common shares outstanding as of December 31, 2017.

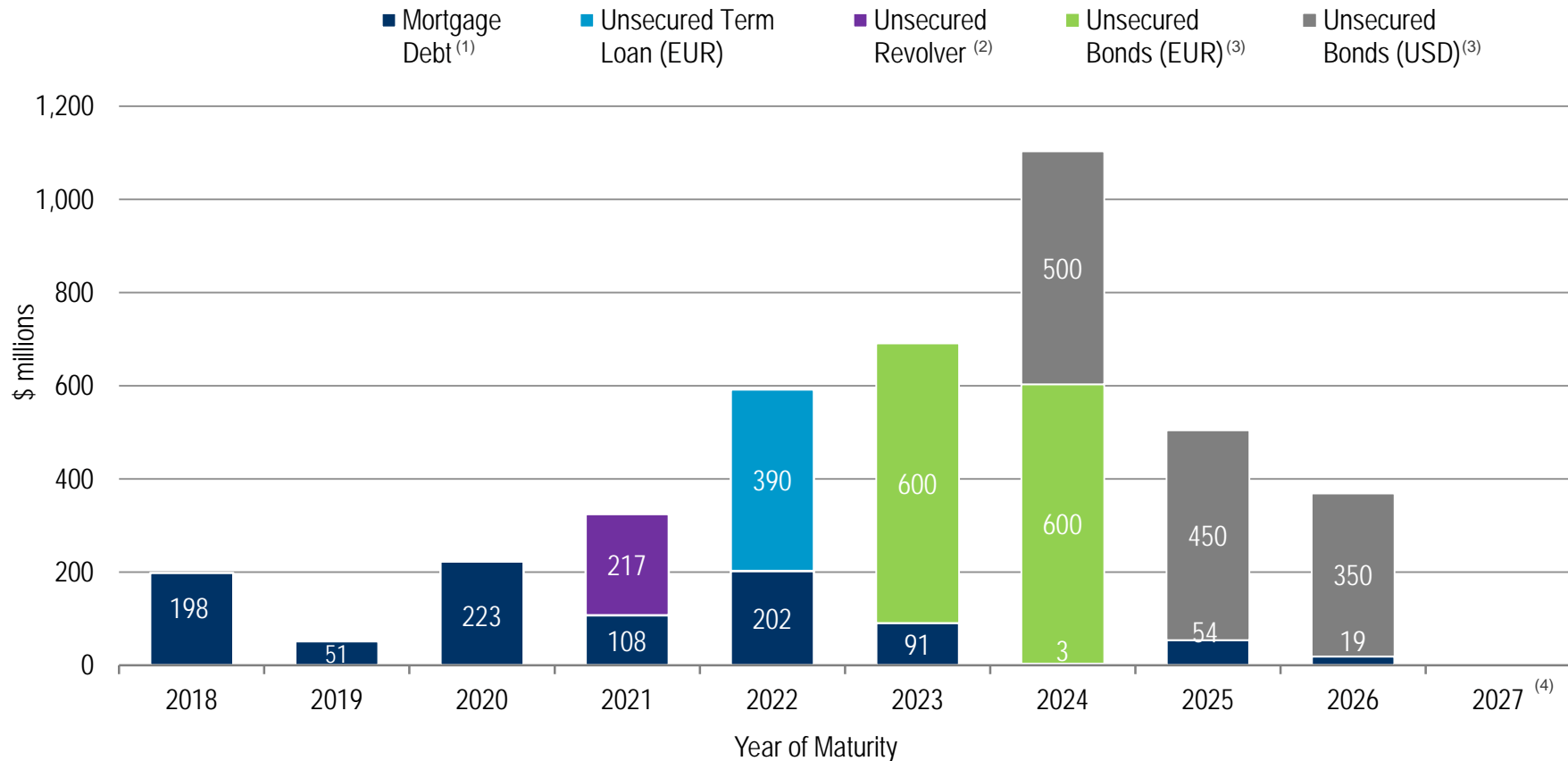
(2) Pro rata net debt to enterprise value and pro rata net debt to Adjusted EBITDA (see definition in Disclosure at end) are based on pro rata debt less consolidated cash and cash equivalents.

(3) Gross assets represent consolidated total assets before accumulated depreciation on real estate. Gross assets are net of accumulated amortization on in-place lease and other intangible assets, and above-market rent intangible assets.

(4) Adjusted EBITDA represents 4Q17 annualized Adjusted EBITDA, as reported in a Form 8-K furnished to the SEC on February 23, 2018.

Debt Maturity Schedule

Principal at Maturity



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027 ⁽⁴⁾
% of Total⁽⁵⁾	4.6%	1.3%	5.8%	7.9%	14.6%	17.0%	26.8%	12.5%	9.1%	0.2%
Interest Rate⁽⁵⁾	3.1%	6.1%	4.8%	3.1%	2.6%	2.6%	3.4%	4.1%	4.5%	5.8%

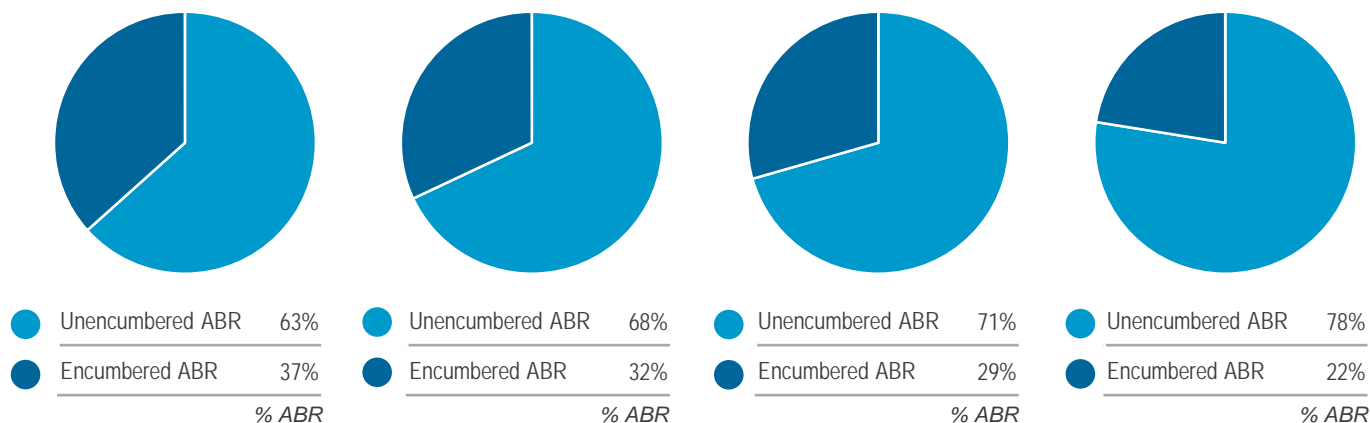
(1) Reflects pro rata balloon payments due at maturity, excluding principal amortization.
 (2) Unsecured revolver has initial maturity in 2021 with two six-month extension options.
 (3) Reflects amount due at maturity, excluding unamortized discount and unamortized deferred financing costs.
 (4) 2027 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.

Unencumbered Pool

Unencumbered ABR Based on Scheduled Debt Maturity Repayments ⁽¹⁾

	As of Dec. 31, 2017	As of Dec. 31, 2018	As of Dec. 31, 2019	As of Dec. 31, 2020
Unencumbered Properties	713	742	753	775
Unencumbered ABR	\$431 MM	\$463 MM	\$480 MM	\$528 MM

Analysis excludes potential future unencumbered acquisitions, dispositions and contractual rent increases ⁽²⁾



(1) Projection based on unencumbered ABR as of December 31, 2017, excluding two operating hotel properties; assumes that WPC will choose not to refinance maturing mortgages with mortgage debt and that such properties and associated ABR will become unencumbered, which may not occur.
 (2) ABR as defined excludes revenue attributable to our investment management segment.

Unsecured Bond Covenants (1)

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

Senior Unsecured Notes (2)

	Metric	Covenant	December 31, 2017
Total Leverage	Total Debt / Total Assets	≤ 60%	45.3%
Secured Debt Leverage	Secured Debt / Total Assets	≤ 40%	12.5%
Fixed Charge Coverage	Consolidated EBITDA / Annual Debt Service Charge	≥ 1.5x	5.0x
Maintenance of Unencumbered Asset Value	Unencumbered Assets / Total Unsecured Debt	≥ 150%	192.1%

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

(2) Our Unsecured Senior Notes currently consist of the following note issuances: (i) \$500 million 4.6% unsecured senior notes due 2024, (ii) €500 million 2.0% unsecured senior notes due 2023, (iii) \$450 million 4.0% unsecured senior notes due 2025, (iv) \$350 million 4.250% unsecured senior notes due 2026 and (v) €500 million 2.25% unsecured senior notes due 2024.

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; our future growth prospects, capital expenditure levels, financing transactions and plans to fund our liquidity needs; 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 outlook for the investment management programs that we manage, including their earnings, as well as possible liquidity events for those programs; 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, 2017, 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, 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 (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 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. Multiplying each of our jointly owned investments' financial statement line items by our percentage ownership and adding or subtracting those amounts from our totals, as applicable, may not accurately depict the legal and economic implications of holding an ownership interest of less than 100% in our jointly owned 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.