

# Nontraded REIT Industry Review: Third Quarter 2011



## Carey Watermark Investors Incorporated

Total Assets.....	\$35.5 Million
Real Estate Assets .....	\$33.5 Million
Cash .....	\$1.9 Million
Securities .....	\$0.0 Million
Other .....	\$0.1 Million



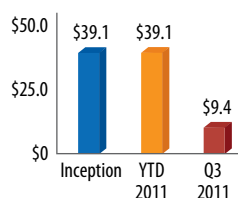
Initial Offering Date: ..... September 15, 2010  
 Number of Months Fundraising: ..... 12  
 Anticipated Offering Close Date: ..... September 15, 2012  
 Current Price per Share: ..... \$10.00  
 Reinvestment Price per Share: ..... \$9.50

Cash to Total Assets Ratio: ..... 5.3%  
 Asset Type: ..... Hospitality  
 Number of Properties: ..... 3  
 Square Feet / Units / Rooms / Acres: ..... 623 Rooms  
 Percent Leased: ..... Not Available  
 LifeStage: ..... Emerging  
 Investment Style ..... Value Add

### Historical Price



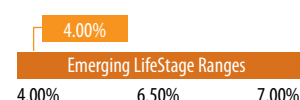
### Gross Dollars Raised\*



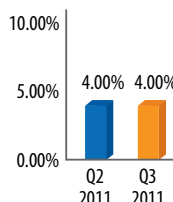
\*Includes reinvested distributions (in millions)

### Current Distribution

Current Distribution Yield: ... 4.00%



### Historical Distribution



### Contact Information

**www.CareyWatermark.com**  
**W.P. Carey & Co. LLC**  
**50 Rockefeller Plaza**  
**New York, NY 10020**  
**800-WP CAREY**

### Year to Date FFO Payout Ratio

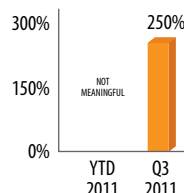
FFO Payout Ratio:  
 YTD Distributions/YTD FFO: NOT MEANINGFUL

NOT MEANINGFUL

Emerging LifeStage Ranges

YTD Distributions Paid:.....\$259,283  
 YTD FFO: .....(\$1,366,850)

### Historical FFO Payout Ratio



### Year to Date MFFO Payout Ratio

MFFO Payout Ratio:  
 YTD Distributions/YTD MFFO: NOT MEANINGFUL

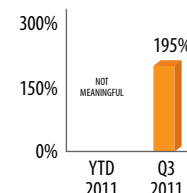
NOT MEANINGFUL

Emerging LifeStage Ranges

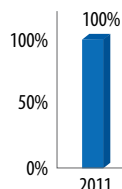
113% 954% 1287%  
 YTD Distributions Paid:.....\$259,283  
 YTD MFFO: .....(\$758,443)

\*Company reported MFFO – see notes

### Historical MFFO Payout Ratio

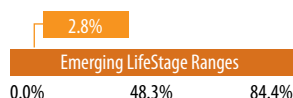


### Debt Maturity



### Current Debt Ratio

Debt to Total Assets Ratio: ..... 2.8%



### Debt Breakdown

Total: .....\$1.0 Million  
 Fixed: .....\$0.0 Million  
 Variable: .....\$1.0 Million  
 Rate: ..... 1.40%  
 Term: ..... < 1 yr.

### Interest Coverage Ratio

YTD Interest Coverage Ratio: NOT MEANINGFUL

NOT MEANINGFUL

Emerging LifeStage Ranges

0.6 0.85 1.6

Adjusted EBITDA: ..... (\$1,376,435)  
 Interest Expense: ..... \$9,585

### Redemptions

Ratio of Shares Redeemed to Wtd.  
 Avg. Shares Outstanding:.....0.00%

0.00%

Emerging LifeStage Ranges

0.00% 0.45%

Redemptions Year to Date: ..... 0

Wtd. Avg. Shares Outstanding  
 as of 12/31/10: ..... 9,402

\*See Notes

### Lease Expirations

Not Reported

### Trends and Items of Note

- The REIT was declared effective by the SEC in September 2010 and raised proceeds sufficient to break escrow in March 2011.
- The REIT acquired an 80% interest in the joint venture "New Orleans Venture" for approximately \$31.3 million in September 2011.
- During the nine months ended September 30, 2011, the Company was provided with two loans from a subsidiary of W.P. Carey to fund investments in two joint ventures. The first loan was for \$4,000,000 and was repaid on June 6, 2011, its maturity date. The second loan was in the amount of \$2,000,000 with a maturity date of October 17, 2011. As of September 30, 2011, \$1,000,000 of this loan had been repaid.
- The Company uses modified funds from operations ("Modified Funds from Operations" or "MFFO") as defined by the Investment Program Association ("IPA").
- No share redemptions due to the fact that the REIT has been effective for less than 12 months
- See additional notes on page 68 for information regarding the source of distributions.