

Nontraded REIT Industry Review: Third Quarter 2012



Carey Watermark Investors Incorporated

Total Assets.....	\$137.5 Million
Real Estate Assets	\$87.5 Million
Cash	\$41.5 Million
Securities	\$0.0 Million
Other	\$8.5 Million



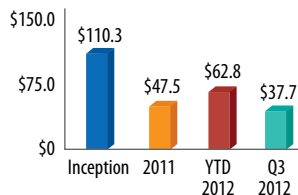
Initial Offering Date:	September 15, 2010
Number of Months Fundraising:	24
Anticipated Offering Close Date:	September 15, 2013
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio: 30.2%
 Asset Type: Hospitality
 Number of Properties: 6
 Square Feet / Units / Rooms / Acres: 1,062 rooms
 Percent Leased: Not Available
 LifeStage: Growth
 Investment Style Value Add

Historical Price



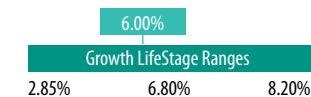
Gross Dollars Raised*



*Includes reinvested distributions (in millions)

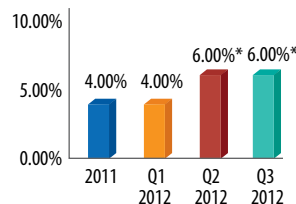
Current Distribution

Current Distribution Yield: .. 6.00%*



*See notes.

Historical Distribution



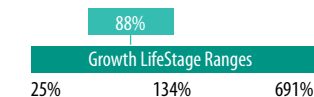
*See notes.

Contact Information

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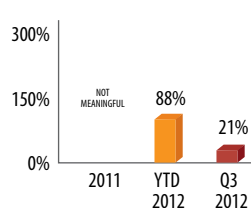
Year to Date FFO Payout Ratio

FFO Payout Ratio:
 YTD Distributions/YTD FFO: 88%



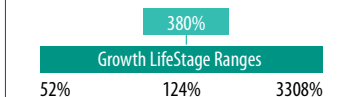
YTD Distributions Paid: ... \$1,888,608
 YTD FFO: \$2,141,375

Historical FFO Payout Ratio



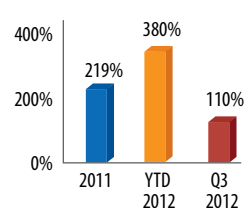
Year to Date MFFO Payout Ratio

MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: 380%

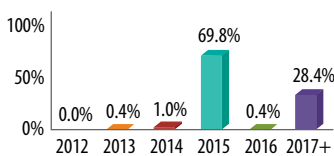


YTD Distributions Paid: ... \$1,888,608
 YTD MFFO: \$497,190
 Company Reported MFFO – see notes

Historical MFFO Payout Ratio

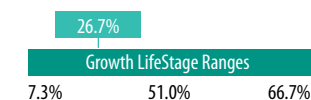


Debt Repayment Schedule



Current Debt Ratio

Debt to Total Assets Ratio: ... 26.7%



Debt Breakdown

Total: \$36.7 Million
 Fixed: \$28.8 Million
 Variable: \$7.9 Million
 Avg. Wtd. Rate: 4.76%
 Term: 3 – 7 yrs

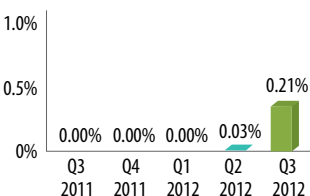
Interest Coverage Ratio

YTD Interest Coverage Ratio: 8.8



Adjusted EBITDA: \$4,909,884
 Interest Expense: \$559,205

Redemptions



Lease Expirations

Not Applicable

Trends and Items of Note

- The Company moved from the Emerging LifeStage phase into the Growth LifeStage phase during the third quarter.
- On July 9, 2012, the REIT acquired a 97.35% controlling interest in the Lake Arrowhead Resort for \$26 million.
- The third quarter 2012 daily distribution was \$0.0016304 per share, comprised of \$0.0013587 per day payable in cash and \$0.0002717 per day payable in shares of CWI's common stock, which equates to \$0.60 per share on an annualized basis and was paid on October 16, 2012 to stockholders of record on each day during the third quarter.
- In September 2012, the board of directors extended the primary offering for one year to September 15, 2013.
- The year-to-date Interest Coverage Ratio is 8.8 which is significantly above the median compared to other Growth LifeStage REITs. This is the first quarter that the REIT has had a meaningful ratio.
- The Company hedged \$7.9 million of its variable rate debt as of September 30, 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 97 for information regarding the source of distributions.