

Nontraded REIT Industry Review: Second Quarter 2012



Carey Watermark Investors Incorporated

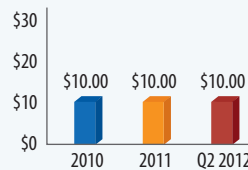
Total Assets.....	\$93.2 Million
Real Estate Assets	\$62.8 Million
Cash	\$25.3 Million
Securities	\$0.0 Million
Other	\$5.1 Million



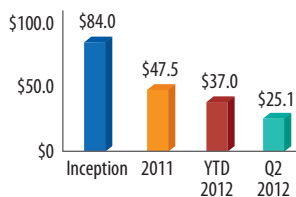
Initial Offering Date:	September 15, 2010
Number of Months Fundraising:	21
Anticipated Offering Close Date:	September 15, 2012
Current Price per Share:	\$10.00
Reinvestment Price per Share:	\$9.50

Cash to Total Assets Ratio:	27.2%
Asset Type:	Hospitality
Number of Properties:	5
Square Feet / Units / Rooms / Acres:	881 Rooms
Percent Leased:	Not Available
LifeStage.....	Emerging
Investment Style	Value Add

Historical Price



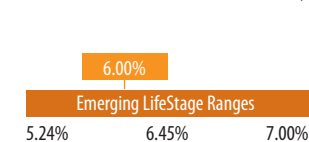
Gross Dollars Raised*



*Includes reinvested distributions (in millions)

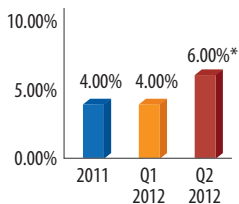
Current Distribution

Current Distribution Yield: .. 6.00%*



*See notes.

Historical Distribution



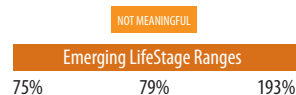
*See notes.

Contact Information

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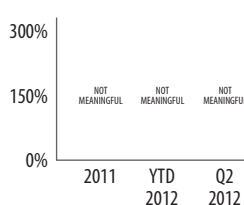
Year to Date FFO Payout Ratio

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



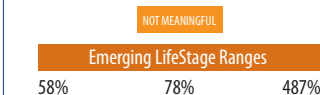
YTD Distributions Paid:.....\$974,603
 YTD FFO:,(\$2,139,846)

Historical FFO Payout Ratio



Year to Date MFFO Payout Ratio

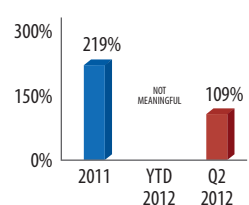
MFFO Payout Ratio:
 YTD Distributions/YTD MFFO: NOT MEANINGFUL



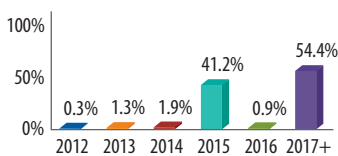
YTD Distributions Paid:.....\$974,603
 YTD MFFO:,(\$335,875)

*Company reported MFFO – see notes

Historical MFFO Payout Ratio

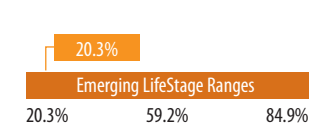


Debt Maturity



Current Debt Ratio

Debt to Total Assets Ratio: ... 20.3%



Debt Breakdown

Total:	\$18.9 Million
Fixed:	\$18.9 Million
Variable:	\$0.0 Million
Avg. Wtd. Rate:	5.2%
Term:	3 – 7 yrs.

Interest Coverage Ratio

YTD Interest Coverage Ratio: NOT MEANINGFUL



Adjusted EBITDA:,(\$489,431)
 Interest Expense:, \$76,000

Redemptions

Ratio of Shares Redeemed to Wtd.
 Avg. Shares Outstanding:.....0.03%



Redemptions Year to Date:2,000
 Wtd. Avg. Shares
 Outstanding:6,330,633

Lease Expirations

Not Applicable

Trends and Items of Note

- The second quarter 2012 cash distribution was \$0.50 annualized and \$0.10 annualized in shares of CWI's common stock, which equates to \$0.60 per share on an annualized basis and was paid on July 16, 2012. The third quarter 2012 daily distribution will be at the same annualized rate.
- In May and June 2012, the Company acquired controlling interests in two hotel properties: the Hampton Inn and the Hilton Garden Inn. In July 2012, the Company acquired a controlling 97.4% interest in the Lake Arrowhead Resort & Spa property, a 173-room lakefront resort located in Lake Arrowhead, California. The cash investment in the property is approximately \$8,345,000.
- In June 2012, the board of directors extended the primary offering for one year to September 15, 2013.
- The REIT has a relatively low debt to total asset ratio at 20.3% compared to the median of 59.2% for Emerging LifeStage REITs. YTD EBITDA, while still negative at -\$489,431, had improved from the year earlier 6-month YTD EBITDA (-\$1.4 million).
- The Company hedged \$7,931,000 of its variable rate debt as of June 30, 2012.
- The Company uses modified funds from operations ("MFFO") as defined by the Investment Program Association ("IPA").
- See additional notes on page 74 for information regarding the source of distributions.