W. P. CAREY

W. P. Carey Inc. Investor Presentation
1Q18

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Unless otherwise noted, all data in this presentation is as of March 31, 2018. Amounts may not sum to totals due to rounding.

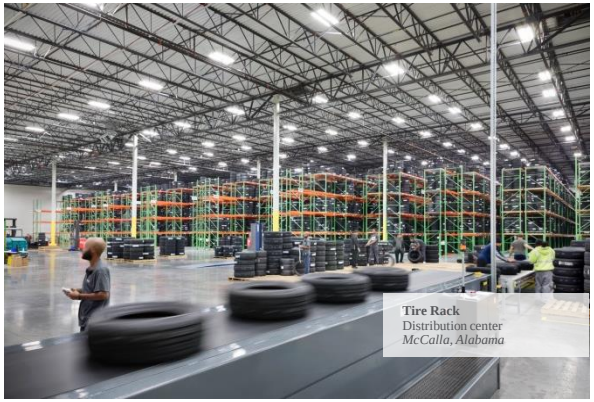
W. P. CAREY

I. Overview

Company Highlights

W. P. Carey is a publicly-traded REIT specializing in sale-leaseback investments of commercial real estate primarily in the U.S. and Northern and Western 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



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Business Model and Structure [1]

W.P. Carey is an internally managed REIT and advisor to non-traded investment programs

Public REIT (NYSE: WPC)
$10.9 billion of Enterprise Value [2]

80% of AFFO [3]

20% of AFFO [3]

Owned Real Estate Portfolio [4]

- 886 net lease properties / 85 million sq. ft. / 9.7 year WALT / $689 million of ABR
  - Primarily industrial, office, retail and warehouse facilities
  - 208 tenants; top 10 tenants represent 32% of ABR
  - Properties located primarily in U.S. and Europe
  - 99.7% occupancy
  - Minimal exposure to unconsolidated JV assets (six ventures representing $19 million of ABR) [5]

Advisor to $13.2 billion of AUM

- Diversified / net lease [6]
  $8.2 billion AUM
- Lodging [7]
  $4.8 billion AUM
- Other [8]
  $0.2 billion AUM

(1) Data as of or for the quarter ended March 31, 2018 unless otherwise noted.
(2) Enterprise value represents equity market capitalization based on a stock price of $61.99 as of March 31, 2018 and 107,194,440 common shares outstanding as of March 31, 2018, plus pro rata debt outstanding, less consolidated cash and cash equivalents.
(3) AFFO by segment for the twelve months ended March 31, 2018.
(4) Portfolio information reflects pro rata ownership and excludes two hotel operating properties. “WALT” represents weighted average lease term. As used herein, “ABR” represents pro rata contractual minimum annualized base rent (see definition in Disclosures at end).
(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 Carey European Student Housing Fund I, L.P. (“CESH I”), which develops, owns and operates student housing and similar investments in Europe.

Recent Advancements [1]

Since REIT conversion in September 2012

Acquisitions

- Completed $9.7 billion in investments on our balance sheet comprised of:
  - $7.0 billion through acquisition of CPA® REITs [2]
  - $2.7 billion through single-asset or portfolio purchases

Balance Sheet & Capitalization

- $3.1 billion total bond issuance ($1.3 billion USD bonds and €1.5 billion Euro-denominated) at rates well below W. P. Carey's average mortgage debt rate
- Issued roughly $400 million of total equity through follow-on offering and ATM programs
- Amended credit facility increased capacity to $1.85 billion and lowered overall borrowing rates[4]
- Received investment grade ratings from Moody's and S&P

Strategic

- Long-term strategy to invest exclusively for W. P. Carey'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

- G&A expenses reduced more than 30% since 2015 [3]
- Continued emphasis on streamlining cost structure going forward

(1) Data as of March 31, 2018.
(2) Includes acquisition of Corporate Property Associates 15 Incorporated, which closed concurrently with our REIT conversion in 2012; as well as our acquisition of Corporate Property Associates 16 - Global Incorporated in 2014.
(3) Excludes stock-based compensation.
(4) After repaying term loans, our Unsecured Revolving Credit Facility capacity was $1.5 billion as of March 31, 2018. The aggregate principal amount available may be increased up to $2.35 billion, subject to the conditions to increase provided in the Credit Agreement.

Investment Strategy

- Generate attractive risk-adjusted returns by identifying and investing in net-lease 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
- Capitalize on existing tenant relationships through accretive expansions, renovations and follow-on deals
- 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

Creditworthiness of Tenant	• Industry drivers and trends • Competitor analysis • Company history • Financial wherewithal
Criticality of Asset	• Corporate headquarters • Key distribution facility or profitable manufacturing plant • Critical R&D or data-center • Top performing retail stores
Fundamental Value of the Underlying Real Estate	• Local market analysis • Property condition • 3rd party valuation / replacement cost • Downside analysis / cost to re-lease
Transaction Structure and Pricing	• 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
- W. P. Carey has proven experience repositioning assets through re-leasing, restructuring and strategic disposition
- Properties are evaluated quarterly for credit quality, asset quality and asset criticality
- Generates value creation opportunities within our existing portfolio

Asset Management Expertise

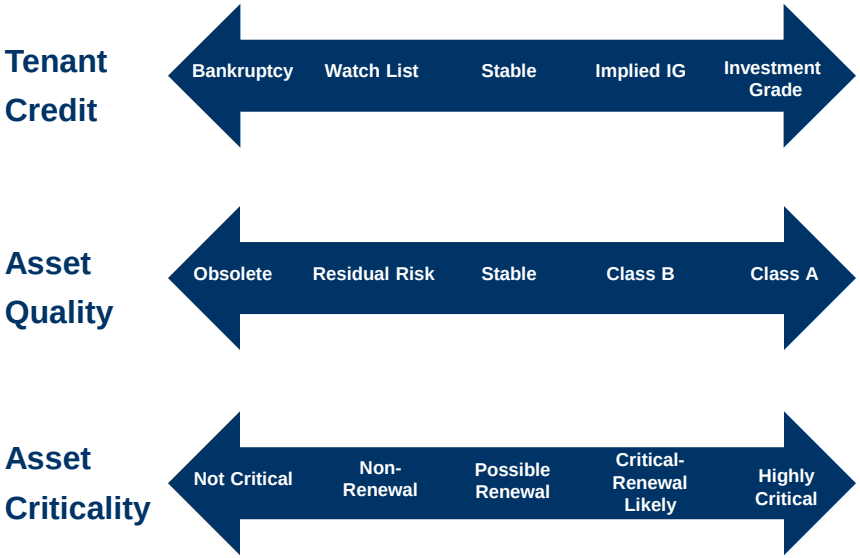
Transaction

- Leasing
- Dispositions
- Lease modifications
- Credit and real estate risk analysis
- Building expansions and redevelopment
- Tenant distress and restructuring

Operational

- Lease compliance
- Insurance
- Property inspections
- Non-triple net lease administration
- Real estate tax
- Projections and portfolio valuation

Asset Management Risk Analysis



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II. Owned Real Estate Portfolio

Large Diversified Portfolio [1]

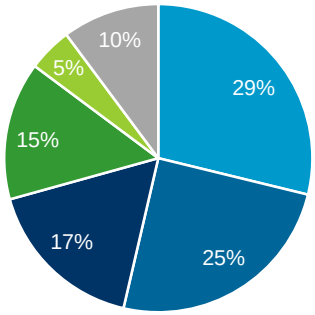
Number of Properties	886
Number of Tenants	208
Square Footage	85 million
ABR	$689 million
US / Europe / Other (% of ABR)	65% / 30% / 4%
Contractual Rent Escalation: CPI-linked / Fixed / Other	68% / 27% / 5%
WALT	9.7 years
Occupancy	99.7%
Investment Grade Tenants (% of ABR)	27.6%
Top 10 Tenant Concentration (% of ABR)	32.3%

(1) Portfolio information reflects pro rata ownership of real estate assets as of March 31, 2018 and excludes two hotel operating properties.

Property and Industry Diversification [1]

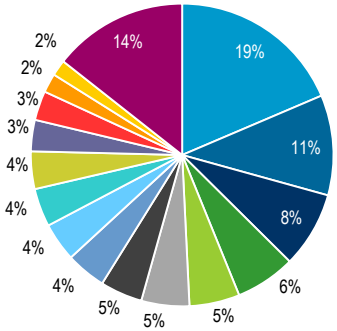
By Property Type (% of ABR)

Industrial	29%
Office	25%
Retail	17%
Warehouse	15%
Self-storage [2]	5%
Other [3]	10%



By Tenant Industry (% of ABR)

Retail Stores [4]	19%
Consumer Services	11%
Automotive	8%
Sovereign and Public Finance	6%
Construction and Building	5%
Hotel, Gaming and Leisure	5%
Beverage, Food and Tobacco	5%
Cargo Transportation	4%
Healthcare and Pharmaceuticals	4%
High Tech Industries	4%
Containers, Packaging and Glass	4%
Media: Advertising, Printing and Publishing	3%
Capital Equipment	3%
Business Services	2%
Grocery	2%
Other [5]	14%



Top 10 Tenants

	Number of Properties	ABR ($ millions)	WALT (years)	% of Total
HELLWEG	53	$38	18.9	5.4%
U-HAUL [2]	78	32	6.1	4.6%
State of Andalucia	70	30	16.7	4.4%
Pendragon PLC	70	23	12.1	3.4%
Marriott [2]	18	20	5.6	2.9%
FORTERRA	49	17	18.0	2.5%
OBI	18	17	6.2	2.5%
True Value	7	16	4.8	2.3%
Nord Anglia Education	3	15	23.7	2.2%
Universal Technical Institute	5	14	4.0	2.1%
Top 10	**371**	**$223**	**12.2 yrs**	**32.3%**

(1) Portfolio information reflects pro rata ownership of real estate assets as of March 31, 2018 and excludes two hotel operating properties.
(2) These are also net-leased properties.
(3) Includes education facilities, hotels, movie theaters, fitness facilities 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; aerospace and defense; banking; wholesale; chemicals, plastics and rubber; metals and mining; oil and gas; non-durable consumer goods; telecommunications; insurance; electricity; media: broadcasting and subscription; forest products and paper; and environmental industries.

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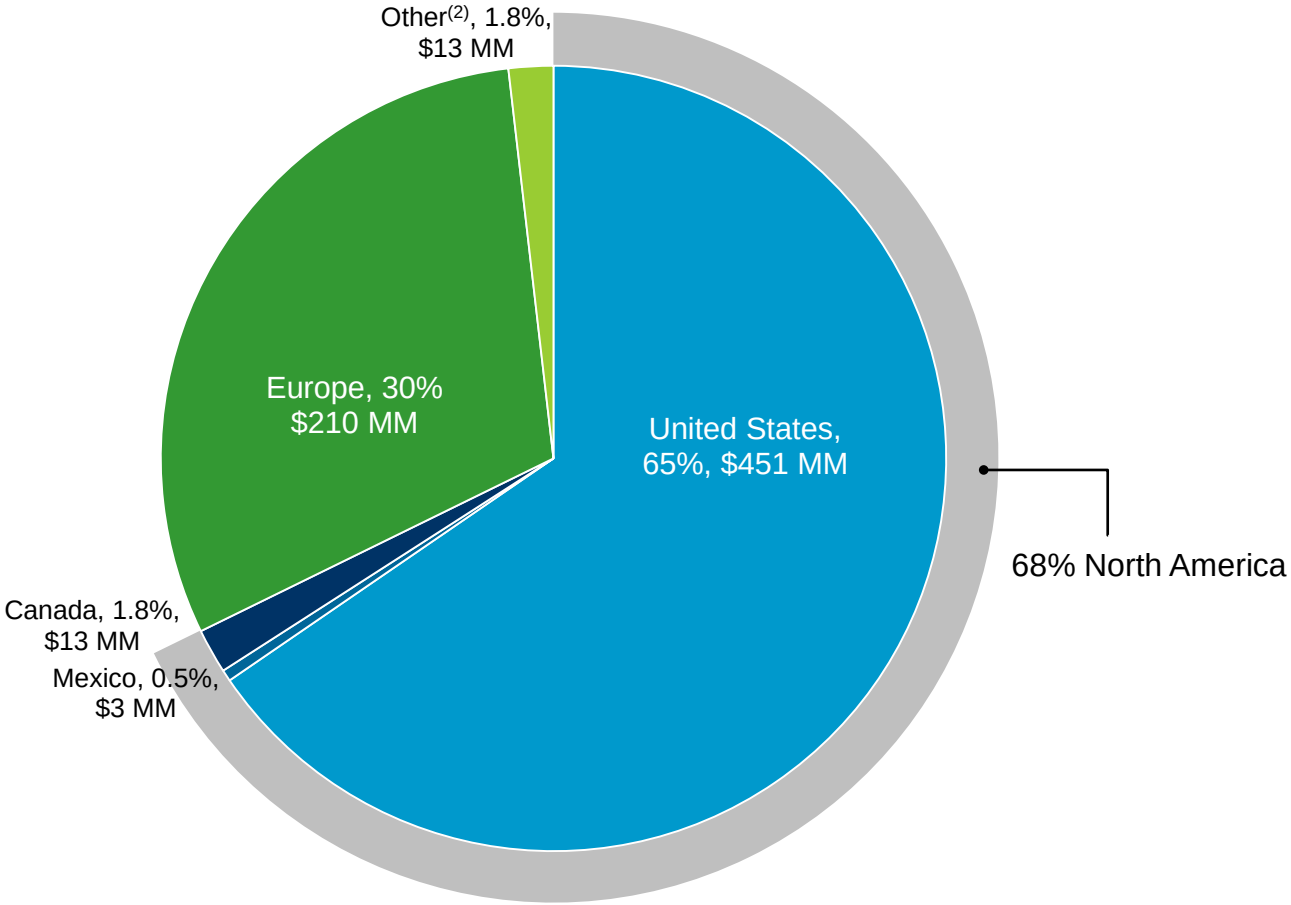
Geographic Diversification [1]

W. P. Carey has been investing internationally for 20 years, primarily in Western and Northern Europe



(1) Portfolio information reflects pro rata ownership of real estate assets as of March 31, 2018 and excludes two hotel operating properties.
(2) Includes Australia and Japan.

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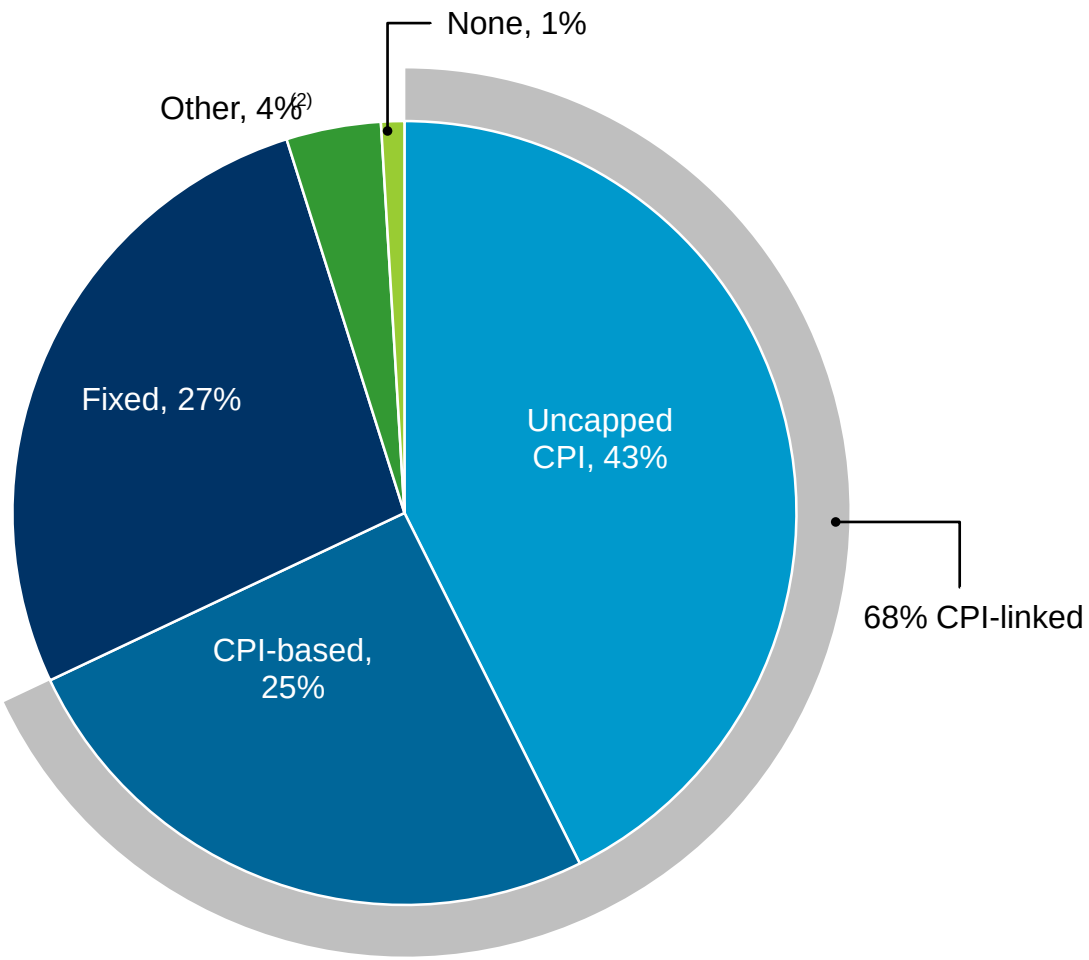
Internal Growth from Contractual Rent Increases [1]

Approximately 99% of leases have contractual rent increases, including 68% linked to CPI



(1) Portfolio information reflects pro rata ownership of real estate assets as of March 31, 2018 and excludes two hotel operating properties.
(2) Represents leases with percentage rent.

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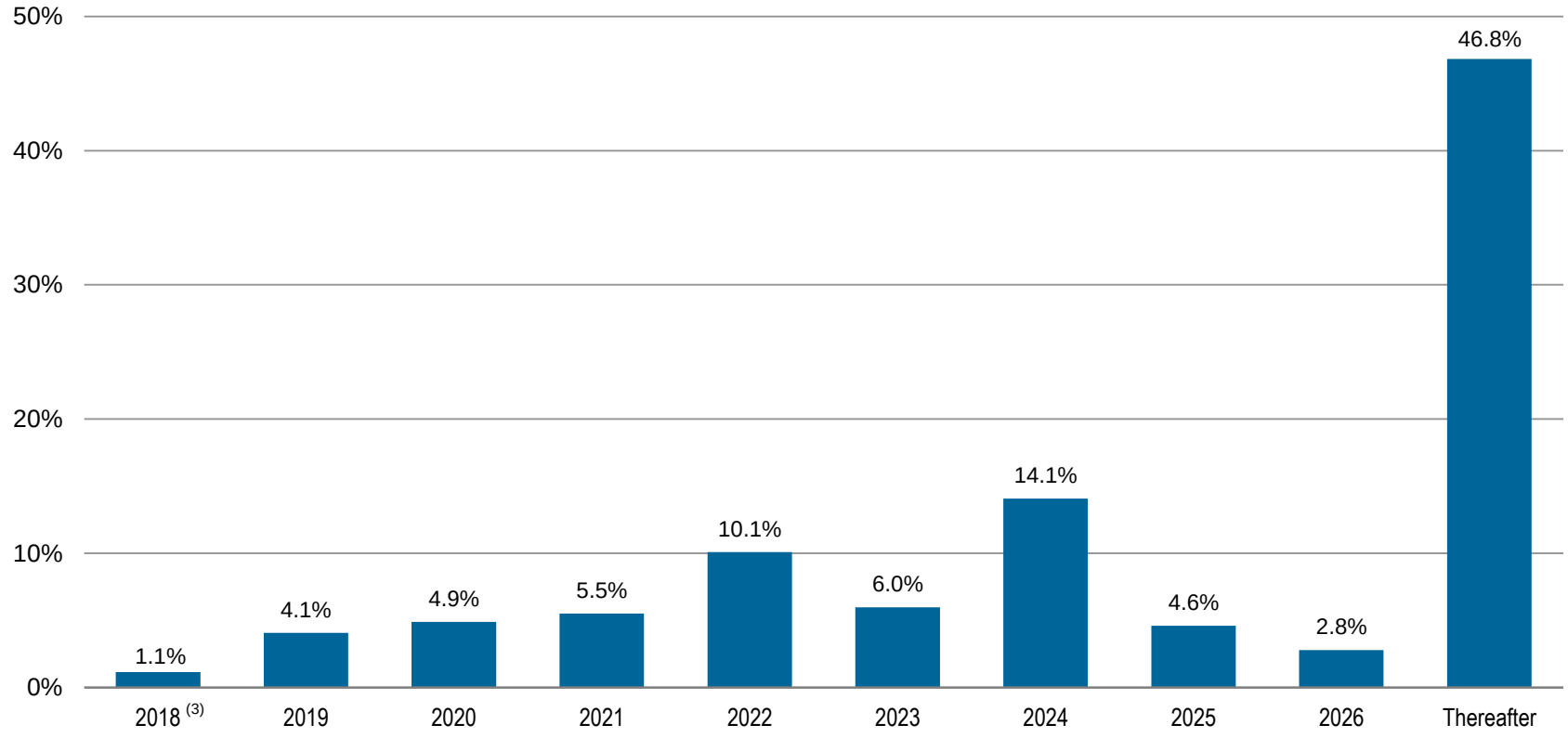
Lease Expirations and Average Lease Term [1]

Weighted average lease term of 9.7 years

Lease Expirations (% ABR) [2]



(1) Portfolio information reflects pro rata ownership of real estate assets as of March 31, 2018 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.

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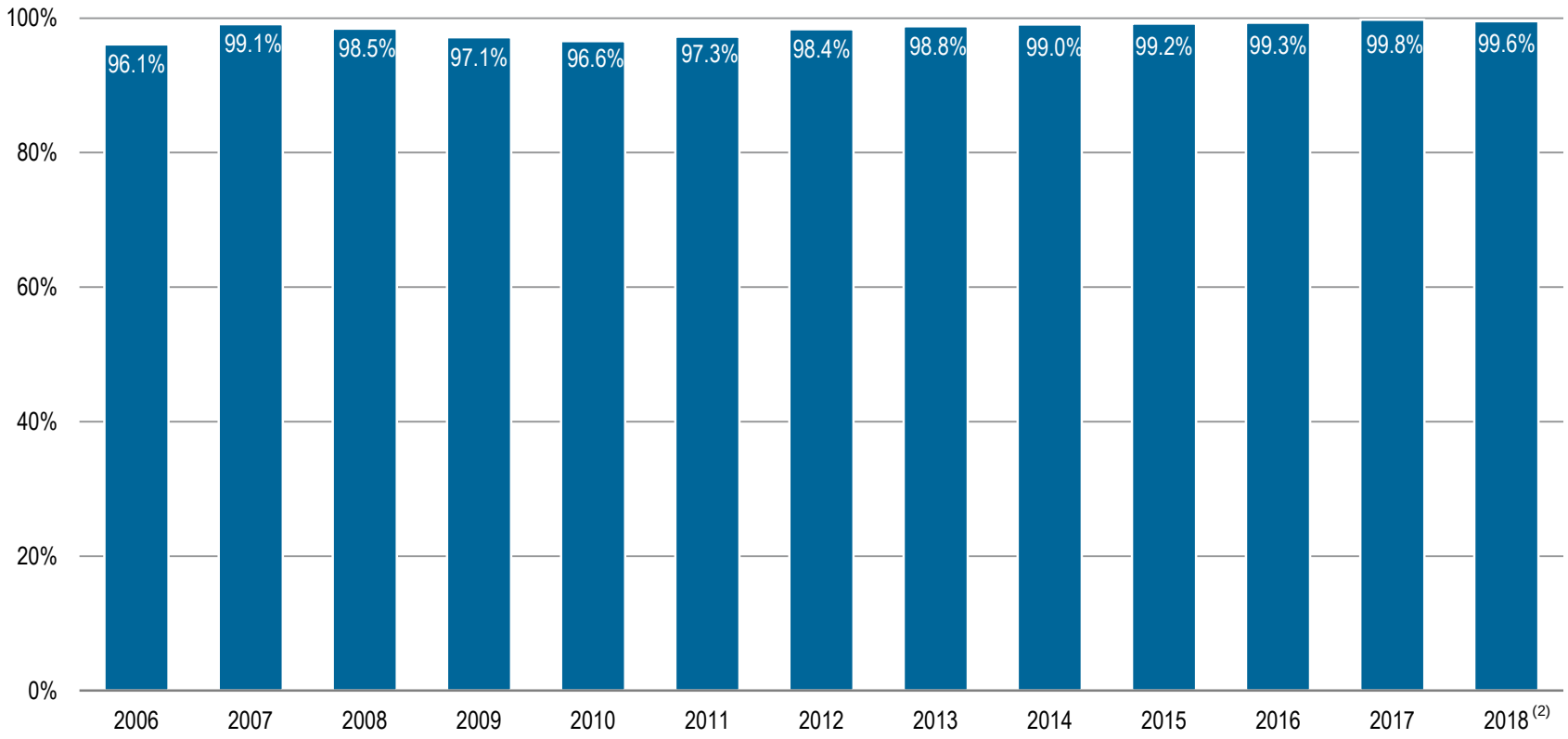
Historical Occupancy [1]

Stable occupancy maintained during the credit crisis and economic downturn

Occupancy (% Square Feet)



(1) Includes W. P. Carey and the following CPA® REITs (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.

(2) As of March 31, 2018.

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Investment Activity

Completed investments totaling $746 million since the beginning of 2016

- Comprised of $647 million of on-balance-sheet acquisitions and $99 million of capital investment projects

Recent Acquisitions

Forterra

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

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

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

Investment Activity

Capital investment projects are becoming a more meaningful part of our investment activity

- Completed on-balance-sheet capital investment projects totaling $99 million since the beginning of 2016
- An additional $139 million of development projects currently in progress, most of which will be completed during 2018

Recent Completed Development Activity

Tire Rack

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%

Inghams

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

Gestamp

Purchase Price: $21 million
Facility Type: Industrial
Location: U.S.
Size: 178,000 square feet
Lease Term: 20-year lease
Rent Escalation: CPI Uncapped

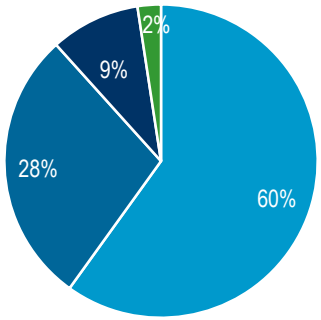
(1) Multitenant building; lease term and rent escalation calculated on weighted average basis.

III. Balance Sheet

Balance Sheet Overview

Capitalization (%)

Equity [1]	60%
Unsecured Senior Notes	28%
Mortgage Debt (pro rata)	9%
Unsecured Revolving Credit Facility	2%



Capital Markets and Balance Sheet – 2018

- Issued €500MM of 2.125% Unsecured Senior Notes due 2027 through European subsidiary in March 2018
- Use of proceeds was to repay debt – bond proceeds repaid €325MM term loan, outstanding balance on the revolver and 2018 maturing mortgage debt
- Reduced floating rate debt from 18% to 7% of total pro rata debt outstanding

Capitalization ($MM)	3/31/18
Total Equity [1]	**$6,645**
Pro Rata Net Debt	
Unsecured Senior Notes USD	1,300
Unsecured Senior Notes EUR	1,848
Mortgage Debt, pro rata USD	877
Mortgage Debt, pro rata (EUR $139 / Other $11)	150
Unsecured Revolving Credit Facility USD	245
Unsecured Revolving Credit Facility EUR	22
Total Pro Rata Debt	**$4,443**
Less: Cash and Cash Equivalents	171
Total Pro Rata Net Debt	**$4,271**
Enterprise Value	**$10,916**
Total Capitalization	**$11,088**

Leverage Metrics

Pro Rata Net Debt / Adjusted EBITDA [2][4]	5.8x
Pro Rata Net Debt / Enterprise Value [1][2]	39.1%
Total Consolidated Debt / Gross Assets [3]	49.1%
Weighted Average Interest Rate (pro rata)	3.5%
Weighted Average Debt Maturity (pro rata)	6.0 years

(1) Based on stock a price of $61.99 as of March 31, 2018 and 107,194,440 common shares outstanding as of March 31, 2018.
(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) 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 in tangible assets.
(4) Adjusted EBITDA represents 1Q18 annualized Adjusted EBITDA, as reported in a Form 8-K furnished to the SEC on May 4, 2018.

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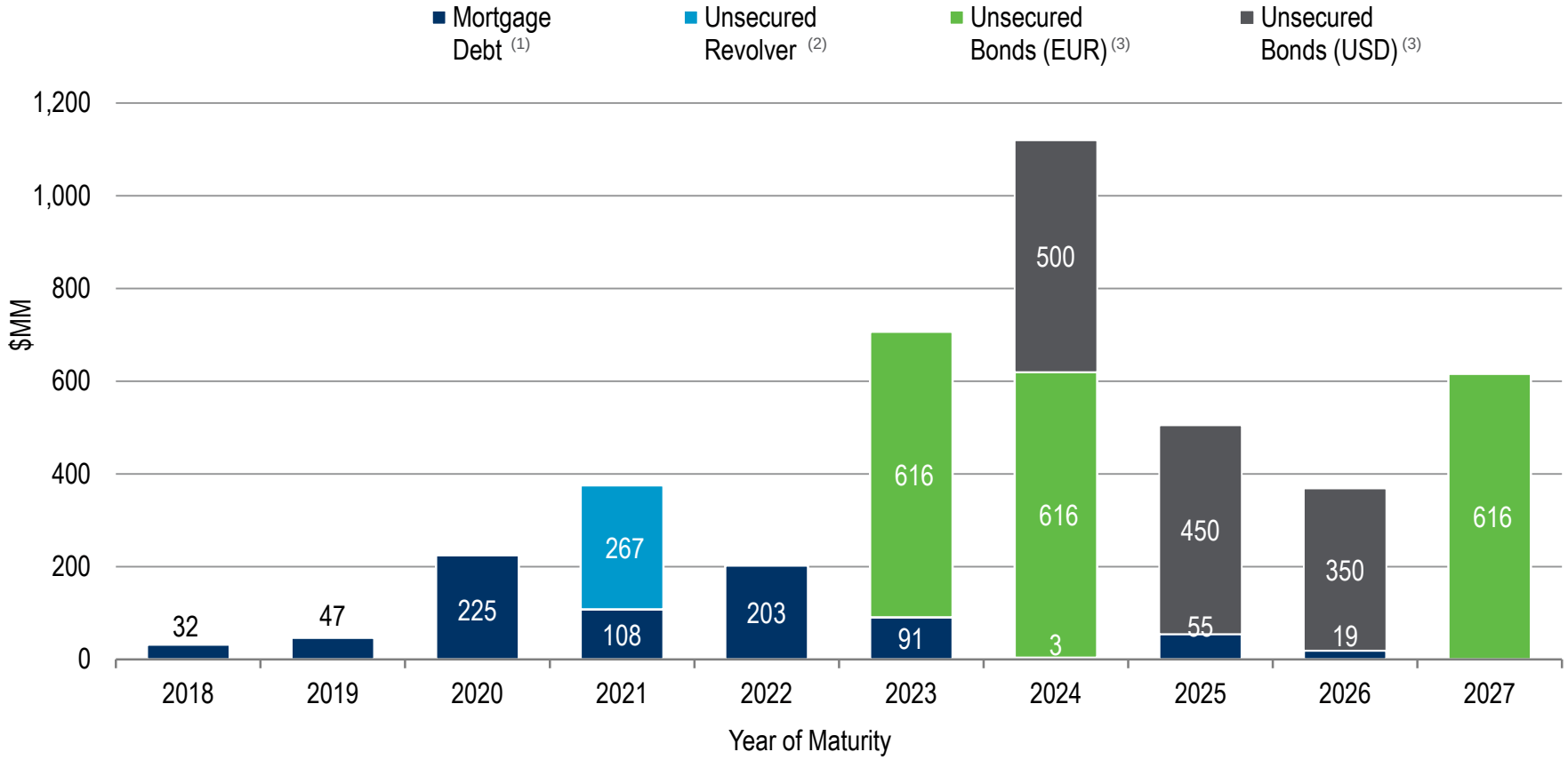
Debt Maturity Schedule

Principal at Maturity



	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
% of Total (4)	0.7%	1.2%	5.7%	8.8%	5.3%	16.9%	26.4%	12.2%	8.8%	14.1%
Interest Rate (4)	6.8%	6.1%	4.9%	3.6%	5.1%	2.6%	3.4%	4.1%	4.5%	2.2%

(1) Reflects pro rata balloon payments due at maturity.
(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) Reflects the weighted average percentage of debt outstanding and the weighted average interest rate for each year based on the total outstanding balance.

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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	March 31, 2018
Total Leverage	Total Debt / Total Assets	≤ 60%	45.8%
Secured Debt Leverage	Secured Debt / Total Assets	≤ 40%	10.4%
Fixed Charge Coverage	Consolidated EBITDA / Annual Debt Service Charge	≥ 1.5x	4.8x
Maintenance of Unencumbered Asset Value	Unencumbered Assets / Total Unsecured Debt	≥ 150%	189.6%

(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.

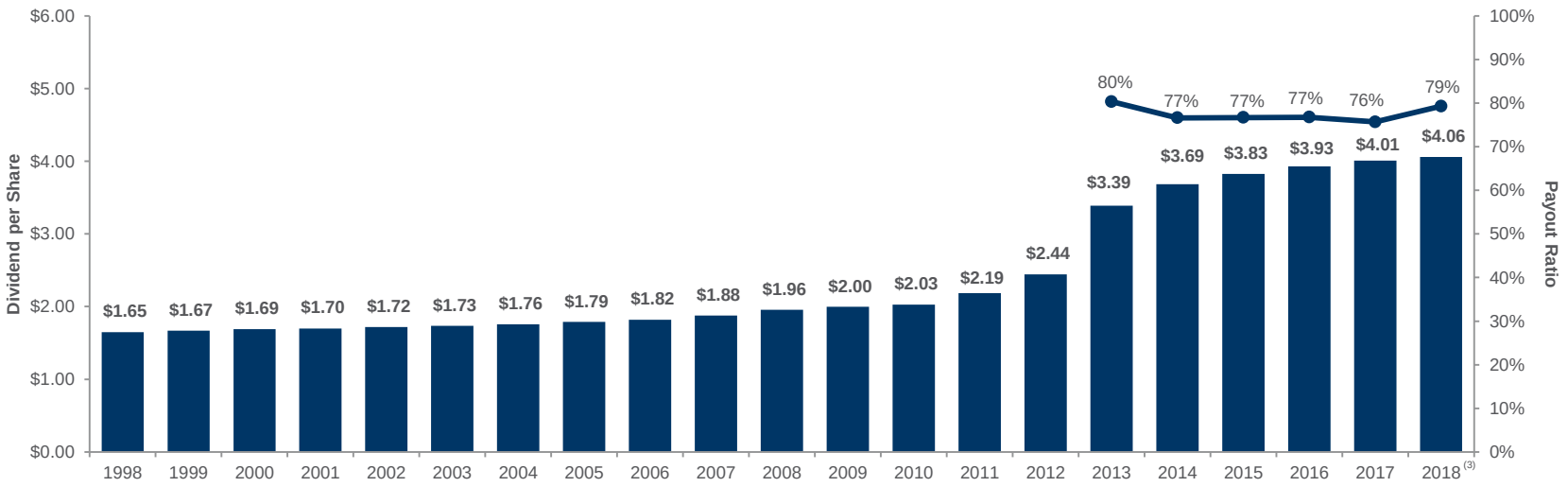
(2) Our Unsecured Senior Notes currently consist of the following note issuances: (i) $500 million 4.6% unsecured senior notes due 2024, (ii) €500 million 2.0% unsecured senior notes due 2023, (iii) $450 million 4.0% unsecured senior notes due 2025, (iv) $350 million 4.250% unsecured senior notes due 2026 (v) €500 million 2.25% unsecured senior notes due 2024 and (vi) €500 million 2.125% unsecured senior notes due 2027.

History of Consistent Dividend Growth

W. P. Carey has increased its dividend every year since going public in 1998

- Current annualized dividend of $4.06 with a yield of 6.5% [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 $61.99 as of March 31, 2018.

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

(3) Dividend per share reflects 1Q18 dividend annualized. Payout ratio is calculated using year-to-date dividend declared over year-to-date AFFO per share.

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IV. Investment Management

Summary of Non-Traded Investment Programs

Total AUM of $13.2 billion, including $6.5 billion of net lease AUM

- Exited non-traded retail fundraising during 3Q17

	CPA®:17 – Global	CPA®:18 – Global	CWI® 1	CWI® 2	CESH I
Investment focus	Diversified / Net Lease	Diversified / Net Lease	Lodging / Hospitality	Lodging / Hospitality	Student Housing
Fundraising Status	Closed	Closed	Closed	Closed	Closed
AUM	$5.8B	$2.4B	$2.9B	$2.0B	$202MM
Net lease assets (1)	$5.1B	$1.4B	--	--	--
NAV per share	$10.04	$8.36	$10.41	$11.11	-- (2)
General liquidation guideline (3)	8 - 12 years following investment of substantially all proceeds from the initial public offering ("IPO") in 2011	Beginning after the 7th 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	Beginning 5 years after raising the minimum offering amount in 2016

(1) Net lease assets include current construction value of in-process build-to-suit assets.
(2) 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.
(3) Based on general liquidation guidelines set forth in the respective prospectuses; ultimately, liquidation is approved by the independent directors of each program (except for CESH I, which is determined by its general partner).

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. or ("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 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 estimated or future economic performance and results, including our underlying assumptions regarding occupancy rates, tenant credit quality and portfolio lease terms; our future growth prospects and possible new acquisitions and dispositions, including our international exposure; our capital structure and expenditure levels, leverage and debt service obligations, credit ratings, financing transactions and plans to fund our liquidity needs; our capital markets programs, including our ability to sell shares under our at-the-market ("ATM") program and the use of any proceeds from that program; and the outlook for the investment management programs that we manage, including their earnings, as well as possible liquidity events for those programs.

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 March 31, 2018 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 noncash charges such as amortization of real estate-related intangibles, deferred income tax benefits and expenses, straightline rents, stock-based compensation, non-cash environmental accretion expense and amortization of deferred financing costs. 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 gains or losses from extinguishment of debt, restructuring and other compensation-related expenses resulting from a reduction in headcount and employee severance arrangements and other expenses (which includes accruals for estimated one-time legal settlement expenses). We also exclude realized and unrealized 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 to arrive at AFFO as they are not the primary drivers in our decision-making process and excluding these items provides investors a view of our portfolio performance over time and makes 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. AFFO also reflects adjustments for unconsolidated partnerships and jointly owned investments. 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 gains and losses on sale of 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. Adjusted EBITDA reflects adjustments for unconsolidated partnerships and jointly owned investments. Our assessment of our operations is focused on long-term sustainability and not on such non-cash and noncore 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 March 31, 2018. 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.