

Carey Watermark Investors Incorporated Commences \$1 Billion Offering

Company Release - 10/11/2010 08:00

NEW YORK, NY -- (MARKET WIRE) -- 10/11/10 -- Carey Watermark Investors Incorporated ("CWI") announced today that its registration statement has been declared effective by the Securities and Exchange Commission ("SEC") and that it has commenced a capital raise of up to \$1 billion.

CWI intends to use the proceeds from its offering primarily to act as a capital provider to the lodging industry by acquiring a diversified portfolio of lodging and lodging related properties. Lodging properties acquired may include: full-service hotels, resort properties, high-end independent urban and boutique hotels, select-service hotels and mixed use projects with non-lodging components.

CWI will be advised by Carey Lodging Advisors, LLC, a subsidiary of W. P. Carey & Co. LLC (NYSE: WPC). CWA, LLC, a subsidiary of Watermark Capital Partners, will serve as subadvisor. The advisor and subadvisor will manage CWI's overall portfolio, including providing oversight and strategic guidance to the independent property operators that manage its properties.

In its offering, CWI will issue up to 100,000,000 shares of its common stock for sale at \$10.00 per share and up to an additional 25,000,000 shares of its common stock for issuance under its distribution reinvestment plan at \$9.50 per share. CWI is a publicly registered, non-traded corporation that intends to qualify as real estate investment trust (REIT). Carey Financial, LLC, a subsidiary of W. P. Carey & Co. LLC, will manage the best efforts offering through select broker/dealer firms and registered investment advisors.

CWI also announced that its Board of Directors has determined to pay distributions at a daily rate initially representing an annualized yield of 4% on the offering price of \$10.00. Distributions will not accrue or be payable until subscriptions for sales of at least \$10 million have been received.

A copy of the final prospectus for the offering is available upon written request addressed to Carey Watermark Investors Incorporated, 50 Rockefeller Plaza, New York, New York 10020. This prospectus may also be obtained at the SEC's website at: www.sec.gov, or at the CWI website at: www.careywatermark.com.

Forward-Looking Statements

Certain statements contained herein may be deemed to be forward-looking statements under federal securities laws and the company intends that such forward-looking statements be subject to the safe-harbor provisions created thereby. All forward-looking statements are qualified in their entirety by this cautionary statement and Carey Watermark Investors Incorporated and its related and affiliated companies assume no, and hereby disclaim any, obligation to update the forward-looking statements contained herein. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

PRESS CONTACT:
Guy Lawrence
Ross & Lawrence
212-308-3333
Email Contact