



Carey Watermark Investors 2 Announces Acquisition of Embassy Suites by Hilton Denver - Downtown/Convention Center

Full-service, all-suite hotel adjacent to the Colorado Convention Center added to portfolio



NEW YORK, Nov. 5, 2015 - Carey Watermark Investors 2 (CWI 2), a non-traded real estate investment trust (REIT) focused on investing in lodging and lodging-related properties, announced that it has purchased the Embassy Suites by Hilton Denver– Downtown/Convention Center, a 403-suite, full-service hotel located in Denver, Colorado.

Key Facts

- **Institutional-quality hotel property with planned enhancements:** The Embassy Suites by Hilton Denver – Downtown/Convention Center hotel, which opened in December 2010, is a 17-story state-of-the-art property for the Embassy Suites by Hilton brand. It features a 14-story glass "sky curtain" that showcases a beautiful open-air atrium and fills the hotel with abundant natural light. The property was the first LEED Silver certified hotel to open in Denver and the first in the Embassy Suites system. CWI 2 plans to complete a guestroom soft goods renovation starting in the winter of 2016.
- **Central downtown location:** The hotel is located directly across the street from the Colorado Convention Center and in close proximity to Denver's downtown financial, cultural and convention districts. In addition to the Convention Center, the hotel is located near professional sports venues, shops, restaurants and cultural attractions, and is adjacent to a light rail station.
- **Strong Denver lodging market:** The Denver lodging market remains vibrant with a significant corporate base, strong convention business and a number of major downtown commercial, retail and

residential development projects in the pipeline, currently totaling \$1.5 billion. From 1987 to 2014, the Denver lodging market ranked in the top five U.S. markets on a RevPAR growth basis.

- **Strong management:** Denver-based Sage Hospitality will continue to manage the hotel. Sage Hospitality is one of the largest privately-held hospitality investment, management and development companies in the United States, operating more than 74 premium-branded and lifestyle hotels.
- **Hilton Worldwide brand affiliation:** Embassy Suites by Hilton, one of Hilton Worldwide's 12 market-leading brands, is a full-service, upscale brand which offers two-room suites, free made-to-order breakfast and a nightly two-hour reception with complimentary drinks and snacks. Additional brand standard amenities include 24-hour business and fitness centers. Embassy Suites by Hilton has over 220 hotels with more than 40 in the pipeline and caters to both business and leisure travelers.
- **Property and amenities:**
 - 403 suites
 - 26,000 square feet of meeting space
 - Full-service American-style restaurant and bar
 - Leased restaurant located at the street level
 - Starbucks cafe
 - Indoor swimming pool and fitness center
 - Three level subterranean parking garage with 185 spaces

Management Commentary

Michael Medzigian, Chief Executive Officer of CWI 2, said: "The acquisition of the Embassy Suites by Hilton Denver – Downtown/Convention Center allowed us to add a well-located, institutional-quality, full-service property in a strong market to the CWI 2 portfolio. Given the historical strength of the Denver market, as well as the development pipeline for office, residential and retail uses, we are confident that Denver will continue to be one of the country's leaders in terms of RevPAR growth. Additionally, we believe many factors will enable the hotel to maintain its position as a top performer among full-service properties in downtown Denver, thereby providing attractive risk-adjusted returns for our investors."

Carey Watermark Investors 2

CWI 2 is a publicly registered real estate investment trust that was formed to make investments primarily in the lodging and lodging-related sectors. Affiliates of W. P. Carey Inc. and Watermark Capital Partners advise CWI 2 and manage its portfolio. www.careywatermark2.com/

This press release contains forward-looking statements within the meaning of the Federal securities laws. The statements of Mr. Medzigian are examples of forward looking statements. A number of factors could cause actual results, performance or achievement to differ materially from those anticipated. Among those risks, trends and uncertainties are the general economic climate; the supply of and demand for hotels; interest rate levels; the availability of financing; other risks associated with the acquisition and ownership of hotels; and risks related to CWI 2's offering of shares. For further information on factors that could impact CWI 2, reference is made to its filings with the Securities and Exchange Commission. Statements about past performance, which are presented for informational purposes only, are not a guarantee of future results.

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