

FOR IMMEDIATE RELEASE

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Carey Watermark Investors Announces Second Quarter Distribution

New York, NY – March 29, 2012 – The Board of Directors of Carey Watermark Investors Incorporated (CWI) declared a second quarter 2012 daily distribution of \$0.0016483 per share, which equates to an annualized yield of 6% on its initial public offering price of \$10.00 per share. The distribution will be comprised of \$0.0013736 per day payable in cash and \$0.0002747 per day payable in shares of the Company's common stock, is payable to shareholders of record on each day during the quarter, and is to be paid in aggregate on or about July 16, 2012.

As previously announced on December 21, 2011, CWI's daily distribution for the first quarter of 2012 was \$0.00109890 per share, which equates to an annualized yield of 4% on its initial public offering price of \$10.00 per share. The first quarter distribution is payable in cash to shareholders of record on each day during the quarter and will be paid in aggregate on or about April 16, 2012.

Carey Watermark Investors

CWI is a publicly registered, non-traded real estate investment trust (REIT) that makes investments primarily in the lodging and lodging-related sectors. Carey Financial, LLC, a wholly owned subsidiary of W. P. Carey & Co. LLC, is managing the best efforts offering through select broker/dealer firms and registered investment advisors.

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.