



Carey Watermark Investors Purchases The Ritz-Carlton, Fort Lauderdale Property in Joint Venture

AAA Five Diamond beachfront luxury hotel added to portfolio



NEW YORK, July 1, 2015 - Carey Watermark Investors Incorporated (CWI 1) announced that it has acquired a majority interest in The Ritz-Carlton, Fort Lauderdale property in a joint venture with RCFL Holdco, LLC, an affiliate of Gencom, one of North America's leading hospitality and luxury hospitality-related residential real estate investment and development firms. This transaction marks Carey Watermark Investors' third joint venture purchase with the Gencom family of companies, following The Ritz-Carlton, Philadelphia (CWI 1) and The Ritz-Carlton, Key Biscayne, Miami, (CWI 1 and CWI 2) acquisitions. The three transactions represent a total investment of more than \$500 million.

Key Facts

- **Premier beachfront location in Fort Lauderdale:** Located on Fort Lauderdale Beach, adjacent to some of the area's most exclusive, high-end residential real estate, the hotel is within proximity to leisure demand generators, including golf courses, shopping malls, museums, nightclubs and marinas. The Ritz-Carlton, Fort Lauderdale is minutes away from Fort Lauderdale-Hollywood International Airport and Port Everglades, and within a 30-minute drive to Miami International Airport.

- **Robust Fort Lauderdale hotel market:** From 2009 to 2014, the Fort Lauderdale lodging market RevPAR experienced a compound annual growth rate of 7.6% and is projected to increase over the next two years, according to PKF Hospitality Research.
- **Extensive renovation planned for 2015:** An extensive renovation of the hotel is planned for 2015, including a complete renovation and re-conceptualization of the three-meal restaurant, renovation and expansion of the spa to include new sauna and steam areas, the addition of an indoor/outdoor bar, updates to the main lobby and other public spaces, and the creation of a signature 3,700 square-foot retail store.
- **Strong Marriott brand affiliation:** The hotel will continue to be managed by The Ritz-Carlton Company, L.L.C. (The Ritz Carlton), an affiliate of Marriott International. As part of The Ritz-Carlton's portfolio, the hotel benefits from its luxury branding and Marriott's management platform affiliation, including access to The Ritz-Carlton's global distribution system and The Ritz-Carlton Rewards program.
- **AAA Five Diamond luxury hotel amenities:**
 - 166 guestrooms
 - 34 third-party owned condominium hotel units (32 included in hotel managed rental pool)
 - 28 third-party owned residential units
 - 25,000 square feet of meeting and function space
 - 8,500 square-foot spa
 - Outdoor infinity swimming pool and 29,000 square-foot pool deck
 - Skywalk to beach
 - Fitness center
 - Business center
 - Four food & beverage outlets

Management Commentary

Michael Medzigian, Chief Executive Officer of CWI 1: "The joint venture investment in The Ritz-Carlton, Fort Lauderdale represented the opportunity to acquire the only AAA Five Diamond hotel in Fort Lauderdale—a strong-growth market that benefits from solid fundamentals and a strategic location with respect to air transportation and leisure demand generators. Additionally, working on our third transaction with Gencom in recent months for both CWI 1 and CWI 2, we were able to recapitalize the asset to fund an extensive renovation. Our acquisition of this uniquely positioned, soon-to-be-renovated, luxury hotel in the established Fort Lauderdale resort market continues to enhance the overall quality of our portfolio. We look forward to executing on additional value-add and cash flow-generating opportunities over the coming months and years."

Carey Watermark Investors

Carey Watermark Investors Incorporated is a publicly registered REIT 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 1 and manage its overall portfolio. www.careywatermark.com

This press release contains forward-looking statements within the meaning of the Federal securities laws. The statements of Mr. Medzigian, and statements regarding RevPAR growth projections and planned renovations, 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 risks related to the general economic climate, the supply of and demand for hotels, interest rate levels, the availability of financing, and other risks associated with the acquisition and ownership of hotels. For further information on factors that could impact CWI 1, 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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