

April 15, 2010

To Our Stockholders:

We are required by the terms of our governing documents to report certain information to you on an annual basis. In particular we are required to report to you: (1) the ratio of the costs of raising capital during the year to the capital raised; (2) the aggregate amount of fees paid to our sponsor, Inland Real Estate Investment Corporation, and any of its affiliates including our business manager and property managers; (3) the “total operating expenses” stated as a percentage of “average invested assets” and “net income,” in each case as these terms are defined in our governing documents; (4) a report from our independent directors that the policies being followed by us are in your best interest, and the basis for this determination; and (5) full disclosure of all material terms, factors and circumstances surrounding any and all transactions involving us, our directors, our sponsor or any of its or their affiliates during 2009.

As of December 31, 2009, we had raised approximately \$7.9 billion in gross offering proceeds from the sale of common stock in our public offerings and approximately \$626 million by selling shares through our dividend reinvestment plan. For the year ended December 31, 2009 the ratio of the costs of raising capital to the capital raised was 10.5%. During the year ended December 31, 2009 we paid fees and reimbursements of \$104.3 million to our sponsor and its affiliates, including our business manager and property managers. Our “total operating expenses” as a percentage of “average invested assets” and “net income” were .70% and 21.57%, respectively. Please note, these terms are defined in our charter in accordance with the Policy Guidelines promulgated by the state regulatory bodies. The material terms, factors and circumstances surrounding any and all transactions involving us, our directors, our sponsor or any of its or their affiliates during the last year are described in our proxy statement under the caption “Certain Relationships and Related Transactions.”

The report of our independent directors is attached as Appendix A. This letter and the attached report of our independent directors is provided to you as required by our governing documents and should not be considered additional soliciting material or filed under the Securities Exchange Act of 1934. We thank you for your support.

Respectfully Submitted,

INLAND AMERICAN REAL ESTATE TRUST, INC.



Brenda Gail Gujral  
President