

August 12, 2007

Dear Stockholder:

We are pleased to provide you with your portion of our July cash distribution, which we paid using cash generated by our operating and investing activities. Inland American Real Estate Trust, Inc. ("Inland American") currently pays an annualized cash distribution of \$0.61 per share. This equates to a 6.1% annualized return on a \$10.00 share price. If you became a new stockholder during the month of July, the amount of your cash distribution has been prorated from the day your investment was accepted by Inland American. We calculate the prorated amount assuming a 360-day year comprised of twelve 30-day months. If you have invested through a trustee or participate in Direct Deposit or the Distribution Reinvestment Plan ("DRP"), a distribution statement is enclosed in lieu of a check.

Portfolio Update

During the month of July, we acquired:

Retail

Gravois Dillon - Phase II, High Ridge, Missouri
Washington Park Plaza, Homewood, Illinois

Industrial

Bradley - 294 Tollway (Melrose), Franklin Park, Illinois

At the end of July 2007, Inland American's consolidated portfolio, excluding our lodging facilities, contained **328 properties** including two undeveloped parcels of land encompassing approximately 27.4 million square feet of leasable space and 32 acres of undeveloped land. This brings the aggregate purchase price of our consolidated portfolio to approximately **\$4.0 billion**.

Winston Hotels, Inc. Merger

On July 1, 2007, we completed a merger with Winston Hotels, Inc. Through our wholly owned subsidiary, Inland American Winston Hotels, Inc., we now own directly or indirectly, 50 hotels in 19 states with approximately 6,782 rooms.

If you have any questions, please contact your Registered Representative or Inland Customer Relations at 800.826.8228.

Sincerely,

INLAND AMERICAN REAL ESTATE TRUST, INC.



Brenda Gail Gujral
President

Enclosure

cc: Trustee
Broker/Dealer
Registered Representative