

**LEXINGTON REALTY TRUST**  
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FOR IMMEDIATE RELEASE  
Thursday May 7, 2009

**LEXINGTON REALTY TRUST REPORTS FIRST QUARTER 2009 RESULTS**

**New York, NY – May 7, 2009** – Lexington Realty Trust (“Lexington”) (NYSE:LXP), a real estate investment trust focused on single-tenant real estate investments, today announced results for the first quarter ended March 31, 2009.

*First Quarter 2009 Highlights*

- **Obtained a new \$250.0 million secured revolving credit facility and secured term loan, extending the maturity of refinanced debt from 2009 to 2011.**
- **Reduced overall debt by \$52.6 million, including \$22.5 million of 5.45% Exchangeable Notes repurchased at a 34.1% discount.**
- **Executed 16 new and renewal leases, totaling approximately 547,000 square feet.**
- **Recorded real estate and debt investment impairment charges of \$59.8 million and an \$8.6 million non-cash charge related to a forward equity commitment to repurchase 3.5 million common shares.**
- **Generated Company Funds From Operations (“Company FFO”) of \$42.5 million or \$0.38 per diluted common share/unit, excluding one-time items.<sup>(A)</sup>**
- **2009 guidance modified to reflect quarterly dividend payment in common shares.**

<sup>(A)</sup> See the last page of this press release for a reconciliation of GAAP net income (loss) to Company FFO.

T. Wilson Eglin, President and Chief Executive Officer of Lexington, stated, “During the first quarter, Lexington made great progress with respect to strengthening its balance sheet. We successfully refinanced the vast majority of our 2009 debt maturities and reduced our overall debt by \$52.6 million. In a challenging operating environment, we are pleased to have ended the quarter with 92% occupancy and believe that our real estate portfolio continues to produce strong cash flows supported by a diverse asset base and the stability of net leases. We are also pleased to announce that our credit facility has been increased by \$40.0 million to a total of \$290.0 million.”

**FINANCIAL RESULTS**

**Revenues**

For the quarter ended March 31, 2009, total gross revenues were \$100.8 million, compared with total gross revenues of \$105.5 million for the quarter ended March 31, 2008. The decrease is primarily due to the sale of certain assets to a co-investment program in 2008.

**Net Loss Attributable to Common Shareholders**

For the quarter ended March 31, 2009, net loss attributable to common shareholders was (\$71.6) million, or a loss of (\$0.72) per diluted share, compared with net loss attributable to common shareholders for the quarter ended March 31, 2008 of (\$1.4) million, or a loss of (\$0.02) per diluted share.

## Company FFO Attributable to Common Shareholders/Unitholders

The following presents in tabular form the one-time items impacting Company FFO for the periods presented:

	March 31, 2009		March 31, 2008	
	Millions	Per Share/Unit	Millions <sup>(1)</sup>	Per Share/Unit
Reported Company FFO <sup>(A)</sup>	\$ (18.7)	\$ (0.17)	\$ 40.0	\$ 0.38
Severance charges	—		2.0	
Accounting pronouncements - Exchangeable Notes	0.5		1.0	
Formation costs – joint venture	—		0.9	
Debt satisfaction gains, net	(6.4)		(6.4)	
Debt satisfaction gains, net – Concord	—		(2.6)	
Forward equity commitment charge	8.6		—	
Impairment losses – real estate	9.5		2.7	
Impairment losses – consolidated debt investments	1.1		—	
Impairment losses – Concord debt investments	20.1		2.7	
Impairment losses – Concord equity investment	29.1		—	
Land transaction income, net	(1.3)		—	
	\$ 42.5	\$ 0.38	\$ 40.3	\$ 0.38

<sup>(A)</sup> See the last page of this press release for a reconciliation of GAAP net income (loss) to Company FFO.

During the first quarter, Lexington (1) acquired the remainder interests in 27.6 acres in Long Beach, California for an estimated fair value of \$2.5 million in connection with a tenant's surrender obligations and recorded it as non-operating income, (2) sold one property for \$11.4 million, (3) incurred an \$8.6 million non-cash charge relating to its forward equity commitment to repurchase 3.5 million common shares, (4) recorded real estate impairment charges of \$9.5 million relating to three properties and (5) recorded impairment charges of \$50.3 million relating to its debt investments, including its share of joint ventures, and its equity investment in Concord as detailed in the chart above.

### Financing Activities

On February 13, 2009, Lexington refinanced its unsecured revolving credit facility, with \$25.0 million outstanding as of December 31, 2008, and its secured term loan, with \$174.3 million outstanding as of December 31, 2008, each of which was scheduled to mature in 2009, with a \$250.0 million secured credit facility consisting of a \$165.0 million term loan and a \$85.0 million revolving loan with KeyBank N.A. The new facility bears interest at 2.85% over LIBOR and matures in February 2011, but can be extended to February 2012 at Lexington's option. The new credit facility is secured by ownership interest pledges and guarantees by certain of Lexington's subsidiaries that in the aggregate own interests in a borrowing base consisting of 72 properties. With the consent of the lenders, Lexington can increase the size of (1) the term loan by \$135.0 million and (2) the revolving loan by \$115.0 million (for a total facility size of \$500.0 million) by adding properties to the borrowing base. Subsequent to quarter end, Lexington increased the aggregate size of the secured credit facility to \$290.0 million, of which \$200.0 million is currently outstanding.

### Balance Sheet

During the first quarter, Lexington reduced its overall debt by \$52.6 million, including \$22.5 million original principal amount of 5.45% Exchangeable Notes repurchased at a 34.1% discount. Subsequent to quarter-end, Lexington repurchased an additional \$14.0 million original principal amount of these notes at a 25.5% discount, leaving \$174.5 million original principal amount outstanding.

At March 31, 2009, Lexington had approximately \$4.0 billion of total assets, including \$73.8 million of cash and restricted cash, and \$2.3 billion of debt outstanding. As of March 31, 2009, the debt had a weighted average interest rate of 5.7%, with a weighted average maturity of 6.0 years and 91.4% was subject to fixed interest rates.

### **Common Share Dividend/Distribution**

During the quarter ended March 31, 2009, Lexington's Board of Trustees declared a regular quarterly dividend/distribution of \$0.18 per share/unit, which was paid in a combination of cash and common shares on April 24, 2009, to common shareholders/unitholders of record as of March 26, 2009. Lexington issued approximately 5.1 million common shares on April 24, 2009 and retained approximately \$16.3 million of liquidity by paying 90% of the common share dividend in common shares.

## **OPERATING ACTIVITIES**

### **Sales**

During the quarter ended March 31, 2009, Lexington sold its interest in one property to an unrelated party for an aggregate sales price of \$11.4 million, which generated a gain on sale of \$3.1 million.

### **Leasing Activity**

At March 31, 2009, Lexington's consolidated portfolio was approximately 92.2% leased. For the quarter ended March 31, 2009, Lexington executed 16 new and renewal leases for approximately 547,000 square feet. Subsequent to quarter-end, Lexington executed 11 leases for an additional 457,000 square feet.

## **2009 EARNINGS GUIDANCE**

Lexington reduced its estimated Company FFO guidance range from \$1.35 to \$1.42 per diluted share/unit for the year ending December 31, 2009 to a range of \$1.30 to \$1.37 per diluted share/unit to reflect the issuance of approximately 5.1 million common shares issued to shareholders of record in April 2009 in connection with the quarterly dividend. This guidance excludes the impact of non-recurring items and the new accounting pronouncement for convertible securities that was effective in January 2009. In addition, this guidance is based on current expectations and is forward-looking.

## **FIRST QUARTER 2009 CONFERENCE CALL**

Lexington will host a conference call today, Thursday, May 7, 2009, at 11:00 a.m. Eastern Time, to discuss its results for the quarter ended March 31, 2009. Interested parties may participate in this conference call by dialing (877) 407-0778 or (201) 689-8565. A replay of the call will be available through June 7, 2009, at (877) 660-6853, Account #: 286, Conference ID #: 318751.

A live web cast of the conference call will be available at [www.lxp.com](http://www.lxp.com) within the Investor Relations section. An online replay will also be available through May 7, 2010.

## ABOUT LEXINGTON REALTY TRUST

Lexington Realty Trust is a real estate investment trust that owns, invests in, and manages office, industrial and retail properties net-leased to major corporations throughout the United States and provides investment advisory and asset management services to investors in the net lease area. Lexington shares are traded on the New York Stock Exchange under the symbol "LXP". Additional information about Lexington is available on-line at [www.lxp.com](http://www.lxp.com) or by contacting Lexington Realty Trust, One Penn Plaza, Suite 4015, New York, New York 10119-4015, Attention: Investor Relations.

*This release contains certain forward-looking statements which involve known and unknown risks, uncertainties or other factors not under Lexington's control which may cause actual results, performance or achievements of Lexington to be materially different from the results, performance, or other expectations implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" in Lexington's periodic reports filed with the Securities and Exchange Commission, including risks related to: (1) the failure to continue to qualify as a real estate investment trust, (2) changes in general business and economic conditions, including the impact of the current global financial and credit crisis, (3) competition, (4) increases in real estate construction costs, (5) changes in interest rates, or (6) changes in accessibility of debt and equity capital markets. Copies of the periodic reports Lexington files with the Securities and Exchange Commission are available on Lexington's website at [www.lxp.com](http://www.lxp.com). Forward-looking statements, which are based on certain assumptions and describe Lexington's future plans, strategies and expectations, are generally identifiable by use of the words "believes," "expects," "intends," "anticipates," "estimates," "projects", "is optimistic" or similar expressions. Lexington undertakes no obligation to publicly release the results of any revisions to those forward-looking statements which may be made to reflect events or circumstances after the occurrence of unanticipated events. Accordingly, there is no assurance that Lexington's expectations will be realized.*

**LEXINGTON REALTY TRUST AND CONSOLIDATED SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

Three months ended March 31, 2009 and 2008

(Unaudited and in thousands, except share and per share data)

	2009	2008 <sup>(1)</sup>
Gross revenues:		
Rental	\$ 89,520	\$ 95,144
Advisory and incentive fees	463	311
Tenant reimbursements	10,798	10,025
Total gross revenues	100,781	105,480
Expense applicable to revenues:		
Depreciation and amortization	(47,429)	(54,917)
Property operating	(22,120)	(18,695)
General and administrative	(6,665)	(11,046)
Non-operating income	4,118	2,104
Interest and amortization expense	(34,942)	(43,826)
Debt satisfaction gains, net	6,411	6,419
Change in value of forward equity commitment	(8,633)	—
Impairment charges and loan loss reserves	(10,597)	—
Gains on sales of properties-affiliates	—	23,169
	(66,875)	12,947
Income (loss) before provision for income taxes, equity in earnings (losses) of non-consolidated entities, and discontinued operations	(19,076)	8,688
Provision for income taxes	(675)	(1,289)
Equity in earnings (losses) of non-consolidated entities	(47,124)	5,548
Income (loss) from continuing operations	(66,875)	12,947
Discontinued operations:		
Income from discontinued operations	8	1,065
Provision for income taxes	(47)	(68)
Gains on sales of properties	3,094	687
Impairment charge	—	(2,694)
Total discontinued operations	3,055	(1,010)
Net income (loss)	(63,820)	11,937
Less net income attributable to noncontrolling interests	(1,128)	(6,294)
Net income (loss) attributable to Lexington	(64,948)	5,643
Dividends attributable to preferred shares – Series B	(1,590)	(1,590)
Dividends attributable to preferred shares – Series C	(2,111)	(2,519)
Dividends attributable to preferred shares – Series D	(2,926)	(2,926)
Net loss attributable to common shareholders	\$ (71,575)	\$ (1,392)
Income (loss) per common share – basic:		
Income (loss) from continuing operations, after preferred dividends	\$ (0.75)	\$ (0.01)
Income (loss) from discontinued operations	0.03	(0.01)
Net income (loss) attributable to common shareholders	\$ (0.72)	\$ (0.02)
Weighted average common shares outstanding – basic	99,954,569	59,826,579
Income (loss) per common share – diluted:		
Income (loss) from continuing operations, after preferred dividends	\$ (0.75)	\$ (0.01)
Income (loss) from discontinued operations	0.03	(0.01)
Net income (loss) attributable to common shareholders	\$ (0.72)	\$ (0.02)
Weighted average common shares outstanding – diluted	99,954,569	59,826,579
Amounts attributable to common shareholders:		
Income (loss) from continued operations	\$ (74,630)	\$ (472)
Income (loss) from discontinued operations	3,055	(920)
Net income (loss) attributable to common shareholders	\$ (71,575)	\$ (1,392)

**LEXINGTON REALTY TRUST AND CONSOLIDATED SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

March 31, 2009 and December 31, 2008

(Unaudited and in thousands, except share and per share data)

	March 31, 2009	December 31, 2008 <sup>(1)</sup>
<b>Assets:</b>		
Real estate, at cost	\$ 3,757,496	\$ 3,756,188
Less: accumulated depreciation and amortization	489,405	461,661
	<u>3,268,091</u>	<u>3,294,527</u>
Properties held for sale – discontinued operations	1,785	8,150
Intangible assets, net	323,267	343,192
Cash and cash equivalents	47,016	67,798
Restricted cash	26,768	31,369
Investment in and advances to non-consolidated entities	124,739	179,133
Deferred expenses, net	41,300	35,741
Notes receivable, net	66,237	68,812
Rent receivable – current	10,613	19,829
Rent receivable – deferred	18,748	16,499
Other assets	32,874	40,675
	<u>\$ 3,961,438</u>	<u>\$ 4,105,725</u>
<b>Liabilities and Equity:</b>		
Liabilities:		
Mortgages and notes payable	\$ 2,009,257	\$ 2,033,854
Exchangeable notes payable	182,816	204,074
Trust preferred securities	129,120	129,120
Contract rights payable	15,132	14,776
Dividends payable	8,446	24,681
Liabilities – discontinued operations	306	6,142
Accounts payable and other liabilities	36,678	33,814
Accrued interest payable	9,311	16,345
Deferred revenue - below market leases, net	118,405	121,722
Prepaid rent	24,855	20,126
	<u>2,534,326</u>	<u>2,604,654</u>
Commitments and contingencies		
Equity:		
Preferred shares, par value \$0.0001 per share; authorized 100,000,000 shares, Series B Cumulative Redeemable Preferred, liquidation preference \$79,000, 3,160,000 shares issued and outstanding	76,315	76,315
Series C Cumulative Convertible Preferred, liquidation preference \$129,915, 2,598,300 shares issued and outstanding	126,217	126,217
Series D Cumulative Redeemable Preferred, liquidation preference \$155,000, 6,200,000 shares issued and outstanding	149,774	149,774
Common shares, par value \$0.0001 per share; authorized 400,000,000 shares, 100,780,075 and 100,300,238 shares issued and outstanding in 2009 and 2008, respectively	10	10
Additional paid-in-capital	1,640,128	1,638,540
Accumulated distributions in excess of net income	(642,525)	(569,131)
Accumulated other comprehensive income (loss)	(16,112)	(15,650)
Total shareholders' equity	<u>1,333,807</u>	<u>1,406,075</u>
Noncontrolling interests	93,305	94,996
Total equity	<u>1,427,112</u>	<u>1,501,071</u>
	<u>\$ 3,961,438</u>	<u>\$ 4,105,725</u>

**LEXINGTON REALTY TRUST AND CONSOLIDATED SUBSIDIARIES**  
**EARNINGS PER SHARE AND COMPANY FUNDS FROM OPERATIONS PER SHARE**  
(in thousands, except share data)

	Three Months Ended March 31,	
	2009	2008 <sup>(1)</sup>
<b>EARNINGS PER SHARE:</b>		
<b>Basic</b>		
Income (loss) from continuing operations attributable to Lexington	\$ (68,003)	\$ 6,563
Less preferred dividends	<u>(6,627)</u>	<u>(7,035)</u>
Income (loss) attributable to common shareholders from continuing operations - basic	(74,630)	(472)
Total income (loss) from discontinued operations - basic	<u>3,055</u>	<u>(920)</u>
Net income (loss) attributable to common shareholders - basic	\$ <u><u>(71,575)</u></u>	\$ <u><u>(1,392)</u></u>
Weighted average number of common shares outstanding	<u>99,954,569</u>	<u>59,826,579</u>
Per share data:		
Income (loss) from continuing operations, after preferred dividends	\$ (0.75)	\$ (0.01)
Income (loss) from discontinued operations	<u>0.03</u>	<u>(0.01)</u>
Net income (loss) attributable to common shareholders	\$ <u><u>(0.72)</u></u>	\$ <u><u>(0.02)</u></u>
<b>Diluted</b>		
Income (loss) attributable to common shareholders from continuing operations - basic	\$ (74,630)	\$ (472)
Adjustments:		
Incremental income attributable to assumed conversion of dilutive securities	<u>-</u>	<u>-</u>
Income (loss) attributable to common shareholders from continuing operations - diluted	(74,630)	(472)
Total income (loss) from discontinued operations - diluted	<u>3,055</u>	<u>(920)</u>
Net income (loss) attributable to common shareholders - diluted	\$ <u><u>(71,575)</u></u>	\$ <u><u>(1,392)</u></u>
Weighted average number of shares used in calculation of basic earnings per share	99,954,569	59,826,579
Add incremental shares representing:		
Shares issuable upon conversion of dilutive interests	<u>-</u>	<u>-</u>
Weighted average number of shares used in calculation of diluted earnings per common share	<u>99,954,569</u>	<u>59,826,579</u>
Per share data:		
Income (loss) from continuing operations, after preferred dividends - diluted	\$ (0.75)	\$ (0.01)
Income (loss) from discontinued operations - diluted	<u>0.03</u>	<u>(0.01)</u>
Net income (loss) attributable to common shareholders - diluted	\$ <u><u>(0.72)</u></u>	\$ <u><u>(0.02)</u></u>

**LEXINGTON REALTY TRUST AND CONSOLIDATED SUBSIDIARIES**  
**EARNINGS PER SHARE AND COMPANY FUNDS FROM OPERATIONS PER SHARE (Continued)**

(in thousands, except share data)

	Three Months Ended March 31,	
	2009	2008 <sup>(1)</sup>
<b>COMPANY FUNDS FROM OPERATIONS:</b> <sup>(2)</sup>		
<b>Basic and Diluted:</b>		
Net loss attributable to common shareholders	\$ (71,575)	\$ (1,392)
Adjustments:		
Depreciation and amortization	46,685	55,956
Noncontrolling interests - OP units	88	5,376
Amortization of leasing commissions	769	592
Joint venture and noncontrolling interest adjustment	6,296	705
Preferred dividends - Series C	2,111	2,519
Gains on sale of properties	(3,094)	(23,856)
Noncontrolling interest- sale of property	-	84
Company FFO	<u>\$ (18,720)</u>	<u>\$ 39,984</u>
<b>Basic:</b>		
Weighted average shares outstanding - basic EPS	99,954,569	59,826,579
Unvested share based payment awards	709,800	445,067
Operating Partnership Units	5,309,400	39,644,176
Preferred Shares - Series C	5,648,950	6,721,730
Weighted average common shares outstanding – basic Company FFO	<u>111,622,719</u>	<u>106,637,552</u>
Company FFO per common share	<u>\$ (0.17)</u>	<u>\$ 0.38</u>
<b>Diluted:</b>		
Weighted average shares outstanding – diluted EPS	99,954,569	59,826,579
Unvested share based payment awards	709,800	445,067
Operating Partnership Units	5,309,400	39,644,176
Preferred Shares - Series C	5,648,950	6,721,730
Weighted average common shares outstanding - diluted Company FFO	<u>111,622,719</u>	<u>106,637,552</u>
Company FFO per common share	<u>\$ (0.17)</u>	<u>\$ 0.38</u>

<sup>1</sup> Effective January 1, 2009 the Company adopted FASB Staff Position APB 14-1 "Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)" and FASB Staff Position No. EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities", both of which require retrospective application to prior periods. In accordance with FASB Staff Position EITF 03-6-1, net income attributable to common shareholders and earnings per common share and accordingly FFO and FFO per common share are adjusted for an allocation of net income to unvested share awards. However, net losses will not be allocated to unvested share awards. The Company's FFO per common share (diluted) and earnings per common share (diluted) were reduced by the Company's implementation of these FASB Staff Positions. FFO per common share (diluted) was reduced by \$0.01 and \$0.04 for the three months ended March 31, 2009 and 2008, respectively, and earnings (loss) per common share (diluted) was reduced by \$0.01 and \$0.03 for the three months ended March 31, 2009 and 2008, respectively.

<sup>2</sup> Lexington believes that Funds from Operations ("FFO") is a widely recognized and appropriate measure of the performance of an equity REIT. Lexington presents FFO because it considers FFO an important supplemental measure of Lexington's operating performance. Lexington believes FFO is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is intended to exclude generally accepted accounting principles ("GAAP"), historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. As a result, FFO provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities, interest costs and other matters without the inclusion of depreciation and amortization, providing perspective that may not necessarily be apparent from net income.

Lexington computes FFO in accordance with standards established by the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"). FFO is defined by NAREIT as "net income (or loss) computed in accordance with GAAP, excluding gains (or losses) from sales of property, plus real estate depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures." FFO does not represent cash generated from operating activities in accordance with GAAP and is not indicative of cash available to fund cash needs. FFO should not be considered as an alternative to net income as an indicator of our operating performance or as an alternative to cash flow as a measure of liquidity.

Lexington includes in its calculation of FFO, which Lexington refers to as the “Company’s funds from operations” or “Company FFO,” Lexington’s operating partnership units and Lexington’s Series C Cumulative Convertible Preferred Shares because these securities are convertible, at the holder’s option, into Lexington’s common shares. Management believes this is appropriate and relevant to securities analysts, investors and other interested parties because Lexington presents Company FFO on a company-wide basis as if all securities that are convertible, at the holder’s option, into Lexington’s common shares, are converted. Since others do not calculate FFO in a similar fashion, Company FFO may not be comparable to similarly titled measures as reported by others.

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