

LEXINGTON REALTY TRUST  
Form 10-Q  
August 08, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2008.

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-12386

LEXINGTON REALTY TRUST

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of  
incorporation or organization)

13-3717318

(I.R.S. Employer  
Identification No.)

One Penn Plaza – Suite 4015  
New York, NY

(Address of principal executive offices)

10119

(Zip code)

(212) 692-7200

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer,

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or a smaller reporting company. See definition of “accelerated filer”, “large accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated filer  Non-accelerated filer  Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the registrant's classes of common shares, as of the latest practicable date: 64,595,016 common shares, par value \$0.0001 per share on August 1, 2008.

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PART 1. - FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS  
LEXINGTON REALTY TRUST AND CONSOLIDATED SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

June 30, 2008 and December 31, 2007

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

	June 30, 2008	December 31, 2007
<b>Assets:</b>		
Real estate, at cost	\$ 3,805,177	\$ 4,095,278
Less: accumulated depreciation and amortization	413,878	379,831
	3,391,299	3,715,447
Properties held for sale – discontinued operations	4,558	150,907
Intangible assets, net	396,495	516,698
Cash and cash equivalents	157,849	412,106
Restricted cash	19,468	4,185
Investment in and advances to non-consolidated entities	227,466	226,476
Deferred expenses, net	37,448	42,040
Notes receivable	68,754	69,775
Rent receivable – current	21,347	25,289
Rent receivable – deferred	16,818	15,303
Other assets	69,349	86,937
	\$ 4,410,851	\$ 5,265,163
<b>Liabilities and Shareholders' Equity:</b>		
<b>Liabilities:</b>		
Mortgages and notes payable	\$ 2,075,404	\$ 2,312,422
Exchangeable notes payable	325,000	450,000
Trust preferred securities	129,120	200,000
Contract rights payable	14,094	13,444
Dividends payable	27,929	158,168
Liabilities – discontinued operations	7,132	119,093
Accounts payable and other liabilities	42,340	49,442
Accrued interest payable	18,011	23,507
Deferred revenue - below market leases, net	170,533	217,389
Prepaid rent	17,857	16,764
	2,827,420	3,560,229
Minority interests	642,774	765,863
	3,470,194	4,326,092
<b>Commitments and contingencies (notes 6, 7, 12, 13 and 15)</b>		
<b>Shareholders' equity:</b>		
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 and \$155,000, respectively; 2,598,300 and 3,100,000 shares issued and outstanding in 2008 and 2007, respectively	126,217	150,589

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Series D Cumulative Redeemable Preferred, liquidation preference \$155,000, 6,200,000 shares issued and outstanding	149,774	149,774
Special Voting Preferred Share, par value \$0.0001 per share; 1 share authorized, issued and outstanding	--	--
Common shares, par value \$0.0001 per share; authorized 400,000,000 shares, 64,552,304 and 61,064,334 shares issued and outstanding in 2008 and 2007, respectively	6	6
Additional paid-in-capital	1,080,697	1,033,332
Accumulated distributions in excess of net income	(493,779)	(468,167)
Accumulated other comprehensive income (loss)	1,427	(2,778)
Total shareholders' equity	940,657	939,071
	\$ 4,410,851	\$ 5,265,163

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LEXINGTON REALTY TRUST AND CONSOLIDATED SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Three and six months ended June 30, 2008 and 2007

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

	Three Months ended June 30,		Six Months ended June 30,	
	2008	2007	2008	2007
<b>Gross revenues:</b>				
Rental	\$ 118,100	\$ 90,345	\$ 215,105	\$ 164,719
Advisory and incentive fees	365	11,224	676	11,943
Tenant reimbursements	10,209	6,617	20,251	12,057
<b>Total gross revenues</b>	<b>128,674</b>	<b>108,186</b>	<b>236,032</b>	<b>188,719</b>
<b>Expense applicable to revenues:</b>				
Depreciation and amortization	(85,173)	(54,006)	(141,370)	(101,968)
Property operating	(20,045)	(13,527)	(39,505)	(24,693)
General and administrative	(7,310)	(12,339)	(18,377)	