



LEXINGTON
REALTY TRUST

Third Quarter
November 2018



LEXINGTON REALTY TRUST INVESTOR PRESENTATION

This presentation contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which involve known and unknown risks, uncertainties or other factors not under Lexington Realty Trust's ("Lexington" or "LXP") 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. These factors include, but are not limited to, those factors and risks detailed in Lexington's filings with the Securities and Exchange Commission. Except as required by law, Lexington undertakes no obligation to (1) 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 or (2) update or supplement forward-looking statements that become untrue because of subsequent events. Accordingly, there is no assurance that Lexington's expectations will be realized.

For information on non-GAAP measures, please see the definitions at the end of the presentation.

Investment Features

Single-Tenant, Net-Lease Industrial Strategy

High-Quality, Diversified Portfolio

Long-Term Growth Potential

Active Portfolio Management

Consistent Operating Performance

Flexible Balance Sheet



Investment Strategy

INVESTMENT FOCUS

- Three-pronged growth strategy—industrial purchases, build-to-suit, and sale-leaseback
- Intermediate and long-term net leases
- Single-tenant, net-leased properties

SECTOR FOCUS

- Industrial – primary focus on well located, generic, easily repurposed warehouse/distribution centers

INCOME & GROWTH

- Provide dividends that are attractive relative to fixed-income alternatives
- Grow cash flow through investment activity and annual rental growth

PORTFOLIO MANAGEMENT

- Continue reducing suburban office exposure with a goal towards becoming a pure play single-tenant industrial net-lease REIT
- Focus on maximizing value of office portfolio

CAPITAL RECYCLING

- Disposition proceeds to fund new industrial investments, repay debt and/or repurchase shares

ASSET MANAGEMENT

- Focus on tenant relationships
- Manage lease expirations and weighted-average lease term
- Sustain high levels of occupancy

BALANCE SHEET

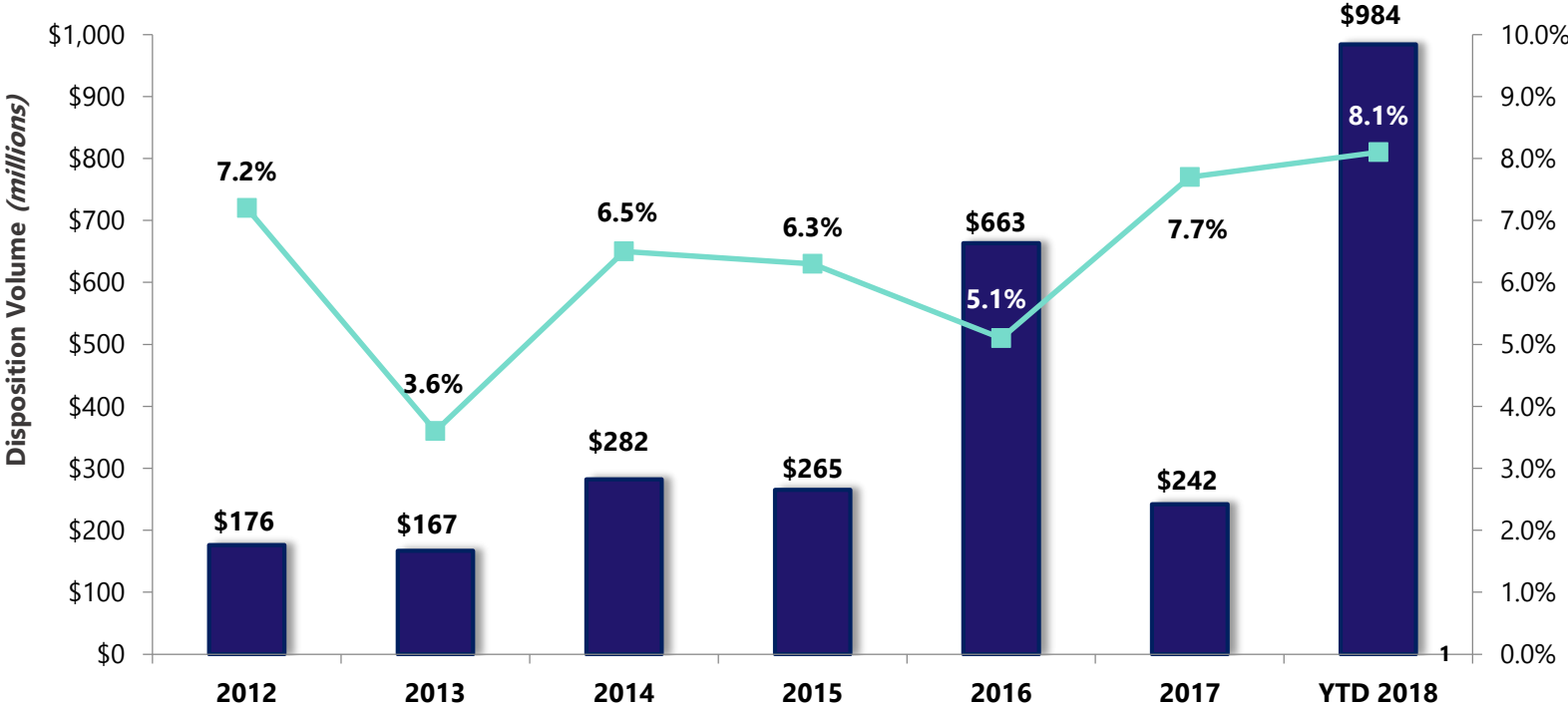
- Maintain low to moderate leverage
- Access to secured and investment-grade unsecured debt
- Incorporate primarily long-term, fixed-rate debt with balanced maturities

Portfolio Repositioning Activity



Meaningful progress in transitioning portfolio through accelerated non-core disposition activity to focus on high-quality industrial assets.

Property Disposition Volume and Cash Capitalization Rate



1. Includes all sales through date of Q3 2018 Earnings Call – November 6, 2018.

Joint Venture Transaction

In 3Q 2018, Lexington disposed of a 21-property suburban office portfolio for \$726 million to a newly formed joint venture.¹

The transaction:

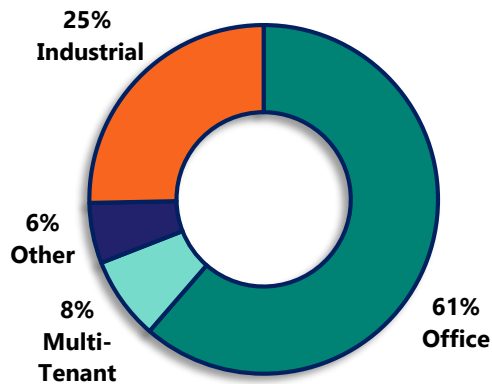
- Accelerated business plan to recycle capital out of suburban office portfolio to become a single-tenant industrial focused net-lease REIT
 - Moving towards 85% industrial portfolio goal by year-end 2019
- Simplified consolidated portfolio with more focus on industrial platform
- Provided working capital of approximately \$565 million for debt repayment, share repurchases, and industrial investments
- Significantly improved leverage metrics
- Generates attractive asset management fee of 85bps (on equity)
- Creates potential upside through retained 20% ownership interest and promote structure

1. GAAP and cash capitalization rates of 8.6% and 8.1%, respectively.

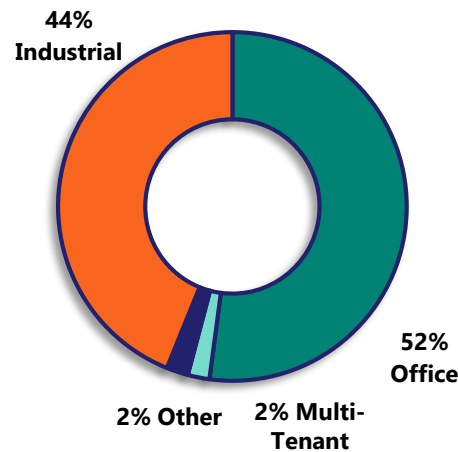
Meaningful Progress Continues...

Substantial progress towards becoming single-tenant net leased industrial REIT.

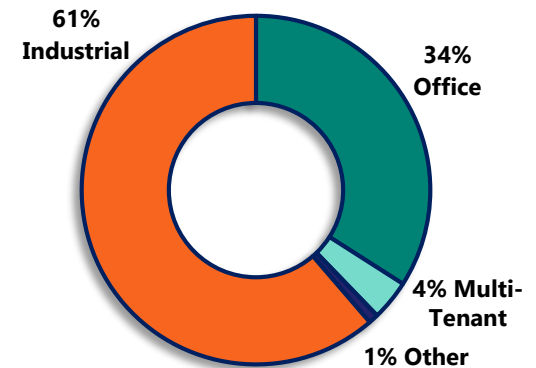
2013



2017



Third Quarter 2018



Note: As a percentage of GAAP rent, excluding termination income, for consolidated properties owned as of 12/31/2013, 12/31/2017 and 9/30/2018.

Portfolio Transformation Continues

Through focused strategy, continue to show meaningful progress towards creating a best-in-class industrial net-lease REIT.

Portfolio Metrics	2013 ¹	Q3 2018 ²	Status
Industrial Exposure ³	25.3%	60.7%	↑
Office Exposure ³	61.3%	33.7%	↓
% of Revenue from Long-Term Leases ⁴	32.1%	33.7%	↑
Average Lease Duration (<i>years</i>) ⁵	8.2	8.5	↑
Unencumbered NOI	55.3%	72.0%	↑
Weighted-Avg. Debt Maturity (<i>years</i>)	7.0	6.9	↓
Weighted-Avg. Interest Rate	4.7%	4.0%	↓

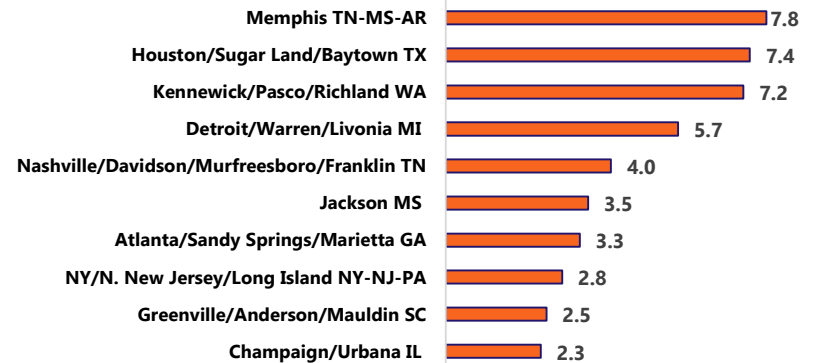
1. As of 12/31/2013. 2. As of 9/30/2018. 3. As a percentage of GAAP rent, excluding termination income, for consolidated properties owned as of 12/31/2013 and 9/30/2018, respectively. 4. Leases with remaining term of 10 years or longer. As a percentage of GAAP rent, excluding termination income and parking operations, for leases in place as of as 12/31/2013 and 9/30/2018, respectively. 5. Cash basis for consolidated properties owned as of 12/31/2013 and 9/30/2018, respectively. Average lease duration for 2013 adjusted to reflect New York City land leases through the first purchase option date.

Industrial Portfolio

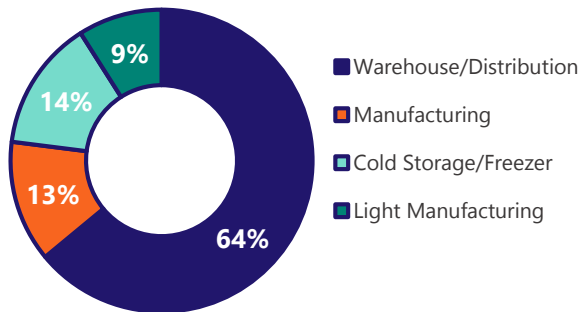
Portfolio Metrics (As of September 30, 2018)

# of Properties	84
Total Square Footage	38.2M
Net Operating Income ¹	\$127.3M
% Leased	99.9%
Average Weighted Lease Term (years) ²	9.8
Investment Grade Tenancy ³	36.2%
% of Annual Base Rent ³	60.7%

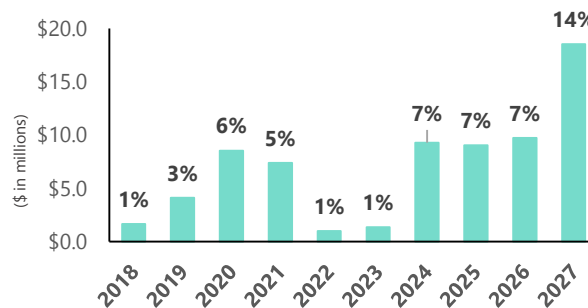
Top 10 Markets(%)³



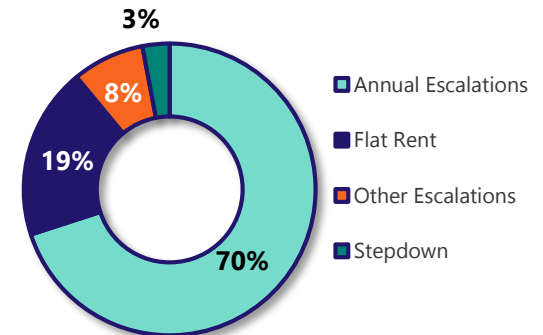
Property Type³



Lease Rollover Schedule⁴



Lease Escalations⁵

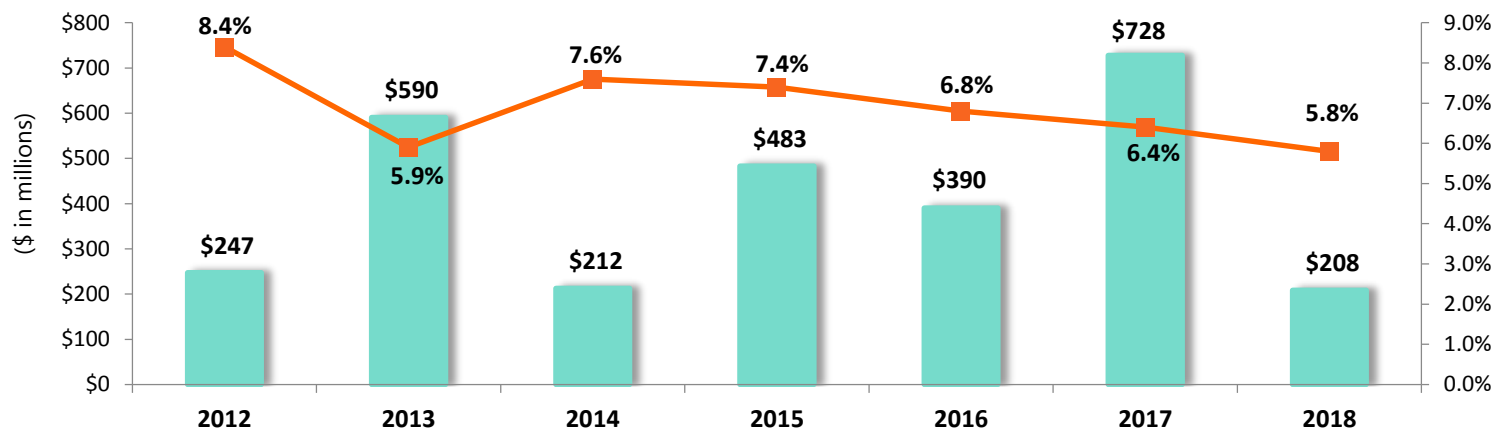


1. NOI for consolidated single-tenant industrial properties owned as of 9/30/2018. 2. Cash basis for consolidated single-tenant industrial properties owned as of 9/30/2018. 3. As a % of GAAP rent, excluding termination income, for consolidated single-tenant industrial properties owned as of 9/30/2018. 4. As a % of GAAP rent, excluding termination income for consolidated single-tenant industrial properties owned as of 9/30/2018. 5. Based on nine months consolidated cash rent for single-tenant industrial leases (properties greater than 70% leased) owned as of 9/30/2018. Excludes rents from prior tenants.

Execution: Strong Acquisition Activity

Historically strong acquisition activity with attractive pricing.

Property Build-to-Suit Completion and Acquisition Volume and Cash Capitalization Rate¹



2018 Industrial Investments

Primary Tenant/ Guarantor	Location	Sq. Ft. (000's)	Property Type	Investment Type	Initial Basis (mm)	Month Acquired/Completed	Approx. Lease Term (Yrs)
Wal-Mart	Spartanburg, SC	342	Warehouse/Distribution	Purchase	\$27.6	August	6
UNIS	Pasadena, TX	258	Warehouse/Distribution	Purchase	\$23.9	August	5
Teasdale Foods	Carrollton, TX	357	Warehouse/Distribution	Purchase	\$19.6	September	7 ²
Spectrum Brands Pet Group	Edwardsville, IL	1,018	Warehouse/Distribution	Purchase	\$44.1	June	12
Hamilton Beach Brands	Olive Branch, MS	1,170	Warehouse/Distribution	Purchase	\$48.6	April	3
Sephora USA	Olive Branch, MS	716	Warehouse/Distribution	Purchase	\$44.1	April	11
Total		3,861			\$207.9		7.6

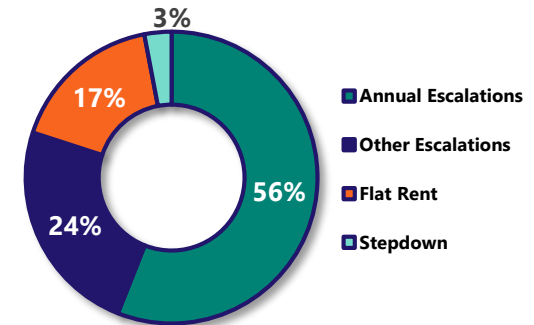
1. Includes 100% of joint venture acquisitions (\$80 million in 2016, \$39.5 million in 2013, and \$57.5 million in 2012) and excludes the acquisition of NLS on 09/01/2012. There can be no assurance that past capitalization rates will be attained in the future. 2. Subsequent to third quarter 2018, approximately 299,000 square feet was extended through December 2033.

Consolidated Office Portfolio

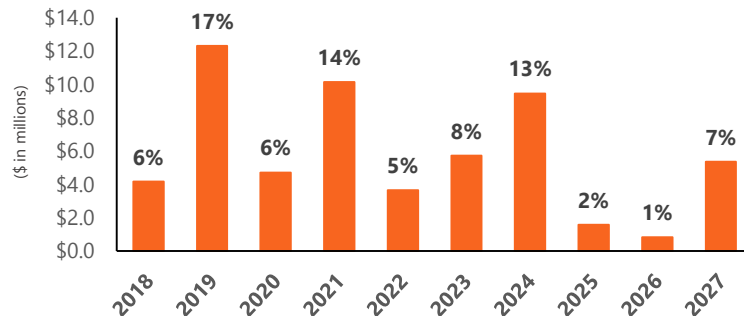
Portfolio Metrics (As of September 30, 2018)

# of Properties	37
Total Square Footage	5.9M
Net Operating Income ¹	\$71.6 M
% Leased	99.4%
Average Weighted Lease Term (years) ²	5.9
Investment Grade Tenancy ³	65.1%
% of Annual Base Rent ³	33.7%

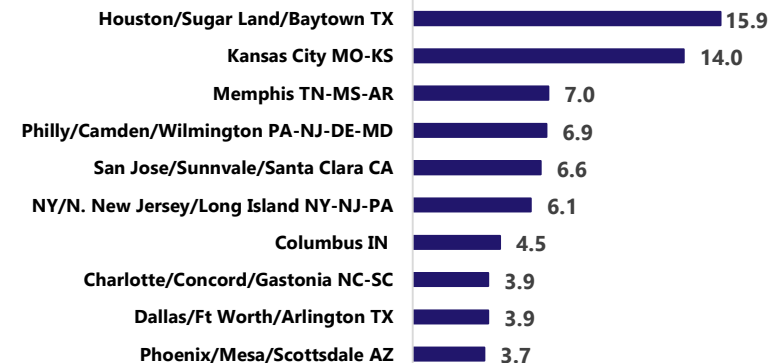
Lease Escalations⁴



Lease Rollover Schedule⁵



Top 10 Markets(%)³

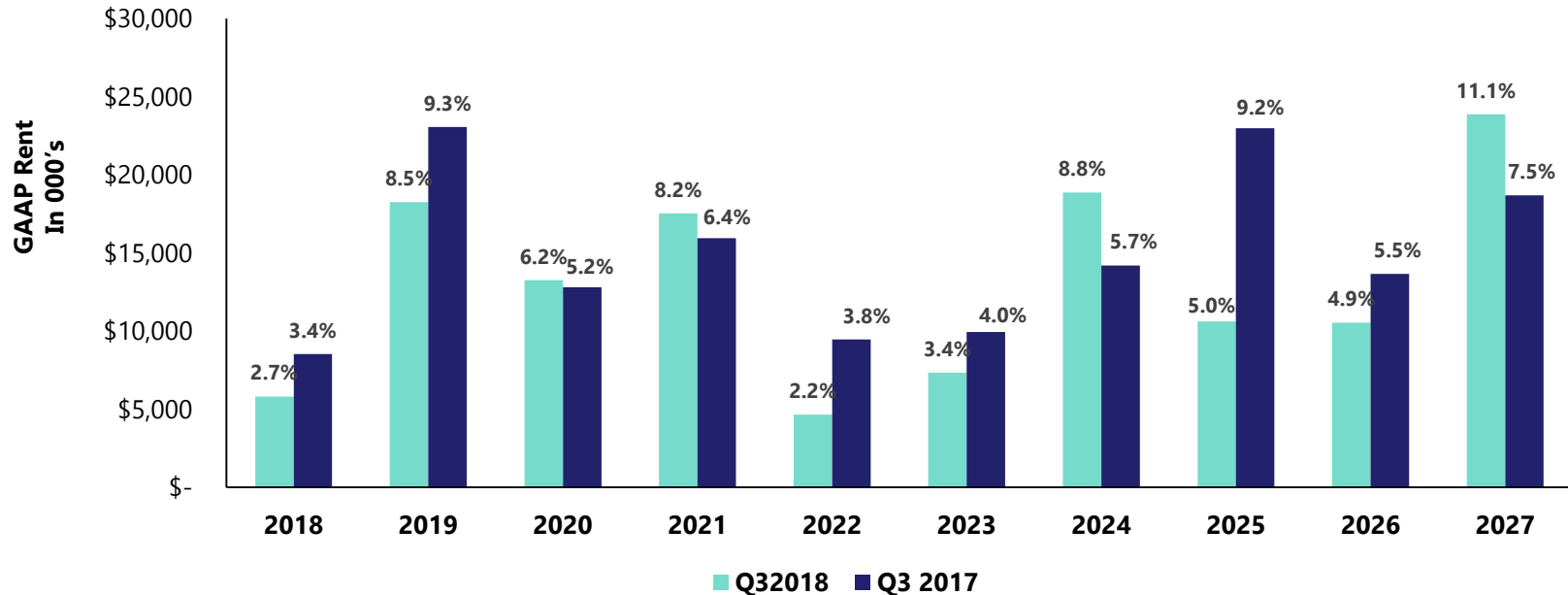


1. NOI for consolidated single-tenant office properties owned as of 9/30/2018. 2. Cash basis for consolidated single-tenant office properties owned as of 9/30/2018. 3. As a % of GAAP rent, excluding termination income, for consolidated single-tenant office properties owned as of 9/30/2018. 4. Based on nine months consolidated cash rent for single-tenant office leases (properties greater than 70% leased) owned as of 9/30/2018. Excludes parking operations and rents from prior tenants. 5. As a % of GAAP rent, excluding termination income and parking operations for consolidated single-tenant office properties owned as of 9/30/2018.

Managing Lease Expirations

Diligent focus on addressing upcoming expirations.

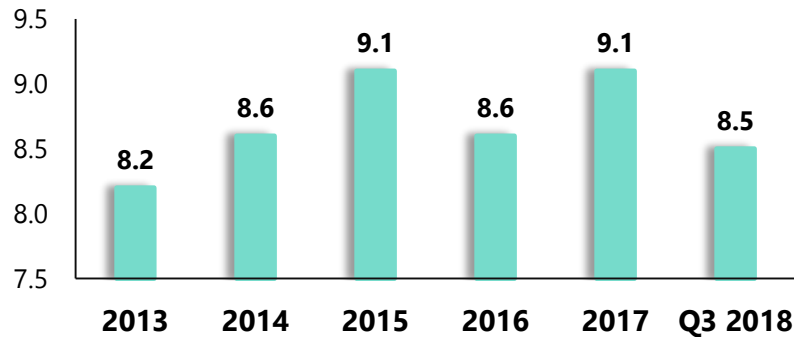
Lease Expiration Schedule – Consolidated Single-Tenant Properties¹



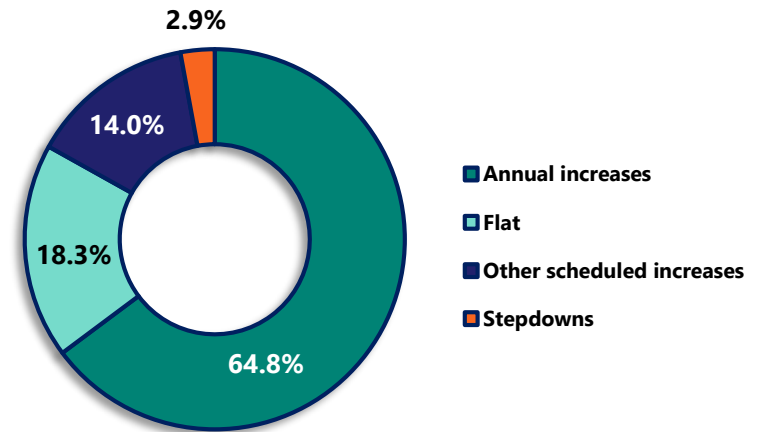
1. As a percentage of consolidated GAAP rent for single-tenant leases in place at 9/30/2018 and 9/30/2017, excluding lease termination income and parking operations.

Stable and Predictable Cash Flows

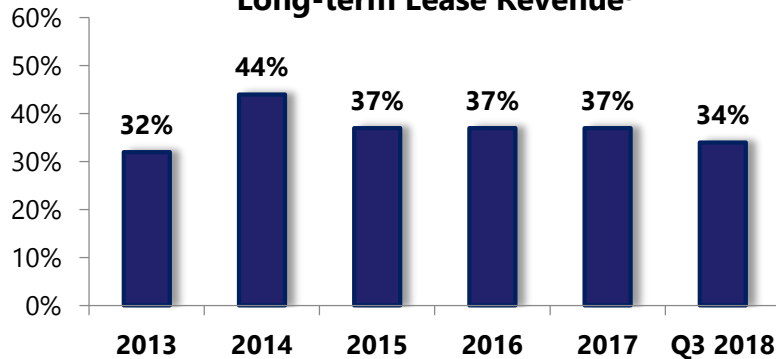
Weighted-Average Lease Term¹
(In Years)



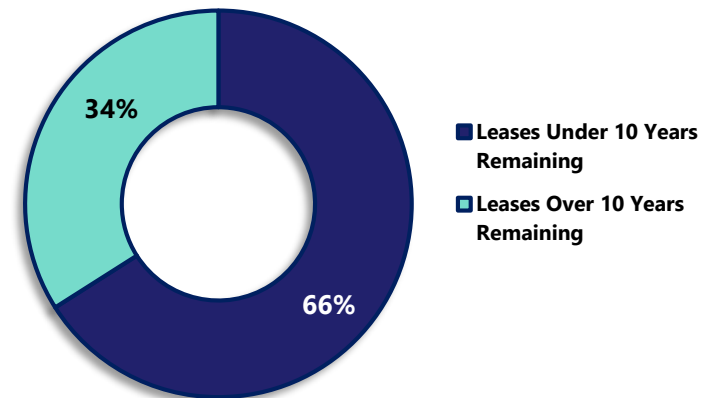
Scheduled Rental Increases²



Long-term Lease Revenue³



Lease Type⁴



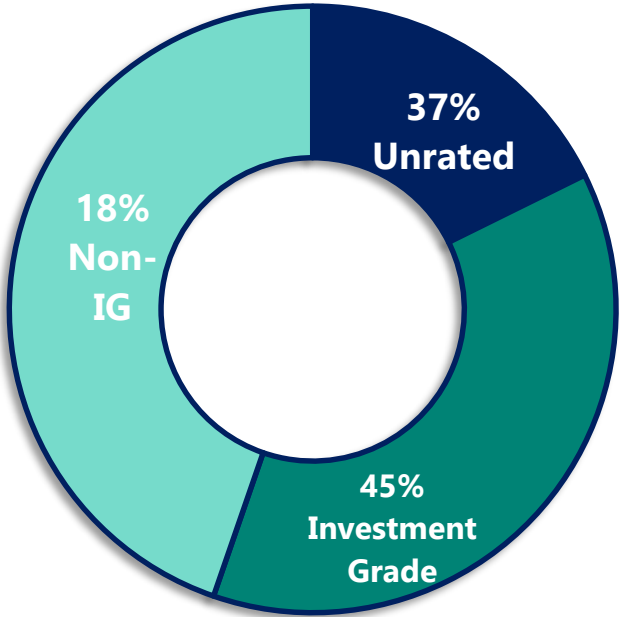
1. Years 2013, 2014 and 2015 adjusted to reflect New York City land leases to the first purchase option date. Decrease in 2016 weighted-average lease term is primarily the result of the sale of the New York City land leases in the third quarter of 2016. 2. Based on consolidated cash rent for the nine months ended 9/30/2018 for single-tenant leases. Excludes parking operations and rents from prior tenants. 3. Revenue from leases longer than ten years. Based on consolidated GAAP rent, excluding termination income and parking operations for leases in place as of 9/30/2018 and year ends 2013, 2014, 2015, 2016 and 2017. 4. Based on GAAP rent, excluding parking operations and termination income, for leases in place as of 9/30/2018.

Diversified Revenue Sources

Top 10 Tenants (GAAP Basis)

Top 10 Tenants or Guarantors ¹	% of Base Rent ^{1,2}
Dow	5.0%
Preferred Freezer	4.4%
Nissan	4.3%
FedEx	4.1%
Metalsa/ Dana	3.3%
Swiss RE	2.7%
USA	2.7%
Undisclosed ³	2.4%
Watco	2.3%
Xerox Corporation	2.2%
% of Top10 Tenants	33.3%

Revenue by Credit Rating¹

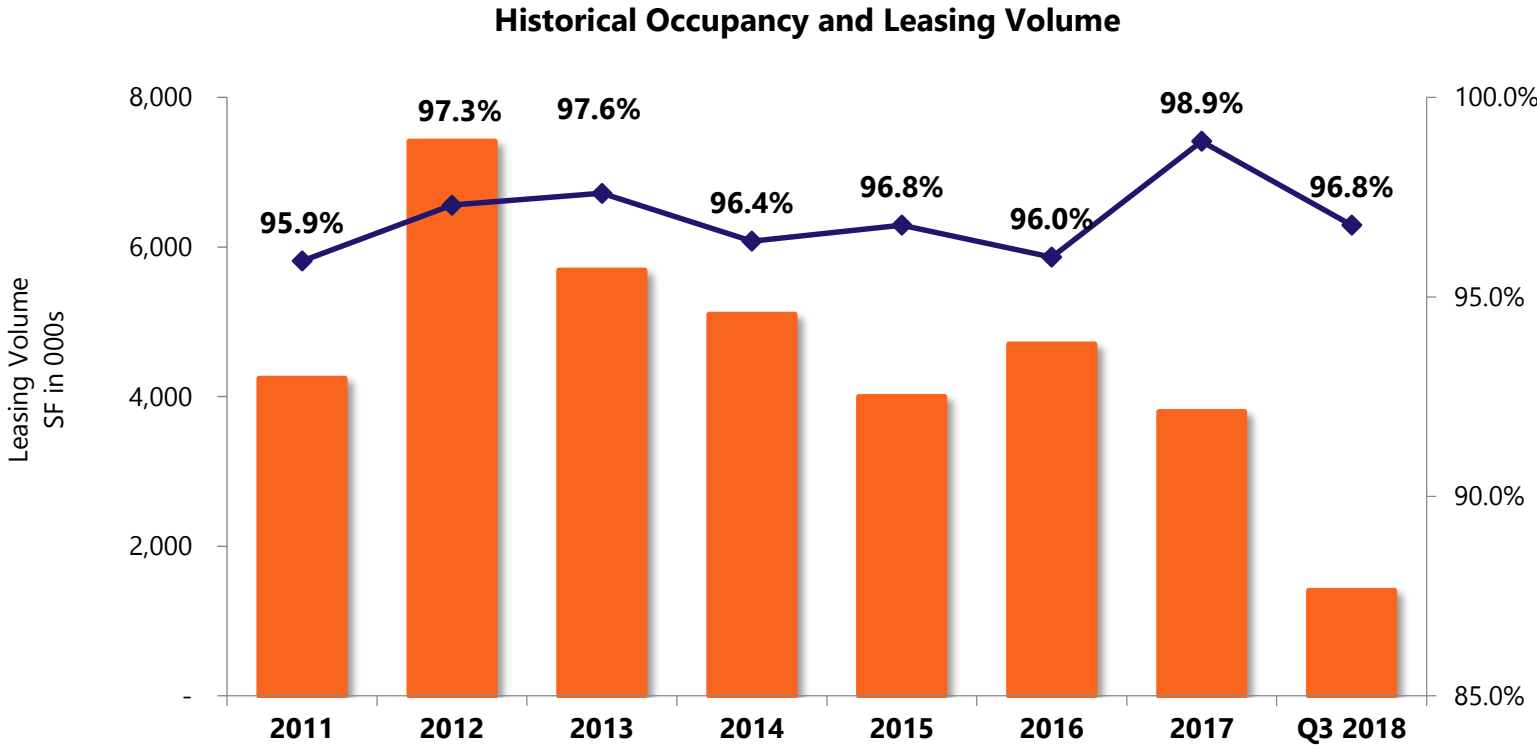


1. Based on GAAP rent, excluding termination income, for the nine months ended 9/30/2018 for consolidated properties owned as of 9/30/2018. 2. Total shown may differ from detailed amounts due to rounding. 3. Tenant is a domestic subsidiary of an international automaker.

Consistent Operational Performance

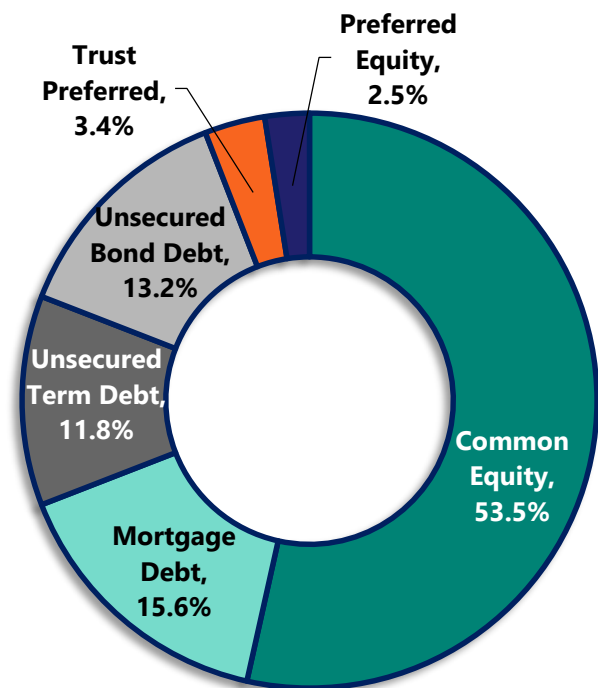


Continue to maintain consistent occupancy through proactive leasing efforts.



Flexible Capital Structure

Maintain maximum flexibility to access most advantageous source of capital.



Debt

	<u>Amount</u> <i>(\$ in Millions)</i>	<u>Interest Rate/</u> <u>Coupon</u>
Unsecured Credit Facility Due 2019	\$ -	Libor + 1%
Unsecured Term Loan Due 2020 ¹	149.0	3.240%
Unsecured Term Loan Due 2021	300.0	2.625%
Unsecured bonds due 2023	250.0	4.250%
Unsecured bonds due 2024	250.0	4.400%
Mortgages	590.6	4.496%
Trust Preferred	129.1	4.039%
Total – Debt	\$ 1,668.7	3.961%

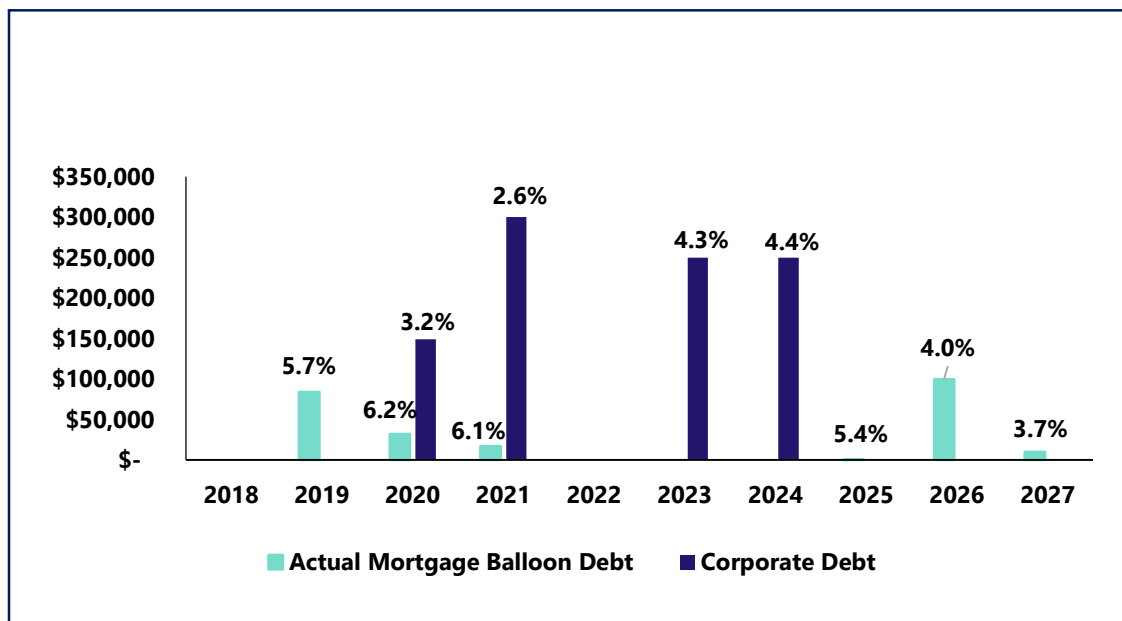
Preferred

Preferred C	\$ 96.8	6.50%
Total – Preferred	\$ 96.8	
Total – Common equity²	\$2,027.8	
Total	\$3,793.3	

Balance Sheet Strategy

Focus on extending maturities, unencumbering assets, maintaining investment-grade ratings and selectively utilizing secured financing.

Consolidated Debt Maturity Profile (\$000's)¹



Credit Metrics Summary²

Adjusted Company FFO Payout Ratio	72.0%
Unencumbered Assets	\$2.8B
Unencumbered NOI	72.0%
(Debt + Preferred)/Gross Assets	42.3%
Debt/Gross Assets	40.0%
Secured Debt/Gross Assets	14.1%
Net Debt/Adjusted EBITDA	4.3x
(Net Debt + Preferred)/Adjusted EBITDA	4.7x
Unsecured Debt/Unencumbered NOI	5.5x
Credit Facilities Availability	\$505.0M

1. As of 9/30/2018. Percentage denotes weighted-average interest rate. Subsequent to quarter end, repaid \$149 million remaining balance on 2020 term loan.

2. As of 9/30/2018.

2018 Business Plan Execution

	2018 Current Guidance	As of September 30, 2018
Acquisitions	~ No formal guidance	~ \$208M of industrial purchases @ 6.9% & 5.8% GAAP/cash cap rates
Dispositions	~ Exceeding \$1 Billion (property dispositions) at estimated GAAP/cash cap rates of 8.8% & 8.4%	~\$984M of property dispositions – 8.5% & 8.1% GAAP/cash cap rates <i>(As of Q3 earnings call)¹</i>
Leverage	~ Under 6.5x net debt to Adjusted EBITDA	~4.3x net debt to Adjusted EBITDA
Capital Markets	~ No formal guidance	~ Repurchased approximately 4.6M shares at an average price of \$8.04 per share <i>(As of Q3 earnings call)¹</i>
Operations	~ Approximately \$18M in TI's/Leasing Costs	~ Approximately \$10M in TI's/leasing costs
Earnings	~ Net income - \$0.90-\$0.92 per diluted common share range ~ 2018 Adjusted Company FFO - \$0.93-\$0.95 per diluted common share range	~ Net income of \$0.83 per diluted common share ~ Adjusted Company FFO of \$0.74 per diluted common share

Non-GAAP Measures-Definitions



Lexington has used non-GAAP financial measures as defined by Regulation G promulgated by the Securities and Exchange Commission in this presentation. Lexington believes that the measures defined below are helpful to investors in measuring Lexington's performance or that of an individual investment. Since these measures exclude certain items which are included in their respective most comparable Generally Accepted Accounting Principles ("GAAP") measures, reliance on the measures has limitations; management compensates for these limitations by using the measures simply as supplemental measures that are weighed in balance with other GAAP measures. These measures are not necessarily indications of our cash flow available to fund cash needs. Additionally, they should not be used as an alternative to the respective most comparable GAAP measures when evaluating Lexington's financial performance or cash flow from operating, investing, or financing activities or liquidity.

Funds from Operations and Adjusted Company FFO(FFO and Adjusted Company FFO): Lexington believes that Funds from Operations, or FFO, which is a non-GAAP measure, is a widely recognized and appropriate measure of the performance of an equity real estate investment trust ("REIT"). 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 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.

The National Association of Real Estate Investment Trusts, or NAREIT, defines FFO 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 nonconsolidated partnerships and joint ventures." NAREIT clarified its computation of FFO to exclude impairment charges on depreciable real estate owned directly or indirectly. FFO does not represent cash generated from operating activities in accordance with GAAP and is not indicative of cash available to fund cash needs.

Lexington presents FFO available to common shareholders and unitholders - basic and also presents FFO available to all equityholders and unitholders - diluted on a company-wide basis as if all securities that are convertible, at the holder's option, into Lexington's common shares, are converted at the beginning of the period. Lexington also presents Adjusted Company FFO available to all equityholders and unitholders - diluted which adjusts FFO available to all equityholders and unitholders - diluted for certain items which we believe are not indicative of the operating results of Lexington's real estate portfolio. Lexington believes this is an appropriate presentation as it is frequently requested by security analysts, investors and other interested parties. Since others do not calculate these measures in a similar fashion, these measures may not be comparable to similarly titled measures as reported by others. These measures should not be considered as an alternative to net income as an indicator of Lexington's operating performance or as an alternative to cash flow as a measure of liquidity.

Non-GAAP Measures-Definitions, cont.

Net operating income (NOI): a measure of operating performance used to evaluate the individual performance of an investment. This measure is not presented or intended to be viewed as a liquidity or performance measure that presents a numerical measure of Lexington's historical or future financial performance, financial position or cash flows.

Initial cash capitalization rate, internal rate of return (IRR), and cash-on-cash return: measures of operating performance used to evaluate the individual performance of an investment. These measures are estimates and are not presented or intended to be viewed as liquidity or performance measures that present a numerical measure of Lexington's historical or future financial performance, financial position or cash flows. Expectations may not be realized.

Adjusted EBITDA: Adjusted EBITDA represents EBITDA (earnings before interest, taxes, depreciation and amortization) modified to include other adjustments to GAAP net income for gains on sales of properties, impairment charges, debt satisfaction gains (charges), net, non-cash charges, net, straight-line adjustments, non-recurring charges and adjustments for pro-rata share of non-wholly owned entities. Lexington's calculation of Adjusted EBITDA may not be comparable to similarly titled measures used by other companies. Lexington believes that net income is the most directly comparable GAAP measure to Adjusted EBITDA.



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Net-Lease Expertise. Diversified Portfolio. Quarterly Dividends.