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## CapLease Q4 2007 Earnings Call Transcript

### Earnings Call Excerpt

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CapLease, Inc. (LSE)

Q4 2007 Earnings Call

February 27, 2008 12:00 pm ET

#### **Executives**

Brad Cohen – Investor Relations

Paul H. McDowell - Chairman of the Board & Chief Executive Officer

Shawn P. Seale – Chief Financial Officer, Senior Vice President & Treasurer

#### **Analysts**

Ambika Goel – Citigroup Investment Research

Jeffrey Donnelly – Wachovia Capital Markets, LLC

Josh Barber – Stifel Nicolaus & Company, Inc.

#### **Presentation**

##### **Operator**

Good afternoon ladies and gentlemen and welcome to the CapLease, Inc. fourth quarter 2007 earnings conference call. At this time all participants are in a listen only mode. Following today's presentation instructions will be given for the question-and-answer session. (Operator Instructions) As a reminder this conference is being recorded today, Wednesday, February 27, 2008. I'd now like to turn the conference over to Mr. Brad Cohen. Please go ahead, sir.

##### **Brad Cohen**

Today I would like to remind everyone that part of our discussion this morning will include guidance and other forward-looking statements and these statements do not guarantee the future performance and therefore undue reliance should not be placed on them. We refer all of you to CapLease's fourth quarter and full year 2007 earnings release and filings with the Securities and Exchange Commission for more detailed discussion of important factors that could actual results to differ materially from those contained in the company's forward-looking statements. The company disclaims any obligation to update this forward-looking statement. Also during the call today the company will be discussing

funds from operations or FFO and cash available for distribution or CAD which are non-GAAP financial measures. Please see the company's press release for a reconciliation of FFO and CAD to net income the most directly comparable GAAP measure.

It is now my pleasure to turn the call over to CapLease's Chairman and Chief Executive Officer, Mr. Paul McDowell.

**Paul H. McDowell**

Good afternoon everyone. With me on the call today as usual is partner, Shawn Seale, who is our Chief Financial Officer.

This morning CapLease announced its results for the fourth quarter and full year 2007 showing significant sequential growth as compared to the corresponding period a year ago. By any operational measure 2007 was another very successful year for CapLease. The highlights for 2007 were continued solid progress our long term business plan as evidenced by our significant revenue and FFO growth as compared to 2006 driven in part by the addition of close to half a billion of new property investments. We have in place a very high quality asset base with growing and predictable revenues that support our solid FFO, CAD and dividend streams. These provide the foundation for building long term shareholder value. 2007 also saw CapLease obtain \$326 million of long term, fixed rate financing on the portfolio including a \$130 million term financing completed in December on a portion of our debt portfolio previously financed on the warehouse line. We also raised \$198 million of additional capital during the year through our common and convertible offerings to continue to fund the growth in our business plan. While our operational metrics were great and bode well for us over the long term the share price at the end of the year, like that of most REITs, wasn't great. In large measure this was a result of the macro environment that affected not only REITs but a huge swap of the financial markets in the second half of the year.

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