



# Douglas Emmett

**Supplemental Operating and Financial Data  
For the Quarter Ended March 31, 2009**

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This Supplemental Operating and Financial Data contains 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. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. You should not rely on forward looking statements as predictions of future events. Forward looking statements involve numerous risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed in any forward looking statement made by us. These risks and uncertainties include, but are not limited to: adverse economic and real estate developments in Southern California and Honolulu; decreased rental rates or increased tenant incentives and vacancy rates; defaults on, early terminations of, or non-renewal of leases by tenants; increased interest rates and operating costs; failure to generate sufficient cash flows to service our outstanding indebtedness; difficulties in identifying properties to acquire and completing acquisitions; failure to successfully operate acquired properties and operations; failure to maintain our status as a REIT under the Internal Revenue Code of 1986, as amended; possible adverse changes in rent control laws and regulations; environmental uncertainties; risks related to natural disasters; lack or insufficient amount of insurance; inability to successfully expand into new markets or submarkets; risks associated with property development; conflicts of interest with our officers; changes in real estate and zoning laws and increases in real property tax rates; the consequences of any possible future terrorist attacks; and other risks and uncertainties detailed in our Annual Report on Form 10-K filed with the Securities and Exchange Commission.

# **CORPORATE DATA**

Douglas Emmett, Inc. (NYSE: DEI) is a fully integrated, self-administered and self-managed real estate investment trust (REIT), and one of the largest owners and operators of high-quality office and multifamily properties located in submarkets in California and Hawaii. The Company's properties are concentrated in ten submarkets – Brentwood, Olympic Corridor, Century City, Santa Monica, Beverly Hills, Westwood, Sherman Oaks/Encino, Warner Center/Woodland Hills, Burbank, and Honolulu. The Company focuses on owning and acquiring a substantial share of top-tier office properties and premier multifamily communities in neighborhoods that possess significant supply constraints, high-end executive housing and key lifestyle amenities.

This Supplemental Operating and Financial Data supplements the information provided in our reports filed with the Securities and Exchange Commission. We maintain a website at [www.douglasemmett.com](http://www.douglasemmett.com).

|  |                  |
|--|------------------|
| Number of office properties owned <sup>(1)</sup>                                   | 55               |
| Square feet owned (in thousands) <sup>(1)</sup>                                    | 13,328           |
| Office leased rate as of March 31, 2009 <sup>(1)</sup>                             | 91.5 %           |
| Office occupied rate as of March 31, 2009 <sup>(1) (2)</sup>                       | 91.1 %           |
| Number of multifamily properties owned   | 9                |
| Number of multifamily units owned  | 2,868            |
| Multifamily leased rate as of March 31, 2009                                       | 99.2 %           |
| Market capitalization (in thousands):  |                  |
| Total debt <sup>(3) (4)</sup>  | 3,430,193        |
| Common equity capitalization <sup>(5)</sup>  | 1,149,577        |
| Total market capitalization  | 4,579,770        |
| Debt/total market capitalization   | 74.9 %           |
| Common stock data (NYSE:DEI):  |                  |
| Range of closing prices <sup>(6)</sup>   | \$6.36 - \$13.97 |
| Closing price at quarter end   | \$7.39           |
| Weighted average diluted shares outstanding (in thousands) <sup>(6) (7)</sup>      | 156,022          |
| Shares of common stock outstanding on March 31, 2009 (in thousands) <sup>(8)</sup> | 121,499          |

- (1) All properties are 100% owned except Honolulu Club (78,000 square feet) owned by a joint venture in which we own a 66.7% interest and 6 properties totaling 1.4 million square feet owned by an unconsolidated real estate fund.
- (2) Represents percent leased less signed leases not yet commenced.
- (3) Excludes non-cash loan premium.
- (4) Excludes one-third of the \$18 million debt attributable to the noncontrolling interest in a consolidated joint venture; includes \$178 million of debt carried by an unconsolidated entity in which our operating partnership (OP) owns an equity interest.
- (5) Common equity capitalization represents the total number of shares of common stock and OP units outstanding multiplied by the closing price of our stock at the end of the period.
- (6) For the quarter ended March 31, 2009.
- (7) Diluted shares shown here represent ownership in our company through shares of common stock and OP units.
- (8) This amount represents undiluted shares, and does not include OP units.

**CORPORATE**

808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401  
(310) 255-7700

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**BOARD OF DIRECTORS**

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**Dan A. Emmett**

Chairman of the Board, Douglas Emmett, Inc

**Leslie E. Bider**

Chief Executive Officer, PinnacleCare

**Thomas E. O'Hern**

Executive Vice President, Chief Financial Officer and Treasurer,  
Macerich Company

**Jordan L. Kaplan**

President and Chief Executive Officer, Douglas  
Emmett, Inc.

**Victor J. Coleman**

Managing Director, Hudson Capital, LLC

**Dr. Andrea L. Rich**

Former President and Chief Executive Officer, Los Angeles Museum  
of Art, and Former Executive Vice Chancellor and Chief Operating  
Officer, University of California Los Angeles

**Kenneth M. Panzer**

Chief Operating Officer, Douglas Emmett, Inc.

**Ghebre Selassie Mehreteab**

Chief Executive Officer, NHP Foundation

**William Wilson III**

Former Chairman, Cornerstone Properties, Inc., Managing Partner,  
Wilson Meany Sullivan, LLC

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**EXECUTIVE AND SENIOR MANAGEMENT**

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**Jordan L. Kaplan**

President and Chief Executive Officer

**Kenneth M. Panzer**

Chief Operating Officer

**William Kamer**

Chief Financial Officer

**Allan B. Golad**

SVP, Property Management

**Gregory R. Hambly**

Chief Accounting Officer

**Michael J. Means**

SVP, Commercial Leasing

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**INVESTOR RELATIONS**

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**Mary C. Jensen**

Vice President - Investor Relations  
(310) 255-7751

Email Contact: [mjensen@douglasemmett.com](mailto:mjensen@douglasemmett.com)

Please visit our corporate website at: [www.douglasemmett.com](http://www.douglasemmett.com)

# **CONSOLIDATED FINANCIAL RESULTS**

**Douglas Emmett, Inc.****BALANCE SHEETS**  
(in thousands)

|  | <u>March 31, 2009</u><br>(unaudited) | <u>December 31, 2008</u> |
|--|--------------------------------------|--------------------------|
| <b>Assets</b>                                    |                                      |                          |
| Investment in real estate:                       |                                      |                          |
| Land   | \$ 835,366                           | \$ 900,213               |
| Buildings and improvements                       | 5,011,643                            | 5,528,567                |
| Tenant improvements and lease intangibles        | 506,386                              | 552,536                  |
|  | <u>6,353,395</u>                     | <u>6,981,316</u>         |
| Less: accumulated depreciation                   | (522,864)                            | (490,125)                |
| Net investment in real estate                    | <u>5,830,531</u>                     | <u>6,491,191</u>         |
| <br>   |                                      |                          |
| Cash and cash equivalents                        | 29,827                               | 8,655                    |
| Tenant receivables, net                          | 1,189                                | 2,197                    |
| Deferred rent receivables, net                   | 33,436                               | 33,039                   |
| Interest rate contracts                          | 165,311                              | 176,255                  |
| Acquired lease intangible assets, net            | 15,632                               | 18,163                   |
| Investment in unconsolidated real estate fund    | 100,775                              | -                        |
| Other assets                                     | 28,891                               | 31,304                   |
| Total assets                                     | <u>\$ 6,205,592</u>                  | <u>\$ 6,760,804</u>      |
| <br>   |                                      |                          |
| <b>Liabilities</b>                               |                                      |                          |
| Secured notes payable                            | \$ 3,258,000                         | \$ 3,672,300             |
| Unamortized non-cash debt premium                | 19,256                               | 20,485                   |
| Interest rate contracts                          | 359,360                              | 407,492                  |
| Accrued interest payable                         | 26,165                               | 22,982                   |
| Accounts payable and accrued expenses            | 45,133                               | 46,233                   |
| Acquired lease intangible liabilities, net       | 165,649                              | 195,036                  |
| Security deposits                                | 32,500                               | 35,890                   |
| Dividends payable                                | 12,150                               | 22,856                   |
| Other liabilities                                | -                                    | 57,316                   |
| Total liabilities                                | <u>3,918,213</u>                     | <u>4,480,590</u>         |
| <br>   |                                      |                          |
| <b>Douglas Emmett, Inc. Stockholders' Equity</b> |                                      |                          |
| Common stock                                     | 1,215                                | 1,219                    |
| Additional paid-in capital                       | 2,284,999                            | 2,284,429                |
| Accumulated other comprehensive income           | (251,666)                            | (274,111)                |
| Accumulated deficit                              | (250,364)                            | (236,348)                |
| Total Douglas Emmett, Inc. stockholders' equity  | <u>1,784,184</u>                     | <u>1,775,189</u>         |
| Noncontrolling interests                         | 503,195                              | 505,025                  |
| Total stockholders' equity                       | <u>2,287,379</u>                     | <u>2,280,214</u>         |
| Total liabilities and stockholders' equity       | <u>\$ 6,205,592</u>                  | <u>\$ 6,760,804</u>      |

**QUARTERLY OPERATING RESULTS**  
(unaudited and in thousands, except per share data)

|  | <u>Three Months Ended March 31,</u> |                            |
|--|-------------------------------------|----------------------------|
|  | <u>2009</u>                         | <sup>(1)</sup> <u>2008</u> |
| <b>Revenues:</b>   |                                     |                            |
| Office rental:   |                                     |                            |
| Rental revenues  | \$ 108,546                          | \$ 99,016                  |
| Tenant recoveries  | 7,966                               | 6,009                      |
| Parking and other income   | 17,634                              | 16,576                     |
| Total office revenues <sup>(2)</sup>   | <u>134,146</u>                      | <u>121,601</u>             |
| Multifamily rental:  |                                     |                            |
| Rental revenues  | 16,187                              | 17,224                     |
| Parking and other income   | 1,084                               | 983                        |
| Total multifamily revenues   | <u>17,271</u>                       | <u>18,207</u>              |
| Total revenues   | <u>151,417</u>                      | <u>139,808</u>             |
| <b>Operating Expenses:</b>   |                                     |                            |
| Office expenses <sup>(2)</sup>   | 40,312                              | 35,921                     |
| Multifamily expenses   | 4,517                               | 4,300                      |
| General and administrative   | 6,351                               | 5,285                      |
| Depreciation and amortization  | 61,074                              | 56,749                     |
| Total operating expenses   | <u>112,254</u>                      | <u>102,255</u>             |
| Operating income   | 39,163                              | 37,553                     |
| Gain on disposition of interest in unconsolidated real estate fund                     | 5,573                               | -                          |
| Interest and other income  | 2,914                               | 409                        |
| Loss, net of depreciation, from unconsolidated real estate fund                        | (678)                               | -                          |
| Interest expense   | (49,222)                            | (41,203)                   |
| Net loss   | <u>(2,250)</u>                      | <u>(3,241)</u>             |
| Less: Net loss attributable to noncontrolling interests                                | 383                                 | 741                        |
| Net loss attributable to common stockholders   | <u>\$ (1,867)</u>                   | <u>\$ (2,500)</u>          |
| Net loss per common share – basic and diluted <sup>(3)</sup>                           | <u>\$ (0.02)</u>                    | <u>\$ (0.02)</u>           |
| Weighted average shares of common stock outstanding – basic and diluted <sup>(3)</sup> | <u>121,842</u>                      | <u>118,284</u>             |

(1) Douglas Emmett Fund X, LLC (Fund X) was deconsolidated from our financial statements as of the end of February 2009. As a result, the consolidated operating results of Douglas Emmett, Inc. for the three months ended March 31, 2009 presented above reflect the impact of the properties owned by Fund X only for the months of January and February 2009 on a consolidated basis. For March 2009, Fund X is shown on an unconsolidated basis.

(2) If Fund X had been consolidated for the entire first quarter of 2009, total office revenues would have been \$138,763 (after adding office revenues attributable to Fund X for March 2009 of \$4,617) and total office expenses would have been \$41,902 (after adding office expenses attributable to Fund X for March 2009 of \$1,590)

(3) Diluted shares are calculated in accordance with accounting principles generally accepted in the United States (GAAP) and include common stock plus dilutive equity instruments, as appropriate. This amount excludes OP units, which are included in the non-GAAP calculation of diluted shares on the "Corporate Data" page preceding this section.



**FUNDS FROM OPERATIONS AND ADJUSTED FUNDS FROM OPERATIONS**  
(unaudited and in thousands, except per share data)

|   | <b>Three Months Ended March 31,</b> |                  |
|---|-------------------------------------|------------------|
|   | <b>2009</b>                         | <b>2008</b>      |
| <b>Funds From Operations (FFO)</b>  |                                     |                  |
| Net loss attributable to common stockholders  | \$ (1,867)                          | \$ (2,500)       |
| Depreciation and amortization of real estate assets   | 61,074                              | 56,749           |
| Net loss attributable to noncontrolling interests   | (383)                               | (741)            |
| Gain on disposition of interest in unconsolidated real estate fund  | (5,573)                             | -                |
| Less: adjustments attributable to consolidated joint venture and unconsolidated investment<br>in real estate fund | 1,065                               | (63)             |
| <b>FFO</b>  | <b>\$ 54,316</b>                    | <b>\$ 53,445</b> |
| <b>Adjusted Funds From Operations (AFFO)</b>  |                                     |                  |
| <b>FFO</b>  | <b>\$ 54,316</b>                    | <b>\$ 53,445</b> |
| Straight-line rent adjustment   | (2,003)                             | (4,271)          |
| Amortization of acquired above and below market leases  | (10,101)                            | (10,198)         |
| Amortization of interest rate contracts and loan premium  | 3,735                               | 640              |
| Amortization of prepaid financing   | 607                                 | 362              |
| Recurring capital expenditures, tenant improvements and leasing commissions                                       | (6,642)                             | (5,558)          |
| Non-cash compensation expense   | 2,489                               | 3,291            |
| Less: adjustments attributable to consolidated joint venture and unconsolidated investment<br>in real estate fund | (262)                               | -                |
| <b>AFFO</b>   | <b>\$ 42,139</b>                    | <b>\$ 37,711</b> |
| Weighted average share equivalents outstanding - fully diluted  | 156,022                             | 156,513          |
| FFO per share- fully diluted  | \$ 0.35                             | \$ 0.34          |
| Dividends per share declared  | \$ 0.10                             | \$ 0.1875        |
| AFFO payout ratio   | 36.92%                              | 77.33%           |

**NOTE: Our definitions of FFO and AFFO are contained on the page titled "Definitions" which follows.**

**SAME PROPERTY STATISTICAL AND FINANCIAL DATA**  
(unaudited and in thousands, except statistics)

|  | <b>Three Months Ended March 31,</b> |                  | <b>% Change</b> |
|--|-------------------------------------|------------------|-----------------|
|  | <b>2009</b>                         | <b>2008</b>      |                 |
| <b>Same Property Office Statistics</b>                 |                                     |                  |                 |
| Number of properties                                   | 48                                  | 48               |                 |
| Rentable square feet                                   | 11,810,619                          | 11,809,595       |                 |
| % leased (average for 3 months)                        | 93.3 %                              | 95.5 %           |                 |
| % occupied (average for 3 months)                      | 92.8 %                              | 94.6 %           |                 |
| <b>Same Property Multifamily Statistics</b>            |                                     |                  |                 |
| Number of properties                                   | 9                                   | 9                |                 |
| Number of units  | 2,868                               | 2,868            |                 |
| % leased (average for 3 months)                        | 99.1 %                              | 99.2 %           |                 |
| <b>Same Property Net Operating Income - GAAP Basis</b> |                                     |                  |                 |
| Total office revenues                                  | \$ 123,470                          | \$ 120,602       | 2.4 %           |
| Total multifamily revenues                             | 17,271                              | 18,207           | (5.1)           |
| Total revenues   | <u>140,741</u>                      | <u>138,809</u>   | 1.4             |
| Total office expense                                   | 36,769                              | 35,424           | 3.8             |
| Total multifamily expense                              | 4,517                               | 4,300            | 5.0             |
| Total property expense                                 | <u>41,286</u>                       | <u>39,724</u>    | 3.9             |
| Same Property NOI - GAAP basis                         | <u>\$ 99,455</u>                    | <u>\$ 99,085</u> | 0.4 %           |
| <b>Same Property Net Operating Income - Cash Basis</b> |                                     |                  |                 |
| Total office revenues                                  | \$ 113,988                          | \$ 108,393       | 5.2 %           |
| Total multifamily revenues                             | 16,389                              | 16,364           | 0.2             |
| Total revenues   | <u>130,377</u>                      | <u>124,757</u>   | 4.5             |
| Total office expense                                   | 36,814                              | 35,827           | 2.8             |
| Total multifamily expense                              | 4,517                               | 4,300            | 5.0             |
| Total property expense                                 | <u>41,331</u>                       | <u>40,127</u>    | 3.0             |
| Same Property NOI - cash basis                         | <u>\$ 89,046</u>                    | <u>\$ 84,630</u> | 5.2 %           |

**NOTE: Our definitions of NOI, same property and cash basis are contained on the page titled "Definitions" which follows.**

**RECONCILIATION OF SAME PROPERTY NOI TO GAAP NET INCOME (LOSS)**  
(unaudited and in thousands)

|  | <b>Three Months Ended March 31,</b> |                   |
|--|-------------------------------------|-------------------|
|  | <b>2009</b>                         | <b>2008</b>       |
| Same property office revenues - cash basis                         | \$ 113,988                          | \$ 108,393        |
| GAAP adjustments   | 9,482                               | 12,209            |
| Same property office revenues - GAAP basis                         | <u>123,470</u>                      | <u>120,602</u>    |
| Same property multifamily revenues - cash basis                    | 16,389                              | 16,364            |
| GAAP adjustments   | 882                                 | 1,843             |
| Same property multifamily revenues - GAAP basis                    | <u>17,271</u>                       | <u>18,207</u>     |
| Same property revenues - GAAP basis                                | <u>140,741</u>                      | <u>138,809</u>    |
| Same property office expenses - cash basis                         | (36,814)                            | (35,827)          |
| GAAP adjustments   | 45                                  | 403               |
| Same property office expenses - GAAP basis                         | <u>(36,769)</u>                     | <u>(35,424)</u>   |
| Same property multifamily expenses - cash basis                    | (4,517)                             | (4,300)           |
| GAAP adjustments   | -                                   | -                 |
| Same property multifamily expenses - GAAP basis                    | <u>(4,517)</u>                      | <u>(4,300)</u>    |
| Same property expenses - GAAP basis                                | <u>(41,286)</u>                     | <u>(39,724)</u>   |
| Same property Net Operating Income (NOI) - GAAP basis              | 99,455                              | 99,085            |
| Non-comparable office revenues                                     | 10,676                              | 998               |
| Non-comparable office expenses                                     | (3,543)                             | (496)             |
| Total property NOI - GAAP basis                                    | <u>106,588</u>                      | <u>99,587</u>     |
| General and administrative expenses                                | (6,351)                             | (5,285)           |
| Depreciation and amortization                                      | (61,074)                            | (56,749)          |
| Operating income   | <u>39,163</u>                       | <u>37,553</u>     |
| Gain on disposition of interest in unconsolidated real estate fund | 5,573                               | -                 |
| Interest and other income  | 2,914                               | 409               |
| Loss, net of depreciation, from unconsolidated real estate fund    | (678)                               | -                 |
| Interest expense   | <u>(49,222)</u>                     | <u>(41,203)</u>   |
| Net loss   | (2,250)                             | (3,241)           |
| Less: Net loss attributable to noncontrolling interests            | 383                                 | 741               |
| Net loss attributable to common stockholders                       | <u>\$ (1,867)</u>                   | <u>\$ (2,500)</u> |

**NOTE: Our definitions of NOI, same property and cash basis are contained on the page titled "Definitions" which follows.**

**Funds From Operations (FFO):** We calculate funds from operations before noncontrolling interest (FFO) in accordance with the standards established by the National Association of Real Estate Investment Trusts (NAREIT). FFO represents net income (loss), computed in accordance with accounting principles generally accepted in the United States of America (GAAP), excluding gains (or losses) from sales of depreciable operating property, real estate depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures. We use FFO as a supplemental performance measure because, in excluding real estate depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that results from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. Other equity REITs may not calculate FFO in accordance with the NAREIT definition and, accordingly, our FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of our performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends. FFO should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

**Adjusted Funds From Operations (AFFO):** Adjusted Funds From Operations (AFFO) is a non-GAAP financial measure we believe is a useful supplemental measure of our performance. We compute AFFO by adding to FFO the non-cash compensation expense, amortization of prepaid financing costs and straight-line rents, and then subtracting recurring capital expenditures, tenant improvements and leasing commissions. AFFO is not intended to represent cash flow for the period, and it only provides an additional perspective on our ability to fund cash needs and make distributions to shareholders by adjusting the effect of the non-cash items included in FFO, as well as recurring capital expenditures and leasing costs. We believe that net income is the most directly comparable GAAP financial measure to AFFO. We also believe that AFFO provides useful information to the investment community about our financial position as compared to other REITs since AFFO is a widely reported measure used by other REITs. However, other REITs may use different methodologies for calculating AFFO and, accordingly, our AFFO may not be comparable to other REITs.

**Net Operating Income (NOI):** Reported net income (or loss) is computed in accordance with GAAP. In contrast, net operating income (NOI) is a non-GAAP measure consisting of the revenue and expense attributable to the real estate properties that we own and operate. Although NOI is considered a non-GAAP measure, we present NOI on a "GAAP basis" by using property revenues and expenses calculated in accordance with GAAP. The most directly comparable GAAP measure to NOI is net income (or loss), adjusted to exclude general and administrative expense, depreciation and amortization expense, interest income, interest expense, income from unconsolidated partnerships, income (or loss) attributable to noncontrolling interests, gains (or losses) from sales of depreciable operating properties, net income from discontinued operations and extraordinary items. We use NOI as a supplemental performance measure because, in excluding real estate depreciation and amortization expense and gains (or losses) from property dispositions, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that NOI will be useful to investors as a basis to compare our operating performance with that of other REITs. However, because NOI excludes depreciation and amortization expense and captures neither the changes in the value of our properties that result from use or market conditions, nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties (all of which have real economic effect and could materially impact our results from operations), the utility of NOI as a measure of our performance is limited. Other equity REITs may not calculate NOI in a similar manner and, accordingly, our NOI may not be comparable to such other REITs' NOI. Accordingly, NOI should be considered only as a supplement to net income as a measure of our performance. NOI should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends. NOI should not be used as a substitute for cash flow from operating activities computed in accordance with GAAP.

**Same Property NOI:** To facilitate a more meaningful comparison of NOI between periods, we calculate comparable amounts for a subset of our owned properties referred to as same properties. Same property amounts are calculated as the amounts attributable to properties which have been owned and operated by us during the entire span of both periods compared. Therefore, any properties either acquired after the first day of the earlier comparison period or sold before the last day of the later comparison period are excluded from same properties. We may also exclude from the same property set any property that is undergoing a major repositioning project that would impact the comparability of its results between two periods.

**Cash Basis NOI:** NOI as defined above includes the revenue and expense directly attributable to our real estate properties calculated in accordance with GAAP, and is specifically labeled as "GAAP basis." We also believe that NOI calculated on a cash basis is useful for investors to understand our operations. Cash basis NOI is also a non-GAAP measure, which we calculate by excluding from GAAP basis NOI our straight-line rent adjustments and the amortization of above/below market lease intangible assets and liabilities. Accordingly, cash basis NOI should be considered only as a supplement to net income as a measure of our performance. Cash basis NOI should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends. Cash basis NOI should not be used as a substitute for cash flow from operating activities computed in accordance with GAAP.

**DEBT BALANCES**  
as of March 31, 2009  
(unaudited and in thousands)

|   | <u>Maturity<br/>Date<sup>(1)</sup></u> | <u>Principal<br/>Balance</u>     | <u>Variable Rate</u>                | <u>Effective<br/>Annual<br/>Fixed Rate<sup>(2)</sup></u> | <u>Swap Maturity<br/>Date<sup>(1)</sup></u> |
|---|--|----------------------------------|-------------------------------------|--|---|
| <b>Variable Rate Swapped to Fixed Rate:</b>   |  |                                  |                                     |  |   |
| Fannie Mae Loan I <sup>(3)</sup>  | 06/01/12                               | \$ 293,000                       | DMBS + 0.60%                        | 4.70%  | 08/01/11                                    |
| Fannie Mae Loan II <sup>(3)</sup>   | 06/01/12                               | 95,080                           | DMBS + 0.60%                        | 5.78   | 08/01/11                                    |
| Modified Term Loan <sup>(4)(5)</sup>  | 08/31/12                               | 2,300,000                        | LIBOR + 0.85%                       | 5.13   | 08/01/10 - 08/01/12                         |
| Fannie Mae Loan III <sup>(3)</sup>  | 02/01/15                               | 36,920                           | DMBS + 0.60%                        | 5.78   | 08/01/11                                    |
| Fannie Mae Loan IV <sup>(3)</sup>   | 02/01/15                               | 75,000                           | DMBS + 0.76%                        | 4.86   | 08/01/11                                    |
| Term Loan <sup>(6)</sup>  | 04/01/15                               | 340,000                          | LIBOR + 1.50%                       | 4.77   | 01/02/13                                    |
| Fannie Mae Loan V <sup>(3)</sup>  | 02/01/16                               | 82,000                           | LIBOR + 0.62%                       | 5.62   | 03/01/12                                    |
| Fannie Mae Loan VI <sup>(3)</sup>   | 06/01/17                               | 18,000                           | LIBOR + 0.62%                       | 5.82   | 06/01/12                                    |
| <b>Subtotal</b>   |  | <u>3,240,000</u> <sup>(6)</sup>  |                                     | <b>5.10%</b> <sup>(2)</sup>                              |   |
| <b>Variable Rate:</b>   |  |                                  |                                     |  |   |
| Wells Fargo Loan <sup>(7)</sup>   | 03/01/11 <sup>(8)</sup>                | 12,000                           | LIBOR + 1.25%                       | --   | --  |
| Secured Revolving Credit Facility <sup>(9)</sup>  | 10/30/11 <sup>(10)</sup>               | -                                | LIBOR / Fed Funds + <sup>(11)</sup> | --   | --  |
| Subtotal  |  | <u>12,000</u>                    |                                     |  |   |
| <b>Consolidated total, net of portion attributable to noncontrolling interest in consolidated joint venture</b> |  | <u>3,252,000</u> <sup>(12)</sup> |                                     |  |   |
| <b>Debt Attributable from Unconsolidated Real Estate Fund:</b>  |  |                                  |                                     |  |   |
| Term Loan <sup>(13)</sup>   | 08/18/13                               | 178,193                          | LIBOR + 1.65%                       | 5.52%  | 09/04/12                                    |
| <b>Total consolidated and unconsolidated debt</b>   |  | <u>\$ 3,430,193</u>              |                                     |  |   |

- (1) As of March 31, 2009, the weighted average remaining life of our consolidated outstanding debt is 3.8 years, and the weighted average remaining life of the interest rate swaps is 2.1 years.
- (2) Includes the effect of interest rate contracts. Based on actual/360-day basis and excludes amortization of loan fees and unused fees on credit line. The total consolidated effective rate on an actual/365-day basis is 5.17% at March 31, 2009.
- (3) Secured by four separate collateralized pools. Fannie Mae Discount Mortgage-Backed Security (DMBS) has historically tracked 90-day LIBOR, although volatility may exist between the two rates, resulting in an immaterial amount of swap ineffectiveness.
- (4) Secured by seven separate collateralized pools. Requires monthly payments of interest only, with outstanding principal due upon maturity.
- (5) Includes \$1.11 billion swapped to 4.96% until August 1, 2010; \$545.0 million swapped to 5.83% until December 1, 2010; \$322.5 million swapped to 5.05% until August 1, 2011; and \$322.5 million swapped to 5.09% until August 1, 2012.
- (6) Secured by four properties in a collateralized pool. Requires monthly payments of interest only, with outstanding principal due upon maturity.
- (7) This is an \$18 million loan held by a consolidated entity in which our Operating Partnership owns a two-thirds interest. The loan has a one-year extension option.
- (8) Represents maturity date of March 1, 2010 which we may extend to March 1, 2011.
- (9) This \$370 million credit facility is secured by nine properties and has no borrowings outstanding. The facility has two one-year extension options available.
- (10) Represents maturity date of October 30, 2009 which we may extend to October 30, 2011.
- (11) This revolver bears interest at either LIBOR +0.70% or Fed Funds +0.95% at our election. If the amount outstanding exceeds \$262.5 million, the credit facility bears interest at either LIBOR +0.80% or Fed Funds +1.05% at our election.
- (12) Excludes the unamortized non-cash debt premium of \$19,256 which represents the mark-to-market adjustment recorded on all variable rate debt outstanding at the time of our IPO.
- (13) This is a \$365 million loan held by an unconsolidated real estate fund in which our Operating Partnership owns an equity interest. Secured by six properties in a cross-collateralized pool. Requires monthly payments of interest only, with outstanding principal due upon maturity.

# **PORTFOLIO DATA**

| <b>Submarket</b>             | <b>Number of Properties</b> | <b>Rentable Square Feet <sup>(2)</sup></b> | <b>Square Feet as a Percent of Total</b> |
|------------------------------|-----------------------------|--|--|
| West Los Angeles             |                             |  |  |
| Brentwood                    | 13                          | 1,390,771                                  | 10.4 %                                   |
| Olympic Corridor             | 5                           | 1,096,079                                  | 8.2                                      |
| Century City                 | 3                           | 915,980                                    | 6.9                                      |
| Santa Monica                 | 8                           | 969,971                                    | 7.3                                      |
| Beverly Hills                | 6                           | 1,343,094                                  | 10.1                                     |
| Westwood                     | 2                           | 396,807                                    | 3.0                                      |
| San Fernando Valley          |                             |  |  |
| Sherman Oaks/Encino          | 11                          | 3,181,035                                  | 23.9                                     |
| Warner Center/Woodland Hills | 3                           | 2,855,864                                  | 21.4                                     |
| Tri-Cities                   |                             |  |  |
| Burbank                      | 1                           | 420,949                                    | 3.1                                      |
| Honolulu                     | 3                           | 757,641                                    | 5.7                                      |
| <b>Total</b>                 | <b>55</b>                   | <b>13,328,191</b>                          | <b>100.0 %</b>                           |

(1) All properties are 100% owned except Honolulu Club (78,000 square feet) owned by a joint venture in which we own a 66.7% interest and 6 properties totaling 1.4 million square feet owned by an unconsolidated real estate fund.

(2) Based on BOMA 1996 remeasurement. Total consists of 12,036,580 leased square feet, 1,132,835 available square feet, 76,251 building management use square feet, and 82,525 square feet of BOMA 1996 adjustment on leased space.

| <b>Submarket</b>                | <b>Percent<br/>Leased <sup>(2)</sup></b> | <b>Annualized<br/>Rent <sup>(3)</sup></b> | <b>Annualized<br/>Rent Per<br/>Leased Square<br/>Foot <sup>(4)</sup></b> | <b>Monthly<br/>Rent Per<br/>Leased<br/>Square Foot</b> |
|---------------------------------|--|---|--|--|
| West Los Angeles                |  |   |  |  |
| Brentwood                       | 95.2%                                    | \$ 50,680,526                             | \$ 38.78   | \$ 3.23  |
| Olympic Corridor                | 93.1                                     | 32,897,699                                | 32.79  | 2.73   |
| Century City                    | 98.2                                     | 32,483,754                                | 36.47  | 3.04   |
| Santa Monica <sup>(5)</sup>     | 93.6                                     | 45,605,097                                | 50.67  | 4.22   |
| Beverly Hills                   | 90.5                                     | 45,964,360                                | 38.87  | 3.24   |
| Westwood                        | 94.1                                     | 13,653,045                                | 37.02  | 3.09   |
| San Fernando Valley             |  |   |  |  |
| Sherman Oaks/Encino             | 91.7                                     | 90,019,557                                | 31.44  | 2.62   |
| Warner Center/Woodland Hills    | 85.3                                     | 69,273,950                                | 28.97  | 2.41   |
| Tri-Cities                      |  |   |  |  |
| Burbank                         | 100.0                                    | 13,415,742                                | 31.87  | 2.66   |
| Honolulu                        | 89.8                                     | 22,564,548                                | 34.33  | 2.86   |
| <b>Total / Weighted Average</b> | <b>91.5</b>                              | <b>\$ <u>416,558,278</u></b>              | <b>34.76</b>   | <b>2.90</b>  |

Recurring Capital Expenditures <sup>(1)</sup>

- Office (per rentable square foot) for the three months ended March 31, 2009 \$ 0.04

- 
- (1) All properties are 100% owned except Honolulu Club (78,000 square feet) owned by a joint venture in which we own a 66.7% interest and 6 properties totaling 1.4 million square feet owned by an unconsolidated real estate fund.
- (2) Includes 51,062 square feet with respect to signed leases not yet commenced.
- (3) Represents annualized monthly cash rent under leases commenced as of March 31, 2009 (excluding 51,062 square feet with respect to signed leases not yet commenced). The amount reflects total cash rent before abatements. For our Burbank and Honolulu office properties, annualized rent is converted from triple net to gross by adding expense reimbursements to base rent.
- (4) Represents annualized rent divided by leased square feet (excluding 51,062 square feet with respect to signed leases not commenced) as set forth in note (2) above for the total.
- (5) Includes \$1,287,232 of annualized rent attributable to our corporate headquarters at our Lincoln/Wilshire property.



| <u>Submarket</u> | <u>Number of Properties</u> | <u>Number of Units</u> | <u>Units as a Percent of Total</u> |
|------------------|-----------------------------|------------------------|------------------------------------|
| West Los Angeles |                             |                        |                                    |
| Brentwood        | 5                           | 950                    | 33 %                               |
| Santa Monica     | 2                           | 820                    | 29                                 |
| Honolulu         | 2                           | 1,098                  | 38                                 |
| Total            | <u>9</u>                    | <u>2,868</u>           | <u>100 %</u>                       |

  

| <u>Submarket</u>            | <u>Percent Leased</u> | <u>Annualized Rent <sup>(1)</sup></u> | <u>Monthly Rent Per Leased Unit</u> |
|-----------------------------|-----------------------|---------------------------------------|-------------------------------------|
| West Los Angeles            |                       |                                       |                                     |
| Brentwood                   | 98.6 %                | \$ 23,460,388                         | \$ 2,086                            |
| Santa Monica <sup>(2)</sup> | 99.0                  | 20,533,152                            | 2,107                               |
| Honolulu                    | 99.7                  | 18,361,444                            | 1,397                               |
| Total / Weighted Average    | 99.2                  | <u>\$ 62,354,984</u>                  | 1,827                               |

  

|  |  |  |               |
|--|--|--|---------------|
| Recurring Capital Expenditures                                     |  |  |               |
| - Multifamily (per unit) for the three months ended March 31, 2009 |  |  | <u>\$ 105</u> |

(1) Represents March 31, 2009 multifamily rental income annualized.

(2) Excludes 10,013 square feet of ancillary retail space, which generates \$294,794 of annualized rent as of March 31, 2009.

|                                  | <u>Number of<br/>Leases</u> | <u>Number of<br/>Properties</u> | <u>Lease<br/>Expiration<sup>(2)</sup></u> | <u>Total Leased<br/>Square Feet</u> | <u>Percent of<br/>Rentable<br/>Square<br/>Feet</u> | <u>Annualized<br/>Rent<sup>(3)</sup></u> | <u>Percent of<br/>Annualized<br/>Rent</u> |
|----------------------------------|-----------------------------|---------------------------------|---|-------------------------------------|--|--|---|
| Time Warner <sup>(4)</sup>       | 4                           | 4                               | 2010-2019                                 | 642,845                             | 4.8 %  | \$ 21,386,790                            | 5.1 %                                     |
| AIG (Sun America Life Insurance) | 1                           | 1                               | 2013                                      | 182,010                             | 1.4  | 5,704,276                                | 1.4                                       |
| Bank of America <sup>(5)</sup>   | 13                          | 9                               | 2009-2018                                 | 129,018                             | 1.0  | 5,057,384                                | 1.2                                       |
| The Endeavor Agency, LLC         | 2                           | 1                               | 2019                                      | 113,878                             | 0.8  | 4,972,648                                | 1.2                                       |
| <b>Total</b>                     | <u>20</u>                   | <u>15</u>                       |   | <u>1,067,751</u>                    | <u>8.0 %</u>                                       | <u>\$ 37,121,098</u>                     | <u>8.9 %</u>                              |

- (1) All properties are 100% owned except Honolulu Club (78,000 square feet) owned by a joint venture in which we own a 66.7% interest and 6 properties totaling 1.4 million square feet owned by an unconsolidated real estate fund.
- (2) Expiration dates are per leases and do not assume exercise of renewal, extension or termination options. For tenants with multiple leases, expirations are shown as a range.
- (3) Represents annualized monthly cash rent under leases commenced as of March 31, 2009. The amount reflects total cash rent before abatements. For our Burbank and Honolulu office properties, annualized rent is converted from triple net to gross by adding expense reimbursements to base rent.
- (4) Includes a 62,000 square foot lease expiring in June 2010, a 10,000 square foot lease expiring in October 2013, a 150,000 square foot lease expiring in April 2016, and a 421,000 square foot lease expiring in September 2019.
- (5) Includes a 5,000 square foot lease expiring in September 2009, a 9,000 square foot lease expiring in September 2010, a 7,000 square foot lease expiring in December 2010, two leases totaling 19,000 square feet expiring in January 2011, a 2,000 square foot lease expiring in May 2011, a 16,000 square foot lease expiring in July 2011, a 41,000 square foot lease expiring in January 2012, a 6,000 square foot lease expiring in May 2012, a 8,000 square foot lease expiring in July 2013, a 4,000 square foot lease expiring in February 2015, and a 12,000 square foot lease expiring in March 2018.

| <b>Industry</b>         | <b>Number of Leases</b> | <b>Annualized Rent as a Percent of Total</b> |
|-------------------------|-------------------------|--|
| Legal                   | 346                     | 16.0 %                                       |
| Financial Services      | 265                     | 14.6   |
| Entertainment           | 123                     | 11.8   |
| Real Estate             | 162                     | 9.1  |
| Health Services         | 293                     | 8.4  |
| Accounting & Consulting | 208                     | 8.4  |
| Insurance               | 89                      | 7.8  |
| Retail                  | 163                     | 7.0  |
| Technology              | 66                      | 3.9  |
| Advertising             | 57                      | 3.4  |
| Public Administration   | 29                      | 1.8  |
| Educational Services    | 10                      | 0.8  |
| Other                   | 259                     | 7.0  |
| Total                   | 2,070                   | 100.0 %                                      |

(1) All properties are 100% owned except Honolulu Club (78,000 square feet) owned by a joint venture in which we own a 66.7% interest and 6 properties totaling 1.4 million square feet owned by an unconsolidated real estate fund.

|                                | <u>Number of Leases</u> | <u>Leases as a Percent of Total</u> | <u>Rentable Square Feet <sup>(2)</sup></u> | <u>Square Feet as a Percent of Total</u> | <u>Annualized Rent <sup>(3)</sup></u> | <u>Annualized Rent as a Percent of Total</u> |
|--------------------------------|-------------------------|-------------------------------------|--|--|---------------------------------------|--|
| 2,500 or less                  | 1,025                   | 49.5%                               | 1,401,682                                  | 10.5%                                    | \$ 51,651,175                         | 12.4%  |
| 2,501-10,000                   | 761                     | 36.8                                | 3,704,457                                  | 27.8                                     | 129,830,197                           | 31.2   |
| 10,001-20,000                  | 192                     | 9.3                                 | 2,688,684                                  | 20.2                                     | 91,907,232                            | 22.1   |
| 20,001-40,000                  | 65                      | 3.1                                 | 1,822,775                                  | 13.7                                     | 63,057,577                            | 15.1   |
| 40,001-100,000                 | 21                      | 1.0                                 | 1,240,922                                  | 9.3                                      | 44,357,241                            | 10.6   |
| Greater than 100,000           | 6                       | 0.3                                 | 1,126,998                                  | 8.4                                      | 35,754,856                            | 8.6  |
| Subtotal                       | 2,070                   | 100.0%                              | 11,985,518 <sup>(5)</sup>                  | 89.9%                                    | 416,558,278                           | 100.0%                                       |
| Available                      | -                       | -                                   | 1,132,835                                  | 8.5                                      | -                                     | -  |
| BOMA Adjustment <sup>(4)</sup> | -                       | -                                   | 82,525                                     | 0.6                                      | -                                     | -  |
| Building Management Use        | -                       | -                                   | 76,251                                     | 0.6                                      | -                                     | -  |
| Signed leases not commenced    | -                       | -                                   | 51,062                                     | 0.4                                      | -                                     | -  |
| Total                          | <u>2,070</u>            | <u>100.0%</u>                       | <u>13,328,191</u>                          | <u>100.0%</u>                            | <u>\$ 416,558,278</u>                 | <u>100.0%</u>                                |

- (1) All properties are 100% owned except Honolulu Club (78,000 square feet) owned by a joint venture in which we own a 66.7% interest and 6 properties totaling 1.4 million square feet owned by an unconsolidated real estate fund.
- (2) Based on BOMA 1996 remeasurement. Total consists of 12,036,580 leased square feet (includes 51,062 square feet with respect to signed leases not commenced), 1,132,835 available square feet, 76,251 building management use square feet, and 82,525 square feet of BOMA 1996 adjustment on leased space.
- (3) Represents annualized monthly cash base rent (i.e., excludes tenant reimbursements, parking and other revenue) under leases commenced as of March 31, 2009 (does not include 51,062 square feet with respect to signed leases not yet commenced). The amount reflects total cash rent before abatements. For our Burbank and Honolulu office properties, annualized rent is converted from triple net to gross by adding expense reimbursements to base rent.
- (4) Represents square footage adjustments for leases that do not reflect BOMA 1996 remeasurement.
- (5) Average tenant size is approximately 5,800 square feet. Median is approximately 2,500 square feet.

| <u>Year of Lease Expiration</u> | <u>Number of Leases Expiring</u> | <u>Rentable Square Feet<sup>(2)</sup></u> | <u>Expiring Square Feet as a Percent of Total</u> | <u>Annualized Rent<sup>(3)</sup></u> | <u>Annualized Rent as a Percent of Total</u> | <u>Annualized Rent Per Leased Square Foot<sup>(4)</sup></u> | <u>Annualized Rent Per Leased Square Foot at Expiration<sup>(5)</sup></u> |
|---------------------------------|----------------------------------|---|---|--------------------------------------|--|---|---|
| Available                       | -                                | 1,132,835                                 | 8.5%  | \$ -                                 | - %  | \$ -  | \$ -  |
| 2009                            | 353                              | 1,400,567                                 | 10.5  | 46,489,349                           | 11.2   | 33.19   | 33.37   |
| 2010                            | 449                              | 1,812,656                                 | 13.6  | 61,609,810                           | 14.8   | 33.99   | 35.07   |
| 2011                            | 388                              | 1,739,476                                 | 13.0  | 60,876,091                           | 14.6   | 35.00   | 37.35   |
| 2012                            | 309                              | 1,578,067                                 | 11.8  | 53,621,188                           | 12.9   | 33.98   | 37.64   |
| 2013                            | 260                              | 1,661,053                                 | 12.5  | 61,092,700                           | 14.7   | 36.78   | 42.25   |
| 2014                            | 145                              | 1,012,617                                 | 7.6   | 33,865,743                           | 8.1  | 33.44   | 40.87   |
| 2015                            | 61                               | 663,455                                   | 5.0   | 21,943,938                           | 5.3  | 33.08   | 41.24   |
| 2016                            | 31                               | 616,920                                   | 4.6   | 20,464,635                           | 4.9  | 33.17   | 39.49   |
| 2017                            | 30                               | 328,606                                   | 2.5   | 11,636,187                           | 2.8  | 35.41   | 47.76   |
| 2018                            | 28                               | 289,460                                   | 2.2   | 13,566,760                           | 3.2  | 46.87   | 65.40   |
| 2019                            | 10                               | 678,407                                   | 5.1   | 23,734,441                           | 5.7  | 34.99   | 45.43   |
| Thereafter                      | 6                                | 204,234                                   | 1.5   | 7,657,436                            | 1.8  | 37.49   | 52.72   |
| BOMA Adjustment <sup>(6)</sup>  | -                                | 82,525                                    | 0.6   | -                                    | -  | -   | -   |
| Building Management Use         | -                                | 76,251                                    | 0.6   | -                                    | -  | -   | -   |
| Signed leases not commenced     | -                                | 51,062                                    | 0.4   | -                                    | -  | -   | -   |
| <b>Total/Weighted Average</b>   | <b>2,070</b>                     | <b>13,328,191</b>                         | <b>100.0%</b>                                     | <b>\$ 416,558,278</b>                | <b>100.0%</b>                                | <b>\$ 34.76</b>   | <b>\$ 39.56</b>   |

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(2) Based on BOMA 1996 remeasurement. Total consists of 12,036,580 leased square feet (includes 51,062 square feet with respect to signed leases not commenced), 1,132,835 available square feet, 76,251 building management use square feet, and 82,525 square feet of BOMA 1996 adjustment on leased space.

(3) Represents annualized monthly base rent under leases commenced as of March 31, 2009. The amount reflects total base rent before abatements.

(4) Represents annualized rent divided by leased square feet.

(5) Represents annualized rent at expiration divided by leased square feet.

(6) Represents the square footage adjustments for leases that do not reflect BOMA 1996 remeasurement.

**QUARTERLY LEASE EXPIRATIONS – NEXT FOUR QUARTERS** <sup>(1)</sup>  
as of March 31, 2009

| Submarket                    |                            | Q2 2009                | Q3 2009                | Q4 2009                | Q1 2010                |
|------------------------------|----------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>West Los Angeles</b>      |                            |                        |                        |                        |                        |
| Brentwood                    | Expiring SF                | 38,930                 | 28,361                 | 101,594                | 66,782                 |
|                              | Rent per SF <sup>(2)</sup> | \$ 37.26               | \$ 35.50               | \$ 32.75               | \$ 38.95               |
| Olympic Corridor             | Expiring SF                | 62,627                 | 27,690                 | 55,977                 | 66,684                 |
|                              | Rent per SF <sup>(2)</sup> | \$ 29.19               | \$ 34.46               | \$ 31.99               | \$ 31.62               |
| Century City                 | Expiring SF                | 51,380                 | 23,235                 | 20,211                 | 40,292                 |
|                              | Rent per SF <sup>(2)</sup> | \$ 32.39               | \$ 31.10               | \$ 33.00               | \$ 37.85               |
| Santa Monica                 | Expiring SF                | 33,695                 | 4,423                  | 47,310                 | 8,691                  |
|                              | Rent per SF <sup>(2)</sup> | \$ 41.49               | \$ 33.45               | \$ 60.09               | \$ 44.75               |
| Beverly Hills                | Expiring SF                | 56,688                 | 53,942                 | 89,468                 | 61,195                 |
|                              | Rent per SF <sup>(2)</sup> | \$ 32.64               | \$ 33.49               | \$ 37.47               | \$ 31.16               |
| Westwood                     | Expiring SF                | 12,711                 | 2,918                  | 6,562                  | 4,384                  |
|                              | Rent per SF <sup>(2)</sup> | \$ 34.53               | \$ 34.58               | \$ 36.24               | \$ 37.04               |
| <b>San Fernando Valley</b>   |                            |                        |                        |                        |                        |
| Sherman Oaks/Encino          | Expiring SF                | 64,478                 | 118,382                | 115,949                | 98,636                 |
|                              | Rent per SF <sup>(2)</sup> | \$ 29.78               | \$ 30.77               | \$ 32.19               | \$ 30.53               |
| Warner Center/Woodland Hills | Expiring SF                | 190,368                | 39,285                 | 79,175                 | 63,208                 |
|                              | Rent per SF <sup>(2)</sup> | \$ 29.01               | \$ 29.09               | \$ 29.05               | \$ 29.41               |
| <b>Tri-Cities</b>            |                            |                        |                        |                        |                        |
| Burbank                      | Expiring SF                | -                      | -                      | -                      | -                      |
|                              | Rent per SF <sup>(2)</sup> | \$ -                   | \$ -                   | \$ -                   | \$ -                   |
| <b>Honolulu</b>              |                            |                        |                        |                        |                        |
|                              | Expiring SF                | 19,459                 | 38,135                 | 17,614                 | 31,967                 |
|                              | Rent per SF <sup>(2)</sup> | \$ 34.58               | \$ 44.26               | \$ 30.07               | \$ 30.77               |
| <b>Total</b>                 | Expiring SF                | 530,336 <sup>(3)</sup> | 336,371 <sup>(4)</sup> | 533,860 <sup>(5)</sup> | 441,839 <sup>(6)</sup> |
|                              | Rent per SF <sup>(2)</sup> | \$ 31.58               | \$ 33.33               | \$ 35.18               | \$ 32.92               |

(1) All properties are 100% owned except Honolulu Club (78,000 square feet) owned by a joint venture in which we own a 66.7% interest and 6 properties totaling 1.4 million square feet owned by an unconsolidated real estate fund.

(2) Represents annualized base rent (i.e., excludes tenant reimbursements, parking and other revenue) per leased square foot at expiration. The amount reflects total cash rent before abatements. For our Burbank and Honolulu office properties, annualized rent is converted from triple net to gross by adding expense reimbursements to base rent.

(3) As of March 31, 2009, 110,934 rentable square feet had been renewed for leases that were previously scheduled to expire in the quarter ending June 30, 2009.

(4) As of March 31, 2009, 91,735 rentable square feet had been renewed for leases that were previously scheduled to expire in the quarter ending September 30, 2009.

(5) As of March 31, 2009, 71,539 rentable square feet had been renewed for leases that were previously scheduled to expire in the quarter ending December 31, 2009.

(6) As of March 31, 2009, 56,241 rentable square feet had been renewed for leases that were previously scheduled to expire in the quarter ending March 31, 2010.

|  |  |           |              |
|--|--|-----------|--------------|
| Gross New Leasing Activity   |  |           |              |
| Rentable square feet   |  |           | 116,823      |
| Number of leases   |  |           | 47           |
| Gross Renewal Leasing Activity   |  |           |              |
| Rentable square feet   |  |           | 214,372      |
| Number of leases   |  |           | 46           |
| Net Absorption   |  |           |              |
| Leased rentable square feet  |  |           | (209,665)    |
| Cash Rent Growth <sup>(2)</sup>  |  |           |              |
| Expiring Rate  |  | \$        | 32.16        |
| New/Renewal Rate   |  | \$        | 33.92        |
| Increase   |  |           | 5.5%         |
| Straight-Line Rent Growth <sup>(3)</sup>   |  |           |              |
| Expiring Rate  |  | \$        | 30.34        |
| New/Renewal Rate   |  | \$        | 35.95        |
| Increase   |  |           | 18.5%        |
| Weighted Average Lease Terms   |  |           |              |
| New (in months)  |  |           | 54           |
| Renewal (in months)  |  |           | 54           |
|  |  |           |              |
|  |  |           |              |
|  |  |           |              |
| Tenant Improvement and Leasing Commissions (per rentable square foot) <sup>(4)</sup> |  |           |              |
| New leases   |  | <u>\$</u> | <u>22.04</u> |
| Renewal leases   |  | \$        | 3.56         |
| Blended  |  | \$        | 4.02         |

- (1) All properties are 100% owned except Honolulu Club (78,000 square feet) owned by a joint venture in which we own a 66.7% interest and 6 properties totaling 1.4 million square feet owned by an unconsolidated real estate fund.
- (2) Represents the difference between initial stabilized cash rents on new and renewal leases as compared to the expiring cash rents on the same space.
- (3) Represents a comparison between straight-line rent on expiring leases and the straight-line rent for new leases on the same space.
- (4) Represents weighted average lease transaction costs based on the leases executed in the current quarter in our properties, including repositioned properties.