



**Douglas
Emmett**

**Supplemental Operating and Financial Data
For the Quarter Ended September 30, 2011**

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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 Southern California and Hawaii. The Company's properties are concentrated in ten submarkets – Beverly Hills, Brentwood, Burbank, Century City, Honolulu, Olympic Corridor, Santa Monica, Sherman Oaks/Encino, Warner Center/Woodland Hills and Westwood. 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.

Number of office properties owned ⁽¹⁾	58
Square feet owned (in thousands) ⁽¹⁾	14,673
Office leased rate as of September 30, 2011 ⁽¹⁾	89.2 %
Office occupied rate as of September 30, 2011 ⁽¹⁾⁽²⁾	87.1 %
Office leased rate as of September 30, 2011 (excluding 8 properties owned by our unconsolidated real estate funds)	90.3 %
Office occupied rate as of September 30, 2011 (excluding 8 properties owned by our unconsolidated real estate funds) ⁽²⁾	88.2 %
Number of multifamily properties owned	9
Number of multifamily units owned	2,868
Multifamily leased rate as of September 30, 2011	99.6 %
Market capitalization (in thousands):	
Total debt ⁽³⁾⁽⁴⁾	\$ 3,807,855
Equity capitalization ⁽⁵⁾	\$ 2,756,069
Total market capitalization	\$ 6,563,924
Debt/total market capitalization ⁽⁶⁾	58.0 %
Common stock data (NYSE:DEI):	
Range of closing prices ⁽⁷⁾	\$15.54 - \$20.80
Closing price at quarter end	\$17.10
Fully diluted shares outstanding on September 30, 2011 (in thousands) ⁽⁸⁾	161,174
Shares of common stock outstanding on September 30, 2011 (in thousands) ⁽⁹⁾	127,816

- (1) All properties are 100% owned except 8 properties totaling 1.8 million square feet owned by our unconsolidated real estate funds and a 79,000 square foot property owned by a consolidated joint venture in which we own a 66.7% interest.
- (2) Represents percent leased less signed leases not yet commenced.
- (3) Excludes non-cash loan premium.
- (4) Includes \$190 million of debt attributable to our equity interests in our unconsolidated real estate funds and excludes one-third of the \$16.14 million debt attributable to a third-party ownership interest in a consolidated joint venture.
- (5) Common equity capitalization represents the total number of outstanding shares of common stock and units in our operating partnership (OP) multiplied by the closing price of our stock at the end of the period.
- (6) Excluding unconsolidated debt, our debt/total market capitalization was 56.8% based on our consolidated debt balance at September 30, 2011 of \$3,623,096.
- (7) For the quarter ended September 30, 2011.
- (8) Diluted shares represent ownership in our company through shares of common stock, OP units and other convertible equity instruments.
- (9) This amount represents undiluted shares, without including OP units and other convertible equity instruments.

CORPORATE

808 Wilshire Boulevard, Suite 200, Santa Monica, California 90401
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BOARD OF DIRECTORS

Dan A. Emmett
Chairman of the Board
Douglas Emmett, Inc

Jordan L. Kaplan
Chief Executive Officer and President
Douglas Emmett, Inc.

Kenneth M. Panzer
Chief Operating Officer
Douglas Emmett, Inc.

Leslie E. Bider
Chief Executive Officer
PinnacleCare

Dr. David T. Feinberg
Chief Executive Officer
UCLA Hospital System
Associate Vice Chancellor
UCLA Health Sciences

Ghebre Selassie Mehreteab
Former Chief Executive Officer
NHP Foundation

Thomas E. O'Hern
Senior Executive Vice President,
Chief Financial Officer & Treasurer
Macerich Company

Dr. Andrea L. Rich
Former President and Chief Executive Officer
Los Angeles Museum of Art (LACMA)
Former Executive Vice Chancellor and Chief Operating Officer
University of California Los Angeles (UCLA)

EXECUTIVE AND SENIOR MANAGEMENT

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

Theodore E. Guth
Executive Vice President

Michael J. Means
SVP, Commercial Leasing

INVESTOR RELATIONS

Mary C. Jensen
Vice President - Investor Relations
(310) 255-7751
Email Contact: mjensen@douglasemmett.com
Please visit our corporate website at: www.douglasemmett.com

CONSOLIDATED FINANCIAL RESULTS

Douglas Emmett, Inc.
BALANCE SHEETS
(in thousands)

	<u>September 30, 2011</u> (unaudited)	<u>December 31, 2010</u>
Assets		
Investment in real estate:		
Land	\$ 851,679	\$ 851,679
Buildings and improvements	5,230,898	5,226,269
Tenant improvements and lease intangibles	625,705	592,735
Investment in real estate, gross	6,708,282	6,670,683
Less: accumulated depreciation	(1,074,062)	(913,923)
Investment in real estate, net	5,634,220	5,756,760
Cash and cash equivalents	349,607	272,419
Tenant receivables, net	1,558	1,591
Deferred rent receivables, net	55,889	48,933
Interest rate contracts	14,270	52,528
Acquired lease intangible assets, net	6,958	9,356
Investment in unconsolidated real estate funds	117,625	110,920
Other assets	36,553	26,782
Total assets	<u>\$ 6,216,680</u>	<u>\$ 6,279,289</u>
Liabilities		
Secured notes payable	\$ 3,623,096	\$ 3,658,000
Unamortized non-cash debt premium	1,401	10,133
Interest rate contracts	123,096	99,687
Accrued interest payable	12,860	12,789
Accounts payable and accrued expenses	47,468	45,004
Acquired lease intangible liabilities, net	92,109	110,244
Security deposits	33,664	31,850
Dividends payable	16,616	12,413
Total liabilities	3,950,310	3,980,120
Equity		
Douglas Emmett, Inc. stockholders' equity:		
Common stock	1,278	1,241
Additional paid-in capital	2,403,054	2,332,307
Accumulated other comprehensive income (loss)	(93,907)	(58,765)
Accumulated deficit	(495,054)	(447,722)
Total Douglas Emmett, Inc. stockholders' equity	1,815,371	1,827,061
Noncontrolling interests	450,999	472,108
Total equity	2,266,370	2,299,169
Total liabilities and equity	<u>\$ 6,216,680</u>	<u>\$ 6,279,289</u>

QUARTERLY AND YEAR-TO-DATE OPERATING RESULTS
(unaudited and in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenues:				
Office rental:				
Rental revenues	\$ 97,740	\$ 101,509	\$ 295,059	\$ 298,951
Tenant recoveries	11,601	12,087	33,670	26,275
Parking and other income	17,100	17,485	51,006	48,874
Total office revenues	126,441	131,081	379,735	374,100
Multifamily rental:				
Rental revenues	16,372	15,824	48,647	47,602
Parking and other income	1,246	1,165	3,676	3,364
Total multifamily revenues	17,618	16,989	52,323	50,966
Total revenues	144,059	148,070	432,058	425,066
Operating Expenses:				
Office expenses	44,294	43,441	127,081	116,753
Multifamily expenses	4,832	4,596	14,317	13,598
General and administrative	6,954	7,101	21,260	18,895
Depreciation and amortization	45,872	57,621	160,139	167,874
Total operating expenses	101,952	112,759	322,797	317,120
Operating income	42,107	35,311	109,261	107,946
Other income	299	257	898	654
Loss, including depreciation, from unconsolidated real estate funds	(285)	(1,810)	(2,064)	(5,514)
Interest expense	(37,717)	(38,498)	(110,245)	(129,308)
Acquisition-related expenses	-	(3)	-	(295)
Net income (loss)	4,404	(4,743)	(2,150)	(26,517)
Less: Net (income) loss attributable to noncontrolling interests	(1,007)	847	182	5,343
Net income (loss) attributable to common stockholders	\$ 3,397	\$ (3,896)	\$ (1,968)	\$ (21,174)
Net income (loss) per common share – basic ⁽¹⁾	\$ 0.03	\$ (0.03)	\$ (0.02)	\$ (0.17)
Net income (loss) per common share – diluted ⁽¹⁾	\$ 0.03	\$ (0.03)	\$ (0.02)	\$ (0.17)
Weighted average shares of common stock outstanding – basic ⁽¹⁾	127,462	123,077	125,439	122,356
Weighted average shares of common stock outstanding – diluted ⁽¹⁾	161,186	123,077	125,439	122,356

(1) Basic and diluted shares are calculated in accordance with accounting principles generally accepted in the United States (GAAP) and include common stock plus dilutive equity instruments during the three months ended September 30, 2011. During the three months ended September 30, 2010 and the nine months ended September 30, 2011 and 2010, all potentially dilutive instruments including stock options, OP units and LTIP units (Long-Term Incentive Plan units that are limited partnership units in our OP), were anti-dilutive and have been excluded from our computation of weighted average dilutive shares outstanding during those periods. OP units and other convertible equity instruments were 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)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Funds From Operations (FFO)				
Net income (loss) attributable to common stockholders	\$ 3,397	\$ (3,896)	\$ (1,968)	\$ (21,174)
Depreciation and amortization of real estate assets	45,872	57,621	160,139	167,874
Net income (loss) attributable to noncontrolling interests	1,007	(847)	(182)	(5,343)
Amortization of swap termination fee ⁽¹⁾	1,526	-	10,436	-
Less: adjustments attributable to consolidated joint venture and unconsolidated investment in real estate funds	2,837	3,068	8,841	9,445
FFO	\$ 54,639	\$ 55,946	\$ 177,266	\$ 150,802
Adjusted Funds From Operations (AFFO)				
FFO	\$ 54,639	\$ 55,946	\$ 177,266	\$ 150,802
Straight-line rent adjustment	(1,660)	(2,134)	(6,956)	(6,542)
Amortization of acquired above and below market leases	(5,056)	(6,504)	(15,737)	(20,431)
Amortization of interest rate contracts and loan premium	(2,047)	1,770	(4,506)	8,600
Amortization of prepaid financing	1,250	506	3,555	1,336
Recurring capital expenditures, tenant improvements and leasing commissions	(9,871)	(10,398)	(27,318)	(26,243)
Non-cash compensation expense	2,622	1,893	7,727	9,010
Less: adjustments attributable to consolidated joint venture and unconsolidated investment in real estate funds	(355)	(497)	(1,314)	(1,747)
AFFO	\$ 39,522	\$ 40,582	\$ 132,717	\$ 114,785
Weighted average share equivalents outstanding - fully diluted	161,186	156,564	159,315	156,340
FFO per share- fully diluted	\$ 0.34	\$ 0.36	\$ 1.11	\$ 0.96
Dividends per share declared	\$ 0.13	\$ 0.10	\$ 0.36	\$ 0.30
AFFO payout ratio	52.43 %	38.31 %	42.82 %	40.63 %

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

- (1) For the three and nine months ended September 30, 2011, GAAP interest expense was increased by \$1.5 million and \$10.4 million, respectively, of non-cash amortization from interest rate swaps we terminated in November 2010 that were fully amortized in August 2011. In calculating FFO for each period, we added back the respective amount of amortization, leaving a net zero impact on FFO, since we recorded the full impact of the swap termination payment in FFO in the fourth quarter of 2010.

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

	As of September 30,		
	2011	2010	
Same Property Office Statistics			
Number of properties	50	50	
Rentable square feet	12,850,859	12,849,758	
% leased	90.3 %	89.9 %	
% occupied	88.2 %	88.7 %	
Same Property Multifamily Statistics			
Number of properties	9	9	
Number of units	2,868	2,868	
% leased	99.6 %	99.3 %	
	Three Months Ended September 30,		% Favorable (Unfavorable)
	2011	2010	
Same Property Net Operating Income (NOI) - GAAP Basis			
Total office revenues	\$ 126,441	\$ 131,081	(3.5) %
Total multifamily revenues	17,618	16,989	3.7
Total revenues	144,059	148,070	(2.7)
Total office expense	(44,294)	(43,441)	(2.0)
Total multifamily expense	(4,832)	(4,596)	(5.1)
Total property expense	(49,126)	(48,037)	(2.3)
Same Property NOI - GAAP basis	\$ 94,933	\$ 100,033	(5.1) %
Same Property NOI - Cash Basis			
Total office revenues	\$ 120,617	\$ 123,358	(2.2) %
Total multifamily revenues	16,771	16,121	4.0
Total revenues	137,388	139,479	(1.5)
Total office expense	(44,339)	(43,486)	(2.0)
Total multifamily expense	(4,832)	(4,596)	(5.1)
Total property expense	(49,171)	(48,082)	(2.3)
Same Property NOI - cash basis	\$ 88,217	\$ 91,397	(3.5) %

NOTE: Our definitions of NOI, Same Property NOI and Cash Basis NOI are contained on the page titled "Definitions" which follows.

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

	Three months ended September 30,	
	2011	2010
Same property office revenues - cash basis	\$ 120,617	\$ 123,358
GAAP adjustments	5,824	7,723
Same property office revenues - GAAP basis	126,441	131,081
Same property multifamily revenues - cash basis	16,771	16,121
GAAP adjustments	847	868
Same property multifamily revenues - GAAP basis	17,618	16,989
Same property revenues - GAAP basis	144,059	148,070
Same property office expenses - cash basis	(44,339)	(43,486)
GAAP adjustments	45	45
Same property office expenses - GAAP basis	(44,294)	(43,441)
Same property multifamily expenses - cash basis	(4,832)	(4,596)
GAAP adjustments	-	-
Same property multifamily expenses - GAAP basis	(4,832)	(4,596)
Same property expenses - GAAP basis	(49,126)	(48,037)
Same property Net Operating Income (NOI) - GAAP basis	94,933	100,033
Total property NOI - GAAP basis	94,933	100,033
General and administrative expenses	(6,954)	(7,101)
Depreciation and amortization	(45,872)	(57,621)
Operating income	42,107	35,311
Other income	299	257
Loss, including depreciation, from unconsolidated real estate funds	(285)	(1,810)
Interest expense	(37,717)	(38,498)
Acquisition-related expenses	-	(3)
Net income (loss)	4,404	(4,743)
Less: Net (income) loss attributable to noncontrolling interests	(1,007)	847
Net income (loss) attributable to common stockholders	\$ 3,397	\$ (3,896)

NOTE: Our definitions of NOI, Same Property NOI and Cash Basis NOI are contained on the page titled "Definitions" which follows.

OPERATING RESULTS OF UNCONSOLIDATED REAL ESTATE FUNDS⁽¹⁾
(unaudited and in thousands)

<u>Summary Income Statement of Unconsolidated Real Estate Funds</u>	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Office revenues	\$ 14,273	\$ 11,747	\$ 43,866	\$ 34,456
Office expenses	(3,814)	(4,714)	(15,493)	(14,550)
NOI	10,459	7,033	28,373	19,906
General and administrative	(98)	(40)	(214)	(135)
Depreciation and amortization	(6,951)	(6,693)	(21,130)	(20,516)
Operating income (loss)	3,410	300	7,029	(745)
Other income (expense)	(14)	(40)	(135)	(151)
Interest expense	(5,998)	(5,153)	(17,810)	(15,292)
Net loss	<u>\$ (2,602)</u>	<u>\$ (4,893)</u>	<u>\$ (10,916)</u>	<u>\$ (16,188)</u>
FFO of Unconsolidated Real Estate Funds				
Net loss	\$ (2,602)	\$ (4,893)	\$ (10,916)	\$ (16,188)
Add back: depreciation and amortization	6,951	6,693	21,130	20,516
FFO	<u>\$ 4,349</u>	<u>\$ 1,800</u>	<u>\$ 10,214</u>	<u>\$ 4,328</u>
Douglas Emmett's Share of the Unconsolidated Real Estate Funds⁽²⁾				
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Our share of the unconsolidated real estate funds' net loss	\$ (1,137)	\$ (2,389)	\$ (4,974)	\$ (7,903)
Add back: our share of the funds' depreciation and amortization	3,025	3,268	9,342	10,016
Equity allocation and basis difference	852	580	2,910	2,389
Our share of the unconsolidated real estate funds' FFO	<u>\$ 2,740</u>	<u>\$ 1,459</u>	<u>\$ 7,278</u>	<u>\$ 4,502</u>

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

(1) We manage, and have a significant investment in, two unconsolidated institutional real estate funds which owned 8 properties at September 30, 2011. With limited exceptions, these unconsolidated Funds are our exclusive investment vehicle until October 2012, using the same underwriting and leverage principles and focusing primarily on the same markets as we have. Our unconsolidated Funds have combined equity commitments totaling \$554.7 million, of which approximately \$171.3 million remained undrawn as of September 30, 2011. These amounts included commitments from us of \$196.4 million, of which \$38.0 million remained undrawn as of September 30, 2011. We receive a pro rata share of any distributions based on our investment, additional distributions based on the total committed capital, and a carried interest if the investors' distributions exceed a hurdle rate. We also receive fees and reimbursement of expenses for managing the Funds' properties.

(2) Includes a 48.82% interest in Douglas Emmett Fund X, LLC (Fund X) and, in 2011 only, an aggregate 21.52% interest in Douglas Emmett Partnership X.

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 GAAP, excluding gains (or losses) from sales of depreciable operating property, real estate depreciation and amortization (other than amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures. We provide FFO as a supplemental performance measure because, by excluding real estate depreciation and amortization and gains and losses from property dispositions, it can illustrate trends in occupancy rates, rental rates and operating costs from year to year. We also believe that, as a widely recognized measure of the performance of REITs, FFO can be used by investors as a basis to compare our operating performance with that of other REITs. However, FFO has limitations as a measure of our performance because it excludes depreciation and amortization 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. Other equity REITs may not calculate FFO in accordance with the NAREIT definition and, accordingly, our FFO may not be comparable to those 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 measure 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 can be 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 stockholders 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 that of 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 provide NOI as a supplemental performance measure because, by excluding real estate depreciation and amortization expense and gains (or losses) from property dispositions, some investors use it to illustrate trends in occupancy rates, rental rates and operating costs from year to year. We also believe that NOI can be useful to investors as a basis to compare our operating performance with that of other REITs. However, NOI has limitations as a measure of our performance because it 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). Other equity REITs may not calculate NOI in a similar manner and, accordingly, our NOI may not be comparable to those 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 measure for cash flow from operating activities computed in accordance with GAAP.

Same Property NOI: To facilitate a comparison of NOI between periods, we calculate comparable amounts for a subset of our owned properties referred to as our "same properties." Same property amounts are calculated as the amounts attributable to properties which have been owned and operated by us, and reported in our consolidated results, during the entire span of both periods compared. Therefore, any properties either acquired after the first day of the earlier comparison period or sold, contributed or otherwise removed from our consolidated financial statements 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 provide NOI calculated on a cash basis because some investors may find it useful 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 measure for cash flow from operating activities computed in accordance with GAAP.

	<u>Maturity Date⁽¹⁾</u>	<u>Principal Balance</u>	<u>Variable Rate</u>	<u>Effective Annual Fixed Rate⁽¹⁾</u>	<u>Swap Maturity Date</u>
Term Loan ⁽²⁾	08/31/12	\$ 322,500	LIBOR + 0.85%	5.02%	08/01/12
		199,456	LIBOR + 0.85%	--	--
Term Loan - Unconsolidated Fund ⁽³⁾	08/19/13	178,193	LIBOR + 1.65%	5.52%	09/04/12
Term Loan - Consolidated Joint Venture ⁽⁴⁾	03/03/14	10,760	LIBOR + 1.85%	--	--
Fannie Mae Loan ⁽⁵⁾	02/01/15	36,920	DMBS + 0.60%	--	--
		75,000	DMBS + 0.76%	--	--
Term Loan ⁽⁶⁾	04/01/15	340,000	LIBOR + 1.50%	4.77%	01/02/13
Fannie Mae Loan ⁽⁶⁾	02/01/16	82,000	LIBOR + 0.62%	5.62%	03/01/12
Term Loan - Unconsolidated Fund ⁽⁷⁾	04/01/16	11,946	--	5.67%	--
Fannie Mae Loans ⁽⁶⁾	06/01/17	18,000	LIBOR + 0.62%	5.82%	06/01/12
Term Loan ⁽⁶⁾	10/02/17	400,000	LIBOR + 2.00%	4.45%	07/01/15
Term Loan ⁽⁶⁾	04/02/18	510,000	LIBOR + 2.00%	4.12%	04/01/16
Term Loan ⁽⁶⁾	08/01/18	530,000	LIBOR + 1.70%	3.74%	08/01/16
Term Loan ⁽⁸⁾	08/05/18	355,000	--	4.14%	--
Term Loan ⁽⁹⁾	03/01/20 ⁽¹⁰⁾	350,000	--	4.46%	--
Fannie Mae Loans ⁽⁶⁾	11/02/20	388,080	LIBOR + 1.65%	3.65%	11/01/17
Total consolidated and unconsolidated debt		\$ 3,807,855 ⁽¹¹⁾			

- (1) Includes the effect of interest rate contracts and excludes amortization of loan premium and prepaid financing, all shown on an actual/360-day basis. As of September 30, 2011, the weighted average remaining life of our outstanding debt was 5.6 years. Of the \$3.49 billion of that debt where the interest rate was fixed under the terms of the loan or a swap, the weighted average remaining life was 5.9 years, the weighted average remaining period during which interest was fixed was 4.3 years and the weighted average annual interest rate was 4.35%. Including the non-cash amortization of interest rate contracts, loan premium and prepaid financing, the effective weighted average interest rate was 4.49%.
- (2) Secured by two properties, requiring monthly payments of interest only with outstanding principal due upon maturity. The floating rate loan has an outstanding balance of approximately \$522 million, with the interest rate on \$322.5 million effectively fixed by interest rate swaps.
- (3) Represents our share of a \$365 million loan in which the borrower is one of our unconsolidated real estate funds in which our Operating Partnership owns an equity interest. Secured by six properties in a collateralized pool. Requires monthly payments of interest only, with outstanding principal due upon maturity.
- (4) Represents our share of a \$16.1 million loan secured by one property, requiring monthly payments of interest only with outstanding principal due upon maturity. The borrower is a consolidated entity in which our Operating Partnership owns a two-thirds interest.
- (5) Secured by one property, requiring monthly payments of interest only with outstanding principal due upon maturity. The loan has two tranches aggregating \$111.9 million with different interest rates.
- (6) Each loan is secured by a separate collateral pool consisting of one or more properties, requiring monthly payments of interest only with outstanding principal due upon maturity.
- (7) Represents our share of an amortizing term loan with a principal balance at September 30, 2011 of approximately \$55.5 million, which was assumed by one of our unconsolidated real estate funds in which our Operating Partnership owns an equity interest. Requires monthly payments of principal and interest.
- (8) Secured by eight properties in a collateralized pool. Bears interest at a fixed interest rate of 4.14% on an actual/360-day basis. Monthly payments are interest-only for the first four and one-half years, with principal amortization thereafter based upon a 30-year amortization table.
- (9) Secured by seven properties in a collateralized pool. Bears interest at a fixed interest rate of 4.46% on an actual/360-day basis until March 1, 2018 and a floating interest rate thereafter. Monthly interest payments are interest-only for the first three years, with principal amortization thereafter based upon a 30-year amortization table.
- (10) Represents maturity date of March 1, 2018, which we may extend to March 1, 2020, subject to certain conditions.
- (11) Excludes an unamortized non-cash debt premium of \$1.4 million representing the mark-to-market adjustment recorded on all variable rate debt outstanding at the time of our IPO.

PORTFOLIO DATA

<u>Submarket</u>	<u>Number of Properties</u>	<u>Rentable Square Feet ⁽²⁾</u>	<u>Square Feet as a Percent of Total</u>
Beverly Hills	7	1,416,089	9.6 %
Brentwood	14	1,700,880	11.6
Burbank	1	420,949	2.9
Century City	3	915,980	6.2
Honolulu	4	1,716,697	11.7
Olympic Corridor	5	1,097,924	7.5
Santa Monica	8	970,704	6.6
Sherman Oaks/Encino	11	3,181,172	21.7
Warner Center/Woodland Hills	3	2,855,876	19.5
Westwood	2	396,807	2.7
Total	58	14,673,078	100.0 %

- (1) All properties are 100% owned except 8 properties totaling 1.8 million square feet owned by our unconsolidated real estate funds and a 79,000 square foot property owned by a joint venture in which we own a 66.7% interest.
(2) Based on BOMA 1996 remeasurement. Total consists of 12,893,914 leased square feet, 1,580,105 available square feet, 101,489 building management use square feet and 97,570 square feet of BOMA 1996 adjustment on leased space.

OFFICE PORTFOLIO PERCENT LEASED AND IN-PLACE RENTS⁽¹⁾
as of September 30, 2011

Submarket	Percent Leased⁽²⁾	Annualized Rent⁽³⁾	Annualized Rent Per Leased Square Foot⁽⁴⁾	Monthly Rent Per Leased Square Foot
Beverly Hills	89.0%	\$51,008,711	\$41.99	\$3.50
Brentwood	87.0	55,763,986	39.37	3.28
Burbank	100.0	14,243,935	33.84	2.82
Century City	95.6	32,116,774	37.54	3.13
Honolulu	89.3	47,163,553	32.83	2.74
Olympic Corridor	89.2	30,888,366	33.20	2.77
Santa Monica ⁽⁵⁾	98.0	48,964,957	54.50	4.54
Sherman Oaks/Encino	91.6	90,098,276	32.08	2.67
Warner Center/Woodland Hills	81.9	66,873,175	29.52	2.46
Westwood	85.2	12,273,278	37.58	3.13
Total / Weighted Average	89.2	<u>\$449,395,011</u>	35.74	2.98

Recurring Capital Expenditures⁽¹⁾

- Office (per rentable square foot) for the three months ended September 30, 2011	<u>\$0.05</u>
- Office (per rentable square foot) for the nine months ended September 30, 2011	<u>\$0.17</u>

- (1) All properties are 100% owned except 8 properties totaling 1.8 million square feet owned by our unconsolidated real estate funds and a 79,000 square foot property owned by a joint venture in which we own a 66.7% interest.
- (2) Includes 319,757 square feet with respect to signed leases not yet commenced.
- (3) Represents annualized monthly cash base rent (i.e., excludes tenant reimbursements, parking and other revenue) under leases commenced as of September 30, 2011 (does not include 319,757 square feet with respect to signed leases not yet commenced). The amount reflects total cash base rent before abatements. For our Burbank and Honolulu office properties, annualized base 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 319,757 square feet with respect to signed leases not commenced).
- (5) Includes \$1,332,386 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>
Brentwood	5	950	33 %
Honolulu	2	1,098	38
Santa Monica	2	820	29
Total	9	2,868	100 %

<u>Submarket</u>	<u>Percent Leased</u>	<u>Annualized Rent ⁽¹⁾</u>	<u>Monthly Rent Per Leased Unit</u>
Brentwood	99.6 %	\$ 22,927,733	\$ 2,020
Honolulu	99.6	18,600,024	1,417
Santa Monica ⁽²⁾	99.6	21,978,060	2,242
Total / Weighted Average	99.6	\$ 63,505,817	1,852

Recurring Capital Expenditures

- Multifamily (per unit) for the three months ended September 30, 2011	\$ 187
- Multifamily (per unit) for the nine months ended September 30, 2011	\$ 314

- (1) Represents annualized monthly multifamily rental income under leases commenced as of September 30, 2011.
 (2) Excludes 8,013 square feet of ancillary retail space, which generated \$228,815 of annualized rent as of September 30, 2011.

	<u>Number of Leases</u>	<u>Number of Properties</u>	<u>Lease Expiration⁽²⁾</u>	<u>Total Leased Square Feet</u>	<u>Percent of Rentable Square Feet</u>	<u>Annualized Rent⁽³⁾</u>	<u>Percent of Annualized Rent</u>
Time Warner ⁽⁴⁾	4	4	2013-2020	625,748	4.3 %	\$21,162,491	4.7 %
William Morris Endeavor ⁽⁵⁾	3	1	2014-2019	146,518	1.0	7,207,725	1.6
AIG (Sun America Life Insurance)	1	1	2013	182,010	1.2	6,030,177	1.3
Bank of America ⁽⁶⁾	11	9	2013-2018	132,508	0.9	5,652,534	1.3
The Macerich Partnership, L.P.	1	1	2018	90,832	0.6	4,579,779	1.0
Total	20	16		1,177,616	8.0 %	\$44,632,706	9.9 %

- (1) All properties are 100% owned except 8 properties totaling 1.8 million square feet owned by our unconsolidated real estate funds and a 79,000 square foot property owned by a joint venture in which we own a 66.7% interest.
- (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 base rent under leases commenced as of September 30, 2011. The amount reflects total cash base rent before abatements. For our Burbank and Honolulu office properties, annualized base rent is converted from triple net to gross by adding expense reimbursements to base rent.
- (4) Includes a 10,000 square foot lease expiring in October 2013, a 150,000 square foot lease expiring in April 2016, a 421,000 square foot lease expiring in September 2019 and a 45,000 square foot lease expiring in December 2020.
- (5) Includes a 2,000 square foot lease expiring in March 2014, a 10,000 square foot lease expiring in June 2014, and a 134,000 square foot lease expiring in June 2019.
- (6) Includes an 8,000 square foot lease expiring in July 2013, a 7,000 square foot lease expiring in March 2014, a 9,000 square foot lease expiring in September 2014, an 11,000 square feet lease expiring in October 2014, an 11,000 square foot lease expiring in November 2014, a 4,000 square foot lease expiring in February 2015, a 41,000 square foot lease expiring in February 2015, a 6,000 square foot lease expiring in May 2015, a 23,000 square foot lease expiring in December 2015, a 12,000 square foot lease expiring in March 2018 and a small ATM lease.

Industry	Number of Leases	Annualized Rent as a Percent of Total
Legal	458	18.4 %
Financial Services	299	14.7
Entertainment	143	12.5
Real Estate	170	9.8
Accounting & Consulting	278	8.7
Insurance	107	8.1
Health Services	314	8.0
Retail	191	6.9
Technology	94	4.2
Advertising	64	3.0
Public Administration	63	2.3
Educational Services	21	1.3
Other	89	2.1
Total	2,291	100.0 %

(1) All properties are 100% owned except 8 properties totaling 1.8 million square feet owned by our unconsolidated real estate funds and a 79,000 square foot property owned by a joint venture in which we own a 66.7% interest.

	Number of Leases	Leases as a Percent of Total	Rentable Square Feet ⁽²⁾	Square Feet as a Percent of Total	Annualized Rent ⁽³⁾	Annualized Rent as a Percent of Total
2,500 or less	1,193	52.1%	1,594,383	10.9%	\$57,944,306	12.9%
2,501-10,000	795	34.7	3,824,645	26.1	135,733,426	30.2
10,001-20,000	201	8.8	2,791,491	19.0	101,518,490	22.6
20,001-40,000	77	3.3	2,112,514	14.4	74,075,497	16.5
40,001-100,000	20	0.9	1,238,749	8.4	45,180,499	10.0
Greater than 100,000	5	0.2	1,012,375	6.9	34,942,793	7.8
Subtotal	2,291	100.0%	12,574,157 ⁽⁵⁾	85.7%	449,395,011	100.0%
Available	-	-	1,580,105	10.8	-	-
BOMA Adjustment ⁽⁴⁾	-	-	97,570	0.6	-	-
Building Management Use	-	-	101,489	0.7	-	-
Signed leases not commenced	-	-	319,757	2.2	-	-
Total	2,291	100.0%	14,673,078	100.0%	\$449,395,011	100.0%

- (1) All properties are 100% owned except 8 properties totaling 1.8 million square feet owned by our unconsolidated real estate funds and a 79,000 square foot property owned by a joint venture in which we own a 66.7% interest.
- (2) Based on BOMA 1996 remeasurement. Total consists of 12,893,914 leased square feet (includes 319,757 square feet with respect to signed leases not commenced), 1,580,105 available square feet, 101,489 building management use square feet and 97,570 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 September 30, 2011 (does not include 319,757 square feet with respect to signed leases not yet commenced). The amount reflects total cash base rent before abatements. For our Burbank and Honolulu office properties, annualized base 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 5,500 square feet. Median is approximately 2,400 square feet.

<u>Year of Lease Expiration</u>	<u>Number of Leases Expiring</u>	<u>Rentable Square Feet⁽²⁾</u>	<u>Expiring Square Feet as a Percent of Total</u>	<u>Annualized Rent⁽³⁾</u>	<u>Annualized Rent as a Percent of Total</u>	<u>Annualized Rent Per Leased Square Foot⁽⁴⁾</u>	<u>Annualized Rent Per Leased Square Foot at Expiration⁽⁵⁾</u>
Available	-	1,580,105	10.8%	\$ -	- %	\$ -	\$ -
2011	154	480,050	3.3	16,592,731	3.7	34.56	34.59
2012	455	1,681,750	11.5	60,770,862	13.5	36.14	36.62
2013	429	1,890,746	12.9	73,607,490	16.4	38.93	40.45
2014	373	1,828,461	12.5	64,746,060	14.4	35.41	37.91
2015	279	1,626,043	11.1	55,053,925	12.3	33.86	36.80
2016	279	1,662,715	11.3	55,389,840	12.3	33.31	37.14
2017	130	945,101	6.4	31,834,266	7.1	33.68	38.73
2018	75	635,137	4.3	26,235,403	5.8	41.31	48.74
2019	38	896,626	6.1	33,301,540	7.4	37.14	45.09
2020	41	417,155	2.8	14,033,026	3.1	33.64	42.92
Thereafter	38	510,373	3.5	17,829,868	4.0	34.93	44.40
BOMA Adjustment ⁽⁶⁾	-	97,570	0.6	-	-	-	-
Building Management Use	-	101,489	0.7	-	-	-	-
Signed leases not commenced	-	319,757	2.2	-	-	-	-
Total/Weighted Average	2,291	14,673,078	100.0%	\$449,395,011	100.0%	\$35.74	\$39.30

(1) All properties are 100% owned except 8 properties totaling 1.8 million square feet owned by our unconsolidated real estate funds and a 79,000 square foot property owned by a joint venture in which we own a 66.7% interest .

(2) Based on BOMA 1996 remeasurement. Total consists of 12,893,914 leased square feet (includes 319,757 square feet with respect to signed leases not commenced), 1,580,105 available square feet, 101,489 building management use square feet, and 97,570 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 September 30, 2011 (does not include 319,757 square feet with respect to signed leases not yet commenced). The amount reflects total cash base rent before abatements. For our Burbank and Honolulu office properties, annualized base rent is converted from triple net to gross by adding expense reimbursements to base rent.

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

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

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

QUARTERLY OFFICE LEASE EXPIRATIONS – NEXT FOUR QUARTERS ⁽¹⁾
as of September 30, 2011

Submarket		Q4 2011	Q1 2012	Q2 2012	Q3 2012
Beverly Hills	Expiring SF ⁽²⁾	49,201	46,355	46,672	27,809
	Rent per SF ⁽³⁾	\$ 37.93	\$ 28.81	\$ 40.32	\$ 46.53
Brentwood	Expiring SF ⁽²⁾	95,239	50,843	70,516	51,722
	Rent per SF ⁽³⁾	\$ 41.55	\$ 37.20	\$ 43.10	\$ 46.37
Burbank	Expiring SF ⁽²⁾	-	-	-	-
	Rent per SF ⁽³⁾	-	-	-	-
Century City	Expiring SF ⁽²⁾	40,756	9,130	19,675	24,279
	Rent per SF ⁽³⁾	\$ 37.99	\$ 36.11	\$ 36.38	\$ 33.58
Honolulu	Expiring SF ⁽²⁾	58,713	8,593	74,916	22,202
	Rent per SF ⁽³⁾	\$ 31.33	\$ 31.53	\$ 31.59	\$ 34.78
Olympic Corridor	Expiring SF ⁽²⁾	28,669	39,565	10,811	30,347
	Rent per SF ⁽³⁾	\$ 23.38	\$ 34.41	\$ 30.19	\$ 35.40
Santa Monica	Expiring SF ⁽²⁾	24,988	4,042	7,843	42,005
	Rent per SF ⁽³⁾	\$ 55.82	\$ 38.38	\$ 37.22	\$ 57.69
Sherman Oaks/Encino	Expiring SF ⁽²⁾	89,489	123,483	60,006	106,270
	Rent per SF ⁽³⁾	\$ 28.53	\$ 33.89	\$ 32.52	\$ 34.67
Warner Center/Woodland Hills	Expiring SF ⁽²⁾	88,956	59,118	57,342	69,259
	Rent per SF ⁽³⁾	\$ 29.44	\$ 31.37	\$ 31.74	\$ 33.64
Westwood	Expiring SF ⁽²⁾	4,039	8,556	16,466	7,757
	Rent per SF ⁽³⁾	\$ 39.17	\$ 35.56	\$ 42.89	\$ 47.03
Total	Expiring SF ⁽²⁾	480,050	349,685	364,247	381,650
	Rent per SF ⁽³⁾	\$ 34.59	\$ 33.42	\$ 35.96	\$ 39.71

- (1) All properties are 100% owned except 8 properties totaling 1.8 million square feet owned by our unconsolidated real estate funds and a 79,000 square foot property owned by a joint venture in which we own a 66.7% interest.
- (2) Includes all remaining leases which have an expiration date in the applicable quarter and which had not been renewed or extended as of September 30, 2011, including leases where someone other than the tenant (for example a subtenant) had already executed a new lease for the space as of September 30, 2011. All month-to-month tenants are included in the expiring leases in the first quarter listed.
- (3) Represents annualized base rent (i.e., excludes tenant reimbursements, parking and other revenue) per leased square foot at expiration. The amount reflects total cash base rent before abatements. For our Burbank and Honolulu office properties, annualized base rent is converted from triple net to gross by adding expense reimbursements to base rent.

Total Gross Leasing Activity		
Rentable square feet		640,721
Number of leases		170
Gross New Leasing Activity		
Rentable square feet		236,790
Number of leases		74
Gross Renewal Leasing Activity		
Rentable square feet		403,931
Number of leases		96
Net Absorption ⁽²⁾		
Leased rentable square feet		58,343
Net absorption % of leased rentable square feet		0.40%
Cash Rent Change ⁽³⁾		
Expiring Rate		\$34.31
New/Renewal Rate		\$30.15
Change		-12.1%
Straight-Line Rent Change ⁽⁴⁾		
Expiring Rate		\$32.53
New/Renewal Rate		\$30.66
Change		-5.7%
Weighted Average Lease Terms		
New (in months)		59
Renewal (in months)		49
Blended (in months)		53
Tenant Improvement and Leasing Commissions ⁽⁵⁾		
	Total Lease Transaction Costs	Annual Lease Transaction Costs
New leases	\$ 24.66	\$ 5.04
Renewal leases	\$ 12.26	\$ 2.99
Blended	\$ 16.84	\$ 3.84

(1) All properties are 100% owned except 8 properties totaling 1.8 million square feet owned by our unconsolidated real estate funds and a 79,000 square foot property owned by a joint venture in which we own a 66.7% interest.

(2) Excludes any property acquired during the quarter.

(3) Represents the difference between initial stabilized cash rents on new and renewal leases as compared to the expiring cash rents on the same space.

(4) Represents a comparison between straight-line rent on expiring leases and the straight-line rent for new and renewal leases on the same space.

(5) Per rentable square foot. Represents weighted average lease transaction costs based on the leases executed in the current quarter in our properties.