



ALEXANDRIA®

*Landlord of Choice to the Life Science Industry®*

## SUPPLEMENTAL FINANCIAL, OPERATING, & PROPERTY INFORMATION

FOURTH QUARTER AND YEAR ENDED  
DECEMBER 31, 2010

Conference Call Information:

Thursday, February 3, 2011

3:00PM Eastern Time/12:00PM Noon Pacific Time

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# ALEXANDRIA REAL ESTATE EQUITIES, INC.

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This Supplemental Financial, Operating, & Property Information package includes "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. You can identify the forward-looking statements by their use of forward-looking words, such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," or "anticipates," or the negative of those words or similar words. Our actual results may differ materially from those projected in such forward-looking statements. Factors that might cause such a difference include, without limitation, our failure to obtain capital (debt, construction financing, and/or equity) or refinance debt maturities, increased interest rates and operating costs, adverse economic or real estate developments in our markets, our failure to successfully complete and lease our existing space held for redevelopment and new properties acquired for that purpose and any properties undergoing development, our failure to successfully operate or lease acquired properties, decreased rental rates or increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, general and local economic conditions, and other risks and uncertainties detailed in our filings with the Securities and Exchange Commission ("SEC"). All forward-looking statements are made as of February 2, 2011, the date this Supplemental Financial, Operating, & Property Information package is first made available on our website, and we assume no obligation to update this information. For more discussion relating to risks and uncertainties that could cause actual results to differ materially from those anticipated in our forward-looking statements, and risks to our business in general, please refer to our SEC filings, including our most recent annual report on Form 10-K and any subsequent quarterly reports on Form 10-Q.

This Supplemental Financial, Operating, & Property Information package is not an offer to sell or solicitation to buy securities of Alexandria Real Estate Equities, Inc. Any offers to sell or solicitations to buy securities of Alexandria Real Estate Equities, Inc. shall be made only by means of a prospectus approved for that purpose. Unless otherwise indicated, the "Company," "we," "us," and "our" refer to Alexandria Real Estate Equities, Inc. and its consolidated subsidiaries.

## ALEXANDRIA REAL ESTATE EQUITIES, INC.

### Company Profile December 31, 2010

#### The Company

Alexandria Real Estate Equities, Inc. (the “Company” or “Alexandria”), a self-administered and self-managed real estate investment trust (“REIT”), is the largest owner and preeminent REIT focused principally on science-driven cluster formation. Our operating platform is based on the principle of “clustering” with high-quality assets and operations located adjacent to life science entities driving growth and technological advances. The Company has significant real estate assets adjacent to key life science entities which we believe results in higher occupancy levels, longer lease terms, higher rental income, and higher returns. These locations are in the best submarkets in each of the top life science cluster destinations, including San Francisco and San Diego, California; Greater Boston; New York City, New Jersey, and Suburban Philadelphia; Southeast; Suburban Washington, D.C.; Seattle, Washington; and international locations. Client tenants include institutional (universities and independent not-for-profit institutions), pharmaceutical, biotechnology, medical device, product, service, and government agencies. The Company was founded in 1994 by Jerry M. Sudarsky and Joel S. Marcus and the Company executed its initial public offering in 1997. Alexandria is the leading life science real estate company and is known for its very well located high-quality environmentally sustainable real estate, technical infrastructure, and unique expertise it provides to its broad and diverse high-quality life science industry client tenant base.

#### Management

Alexandria’s executive and senior management team is highly experienced in the REIT industry (with both real estate and life science experience and expertise) and is the most accomplished team focused on providing high-quality environmentally sustainable real estate, technical infrastructure, and unique expertise to the broad and diverse life science industry. Our deep and talented team has decades of real estate and life science industry experience. We believe that our expertise, experience, reputation, and key life science relationships provide Alexandria significant competitive advantages in attracting new business opportunities. Our management team also includes highly experienced regional market directors averaging over 20 years of real estate experience and 10 years with Alexandria. Our regional market directors have significant experience, expertise, as well as valuable relationships that enable Alexandria to develop long-term relationships with preeminent life science entities.

#### Strategy

Alexandria’s primary business objective is to maximize stockholder value by providing its stockholders with the greatest possible total return based on a multi-faceted platform of internal and external growth. The key elements to our strategy include our consistent focus on high-quality assets and operations in the top life science cluster destinations with our properties located adjacent to life science entities driving growth and technological advances within each cluster. These adjacency locations are characterized by high barriers to entry and exit, limited supply of available space, and represent highly desirable locations for tenancy to life science entities. Alexandria’s strategy also includes leveraging on its deep and broad life science and real estate relationships in order to attract new and leading life science client tenants and value-added real estate opportunities through acquisitions, redevelopment, and development.

#### Summary (as of December 31, 2010)

|                                     |                                                                                                                                                      |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate headquarters              | Pasadena, California                                                                                                                                 |
| Markets                             | San Francisco Bay, San Diego, Greater Boston, NYC/New Jersey/Suburban Philadelphia, Southeast, Suburban Washington, D.C., Seattle, and International |
| Fiscal year-end                     | December 31                                                                                                                                          |
| Total properties                    | 167                                                                                                                                                  |
| Total rentable square feet          | 13.7 million                                                                                                                                         |
| Common shares outstanding           | 55.0 million                                                                                                                                         |
| Dividend – quarter/annualized       | \$0.45/\$1.80                                                                                                                                        |
| Closing dividend yield – annualized | 2.5%                                                                                                                                                 |
| Total market capitalization         | \$7.0 billion                                                                                                                                        |

# ALEXANDRIA REAL ESTATE EQUITIES, INC.

## Investor Information

December 31, 2010

### Executive/Senior Management

|                     |                                                         |                       |                                                                    |
|---------------------|---------------------------------------------------------|-----------------------|--------------------------------------------------------------------|
| Joel S. Marcus      | <i>Chairman, Chief Executive Officer, &amp; Founder</i> | Thomas J. Andrews     | <i>EVP-Regional Market Director-Greater Boston</i>                 |
| Dean A. Shigenaga   | <i>SVP, Chief Financial Officer, &amp; Treasurer</i>    | John J. Cox           | <i>SVP-Regional Market Director-Seattle</i>                        |
| James H. Richardson | <i>Director and Senior Management Consultant</i>        | John H. Cunningham    | <i>SVP-Regional Market Director-NY/Strategic Operations</i>        |
| Jennifer J. Pappas  | <i>SVP, General Counsel, &amp; Corporate Secretary</i>  | Larry J. Diamond      | <i>SVP-Regional Market Director-Mid Atlantic</i>                   |
| Peter M. Moglia     | <i>Chief Investment Officer</i>                         | Stephen A. Richardson | <i>EVP-Regional Market Director-San Francisco Bay</i>              |
| Vincent R. Ciruzzi  | <i>SVP-Construction and Development</i>                 | Daniel J. Ryan        | <i>SVP-Regional Market Director-San Diego/Strategic Operations</i> |
| Peter J. Nelson     | <i>Senior Management Consultant</i>                     |                       |                                                                    |

### Company Information

| Corporate Headquarters                                               | Trading Symbols                                                                          | Information Requests                                                                        |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| 385 East Colorado Boulevard, Suite 299<br>Pasadena, California 91101 | New York Stock Exchange ("NYSE")<br>Common stock: ARE<br>Series C preferred stock: ARE-C | Phone: (626) 396-4828<br>E-mail: corporateinformation@labspace.com<br>Web: www.labspace.com |

### Common Stock Data (NYSE: ARE)

|                                                                  | 4Q10         | 3Q10         | 2Q10         | 1Q10         | 4Q09         |
|------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| High trading price                                               | \$ 76.19     | \$ 73.89     | \$ 75.18     | \$ 69.03     | \$ 68.24     |
| Low trading price                                                | \$ 65.60     | \$ 60.11     | \$ 60.48     | \$ 55.54     | \$ 51.35     |
| Closing stock price, average for period                          | \$ 71.25     | \$ 69.28     | \$ 68.80     | \$ 62.97     | \$ 57.67     |
| Closing stock price, at the end of the quarter                   | \$ 73.26     | \$ 70.00     | \$ 63.37     | \$ 67.60     | \$ 64.29     |
| Dividends per share – annualized                                 | \$ 1.80      | \$ 1.40      | \$ 1.40      | \$ 1.40      | \$ 1.40      |
| Closing dividend yield – annualized                              | 2.5%         | 2.0%         | 2.2%         | 2.1%         | 2.2%         |
| Common shares outstanding at the end of the quarter              | 54,966,925   | 54,891,638   | 49,634,396   | 43,919,968   | 43,846,050   |
| Closing market value of outstanding common shares (in thousands) | \$ 4,026,877 | \$ 3,842,415 | \$ 3,145,332 | \$ 2,968,990 | \$ 2,818,863 |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Equity Research Coverage**  
**December 31, 2010**

|                                                 |                |                                                          |                |                              |                |
|-------------------------------------------------|----------------|----------------------------------------------------------|----------------|------------------------------|----------------|
| <b>Argus Research</b>                           |                | <b>The Goldman Sachs Group, Inc.</b>                     |                | <b>Morningstar</b>           |                |
| William Eddleman, Jr.                           | (212) 425-7500 | Jonathan Habermann                                       | (917) 343-4260 | Jason Ren                    | (312) 244-7008 |
|                                                 |                | Sloan Bohlen                                             | (212) 902-2796 |                              |                |
|                                                 |                | Conor Fennerty                                           | (212) 902-4227 |                              |                |
| <b>Banc of America Securities-Merrill Lynch</b> |                | <b>Green Street Advisors</b>                             |                | <b>RBC Capital Markets</b>   |                |
| James Feldman                                   | (646) 855-5808 | John Stewart                                             | (949) 640-8780 | Dave Rodgers                 | (440) 715-2647 |
| Jeffrey Spector                                 | (646) 855-1363 | Michael Knott                                            | (949) 640-8780 | Michael Carroll              | (440) 715-2649 |
| Andrew Ryu                                      | (646) 855-2926 |                                                          |                |                              |                |
| <b>Barclays Capital</b>                         |                | <b>International Strategy &amp; Investment Group Inc</b> |                | <b>RW Baird</b>              |                |
| Ross Smotrich                                   | (212) 526-2306 | Steve Sakwa                                              | (212) 446-9462 | David AuBuchon               | (314) 445-6520 |
| Matthew Rand                                    | (212) 526-0248 | George Auerbach                                          | (212) 446-9459 | Justin Webb                  | (314) 445-6515 |
|                                                 |                | Gwen Clark                                               | (212) 446-5611 |                              |                |
| <b>Citigroup Global Markets</b>                 |                | <b>JMP Securities</b>                                    |                | <b>Standard &amp; Poor's</b> |                |
| Michael Bilerman                                | (212) 816-1383 | William Marks                                            | (415) 835-8944 | Robert McMillan              | (212) 438-9522 |
| Quentin Velleley                                | (212) 816-6981 | Rochan Raichura                                          | (415) 835-3909 |                              |                |
| Mark Montandon                                  | (212) 816-6243 |                                                          |                |                              |                |
| <b>Cowen and Company</b>                        |                | <b>JP Morgan Securities</b>                              |                | <b>UBS</b>                   |                |
| James Sullivan                                  | (646) 562-1380 | Anthony Paolone                                          | (212) 622-6682 | Ross Nussbaum                | (212) 713-2484 |
| Michael Gorman                                  | (646) 562-1381 | Joseph Dazio                                             | (212) 622-6416 | Robert Salisbury             | (212) 713-4760 |
| <b>Credit Suisse</b>                            |                | <b>Keefe, Bruyette &amp; Woods</b>                       |                |                              |                |
| Andrew Rosivach                                 | (415) 249-7942 | Sheila McGrath                                           | (212) 887-7793 |                              |                |
| Suzanne Kim                                     | (415) 249-7943 | Kristin Brown                                            | (212) 887-7738 |                              |                |

Alexandria Real Estate Equities, Inc. is currently covered by the equity research analysts listed above. This list may not be complete and is subject to change as firms initiate or discontinue coverage of our company. Please note that any opinions, estimates, or forecasts regarding our historical or predicted performance made by these analysts are theirs alone and do not represent opinions, forecasts, or predictions of Alexandria Real Estate Equities, Inc. or its management. Alexandria Real Estate Equities, Inc. does not by its reference above or distribution imply its endorsement of or concurrence with such information, conclusions, or recommendations. Interested persons may obtain copies of analysts' reports on their own as we do not distribute these reports. Several of these firms may from time-to-time own our stock and/or hold other long or short positions in our stock, and may provide compensated services to us.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Fourth Quarter and Year Ended December 31, 2010 Financial and Operating Results**

**Highlights**

**Fourth Quarter 2010:**

- Fourth Quarter 2010 Funds from Operations Per Share (Diluted) Attributable to Alexandria Real Estate Equities, Inc.'s Common Stockholders of \$1.11, Before Losses on Early Extinguishment of Debt and Gain on Sales of Property
- Fourth Quarter 2010 Earnings Per Share (Diluted) Attributable to Alexandria Real Estate Equities, Inc.'s Common Stockholders of \$1.52
- Earnings Guidance Range for FFO per Share (Diluted) for the Year Ended December 31, 2011 of \$4.58-\$4.68, up 2 Cents Before January 2011 Losses on Early Extinguishment of Debt
- Increased Quarterly Dividend to \$0.45, up 29%, per Common Share for Fourth Quarter 2010
- Executed 40 Leases for 1,074,000 Rentable Square Feet, Including a 347,000 Rentable Square Foot Campus Lease in San Diego, California and 275,000 Rentable Square Feet of Redevelopment and Development Space; Highest Single Quarter of Leasing Activity in Company History
- Fourth Quarter 2010 GAAP Rental Rate Increase of 4.3% on Renewed/Released Space
- GAAP Same Property Revenues Less Operating Expenses up 1.3%
- Fourth Quarter 2010 Occupancy of Operating Properties Remains Steady at 94%; Fourth Quarter 2010 Occupancy of Operating and Redevelopment Properties at 89%
- Repaid Three Secured Loans Approximating \$63 Million and Repurchased, in Privately Negotiated Transactions, \$83 Million of 3.7% Unsecured Convertible Notes
- Completed Ground-up Development of Alexandria Center™ for Life Science – New York City; 92% Occupancy and 96% Leased; LEED Gold Certified
- Acquired Five Properties in Various Markets Aggregating Approximately 866,000 Rentable Square Feet for an Aggregate Purchase Price of \$282 Million, Including Two Life Science Campuses Aggregating 720,000 Rentable Square Feet
- Completed Sales of Land Parcels in Mission Bay, San Francisco for Aggregate Sales Price of \$278 Million at a Gain of \$59 Million

**Year Ended December 31, 2010:**

- Total Return Performance of 547% from May 28, 1997 to December 31, 2010, Assuming Reinvestment of All Dividends
- Positive GAAP Rental Rate Increases on Renewed/Released Space for 12 Consecutive Years
- Average December 31 Occupancy Percentage for Operating Properties of 95% and Occupancy Percentage for Operating and Redevelopment Properties of 89% from December 31, 1998 to December 31, 2010
- Positive GAAP Same Property Growth Quarter-to-Quarter for 50 Consecutive Quarters
- 2010 Funds from Operations Per Share (Diluted) Attributable to Alexandria Real Estate Equities, Inc.'s Common Stockholders of \$4.40, Before Losses on Early Extinguishment of Debt and Gain on Sales of Property
- 2010 Earnings Per Share (Diluted) Attributable to Alexandria Real Estate Equities, Inc.'s Common Stockholders of \$2.19
- Executed 142 Leases for 2,744,000 Rentable Square Feet, Including 712,000 Rentable Square Feet of Redevelopment and Development Space; Highest Year of Leasing Activity in Company History
- GAAP Rental Rate Increase of 4.9% on Renewed/Released Space
- GAAP Same Property Revenues Less Operating Expenses up 0.4%
- Repaid Eight Secured Loans Approximating \$119 Million, Retired Substantially All \$240 Million of 8% Unsecured Convertible Notes, and Repurchased \$83 Million of 3.7% Unsecured Convertible Notes
- Acquired Seven Properties in Various Markets Aggregating Approximately 980,000 Rentable Square Feet for an Aggregate Purchase Price of \$318 Million
- Sold One Property and Land Parcels for an Aggregate Sales Price of \$290 Million at an Aggregate Gain of \$59 Million
- Completed Redevelopment of Multiple Spaces at Nine Properties Aggregating 303,000 Rentable Square Feet
- Completed Ground-Up Development of Three Properties Aggregating 553,000 Rentable Square Feet
- Commenced Ground-Up Development of Two Fully Leased Properties Aggregating 220,000 Rentable Square Feet Pursuant to Long Term Leases
- Obtained Final Zoning Approval for Alexandria Center™ at Kendall Square Located in East Cambridge, Massachusetts, an 11.3-Acre Development with 1.9 Million Rentable Square Feet of Life Science and Other Space

**January/February 2011:**

- Repurchased, in Privately Negotiated Transactions, Additional \$43 Million of 3.7% Unsecured Convertible Notes
- Extended Maturity Date and Increased Commitments on Unsecured Credit Facility from \$1.9 Billion to \$2.25 Billion

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Fourth Quarter and Year Ended December 31, 2010 Financial and Operating Results**

**Financial Results**

For the fourth quarter of 2010, we reported funds from operations (“FFO”) attributable to Alexandria Real Estate Equities, Inc.’s common stockholders of \$58,474,000, or \$1.07 per share (diluted), compared to FFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders of \$54,247,000, or \$1.09 per share (diluted), for the fourth quarter of 2009. For the year ended December 31, 2010, we reported FFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders of \$179,764,000, or \$3.52 per share (diluted), compared to FFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders of \$234,696,000, or \$5.52 per share (diluted), for the year ended December 31, 2009. During the year ended December 31, 2010, we recognized losses on early extinguishment of debt of approximately \$45.2 million related to the repurchases, in privately negotiated transactions, of approximately \$83 million of certain of our 3.70% unsecured convertible notes and the retirement of substantially all \$240 million of our 8% unsecured convertible notes. FFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders for the year ended December 31, 2010 excluding the losses on early extinguishment of debt was \$224,538,000, or \$4.40 per share (diluted). During the year ended December 31, 2009, we recognized a gain on early extinguishment of debt of approximately \$11.3 million related to the repurchase, in privately negotiated transactions, of approximately \$75 million of certain of our 3.70% unsecured convertible notes. Additionally, during the year ended December 31, 2009, we recognized income of approximately \$7.2 million for a cash payment related to real estate acquired in November 2007 and we recognized additional rental income of approximately \$18.5 million related to a modification of a lease for a property in South San Francisco, California. FFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders for the year ended December 31, 2009 excluding these items was \$198,013,000, or \$4.65 per share (diluted). The weighted average number of common stock outstanding for calculating FFO per share (diluted) attributable to Alexandria Real Estate Equities, Inc.’s common stockholders totaled 54,893,410 and 49,547,402 for the fourth quarter of 2010 and 2009, respectively, and 51,043,462 and 42,554,804 for the year ended December 31, 2010 and 2009, respectively.

FFO is a non-GAAP measure widely used by publicly traded real estate investment trusts. We compute FFO in accordance with standards established by the Board of Governors of the National Association of Real Estate Investment Trusts (“NAREIT”) in its April 2002 White Paper and related implementation guidance. A reconciliation of net income attributable to Alexandria Real Estate Equities, Inc.’s common stockholders in accordance with United States generally accepted accounting principles (“GAAP”) to FFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders is included in the financial information accompanying this press release. The primary reconciling items between GAAP net income attributable to Alexandria Real Estate Equities, Inc.’s common stockholders and FFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders is depreciation and amortization expense and gain on sales of property. Depreciation and amortization expense for the three months ended December 31, 2010 and 2009 was \$34,551,000 and \$29,004,000, respectively. Depreciation and amortization expense for the year ended December 31, 2010 and 2009 was \$126,640,000 and \$118,508,000, respectively. Net income attributable to Alexandria Real Estate Equities, Inc.’s common stockholders for the fourth quarter of 2010 was \$83,243,000, or \$1.52 per share (diluted), compared to net income attributable to Alexandria Real Estate Equities, Inc.’s common stockholders of \$21,650,000, or \$0.49 per share (diluted), for the fourth quarter of 2009. Net income attributable to Alexandria Real Estate Equities, Inc.’s common stockholders for the year ended December 31, 2010 was \$105,941,000, or \$2.19 per share (diluted), compared to net income attributable to Alexandria Real Estate Equities, Inc.’s common stockholders of \$104,974,000, or \$2.72 per share (diluted), for the year ended December 31, 2009.



**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Fourth Quarter and Year Ended December 31, 2010 Financial and Operating Results**

**Financial Results (continued)**

The following table summarizes the significant items noted above that impacted FFO (diluted) during each period presented (in thousands):

|                                                                                                                                                                                                                          | <b>Year Ended</b> |                   | <b>Three Months Ended</b> |                   |                   |                   |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|---------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                                                                                                                                                                          | <b>12/31/10</b>   | <b>12/31/09</b>   | <b>12/31/10</b>           | <b>9/30/10</b>    | <b>6/30/10</b>    | <b>3/31/10</b>    | <b>12/31/09</b>   |
| FFO attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – numerator for FFO per share (diluted), as reported                                                                                     | \$ 179,764        | \$ 234,696        | \$ 58,474                 | \$ 53,862         | \$ 9,840          | \$ 53,980         | \$ 54,247         |
| Loss (gain) on early extinguishment of debt                                                                                                                                                                              | 45,168            | (11,254)          | 2,372                     | 1,300             | 41,496            | –                 | –                 |
| Cash receipt related to real estate acquired in November 2007                                                                                                                                                            | –                 | (7,242)           | –                         | –                 | –                 | –                 | –                 |
| Additional rental income related to modification of lease                                                                                                                                                                | –                 | (18,509)          | –                         | –                 | –                 | –                 | –                 |
| Assumed conversion of 8% unsecured convertible notes (1)                                                                                                                                                                 | –                 | –                 | –                         | –                 | 3,560             | –                 | –                 |
| Impact of unvested restricted stock awards                                                                                                                                                                               | (394)             | 322               | (20)                      | (11)              | (333)             | –                 | –                 |
| FFO (diluted), as adjusted                                                                                                                                                                                               | <u>\$ 224,538</u> | <u>\$ 198,013</u> | <u>\$ 60,826</u>          | <u>\$ 55,151</u>  | <u>\$ 54,563</u>  | <u>\$ 53,980</u>  | <u>\$ 54,247</u>  |
| Weighted average shares of common stock outstanding for calculating FFO per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – denominator for FFO per share (diluted), as reported (1) | 51,043,462        | 42,554,804        | 54,893,410                | 49,864,225        | 44,904,999        | 49,654,614        | 49,547,402        |
| Add: Assumed conversion of 8% unsecured convertible notes                                                                                                                                                                | –                 | –                 | –                         | –                 | 4,808,925         | –                 | –                 |
| Weighted average shares of common stock outstanding for calculating FFO per share (diluted), as adjusted                                                                                                                 | <u>51,043,462</u> | <u>42,554,804</u> | <u>54,893,410</u>         | <u>49,864,225</u> | <u>49,713,924</u> | <u>49,654,614</u> | <u>49,547,402</u> |
| FFO per share (diluted), as adjusted                                                                                                                                                                                     | <u>\$ 4.40</u>    | <u>\$ 4.65</u>    | <u>\$ 1.11</u>            | <u>\$ 1.11</u>    | <u>\$ 1.10</u>    | <u>\$ 1.09</u>    | <u>\$ 1.09</u>    |

- (1) Due to the loss on early extinguishment of debt recognized in the three months ended June 30, 2010, our FFO results for the three months ended June 30, 2010 did not assume conversion of our 8% unsecured convertible notes for FFO per share (diluted) purposes as the impact to FFO per share was antidilutive for the period pursuant to the if-converted method of accounting. Excluding the losses on early extinguishment of debt, the impact of the assumed conversion of our 8% unsecured convertible notes would have been dilutive to FFO (diluted) for the three months ended June 30, 2010. For all periods since issuance of the notes in April 2009, except for the three months ended June 30, 2010, there is no add back for the assumed conversion of our 8% unsecured convertible notes since FFO attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – numerator for FFO per share (diluted), as reported, already assumed conversion of our 8% unsecured convertible notes pursuant to the if-converted method of accounting.



**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Fourth Quarter and Year Ended December 31, 2010 Financial and Operating Results**

**Financial Results (continued)**

*Summary of 2010 FFO per Share (Diluted)*

The following table provides a summary of our guidance for 2010 FFO per share (diluted) reconciled to reported FFO per share (diluted) for the year ended December 31, 2010:

| <b>Event</b>                                                                                                                                  | <b>2010 FFO per<br/>Share (Diluted)</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| Guidance as reported on April 29, 2010 in connection with our first quarter 2010 earnings call                                                | \$ 4.43                                 |
| Loss on early extinguishment of debt in June 2010                                                                                             | <u>(0.83)</u>                           |
| Guidance as reported on June 15, 2010 upon completion of Exchange Offer                                                                       | 3.60                                    |
| Loss on early extinguishment of debt in July 2010                                                                                             | <u>(0.03)</u>                           |
| Guidance as reported on July 29, 2010 in connection with our second quarter 2010 earnings call                                                | 3.57                                    |
| Follow-on common stock offering in September 2010                                                                                             | <u>—</u>                                |
| Guidance as reported on November 3, 2010 in connection with our third quarter 2010 earnings call                                              | 3.57                                    |
| Loss on early extinguishment of debt                                                                                                          | <u>(0.05)</u>                           |
| FFO per share (diluted), as reported on February 2, 2011 in connection with our fourth quarter and year ended December 31, 2010 earnings call | <u><u>\$ 3.52</u></u>                   |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Fourth Quarter and Year Ended December 31, 2010 Financial and Operating Results**

**Leasing Activity**

For the fourth quarter of 2010, we executed a total of 40 leases for approximately 1,074,000 rentable square feet at 30 different properties (excluding month-to-month leases). Of this total, approximately 758,000 rentable square feet related to new or renewal leases of previously leased space (renewed/released space) and approximately 316,000 rentable square feet related to developed, redeveloped, or previously vacant space. Of the 316,000 rentable square feet, approximately 275,000 rentable square feet were related to our development or redevelopment programs, with the remaining approximately 41,000 rentable square feet related to previously vacant space. Rental rates for these new or renewal leases (renewed/released space) were on average approximately 4.3% higher on a GAAP basis than rental rates for the respective expiring leases.

For the year ended December 31, 2010, we executed a total of 142 leases for approximately 2,744,000 rentable square feet at 71 different properties (excluding month-to-month leases). Of this total, approximately 1,778,000 rentable square feet related to new or renewal leases of previously leased space and approximately 966,000 rentable square feet related to developed, redeveloped, or previously vacant space. Of the 966,000 rentable square feet, approximately 712,000 rentable square feet were related to our development or redevelopment programs, with the remaining approximately 254,000 rentable square feet related to previously vacant space. Rental rates for these new or renewal leases were on average approximately 4.9% higher on a GAAP basis than rental rates for the respective expiring leases.

As of December 31, 2010, approximately 96% of our leases (on a rentable square footage basis) were triple net leases, requiring tenants to pay substantially all real estate taxes, insurance, utilities, common area, and other operating expenses (including increases thereto) in addition to base rent. Additionally, approximately 93% of our leases (on a rentable square footage basis) provided for the recapture of certain capital expenditures, and approximately 91% of our leases (on a rentable square footage basis) contained effective annual rent escalations that were either fixed or indexed based on the consumer price index or another index.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Fourth Quarter and Year Ended December 31, 2010 Financial and Operating Results**

**Unsecured Credit Facility**

In January 2011, we entered into a third amendment (the “Third Amendment”) to our second amended and restated credit agreement dated October 31, 2006, as further amended on December 1, 2006 and May 2, 2007 (the “Existing Credit Agreement,” and as amended by the Third Amendment, the “Amended Credit Agreement”), with Bank of America, N.A., as administrative agent, and certain lenders. The Third Amendment amended the Existing Credit Agreement to, among other things, increase the maximum permitted borrowings under the credit facilities from \$1.9 billion to \$2.25 billion, consisting of a \$1.5 billion unsecured line of credit (increased from \$1.15 billion) and a \$750 million unsecured term loan (together the “Unsecured Credit Facility”) and provide an accordion option to increase commitments under the Unsecured Credit Facility by up to an additional \$300 million. Borrowings under the Unsecured Credit Facility will bear interest at LIBOR or the specified base rate, plus in either case a margin specified in the Amended Credit Agreement (the “Applicable Margin”). The Applicable Margin for LIBOR borrowings under the revolving credit facility was initially set at 2.4%. The Applicable Margin for the LIBOR borrowings under the unsecured term loan was not amended in the Third Amendment and was 1.0% as of December 31, 2010.

Under the Third Amendment, the maturity date for the unsecured revolving credit facility will be January 2015, assuming we exercise our sole right under the amendment to extend this maturity date twice by an additional six months after each exercise. The maturity date for the \$750 million unsecured term loan remained unchanged at October 2012, assuming we exercise our sole right to extend the maturity date by one year. The Third Amendment modified certain financial covenants with respect to the Unsecured Credit Facility, including the fixed charge coverage ratio, secured debt ratio, leverage ratio, and minimum book value, and added covenants relating to an unsecured leverage ratio and unsecured debt yield.

**Unsecured Convertible Notes**

*3.7% Unsecured Convertible Notes*

In December 2010, we repurchased, in privately negotiated transactions, approximately \$82.8 million of our 3.70% unsecured convertible notes at an aggregate cash price of approximately \$84.6 million. As a result of the repurchases, we recognized a loss on early extinguishment of debt of approximately \$2.4 million during the fourth quarter of 2010. In January 2011, we repurchased, in privately negotiated transactions, additional 3.70% unsecured convertible notes aggregating approximately \$42.9 million at an aggregate cash price of approximately \$44.1 million. We recognized losses on early extinguishment of debt of approximately \$1.2 million during January 2011. As of February 2, 2011, approximately \$259.1 million in principal was outstanding, including \$5.4 million of unamortized discount.

*8% Unsecured Convertible Notes*

In June 2010, we completed an exchange (the “Exchange Offer”) of approximately \$232.7 million of our 8% unsecured convertible notes for consideration of 24.1546 shares of our common stock, a cash premium of \$180 per \$1,000 principal amount of the notes, plus accrued and unpaid interest. As the Exchange Offer terms provided for an equivalent number of shares of our common stock, per bond, as compared to the existing bondholder conversion option, the Exchange Offer did not by itself impact our total weighted average shares of common stock outstanding for purposes of calculating FFO per share (diluted). In July 2010, we repurchased, in a privately negotiated transaction, approximately \$7.1 million of our 8% unsecured convertible notes for an aggregate cash price of approximately \$12.8 million. Thus, in the Exchange Offer and this privately negotiated transaction, we retired \$239.8 million of our 8% unsecured convertible notes (representing substantially all \$240 million outstanding principal amount of our 8% unsecured convertible notes). In connection with the retirement of our 8% unsecured convertible notes, we recognized losses on early extinguishment of debt of approximately \$42.8 million for the year ended December 31, 2010. As of December 31, 2010, \$250,000 in principal was outstanding, including \$20,000 of unamortized discount.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Fourth Quarter and Year Ended December 31, 2010 Financial and Operating Results**

**Acquisitions**

In August 2010, we announced that we had entered into definitive agreements to acquire three life science properties and other selected assets and interests of privately-held Veralliance Properties, Inc. (“Veralliance”), including continuing services from Veralliance Founder and President, Daniel Ryan and other key management and operational personnel. Veralliance was a San Diego-based corporate real estate solutions company focused on the acquisition, development, and management of office and life science assets in Southern California. The three life science properties, located in San Diego, California, contain an aggregate 161,000 rentable square feet and were acquired for an aggregate purchase price of approximately \$50.0 million consisting of approximately \$35.2 million in cash and our assumption of two secured loans aggregating approximately \$14.8 million. We completed the acquisition of one of these properties in the third quarter of 2010 and completed the acquisitions of the other two properties in the fourth quarter of 2010.

In October 2010, we acquired a life science campus in the San Diego market aggregating approximately 347,000 rentable square feet for approximately \$128 million. The purchase of this life science campus included land supporting the future development of additional life science buildings aggregating approximately 420,000 rentable square feet. At the time of this acquisition, the campus was subject to a 15-month lease with Biogen Idec Inc. In December 2010, we executed a new lease for the entire 347,000 rentable square foot campus pursuant to a 20-year lease with Illumina, Inc. (“Illumina”) and, pursuant to the lease, also commenced the ground-up development of a building aggregating approximately 123,000 rentable square feet on the campus. Illumina has the right to further expand the premises and lease one to three additional buildings that may be built on this campus.

In December 2010, we acquired one property in the San Diego market aggregating approximately 373,000 rentable square feet and one property in the Suburban Washington, D.C. market aggregating approximately 50,000 rentable square feet for approximately \$114 million and approximately \$14 million, respectively.

**Dispositions**

In November 2010, we completed sales of land parcels in Mission Bay, San Francisco for an aggregate sales price of approximately \$278 million at a gain of approximately \$59 million. The sales of the land parcels resulted in a reduction of our preconstruction developable square footage by approximately 2.0 million square feet in the Mission Bay, San Francisco submarket. The cash proceeds from these sales were used to repay outstanding borrowings under our unsecured line of credit.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Fourth Quarter and Year Ended December 31, 2010 Financial and Operating Results**

**Earnings Outlook**

Based on our current view of existing market conditions and certain current assumptions, we expect our FFO per share (diluted) attributable to Alexandria Real Estate Equities, Inc.'s common stockholders and earnings per share (diluted) attributable to Alexandria Real Estate Equities, Inc.'s common stockholders for the year ended December 31, 2011 will be the midpoint within the following ranges:

|                              | <u><b>2011</b></u> |
|------------------------------|--------------------|
| FFO per share (diluted)      | \$4.58 - \$4.68    |
| Earnings per share (diluted) | \$1.97 - \$2.07    |

The following table provides a summary of our guidance issued for 2011 FFO per share (diluted):

| <u><b>Event</b></u>                                                                                                                       | <u><b>2011 FFO per<br/>Share (Diluted)</b></u> |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| Guidance range as reported on December 7, 2010 in connection with Form 8-K filing                                                         | \$4.58 - \$4.68                                |
| Increase in guidance since December 7, 2010                                                                                               | 0.02                                           |
| Losses on early extinguishment of debt recognized in January 2011                                                                         | <u>(0.02)</u>                                  |
| Guidance range as reported above on February 2, 2011 in connection with our fourth quarter and year ended December 31, 2010 earnings call | <u><u>\$4.58 - \$4.68</u></u>                  |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Fourth Quarter and Year Ended December 31, 2010 Financial and Operating Results**

**Client Tenant Base**

The quality, diversity, breadth, and depth of our significant relationships with our life science client tenants provide Alexandria Real Estate Equities, Inc. (“Alexandria”) with consistent and solid cash flows. As of December 31, 2010, Alexandria’s multinational pharmaceutical client tenants represented approximately 25% of our annualized base rent, led by Novartis AG, Eli Lilly and Company, Roche Holding Ltd, Bristol-Myers Squibb Company, GlaxoSmithKline plc, Pfizer Inc., and Merck & Co., Inc.; public biotechnology companies represented approximately 21% and included Amgen Inc., Gilead Sciences, Inc., Biogen Idec Inc., and Celgene Corporation; revenue-producing life science product and service companies represented approximately 18%, led by Quest Diagnostics Incorporated, Qiagen N.V., Laboratory Corporation of America Holdings, and Monsanto Company; government agencies and renowned medical and research institutions represented approximately 16% and included The Scripps Research Institute, Massachusetts Institute of Technology, Fred Hutchinson Cancer Research Center, University of Washington, Sanford-Burnham Medical Research Institute, and the United States Government; private biotechnology companies represented approximately 13% and included high-quality, leading-edge companies with blue-chip venture and institutional investors, including Achaogen Inc., Intellikine, Inc., MacroGenics, Inc., and Tolerx, Inc.; and the remaining approximately 7% consisted of traditional office tenants. Two of the fastest-growing client tenant sectors by revenue currently include leading institutional and multinational pharmaceutical entities. Alexandria’s strong life science underwriting skills, long-term life science industry relationships, and sophisticated management with both real estate and life science operating expertise set the Company apart from all other publicly traded REITs and real estate companies.

**Earnings Call Information**

We will host a conference call on Thursday, February 3, 2011 at 3:00 p.m. Eastern Time (“ET”)/12:00 p.m. noon Pacific Time (“PT”) that is open to the general public to discuss our financial and operating results for the fourth quarter and year ended December 31, 2010. To participate in this conference call, dial (719) 325-4898 and confirmation code 5725824, shortly before 3:00 p.m ET/12:00 p.m. noon PT. The audio web cast can be accessed at: [www.labspace.com](http://www.labspace.com), in the Corporate Information section. A replay of the call will be available for a limited time from 6:00 p.m. ET/3:00 p.m. PT on Thursday, February 3, 2011. The replay number is (719) 457-0820 and the confirmation code is 5725824.

Additionally, a copy of Alexandria Real Estate Equities, Inc.’s Supplemental Financial, Operating, & Property Information for the fourth quarter and year ended December 31, 2010 and this press release are available in the Corporate Information section of our website at [www.labspace.com](http://www.labspace.com).

**About the Company**

Alexandria Real Estate Equities, Inc., Landlord of Choice to the Life Science Industry<sup>®</sup>, is the largest owner and preeminent REIT focused principally on cluster development through the ownership, operation, management, selective acquisition, redevelopment, and development of properties containing life science laboratory space. Alexandria is the leading provider of high-quality, environmentally sustainable real estate, technical infrastructure, and services to the broad and diverse life science industry. Client tenants include institutional (universities and independent not-for-profit institutions), pharmaceutical, biotechnology, medical device, product, service, and government agencies. Alexandria’s primary business objective is to maximize stockholder value by providing its stockholders with the greatest possible total return based on a multi-faceted platform of internal and external growth. Alexandria’s operating platform is based on the principle of “clustering” with assets and operations located adjacent to life science entities driving growth and technological advances within each cluster.

As of February 2, 2011, our asset base consisted of 167 properties approximating 13.7 million rentable square feet including 162 properties approximating 13.2 million rentable square feet (including spaces undergoing active redevelopment) and five properties undergoing ground-up development approximating an additional 475,818 rentable square feet. In addition, our asset base will enable us to grow to approximately 26.4 million rentable square feet through additional ground-up development of approximately 12.7 million rentable square feet.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Condensed Consolidated Income Statements**

*(Dollars in thousands, except per share data)*

*(Unaudited)*

|                                                                                                                 | <b>Year Ended (1)</b> |                   | <b>Three Months Ended (1)</b> |                  |                    |                  |                  |
|-----------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|-------------------------------|------------------|--------------------|------------------|------------------|
|                                                                                                                 | <b>12/31/10</b>       | <b>12/31/09</b>   | <b>12/31/10</b>               | <b>9/30/10</b>   | <b>6/30/10</b>     | <b>3/31/10</b>   | <b>12/31/09</b>  |
| Revenues                                                                                                        |                       |                   |                               |                  |                    |                  |                  |
| Rental                                                                                                          | \$ 368,666            | \$ 368,230        | \$ 99,902                     | \$ 90,395        | \$ 89,512          | \$ 88,857        | \$ 88,629        |
| Tenant recoveries                                                                                               | 113,424               | 103,088           | 30,636                        | 29,648           | 26,576             | 26,564           | 25,421           |
| Other income                                                                                                    | 5,213                 | 11,854            | 1,633                         | 1,586            | 922                | 1,072            | 1,010            |
| Total revenues                                                                                                  | <u>487,303</u>        | <u>483,172</u>    | <u>132,171</u>                | <u>121,629</u>   | <u>117,010</u>     | <u>116,493</u>   | <u>115,060</u>   |
| Expenses                                                                                                        |                       |                   |                               |                  |                    |                  |                  |
| Rental operations                                                                                               | 132,278               | 122,281           | 36,726                        | 33,669           | 30,335             | 31,548           | 29,434           |
| General and administrative                                                                                      | 34,390                | 36,299            | 8,602                         | 8,043            | 8,266              | 9,479            | 8,468            |
| Interest                                                                                                        | 69,642                | 82,249            | 17,191                        | 16,111           | 18,778             | 17,562           | 19,452           |
| Depreciation and amortization                                                                                   | 126,539               | 117,775           | 34,535                        | 31,993           | 30,299             | 29,712           | 28,974           |
| Total expenses                                                                                                  | <u>362,849</u>        | <u>358,604</u>    | <u>97,054</u>                 | <u>89,816</u>    | <u>87,678</u>      | <u>88,301</u>    | <u>86,328</u>    |
| Income from continuing operations before (loss) gain on early extinguishment of debt                            | 124,454               | 124,568           | 35,117                        | 31,813           | 29,332             | 28,192           | 28,732           |
| (Loss) gain on early extinguishment of debt                                                                     | (45,168)              | 11,254            | (2,372)                       | (1,300)          | (41,496)           | –                | –                |
| Income (loss) from continuing operations                                                                        | <u>79,286</u>         | <u>135,822</u>    | <u>32,745</u>                 | <u>30,513</u>    | <u>(12,164)</u>    | <u>28,192</u>    | <u>28,732</u>    |
| Income (loss) from discontinued operations before gain on sales of real estate                                  | 270                   | 3,199             | (187)                         | (52)             | (60)               | 569              | 780              |
| Gain on sales of real estate                                                                                    | 24                    | 2,627             | –                             | –                | –                  | 24               | 393              |
| Income (loss) from discontinued operations, net                                                                 | <u>294</u>            | <u>5,826</u>      | <u>(187)</u>                  | <u>(52)</u>      | <u>(60)</u>        | <u>593</u>       | <u>1,173</u>     |
| Gain on sales of land parcels                                                                                   | 59,442                | –                 | 59,442                        | –                | –                  | –                | –                |
| Net income (loss)                                                                                               | <u>139,022</u>        | <u>141,648</u>    | <u>92,000</u>                 | <u>30,461</u>    | <u>(12,224)</u>    | <u>28,785</u>    | <u>29,905</u>    |
| Net income attributable to noncontrolling interests                                                             | 3,729                 | 7,047             | 944                           | 920              | 930                | 935              | 924              |
| Dividends on preferred stock                                                                                    | 28,357                | 28,357            | 7,089                         | 7,089            | 7,090              | 7,089            | 7,089            |
| Net income attributable to unvested restricted stock awards                                                     | 995                   | 1,270             | 726                           | 217              | 149                | 219              | 242              |
| Net income (loss) attributable to Alexandria Real Estate Equities, Inc.'s common stockholders                   | <u>\$ 105,941</u>     | <u>\$ 104,974</u> | <u>\$ 83,241</u>              | <u>\$ 22,235</u> | <u>\$ (20,393)</u> | <u>\$ 20,542</u> | <u>\$ 21,650</u> |
| Earnings (loss) per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – basic   |                       |                   |                               |                  |                    |                  |                  |
| Continuing operations                                                                                           | \$ 2.18               | \$ 2.57           | \$ 1.52                       | \$ 0.45          | \$ (0.45)          | \$ 0.46          | \$ 0.47          |
| Discontinued operations, net                                                                                    | 0.01                  | 0.15              | –                             | –                | –                  | 0.01             | 0.03             |
| Earnings (loss) per share – basic                                                                               | <u>\$ 2.19</u>        | <u>\$ 2.72</u>    | <u>\$ 1.52</u>                | <u>\$ 0.45</u>   | <u>\$ (0.45)</u>   | <u>\$ 0.47</u>   | <u>\$ 0.50</u>   |
| Earnings (loss) per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – diluted |                       |                   |                               |                  |                    |                  |                  |
| Continuing operations                                                                                           | \$ 2.18               | \$ 2.57           | \$ 1.52                       | \$ 0.45          | \$ (0.45)          | \$ 0.46          | \$ 0.46          |
| Discontinued operations, net                                                                                    | 0.01                  | 0.15              | –                             | –                | –                  | 0.01             | 0.03             |
| Earnings (loss) per share – diluted                                                                             | <u>\$ 2.19</u>        | <u>\$ 2.72</u>    | <u>\$ 1.52</u>                | <u>\$ 0.45</u>   | <u>\$ (0.45)</u>   | <u>\$ 0.47</u>   | <u>\$ 0.49</u>   |

(1) See “Significant Events Impacting Comparability” under “Definitions and Other Information” section of this report starting on page 53.



**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Condensed Consolidated Balance Sheets**  
(In thousands)  
(Unaudited)

|                                                                  | <b>December 31,<br/>2010</b> | <b>September 30,<br/>2010</b> | <b>June 30,<br/>2010</b> | <b>March 31,<br/>2010</b> | <b>December 31,<br/>2009</b> |
|------------------------------------------------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|
| <b>Assets</b>                                                    |                              |                               |                          |                           |                              |
| Investments in real estate:                                      |                              |                               |                          |                           |                              |
| Rental properties                                                | \$ 4,546,769                 | \$ 4,162,394                  | \$ 3,979,016             | \$ 3,937,876              | \$ 3,903,955                 |
| Less: accumulated depreciation                                   | (616,007)                    | (588,167)                     | (562,755)                | (538,570)                 | (520,647)                    |
| Rental properties, net                                           | 3,930,762                    | 3,574,227                     | 3,416,261                | 3,399,306                 | 3,383,308                    |
| Land held for future development                                 | 431,838                      | 306,577                       | 309,514                  | 294,631                   | 255,025                      |
| Construction in progress                                         | 1,045,536                    | 1,356,905                     | 1,394,778                | 1,326,865                 | 1,400,795                    |
| Investment in unconsolidated real estate entity                  | 36,678                       | 35,940                        | 35,184                   | 34,421                    | –                            |
| Investments in real estate, net                                  | 5,444,814                    | 5,273,649                     | 5,155,737                | 5,055,223                 | 5,039,128                    |
| Cash and cash equivalents                                        | 91,232                       | 110,811                       | 73,254                   | 70,980                    | 70,628                       |
| Restricted cash                                                  | 28,354                       | 35,295                        | 37,660                   | 35,832                    | 47,291                       |
| Tenant receivables (1)                                           | 5,492                        | 4,929                         | 3,059                    | 2,710                     | 3,902                        |
| Deferred rent                                                    | 116,849                      | 108,303                       | 102,422                  | 99,248                    | 96,700                       |
| Investments                                                      | 83,899                       | 80,941                        | 77,088                   | 76,918                    | 72,882                       |
| Other assets                                                     | 135,221                      | 134,697                       | 115,939                  | 127,623                   | 126,696                      |
| Total assets                                                     | <u>\$ 5,905,861</u>          | <u>\$ 5,748,625</u>           | <u>\$ 5,565,159</u>      | <u>\$ 5,468,534</u>       | <u>\$ 5,457,227</u>          |
| <b>Liabilities, Noncontrolling Interests, and Equity</b>         |                              |                               |                          |                           |                              |
| Secured notes payable                                            | \$ 790,869                   | \$ 841,317                    | \$ 859,831               | \$ 884,839                | \$ 937,017                   |
| Unsecured line of credit and unsecured term loan                 | 1,498,000                    | 1,304,000                     | 1,446,000                | 1,291,000                 | 1,226,000                    |
| Unsecured convertible notes                                      | 295,293                      | 374,146                       | 378,580                  | 586,975                   | 583,929                      |
| Accounts payable, accrued expenses, and tenant security deposits | 304,257                      | 294,833                       | 300,035                  | 284,830                   | 282,516                      |
| Dividends payable                                                | 31,114                       | 25,554                        | 23,683                   | 21,709                    | 21,686                       |
| Total liabilities                                                | 2,919,533                    | 2,839,850                     | 3,008,129                | 3,069,353                 | 3,051,148                    |
| Redeemable noncontrolling interests                              | 15,920                       | 15,945                        | 17,014                   | 17,490                    | 41,441                       |
| Alexandria Real Estate Equities, Inc. stockholders' equity:      |                              |                               |                          |                           |                              |
| Series C preferred stock                                         | 129,638                      | 129,638                       | 129,638                  | 129,638                   | 129,638                      |
| Series D cumulative convertible preferred stock                  | 250,000                      | 250,000                       | 250,000                  | 250,000                   | 250,000                      |
| Common stock                                                     | 550                          | 549                           | 496                      | 439                       | 438                          |
| Additional paid-in capital                                       | 2,566,238                    | 2,504,365                     | 2,158,591                | 1,987,512                 | 1,977,062                    |
| Retained earnings                                                | 734                          | –                             | –                        | –                         | –                            |
| Accumulated other comprehensive loss                             | (18,335)                     | (33,348)                      | (40,377)                 | (26,990)                  | (33,730)                     |
| Total Alexandria Real Estate Equities, Inc. stockholders' equity | 2,928,825                    | 2,851,204                     | 2,498,348                | 2,340,599                 | 2,323,408                    |
| Noncontrolling interests                                         | 41,583                       | 41,626                        | 41,668                   | 41,092                    | 41,230                       |
| Total equity                                                     | 2,970,408                    | 2,892,830                     | 2,540,016                | 2,381,691                 | 2,364,638                    |
| Total liabilities, noncontrolling interests, and equity          | <u>\$ 5,905,861</u>          | <u>\$ 5,748,625</u>           | <u>\$ 5,565,159</u>      | <u>\$ 5,468,534</u>       | <u>\$ 5,457,227</u>          |

- (1) Tenant receivables consist of billed and unbilled receivables. Unbilled receivables represent operating expenses recoverable from tenants in excess of operating expenses billed to date. The difference in billed recoverable expenses and actual recoverable expenses will result in a billing/refund to tenants after year end pursuant to each lease. The increase in unbilled receivables from June 30, 2010 to December 31, 2010 of approximately \$2.4 million was primarily due to third and fourth quarter utility expenses incurred in excess of budget. Utility expenses exceeded budgeted expenses in the third and fourth quarters of 2010 due to extreme weather conditions in several of our markets.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Earnings (Loss) per Share**

*(Dollars in thousands, except per share data)*

*(Unaudited)*

**Earnings (Loss) per Share**

|                                                                                                                                                                                                                               | <b>Year Ended (1)</b> |                   | <b>Three Months Ended (1)</b> |                   |                    |                   |                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|-------------------------------|-------------------|--------------------|-------------------|-------------------|
|                                                                                                                                                                                                                               | <b>12/31/10</b>       | <b>12/31/09</b>   | <b>12/31/10</b>               | <b>9/30/10</b>    | <b>6/30/10</b>     | <b>3/31/10</b>    | <b>12/31/09</b>   |
| Net income (loss) attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – numerator for basic earnings (loss) per share                                                                                 | \$ 105,941            | \$ 104,974        | \$ 83,241                     | \$ 22,235         | \$ (20,393)        | \$ 20,542         | \$ 21,650         |
| Effect of dilutive securities and assumed conversion:                                                                                                                                                                         |                       |                   |                               |                   |                    |                   |                   |
| Assumed conversion of 8% unsecured convertible notes                                                                                                                                                                          | –                     | –                 | 2                             | –                 | –                  | –                 | –                 |
| Amounts attributable to unvested restricted stock awards                                                                                                                                                                      | –                     | –                 | –                             | –                 | –                  | –                 | –                 |
| Net income (loss) attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – numerator for diluted earnings (loss) per share                                                                               | <u>\$ 105,941</u>     | <u>\$ 104,974</u> | <u>\$ 83,243</u>              | <u>\$ 22,235</u>  | <u>\$ (20,393)</u> | <u>\$ 20,542</u>  | <u>\$ 21,650</u>  |
| Weighted average shares of common stock outstanding for calculating earnings (loss) per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – denominator for basic earnings (loss) per share   | 48,375,474            | 38,586,909        | 54,865,654                    | 49,807,241        | 44,870,142         | 43,821,765        | 43,715,462        |
| Effect of dilutive securities and assumed conversion:                                                                                                                                                                         |                       |                   |                               |                   |                    |                   |                   |
| Dilutive effect of stock options                                                                                                                                                                                              | 29,566                | 13,160            | 21,709                        | 23,098            | –                  | 35,748            | 34,839            |
| Assumed conversion of 8% unsecured convertible notes                                                                                                                                                                          | –                     | –                 | 6,047                         | –                 | –                  | –                 | –                 |
| Weighted average shares of common stock outstanding for calculating earnings (loss) per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – denominator for diluted earnings (loss) per share | <u>48,405,040</u>     | <u>38,600,069</u> | <u>54,893,410</u>             | <u>49,830,339</u> | <u>44,870,142</u>  | <u>43,857,513</u> | <u>43,750,301</u> |
| Earnings (loss) per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders                                                                                                                         |                       |                   |                               |                   |                    |                   |                   |
| Basic                                                                                                                                                                                                                         | <u>\$ 2.19</u>        | <u>\$ 2.72</u>    | <u>\$ 1.52</u>                | <u>\$ 0.45</u>    | <u>\$ (0.45)</u>   | <u>\$ 0.47</u>    | <u>\$ 0.50</u>    |
| Diluted                                                                                                                                                                                                                       | <u>\$ 2.19</u>        | <u>\$ 2.72</u>    | <u>\$ 1.52</u>                | <u>\$ 0.45</u>    | <u>\$ (0.45)</u>   | <u>\$ 0.47</u>    | <u>\$ 0.49</u>    |

(1) See “Earnings (Loss) per Share” and “Significant Events Impacting Comparability” under “Definitions and Other Information” section of this report starting on page 53.

# ALEXANDRIA REAL ESTATE EQUITIES, INC.

## Funds from Operations

(Dollars in thousands, except per share data)

(Unaudited)

### Funds from Operations (“FFO”)

The following table presents a reconciliation of net income (loss) attributable to Alexandria Real Estate Equities, Inc.’s common stockholders, the most directly comparable financial measure calculated and presented in accordance with United States generally accepted accounting principles (“GAAP”), to FFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders for the periods below:

|                                                                                                                                                                                                         | Year Ended (1)    |                   | Three Months Ended (1) |                   |                   |                   |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                                                                                                                                                         | 12/31/10          | 12/31/09          | 12/31/10               | 9/30/10           | 6/30/10           | 3/31/10           | 12/31/09          |
| Net income (loss) attributable to Alexandria Real Estate Equities, Inc.’s common stockholders                                                                                                           | \$ 105,941        | \$ 104,974        | \$ 83,241              | \$ 22,235         | \$ (20,393)       | \$ 20,542         | \$ 21,650         |
| Add: Depreciation and amortization                                                                                                                                                                      | 126,640           | 118,508           | 34,551                 | 32,009            | 30,342            | 29,738            | 29,004            |
| Add: Net income attributable to noncontrolling interests                                                                                                                                                | 3,729             | 7,047             | 944                    | 920               | 930               | 935               | 924               |
| Add: Net income attributable to unvested restricted stock awards                                                                                                                                        | 995               | 1,270             | 726                    | 217               | 149               | 219               | 242               |
| Subtract: Gain on sales of property                                                                                                                                                                     | (59,466)          | (2,627)           | (59,442)               | –                 | –                 | (24)              | (393)             |
| Subtract: FFO attributable to noncontrolling interests                                                                                                                                                  | (4,226)           | (3,843)           | (1,036)                | (1,053)           | (1,039)           | (1,098)           | (1,006)           |
| Subtract: FFO attributable to unvested restricted stock awards                                                                                                                                          | (1,608)           | (2,694)           | (512)                  | (491)             | (149)             | (530)             | (558)             |
| FFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders – numerator for basic FFO per share                                                                                     | 172,005           | 222,635           | 58,472                 | 53,837            | 9,840             | 49,782            | 49,863            |
| Effect of dilutive securities and assumed conversion:                                                                                                                                                   |                   |                   |                        |                   |                   |                   |                   |
| Assumed conversion of 8% unsecured convertible notes                                                                                                                                                    | 7,781             | 11,943            | 2                      | 25                | –                 | 4,194             | 4,362             |
| Amounts attributable to unvested restricted stock awards                                                                                                                                                | (22)              | 118               | –                      | –                 | –                 | 4                 | 22                |
| FFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders – numerator for FFO per share (diluted)                                                                                 | <u>\$ 179,764</u> | <u>\$ 234,696</u> | <u>\$ 58,474</u>       | <u>\$ 53,862</u>  | <u>\$ 9,840</u>   | <u>\$ 53,980</u>  | <u>\$ 54,247</u>  |
| Weighted average shares of common stock outstanding for calculating FFO per share attributable to Alexandria Real Estate Equities, Inc.’s common stockholders – denominator for basic FFO per share     | 48,375,474        | 38,586,909        | 54,865,654             | 49,807,241        | 44,870,142        | 43,821,765        | 43,715,462        |
| Effect of dilutive securities and assumed conversion:                                                                                                                                                   |                   |                   |                        |                   |                   |                   |                   |
| Dilutive effect of stock options                                                                                                                                                                        | 29,566            | 13,160            | 21,709                 | 23,098            | 34,857            | 35,748            | 34,839            |
| Assumed conversion of 8% unsecured convertible notes                                                                                                                                                    | 2,638,422         | 3,954,735         | 6,047                  | 33,886            | –                 | 5,797,101         | 5,797,101         |
| Weighted average shares of common stock outstanding for calculating FFO per share attributable to Alexandria Real Estate Equities, Inc.’s common stockholders – denominator for FFO per share (diluted) | <u>51,043,462</u> | <u>42,554,804</u> | <u>54,893,410</u>      | <u>49,864,225</u> | <u>44,904,999</u> | <u>49,654,614</u> | <u>49,547,402</u> |
| FFO per share attributable to Alexandria Real Estate Equities, Inc.’s common stockholders                                                                                                               |                   |                   |                        |                   |                   |                   |                   |
| Basic                                                                                                                                                                                                   | <u>\$ 3.56</u>    | <u>\$ 5.77</u>    | <u>\$ 1.07</u>         | <u>\$ 1.08</u>    | <u>\$ 0.22</u>    | <u>\$ 1.14</u>    | <u>\$ 1.14</u>    |
| Diluted                                                                                                                                                                                                 | <u>\$ 3.52</u>    | <u>\$ 5.52</u>    | <u>\$ 1.07</u>         | <u>\$ 1.08</u>    | <u>\$ 0.22</u>    | <u>\$ 1.09</u>    | <u>\$ 1.09</u>    |

- (1) See “Significant Events Impacting Comparability” under “Definitions and Other Information” section of this report starting on page 53. FFO and FFO per share (diluted) for the year ended December 31, 2010 before the significant events impacting comparability was \$224.5 million and \$4.40 per share, respectively. FFO and FFO per share (diluted) for the year ended December 31, 2009 before the significant events impacting comparability was \$198.0 million and \$4.65 per share, respectively.

See “Definitions and Other Information” section of this report starting on page 53.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Adjusted Funds from Operations**

(Dollars in thousands)

(Unaudited)

**Adjusted Funds from Operations**

The following table presents a reconciliation of FFO attributable to Alexandria Real Estate Equities, Inc.'s common stockholders to adjusted funds from operations ("AFFO") attributable to Alexandria Real Estate Equities, Inc.'s common stockholders:

|                                                                                                                                                                                                                             | <b>Year Ended (1)</b> |                   | <b>Three Months Ended (1)</b> |                   |                   |                   |                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|-------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                                                                                                                                                                             | <b>12/31/10</b>       | <b>12/31/09</b>   | <b>12/31/10</b>               | <b>9/30/10</b>    | <b>6/30/10</b>    | <b>3/31/10</b>    | <b>12/31/09</b>   |
| FFO attributable to Alexandria Real Estate Equities, Inc.'s common stockholders                                                                                                                                             | \$ 172,005            | \$ 222,635        | \$ 58,472                     | \$ 53,837         | \$ 9,840          | \$ 49,782         | \$ 49,863         |
| Add/(deduct):                                                                                                                                                                                                               |                       |                   |                               |                   |                   |                   |                   |
| Capital expenditures                                                                                                                                                                                                        | (1,332)               | (1,934)           | (260)                         | (329)             | (440)             | (303)             | (607)             |
| Second generation tenant improvements and leasing costs                                                                                                                                                                     | (6,725)               | (4,738)           | (2,583)                       | (856)             | (1,801)           | (1,485)           | (2,334)           |
| Amortization of loan fees                                                                                                                                                                                                   | 7,892                 | 7,958             | 1,999                         | 1,795             | 2,026             | 2,072             | 2,081             |
| Amortization of debt premiums/discounts                                                                                                                                                                                     | 9,999                 | 10,788            | 2,032                         | 2,092             | 2,849             | 3,026             | 2,998             |
| Amortization of acquired above and below market leases                                                                                                                                                                      | (7,868)               | (9,448)           | (2,364)                       | (1,927)           | (1,330)           | (2,247)           | (1,457)           |
| Deferred rent/straight-line rent                                                                                                                                                                                            | (22,832)              | (14,379)          | (9,092)                       | (6,300)           | (3,305)           | (4,135)           | (7,064)           |
| Stock compensation                                                                                                                                                                                                          | 10,816                | 14,051            | 2,767                         | 2,660             | 2,658             | 2,731             | 3,194             |
| Capitalized income from development projects                                                                                                                                                                                | 5,688                 | 6,498             | 1,486                         | 1,544             | 1,302             | 1,356             | 1,660             |
| Deferred rent/straight-line rent on ground leases                                                                                                                                                                           | 5,337                 | 5,566             | 1,424                         | 1,364             | 1,117             | 1,432             | 1,400             |
| Loss (gain) on early extinguishment of debt                                                                                                                                                                                 | 45,168                | (11,254)          | 2,372                         | 1,300             | 41,496            | -                 | -                 |
| Allocation to unvested restricted stock awards                                                                                                                                                                              | (424)                 | (37)              | 19                            | (11)              | (363)             | (25)              | 1                 |
| AFFO attributable to Alexandria Real Estate Equities, Inc.'s common stockholders                                                                                                                                            | <u>\$ 217,724</u>     | <u>\$ 225,706</u> | <u>\$ 56,272</u>              | <u>\$ 55,169</u>  | <u>\$ 54,049</u>  | <u>\$ 52,204</u>  | <u>\$ 49,735</u>  |
| Weighted average shares of common stock outstanding for calculating earnings (loss) per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – denominator for basic earnings (loss) per share | 48,375,474            | 38,586,909        | 54,865,654                    | 49,807,241        | 44,870,142        | 43,821,765        | 43,715,462        |
| Add: Dilutive effect of stock options                                                                                                                                                                                       | <u>29,566</u>         | <u>13,160</u>     | <u>21,709</u>                 | <u>23,098</u>     | <u>34,857</u>     | <u>35,748</u>     | <u>34,839</u>     |
|                                                                                                                                                                                                                             | <u>48,405,040</u>     | <u>38,600,069</u> | <u>54,887,363</u>             | <u>49,830,339</u> | <u>44,904,999</u> | <u>43,857,513</u> | <u>43,750,301</u> |

(1) See "Significant Events Impacting Comparability" under "Definitions and Other Information" section of this report starting on page 53. During the second quarter of 2009, we recognized additional income approximating \$7.2 million for a cash receipt related to real estate acquired in November 2007. During the first quarter of 2009, we recognized approximately \$18.5 million of additional rental income related to the modification of a lease in South San Francisco.

See "Definitions and Other Information" section of this report starting on page 53.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Financial and Asset Base Highlights**

*(Dollars in thousands, except per share amounts)*

*(Unaudited)*

|                                                   | <b>12/31/10</b> | <b>9/30/10</b> | <b>6/30/10</b> | <b>3/31/10</b> | <b>12/31/09</b> |
|---------------------------------------------------|-----------------|----------------|----------------|----------------|-----------------|
| <b>Balance Sheet Data</b>                         |                 |                |                |                |                 |
| Rental properties, net                            | \$ 3,930,762    | \$ 3,574,227   | \$ 3,416,261   | \$ 3,399,306   | \$ 3,383,308    |
| Land held for future development                  | \$ 431,838      | \$ 306,577     | \$ 309,514     | \$ 294,631     | \$ 255,025      |
| Construction in progress                          | \$ 1,045,536    | \$ 1,356,905   | \$ 1,394,778   | \$ 1,326,865   | \$ 1,400,795    |
| Gross book value of real estate                   | \$ 6,060,821    | \$ 5,861,816   | \$ 5,718,492   | \$ 5,593,793   | \$ 5,559,775    |
| Tangible non-real estate assets                   | \$ 240,873      | \$ 272,259     | \$ 218,373     | \$ 222,248     | \$ 227,440      |
| Total assets                                      | \$ 5,905,861    | \$ 5,748,625   | \$ 5,565,159   | \$ 5,468,534   | \$ 5,457,227    |
| Gross assets (excluding cash and restricted cash) | \$ 6,402,282    | \$ 6,190,686   | \$ 6,017,000   | \$ 5,900,292   | \$ 5,859,955    |
| Secured notes payable                             | \$ 790,869      | \$ 841,317     | \$ 859,831     | \$ 884,839     | \$ 937,017      |
| Unsecured line of credit                          | \$ 748,000      | \$ 554,000     | \$ 696,000     | \$ 541,000     | \$ 476,000      |
| Unsecured term loan                               | \$ 750,000      | \$ 750,000     | \$ 750,000     | \$ 750,000     | \$ 750,000      |
| 3.7% unsecured convertible notes                  | \$ 295,063      | \$ 373,918     | \$ 371,925     | \$ 369,961     | \$ 368,027      |
| 8.0% unsecured convertible notes                  | \$ 230          | \$ 228         | \$ 6,655       | \$ 217,014     | \$ 215,902      |
| Total unsecured debt                              | \$ 1,793,293    | \$ 1,678,146   | \$ 1,824,580   | \$ 1,877,975   | \$ 1,809,929    |
| Total debt                                        | \$ 2,584,162    | \$ 2,519,463   | \$ 2,684,411   | \$ 2,762,814   | \$ 2,746,946    |
| Net debt                                          | \$ 2,464,576    | \$ 2,373,357   | \$ 2,573,497   | \$ 2,656,002   | \$ 2,629,027    |
| Total liabilities                                 | \$ 2,919,533    | \$ 2,839,850   | \$ 3,008,129   | \$ 3,069,353   | \$ 3,051,148    |
| Common shares outstanding                         | 54,966,925      | 54,891,638     | 49,634,396     | 43,919,968     | 43,846,050      |
| Total market capitalization                       | \$ 6,994,306    | \$ 6,746,649   | \$ 6,212,596   | \$ 6,112,219   | \$ 5,946,639    |

|                                                                                                             | <b>Three Months Ended</b> |                    |                    |                |                 |
|-------------------------------------------------------------------------------------------------------------|---------------------------|--------------------|--------------------|----------------|-----------------|
|                                                                                                             | <b>12/31/10 (1)</b>       | <b>9/30/10 (1)</b> | <b>6/30/10 (1)</b> | <b>3/31/10</b> | <b>12/31/09</b> |
| <b>Operating Data</b>                                                                                       |                           |                    |                    |                |                 |
| Total revenues (1)                                                                                          | \$ 132,171                | \$ 121,629         | \$ 117,010         | \$ 116,493     | \$ 115,060      |
| Deferred rent/straight-line rent                                                                            | \$ 9,092                  | \$ 6,300           | \$ 3,305           | \$ 4,135       | \$ 7,064        |
| Amortization of acquired above and below market leases                                                      | \$ 2,364                  | \$ 1,927           | \$ 1,330           | \$ 2,247       | \$ 1,457        |
| Non-cash amortization of discount on unsecured convertible notes                                            | \$ 1,971                  | \$ 2,000           | \$ 2,925           | \$ 3,046       | \$ 3,009        |
| Non-cash amortization of discounts (premiums) on secured notes payable                                      | \$ 61                     | \$ 92              | \$ (76)            | \$ (20)        | \$ (11)         |
| Loss on early extinguishment of debt                                                                        | \$ (2,372)                | \$ (1,300)         | \$ (41,496)        | \$ –           | \$ –            |
| Net income (loss) attributable to Alexandria Real Estate Equities, Inc.’s common stockholders – diluted (1) | \$ 83,243                 | \$ 22,235          | \$ (20,393)        | \$ 20,542      | \$ 21,650       |
| Earnings (loss) per share – diluted (1)                                                                     | \$ 1.52                   | \$ 0.45            | \$ (0.45)          | \$ 0.47        | \$ 0.49         |
| FFO attributable to Alexandria Real Estate, Inc.’s common stockholders – diluted (1)                        | \$ 58,474                 | \$ 53,862          | \$ 9,840           | \$ 53,980      | \$ 54,247       |
| FFO per share – diluted (1)                                                                                 | \$ 1.07                   | \$ 1.08            | \$ 0.22            | \$ 1.09        | \$ 1.09         |
| Weighted average common shares outstanding – EPS – diluted                                                  | 54,893,410                | 49,830,339         | 44,870,142         | 43,857,513     | 43,750,301      |
| Weighted average common shares outstanding – FFO – diluted                                                  | 54,893,410                | 49,864,225         | 44,904,999         | 49,654,614     | 49,547,402      |

(1) See “Significant Events Impacting Comparability” under “Definitions and Other Information” section of this report starting on page 53.

See “Definitions and Other Information” section of this report starting on page 53.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Financial and Asset Base Highlights (continued)**  
*(Dollars in thousands, except per share amounts)*  
*(Unaudited)*

|                                                                                 | Three Months Ended (1) |              |              |              |              |
|---------------------------------------------------------------------------------|------------------------|--------------|--------------|--------------|--------------|
|                                                                                 | 12/31/10               | 9/30/10      | 6/30/10      | 3/31/10      | 12/31/09     |
| <b>Financial, Debt, and Other Ratios</b>                                        |                        |              |              |              |              |
| Unencumbered net operating income as a percentage of total net operating income | 60%                    | 58%          | 56%          | 57%          | 55%          |
| Unencumbered assets gross book value                                            | \$ 4,825,963           | \$ 4,583,045 | \$ 4,404,729 | \$ 4,250,976 | \$ 4,166,066 |
| Unencumbered assets gross book value as a percentage of gross assets            | 74%                    | 72%          | 72%          | 71%          | 70%          |
| Percentage outstanding on unsecured line of credit at end of period             | 50%                    | 48%          | 61%          | 47%          | 41%          |
| Operating margin                                                                | 72%                    | 72%          | 74%          | 73%          | 74%          |
| Adjusted EBITDA margin                                                          | 68%                    | 68%          | 69%          | 68%          | 71%          |
| General and administrative expense as a percentage of total revenues            | 6.5%                   | 6.6%         | 7.1%         | 8.1%         | 7.4%         |
| EBITDA – trailing 12 months                                                     | \$ 335,304             | \$ 269,923   | \$ 267,281   | \$ 325,596   | \$ 342,428   |
| Adjusted EBITDA – quarter annualized                                            | \$ 357,756             | \$ 330,164   | \$ 324,200   | \$ 315,168   | \$ 324,648   |
| Adjusted EBITDA – trailing 12 months                                            | \$ 331,822             | \$ 323,545   | \$ 321,084   | \$ 327,685   | \$ 342,599   |
| Capitalized interest                                                            | \$ 14,629              | \$ 16,695    | \$ 18,322    | \$ 19,509    | \$ 18,976    |
| Weighted average interest rate used for capitalization during period            | 4.67%                  | 4.59%        | 5.06%        | 5.20%        | 5.42%        |
| Net debt to Gross Assets (excluding cash and restricted cash) at end of period  | 38.5%                  | 38.3%        | 42.8%        | 45.0%        | 44.9%        |
| Secured debt as a percentage of gross assets at end of period                   | 12%                    | 13%          | 14%          | 15%          | 16%          |
| Net debt to Adjusted EBITDA – quarter annualized                                | 6.9                    | 7.2          | 7.9          | 8.4          | 8.1          |
| Net debt to Adjusted EBITDA – trailing 12 months                                | 7.4                    | 7.3          | 8.0          | 8.1          | 7.7          |
| Dividends per share on common stock                                             | \$ 0.45                | \$ 0.35      | \$ 0.35      | \$ 0.35      | \$ 0.35      |
| Dividend payout ratio (common stock)                                            | 41%                    | 35%          | 32%          | 29%          | 29%          |
|                                                                                 | 4Q10                   | 3Q10         | 2Q10         | 1Q10         | 4Q09         |
| <b>Asset Base Statistics</b>                                                    |                        |              |              |              |              |
| Number of properties at end of period                                           | 167                    | 165          | 162          | 162          | 163          |
| Rentable square feet at end of period                                           | 13,683,770             | 12,892,718   | 12,680,974   | 12,680,974   | 12,751,621   |
| Occupancy of operating properties at end of period                              | 94.3%                  | 94.0%        | 94.0%        | 94.0%        | 94.1%        |
| Occupancy including redevelopment properties at end of period                   | 88.9%                  | 89.3%        | 89.6%        | 88.9%        | 89.4%        |
| Leasing activity – YTD rentable square feet                                     | 2,744,239              | 1,670,004    | 1,031,018    | 563,901      | 1,864,347    |
| Leasing activity – Qtr rentable square feet                                     | 1,074,235              | 639,559      | 550,678      | 563,901      | 489,079      |
| Leasing activity – YTD GAAP rental rate increase                                | 4.9%                   | 5.4%         | 4.2%         | 1.8%         | 3.5%         |
| Leasing activity – Qtr GAAP rental rate increase                                | 4.3%                   | 8.1%         | 5.1%         | 1.8%         | 1.5%         |
| Leasing activity – YTD Cash rental rate increase                                | 2.0%                   | 0.4%         | 0.3%         | 0.7%         | 0.1%         |
| Leasing activity – Qtr Cash rental rate increase (decrease)                     | 4.2%                   | 0.7%         | 0.0%         | 0.7%         | (8.0%)       |
| Same property YTD revenue less operating expenses – GAAP basis                  | 0.4%                   | 0.6%         | 0.6%         | 0.8%         | 2.8%         |
| Same property Qtr revenue less operating expenses – GAAP basis                  | 1.3%                   | 0.1%         | 0.7%         | 0.8%         | 1.1%         |
| Same property YTD revenue less operating expenses – Cash basis                  | 1.5%                   | 1.3%         | 1.3%         | 0.4%         | 4.7%         |
| Same property Qtr revenue less operating expenses – Cash basis                  | 2.0%                   | 2.3%         | 2.5%         | 0.4%         | 1.3%         |

(1) See “Significant Events Impacting Comparability” under “Definitions and Other Information” section of this report starting on page 53.

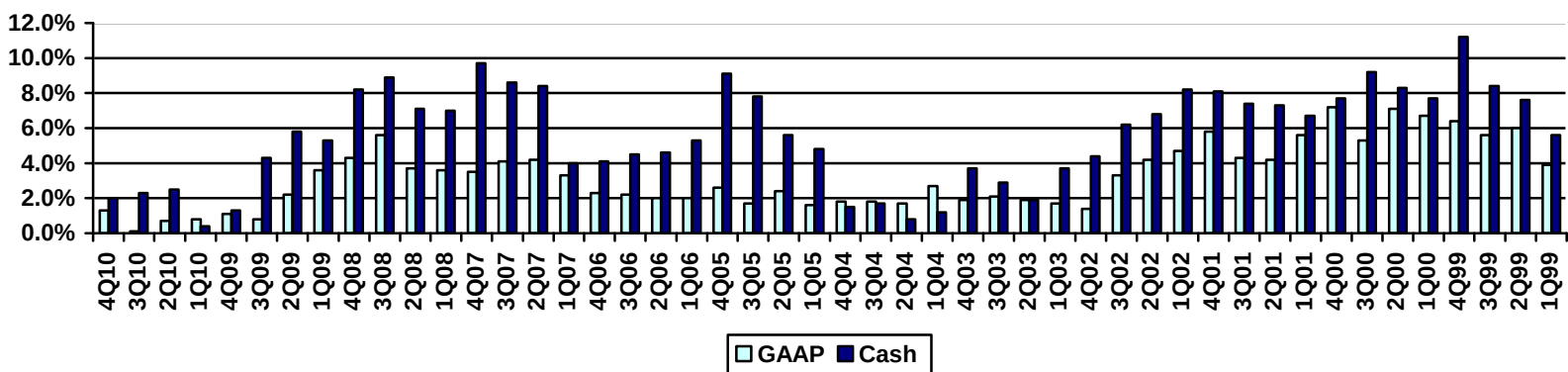
See “Definitions and Other Information” section of this report starting on page 53.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Financial and Asset Base Highlights (continued)**  
*(Unaudited)*

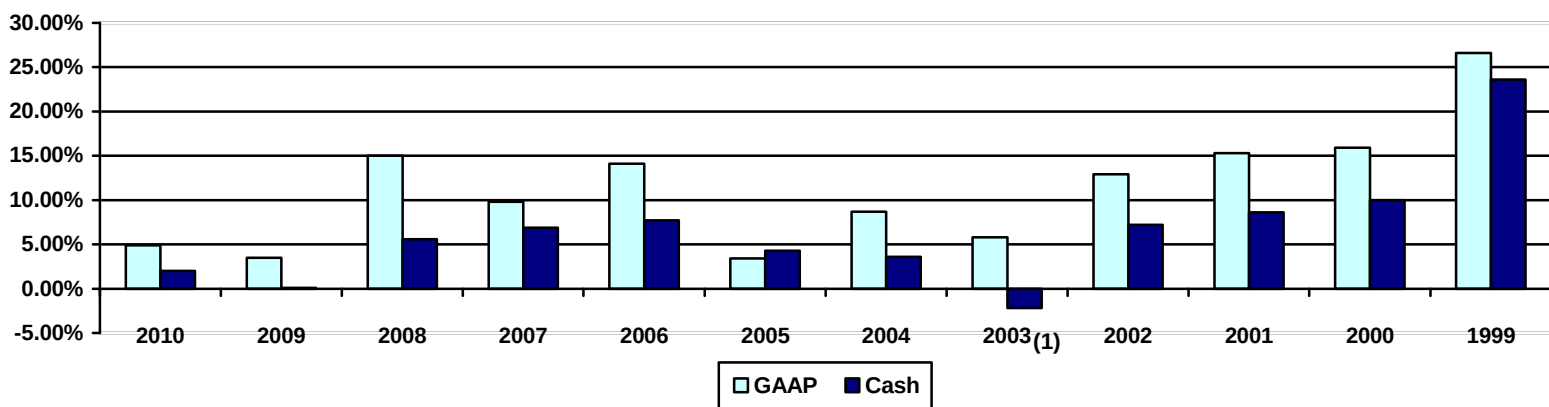
**Summary of Occupancy Percentage at End of Period**

|                                        |         | December 31, |       |       |       |       |       |       |       |       |       |       |       |       |
|----------------------------------------|---------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                        | Average | 2010         | 2009  | 2008  | 2007  | 2006  | 2005  | 2004  | 2003  | 2002  | 2001  | 2000  | 1997  | 1998  |
| Operating properties                   | 95.2%   | 94.3%        | 94.1% | 94.8% | 93.8% | 93.1% | 93.2% | 95.2% | 93.9% | 96.3% | 99.0% | 98.4% | 95.7% | 96.2% |
| Operating and redevelopment properties | 89.2%   | 88.9%        | 89.4% | 90.0% | 87.8% | 88.0% | 87.7% | 87.0% | 88.4% | 89.2% | 88.6% | 90.8% | 91.5% | 92.9% |

**Quarterly Percentage Change in GAAP and Cash Same Property Revenues Less Operating Expenses**



**Summary of GAAP and Cash Rental Rate Increases on Renewed/Released Space**



- (1) Excluding a lease for 21,310 rentable square feet in the San Francisco Bay market, rental rates for renewed or released space in 2003 were on average 2.5% higher than expiring rates on a cash basis and 9.7% higher than expiring rates on a GAAP basis.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Summary of Properties**  
*(Dollars in thousands)*  
*(Unaudited)*

| <b>Markets</b>                          | <b>December 31, 2010</b> |                      |                    |                   | <b>Number of Properties</b> | <b>Annualized Base Rent</b> |
|-----------------------------------------|--------------------------|----------------------|--------------------|-------------------|-----------------------------|-----------------------------|
|                                         | <b>Operating</b>         | <b>Redevelopment</b> | <b>Development</b> | <b>Total</b>      |                             |                             |
| California – San Diego                  | 2,043,199                | 419,722              | 123,430            | 2,586,351         | 36                          | \$ 63,569                   |
| California – San Francisco Bay          | 1,879,290                | –                    | 255,388            | 2,134,678         | 22                          | 67,098                      |
| Greater Boston                          | 3,250,589                | 210,660              | –                  | 3,461,249         | 38                          | 121,277                     |
| NYC/New Jersey/Suburban Philadelphia    | 747,292                  | –                    | –                  | 747,292           | 9                           | 33,747                      |
| Southeast                               | 713,221                  | 30,000               | 97,000             | 840,221           | 13                          | 15,484                      |
| Suburban Washington, D.C.               | 2,458,299                | 95,081               | –                  | 2,553,380         | 32                          | 53,327                      |
| Washington – Seattle                    | 997,205                  | –                    | –                  | 997,205           | 12                          | 34,461                      |
| International                           | 342,394                  | –                    | –                  | 342,394           | 4                           | 8,995                       |
| Subtotal                                | 12,431,489               | 755,463              | 475,818            | 13,662,770        | 166                         | \$ <u>397,958</u>           |
| Discontinued Operations/“Held for Sale” | 21,000                   | –                    | –                  | 21,000            | 1                           |                             |
| Total                                   | <u>12,452,489</u>        | <u>755,463</u>       | <u>475,818</u>     | <u>13,683,770</u> | <u>167</u>                  |                             |

See “Definitions and Other Information” section of this report starting on page 53.



**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Summary of Occupancy Percentage**  
*(Dollars in thousands)*  
*(Unaudited)*

**Summary of Occupancy Percentage at End of Period**

|                                        |                | <b>December 31,</b> |             |             |             |             |             |             |             |             |             |             |             |             |
|----------------------------------------|----------------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                        | <b>Average</b> | <b>2010</b>         | <b>2009</b> | <b>2008</b> | <b>2007</b> | <b>2006</b> | <b>2005</b> | <b>2004</b> | <b>2003</b> | <b>2002</b> | <b>2001</b> | <b>2000</b> | <b>1997</b> | <b>1998</b> |
| Operating properties                   | 95.2%          | 94.3%               | 94.1%       | 94.8%       | 93.8%       | 93.1%       | 93.2%       | 95.2%       | 93.9%       | 96.3%       | 99.0%       | 98.4%       | 95.7%       | 96.2%       |
| Operating and redevelopment properties | 89.2%          | 88.9%               | 89.4%       | 90.0%       | 87.8%       | 88.0%       | 87.7%       | 87.0%       | 88.4%       | 89.2%       | 88.6%       | 90.8%       | 91.5%       | 92.9%       |

| <b>Markets</b>                        | <b>Operating Properties</b> |                |                 | <b>Operating and Redevelopment Properties</b> |                |                 |
|---------------------------------------|-----------------------------|----------------|-----------------|-----------------------------------------------|----------------|-----------------|
|                                       | <b>12/31/10</b>             | <b>9/30/10</b> | <b>12/31/09</b> | <b>12/31/10</b>                               | <b>9/30/10</b> | <b>12/31/09</b> |
| California – San Diego                | 93.1%                       | 88.5%          | 89.2%           | 77.3%                                         | 78.6%          | 83.0%           |
| California – San Francisco Bay        | 95.8                        | 96.8           | 95.4            | 95.8                                          | 96.8           | 95.4            |
| Greater Boston                        | 93.6                        | 94.5           | 94.3            | 87.9                                          | 87.9           | 87.3            |
| NYC/New Jersey/ Suburban Philadelphia | 85.8                        | 87.6           | 88.0            | 85.8                                          | 87.6           | 88.0            |
| Southeast                             | 93.4                        | 93.3           | 93.7            | 89.6                                          | 89.4           | 91.1            |
| Suburban Washington, D.C.             | 95.8                        | 94.3           | 94.3            | 92.2                                          | 88.6           | 86.9            |
| Washington – Seattle                  | 97.5                        | 97.5           | 99.1            | 97.5                                          | 97.5           | 99.1            |
| International                         | 100.0                       | 100.0          | 100.0           | 100.0                                         | 100.0          | 100.0           |
| Total                                 | 94.3%                       | 94.0%          | 94.1%           | 88.9%                                         | 89.3%          | 89.4%           |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Property Listing**

**December 31, 2010**

*(Dollars in thousands)*

*(Unaudited)*

|                                                                   |                        | Rentable Square Feet |               |             |           | Number of Properties | Annualized Base Rent | Occupancy Percentage |                             |
|-------------------------------------------------------------------|------------------------|----------------------|---------------|-------------|-----------|----------------------|----------------------|----------------------|-----------------------------|
| Address                                                           | Submarket              | Operating            | Redevelopment | Development | Total     |                      |                      | Operating            | Operating and Redevelopment |
| California - San Diego                                            |                        |                      |               |             |           |                      |                      |                      |                             |
| 129/153/161 North Hill Avenue & 6 Thomas                          | LA Metro               | 61,003               | -             | -           | 61,003    | 2                    | \$ 851               | 62.2%                | 62.2%                       |
| 13112 Evening Creek Drive                                         | I-15 Corridor          | 109,780              | -             | -           | 109,780   | 1                    | 2,495                | 100.0%               | 100.0%                      |
| 5810-5820 Nancy Ridge Drive                                       | Sorrento Mesa          | 87,298               | -             | -           | 87,298    | 1                    | 1,645                | 100.0%               | 100.0%                      |
| 5871 Oberlin Drive                                                | Sorrento Mesa          | 35,510               | -             | -           | 35,510    | 1                    | 771                  | 64.3%                | 64.3%                       |
| 6138-6150 Nancy Ridge Drive                                       | Sorrento Mesa          | 56,698               | -             | -           | 56,698    | 1                    | 1,586                | 100.0%               | 100.0%                      |
| 6146/6166 Nancy Ridge Drive                                       | Sorrento Mesa          | 51,273               | -             | -           | 51,273    | 2                    | 1,008                | 87.4%                | 87.4%                       |
| 6175/6225/6275 Nancy Ridge Drive                                  | Sorrento Mesa          | 60,232               | 47,347        | -           | 107,579   | 3                    | 417                  | 45.6%                | 25.5%                       |
| 7330 Carroll Road                                                 | Sorrento Mesa          | 66,244               | -             | -           | 66,244    | 1                    | 2,141                | 89.4%                | 89.4%                       |
| 10505 Roselle Street & 3770 Tansy Street                          | Sorrento Valley        | 33,013               | -             | -           | 33,013    | 2                    | 1,001                | 100.0%               | 100.0%                      |
| 11025/11035/11045 Roselle Street                                  | Sorrento Valley        | 65,910               | -             | -           | 65,910    | 3                    | 1,565                | 100.0%               | 100.0%                      |
| 3985 Sorrento Valley Boulevard                                    | Sorrento Valley        | 60,545               | -             | -           | 60,545    | 1                    | 1,557                | 100.0%               | 100.0%                      |
| 10931/10933 North Torrey Pines Road                               | Torrey Pines           | 96,641               | -             | -           | 96,641    | 1                    | 3,056                | 96.9%                | 96.9%                       |
| 10975 North Torrey Pines Road                                     | Torrey Pines           | 44,733               | -             | -           | 44,733    | 1                    | 1,614                | 100.0%               | 100.0%                      |
| 11119 North Torrey Pines Road                                     | Torrey Pines           | -                    | 81,816        | -           | 81,816    | 1                    | -                    | N/A                  | 0.0%                        |
| 3010 Science Park Road                                            | Torrey Pines           | 74,557               | -             | -           | 74,557    | 1                    | 3,215                | 100.0%               | 100.0%                      |
| 3115/3215 Merryfield Row                                          | Torrey Pines           | 158,645              | -             | -           | 158,645   | 2                    | 6,417                | 100.0%               | 100.0%                      |
| 3530/3550 John Hopkins Court &<br>3535/3565 General Atomics Court | Torrey Pines           | 119,684              | 89,923        | -           | 209,607   | 4                    | 3,197                | 73.6%                | 42.0%                       |
| 10300 Campus Point Drive                                          | University Town Center | 172,434              | 200,636       | -           | 373,070   | 1                    | 7,623                | 100.0%               | 46.2%                       |
| 4757/4767 Nexus Centre Drive                                      | University Town Center | 132,330              | -             | -           | 132,330   | 2                    | 4,914                | 100.0%               | 100.0%                      |
| 5200 Research Place                                               | University Town Center | 346,581              | -             | 123,430     | 470,011   | 1                    | 12,321               | 100.0%               | 100.0%                      |
| 9363/9373/9393 Towne Centre Drive                                 | University Town Center | 138,578              | -             | -           | 138,578   | 3                    | 3,401                | 83.1%                | 83.1%                       |
| 9880 Campus Point Drive                                           | University Town Center | 71,510               | -             | -           | 71,510    | 1                    | 2,774                | 100.0%               | 100.0%                      |
| California - San Diego                                            |                        | 2,043,199            | 419,722       | 123,430     | 2,586,351 | 36                   | \$ 63,569            | 93.1%                | 77.3%                       |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Property Listing**

**December 31, 2010**

*(Dollars in thousands)*

*(Unaudited)*

|                                          |                     | Rentable Square Feet |               |             |           | Number of Properties | Annualized Base Rent | Occupancy Percentage |                             |
|------------------------------------------|---------------------|----------------------|---------------|-------------|-----------|----------------------|----------------------|----------------------|-----------------------------|
| Address                                  | Submarket           | Operating            | Redevelopment | Development | Total     |                      |                      | Operating            | Operating and Redevelopment |
| California - San Francisco Bay           |                     |                      |               |             |           |                      |                      |                      |                             |
| 1500 Owens Street                        | Mission Bay         | 123,683              | -             | 34,584      | 158,267   | 1                    | \$ 5,607             | 100.0%               | 100.0%                      |
| 1700 Owens Street                        | Mission Bay         | 157,340              | -             | -           | 157,340   | 1                    | 6,768                | 97.1%                | 97.1%                       |
| 455 Mission Bay Boulevard                | Mission Bay         | 151,196              | -             | 58,804      | 210,000   | 1                    | 7,188                | 100.0%               | 100.0%                      |
| 2425 Garcia Ave & 2400/2450 Bayshore Pky | Peninsula           | 98,964               | -             | -           | 98,964    | 1                    | 2,542                | 78.8%                | 78.8%                       |
| 2625/2627/2631 Hanover Street            | Peninsula           | 32,074               | -             | -           | 32,074    | 1                    | 1,354                | 100.0%               | 100.0%                      |
| 3165 Porter Drive                        | Peninsula           | 91,644               | -             | -           | 91,644    | 1                    | 3,928                | 100.0%               | 100.0%                      |
| 3350 W. Bayshore Road                    | Peninsula           | 60,000               | -             | -           | 60,000    | 1                    | 1,230                | 82.6%                | 82.6%                       |
| 75 & 125 Shoreway Road                   | Peninsula           | 82,712               | -             | -           | 82,712    | 1                    | 2,054                | 94.2%                | 94.2%                       |
| 849/863 Mitten Road & 866 Malcolm Road   | Peninsula           | 103,963              | -             | -           | 103,963   | 1                    | 2,960                | 95.4%                | 95.4%                       |
| 249 E. Grand Avenue                      | South San Francisco | 129,501              | -             | -           | 129,501   | 1                    | 5,084                | 100.0%               | 100.0%                      |
| 341/343 Oyster Point Blvd                | South San Francisco | 107,960              | -             | -           | 107,960   | 2                    | 2,852                | 100.0%               | 100.0%                      |
| 400/450 East Jamie Court                 | South San Francisco | -                    | -             | 162,000     | 162,000   | 2                    | -                    | N/A                  | N/A                         |
| 500 Forbes Boulevard                     | South San Francisco | 155,685              | -             | -           | 155,685   | 1                    | 5,540                | 100.0%               | 100.0%                      |
| 600/630/650 Gateway Boulevard            | South San Francisco | 150,960              | -             | -           | 150,960   | 3                    | 3,645                | 78.0%                | 78.0%                       |
| 681 Gateway Boulevard                    | South San Francisco | 126,971              | -             | -           | 126,971   | 1                    | 6,161                | 100.0%               | 100.0%                      |
| 7000 Shoreline Court                     | South San Francisco | 136,393              | -             | -           | 136,393   | 1                    | 4,272                | 100.0%               | 100.0%                      |
| 901/951 Gateway Boulevard                | South San Francisco | 170,244              | -             | -           | 170,244   | 2                    | 5,913                | 100.0%               | 100.0%                      |
| California - San Francisco Bay           |                     | 1,879,290            | -             | 255,388     | 2,134,678 | 22                   | \$ 67,098            | 95.8%                | 95.8%                       |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Property Listing**  
**December 31, 2010**  
*(Dollars in thousands)*  
*(Unaudited)*

|                             |                         | Rentable Square Feet |               |             |           | Occupancy Percentage |                      |           |                             |
|-----------------------------|-------------------------|----------------------|---------------|-------------|-----------|----------------------|----------------------|-----------|-----------------------------|
| Address                     | Submarket               | Operating            | Redevelopment | Development | Total     | Number of Properties | Annualized Base Rent | Operating | Operating and Redevelopment |
| Greater Boston              |                         |                      |               |             |           |                      |                      |           |                             |
| 100 Technology Square       | Cambridge/Inner Suburbs | 255,441              | -             | -           | 255,441   | 1                    | \$ 17,304            | 100.0%    | 100.0%                      |
| 200 Technology Square       | Cambridge/Inner Suburbs | 177,101              | -             | -           | 177,101   | 1                    | 9,846                | 96.5%     | 96.5%                       |
| 300 Technology Square       | Cambridge/Inner Suburbs | 175,609              | -             | -           | 175,609   | 1                    | 10,551               | 93.7%     | 93.7%                       |
| 400 Technology Square       | Cambridge/Inner Suburbs | 177,662              | 17,114        | -           | 194,776   | 1                    | 6,264                | 100.0%    | 91.2%                       |
| 500 Technology Square       | Cambridge/Inner Suburbs | 184,207              | -             | -           | 184,207   | 1                    | 9,871                | 95.3%     | 95.3%                       |
| 600 Technology Square       | Cambridge/Inner Suburbs | 128,224              | -             | -           | 128,224   | 1                    | 4,493                | 99.6%     | 99.6%                       |
| 700 Technology Square       | Cambridge/Inner Suburbs | 48,930               | -             | -           | 48,930    | 1                    | 1,773                | 100.0%    | 100.0%                      |
| 161 First Street            | Cambridge/Inner Suburbs | 46,356               | -             | -           | 46,356    | 1                    | 1,839                | 99.5%     | 99.5%                       |
| 167 Sidney Street           | Cambridge/Inner Suburbs | 26,589               | -             | -           | 26,589    | 1                    | 1,388                | 100.0%    | 100.0%                      |
| 215 First Street            | Cambridge/Inner Suburbs | 333,668              | 33,001        | -           | 366,669   | 1                    | 9,556                | 92.1%     | 83.8%                       |
| 300 Third Street            | Cambridge/Inner Suburbs | 131,639              | -             | -           | 131,639   | 1                    | 7,100                | 98.3%     | 98.3%                       |
| 480 Arsenal                 | Cambridge/Inner Suburbs | 140,744              | -             | -           | 140,744   | 1                    | 4,529                | 100.0%    | 100.0%                      |
| 500 Arsenal Street          | Cambridge/Inner Suburbs | 45,000               | 47,500        | -           | 92,500    | 1                    | 2,054                | 100.0%    | 48.6%                       |
| 780/790 Memorial Drive      | Cambridge/Inner Suburbs | 98,497               | -             | -           | 98,497    | 2                    | 6,296                | 100.0%    | 100.0%                      |
| 79/96 Charlestown Navy Yard | Cambridge/Inner Suburbs | 24,940               | -             | -           | 24,940    | 1                    | -                    | 0.0%      | 0.0%                        |
| 99 Erie Street              | Cambridge/Inner Suburbs | 27,960               | -             | -           | 27,960    | 1                    | 552                  | 42.3%     | 42.3%                       |
| 100 Beaver Street           | Rte 128                 | 82,330               | -             | -           | 82,330    | 1                    | 2,302                | 100.0%    | 100.0%                      |
| 13-15 DeAngelo Drive        | Rte 128                 | 30,000               | -             | -           | 30,000    | 1                    | 441                  | 100.0%    | 100.0%                      |
| 19 Presidential Way         | Rte 128                 | 128,325              | -             | -           | 128,325   | 1                    | 3,398                | 100.0%    | 100.0%                      |
| 29 Hartwell Avenue          | Rte 128                 | 59,000               | -             | -           | 59,000    | 1                    | 2,671                | 100.0%    | 100.0%                      |
| 3 Preston Court             | Rte 128                 | 30,000               | -             | -           | 30,000    | 1                    | -                    | 0.0%      | 0.0%                        |
| 35 Hartwell Avenue          | Rte 128                 | 46,700               | -             | -           | 46,700    | 1                    | 1,650                | 100.0%    | 100.0%                      |
| 35 Wiggins Avenue           | Rte 128                 | 48,640               | -             | -           | 48,640    | 1                    | 724                  | 100.0%    | 100.0%                      |
| 44 Hartwell Avenue          | Rte 128                 | 26,828               | -             | -           | 26,828    | 1                    | 1,105                | 100.0%    | 100.0%                      |
| 45-47 Wiggins Avenue        | Rte 128                 | 38,000               | -             | -           | 38,000    | 1                    | 1,235                | 100.0%    | 100.0%                      |
| 60 Westview Street          | Rte 128                 | 40,200               | -             | -           | 40,200    | 1                    | 1,257                | 100.0%    | 100.0%                      |
| 6-8 Preston Court           | Rte 128                 | 54,391               | -             | -           | 54,391    | 1                    | 603                  | 84.0%     | 84.0%                       |
| 111 Forbes Boulevard        | Rte 495/Worcester       | 58,280               | -             | -           | 58,280    | 1                    | 260                  | 28.6%     | 28.6%                       |
| 130 Forbes Boulevard        | Rte 495/Worcester       | 97,566               | -             | -           | 97,566    | 1                    | 871                  | 100.0%    | 100.0%                      |
| 155 Fortune Boulevard       | Rte 495/Worcester       | 36,000               | -             | -           | 36,000    | 1                    | 806                  | 100.0%    | 100.0%                      |
| 20 Walkup Drive             | Rte 495/Worcester       | -                    | 113,045       | -           | 113,045   | 1                    | -                    | N/A       | 0.0%                        |
| 30 Bearfoot Road            | Rte 495/Worcester       | 60,759               | -             | -           | 60,759    | 1                    | 2,765                | 100.0%    | 100.0%                      |
| 306 Belmont Street          | Rte 495/Worcester       | 78,916               | -             | -           | 78,916    | 1                    | 1,139                | 100.0%    | 100.0%                      |
| 350 Plantation Street       | Rte 495/Worcester       | 11,774               | -             | -           | 11,774    | 1                    | 173                  | 100.0%    | 100.0%                      |
| 377 Plantation Street       | Rte 495/Worcester       | 92,711               | -             | -           | 92,711    | 1                    | 2,082                | 85.1%     | 85.1%                       |
| 381 Plantation Street       | Rte 495/Worcester       | 92,423               | -             | -           | 92,423    | 1                    | 1,733                | 85.0%     | 85.0%                       |
| One Innovation Drive        | Rte 495/Worcester       | 115,179              | -             | -           | 115,179   | 1                    | 2,646                | 96.3%     | 96.3%                       |
| Greater Boston              |                         | 3,250,589            | 210,660       | -           | 3,461,249 | 38                   | \$ 121,277           | 93.6%     | 87.9%                       |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Property Listing**  
**December 31, 2010**  
*(Dollars in thousands)*  
*(Unaudited)*

|                                      |                   | Rentable Square Feet |               |             |         | Number of Properties | Annualized Base Rent | Occupancy Percentage |                             |
|--------------------------------------|-------------------|----------------------|---------------|-------------|---------|----------------------|----------------------|----------------------|-----------------------------|
| Address                              | Submarket         | Operating            | Redevelopment | Development | Total   |                      |                      | Operating            | Operating and Redevelopment |
| NYC/New Jersey/Suburban Philadelphia |                   |                      |               |             |         |                      |                      |                      |                             |
| 100 Phillips Parkway                 | Bergen County     | 78,501               | -             | -           | 78,501  | 1                    | \$ 2,292             | 100.0%               | 100.0%                      |
| 450 E. 29th Street                   | Midtown Manhattan | 308,388              | -             | -           | 308,388 | 1                    | 24,858               | 92.4%                | 92.4%                       |
| 102 Witmer Road                      | Pennsylvania      | 50,000               | -             | -           | 50,000  | 1                    | 3,345                | 100.0%               | 100.0%                      |
| 200 Lawrence Road                    | Pennsylvania      | 111,451              | -             | -           | 111,451 | 1                    | 1,246                | 100.0%               | 100.0%                      |
| 210 Welsh Pool Road                  | Pennsylvania      | 59,415               | -             | -           | 59,415  | 1                    | 946                  | 100.0%               | 100.0%                      |
| 5100 Campus Drive                    | Pennsylvania      | 21,782               | -             | -           | 21,782  | 1                    | 325                  | 100.0%               | 100.0%                      |
| 701 Veterans Circle                  | Pennsylvania      | 35,155               | -             | -           | 35,155  | 1                    | 735                  | 100.0%               | 100.0%                      |
| 702 Electronic Drive                 | Pennsylvania      | 40,000               | -             | -           | 40,000  | 1                    | -                    | 0.0%                 | 0.0%                        |
| 279 Princeton Road                   | Princeton         | 42,600               | -             | -           | 42,600  | 1                    | -                    | 0.0%                 | 0.0%                        |
| NYC/New Jersey/Suburban Philadelphia |                   | 747,292              | -             | -           | 747,292 | 9                    | \$ 33,747            | 85.8%                | 85.8%                       |

|                                |                        | Rentable Square Feet |               |             |         | Number of Properties | Annualized Base Rent | Occupancy Percentage |                             |
|--------------------------------|------------------------|----------------------|---------------|-------------|---------|----------------------|----------------------|----------------------|-----------------------------|
| Address                        | Submarket              | Operating            | Redevelopment | Development | Total   |                      |                      | Operating            | Operating and Redevelopment |
| Southeast                      |                        |                      |               |             |         |                      |                      |                      |                             |
| 555 Heritage Drive             | Palm Beach             | 44,855               | -             | -           | 44,855  | 1                    | \$ 439               | 60.4%                | 60.4%                       |
| 100 Capitola Drive             | Research Triangle Park | 65,992               | -             | -           | 65,992  | 1                    | 990                  | 99.4%                | 99.4%                       |
| 108/110/112/114 Alexander Road | Research Triangle Park | 158,417              | -             | -           | 158,417 | 1                    | 4,954                | 100.0%               | 100.0%                      |
| 2525 E. NC Highway 54          | Research Triangle Park | 81,580               | -             | -           | 81,580  | 1                    | 1,655                | 100.0%               | 100.0%                      |
| 5 Triangle Drive               | Research Triangle Park | 32,120               | -             | -           | 32,120  | 1                    | 824                  | 100.0%               | 100.0%                      |
| 601 Keystone Park Drive        | Research Triangle Park | 77,395               | -             | -           | 77,395  | 1                    | 1,360                | 100.0%               | 100.0%                      |
| 6101 Quadrangle Drive          | Research Triangle Park | -                    | 30,000        | -           | 30,000  | 1                    | -                    | N/A                  | 0.0%                        |
| 7 Triangle Drive               | Research Triangle Park | -                    | -             | 97,000      | 97,000  | 1                    | -                    | N/A                  | N/A                         |
| 7010/7020/7030 Kit Creek       | Research Triangle Park | 133,654              | -             | -           | 133,654 | 3                    | 2,957                | 89.4%                | 89.4%                       |
| 800/801 Capitola Drive         | Research Triangle Park | 119,208              | -             | -           | 119,208 | 2                    | 2,305                | 87.4%                | 87.4%                       |
| Southeast                      |                        | 713,221              | 30,000        | 97,000      | 840,221 | 13                   | \$ 15,484            | 93.4%                | 89.6%                       |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Property Listing**  
**December 31, 2010**  
*(Dollars in thousands)*  
*(Unaudited)*

|                                     |                   | Rentable Square Feet |               |             |           | Number of Properties | Annualized Base Rent | Occupancy Percentage |                             |
|-------------------------------------|-------------------|----------------------|---------------|-------------|-----------|----------------------|----------------------|----------------------|-----------------------------|
| Address                             | Submarket         | Operating            | Redevelopment | Development | Total     |                      |                      | Operating            | Operating and Redevelopment |
| Suburban Washington, D.C.           |                   |                      |               |             |           |                      |                      |                      |                             |
| 8000/9000/10000 Virginia Manor Road | Beltsville        | 191,884              | -             | -           | 191,884   | 1                    | \$ 2,348             | 93.2%                | 93.2%                       |
| 1201 Clopper Road                   | Gaithersburg      | 143,585              | -             | -           | 143,585   | 1                    | 3,480                | 100.0%               | 100.0%                      |
| 1300 Quince Orchard Road            | Gaithersburg      | 54,874               | -             | -           | 54,874    | 1                    | 812                  | 100.0%               | 100.0%                      |
| 14920 Broschart Road                | Gaithersburg      | 48,500               | -             | -           | 48,500    | 1                    | 961                  | 100.0%               | 100.0%                      |
| 16020 Industrial Drive              | Gaithersburg      | 83,541               | -             | -           | 83,541    | 1                    | 2,126                | 100.0%               | 100.0%                      |
| 19/20/22 Firstfield Road            | Gaithersburg      | 132,639              | -             | -           | 132,639   | 3                    | 2,796                | 91.6%                | 91.6%                       |
| 25/35/45 West Watkins Mill Road     | Gaithersburg      | 138,938              | -             | -           | 138,938   | 1                    | 3,169                | 100.0%               | 100.0%                      |
| 401 Professional Drive              | Gaithersburg      | 63,154               | -             | -           | 63,154    | 1                    | 700                  | 70.4%                | 70.4%                       |
| 620 Professional Drive              | Gaithersburg      | 26,127               | -             | -           | 26,127    | 1                    | 528                  | 100.0%               | 100.0%                      |
| 708 Quince Orchard Road             | Gaithersburg      | 49,624               | -             | -           | 49,624    | 1                    | 1,142                | 99.3%                | 99.3%                       |
| 9 W. Watkins Mill Road              | Gaithersburg      | 92,449               | -             | -           | 92,449    | 1                    | 2,587                | 100.0%               | 100.0%                      |
| 910 Clopper Road                    | Gaithersburg      | 180,650              | -             | -           | 180,650   | 1                    | 3,120                | 85.6%                | 85.6%                       |
| 930/940 Clopper Road                | Gaithersburg      | 104,302              | -             | -           | 104,302   | 2                    | 1,787                | 96.6%                | 96.6%                       |
| 950 Wind River Lane                 | Gaithersburg      | 50,000               | -             | -           | 50,000    | 1                    | 1,082                | 100.0%               | 100.0%                      |
| 14225 Newbrook Drive                | Northern Virginia | 248,186              | -             | -           | 248,186   | 1                    | 4,341                | 100.0%               | 100.0%                      |
| 12301 Parklawn Drive                | Rockville         | 49,185               | -             | -           | 49,185    | 1                    | 1,024                | 100.0%               | 100.0%                      |
| 1330 Piccard Drive                  | Rockville         | 131,415              | -             | -           | 131,415   | 1                    | 2,961                | 79.8%                | 79.8%                       |
| 1405/1413 Research Boulevard        | Rockville         | 176,669              | -             | -           | 176,669   | 2                    | 4,988                | 100.0%               | 100.0%                      |
| 1500/1550 East Gude Drive           | Rockville         | 90,489               | -             | -           | 90,489    | 2                    | 1,937                | 100.0%               | 100.0%                      |
| 15010 Broschart Road                | Rockville         | 20,333               | 17,870        | -           | 38,203    | 1                    | 368                  | 78.3%                | 41.7%                       |
| 5 Research Court                    | Rockville         | 54,906               | -             | -           | 54,906    | 1                    | 1,564                | 100.0%               | 100.0%                      |
| 5 Research Place                    | Rockville         | 63,852               | -             | -           | 63,852    | 1                    | 2,361                | 100.0%               | 100.0%                      |
| 9800 Medical Center Drive           | Rockville         | 204,264              | 77,211        | -           | 281,475   | 4                    | 6,717                | 100.0%               | 72.6%                       |
| 9920 Medical Center Drive           | Rockville         | 58,733               | -             | -           | 58,733    | 1                    | 428                  | 100.0%               | 100.0%                      |
| Suburban Washington, D.C.           |                   | 2,458,299            | 95,081        | -           | 2,553,380 | 32                   | \$ 53,327            | 95.8%                | 92.2%                       |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Property Listing**  
**December 31, 2010**  
*(Dollars in thousands)*  
*(Unaudited)*

|                                                |             | Rentable Square Feet |               |             |         |                      |                      | Occupancy Percentage |                             |
|------------------------------------------------|-------------|----------------------|---------------|-------------|---------|----------------------|----------------------|----------------------|-----------------------------|
| Address                                        | Submarket   | Operating            | Redevelopment | Development | Total   | Number of Properties | Annualized Base Rent | Operating            | Operating and Redevelopment |
| Washington - Seattle                           |             |                      |               |             |         |                      |                      |                      |                             |
| 3000/3018 Western Avenue                       | Elliott Bay | 47,746               | -             | -           | 47,746  | 1                    | \$ 1,795             | 100.0%               | 100.0%                      |
| 410 W. Harrison Street/410 Elliott Avenue West | Elliott Bay | 35,175               | -             | -           | 35,175  | 2                    | 759                  | 67.4%                | 67.4%                       |
| 1124 Columbia Street                           | First Hill  | 203,817              | -             | -           | 203,817 | 1                    | 6,599                | 99.8%                | 99.8%                       |
| 1201 & 1209 Mercer Street                      | Lake Union  | 16,740               | -             | -           | 16,740  | 1                    | 267                  | 100.0%               | 100.0%                      |
| 1201/1208 Eastlake Avenue                      | Lake Union  | 203,369              | -             | -           | 203,369 | 2                    | 8,747                | 100.0%               | 100.0%                      |
| 1551 Eastlake Avenue                           | Lake Union  | 121,790              | -             | -           | 121,790 | 1                    | 2,615                | 100.0%               | 100.0%                      |
| 1600 Fairview Avenue                           | Lake Union  | 27,991               | -             | -           | 27,991  | 1                    | 1,294                | 100.0%               | 100.0%                      |
| 1616 Eastlake Avenue                           | Lake Union  | 165,493              | -             | -           | 165,493 | 1                    | 5,668                | 94.7%                | 94.7%                       |
| 199 E. Blaine Street                           | Lake Union  | 115,084              | -             | -           | 115,084 | 1                    | 5,943                | 96.3%                | 96.3%                       |
| 801 Dexter Avenue North                        | Lake Union  | 60,000               | -             | -           | 60,000  | 1                    | 774                  | 100.0%               | 100.0%                      |
| Washington - Seattle                           |             | 997,205              | -             | -           | 997,205 | 12                   | \$ 34,461            | 97.5%                | 97.5%                       |

|                                          |  | Rentable Square Feet |               |             |            |                      |                      | Occupancy Percentage |                             |
|------------------------------------------|--|----------------------|---------------|-------------|------------|----------------------|----------------------|----------------------|-----------------------------|
| Country                                  |  | Operating            | Redevelopment | Development | Total      | Number of Properties | Annualized Base Rent | Operating            | Operating and Redevelopment |
| International                            |  |                      |               |             |            |                      |                      |                      |                             |
| Canada                                   |  | 46,032               | -             | -           | 46,032     | 1                    | \$ 1,814             | 100.0%               | 100.0%                      |
| Canada                                   |  | 66,000               | -             | -           | 66,000     | 1                    | 1,037                | 100.0%               | 100.0%                      |
| Canada                                   |  | 162,362              | -             | -           | 162,362    | 1                    | 3,065                | 100.0%               | 100.0%                      |
| Canada                                   |  | 68,000               | -             | -           | 68,000     | 1                    | 3,079                | 100.0%               | 100.0%                      |
| International                            |  | 342,394              | -             | -           | 342,394    | 4                    | \$ 8,995             | 100.0%               | 100.0%                      |
| Total Properties (Continuing Operations) |  | 12,431,489           | 755,463       | 475,818     | 13,662,770 | 166                  | \$ 397,958           | 94.3%                | 88.9%                       |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Summary of Debt**

**December 31, 2010**

*(Dollars in thousands)*

*(Unaudited)*

**Debt Maturities**

|                       | <b>Secured Notes Payable</b> |                                        |                                                 | <b>Unsecured Debt</b>  |                                    |
|-----------------------|------------------------------|----------------------------------------|-------------------------------------------------|------------------------|------------------------------------|
|                       | <b>Our Share</b>             | <b>Noncontrolling Interests' Share</b> | <b>Total Consolidated Secured Notes Payable</b> | <b>Credit Facility</b> | <b>Unsecured Convertible Notes</b> |
| 2011                  | \$ 100,466                   | \$ 346                                 | \$ 100,812                                      | \$ –                   | \$ –                               |
| 2012                  | 12,709                       | 364                                    | 13,073                                          | 750,000 (1)            | 301,934(3)                         |
| 2013                  | 52,771                       | 384                                    | 53,155                                          | –                      | –                                  |
| 2014                  | 209,693                      | 20,868                                 | 230,561                                         | –                      | 250                                |
| 2015                  | 8,205                        | –                                      | 8,205                                           | 748,000 (2)            | –                                  |
| Thereafter            | 386,168                      | –                                      | 386,168                                         | –                      | –                                  |
| Subtotal              | <u>\$ 770,012</u>            | <u>\$ 21,962</u>                       | <u>791,974</u>                                  | <u>1,498,000</u>       | <u>302,184</u>                     |
| Unamortized discounts |                              |                                        | (1,105)                                         | –                      | (6,891)                            |
| Total                 |                              |                                        | <u>\$ 790,869</u>                               | <u>\$ 1,498,000</u>    | <u>\$ 295,293</u>                  |

**Secured Notes Payable and Unsecured Debt Analysis**

|                             | <b>Balance</b>      | <b>Percentage of Balance</b> | <b>Weighted Average Interest Rate at End of Period (4)</b> | <b>Weighted Average Remaining Term</b> |     |
|-----------------------------|---------------------|------------------------------|------------------------------------------------------------|----------------------------------------|-----|
| Secured Notes Payable       | \$ 790,869          | 30.6%                        | 5.99%                                                      | 5.6 Years                              |     |
| Unsecured Line of Credit    | 748,000             | 29.0                         | 1.26                                                       | 4.1 Years                              | (2) |
| Unsecured Term Loan         | 750,000             | 29.0                         | 4.41                                                       | 1.8 Years                              | (1) |
| Unsecured Convertible Notes | 295,293             | 11.4                         | 5.96                                                       | 1.0 Years                              |     |
| Total Debt                  | <u>\$ 2,584,162</u> | <u>100.0%</u>                | <u>4.16%</u>                                               | <u>3.6 Years</u>                       |     |

(1) Our unsecured term loan matures in October 2012, assuming we exercise our sole right to extend the maturity by one year.

(2) In January 2011, we amended our unsecured credit facility which extended the maturity date of our unsecured line of credit to January 2015, assuming we exercise our sole right to extend the maturity twice by an additional six months after each exercise.

(3) In January 2011, we repurchased, in privately negotiated transactions, 3.70% Unsecured Convertible Notes aggregating approximately \$42.9 million at an aggregate cash price of approximately \$44.1 million. As of February 2, 2011, approximately \$259.1 million in principal was outstanding, including \$5.4 million of unamortized discount, on our 3.7% Unsecured Convertible Notes.

(4) Represents the contractual interest rate as of the end of the period plus the impact of debt premiums/discounts and our interest rate hedge agreements on our secured notes payable, unsecured line of credit, unsecured term loan, and unsecured convertible notes. The weighted average interest rate excludes bank fees and amortization of loan fees. See also the “Summary of Interest Rate Hedge Agreements” section of this report.



**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Summary of Secured Notes Payable Principal Maturities Through 2015**  
**December 31, 2010**  
*(Dollars in thousands)*  
*(Unaudited)*

| <b>Description</b>                                | <b>Maturity Date</b> | <b>Type</b>    | <b>Stated Rate</b> | <b>Effective Rate (1)</b> | <b>Amount</b>     |
|---------------------------------------------------|----------------------|----------------|--------------------|---------------------------|-------------------|
| California – San Diego #1                         | 8/2/11               | Not-for-Profit | 7.50%              | 7.50%                     | \$ 8,500          |
| Greater Boston #1                                 | 10/1/11              | Bank           | 8.10               | 5.69                      | 2,198             |
| Suburban Washington, D.C. #1                      | 11/1/11              | CMBS           | 7.25               | 5.82                      | 2,942             |
| Suburban Washington, D.C. #2                      | 12/22/11             | Bank           | 3.57               | 3.57                      | 76,000            |
| Other scheduled principal repayments/amortization |                      |                |                    |                           | 11,172            |
| 2011 Total                                        |                      |                |                    |                           | <u>\$ 100,812</u> |
| Greater Boston #2                                 | 3/1/12               | Insurance Co.  | 7.14%              | 5.83%                     | \$ 1,357          |
| Other scheduled principal repayments/amortization |                      |                |                    |                           | 11,716            |
| 2012 Total                                        |                      |                |                    |                           | <u>\$ 13,073</u>  |
| California – San Diego #2                         | 3/1/13               | Insurance Co.  | 6.21%              | 6.21%                     | \$ 7,940          |
| Suburban Washington, D.C. #3                      | 9/1/13               | CMBS           | 6.36               | 6.36                      | 26,093            |
| California – San Francisco Bay #1                 | 11/16/13             | Other          | 6.14               | 6.14                      | 7,527             |
| Other scheduled principal repayments/amortization |                      |                |                    |                           | 11,595            |
| 2013 Total                                        |                      |                |                    |                           | <u>\$ 53,155</u>  |
| Greater Boston #3                                 | 4/1/14               | Insurance Co.  | 5.26%              | 5.59%                     | \$ 208,683        |
| San Diego #3                                      | 7/1/14               | Bank           | 6.05               | 4.88                      | 6,458             |
| San Diego #4                                      | 11/1/14              | Bank           | 5.39               | 4.00                      | 7,495             |
| Washington – Seattle #1                           | 11/18/14             | Other          | 5.90               | 5.90                      | 240               |
| Other scheduled principal repayments/amortization |                      |                |                    |                           | 7,685             |
| 2014 Total                                        |                      |                |                    |                           | <u>\$ 230,561</u> |
| Other scheduled principal repayments/amortization |                      |                |                    |                           | \$ 8,205          |
| 2015 Total                                        |                      |                |                    |                           | <u>\$ 8,205</u>   |

- (1) Represents the contractual interest rate as of the end of the period plus the impact of debt premiums/discounts. The effective rate excludes bank fees and amortization of loan fees.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Fixed/Floating Rate Debt Analysis and Leverage**  
(Dollars in thousands)  
(Unaudited)

**Fixed/Floating Rate Debt Analysis**

|                               | <b>December 31, 2010</b> | <b>Percentage<br/>of<br/>Balance</b> | <b>Weighted Average<br/>Interest Rate at<br/>End of Period (1)</b> | <b>Weighted<br/>Average<br/>Maturity</b> |
|-------------------------------|--------------------------|--------------------------------------|--------------------------------------------------------------------|------------------------------------------|
| Fixed rate debt               | \$ 1,085,202             | 42.0%                                | 5.98%                                                              | 4.4 Years                                |
| Floating rate debt – hedged   | 550,000                  | 21.3                                 | 5.56                                                               | 1.8 Years                                |
| Floating rate debt – unhedged | 948,960                  | 36.7                                 | 1.27                                                               | 3.6 Years                                |
| Total Debt                    | <u>\$ 2,584,162</u>      | <u>100.0%</u>                        | <u>4.16%</u>                                                       | <u>3.6 Years</u>                         |

**Leverage**

|                                                                                 | <b>12/31/10</b>     | <b>9/30/10</b>      | <b>6/30/10</b>      | <b>3/31/10</b>      | <b>12/31/09</b>     |
|---------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total debt                                                                      | \$ 2,584,162        | \$ 2,519,463        | \$ 2,684,411        | \$ 2,762,814        | \$ 2,746,946        |
| Less: cash, cash equivalents, and restricted cash                               | (119,586)           | (146,106)           | (110,914)           | (106,812)           | (117,919)           |
| Net debt                                                                        | <u>\$ 2,464,576</u> | <u>\$ 2,373,357</u> | <u>\$ 2,573,497</u> | <u>\$ 2,656,002</u> | <u>\$ 2,629,027</u> |
| Adjusted EBITDA – quarter annualized                                            | \$ 357,756          | \$ 330,164          | \$ 324,200          | \$ 315,168          | \$ 324,648          |
| Adjusted EBITDA – trailing 12 months (2)                                        | \$ 331,822          | \$ 323,545          | \$ 321,084          | \$ 327,685          | \$ 342,599          |
| Gross Assets (excluding cash and restricted cash)                               | \$ 6,402,282        | \$ 6,190,686        | \$ 6,017,000        | \$ 5,900,292        | \$ 5,859,955        |
| Net debt to Adjusted EBITDA – quarter annualized                                | 6.9                 | 7.2                 | 7.9                 | 8.4                 | 8.1                 |
| Net debt to Adjusted EBITDA – trailing 12 months (2)                            | 7.4                 | 7.3                 | 8.0                 | 8.1                 | 7.7                 |
| Net debt to Gross Assets (excluding cash and restricted cash)                   | 38.5%               | 38.3%               | 42.8%               | 45.0%               | 44.9%               |
| Unencumbered net operating income as a percentage of total net operating income | 60%                 | 58%                 | 56%                 | 57%                 | 55%                 |
| Unencumbered assets gross book value as a percentage of gross assets            | 74%                 | 72%                 | 72%                 | 71%                 | 70%                 |

(1) Represents the contractual interest rate as of the end of the period plus the impact of debt premiums/discounts and our interest rate hedge agreements on our secured notes payable, unsecured line of credit, unsecured term loan, and unsecured convertible notes. The weighted average interest rate excludes bank fees and amortization of loan fees. See also the “Summary of Interest Rate Hedge Agreements” section of this report. The weighted average interest rate related to outstanding borrowings for our unhedged floating rate debt is based upon one-month LIBOR. The interest rate resets periodically and will vary in future periods.

(2) See “Significant Events Impacting Comparability” under “Definitions and Other Information” section of this report starting on page 53.

See “Definitions and Other Information” section of this report starting on page 53.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Key Credit Facility Debt Covenants**  
**December 31, 2010**  
*(Unaudited)*

Our unsecured credit facility contains financial covenants, including, among others, the following key financial covenants (as defined under the terms of the agreement):

| <b>Covenant</b>             | <b>Requirement</b>                     | <b>Actual at 12/31/10</b> |
|-----------------------------|----------------------------------------|---------------------------|
| Leverage Ratio              | Less than or equal to 60%              | 36%                       |
| Unsecured Leverage Ratio    | Less than or equal to 60%              | 39%                       |
| Fixed Charge Coverage Ratio | Greater than or equal to 1.5           | 2.0                       |
| Unsecured Debt Yield        | Greater than or equal to 11%           | 14%                       |
| Minimum Book Value          | Greater than or equal to \$2.0 billion | \$2.9 billion             |
| Secured Debt Ratio          | Less than or equal to 40%              | 11%                       |

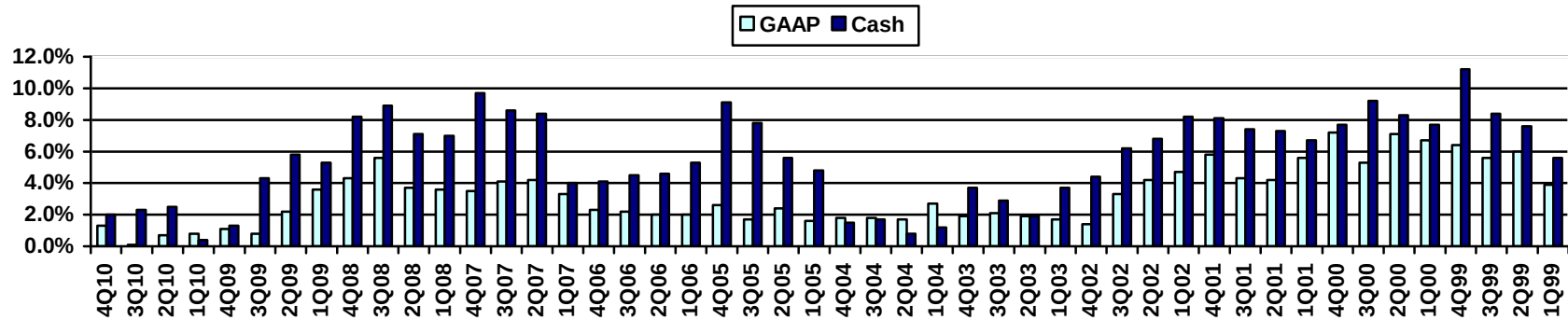
**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Summary of Interest Rate Hedge Agreements**  
**December 31, 2010**  
*(Dollars in thousands)*  
*(Unaudited)*

| <b>Transaction Date</b> | <b>Effective Date</b> | <b>Termination Date</b> | <b>Interest Pay Rate</b> | <b>Notional Amount</b> | <b>Effective at 12/31/10</b> |
|-------------------------|-----------------------|-------------------------|--------------------------|------------------------|------------------------------|
| December 2006           | December 29, 2006     | March 31, 2014          | 4.990%                   | \$ 50,000              | \$ 50,000                    |
| October 2007            | October 31, 2007      | September 30, 2012      | 4.546                    | 50,000                 | 50,000                       |
| October 2007            | October 31, 2007      | September 30, 2013      | 4.642                    | 50,000                 | 50,000                       |
| October 2007            | July 1, 2008          | March 31, 2013          | 4.622                    | 25,000                 | 25,000                       |
| October 2007            | July 1, 2008          | March 31, 2013          | 4.625                    | 25,000                 | 25,000                       |
| October 2008            | September 30, 2009    | January 31, 2011        | 3.119                    | 100,000                | 100,000                      |
| December 2006           | November 30, 2009     | March 31, 2014          | 5.015                    | 75,000                 | 75,000                       |
| December 2006           | November 30, 2009     | March 31, 2014          | 5.023                    | 75,000                 | 75,000                       |
| December 2006           | December 31, 2010     | October 31, 2012        | 5.015                    | 100,000                | 100,000                      |
| Total                   |                       |                         |                          |                        | <u>\$ 550,000</u>            |

Interest pay rate represents the interest rate we will pay for one month LIBOR under the applicable interest rate swap agreement. This rate does not include any spread in addition to one month LIBOR that is due monthly as interest expense.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Summary of Same Property Comparisons**  
(Dollars in thousands)  
(Unaudited)

*Quarterly Percentage Change in GAAP and Cash Same Property Revenues Less Operating Expenses*



|                                  | <b>GAAP Basis</b>  |                  |             | <b>Cash Basis</b>  |                  |             |
|----------------------------------|--------------------|------------------|-------------|--------------------|------------------|-------------|
|                                  | Three Months Ended |                  |             | Three Months Ended |                  |             |
|                                  | 12/31/10           | 12/31/09         | % Change    | 12/31/10           | 12/31/09         | % Change    |
| Revenues                         | \$ 100,330         | \$ 98,281        | 2.1%        | \$ 97,391          | \$ 94,945        | 2.6%        |
| Operating expenses               | 26,930             | 25,843           | 4.2         | 26,930             | 25,843           | 4.2         |
| Revenues less operating expenses | <u>\$ 73,400</u>   | <u>\$ 72,438</u> | <u>1.3%</u> | <u>\$ 70,461</u>   | <u>\$ 69,102</u> | <u>2.0%</u> |

|                                 | <b>GAAP Basis</b> |                   |             | <b>Cash Basis</b> |                   |             |
|---------------------------------|-------------------|-------------------|-------------|-------------------|-------------------|-------------|
|                                 | Year Ended        |                   |             | Year Ended        |                   |             |
|                                 | 12/31/10          | 12/31/09          | % Change    | 12/31/10          | 12/31/09          | % Change    |
| Revenue                         | \$ 375,132        | \$ 373,127        | 0.5%        | \$ 366,781        | \$ 362,110        | 1.3%        |
| Operating expenses              | 99,133            | 98,291            | 0.9         | 99,133            | 98,291            | 0.9         |
| Revenue less operating expenses | <u>\$ 275,999</u> | <u>\$ 274,836</u> | <u>0.4%</u> | <u>\$ 267,648</u> | <u>\$ 263,819</u> | <u>1.5%</u> |

|                         | Three Months Ended |           | Year Ended |           |
|-------------------------|--------------------|-----------|------------|-----------|
|                         | 12/31/10           | 12/31/09  | 12/31/10   | 12/31/09  |
| Number of properties    | 134                | 134       | 129        | 129       |
| Rentable square footage | 9,875,434          | 9,875,434 | 9,426,729  | 9,426,729 |
| Occupancy               | 93.8%              | 93.8%     | 94.6%      | 95.1%     |

See “Definitions and Other Information” section of this report starting on page 53.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Summary of Leasing Activity**  
**Year Ended December 31, 2010**  
*(Unaudited)*

|                                               | <b>Number<br/>of Leases</b> | <b>Rentable<br/>Square<br/>Footage</b> | <b>Expiring<br/>Rates</b> | <b>New<br/>Rates</b> | <b>Rental<br/>Rate<br/>Changes</b> | <b>TI's/Lease<br/>Commissions<br/>Per<br/>Square Foot</b> | <b>Average<br/>Lease<br/>Terms</b> |
|-----------------------------------------------|-----------------------------|----------------------------------------|---------------------------|----------------------|------------------------------------|-----------------------------------------------------------|------------------------------------|
| <b><i>Leasing Activity</i></b>                |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Lease Expirations                             |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Cash Basis                                    | 129                         | 2,416,291                              | \$27.18                   | —                    | —                                  | —                                                         | —                                  |
| GAAP Basis                                    | 129                         | 2,416,291                              | \$28.54                   | —                    | —                                  | —                                                         | —                                  |
| Renewed/Released Space Leased                 |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Cash Basis                                    | 89                          | 1,777,966                              | \$28.84                   | \$29.41              | 2.0%                               | \$4.40                                                    | 8.1 years                          |
| GAAP Basis                                    | 89                          | 1,777,966                              | \$30.54                   | \$32.04              | 4.9%                               | \$4.40                                                    | 8.1 years                          |
| Developed/Redeveloped/<br>Vacant Space Leased |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Cash Basis                                    | 53                          | 966,273                                | —                         | \$36.33              | —                                  | \$8.10                                                    | 9.7 years                          |
| GAAP Basis                                    | 53                          | 966,273                                | —                         | \$39.89              | —                                  | \$8.10                                                    | 9.7 years                          |
| Month-to-Month Leases in Effect               |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Cash Basis                                    | 5                           | 22,526                                 | \$31.10                   | \$31.34              | —                                  | —                                                         | —                                  |
| GAAP Basis                                    | 5                           | 22,526                                 | \$30.22                   | \$31.34              | —                                  | —                                                         | —                                  |
| <b><i>Leasing Activity Summary</i></b>        |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Excluding Month-to-Month Leases               |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Cash Basis                                    | 142                         | 2,744,239                              | —                         | \$31.84              | —                                  | \$5.70                                                    | 8.7 years                          |
| GAAP Basis                                    | 142                         | 2,744,239                              | —                         | \$34.80              | —                                  | \$5.70                                                    | 8.7 years                          |
| Including Month-to-Month Leases               |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Cash Basis                                    | 147                         | 2,766,765                              | —                         | \$31.84              | —                                  | —                                                         | —                                  |
| GAAP Basis                                    | 147                         | 2,766,765                              | —                         | \$34.78              | —                                  | —                                                         | —                                  |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Summary of Leasing Activity**  
**Three Months Ended December 31, 2010**  
*(Unaudited)*

|                                               | <b>Number<br/>of Leases</b> | <b>Rentable<br/>Square<br/>Footage</b> | <b>Expiring<br/>Rates</b> | <b>New<br/>Rates</b> | <b>Rental<br/>Rate<br/>Changes</b> | <b>TI's/Lease<br/>Commissions<br/>Per<br/>Square Foot</b> | <b>Average<br/>Lease<br/>Terms</b> |
|-----------------------------------------------|-----------------------------|----------------------------------------|---------------------------|----------------------|------------------------------------|-----------------------------------------------------------|------------------------------------|
| <b><i>Leasing Activity</i></b>                |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Lease Expirations                             |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Cash Basis                                    | 38                          | 1,028,748                              | \$25.42                   | —                    | —                                  | —                                                         | —                                  |
| GAAP Basis                                    | 38                          | 1,028,748                              | \$29.37                   | —                    | —                                  | —                                                         | —                                  |
| Renewed/Released Space Leased                 |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Cash Basis                                    | 23                          | 758,344                                | \$27.26                   | \$28.40              | 4.2%                               | \$3.41                                                    | 12.4 years                         |
| GAAP Basis                                    | 23                          | 758,344                                | \$33.20                   | \$34.64              | 4.3%                               | \$3.41                                                    | 12.4 years                         |
| Developed/Redeveloped/<br>Vacant Space Leased |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Cash Basis                                    | 17                          | 315,891                                | —                         | \$54.33              | —                                  | \$7.63                                                    | 13.0 years                         |
| GAAP Basis                                    | 17                          | 315,891                                | —                         | \$61.60              | —                                  | \$7.63                                                    | 13.0 years                         |
| Month-to-Month Leases in Effect               |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Cash Basis                                    | 5                           | 22,526                                 | \$31.10                   | \$31.34              | —                                  | —                                                         | —                                  |
| GAAP Basis                                    | 5                           | 22,526                                 | \$30.22                   | \$31.34              | —                                  | —                                                         | —                                  |
| <b><i>Leasing Activity Summary</i></b>        |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Excluding Month-to-Month Leases               |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Cash Basis                                    | 40                          | 1,074,235                              | —                         | \$36.03              | —                                  | \$4.65                                                    | 12.6 years                         |
| GAAP Basis                                    | 40                          | 1,074,235                              | —                         | \$42.57              | —                                  | \$4.65                                                    | 12.6 years                         |
| Including Month-to-Month Leases               |                             |                                        |                           |                      |                                    |                                                           |                                    |
| Cash Basis                                    | 45                          | 1,096,761                              | —                         | \$35.93              | —                                  | —                                                         | —                                  |
| GAAP Basis                                    | 45                          | 1,096,761                              | —                         | \$42.34              | —                                  | —                                                         | —                                  |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Summary of Leasing Activity**  
(Unaudited)

|                                               | Quarter           |            | Year              |           | Year Ended        |           |                   |           |                   |           |
|-----------------------------------------------|-------------------|------------|-------------------|-----------|-------------------|-----------|-------------------|-----------|-------------------|-----------|
|                                               | December 31, 2010 |            | December 31, 2010 |           | December 31, 2009 |           | December 31, 2008 |           | December 31, 2007 |           |
|                                               | GAAP              | Cash       | GAAP              | Cash      | GAAP              | Cash      | GAAP              | Cash      | GAAP              | Cash      |
| Lease Expirations                             |                   |            |                   |           |                   |           |                   |           |                   |           |
| Rentable Square Footage                       | 1,028,748         | 1,028,748  | 2,416,291         | 2,416,291 | 1,842,597         | 1,842,597 | 1,664,944         | 1,664,944 | 1,626,033         | 1,626,033 |
| Expiring Rates                                | \$29.37           | \$25.42    | \$28.54           | \$27.18   | \$30.70           | \$30.61   | \$25.52           | \$26.88   | \$26.97           | \$25.98   |
| Renewed/Released Space                        |                   |            |                   |           |                   |           |                   |           |                   |           |
| Leased Rentable Square Footage                | 758,344           | 758,344    | 1,777,966         | 1,777,966 | 1,188,184         | 1,188,184 | 1,254,285         | 1,254,285 | 895,894           | 895,894   |
| New Rates                                     | \$34.64           | \$28.40    | \$32.04           | \$29.41   | \$27.72           | \$28.11   | \$29.34           | \$28.60   | \$31.48           | \$31.41   |
| Expiring Rates                                | \$33.20           | \$27.26    | \$30.54           | \$28.84   | \$26.78           | \$28.07   | \$25.51           | \$27.08   | \$28.66           | \$29.38   |
| Rental Rate Changes                           | 4.3%              | 4.2%       | 4.9%              | 2.0%      | 3.5%              | 0.1%      | 15.0%             | 5.6%      | 9.8%              | 6.9%      |
| Average Lease Terms                           | 12.4 years        | 12.4 years | 8.1 years         | 8.1 years | 3.3 years         | 3.3 years | 4.3 years         | 4.3 years | 4.0 years         | 4.0 years |
| Developed/Redeveloped/<br>Vacant Space Leased |                   |            |                   |           |                   |           |                   |           |                   |           |
| Rentable Square Footage                       | 315,891           | 315,891    | 966,273           | 966,273   | 676,163           | 676,163   | 906,859           | 906,859   | 686,856           | 686,856   |
| New Rates                                     | \$61.60           | \$54.33    | \$39.89           | \$36.33   | \$36.00           | \$33.57   | \$37.64           | \$35.04   | \$33.68           | \$31.59   |
| Average Lease Terms                           | 13.0 years        | 13.0 years | 9.7 years         | 9.7 years | 6.6 years         | 6.6 years | 7.2 years         | 7.2 years | 6.5 years         | 6.5 years |
| Totals                                        |                   |            |                   |           |                   |           |                   |           |                   |           |
| Rentable Square Footage                       | 1,074,235         | 1,074,235  | 2,744,239         | 2,744,239 | 1,864,347         | 1,864,347 | 2,161,144         | 2,161,144 | 1,582,750         | 1,582,750 |
| New Rates                                     | \$42.57           | \$36.03    | \$34.80           | \$31.84   | \$30.73           | \$30.09   | \$32.82           | \$31.30   | \$32.44           | \$31.49   |
| TI's/Lease Commissions per<br>Square Foot     | \$4.65            | \$4.65     | \$5.70            | \$5.70    | \$5.49            | \$5.49    | \$7.23            | \$7.23    | \$6.95            | \$6.95    |
| Average Lease Terms                           | 12.6 years        | 12.6 years | 8.7 years         | 8.7 years | 4.5 years         | 4.5 years | 5.5 years         | 5.5 years | 5.1 years         | 5.1 years |



**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Summary of Lease Expirations**

**December 31, 2010**

*(Unaudited)*

| <b>Year of Lease Expiration</b> | <b>Number of Leases Expiring</b> | <b>Rentable Square Footage ("RSF") of Expiring Leases</b> | <b>Percentage of Aggregate Total RSF</b> | <b>Annualized Base Rent of Expiring Leases (per RSF)</b> |
|---------------------------------|----------------------------------|-----------------------------------------------------------|------------------------------------------|----------------------------------------------------------|
| 2011                            | 91 (1)                           | 1,776,897 (1)                                             | 13.3%                                    | \$30.33                                                  |
| 2012                            | 78                               | 1,399,663                                                 | 10.6                                     | 32.01                                                    |
| 2013                            | 77                               | 1,306,609                                                 | 9.9                                      | 29.09                                                    |
| 2014                            | 57                               | 1,234,908                                                 | 9.3                                      | 29.02                                                    |
| 2015                            | 47                               | 1,020,681                                                 | 7.7                                      | 30.92                                                    |
| 2016                            | 24                               | 1,105,862                                                 | 8.3                                      | 31.51                                                    |
| 2017                            | 18                               | 800,687                                                   | 6.0                                      | 34.46                                                    |
| 2018                            | 13                               | 879,238                                                   | 6.6                                      | 39.16                                                    |
| 2019                            | 7                                | 399,250                                                   | 3.0                                      | 35.98                                                    |
| 2020                            | 15                               | 812,915                                                   | 6.1                                      | 40.33                                                    |

| <b>Markets</b>                       | <b>2011 RSF of Expiring Leases</b> |                                  |                                   |                                  |                      | <b>Annualized Base Rent of Expiring Leases (per RSF)</b> |
|--------------------------------------|------------------------------------|----------------------------------|-----------------------------------|----------------------------------|----------------------|----------------------------------------------------------|
|                                      | <b>Leased (2)</b>                  | <b>Negotiating/ Anticipating</b> | <b>Targeted for Redevelopment</b> | <b>Remaining Expiring Leases</b> | <b>Total</b>         |                                                          |
| California – San Diego               | 411,011                            | 26,895                           | –                                 | 112,455                          | 550,361              | \$34.36                                                  |
| California – San Francisco Bay       | 42,324                             | –                                | 32,074 (3)                        | 195,440                          | 269,838              | 33.30                                                    |
| Greater Boston                       | 63,223                             | 123,473                          | 177,662 (4)                       | 119,187                          | 483,545              | 33.02                                                    |
| NYC/New Jersey/Suburban Philadelphia | –                                  | 1,191                            | –                                 | 38,478                           | 39,669               | 18.19                                                    |
| Southeast                            | 7,057                              | 22,528                           | –                                 | 21,419                           | 51,004               | 22.56                                                    |
| Suburban Washington, D.C.            | –                                  | 128,269                          | –                                 | 24,289                           | 152,558              | 21.76                                                    |
| Washington – Seattle                 | –                                  | 29,862                           | 181,790 (5)                       | 8,270                            | 219,922              | 20.64                                                    |
| International                        | –                                  | –                                | –                                 | –                                | –                    | –                                                        |
| <b>Total</b>                         | <b>523,615</b>                     | <b>332,218</b>                   | <b>391,526</b>                    | <b>519,538</b>                   | <b>1,766,897 (1)</b> | <b>\$30.33</b>                                           |
| <b>Percentage of expiring leases</b> | <b>30%</b>                         | <b>19%</b>                       | <b>22%</b>                        | <b>29%</b>                       | <b>100%</b>          |                                                          |

| <b>Markets</b>                       | <b>2012 RSF of Expiring Leases</b> |                                  |                                   |                                  |                  | <b>Annualized Base Rent of Expiring Leases (per RSF)</b> |
|--------------------------------------|------------------------------------|----------------------------------|-----------------------------------|----------------------------------|------------------|----------------------------------------------------------|
|                                      | <b>Leased (2)</b>                  | <b>Negotiating/ Anticipating</b> | <b>Targeted for Redevelopment</b> | <b>Remaining Expiring Leases</b> | <b>Total</b>     |                                                          |
| California – San Diego               | –                                  | 2,665                            | –                                 | 213,804                          | 216,469          | \$29.86                                                  |
| California – San Francisco Bay       | –                                  | 32,116                           | –                                 | 110,460                          | 142,576          | 27.48                                                    |
| Greater Boston                       | 49,897                             | 165,975                          | –                                 | 249,763                          | 465,635          | 46.16                                                    |
| NYC/New Jersey/Suburban Philadelphia | –                                  | –                                | –                                 | –                                | –                | –                                                        |
| Southeast                            | –                                  | 15,897                           | –                                 | 25,051                           | 40,948           | 14.26                                                    |
| Suburban Washington, D.C.            | –                                  | 88,381                           | 35,031                            | 236,444                          | 359,856          | 21.82                                                    |
| Washington – Seattle                 | 2,468                              | 36,466                           | –                                 | 69,245                           | 108,179          | 32.00                                                    |
| International                        | –                                  | 66,000                           | –                                 | –                                | 66,000           | 15.71                                                    |
| <b>Total</b>                         | <b>52,365</b>                      | <b>407,500</b>                   | <b>35,031</b>                     | <b>904,767</b>                   | <b>1,399,663</b> | <b>\$32.01</b>                                           |
| <b>Percentage of expiring leases</b> | <b>4%</b>                          | <b>29%</b>                       | <b>2%</b>                         | <b>65%</b>                       | <b>100%</b>      |                                                          |

(1) Excludes five month-to-month leases for approximately 23,000 rentable square feet.

(2) Represents leases that have been either (a) executed subsequent to December 31, 2010 as a renewal/extension, or (b) leased to another tenant.

(3) Represents single-tenancy space targeted for redevelopment into multi-tenancy laboratory space.

(4) Represents office space targeted for redevelopment into single or multi-tenancy laboratory space.

(5) Represents a 60,000 rentable square foot industrial building targeted for redevelopment into single or multi-tenancy laboratory space and a 121,790 rentable square foot office building targeted for redevelopment into multi-tenancy laboratory space.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**20 Largest Client Tenants**

**December 31, 2010**

*(Dollars in thousands)*

*(Unaudited)*

|                         | Tenant                                            | Number of Leases | Remaining Lease Term in Years |         | Approximate Aggregate Rentable Square Feet | Percentage of Aggregate Total Square Feet | Annualized Base Rent (3) | Percentage of Aggregate Annualized Base Rent | Investment Grade Entities (4) |                |            |                    |
|-------------------------|---------------------------------------------------|------------------|-------------------------------|---------|--------------------------------------------|-------------------------------------------|--------------------------|----------------------------------------------|-------------------------------|----------------|------------|--------------------|
|                         |                                                   |                  | (1)                           | (2)     |                                            |                                           |                          |                                              | Fitch Rating                  | Moody's Rating | S&P Rating | Education/Research |
| 1                       | Novartis AG                                       | 6                | 5.8                           | 6.0     | 442,621                                    | 3.4%                                      | \$ 26,422                | 6.6%                                         | AA                            | Aa2            | AA-        | —                  |
| 2                       | Eli Lilly and Company                             | 5                | 10.6                          | 12.2    | 261,320                                    | 2.0                                       | 15,048                   | 3.8                                          | A+                            | A2             | AA-        | —                  |
| 3                       | Roche Holding Ltd                                 | 5                | 6.8                           | 7.0     | 387,813                                    | 2.9                                       | 14,834                   | 3.7                                          | AA-                           | A2             | AA-        | —                  |
| 4                       | Biogen Idec Inc.                                  | 1                | 1.0 (5)                       | 1.0 (5) | 346,581                                    | 2.6                                       | 12,321                   | 3.1                                          | —                             | Baa3           | BBB+       | —                  |
| 5                       | United States Government                          | 8                | 3.9                           | 4.2     | 374,675                                    | 2.8                                       | 11,032                   | 2.8                                          | AAA                           | Aaa            | AAA        | —                  |
| 6                       | Bristol-Myers Squibb Company                      | 3                | 7.0                           | 7.4     | 250,454                                    | 1.9                                       | 10,008                   | 2.5                                          | A+                            | A2             | A+         | —                  |
| 7                       | GlaxoSmithKline plc                               | 4                | 7.9                           | 8.0     | 199,318                                    | 1.5                                       | 9,919                    | 2.5                                          | A+                            | A1             | A+         | —                  |
| 8                       | Massachusetts Institute of Technology             | 3                | 3.8                           | 3.5     | 178,952                                    | 1.3                                       | 8,111                    | 2.1                                          | —                             | Aaa            | AAA        | ✓                  |
| 9                       | NYU-Neuroscience Translational Research Institute | 2                | 16.2                          | 16.2    | 79,788                                     | 0.6                                       | 7,224                    | 1.8                                          | —                             | Aa3            | AA-        | ✓                  |
| 10                      | Alnylam Pharmaceuticals, Inc. (6)                 | 1                | 5.8                           | 5.8     | 129,424                                    | 1.0                                       | 6,076                    | 1.5                                          | —                             | —              | —          | —                  |
| 11                      | Theravance, Inc. (7)                              | 2                | 7.4                           | 7.9     | 170,244                                    | 1.3                                       | 5,913                    | 1.5                                          | —                             | —              | —          | —                  |
| 12                      | Amylin Pharmaceuticals, Inc.                      | 3                | 5.4                           | 5.5     | 168,308                                    | 1.3                                       | 5,747                    | 1.4                                          | —                             | —              | —          | —                  |
| 13                      | Gilead Sciences, Inc.                             | 1                | 9.5                           | 9.5     | 105,760                                    | 0.8                                       | 5,678                    | 1.4                                          | —                             | —              | —          | —                  |
| 14                      | Pfizer Inc.                                       | 2                | 9.0                           | 8.9     | 120,140                                    | 0.9                                       | 5,647                    | 1.4                                          | AA-                           | A1             | AA         | —                  |
| 15                      | The Scripps Research Institute                    | 2                | 5.9                           | 5.9     | 96,500                                     | 0.7                                       | 5,193                    | 1.3                                          | —                             | —              | —          | ✓                  |
| 16                      | Forrester Research, Inc.                          | 1                | 0.8 (8)                       | 0.8 (8) | 145,551                                    | 1.1                                       | 4,987                    | 1.3                                          | —                             | —              | —          | —                  |
| 17                      | Dyax Corp.                                        | 1                | 1.2 (9)                       | 1.2 (9) | 67,373                                     | 0.5                                       | 4,361                    | 1.1                                          | —                             | —              | —          | —                  |
| 18                      | Quest Diagnostics Incorporated                    | 1                | 6.0                           | 6.0     | 248,186                                    | 1.9                                       | 4,341                    | 1.1                                          | BBB+                          | Baa2           | BBB+       | —                  |
| 19                      | Infinity Pharmaceuticals, Inc.                    | 2                | 2.0                           | 2.0     | 67,167                                     | 0.5                                       | 4,302                    | 1.1                                          | —                             | —              | —          | —                  |
| 20                      | UMass Memorial Health Care, Inc.                  | 6                | 5.2                           | 4.7     | 189,722                                    | 1.4                                       | 3,939                    | 1.0                                          | —                             | —              | —          | ✓                  |
| Total/Weighted Average: |                                                   | 59               | 5.8                           | 6.4     | 4,029,897                                  | 30.4%                                     | \$ 171,103               | 43.0%                                        |                               |                |            |                    |

(1) Represents remaining lease term in years based on percentage of leased square feet.

(2) Represents remaining lease term in years based on percentage of annualized base rent in effect as of December 31, 2010.

(3) Annualized base rent means the annualized fixed base rental amount in effect as of December 31, 2010 (using rental revenue computed on a straight-line basis in accordance with GAAP).

(4) Ratings obtained from each respective rating agency (Fitch Ratings, Moody's Investors Service, and Standard & Poor's, respectively).

(5) In December 2010, we executed a 20-year campus lease for 346,581 rentable square feet with Illumina, Inc.

(6) As of September 30, 2010, Novartis AG owned approximately 13% of the outstanding stock of Alnylam Pharmaceuticals, Inc.

(7) As of November 29, 2010, GlaxoSmithKline plc owned approximately 19% of the outstanding stock of Theravance, Inc.

(8) Office building is targeted for redevelopment into single or multi-tenancy laboratory space upon lease expiration.

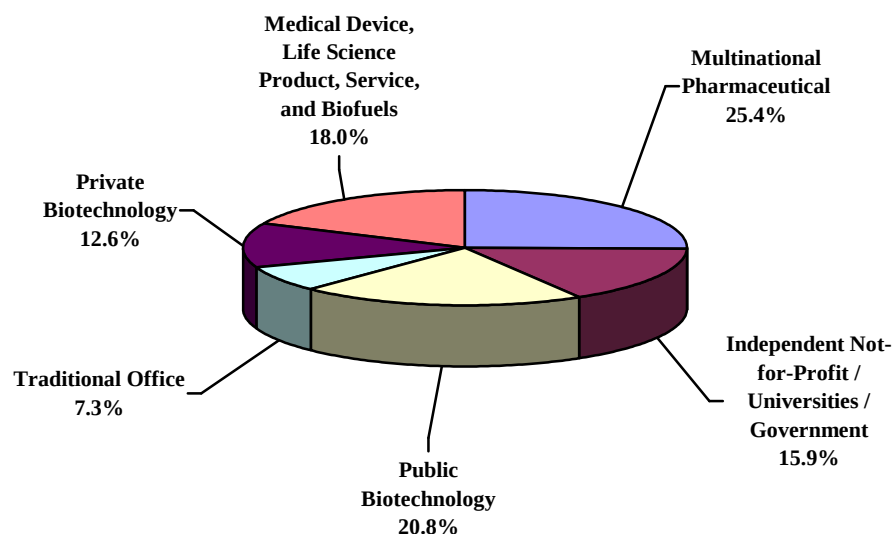
(9) Approximately 50,000 rentable square feet of the expiring rentable square footage has been leased to a multi-national credit pharmaceutical company.

# ALEXANDRIA REAL ESTATE EQUITIES, INC.

## Client Tenant Mix

December 31, 2010

(Unaudited)



Client tenant mix by annualized base rent

### Multinational Pharmaceutical

- Abbott Laboratories
- Astellas Pharma Inc.
- AstraZeneca PLC
- Baxter International Inc.
- Bayer AG
- Bristol-Myers Squibb Company
- Eisai Co., Ltd.
- Eli Lilly and Company
- GlaxoSmithKline plc
- Johnson & Johnson
- Merck & Co., Inc.
- Novartis AG
- Pfizer Inc.
- Roche Holding Ltd
- Sanofi-Aventis

### Institutional: Independent Not-for-Profit/ Universities/Government

- Bill & Melinda Gates Foundation
- Duke University
- Environmental Protection Agency
- Fred Hutchinson Cancer Research Center
- Massachusetts Institute of Technology
- National Institutes of Health
- NYU-Neuroscience Translational Research Institute
- Sanford-Burham Medical Research Institute
- The Scripps Research Institute
- University of California, San Francisco
- University of Massachusetts
- UMass Memorial Health Care, Inc.
- University of Washington

### Biotechnology: Public & Private

- Achaogen Inc.
- Alnylam Pharmaceuticals, Inc.
- Ambrx, Inc.
- Amgen Inc.
- Amylin Pharmaceuticals, Inc.
- Avila Therapeutics, Inc.
- Biogen Idec Inc.
- Celgene Corporation
- Fate Therapeutics, Inc.
- Gilead Sciences, Inc.
- Ikaria, Inc.
- Intellikine, Inc.
- Intercell USA, Inc.
- MacroGenics, Inc.
- NGM Biopharmaceuticals, Inc.
- Presidio Pharmaceuticals, Inc.
- Proteostasis Therapeutics, Inc.
- Theravance, Inc.
- Tolerx, Inc.

### Medical Device, Life Science Product, Service, and Biofuels

- Bio-Rad Laboratories, Inc.
- Becton, Dickinson and Company
- Canon U.S. Life Sciences, Inc.
- Laboratory Corporation of America Holdings
- Life Technologies Corporation
- Monsanto Company
- PerkinElmer, Inc.
- Qiagen N.V.
- Quest Diagnostics Incorporated
- Sapphire Energy, Inc.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Summary of Additions and Dispositions of Properties**  
**Three Months Ended December 31, 2010**  
*(Dollars in thousands)*  
*(Unaudited)*

| <u>Market/Property</u>                                                        | <u>Acquisition Amount</u> | <u>Month of Acquisition</u> | <u>Rentable Square Feet</u> |
|-------------------------------------------------------------------------------|---------------------------|-----------------------------|-----------------------------|
| <b>Additions to Operating Properties:</b>                                     |                           |                             |                             |
| <i><b>San Diego – Sorrento Mesa</b></i><br>5871 Oberlin Drive                 | \$ 9,251                  | November                    | 35,510                      |
| <i><b>San Diego – Sorrento Valley</b></i><br>3985 Sorrento Valley Boulevard   | \$ 17,500                 | November                    | 60,545                      |
| <i><b>San Diego – University Town Center</b></i><br>10300 Campus Point Drive  | \$ 113,500                | December                    | 373,070 (1)                 |
| 5200 Research Place                                                           | 128,000                   | October                     | 346,581 (2)                 |
| <i><b>Suburban Washington, D.C. – Gaithersburg</b></i><br>950 Wind River Lane | \$ 14,100                 | December                    | 50,000                      |
|                                                                               | <u>\$ 282,351</u>         |                             | <u>865,706</u>              |

| <u>Market/Land</u>              | <u>Disposition Amount</u> | <u>Month of Disposition</u> | <u>Developable Square Feet</u> |
|---------------------------------|---------------------------|-----------------------------|--------------------------------|
| <b>Dispositions:</b>            |                           |                             |                                |
| San Francisco Bay – Mission Bay | \$ 278,000                | November                    | 2,030,000                      |

- (1) The acquisition of this property also included land supporting the future development of additional life science buildings aggregating approximately 244,000 rentable square feet.
- (2) The acquisition of this property also included land supporting the future development of additional life science buildings aggregating approximately 420,000 rentable square feet.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**

**Real Estate**

**December 31, 2010**

*(Dollars in thousands, except per square foot data)*

*(Unaudited)*

|                                                 | <u>Square Footage</u> | <u>Book Value</u>   | <u>Cost per Square Foot</u> |
|-------------------------------------------------|-----------------------|---------------------|-----------------------------|
| Rental properties                               | 12,452,489            | \$ 4,546,769        | \$ 365                      |
| Less: accumulated depreciation                  |                       | <u>(616,007)</u>    |                             |
| Rental properties, net                          |                       | 3,930,762           |                             |
| Land held for future development (1)            | 8,328,000             | 431,838             | 52                          |
| Construction in progress:                       |                       |                     |                             |
| Active redevelopment                            | 755,463               | 248,651             | 329                         |
| Active development                              | 475,818               | 134,758             | 283                         |
| Preconstruction (2)                             | 3,014,000             | 563,800             | 187                         |
| Projects in China                               | 547,000               | 66,786              | 122                         |
| Projects in India                               | 426,000               | 31,541              | 74                          |
| Construction in progress                        | 5,218,281             | 1,045,536           | 200                         |
| Investment in unconsolidated real estate entity | 428,000               | 36,678              | 86                          |
| Real estate, net                                | 26,426,770            | 5,444,814           | \$ 206                      |
| Add: accumulated depreciation                   |                       | <u>616,007</u>      |                             |
| Gross book value of real estate                 | <u>26,426,770</u>     | <u>\$ 6,060,821</u> |                             |

- (1) Amounts exclude 3.1 million developable square feet related to a parcel supporting the future ground-up development of approximately 442,000 rentable square feet in New York City related to an option under our ground lease, land parcels supporting ground-up development of 636,000 rentable square feet in Edinburgh, Scotland that we have a long-term right to purchase, and an option to increase our land use rights by up to approximately 2.0 million additional developable square feet in China.
- (2) The two largest projects included in preconstruction consist of our 1.9 million developable square feet at Alexandria Center™ at Kendall Square in East Cambridge, Massachusetts and our 410,000 developable square foot site for the second tower at Alexandria Center™ for Life Science – New York City.

Note: See following page for a description of the major captions in the table.

## ALEXANDRIA REAL ESTATE EQUITIES, INC.

Real Estate  
December 31, 2010  
(Unaudited)

### *Rental Properties, Net*

Rental properties, net represents our operating properties aggregating 12.5 million rentable square feet. This asset base also includes non-laboratory space (office, warehouse, and industrial space) identified for future conversion into 1.5 million rentable square feet of life science laboratory space through redevelopment.

### *Land Held for Future Development*

Our objective is to advance efforts to reduce the time to deliver projects to prospective tenants. Since all efforts have been advanced to appropriate stages and no further preconstruction activities are ongoing, interest, property taxes, insurance, and other costs related to these assets are expensed as incurred.

### *Active Redevelopment/Active Development Projects*

A key component of our business model includes our value-added redevelopment and development programs. These programs are focused on providing high-quality, generic and reusable life science laboratory space to meet the real estate requirements of a wide range of clients in the life science industry. Upon completion, each value-added project is expected to generate significant revenues and cash flows. Our redevelopment and development projects are generally in locations that are highly desirable to life science entities which we believe results in higher occupancy levels, longer lease terms, and higher rental income and returns. Redevelopment projects consists of the permanent change in use of office, warehouse, and shell space into generic life science laboratory space, including the conversion of single tenancy space to multi-tenancy space or visa versa. Our incremental investment in redevelopment projects for the conversion of non-laboratory space to laboratory space generally range from \$75 to \$150 per square foot depending on the nature of the existing building improvements and laboratory design. Development projects consist of the ground-up development of generic and reusable life science laboratory facilities. We anticipate execution of new active development projects for aboveground vertical construction of new laboratory space generally only with significant pre-leasing.

### *Preconstruction*

Preconstruction activities include entitlements, permitting, design, site work, and other activities prior to commencement of vertical construction of aboveground shell and core improvements. Our objective also includes the advancement of preconstruction efforts to reduce the time to deliver projects to prospective tenants. The two largest projects included in preconstruction consist of our 1.9 million developable square feet at Alexandria Center™ at Kendall Square in East Cambridge, Massachusetts and our 410,000 developable square foot site for the second tower at Alexandria Center™ for Life Science – New York City.

### *Projects in China and India*

Projects in China and India represents primarily development opportunities and projects focused on life science laboratory space for our current client tenants and other life science relationship entities. These projects focus on real estate investments with targeted returns on investment greater than returns expected in the United States. As of December 31, 2010, our total investment in China and India was approximately \$66.8 million and \$31.5 million, respectively, representing an aggregate 1.0 million rentable square feet of value added opportunities. During 2011, we expect to incur approximately \$55-\$65 million in construction costs in China and India.

### *Investment in Unconsolidated Real Estate Entity*

Our investment in unconsolidated real estate entity represents our equity investment in a real estate entity that owns a land parcel supporting the ground-up development of approximately 428,000 rentable square feet in the Longwood Medical Area of Boston.

### *Capitalization Policy*

We are required to capitalize interest and other direct project costs during the period an asset is undergoing activities to prepare it for its intended use. Capitalization of interest and other direct project costs cease after a project is substantially complete and ready for its intended use. Additionally, should activities necessary to prepare an asset for its intended use cease, interest, taxes, insurance, and certain other direct project costs related to these assets would be expensed as incurred.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Value-Added Projects**  
**December 31, 2010**  
*(Unaudited)*

The following table summarizes the components of our total value-added square footage as of December 31, 2010:

| <b>Markets</b>                                      | <b>Square Footage</b>                   |                               |                              |                                |                      | <b>Investment in<br/>Unconsolidated<br/>Real Estate<br/>Entity</b> | <b>Land Held<br/>for Future<br/>Development</b> | <b>Future<br/>Redevelopment</b> | <b>Total Value-<br/>Added Square<br/>Footage</b> |
|-----------------------------------------------------|-----------------------------------------|-------------------------------|------------------------------|--------------------------------|----------------------|--------------------------------------------------------------------|-------------------------------------------------|---------------------------------|--------------------------------------------------|
|                                                     | <b>Construction in Progress ("CIP")</b> |                               |                              |                                | <b>Total<br/>CIP</b> |                                                                    |                                                 |                                 |                                                  |
|                                                     | <b>Active<br/>Redevelopment</b>         | <b>Active<br/>Development</b> | <b>Pre-<br/>construction</b> | <b>Real Estate<br/>in Asia</b> |                      |                                                                    |                                                 |                                 |                                                  |
| California – San Diego                              | 419,722                                 | 123,430                       | 140,000                      | –                              | 683,152              | –                                                                  | 921,000                                         | 137,000                         | 1,741,152                                        |
| California – San Francisco<br>Bay/Mission Bay       | –                                       | 93,388                        | –                            | –                              | 93,388               | –                                                                  | 290,000                                         | –                               | 383,388                                          |
| California – San Francisco<br>Bay/So. San Francisco | –                                       | 162,000                       | 144,000                      | –                              | 306,000              | –                                                                  | 1,051,000                                       | 45,000                          | 1,402,000                                        |
| Greater Boston                                      | 210,660                                 | –                             | 1,927,000                    | –                              | 2,137,660            | 428,000                                                            | 225,000                                         | 512,000                         | 3,302,660                                        |
| New York City                                       | –                                       | –                             | 410,000                      | –                              | 410,000              | –                                                                  | –                                               | –                               | 410,000                                          |
| Suburban Washington, D.C.                           | 95,081                                  | –                             | –                            | –                              | 95,081               | –                                                                  | 1,035,000                                       | 462,000                         | 1,592,081                                        |
| Washington – Seattle                                | –                                       | –                             | 393,000                      | –                              | 393,000              | –                                                                  | 898,000                                         | 135,000                         | 1,426,000                                        |
| International                                       | –                                       | –                             | –                            | 973,000                        | 973,000              | –                                                                  | 3,277,000 (1)                                   | –                               | 4,250,000                                        |
| Other                                               | 30,000                                  | 97,000                        | –                            | –                              | 127,000              | –                                                                  | 631,000                                         | 226,000                         | 984,000                                          |
| <b>Total</b>                                        | <b>755,463</b>                          | <b>475,818</b>                | <b>3,014,000</b>             | <b>973,000</b>                 | <b>5,218,281</b>     | <b>428,000</b>                                                     | <b>8,328,000</b>                                | <b>1,517,000</b>                | <b>15,491,281(2)</b>                             |

(1) Represents 827,000 and 2.4 million developable square feet in Canada and India, respectively.

(2) Amounts exclude 3.1 million developable square feet related to a parcel supporting the future ground-up development of approximately 442,000 rentable square feet in New York City related to an option under our ground lease, land parcels supporting ground-up development of 636,000 rentable square feet in Edinburgh, Scotland that we have a long-term right to purchase, and an option to increase our land use rights by up to approximately 2.0 million additional developable square feet in China.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Value-Added Projects – Redevelopment**  
**December 31, 2010**  
(continued)  
(Unaudited)

The following table summarizes our properties undergoing redevelopment:

| Market/Property                              | Total<br>Property<br>RSF (1) | Placed in<br>Redevelop-<br>ment | Estimated<br>In-Service<br>Dates | Redevelopment |                |                           |      |                     |
|----------------------------------------------|------------------------------|---------------------------------|----------------------------------|---------------|----------------|---------------------------|------|---------------------|
|                                              |                              |                                 |                                  | RSF           | Percentage (2) |                           | Mktg | Status              |
|                                              |                              |                                 |                                  |               | Leased         | Negotiating/<br>Committed |      |                     |
| <b>San Diego – Sorrento Mesa</b>             |                              |                                 |                                  |               |                |                           |      |                     |
| 6275 Nancy Ridge Drive                       | 47,347                       | 2011                            | 2012                             | 47,347        | –              | –                         | 100% | Design              |
| <b>San Diego – Torrey Pines</b>              |                              |                                 |                                  |               |                |                           |      |                     |
| 11119 North Torrey Pines Road                | 81,816                       | 2010                            | 2012                             | 81,816        | –              | –                         | 100% | Design/Permitting   |
| 3530 John Hopkins Court                      | 34,723                       | 2010                            | 2012                             | 34,723        | –              | –                         | 100% | Design/Permitting   |
| 3350 John Hopkins Court                      | 55,200                       | 2010                            | 2012                             | 55,200        | –              | –                         | 100% | Design/Permitting   |
| <b>San Diego – University Town Center</b>    |                              |                                 |                                  |               |                |                           |      |                     |
| 10300 Campus Point Drive                     | 373,070                      | 2011                            | 2012/2013                        | 200,636       | 44%            | –                         | 56%  | Design/Construction |
| <b>Greater Boston – Cambridge/Inner Sub.</b> |                              |                                 |                                  |               |                |                           |      |                     |
| 215 First Street (3)                         | 366,669                      | (4)                             | 2011                             | 33,001        | –              | –                         | 100% | Construction        |
| 400 Technology Square (3)                    | 194,776                      | 2009                            | 2012                             | 17,114        | –              | –                         | 100% | Design              |
| 500 Arsenal Street                           | 92,500                       | 2010                            | 2012                             | 47,500        | –              | 100%                      | –    | Design              |
| <b>Greater Boston – Rte 495/Worcester</b>    |                              |                                 |                                  |               |                |                           |      |                     |
| 20 Walkup Drive                              | 113,045                      | (5)                             | 2011                             | 113,045       | –              | –                         | 100% | Construction        |
| <b>Southeast – Research Triangle Park</b>    |                              |                                 |                                  |               |                |                           |      |                     |
| 6101 Quadrangle Drive                        | 30,000                       | 2010                            | 2012                             | 30,000        | –              | –                         | 100% | Design              |
| <b>Sub. Washington, D.C. – Rockville</b>     |                              |                                 |                                  |               |                |                           |      |                     |
| 15010 Broschart Road                         | 38,203                       | 2010                            | 2012                             | 17,870        | 61%            | –                         | 39%  | Construction        |
| 9800 Medical Center Drive                    | 225,096                      | 2009                            | 2012                             | 77,211        | –              | 100%                      | –    | Design/Permitting   |
|                                              | 1,652,445                    |                                 |                                  | 755,463       | 13%            | 16%                       | 71%  |                     |

- (1) The operating portion of the properties aggregating 896,982 rentable square feet, including vacancy aggregating approximately 31,000 rentable square feet, is included in rental properties, net and occupancy statistics for our operating properties. See Summary of Properties on page 23.
- (2) The leased percentages represent the percentages of redevelopment rentable square feet and exclude both the occupied and vacant rentable square feet related to the operating portion of each building.
- (3) Represents redevelopment projects with projected total investment greater than the average total investment for our redevelopment project. The higher total investment is primarily due to the contiguousness of a project to Alexandria Center™ at Kendall Square (part of the assemblage) as well as another mid-rise building and its structure.
- (4) Represents historical office building acquired with parcel included in overall Alexandria Center™ at Kendall Square. Remaining rentable square feet undergoing conversion from office space to laboratory space.
- (5) Represents a former single-tenant building undergoing redevelopment. Although the building may accommodate multi-tenancy, we are projecting single-tenancy for this project.

As of December 31, 2010, our estimated cost to complete was approximately \$145 per rentable square foot, or \$110 million in aggregate, for the 755,463 rentable square feet undergoing a permanent change in use to life science laboratory space through redevelopment. Our final costs for these projects will ultimately depend on many factors, including construction and infrastructure requirements for each tenant, final lease negotiations, and the amount of costs funded by each tenant.



**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Value-Added Projects – Development**  
**December 31, 2010**  
(continued)  
(Unaudited)

The following table summarizes our properties undergoing ground-up development:

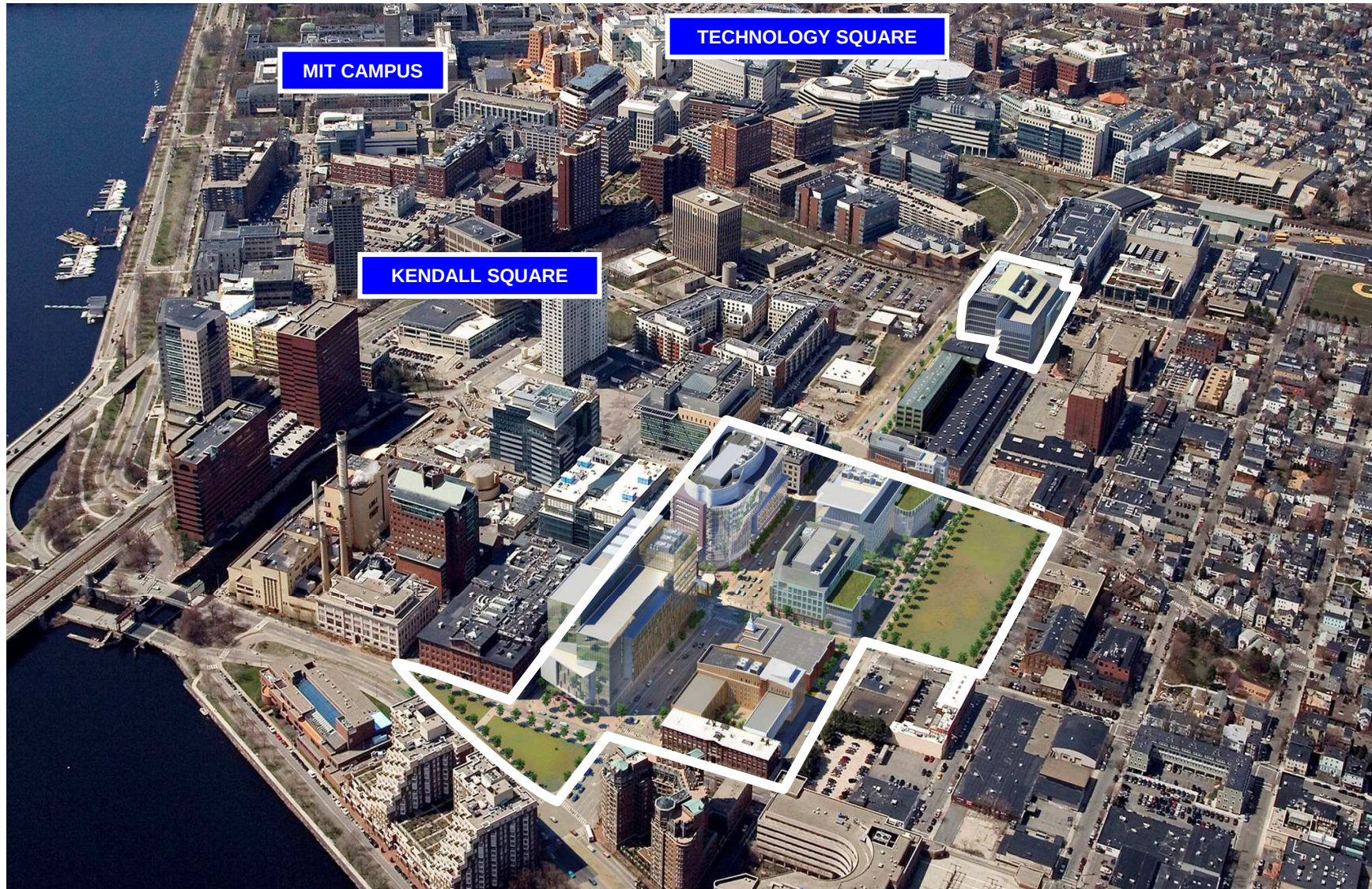
| Market/Property                                   | Building Description               | Estimated Project Completion Date | Rentable Square Feet | Operating        |     | Development |         |      |         |                        |         |           |                               |                |
|---------------------------------------------------|------------------------------------|-----------------------------------|----------------------|------------------|-----|-------------|---------|------|---------|------------------------|---------|-----------|-------------------------------|----------------|
|                                                   |                                    |                                   |                      | Leased/ Occupied |     | Total       | Leased  |      |         | Negotiating/ Committed |         | Marketing |                               | Leasing Status |
|                                                   |                                    |                                   |                      | RSF              | %   |             | RSF     | RSF  | %       | RSF                    | %       | RSF       | %                             |                |
| San Diego – University Town Center                |                                    |                                   |                      |                  |     |             |         |      |         |                        |         |           |                               |                |
| 5200 Research Place                               | Single Tenant Bldg.                | 2013                              | 123,430              | –                | –   | 123,430     | 123,430 | 100% | –       | –                      | –       | –         | 100% Leased to Illumina, Inc. |                |
| San Francisco Bay – Mission Bay                   |                                    |                                   |                      |                  |     |             |         |      |         |                        |         |           |                               |                |
| 1500 Owens Street                                 | Multi-tenant Bldg. with 3% Retail  | 2011                              | 158,267              | 123,683          | 78% | 34,584      | –       | –    | 34,584  | 22%                    | –       | –         | Under Negotiation with UCSF   |                |
| 455 Mission Bay Boulevard                         | Multi-tenant Bldg. with 4% Retail  | 2011                              | 210,000              | 151,196          | 72% | 58,804      | 10,973  | 5%   | 31,207  | 15%                    | 16,624  | 8%        | Under Negotiation/Marketing   |                |
| San Francisco Bay – South SF                      |                                    |                                   |                      |                  |     |             |         |      |         |                        |         |           |                               |                |
| 400/450 East Jamie Court                          | Two Bldgs., Single or Multi-tenant | 2011                              | 162,000              | –                | –   | 162,000     | –       | –    | 40,253  | 25%                    | 121,747 | 75%       | Under Negotiation/Marketing   |                |
| Southeast – Research Triangle Park                |                                    |                                   |                      |                  |     |             |         |      |         |                        |         |           |                               |                |
| 7 Triangle Drive                                  | Single Tenant Bldg.                | 2012                              | 97,000               | –                | –   | 97,000      | 97,000  | 100% | –       | –                      | –       | –         | 100% Leased to Medicago Inc.  |                |
| Total Properties Undergoing Ground-Up Development |                                    |                                   | 750,697              | 274,879          | 37% | 475,818     | 231,403 | 31%  | 106,044 | 14%                    | 138,371 | 18%       |                               |                |

As of December 31, 2010, our estimated cost to complete was approximately \$146 per rentable square foot, or \$70 million in aggregate for the 475,818 rentable square feet undergoing ground-up development. Our final costs for these projects will ultimately depend on many factors, including construction and infrastructure requirements for each tenant, final lease negotiations, and the amount of costs funded by each tenant. Future ground-up development projects will likely require significant pre-leasing from quality and/or creditworthy entities.



**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Value-Added Projects**  
**Rendering of Alexandria Center™ at Kendall Square, East Cambridge Massachusetts**  
**December 31, 2010**  
(continued)

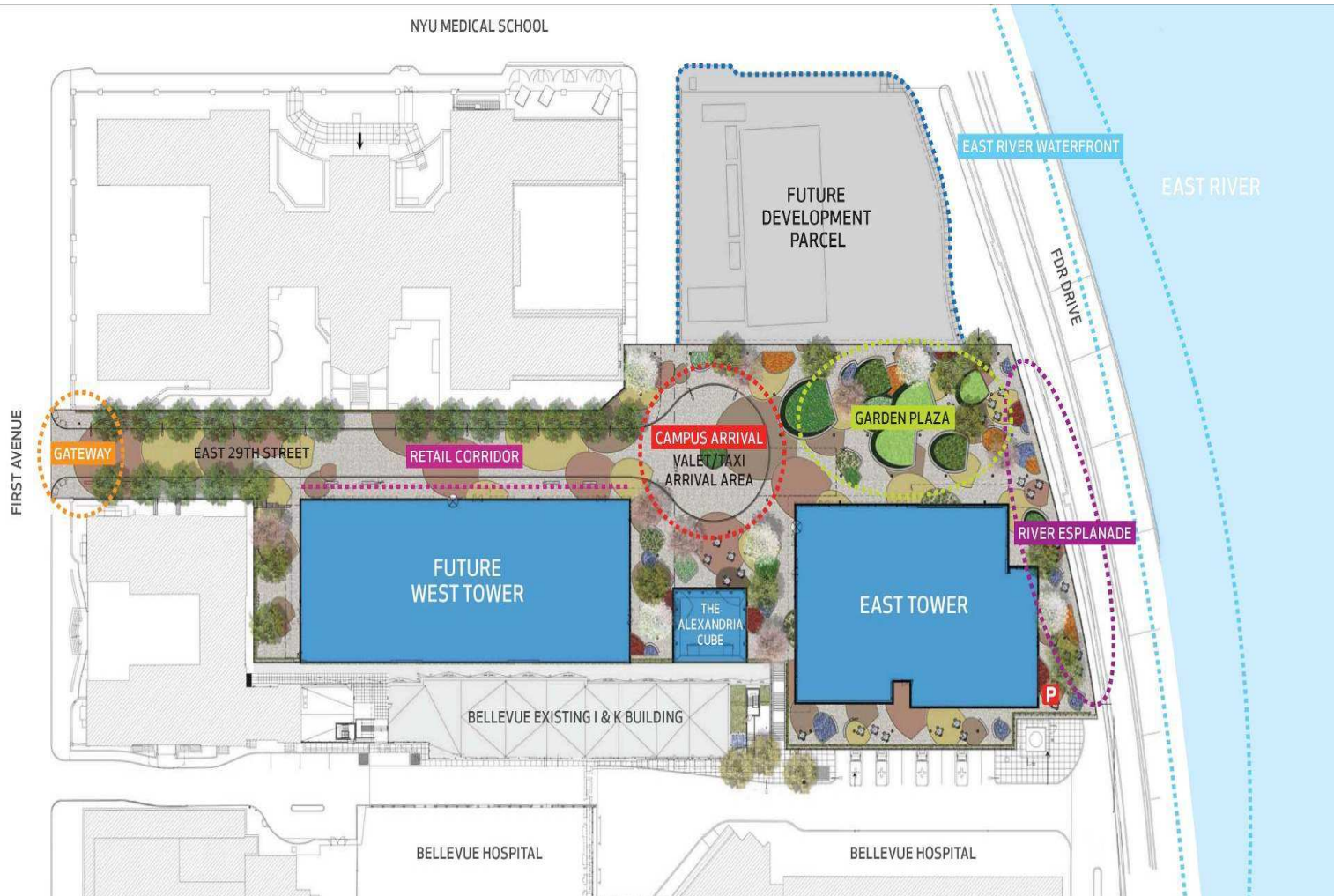
Buildings in the white outline below represent renderings of five future ground-up life science laboratory developments aggregating 1.9 million rentable square feet.





**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Value-Added Projects**  
**Site Plan of Alexandria Center™ for Life Science – New York City**  
**December 31, 2010**  
(continued)

During the fourth quarter of 2010, we completed the ground-up development of the east tower at Alexandria Center™ for Life Science – New York City (“ACNYC”) aggregating approximately 308,000 rentable square feet. Occupancy of this tower was 92% and it was 96% leased as of December 31, 2010. The ACNYC campus also includes 410,000 developable square feet, site of the future west tower, as well as a parcel supporting the future ground-up development of approximately 442,000 rentable square feet on the north end of the campus.



**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Value-Added Projects**  
**Map and Rendering of Mission Bay, San Francisco, California**  
**December 31, 2010**  
(continued)

The Alexandria Center™ for Science and Technology at Mission Bay will consist of up to five high-quality facilities aggregating approximately 816,000 rentable square feet. We have three buildings aggregating approximately 526,000 leased to Merck & Co., Inc., Pfizer Inc., Bayer AG, and UCSF as well as other top tier life science companies.



**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Summary of Capital Expenditures**  
*(Unaudited)*

|                                        |                      | Year Ended December 31, |              |              |              |              |
|----------------------------------------|----------------------|-------------------------|--------------|--------------|--------------|--------------|
|                                        | Five-Year<br>Average | 2010                    | 2009         | 2008         | 2007         | 2006         |
| Capital expenditures (2):              |                      |                         |              |              |              |              |
| Major capital expenditures             | \$ 653,000           | \$ 379,000              | \$ 529,000   | \$ 405,000   | \$ 1,379,000 | \$ 575,000   |
| Recurring capital expenditures         | \$ 920,000           | \$ 953,000              | \$ 1,405,000 | \$ 955,000   | \$ 648,000   | \$ 639,000   |
| Square feet in asset base              | 11,396,107           | 12,202,231              | 11,740,993   | 11,770,769   | 11,476,217   | 9,790,326    |
| Per square foot:                       |                      |                         |              |              |              |              |
| Major capital expenditures             | \$ 0.06              | \$ 0.03                 | \$ 0.05      | \$ 0.03      | \$ 0.12      | \$ 0.06      |
| Recurring capital expenditures         | \$ 0.08              | \$ 0.08                 | \$ 0.12      | \$ 0.08      | \$ 0.06      | \$ 0.07      |
| Tenant improvements and leasing costs: |                      |                         |              |              |              |              |
| Re-tenanted space (3)                  |                      |                         |              |              |              |              |
| Tenant improvements and leasing costs  | \$ 2,174,000         | \$ 3,097,000            | \$ 1,475,000 | \$ 3,481,000 | \$ 1,446,000 | \$ 1,370,000 |
| Re-tenanted square feet                | 393,914              | 778,547                 | 211,638      | 505,773      | 224,767      | 248,846      |
| Per square foot                        | \$ 5.52              | \$ 3.98                 | \$ 6.97      | \$ 6.88      | \$ 6.43      | \$ 5.51      |
| Renewal space                          |                      |                         |              |              |              |              |
| Tenant improvements and leasing costs  | \$ 2,431,000         | \$ 3,628,000            | \$ 3,263,000 | \$ 2,364,000 | \$ 1,942,000 | \$ 957,000   |
| Renewal square feet                    | 770,317              | 999,419                 | 976,546      | 748,512      | 671,127      | 455,980      |
| Per square foot                        | \$ 3.16              | \$ 3.63                 | \$ 3.34      | \$ 3.16      | \$ 2.89      | \$ 2.10      |

The table above shows the average per square foot property-related capital expenditures, tenant improvements, and leasing costs (excluding capital expenditures and tenant improvements that are recoverable from tenants, revenue-enhancing, or related to properties that have undergone redevelopment).

- (1) Property-related capital expenditures include all major capital and recurring capital expenditures except capital expenditures that are recoverable from tenants, revenue-enhancing capital expenditures, or costs related to the redevelopment of a property. Major capital expenditures consist of roof replacements and heavy-duty heating, ventilation, and air conditioning systems that are typically identified and considered at the time a property is acquired.
- (2) Excludes space that has undergone redevelopment before re-tenanting.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Definitions and Other Information**  
**December 31, 2010**  
*(Unaudited)*

This section contains additional information for sections throughout this supplemental information package as well as explanations of certain non-GAAP financial measures in sections of this document and the reasons why management believes these measures provide useful information to investors about our financial condition, results of operations, or liquidity. Additional detail can be found in our most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q, as well as other documents filed with or furnished to the SEC from time to time.

Adjusted EBITDA and Adjusted EBITDA Margin

EBITDA represents earnings before interest, taxes, depreciation and amortization (“EBITDA”), a non-GAAP financial measure, and is used as a supplemental measure of operating performance. Adjusted EBITDA is calculated as EBITDA excluding impairments, gains or losses from sales of real estate, gains or losses on early extinguishment of debt, and net stock compensation expenses. We use EBITDA and Adjusted EBITDA as a supplemental measure of our operating performance. We consider Adjusted EBITDA to provide investors relevant and useful information because it permits investors to view income from our operations on an unleveraged basis before the effects of taxes, non-cash depreciation and amortization, impairments, gains or losses from sales of real estate, gains or losses on early extinguishment of debt, and net stock compensation expenses. By excluding interest expense, EBITDA and Adjusted EBITDA allow investors to measure our operating performance independent of our capital structure and indebtedness and, therefore, allow for a more meaningful comparison of our operating performance to that of other companies, both in the real estate industry and in other industries. We believe investors should consider EBITDA and Adjusted EBITDA, in conjunction with net income (the primary measure of our performance) and the other required United States generally accepted accounting principles (“GAAP”) measures of our performance, to improve their understanding of our operating results, and to make more meaningful comparisons of our performance between periods and against other companies. EBITDA and Adjusted EBITDA have limitations as analytical tools and should be used in conjunction with our required GAAP presentations. EBITDA and Adjusted EBITDA do not reflect our historical cash expenditures or future cash requirements for capital expenditures or contractual commitments. While EBITDA and Adjusted EBITDA are relevant and widely used measures of operating performance, it does not represent net income or cash flow from operations as defined by GAAP, and it should not be considered as an alternative to those indicators in evaluating operating performance or liquidity. Further, our computation of EBITDA and Adjusted EBITDA may not be comparable to similar measures reported by other companies.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Definitions and Other Information**  
**December 31, 2010**  
*(Unaudited)*

Adjusted EBITDA and Adjusted EBITDA Margin (continued)

The following table reconciles net income (loss) to EBITDA and Adjusted EBITDA (dollars in thousands):

|                                             | <b>Year Ended</b> |                   | <b>Three Months Ended</b> |                  |                  |                  |                  |
|---------------------------------------------|-------------------|-------------------|---------------------------|------------------|------------------|------------------|------------------|
|                                             | <b>12/31/10</b>   | <b>12/31/09</b>   | <b>12/31/10</b>           | <b>9/30/10</b>   | <b>6/30/10</b>   | <b>3/31/10</b>   | <b>12/31/09</b>  |
| Net income (loss) (1)                       | \$ 139,022        | \$ 141,648        | \$ 92,000                 | \$ 30,461        | \$ (12,224)      | \$ 28,785        | \$ 29,905        |
| Interest expense (2)                        | 69,642            | 82,273            | 17,191                    | 16,111           | 18,778           | 17,562           | 19,452           |
| Depreciation and amortization (2)           | 126,640           | 118,508           | 34,551                    | 32,009           | 30,342           | 29,738           | 29,004           |
| EBITDA                                      | 335,304           | 342,429           | 143,742                   | 78,581           | 36,896           | 76,085           | 78,361           |
| Stock compensation expense                  | 10,816            | 14,051            | 2,767                     | 2,660            | 2,658            | 2,731            | 3,194            |
| Gain on sales of property                   | (59,466)          | (2,627)           | (59,442)                  | –                | –                | (24)             | (393)            |
| Loss (gain) on early extinguishment of debt | 45,168            | (11,254)          | 2,372                     | 1,300            | 41,496           | –                | –                |
| Adjusted EBITDA                             | <u>\$ 331,822</u> | <u>\$ 342,599</u> | <u>\$ 89,439</u>          | <u>\$ 82,541</u> | <u>\$ 81,050</u> | <u>\$ 78,792</u> | <u>\$ 81,162</u> |
| Total revenues                              | \$ 487,303        | \$ 483,172        | \$ 132,171                | \$ 121,629       | \$ 117,010       | \$ 116,493       | \$ 115,060       |
| Adjusted EBITDA margin                      | 68%               | 71%               | 68%                       | 68%              | 69%              | 68%              | 71%              |

(1) See “Significant Events Impacting Comparability” under “Definitions and Other Information” section of this report starting on page 53.

(2) Includes interest expense, depreciation, and amortization classified in discontinued operations related to assets “held for sale” (for the periods prior to when such assets were designated as “held for sale”).

Adjusted Funds from Operations

Adjusted Funds from Operations (“AFFO”) is a non-GAAP financial measure we believe is a useful supplemental measure of our performance. We compute AFFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders by adding to or deducting from FFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders (i) recurring and non-recurring capital expenditures required to maintain and re-tenant our properties, (ii) second generation tenant improvements and leasing costs on re-tenanted and renewal space (excludes redevelopment expenditures), (iii) capitalized income from development projects, (iv) gains or losses on early extinguishment of debt, (v) amortization of loan fees, debt premiums/discounts and acquired above and below market leases, (vi) effects of deferred rent/straight-line rent and deferred rent/straight-line rent on ground leases, (vii) non-cash compensation expense related to restricted stock awards, and (viii) other non-cash income or charges, including impairment charges. AFFO is not intended to represent cash flow for the period, and is only intended to provide an additional measure of performance by adjusting the effect of certain items noted above included in FFO, as well as recurring capital expenditures and leasing costs. We believe that net income attributable to Alexandria Real Estate Equities, Inc.’s common stockholders is the most directly comparable GAAP financial measure to AFFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders. We also believe that AFFO attributable to Alexandria Real Estate Equities, Inc.’s common stockholders provides useful performance 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.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Definitions and Other Information (continued)**  
**December 31, 2010**  
*(Unaudited)*

Annualized Base Rent

Annualized base rent means the annualized fixed base rental amount in effect as of December 31, 2010 related to our operating rentable square feet (using rental revenue computed on a straight-line basis in accordance with GAAP).

Capitalized Interest

A key component of our business model is our value-added redevelopment and development programs. These programs are focused on providing high-quality generic life science laboratory space to meet the real estate requirements of and are reusable by various life science industry tenants. Upon completion, each value-added project is expected to generate significant revenues and cash flows. Our redevelopment and development projects are generally in locations that are highly desirable to life science entities which we believe results in higher occupancy levels, longer lease terms, and higher rental income and returns. Redevelopment projects consist of the permanent change in use of office, warehouse, and shell space into generic life science laboratory space, including the conversion of single-tenancy space to multi-tenancy space or multi-tenancy space to single-tenancy space. Development projects consist of the ground-up development of generic life science laboratory facilities. We also have certain significant value-added projects undergoing important and substantial preconstruction activities to bring these assets to their intended use. These critical activities add significant value and are required for the construction of buildings. The projects will provide high-quality facilities for the life science industry and will generate significant revenue and cash flows for the Company. We are required to capitalize construction, redevelopment, and development costs, including preconstruction costs, interest, property taxes, insurance, and other costs directly related and essential to the project while activities are ongoing to prepare an asset for its intended use. Capitalized interest for the three months ended December 31, 2010 was approximately \$14.6 million. The average interest rate for the three months ended December 31, 2010 required for the purpose of calculating capitalization of interest was approximately 4.67%, assuming conversion of our 8% unsecured convertible notes. Capitalized interest assumes conversion of our 8% unsecured convertible notes for all periods.

Dividend Payout Ratio

Dividend payout ratio (common stock) is the ratio of the absolute dollar amount of dividends on our common stock (shares of common stock outstanding on the respective record date multiplied by the related dividend per share) to FFO attributable to Alexandria Real Estate Equities, Inc.'s common stockholders on a diluted basis. The dividend payout ratios for the three months ended December 31, 2010, September 30, 2010 and June 30, 2010 are based upon FFO attributable to Alexandria Real Estate Equities, Inc.'s common stockholders on a diluted basis, excluding the losses on early extinguishment of debt. The dividend payout ratios for the three months ended December 31, 2010, September 30, 2010, and June 30, 2010 including the losses on early extinguishment of debt were 43%, 36%, and 178%, respectively.

Dividend Yield

Dividend yield for the quarter represents the annualized quarter dividend divided by the closing common stock price at the end of the quarter.



**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Definitions and Other Information (continued)**  
**December 31, 2010**  
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Earnings (Loss) per Share

We use income (loss) from continuing operations attributable to Alexandria Real Estate Equities, Inc.'s common stockholders as the "control number" in determining whether potential common shares, including potential common shares issuable upon conversion of our 8% unsecured convertible notes, are dilutive or antidilutive to earnings (loss) per share. Pursuant to the presentation and disclosure literature on gains/losses on sales or disposals by REITs and earnings per share required by the SEC and the Financial Accounting Standards Board, gains or losses on sales or disposals by a REIT that do not qualify as discontinued operations are classified below income from discontinued operations in the income statement and included in the numerator for the computation of earnings per share for income from continuing operations. The land parcels we sold during the fourth quarter of 2010 did not meet the criteria for discontinued operations since the parcels did not have any significant operations prior to disposition. Accordingly, for the three months and year ended December 31, 2010, we classified the \$59.4 million gain on sales of land parcels below income (loss) from discontinued operations, net in the consolidated income statements, and included the gain in income (loss) from continuing operations attributable to Alexandria Real Estate Equities, Inc.'s common stockholders, the "control number," or numerator for the computation of earnings per share.

We account for invested restricted stock awards which contain nonforfeitable rights to dividends as participating securities and include these securities in the computation of earnings (loss) per share using the two-class method. Under the two-class method, we allocate net income after preferred stock dividends and amounts attributable to noncontrolling interests to common stockholders and invested restricted stock awards based on their respective participation rights to dividends declared (or accumulated) and undistributed earnings. Diluted earnings (loss) per share is computed using the weighted average shares of common stock outstanding determined for the basic earnings (loss) per share computation plus the effect of any dilutive securities, including the dilutive effect of stock options using the treasury stock method. For all periods except for the three months ended June 30, 2010, the effect of stock options using the treasury stock method was dilutive to income (loss) from continuing operations per share and as such, was included in the computation of diluted earnings (loss) per share.

We applied the if-converted method of accounting for our 8% unsecured senior convertible notes ("8% Unsecured Convertible Notes"). In applying the if-converted method of accounting, conversion is assumed for purposes of calculating diluted earnings per share if the effect would be dilutive to earnings per share. If the assumed conversion pursuant to the if-converted method is dilutive, diluted earnings per share would be calculated by adding back interest charges applicable to our 8% Unsecured Convertible Notes to the numerator and our 8% Unsecured Convertible Notes would be assumed to have been converted at the beginning of the period presented (or from the date of issuance, if occurring on a date later than the date that the period begins) and the resulting incremental shares associated with the assumed conversion would be included in the denominator. Furthermore, we assume that our 8% Unsecured Convertible Notes are converted for the period prior to any retirement or actual conversion if the effect of such assumed retirement or conversion would be dilutive, and any shares of common stock issued upon actual conversion are included in the denominator for the period after the date of retirement or conversion. For all periods except the three months ended December 31, 2010, potential common shares issuable upon conversion of our 8% unsecured convertible notes were antidilutive to income (loss) from continuing operations per share and as such, was excluded from the computation of diluted earnings (loss) per share.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Definitions and Other Information (continued)**  
**December 31, 2010**  
*(Unaudited)*

Earnings (Loss) per Share (continued)

The table below is a reconciliation of the numerators and denominators of the basic and diluted per share computations for income (loss) from continuing operations (dollars in thousands, except per share data):

| <b>Numerator</b>                                                                                                                                                       | <b>Year Ended (1)</b> |                   | <b>Three Months Ended (1)</b> |                   |                    |                   |                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|-------------------------------|-------------------|--------------------|-------------------|-------------------|
|                                                                                                                                                                        | <b>12/31/10</b>       | <b>12/31/09</b>   | <b>12/31/10</b>               | <b>9/30/10</b>    | <b>6/30/10</b>     | <b>3/31/10</b>    | <b>12/31/09</b>   |
| Income (loss) from continuing operations                                                                                                                               | \$ 79,286             | \$ 135,822        | \$ 32,745                     | \$ 30,513         | \$ (12,164)        | \$ 28,192         | \$ 28,732         |
| Gain on sales of land parcels                                                                                                                                          | 59,442                | –                 | 59,442                        | –                 | –                  | –                 | –                 |
| Net income attributable to noncontrolling interests                                                                                                                    | (3,729)               | (7,047)           | (944)                         | (920)             | (930)              | (935)             | (924)             |
| Income from continuing operations attributable to Alexandria Real Estate Equities, Inc.                                                                                | 134,999               | 128,775           | 91,243                        | 29,593            | (13,094)           | 27,257            | 27,808            |
| Dividends on preferred stock                                                                                                                                           | (28,357)              | (28,357)          | (7,089)                       | (7,089)           | (7,090)            | (7,089)           | (7,089)           |
| Income from continuing operations attributable to unvested restricted stock awards                                                                                     | (993)                 | (1,201)           | (728)                         | (217)             | (149)              | (212)             | (229)             |
| Income (loss) from continuing operations attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – numerator for basic earnings (loss) per share   | 105,649               | 99,217            | 83,426                        | 22,287            | (20,333)           | 19,956            | 20,490            |
| Effect of dilutive securities and assumed conversion:                                                                                                                  |                       |                   |                               |                   |                    |                   |                   |
| Assumed conversion of 8% unsecured convertible notes                                                                                                                   | –                     | –                 | 2                             | –                 | –                  | –                 | –                 |
| Amounts attributable to unvested restricted stock awards                                                                                                               | –                     | –                 | 1                             | –                 | –                  | –                 | –                 |
| Income (loss) from continuing operations attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – numerator for diluted earnings (loss) per share | <u>\$ 105,649</u>     | <u>\$ 99,217</u>  | <u>\$ 83,429</u>              | <u>\$ 22,287</u>  | <u>\$ (20,333)</u> | <u>\$ 19,956</u>  | <u>\$ 20,490</u>  |
| <b>Denominator</b>                                                                                                                                                     |                       |                   |                               |                   |                    |                   |                   |
| Weighted average shares of common stock outstanding – denominator for basic earnings (loss) per share                                                                  | 48,375,474            | 38,586,909        | 54,865,654                    | 49,807,241        | 44,870,142         | 43,821,765        | 43,715,462        |
| Effect of dilutive securities and assumed conversion:                                                                                                                  |                       |                   |                               |                   |                    |                   |                   |
| Dilutive effect of stock options                                                                                                                                       | 29,566                | 13,160            | 21,709                        | 23,098            | –                  | 35,748            | 34,839            |
| Assumed conversion of 8% unsecured convertible notes                                                                                                                   | –                     | –                 | 6,047                         | –                 | –                  | –                 | –                 |
| Weighted average shares of common stock outstanding – denominator for diluted earnings (loss) per share                                                                | <u>48,405,040</u>     | <u>38,600,069</u> | <u>54,893,410</u>             | <u>49,830,339</u> | <u>44,870,142</u>  | <u>43,857,513</u> | <u>43,750,301</u> |
| Income (loss) from continuing operations per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders                                         |                       |                   |                               |                   |                    |                   |                   |
| Basic                                                                                                                                                                  | \$ 2.18               | \$ 2.57           | \$ 1.52                       | \$ 0.45           | \$ (0.45)          | \$ 0.46           | \$ 0.47           |
| Diluted                                                                                                                                                                | <u>\$ 2.18</u>        | <u>\$ 2.57</u>    | <u>\$ 1.52</u>                | <u>\$ 0.45</u>    | <u>\$ (0.45)</u>   | <u>\$ 0.46</u>    | <u>\$ 0.46</u>    |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Definitions and Other Information (continued)**  
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EBITDA

See Adjusted EBITDA.

Funds from Operations

GAAP basis accounting for real estate assets utilizes historical cost accounting and assumes real estate values diminish over time. In an effort to overcome the difference between real estate values and historical cost accounting for real estate assets, the Board of Governors of NAREIT established the measurement tool of Funds from Operations ("FFO"). Since its introduction, FFO has become a widely used non-GAAP financial measure among real estate investment trusts ("REITs"). We believe that FFO is helpful to investors as an additional measure of the performance of an equity REIT. We compute FFO in accordance with standards established by the Board of Governors of NAREIT in its April 2002 White Paper (the "White Paper") and related implementation guidance, which may differ from the methodology for calculating FFO utilized by other equity REITs, and, accordingly, may not be comparable to such other REITs. The White Paper defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of financial performance, or to cash flows from operating activities (determined in accordance with GAAP) as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make distributions.

FFO per Share

FFO per share (diluted) is computed using the weighted average shares of common stock outstanding determined for the basic FFO per share computation plus the effect of any dilutive securities, including the dilutive effect of stock options using the treasury stock method. Additionally, we applied the if-converted method for our 8% Unsecured Convertible Notes for FFO per share separately from the if-converted analysis for earnings (loss) per share. In applying the if-converted method, conversion is assumed for purposes of calculating FFO per share (diluted) if the effect would be dilutive to FFO per share. If the assumed conversion pursuant to the if-converted method is dilutive, FFO per share (diluted) would be calculated by adding back interest charges applicable to our 8% Unsecured Convertible Notes to the numerator and our 8% Unsecured Convertible Notes would be assumed to have been converted at the beginning of the period presented (or from the date of issuance, if occurring on a date later than the date that the period begins) and the resulting incremental shares associated with the assumed conversion would be included in the denominator. Furthermore, we assume that our 8% Unsecured Convertible Notes are converted for the period prior to any retirement or actual conversion if the effect of such assumed retirement or conversion would be dilutive, and any shares of common stock issued upon actual retirement or conversion are included in the denominator for the period after the date of retirement or conversion. For purposes of calculating FFO per share (diluted), the if-converted method was dilutive to FFO per share (diluted) for all periods presented in which the notes were outstanding except for the three months ended June 30, 2010.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Definitions and Other Information (continued)**  
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*(Unaudited)*

Gross Assets (Excluding Cash and Restricted Cash)

Gross assets (excluding cash and restricted cash) is equal to total assets plus accumulated depreciation, less cash, cash equivalents, and restricted cash.

Net Debt

Net debt is equal to the sum of secured notes payable, unsecured line of credit, unsecured term loan, and unsecured convertible notes, less cash, cash equivalents, and restricted cash.

Same Property Comparisons

The summary of same property comparisons represents operating data for all properties that were fully operating for the entire periods presented for the quarter periods (the "Fourth Quarter Same Properties") and for the full year periods (the "2010 Same Properties"). Properties undergoing redevelopment are excluded from same property results.

Revenue less operating expenses computed in accordance with GAAP is total revenue associated with the Fourth Quarter Same Properties and 2010 Same Properties, as applicable (excluding lease termination fees, if any), less property operating expenses. Under GAAP, rental revenue is recognized on a straight-line basis over the respective lease terms. Revenue less operating expenses on a cash basis is total revenue associated with the Fourth Quarter Same Properties and 2010 Same Properties (excluding lease termination fees, if any), less property operating expenses, adjusted to exclude the effect of straight-line rent adjustments required by GAAP. Straight-line rent adjustments for the three months ended December 31, 2010 and 2009 for the Fourth Quarter Same Properties were \$2,939,000 and \$3,336,000, respectively. Straight-line rent adjustments for the year ended December 31, 2010 and 2009 for the 2010 Same Properties were \$8,351,000 and \$11,017,000, respectively. We believe that revenue less operating expenses on a cash basis is helpful to investors as an additional measure of operating performance because it eliminates straight-line rent adjustments to rental revenue.

Same property results for the year ended December 31, 2009 excludes approximately \$18.5 million of additional rental income in the first quarter of 2009 in connection with a modification of a lease for one property in the South San Francisco market. The lease with the prior tenant was terminated in order to deliver this building to Roche Holding Ltd under a ten-year lease and this \$18.5 million consideration was part of our overall returns for this property. Our same property results for the year ended December 31, 2010 assuming additional rental income from the prior lease was amortized over the lease term with Roche Holding Ltd would have been the same as reported on GAAP and cash basis.

Fees received from tenants in connection with termination of their leases, if any, are excluded from revenue in the Summary of Same Property Comparisons. As of December 31, 2010, approximately 96% of our leases (on a rentable square footage basis) were triple net leases, requiring tenants to pay substantially all real estate taxes, insurance, utilities, common area, and other operating expenses (including increases thereto) in addition to base rent.

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Definitions and Other Information (continued)**  
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Significant Events Impacting Comparability

During the fourth quarter of 2010, we completed sales of land parcels in Mission Bay, San Francisco for an aggregate sales price of \$278 million at a gain of approximately \$59.4 million and we recognized a loss on early extinguishment of debt of approximately \$2.4 million related to the repurchase, in privately negotiated transactions, of approximately \$82.8 million of our 3.7% unsecured convertible notes. During the third quarter of 2010, we recognized a loss on early extinguishment of debt of approximately \$1.3 million related to the repurchase, in a privately negotiated transaction, of approximately \$7 million of our 8% unsecured convertible notes. During the second quarter of 2010, we recognized a loss on early extinguishment of debt of approximately \$41.5 million upon completion of an exchange of our 8% unsecured convertible notes. During the second quarter of 2009, we recognized additional income approximating \$7.2 million for a cash receipt related to real estate acquired in November 2007. Additionally during the second quarter of 2009, we recognized a gain on early extinguishment of debt of approximately \$11.3 million related to the repurchase, in privately negotiated transactions, of approximately \$75 million of our 3.7% unsecured convertible notes. During the first quarter of 2009, we recognized approximately \$18.5 million of additional rental income related to the modification of a lease in South San Francisco.

The items described in the preceding paragraph are shown in the following table in each applicable period (in thousands):

|                                                               | <b>Year Ended</b>  |                  | <b>Three Months Ended</b> |                   |                    |                |                 |
|---------------------------------------------------------------|--------------------|------------------|---------------------------|-------------------|--------------------|----------------|-----------------|
|                                                               | <b>12/31/10</b>    | <b>12/31/09</b>  | <b>12/31/10</b>           | <b>9/30/10</b>    | <b>6/30/10</b>     | <b>3/31/10</b> | <b>12/31/09</b> |
| <i>Significant events impacting total revenues</i>            |                    |                  |                           |                   |                    |                |                 |
| Cash receipt related to real estate acquired in November 2007 | \$ –               | \$ 7,242         | \$ –                      | \$ –              | \$ –               | \$ –           | \$ –            |
| Additional rental income related to modification of lease     | –                  | 18,509           | –                         | –                 | –                  | –              | –               |
|                                                               | <u>\$ –</u>        | <u>\$ 25,751</u> | <u>\$ –</u>               | <u>\$ –</u>       | <u>\$ –</u>        | <u>\$ –</u>    | <u>\$ –</u>     |
| <i>Significant events impacting net income (loss)</i>         |                    |                  |                           |                   |                    |                |                 |
| Cash receipt related to real estate acquired in November 2007 | \$ –               | 7,242            | \$ –                      | \$ –              | \$ –               | \$ –           | \$ –            |
| Additional rental income related to modification of lease     | –                  | 18,509           | –                         | –                 | –                  | –              | –               |
| (Loss) gain on early extinguishment of debt                   | (45,168)           | 11,254           | (2,372)                   | (1,300)           | (41,496)           | –              | –               |
| Gain on sales of property                                     | 59,466             | 2,627            | 59,442                    | –                 | –                  | 24             | 393             |
|                                                               | <u>\$ 14,298</u>   | <u>\$ 39,632</u> | <u>\$ 57,070</u>          | <u>\$ (1,300)</u> | <u>\$ (41,496)</u> | <u>\$ 24</u>   | <u>\$ 393</u>   |
| <i>Significant events impacting FFO</i>                       |                    |                  |                           |                   |                    |                |                 |
| Cash receipt related to real estate acquired in November 2007 | \$ –               | \$ 7,242         | \$ –                      | \$ –              | \$ –               | \$ –           | \$ –            |
| Additional rental income related to modification of lease     | –                  | 18,509           | –                         | –                 | –                  | –              | –               |
| (Loss) gain on early extinguishment of debt                   | (45,168)           | 11,254           | (2,372)                   | (1,300)           | (41,496)           | –              | –               |
|                                                               | <u>\$ (45,168)</u> | <u>\$ 37,005</u> | <u>\$ (2,372)</u>         | <u>\$ (1,300)</u> | <u>\$ (41,496)</u> | <u>\$ –</u>    | <u>\$ –</u>     |

**ALEXANDRIA REAL ESTATE EQUITIES, INC.**  
**Definitions and Other Information (continued)**  
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Tangible Non-Real Estate Assets

Tangible non-real estate assets include the following as of each date presented (in thousands):

|                                       | 12/31/10          | 9/30/10           | 6/30/10           | 3/31/10           | 12/31/09          |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Cash and cash equivalents             | \$ 91,232         | \$ 110,811        | \$ 73,254         | \$ 70,980         | \$ 70,628         |
| Restricted cash                       | 28,354            | 35,295            | 37,660            | 35,832            | 47,291            |
| Tenant receivables                    | 5,492             | 4,929             | 3,059             | 2,710             | 3,902             |
| Investments                           | 83,899            | 80,941            | 77,088            | 76,918            | 72,882            |
| Other tangible non-real estate assets | 31,896            | 40,283            | 27,312            | 35,808            | 32,737            |
| Total tangible non-real estate assets | <u>\$ 240,873</u> | <u>\$ 272,259</u> | <u>\$ 218,373</u> | <u>\$ 222,248</u> | <u>\$ 227,440</u> |

Total Market Capitalization

Total market capitalization is equal to the sum of outstanding shares of series C preferred stock and common stock multiplied by the related closing price at the end of each period presented, the liquidation value of the series D cumulative convertible preferred stock, and total debt (secured notes payable, unsecured line of credit, unsecured term loan, and unsecured convertible notes).

Weighted Average Interest Rate for Capitalization

The weighted average interest rate for calculating capitalization of interest required pursuant to GAAP represents a weighted average rate based on the rates applicable to borrowings outstanding during the period and includes the impact of our interest rate hedge agreements, amortization of debt discounts/premiums, and amortization of loan fees. A separate calculation is performed each month to determine our weighted average interest rate for capitalization for the month. The rate will vary each month due to changes in variable interest rates, the outstanding debt balances, the proportion of variable rate debt to fixed rate debt, the amount and terms of effective interest rate hedge agreements, and the amount of loan fee amortization. The increase in the weighted average interest rate for calculating capitalization of interest from 4.59% for the three months ended September 30, 2010 to 4.67% for the three months ended December 31, 2010 was primarily due to a lower proportion of variable LIBOR-based debt outstanding relative to total outstanding debt during the three months ended December 31, 2010. Unhedged LIBOR-based debt outstanding under our credit facility had a weighted average interest rate of 1.3% and hedged variable rate debt and fixed rate debt had a weighted average interest rate of 5.8% as of December 31, 2010. The weighted average interest rate for capitalization shown on page 21 represents the average rates for each reporting period. This average rate for each reporting period is different than the interest rate in effect as of the balance sheet date for each quarter end (i.e. one point in time as opposed to an average over three months during the quarter) shown on page 31. Additionally, the weighted average interest rate for capitalization shown on page 21 includes amortization of loan fees and assumes the conversion of our 8% unsecured convertible notes for all periods.