
BRE Properties, Inc.

Second Quarter 2006

Earnings Release and
Supplemental Financial Data



Red Hawk Ranch

453 Units
Fremont, CA

BRE Properties, Inc.
525 Market Street, 4th Floor
San Francisco, CA 94105

Phone: 415.445.6530
Fax: 415.445.6505
E-mail: ir@breproperties.com

Investor contact: Edward F. Lange, Jr.
EVP and Chief Financial Officer
415.445.6559

Media contact: Thomas E. Mierzwinski
VP, Corporate Communications
415.445.6525

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Except for the historical information contained herein, this document contains forward-looking statements regarding BRE and property performance, and is based on BRE's current expectations and judgment. Actual results could vary materially depending on risks and uncertainties inherent to general and local real estate conditions, future interest rate levels or capital market conditions. For more details, please refer to BRE's SEC filings, including its most recent Annual Report on Form 10-K and quarterly report on Form 10-Q.



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BRE PROPERTIES REPORTS SECOND QUARTER 2006 RESULTS

July 31, 2006 (San Francisco) – BRE PROPERTIES, INC., (NYSE:BRE) today reported operating results for the quarter and six-month period ended June 30, 2006.

Funds from operations (FFO), the generally accepted measure of operating performance for real estate investment trusts, totaled \$51.4 million, or \$0.96 per diluted share, during second quarter 2006, as compared with \$26.9 million, or \$0.51 per diluted share for the quarter ended June 30, 2005. Second quarter 2006 FFO included two nonroutine income items: (i) recoveries from a litigation settlement, totaling \$19.5 million, or \$0.36 per share; and (ii) income from gains on sales of excess land in Bellevue, Washington and Anaheim, California, totaling \$3.5 million, or \$0.07 per diluted share. (A reconciliation of net income available to common shareholders to FFO is provided at the end of this release.)

Net income available to common shareholders for the second quarter totaled \$70.6 million, or \$1.33 per diluted share, as compared with \$13.5 million, or \$0.26 per diluted share, for the same period 2005. In addition to the two nonroutine income items referenced above, second quarter 2006 results included a net gain on sales totaling \$38.3 million, or \$0.72 per diluted share. Second quarter 2005 results included a net gain on sales totaling \$5.4 million, or \$0.10 per diluted share.

Adjusted EBITDA for the quarter totaled \$52.8 million, as compared with \$50.2 million in second quarter 2005. (A reconciliation of net income available to common shareholders to Adjusted EBITDA is provided at the end of this release.) For second quarter 2006, revenues totaled \$82.1 million, as compared with \$72.7 million a year ago, which excludes revenues from discontinued operations of \$1.6 million in the current period and \$5.8 million in the prior period.

For the year-to-date period, FFO totaled \$78.5 million, or \$1.47 per diluted share, as compared with \$53.1 million, or \$1.01 per diluted share for the six-month period in 2005.

Net income available to common shareholders for the six-month period totaled \$78.0 million, or \$1.49 per diluted share, as compared with \$42.3 million, or \$0.82 per diluted share, for the same period 2005. The 2006 year-to-date results included the three nonroutine items cited previously, totaling \$61.3 million, or \$1.17 per diluted share. The 2005 year-to-date results included a net gain on sales totaling \$26.9 million, or \$0.52 per diluted share.

Adjusted EBITDA for the six-month period totaled \$106.0 million, as compared with \$99.5 million for the same period in 2005. For first half of 2006, revenues totaled \$160.9 million, as compared with revenues of \$143.1 million for the same period 2005, which excludes revenues from discontinued operations of \$6.6 million in the current period and \$12.9 million in the prior period.

BRE's positive year-over-year earnings and FFO results were influenced by property level same-store performance, income from acquisitions and the lease-up of development properties. Positive overall net operating income (NOI) growth was offset by higher interest expense and modestly higher corporate general and administrative expenses.

| Level of Investment and NOI by Region | | | | |
|--|----------------|-------------------------|---------------------|------------------------|
| Quarter Ended June 30, 2006 | | | | |
| <u>Region</u> | <u># Units</u> | <u>Gross Investment</u> | <u>% Investment</u> | <u>% Q2'06 NOI</u> |
| Southern California | 11,428 | \$1,487,145 | 55% | 56% |
| Northern California | 5,644 | 655,573 | 24% | 25% |
| Seattle | 3,572 | 395,905 | 15% | 13% |
| Phoenix | 1,334 | 118,035 | 4% | 4% |
| Unconsolidated Joint Ventures | 2,672 | 38,644 | 2% | 2% |
| <i>(\$ amounts in 000s)</i> | | | | |
| Total | 24,650 | \$2,695,302 | 100% | 100% |

Year-over-year same-store NOI growth was 5.8% and 6.2% for the quarter and year-to-date periods, respectively. For the second quarter, same-store NOI increased \$2.8 million relative to the same period in the prior year. (A reconciliation of net income available to common shareholders to NOI is provided at the end of this release.) Acquisition activities during 2004 and 2005 increased second quarter 2006 NOI by \$1.7 million, as compared with the same period in the prior year. Development and lease-up properties generated \$1.2 million in additional NOI during the quarter, as compared with second quarter 2005.

Interest expense increased to \$19.7 million during second quarter 2006, from \$18.4 million in second quarter 2005, and to \$40.5 million, from \$36.4 million in the respective six-month periods. The year-over-year increase reflects the issuance of \$150 million in unsecured notes in May 2005 as well as a rising short-term interest rate environment. On a sequential basis, interest expense dropped \$1.1 million from first quarter 2006, reflecting a reduction of debt from property dispositions.

General and administrative expense totaled \$4.7 million in second quarter 2006, as compared with \$4.0 million in second quarter 2005. For the six-month period, G&A expense increased to \$9.2 from \$8.8 million in the same period in the prior year. G&A expense increases are attributed primarily to compensation and technology-related costs.

Same-Store Property Results

BRE defines same-store properties as stabilized apartment communities owned by the company for at least five full quarters. Of the 21,978 apartment units owned directly by BRE, same-store units totaled 19,976 for the quarter.

On a year-over-year basis, overall same-store NOI growth was driven by revenue growth and maintaining property-level operating margins at approximately 68%. Average same-store market rent for second quarter 2006 increased 9.1% to \$1,330 per unit, from \$1,219 per unit in second quarter 2005. Same-store physical occupancy levels averaged 95.0% during second quarter 2006, as compared with 94.4% in the same period 2005.

For the second quarter and year-to-date periods, property-level operating expense increased 10.4% and 8.4%, respectively. The absolute level of expense growth exceeded management expectations by approximately \$1.0 million, due to the timing of turnover-related costs and property tax assessments. Management believes the level of percentage growth is not an accurate depiction of expected annualized expense growth. By end of the year, the company expects annual same-store expense growth of approximately 6.0%.

**Same-Store % Growth Results
Q2 2006 Compared with Q2 2005**

| | % Change | | | | # Units |
|--------------------------------|--------------|----------------|-----------------|-------------|---------------|
| | <u>% NOI</u> | <u>Revenue</u> | <u>Expenses</u> | <u>NOI</u> | |
| L.A./Orange County, California | 35% | 7.0% | 13.6% | 4.1% | 6,591 |
| San Diego, California | 22% | 7.0% | 15.6% | 3.9% | 3,711 |
| San Francisco, California | 17% | 6.9% | 5.8% | 7.3% | 3,035 |
| Sacramento, California | 9% | 4.8% | 2.5% | 6.0% | 2,156 |
| Seattle, Washington | 13% | 8.3% | 7.6% | 8.7% | 3,149 |
| Phoenix, Arizona | 4% | 13.3% | 8.7% | 16.3% | 1,334 |
| Total | 100% | 7.2% | 10.4% | 5.8% | 19,976 |

**Same-Store % Growth Results
Six Months Ended June 30, 2006 Compared with 2005**

| | % Change | | | | # Units |
|--------------------------------|--------------|----------------|-----------------|-------------|---------------|
| | <u>% NOI</u> | <u>Revenue</u> | <u>Expenses</u> | <u>NOI</u> | |
| L.A./Orange County, California | 32% | 6.5% | 9.7% | 5.1% | 5,967 |
| San Diego, California | 23% | 6.6% | 9.9% | 5.4% | 3,711 |
| San Francisco, California | 18% | 6.7% | 7.5% | 6.3% | 3,035 |
| Sacramento, California | 10% | 5.9% | 4.2% | 6.7% | 2,156 |
| Seattle, Washington | 13% | 7.2% | 7.1% | 7.3% | 3,149 |
| Phoenix, Arizona | 4% | 12.4% | 10.3% | 13.8% | 1,334 |
| Total | 100% | 6.9% | 8.4% | 6.2% | 19,352 |

| Same-Store Average Occupancy and Turnover Rates | | | | | |
|--|---------------------------|----------------|----------------|-----------------------|-----------------|
| | Physical Occupancy | | | Turnover Ratio | |
| | <u>Q2 2006</u> | <u>Q1 2006</u> | <u>Q2 2005</u> | <u>YTD 2006</u> | <u>YTD 2005</u> |
| L.A./Orange County, California | 94.6% | 94.1% | 94.6% | 62% | 61% |
| San Diego, California | 95.5% | 95.1% | 94.4% | 68% | 67% |
| San Francisco, California | 94.6% | 95.9% | 94.2% | 56% | 57% |
| Sacramento, California | 94.5% | 95.6% | 95.0% | 66% | 68% |
| Seattle, Washington | 95.6% | 94.5% | 94.6% | 55% | 57% |
| Phoenix, Arizona | 96.3% | 97.5% | 92.6% | 69% | 74% |
| Average | 95.0% | 95.1% | 94.4% | 62% | 63% |

Development Activity

During second quarter 2006, the company had three Southern California communities in the lease-up phase: The Heights, with 208 units, in Chino Hills; Galleria at Towngate, with 268 units, in Moreno Valley; and Bridgeport Coast, with 188 units, in Santa Clarita. At the end of the quarter, all units were delivered at The Heights, 190 of which were occupied. At Galleria at Towngate, 246 units were delivered, 177 of which were occupied. At Bridgeport Coast, 160 units were delivered, 117 of which were occupied.

Including the two properties in the final stage of construction, BRE currently has five communities under construction, with a total of 1,328 units, for an aggregate projected investment of \$316.4 million and an estimated balance to complete totaling \$116.9 million. Expected delivery dates for these units range from third quarter 2006 through fourth quarter 2007. Four development communities are in Southern California; the other is located in Northern California.

BRE owns five land parcels representing 1,362 units of future development, and an estimated aggregate investment of \$402.8 million upon completion. Expected construction starts for four parcels are expected to occur during second half 2006; one is scheduled for the first half of 2007. The land parcels are located in Southern California, Northern California and the Seattle, Washington metro area.

Disposition Activity

On April 28, 2006, BRE announced the formation of a joint venture with a fund advised by JPMorgan Asset Management. Under the terms of the agreement, BRE contributed seven properties with 2,184 units located in the Denver, Colorado, and Phoenix, Arizona, markets, the total value of which is approximately \$235 million. BRE holds a 15% interest in the joint venture and fee-manages the seven properties.

The company recorded a gain on sale of approximately \$38.3 million, or \$0.72 per share. The company used the net proceeds of approximately \$200 million to pay down its floating rate unsecured credit facility.

In second quarter 2006, BRE closed two sales of excess land in Bellevue, Washington and Anaheim, California, totaling \$22.2 million, with an aggregate gain of \$3.5 million. The gain is included in Other income and contributed \$0.07 per share to both FFO and EPS.

Financial and Other Information

At June 30, 2006, BRE's combination of debt and equity resulted in a total market capitalization of approximately \$4.6 billion, with a debt-to-total market capitalization ratio of 31%. The company's outstanding debt of \$1.4 billion carried a weighted average interest rate of 6.25% for the six-month period. BRE's coverage ratio of Adjusted EBITDA to interest expense was 2.7 times for the quarter. The weighted average maturity for outstanding debt is 4.34 years. At June 30, 2006, outstanding borrowings under the company's unsecured and secured lines of credit totaled \$255 million, with a weighted average interest cost of 5.82%.

For second quarter 2006, cash dividend payments to common shareholders totaled \$26.5 million, or \$0.5125 per share, which represents an increase of 2.5% over prior year per share dividend levels.

Earnings Outlook

At July 31, 2006, 13 analysts contributed annual FFO estimates for BRE to First Call ranging from \$2.48 to \$2.57, for a consensus average of \$2.51.

The company is raising its 2006 earnings guidance, as follows:

- FFO guidance has been revised to a range of \$2.60 to \$2.67, from a range of \$2.44 to \$2.56.
- EPS has been revised to a range of \$1.70 to \$1.77, from a range of \$0.99 to \$1.11.

At the midpoint of the guidance range, the company's FFO estimate reflects the impact of the land sales recorded during the second quarter, plus stronger than expected operating results, which may be offset by higher interest expense.

The company's EPS estimate reflects the gains recognized from property dispositions recorded during the second quarter.

FFO and EPS estimates may be subject to fluctuation as a result of several factors, including any change to underlying operating fundamentals, the timing associated with acquisition and disposition activity, the incurrence of any unexpected charges, and any gains or losses associated with disposition activity.

Q2 2006 Analyst Conference Call

The company will hold a conference call on Tuesday, August 1 at 8:30 a.m. Pacific (11:30 a.m. Eastern) to review these results. The dial-in number to participate in the U.S and Canada is 888.290.1473; the international number is 706.679.8398. Enter Conf. ID# 1871721. A telephone replay of the call will be available for 30 days at 800.642.1687 or 706.645.9291 international, using

the same ID# 1871721. A link to the live webcast of the call will be posted on www.breproperties.com, in Investors, on the Corporate Profile page. A webcast replay will be available for one month following the call.

BRE Properties—a real estate investment trust—develops, acquires and manages apartment communities convenient to its residents' work, shopping, entertainment and transit in supply-constrained Western U.S. markets. BRE directly owns and operates 78 apartment communities totaling 21,978 units in California, Arizona, Washington and Colorado. The company currently has 10 other properties in various stages of development and construction, totaling 2,701 units, and joint venture interests in nine additional apartment communities, totaling 2,661 units.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Except for the historical information contained herein, this news release contains forward-looking statements regarding the Company's capital resources, portfolio performance and results of operations, and is based on the company's current expectations and judgment. You should not rely on these statements as predictions of future events because there is no assurance that the events or circumstances reflected in the statements can be achieved or will occur. Forward-looking statements are identified by words such as "believes," "expects," "may," "will," "should," "seeks" "approximately," "intends," "plans," "pro forma," "estimates," or "anticipates" or their negative form or other variations, or by discussions of strategy, plans or intonations. The following factors, among others, could affect actual results and future events: defaults or nonrenewal of leases, increased interest rates and operating costs, failure to obtain necessary outside financing, difficulties in identifying properties to acquire and in affecting acquisitions, failure to successfully integrate acquired properties and operations, inability to dispose of assets that no longer meet our investment criteria under applicable terms and conditions, risks and uncertainties affecting property development and construction (including construction delays, cost overruns, liability to obtain necessary permits and public opposition to such activities), failure to qualify as a real estate investment trust under the Internal Revenue Code of 1986, as amended, and increases in real property tax rates. The Company's success also depends on general economic trends, including interest rates, tax laws, governmental regulation, legislation, population changes and other factors, including those risk factors discussed in the section entitled "Risk Factors" in the Company's most recent Annual Report on Form 10-K as they may be updated from time to time by the Company's subsequent filings with the Securities and Exchange Commission, or SEC. Do not rely solely on forward-looking statements, which only reflect management's analysis. The Company assumes no liability to update this information. For more details, please refer to the Company's SEC filings, including its most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

BRE Properties, Inc.
Financial and Operating Highlights
 Second Quarter 2006

(Unaudited; in thousands, except per share, ratio and community data)

| OPERATING INFORMATION | Quarter Ended June 30, | | Six Months ended June 30, | |
|---|------------------------|----------|---------------------------|----------------|
| | 2006 | 2005 | 2006 | 2005 |
| Total revenues ⁽¹⁾ | \$82,087 | \$72,691 | \$160,923 | \$143,103 |
| Net income available to common shareholders | \$70,617 | \$13,501 | \$78,003 | \$42,338 |
| Per diluted share | \$1.33 | \$0.26 | \$1.49 | \$0.82 |
| Funds from Operations ⁽²⁾ | \$51,425 | \$26,888 | \$78,540 | \$53,134 |
| FFO per diluted share | \$0.96 | \$0.51 | \$1.47 | \$1.01 |
| Nonroutine income items ⁽³⁾ | \$22,985 | \$0 | \$22,985 | \$1,025 |
| Nonroutine income items per diluted share | \$0.43 | \$0.00 | \$0.43 | \$0.02 |
| Other Expenses ⁽⁴⁾ | \$62 | \$281 | \$562 | \$729 |
| Other Expenses per diluted share | \$0.00 | \$0.01 | \$0.01 | \$0.01 |
| Dividends per share | \$0.5125 | \$0.5000 | \$1.025 | \$1.00 |
| Adjusted EBITDA ⁽²⁾ | \$52,813 | \$50,204 | \$105,996 | \$99,503 |
| Common dividends | \$26,469 | \$25,348 | \$52,894 | \$50,655 |
| Preferred dividends | \$4,468 | \$4,468 | \$8,936 | \$8,936 |
| Interest expense | \$19,680 | \$18,378 | \$40,470 | \$36,437 |
| Interest coverage ratio ⁽⁵⁾ | 2.7 | 2.7 | 2.6 | 2.7 |
| Fixed charge coverage ratio ⁽⁵⁾ | 2.2 | 2.2 | 2.1 | 2.2 |
| Same-store revenue increase/decrease | 7.2% | 2.1% | 6.9% | 1.8% |
| Same-store expense increase/decrease | 10.4% | 4.1% | 8.4% | 1.3% |
| Same-store NOI increase/decrease | 5.8% | 1.2% | 6.2% | 2.0% |
| Operating margins | 68% | 68% | 68% | 68% |
| CAPITALIZATION DATA | | | 6/30/06 | 6/30/05 |
| Net real estate investments | | | \$2,569,579 | \$2,583,369 |
| Total assets, gross | | | \$2,992,925 | \$2,951,265 |
| Total debt | | | \$1,438,087 | \$1,478,505 |
| Minority interest | | | \$60,043 | \$61,675 |
| Preferred stock (at liquidation preference) | | | \$250,000 | \$250,000 |
| Total shareholders' equity | | | \$1,067,165 | \$1,043,252 |
| Common shares and units outstanding | | | 52,344 | 51,856 |
| Share price, end of period | | | \$55.00 | \$41.85 |
| Total market capitalization | | | \$4,567,007 | \$3,898,679 |
| Total book capitalization | | | \$2,565,295 | \$2,583,432 |
| Debt to total market capitalization | | | 31% | 38% |
| Debt to total book capitalization | | | 56% | 57% |
| Debt to total assets, gross | | | 48% | 50% |
| Secured debt to total assets | | | 11% | 11% |
| COMMUNITY INFORMATION | | | 6/30/06 | 6/30/05 |
| Operating communities: | | | | |
| Wholly or Majority Owned Communities | | | 78 | 84 |
| Wholly or Majority Owned Units | | | 21,978 | 23,826 |
| Unconsolidated Joint Venture Communities | | | 9 | 2 |
| Unconsolidated Joint Venture Units | | | 2,672 | 488 |
| Communities under development: | | | | |
| Communities | | | 10 | 9 |
| Units | | | 2,690 | 2,339 |

(1) Revenues reported exclude results from discontinued operations, partnership income and other income.

(2) Please refer to Exhibit C for definitions and reconciliations of all non-GAAP financial measures presented in this package.

(3) The second quarter and YTD 2006 EPS and FFO totals include income from land sales totaling \$3,485,000 and settlement proceeds related to the Red Hawk Ranch apartment community totaling \$19,500,000. For 2005, YTD period includes Velocity HSI bankruptcy proceeds.

(4) For 2006 and 2005 Other Expenses represent Red Hawk Ranch litigation costs.

(5) Interest coverage represents ratio of Adjusted EBITDA to interest expense. Fixed charge coverage represents ratio of Adjusted EBITDA to interest expense plus preferred stock dividends.

BRE Properties, Inc.
 Consolidated Balance Sheets
 Second Quarter 2006

(Unaudited, dollar amounts in thousands except per share data)

| ASSETS | June 30, 2006 | June 30, 2005 |
|--|---------------------------|---------------------------|
| Real estate portfolio: | | |
| Direct investments in real estate: | | |
| Investments in rental properties | \$2,656,658 | \$2,671,796 |
| Construction in progress | 134,293 | 135,217 |
| Less: accumulated depreciation | (366,222) | (315,537) |
| | <u>2,424,729</u> | <u>2,491,476</u> |
| Equity interests in and advances to real estate joint ventures: | | |
| Investments in rental properties | 38,644 | 10,158 |
| Land under development | <u>106,206</u> | <u>81,735</u> |
| Total real estate portfolio | 2,569,579 | 2,583,369 |
| Cash | 4,365 | 5,111 |
| Other assets | <u>52,759</u> | <u>47,248</u> |
| TOTAL ASSETS | <u>\$2,626,703</u> | <u>2,635,728</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Liabilities: | | |
| Unsecured senior notes | \$980,000 | \$998,023 |
| Unsecured line of credit | 180,000 | 189,000 |
| Secured line of credit | 75,000 | 75,000 |
| Mortgage loans | 203,087 | 216,482 |
| Accounts payable and accrued expenses | <u>61,408</u> | <u>52,296</u> |
| Total liabilities | <u>1,499,495</u> | <u>1,530,801</u> |
| Minority interests | <u>60,043</u> | <u>61,675</u> |
| Shareholders' equity: | | |
| Preferred Stock, \$0.01 par value; 20,000,000 shares authorized: 10,000,000 shares with \$25 liquidation preference issued and outstanding at June 30, 2006 and June 30, 2005, respectively. | 100 | 100 |
| Common stock, \$0.01 par value, 100,000,000 shares authorized. Shares issued and outstanding: 51,385,437 and 50,837,086 at June 30, 2006 and 2005, respectively. | 514 | 508 |
| Additional paid-in capital | <u>1,066,551</u> | <u>1,042,644</u> |
| Total shareholders' equity | <u>1,067,165</u> | <u>1,043,252</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | <u>\$2,626,703</u> | <u>\$2,635,728</u> |

BRE Properties, Inc.

Consolidated Statements of Income

Quarters and Six Months Ended June 30, 2006 and 2005

(Unaudited, dollar and share amounts in thousands)

| REVENUE | Quarter ended 06/30/2006 | Quarter ended 6/30/2005 | Six months ended 06/30/2006 | Six months ended 6/30/2005 |
|---|-----------------------------|----------------------------|--------------------------------|-------------------------------|
| Rental income | \$78,466 | \$69,015 | \$153,848 | \$136,553 |
| Ancillary income | 3,621 | 3,676 | 7,075 | 6,550 |
| Total revenue | 82,087 | 72,691 | 160,923 | 143,103 |
| EXPENSES | | | | |
| Real estate expenses | \$26,163 | \$22,742 | \$51,325 | \$45,210 |
| Depreciation | 18,376 | 16,810 | 37,507 | 33,829 |
| Interest expense | 19,680 | 18,378 | 40,470 | 36,437 |
| General and administrative | 4,745 | 4,048 | 9,185 | 8,808 |
| Other expenses | 62 | 281 | 562 | 729 |
| Total expenses | 69,026 | 62,259 | 139,049 | 125,013 |
| Other income | 23,392 | 497 | 24,029 | 1,701 |
| Income before minority interests, partnership income and discontinued operations | 36,453 | 10,929 | 45,903 | 19,791 |
| Minority interests | (897) | (915) | (1,805) | (1,705) |
| Partnership income | 444 | 102 | 578 | 247 |
| Income from continuing operations | 36,000 | 10,116 | 44,676 | 18,333 |
| Discontinued operations: | | | | |
| Discontinued operations, net ⁽¹⁾ | 783 | 2,479 | 3,961 | 6,044 |
| Net gain on sales | 38,302 | 5,374 | 38,302 | 26,897 |
| Total discontinued operations | 39,085 | 7,853 | 42,263 | 32,941 |
| NET INCOME | \$75,085 | \$17,969 | \$86,939 | \$51,274 |
| Dividends attributable to preferred stock | 4,468 | 4,468 | 8,936 | 8,936 |
| NET INCOME AVAILABLE TO COMMON SHAREHOLDERS | \$70,617 | \$13,501 | \$78,003 | \$42,338 |
| Net income per common share - <i>basic</i> | \$1.38 | \$0.27 | \$1.52 | \$0.84 |
| Net income per common share - <i>assuming dilution</i> | \$1.33 | \$0.26 | \$1.49 | \$0.82 |
| Weighted average shares outstanding - <i>basic</i> ⁽²⁾ | 51,335 | 50,810 | 51,220 | 50,695 |
| Weighted average shares outstanding - <i>assuming dilution</i> ⁽²⁾ | 53,520 | 51,560 | 52,435 | 51,440 |

(1) Details of net earnings from discontinued operations. For 2006 includes seven properties held for sale and contributed to a joint venture in April 2006. For 2005 also includes results from three properties sold during the first six months of 2005

| | Quarter ended 06/30/2006 | Quarter ended 6/30/2005 | Six months ended 06/30/2006 | Six months ended 6/30/2005 |
|--|-----------------------------|----------------------------|--------------------------------|-------------------------------|
| Rental and ancillary income | \$1,560 | \$5,791 | \$6,646 | \$12,905 |
| Real estate expenses | (777) | (2,087) | (2,685) | (4,435) |
| Depreciation | - | (1,225) | - | (2,426) |
| Income from discontinued operations, net | \$783 | \$2,479 | \$3,961 | \$6,044 |

(2) See analysis of weighted average shares and ending shares at page 16.

BRE Properties, Inc.
Consolidated Balance Sheets-Past Five Quarters

(Unaudited, dollar amounts in thousands except per share data)

| ASSETS | June 30, 2006 | March 31, 2006 | December 31, 2005 | September 30, 2005 | June 30, 2005 |
|---|--------------------|-------------------|----------------------|-----------------------|------------------|
| Real estate portfolio: | | | | | |
| Direct investments in real estate: | | | | | |
| Investments in rental properties | \$2,656,658 | \$2,588,423 | \$2,530,046 | \$2,478,781 | \$2,671,796 |
| Construction in progress | 134,293 | 175,001 | 171,423 | 142,045 | 135,217 |
| Less: accumulated depreciation | (366,222) | (348,418) | (330,067) | (312,269) | (315,537) |
| | <u>2,424,729</u> | <u>2,415,006</u> | <u>2,371,402</u> | <u>2,308,557</u> | <u>2,491,476</u> |
| Equity interests in real estate joint ventures: | | | | | |
| Investments in rental properties | 38,644 | 10,033 | 10,088 | 10,183 | 10,158 |
| Real estate held for sale | - | 196,179 | 195,447 | 195,047 | - |
| Land under development | <u>106,206</u> | <u>98,427</u> | <u>62,458</u> | <u>77,184</u> | <u>81,735</u> |
| Total real estate portfolio | 2,569,579 | 2,719,645 | 2,639,395 | 2,590,971 | 2,583,369 |
| Cash | 4,365 | 16,062 | 18,543 | 4,291 | 5,111 |
| Other assets | <u>52,759</u> | <u>49,207</u> | <u>46,452</u> | <u>51,382</u> | <u>47,248</u> |
| TOTAL ASSETS | \$2,626,703 | 2,784,914 | 2,704,390 | 2,646,644 | 2,635,728 |

LIABILITIES AND SHAREHOLDERS' EQUITY

Liabilities:

| | | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Unsecured senior notes | \$980,000 | \$980,000 | \$980,000 | \$980,000 | \$998,023 |
| Unsecured line of credit | 180,000 | 386,000 | 301,000 | 226,000 | 189,000 |
| Secured line of credit | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Mortgage loans | 203,087 | 203,825 | 204,574 | 215,690 | 216,482 |
| Accounts payable and accrued expenses | <u>61,408</u> | <u>59,275</u> | <u>55,999</u> | <u>54,733</u> | <u>52,296</u> |
| Total liabilities | 1,499,495 | 1,704,100 | 1,616,573 | 1,551,423 | 1,530,801 |
| Minority interests | <u>60,043</u> | <u>60,812</u> | <u>61,675</u> | <u>61,675</u> | <u>61,675</u> |
| Shareholders' equity: | | | | | |
| Preferred stock | 100 | 100 | 100 | 100 | 100 |
| Common stock | 514 | 513 | 513 | 512 | 508 |
| Additional paid-in capital | <u>1,066,551</u> | <u>1,019,389</u> | <u>1,025,529</u> | <u>1,032,934</u> | <u>1,042,644</u> |
| Total shareholders' equity | 1,067,165 | 1,020,002 | 1,026,142 | 1,033,546 | 1,043,252 |
| TOTAL LIABILITIES AND EQUITY | \$2,626,703 | \$2,784,914 | \$2,704,390 | \$2,646,644 | \$2,635,728 |

BRE Properties, Inc.
Consolidated Statements of Income
Past Five Quarters

(Unaudited, dollar amounts in thousands)

| | June 30, 2006 | Mar. 31, 2006 | Dec. 31, 2005 | Sept. 30, 2005 | June 30, 2005 |
|---|------------------|------------------|------------------|-------------------|------------------|
| REVENUE | | | | | |
| Rental income | \$78,466 | \$75,382 | \$74,884 | \$73,461 | \$69,015 |
| Ancillary income | 3,621 | 3,454 | 3,298 | 3,387 | 3,676 |
| Total revenue | 82,087 | 78,836 | 78,182 | 76,848 | 72,691 |
| EXPENSES | | | | | |
| Real estate expenses | \$26,163 | \$25,162 | \$22,625 | \$24,366 | \$22,742 |
| Depreciation | 18,376 | 19,131 | 18,313 | 18,893 | 16,810 |
| Interest expense | 19,680 | 20,790 | 20,604 | 19,512 | 18,378 |
| General and administrative | 4,745 | 4,440 | 4,963 | 4,045 | 4,048 |
| Other expenses | 62 | 499 | 1,182 | 759 | 281 |
| Total expenses | 69,026 | 70,022 | 67,687 | 67,575 | 62,259 |
| Other income | 23,392 | 637 | 738 | 446 | 497 |
| Income before minority interests, partnership income and discontinued operations | 36,453 | 9,451 | 11,233 | 9,719 | 10,929 |
| Minority interests | (897) | (908) | (915) | (915) | (915) |
| Partnership income | 444 | 134 | 4,673 | 155 | 102 |
| Income from continuing operations | 36,000 | 8,677 | 14,991 | 8,959 | 10,116 |
| Discontinued operations: | | | | | |
| Discontinued operations, net ⁽¹⁾ | 783 | 3,178 | 3,343 | 2,379 | 2,479 |
| Net gain on sales | 38,302 | - | - | - | 5,374 |
| Total discontinued operations | 39,085 | 3,178 | 3,343 | 2,379 | 7,853 |
| NET INCOME | \$75,085 | \$11,855 | \$18,334 | \$11,338 | \$17,969 |
| Dividends attributable to preferred stock | 4,468 | 4,468 | 4,468 | 4,468 | 4,468 |
| NET INCOME AVAILABLE TO COMMON SHAREHOLDERS | \$70,617 | \$7,387 | \$13,866 | \$6,870 | \$13,501 |
| Net income per common share - <i>basic</i> | \$1.38 | \$0.14 | \$0.27 | \$0.13 | \$0.27 |
| Net income per common share - <i>diluted</i> | \$1.33 | \$0.14 | \$0.27 | \$0.13 | \$0.26 |
| Weighted average shares outstanding - <i>basic</i> | 51,335 | 51,130 | 51,240 | 51,065 | 50,810 |
| Weighted average shares outstanding - <i>assuming dilution</i> | 53,520 | 52,345 | 52,190 | 51,990 | 51,560 |

(1) Details of earnings from discontinued operations, net:

| | June 30, 2006 | Mar. 31, 2006 | Dec. 31, 2005 | Sept. 30, 2005 | June 30, 2005 |
|---|------------------|------------------|------------------|-------------------|------------------|
| Rental and ancillary income | \$1,560 | \$5,086 | \$5,082 | \$5,184 | \$5,791 |
| Real estate expenses | (777) | (1,908) | (1,739) | (1,990) | (2,087) |
| Depreciation | - | - | - | (815) | (1,225) |
| Income from discontinued operations, net | \$783 | \$3,178 | \$3,343 | \$2,379 | \$2,479 |

BRE Properties, Inc.

Reconciliation of Funds from Operations (FFO), Capital Expenditures, and Continuing and Discontinued Operations

(In thousands, except per share, unit and per unit data)

| | June 30, 2006 | Mar. 31, 2006 | Dec 31, 2005 | Sept. 30, 2005 | June 30, 2005 |
|--|------------------|------------------|-----------------|-------------------|------------------|
| CALCULATION OF FFO | | | | | |
| NET INCOME AVAILABLE TO COMMON SHAREHOLDERS | \$70,617 | \$7,387 | \$13,866 | \$6,870 | \$13,501 |
| Add back/ exclude: | | | | | |
| Depreciation from continuing operations | 18,376 | 19,131 | 18,313 | 18,893 | 16,810 |
| Depreciation from discontinued operations | - | - | - | 815 | 1,225 |
| Minority interests | 897 | 908 | 915 | 915 | 915 |
| Depreciation from unconsolidated entities | 243 | 95 | 209 | 209 | 216 |
| Net (gain) on sales | (38,302) | - | - | - | (5,374) |
| Less: Minority interests not convertible into common shares | (406) | (405) | (405) | (405) | (405) |
| FUNDS FROM OPERATIONS ⁽¹⁾ | \$51,425 | \$27,116 | \$32,898 | \$27,297 | \$26,888 |
| Nonroutine income items ⁽²⁾ | \$22,985 | - | \$4,575 | - | - |
| Other expenses ⁽³⁾ | \$62 | \$499 | \$1,182 | \$759 | \$281 |
| Weighted average shares and equivalents outstanding - assuming dilution | 53,520 | 53,340 | 53,210 | 53,010 | 52,580 |
| PER SHARE INFORMATION - ASSUMING DILUTION: | | | | | |
| Funds from operations | \$0.96 | \$0.51 | \$0.62 | \$0.51 | \$0.51 |
| Non-routine income items ⁽²⁾ | \$0.43 | \$0.00 | \$0.09 | \$0.00 | \$0.00 |
| Other expenses ⁽³⁾ | \$0.00 | \$0.01 | \$0.02 | \$0.01 | \$0.01 |

(1) Funds From Operations (FFO) is calculated in accordance with the White Paper adopted by the National Association of Real Estate Investment Trusts in October 1999 (as amended in April 2002). See Exhibit C for further definition.

(2) Nonroutine income items include gains on sales of land totaling \$3,485,000 and Redhawk Ranch litigation settlement proceeds of \$19,500,000 for the quarter ended June 30, 2006. For the quarter ended December 31, 2005, the non-routine income represents a gain on sale of partnership interest totaling \$4,575,000.

(3) Includes litigation costs incurred in connection with a construction defect lawsuit related to Red Hawk Ranch apartment community, which was settled during the quarter ended June 30, 2006

| | June 30, 2006 | Mar. 31, 2006 | Dec 31, 2005 | Sept. 30, 2005 | June 30, 2005 |
|--|------------------|------------------|-----------------|-------------------|------------------|
| CAPITAL EXPENDITURES | | | | | |
| Capital expenditures ⁽⁴⁾ | \$4,395 | \$1,254 | \$5,296 | \$3,057 | \$4,140 |
| Average apartment units in period | 22,725 | 24,442 | 23,937 | 23,826 | 24,198 |
| Capital expenditures per apartment unit in period | \$193 | \$51 | \$221 | \$128 | \$171 |
| Capital expenditures per apartment unit-trailing four quarters | \$593 | \$571 | \$564 | \$560 | \$701 |
| Revenue enhancing rehabilitation costs | \$6,987 | \$5,557 | \$6,154 | \$4,474 | \$5,370 |

(4) Represents capital expenditures, excluding rehabilitation costs and development advances. The company expenses certain improvements related to the operation of apartment communities, including carpet, window covering and appliance replacements.

| | June 30, 2006 | Mar. 31, 2006 | Dec 31, 2005 | Sept. 30, 2005 | June 30, 2005 |
|---|------------------|------------------|-----------------|-------------------|------------------|
| RECONCILIATION OF CONTINUING AND DISCONTINUED OPERATIONS | | | | | |
| Revenues from continuing operations | 105,923 | \$79,607 | \$83,593 | \$77,449 | \$73,290 |
| Revenues from discontinued operations | 1,560 | 5,086 | 5,082 | 5,184 | 5,791 |
| Total Revenues | \$107,483 | \$84,693 | \$88,675 | \$82,633 | \$79,081 |
| Real estate expenses-continuing operations | \$26,163 | \$25,162 | \$22,625 | \$24,366 | \$22,742 |
| Real estate expenses-discontinued operations | 777 | 1,908 | 1,739 | 1,990 | 2,087 |
| Total Real Estate Expenses | \$26,940 | \$27,070 | \$24,364 | \$26,356 | \$24,829 |
| Total Net Operating Income | \$80,543 | \$57,623 | \$64,311 | \$56,277 | \$54,252 |
| Depreciation from continuing operations | \$18,376 | \$19,131 | \$18,313 | \$18,893 | \$16,810 |
| Depreciation from discontinued operations | - | - | - | 815 | 1,225 |
| Total Depreciation | \$18,376 | \$19,131 | \$18,313 | \$19,708 | \$18,035 |

BRE Properties, Inc.
"Same-Store" Markets Summary
For the Quarters ended June 30, 2006 and 2005

(Dollar amounts in thousands)

| California | No. of Units | Revenues | | | Expenses | | |
|--|---------------|-----------------|-----------------|-------------|-----------------|-----------------|--------------|
| | | Q2 2006 | Q2 2005 | % Change | Q2 2006 | Q2 2005 | % Change |
| L.A./Orange County | 6,591 | \$25,763 | \$24,083 | 7.0% | \$8,338 | \$7,337 | 13.6% |
| San Diego | 3,711 | 15,429 | 14,421 | 7.0% | 4,394 | 3,801 | 15.6% |
| San Francisco | 3,035 | 12,301 | 11,511 | 6.9% | 3,617 | 3,420 | 5.8% |
| Sacramento | 2,156 | 6,609 | 6,306 | 4.8% | 2,118 | 2,067 | 2.5% |
| Pacific Northwest | | | | | | | |
| Seattle | 3,149 | 9,722 | 8,976 | 8.3% | 3,306 | 3,073 | 7.6% |
| Mountain/Desert Markets | | | | | | | |
| Phoenix | 1,334 | 3,438 | 3,034 | 13.3% | 1,305 | 1,200 | 8.7% |
| Total Same-Store ⁽¹⁾ | 19,976 | \$73,262 | \$68,331 | 7.2% | \$23,078 | \$20,898 | 10.4% |

| California | No. of Communities | No. of Units | Net Operating Income | | | |
|--|--------------------|---------------|----------------------|-----------------|-------------|-------------|
| | | | Q2 2006 | Q2 2005 | % Change | % of Total |
| L.A./Orange County | 24 | 6,591 | \$17,425 | \$16,746 | 4.1% | 35% |
| San Diego | 12 | 3,711 | 11,035 | 10,620 | 3.9% | 22% |
| San Francisco | 9 | 3,035 | 8,684 | 8,091 | 7.3% | 17% |
| Sacramento | 10 | 2,156 | 4,491 | 4,239 | 6.0% | 9% |
| Pacific Northwest | | | | | | |
| Seattle | 13 | 3,149 | 6,416 | 5,903 | 8.7% | 13% |
| Mountain/Desert Markets | | | | | | |
| Phoenix | 3 | 1,334 | 2,133 | 1,834 | 16.3% | 4% |
| Total Same-Store ⁽¹⁾ | 71 | 19,976 | \$50,184 | \$47,433 | 5.8% | 100% |

| "Non Same-Store" Summary | No. of Communities | No. of units | Net Operating Income | |
|---|--------------------|---------------|----------------------|-----------------|
| | | | Q2 2006 | Q2 2005 |
| Acquired properties ⁽²⁾ | 4 | 1,107 | \$2,774 | \$1,111 |
| Development properties ⁽³⁾ | 2 | 442 | 1,777 | 595 |
| Rehabilitation properties ⁽⁴⁾ | 1 | 453 | 443 | 798 |
| Discontinued operations ⁽⁵⁾ | 7 | 2,184 | 783 | 3,704 |
| Joint venture and other real estate income ⁽⁶⁾ | 9 | 2,672 | 444 | 102 |
| Commercial properties ⁽⁷⁾ | n/a | n/a | 746 | 12 |
| Other income | n/a | n/a | 23,392 | 497 |
| Total Non Same-Store | 23 | 6,858 | \$30,359 | \$6,819 |
| Less Properties Sold Q2'06 | (7) | (2,184) | | |
| Total All Units / NOI | 87 | 24,650 | \$80,543 | \$54,252 |

(1) Consists of stabilized properties owned by BRE for at least five full quarters, starting April 1, 2005

(2) Consists of NOI from properties acquired after April 1, 2005

(3) Consists of NOI from two properties (442 units) fully delivered or stabilized and two properties (406 units) partially delivered with units under construction.

(4) Consists of NOI from one property which is under rehabilitation.

(5) For 2006 includes results from seven properties held for sale and contributed to joint venture in April of 2006. For 2005, amounts also include NOI from three properties sold during the first six months of 2005.

(6) Consists primarily of our percentage of net income derived from joint venture investments in rental properties.

(7) Consists of NOI from two office parks that will later be converted to multi-family.

BRE Properties, Inc.

"Same-Store" Markets Summary

For the Six Months Ended June 30, 2006 and 2005

(Dollar amounts in thousands)

| | No. of Units | Revenues | | | Expenses | | |
|--|---------------|------------------|------------------|-------------|-----------------|-----------------|-------------|
| | | YTD 2006 | YTD 2005 | % Change | YTD 2006 | YTD 2005 | % Change |
| California | | | | | | | |
| L.A./Orange County | 5,967 | \$44,699 | \$41,967 | 6.5% | \$14,232 | \$12,973 | 9.7% |
| San Diego | 3,711 | 30,397 | 28,515 | 6.6% | 8,516 | 7,750 | 9.9% |
| San Francisco | 3,035 | 24,250 | 22,736 | 6.7% | 7,320 | 6,810 | 7.5% |
| Sacramento | 2,156 | 13,135 | 12,403 | 5.9% | 4,218 | 4,048 | 4.2% |
| Pacific Northwest | | | | | | | |
| Seattle | 3,149 | 18,938 | 17,664 | 7.2% | 6,720 | 6,274 | 7.1% |
| Mountain/Desert Markets | | | | | | | |
| Phoenix | 1,334 | 6,769 | 6,021 | 12.4% | 2,584 | 2,344 | 10.3% |
| Total Same-Store ⁽¹⁾ | 19,352 | \$138,188 | \$129,306 | 6.9% | \$43,590 | \$40,199 | 8.4% |

| California | No. of Communities | No. of Units | Net Operating Income | | | |
|--|--------------------|---------------|----------------------|-----------------|-------------|-------------|
| | | | YTD 2006 | YTD 2005 | % Change | % of Total |
| L.A./Orange County | 23 | 5,967 | \$30,467 | \$28,994 | 5.1% | 32% |
| San Diego | 12 | 3,711 | 21,881 | 20,765 | 5.4% | 23% |
| San Francisco | 9 | 3,035 | 16,930 | 15,926 | 6.3% | 18% |
| Sacramento | 10 | 2,156 | 8,917 | 8,355 | 6.7% | 10% |
| Pacific Northwest | | | | | | |
| Seattle | 13 | 3,149 | 12,218 | 11,390 | 7.3% | 13% |
| Mountain/Desert Markets | | | | | | |
| Phoenix | 3 | 1,334 | 4,185 | 3,677 | 13.8% | 4% |
| Total Same-Store ⁽¹⁾ | 70 | 19,352 | \$94,598 | \$89,107 | 6.2% | 100% |

| "Non Same-Store" Summary | No. of Communities | No. of units | Net Operating Income | |
|---|--------------------|---------------|----------------------|------------------|
| | | | YTD 2006 | YTD 2005 |
| Acquired properties ⁽²⁾ | 5 | 1,731 | 9,502 | 5,847 |
| Development properties ⁽³⁾ | 2 | 442 | 3,195 | 1,243 |
| Rehabilitation properties ⁽⁴⁾ | 1 | 453 | 1,169 | 1,684 |
| Discontinued operations ⁽⁵⁾ | 7 | 2,184 | 3,961 | 8,470 |
| Joint venture and other real estate income ⁽⁶⁾ | 9 | 2,672 | 578 | 247 |
| Commercial properties ⁽⁷⁾ | n/a | n/a | 1,134 | 12 |
| Other income | n/a | n/a | 24,029 | 1,701 |
| Total Non Same-Store | 24 | 7,482 | \$43,568 | \$19,204 |
| Less Properties Sold Q2'06 | (7) | (2,184) | | |
| Total All Units / NOI | 87 | 24,650 | \$138,166 | \$108,311 |

(1) Consists of stabilized properties owned by BRE for at least six full quarters, starting January 1, 2005

(2) Consists of NOI from properties acquired after January 1, 2005

(3) Consists of NOI from two properties (442 units) fully delivered or stabilized after January 1, 2005 and two properties (406 units) partially delivered with units under construction.

(4) Consists of NOI from one property which is under rehabilitation.

(5) For 2006 includes results from seven properties held for sale and contributed to joint venture in April of 2006. For 2005, amounts also include NOI from three properties sold during the first six months of 2005.

(6) Consists primarily of our percentage of net income derived from joint venture investments in rental properties.

(7) Consists of NOI from two office parks that will later be converted to multi-family.

BRE Properties, Inc.

"Same -Store" Operating Metrics

As of June 30, 2006 and 2005

| California | No. of Units | Market Rent per Unit ⁽¹⁾ | | | Occupancy (2) | | Turnover Ratio ⁽³⁾ | |
|--|---------------|-------------------------------------|----------------|-----------|---------------|--------------|-------------------------------|------------|
| | | Q2'06 | Q2'05 | % Change | Q2'06 | Q2'05 | 2006 | 2005 |
| L.A./ Orange Co. | 6,591 | \$1,420 | \$1,306 | 9% | 94.6% | 94.6% | 62% | 61% |
| San Diego | 3,711 | 1,484 | 1,386 | 7% | 95.5% | 94.4% | 68% | 67% |
| San Francisco | 3,035 | 1,507 | 1,366 | 10% | 94.6% | 94.2% | 56% | 57% |
| Sacramento | 2,156 | 1,108 | 1,045 | 6% | 94.5% | 95.0% | 66% | 68% |
| Pacific Northwest | | | | | | | | |
| Seattle | 3,149 | 1,093 | 990 | 10% | 95.6% | 94.6% | 55% | 57% |
| Mountain/Desert Markets | | | | | | | | |
| Phoenix | 1,334 | 969 | 817 | 19% | 96.3% | 92.6% | 69% | 74% |
| Total/Average Same Store ⁽⁴⁾ | 19,976 | \$1,330 | \$1,219 | 9% | 95.0% | 94.4% | 62% | 63% |

(1) Represents, by region, weighted average market level rents for the period.

(2) Represents average physical occupancy for the quarter. Excludes properties in lease-up.

(3) Represents the annualized number of units turned over for the six month period, divided by the number of units in the region.

(4) Consists of stabilized properties directly owned by BRE for at least five full quarters, starting April 1, 2005

"Non Same-Store" Operating Metrics

Acquisition, Development, Rehabilitation,
and Joint Venture Communities - Q206 ⁽⁵⁾

| California | Number of Units | | | | | Market Rent/Unit | Average Occupancy |
|-------------------------------------|-----------------|------------|------------|--------------|---------------|------------------|-------------------|
| | ACQ | DEV | REHAB | JV | Total | | |
| L.A./ Orange Co. | 684 | 442 | - | - | 1,126 | \$1,596 | 91.9% |
| San Francisco | - | - | 453 | - | 453 | 1,516 | 61.0% |
| Sacramento | - | - | - | 236 | 236 | 1,074 | 99.2% |
| Pacific Northwest | | | | | | | |
| Seattle | 423 | - | - | - | 423 | 1,253 | 94.9% |
| Mountain/Desert Markets | | | | | | | |
| Phoenix | - | - | - | 816 | 816 | 945 | 96.6% |
| Denver | - | - | - | 1,620 | 1,620 | 827 | 93.3% |
| Total/Average Non-Same Store | 1,107 | 442 | 453 | 2,672 | 4,674 | \$1,151 | 90.8% |
| Total/Average Portfolio | | | | | 24,650 | \$1,296 | 94.2% |

(5) Consists of communities acquired and development properties delivered or stabilized after April 1, 2005, one community currently under rehabilitation and nine communities contributed to JV arrangements.

BRE Properties, Inc.
Debt Structure and Share Analysis as of June 30, 2006
(Dollar and share amounts in thousands)

For the six months ended June 30, 2006

| | Balance Outstanding June 30, 2006 | Average Life | Weighted Average Int. Rate | Percentage Total Debt | Percentage Gross Assets |
|---|---|-------------------|----------------------------------|--------------------------|----------------------------|
| FIXED RATE | | | | | |
| Unsecured | \$980,000 | 4.58 years | 6.37% | 68.1% | 32.7% |
| Secured | 179,797 | 5.16 years | 6.37% | 12.5% | 6.0% |
| Total fixed rate debt | \$1,159,797 | 4.67 years | 6.37% | 80.6% | 38.7% |
| VARIABLE RATE DEBT | | | | | |
| Unsecured Line of credit ⁽¹⁾ | \$180,000 | 3.50 years | 5.76% | 12.5% | 6.0% |
| Secured Line of credit | 75,000 | 1.92 years | 5.97% | 5.2% | 2.5% |
| Secured tax-exempt mortgages | 23,290 | 1.98 years | 4.88% | 1.6% | 0.8% |
| Total variable rate debt | \$278,290 | 2.95 years | 5.74% | 19.4% | 9.3% |
| TOTAL DEBT | \$1,438,087 | 4.34 years | 6.25% | 100.0% | 48.0% |

| | |
|--|-------|
| Ratio of debt to total market capitalization | 31% |
| Interest expense coverage - YTD '06 ⁽²⁾ | 2.6 x |
| Fixed charge coverage - YTD '06 ⁽²⁾ | 2.1 x |

SCHEDULED PRINCIPAL PAYMENTS

| | Unsecured | Secured | Total |
|---------------------|-------------|-----------|-------------|
| 2006 | \$0 | \$14,170 | \$14,170 |
| 2007 | 200,000 | 14,820 | 214,820 |
| 2008 ⁽³⁾ | - | 97,577 | 97,577 |
| 2009 | 200,000 | 19,328 | 219,328 |
| 2010 ⁽⁴⁾ | 330,000 | 33,279 | 363,279 |
| 2011 | 250,000 | 2,121 | 252,121 |
| Thereafter | 180,000 | 96,792 | 276,792 |
| Total | \$1,160,000 | \$278,087 | \$1,438,087 |

SENIOR UNSECURED DEBT RATINGS

| | | |
|-------------------|------|----------|
| Moody's | Baa2 | (stable) |
| Standard & Poor's | BBB | (stable) |
| Fitch | BBB | (stable) |

CAPITALIZED INTEREST

| | Qtr. Ended 6/30/2006 | Qtr. Ended 6/30/2005 |
|----------------------|-------------------------|-------------------------|
| Interest capitalized | \$4,120 | \$2,887 |
| | YTD 6/30/2006 | YTD 6/30/2005 |
| Interest capitalized | \$7,781 | \$4,889 |

SUMMARY OF COMMON SHARES

| | Qtr. Ended 6/30/2006 | Qtr. Ended 6/30/2005 |
|--|-------------------------|-------------------------|
| Weighted Average | | |
| Weighted average shares outstanding ⁽⁵⁾ | 51,335 | 50,810 |
| Weighted average OP units | 975 | 1,020 |
| Dilutive effect of stock options | 1,210 | 750 |
| Diluted shares - FFO ⁽⁶⁾ | 53,520 | 52,580 |
| Less: Anti-dilutive OP Units ⁽⁷⁾ | - | (1,020) |
| Diluted shares - EPS ⁽⁸⁾ | 53,520 | 51,560 |

| | YTD 6/30/2006 | YTD 6/30/2005 |
|--|------------------|------------------|
| Weighted Average | | |
| Weighted average shares outstanding ⁽⁵⁾ | 51,220 | 50,695 |
| Weighted average OP units | 985 | 1,020 |
| Dilutive effect of stock options | 1,215 | 745 |
| Diluted shares - FFO ⁽⁶⁾ | 53,420 | 52,460 |
| Less: Anti-dilutive OP Units ⁽⁷⁾ | (985) | (1,020) |
| Diluted shares - EPS ⁽⁸⁾ | 52,435 | 51,440 |

| | As of 6/30/2006 | As of 6/30/2005 |
|-------------------------------------|--------------------|--------------------|
| Ending | | |
| Shares outstanding at end of period | 51,385 | 50,837 |
| OP units at end of period | 959 | 1,019 |
| Dilutive effect of stock options | 1,210 | 750 |
| Total | 53,554 | 52,606 |

SUMMARY OF PREFERRED SHARES

| | Qtr. Ended 6/30/2006 | Qtr. Ended 6/30/2005 |
|--|-------------------------|-------------------------|
| 8.08% Series B, \$25 per share liquidation pref. | 3,000 | 3,000 |
| 6.75% Series C, \$25 per share liquidation pref. | 4,000 | 4,000 |
| 6.75% Series D, \$25 per share liquidation pref. | 3,000 | 3,000 |
| | 10,000 | 10,000 |

(1) At June 30, 2006 we had a revolving Line of credit providing up to \$600 million priced at LIBOR plus 57.5 bp, maturing in January 2010.

(2) Represents interest expense and preferred stock dividend payment coverage for the six months ended June 30, 2006.

(3) Includes the scheduled maturity of our secured line of credit. At June 30, the outstanding balance was \$75 million.

(4) Includes the scheduled maturity of our unsecured line of credit. At June 30, 2006, the outstanding balance was \$180 million.

(5) Represents denominator for shares in the calculation of basic earnings per share.

(6) Represents denominator for shares in the calculation of diluted FFO per share.

(7) Under FAS 128, common share equivalents deemed to be anti-dilutive are excluded from the diluted earnings per share calculations.

(8) Represents denominator for shares in the calculation of diluted EPS.

BRE Properties, Inc.
Development Communities and Land Held for Development
June 30, 2006

(Dollar amounts in millions)

| CONSTRUCTION IN PROGRESS | Number of Units | Cost Incurred ⁽¹⁾ | Estimated Cost | Balance to Complete | Product Type | First Units Delivered | Estimated Completion ⁽²⁾ |
|---|-----------------|------------------------------|----------------|---------------------|--------------|-----------------------|-------------------------------------|
| Bridgeport Coast | | | | | | | |
| Santa Clarita, CA | 188 | \$ 40.0 | \$ 40.7 | 0.7 | Garden | 1Q/2006 | 3Q/2006 |
| Galleria at Towngate | | | | | | | |
| Moreno Valley, CA | 268 | 38.5 | 40.1 | 1.6 | Garden | 3Q/2005 | 3Q/2006 |
| The Stuart at Sierra Madre Villa | | | | | | | |
| Pasadena, CA | 188 | 39.3 | 55.3 | 16.0 | Podium | 4Q/2006 | 2Q/2007 |
| Renaissance at Uptown Orange ⁽³⁾ | | | | | | | |
| Orange, CA | 460 | 55.7 | 114.7 | 59.0 | Wrap | 1Q/2007 | 4Q/2007 |
| Bay Vista Apartments | | | | | | | |
| Emeryville, CA | 224 | 26.0 | 65.6 | 39.6 | Podium | 2Q/2007 | 4Q/2007 |
| Total CIP | 1,328 | \$ 199.5 | \$ 316.4 | \$ 116.9 | | | |

| LAND OWNED ⁽⁴⁾ | Number of Units | Cost Incurred ⁽⁵⁾ | Estimated Cost | Estimated Const. Start | Product Type |
|---------------------------|-----------------|------------------------------|----------------|------------------------|--------------|
| Belcarra Apartments | | | | | |
| Bellevue, WA | 296 | \$ 17.3 | \$ 72.5 | 3Q/2006 | Podium |
| Taylor 28 Apartments | | | | | |
| Seattle, WA | 194 | 10.6 | 49.0 | 3Q/2006 | Podium |
| 5600 Wilshire | | | | | |
| Los Angeles, CA | 284 | 41.9 | 121.0 | 3Q/2006 | Podium |
| Stadium Park | | | | | |
| Anaheim, CA | 320 | 36.4 | 80.7 | 3Q/2006 | Podium |
| Crossings ⁽⁶⁾ | | | | | |
| Santa Clara, CA | 268 | 29.5 | 79.6 | 2Q/2007 | Podium |
| Total LUD | 1,362 | \$ 135.7 | \$ 402.8 | | |

Projected Composite Yield Upon Stabilization ⁽⁷⁾ 6.75% - 7.75%

| LAND UNDER CONTRACT ⁽⁸⁾ | Number of Units | Cost Incurred ⁽⁹⁾ | Estimated Cost ⁽¹⁰⁾ | Estimated Const. Start | Product Type |
|------------------------------------|-----------------|------------------------------|--------------------------------|------------------------|--------------|
| Walnut Creek, CA | 378 | \$ 2.0 | \$ 100.2 | 1H/2008 | Podium |
| Riverside, CA | 208 | 0.7 | 45.5 | 2H/2007 | Garden |
| Pleasanton, CA | 250 | 1.6 | 72.1 | 2H/2008 | Garden |
| Pasadena II, CA | 212 | 0.8 | 70.0 | 1H/2008 | Podium |
| Total | 1,048 | \$ 5.1 | \$ 287.8 | | |

(1) Reflects all recorded costs incurred as of June 30, 2006, recorded on our consolidated balance sheet as "direct investments in real estate-construction in progress." Included in this amount is \$65.2 million of costs for the 160 completed units on Bridgeport Cove and 246 completed units on Galleria at Towngate which are reflected on our Consolidated Balance Sheet as "direct investments in real estate-investments in rental properties."

(2) "Completion" is defined as our estimate of when an entire project will have a final certificate of occupancy issued and be ready for occupancy. Completion dates have been updated to reflect our current estimates of receipt of final certificates of occupancy, which are dependent on several factors, including construction delays and the inability to obtain necessary public approvals.

(3) Unit count and cost estimate reflects decision to proceed with a planned phase II, which adds 122 units.

(4) Land under development represents projects in various stages of predevelopment, development and initial construction, for which construction or supply contracts have not yet been finalized. As these contracts are finalized, projects are transferred to construction in progress on our consolidated balance sheet.

(5) Reflects all recorded costs incurred as of June 30, 2006, recorded on our consolidated balance sheet as "Land under development." Included in this amount is \$29.5 million of costs for Santa Clara which currently has four office buildings which are reflected on our Consolidated Balance Sheet as "direct investments in real estate-investments in rental properties."

(6) Costs incurred reflects purchase price of 7.3 acre site. BRE intends to retain a portion for development and sell the excess parcel.

(7) Represents weighted average projected stabilized yield for construction in progress and land under development.

(8) Land under contract represents land parcels for which we have signed a purchase and sale agreement and commenced the entitlement process.

(9) Represents deposits, contractual costs, and entitlement expenses incurred to date.

(10) Estimated costs for properties categorized as Land under Contract are subject to change during the process of entitlement.

Sequential "Same-Store" Multifamily Markets Summary

Last five quarters

REVENUES

| | Q2 2006 | Q1 2006 | Q4 2005 | Q3 2005 | Q2 2005 |
|--------------------------------|-------------|--------------|-------------|-------------|-------------|
| California | | | | | |
| L.A./Orange County | 2.7% | 0.2% | 0.7% | 2.8% | 2.5% |
| San Diego | 3.1% | -2.0% | 3.3% | 2.5% | 2.3% |
| San Francisco | 2.9% | 0.2% | 0.0% | 3.6% | 2.5% |
| Sacramento | 1.3% | -0.9% | 1.4% | 3.0% | 3.4% |
| Pacific Northwest | | | | | |
| Seattle | 5.5% | 1.9% | -1.2% | 2.0% | 3.3% |
| Mountain/Desert Markets | | | | | |
| Phoenix | 3.2% | 1.8% | 3.8% | 3.9% | 1.2% |
| Total Same Store | 3.1% | -0.1% | 1.1% | 2.8% | 2.5% |

EXPENSES ⁽¹⁾

| | Q2 2006 | Q1 2006 | Q4 2005 | Q3 2005 | Q2 2005 |
|--------------------------------|-------------|-------------|--------------|-------------|-------------|
| California | | | | | |
| L.A./Orange County | 7.3% | 11.7% | -8.6% | 5.2% | -1.7% |
| San Diego | 6.6% | 8.8% | -5.7% | 5.8% | -3.8% |
| San Francisco | -2.3% | -0.7% | 10.7% | -1.5% | 0.9% |
| Sacramento | 0.8% | 13.2% | -7.7% | -2.7% | 4.3% |
| Pacific Northwest | | | | | |
| Seattle | -3.2% | 14.8% | -10.0% | 7.5% | -4.0% |
| Mountain/Desert Markets | | | | | |
| Phoenix | 2.0% | 13.5% | -10.0% | 4.4% | 3.2% |
| Total Same Store | 3.1% | 9.5% | -5.1% | 3.6% | 0.0% |

NET OPERATING INCOME

| | Q2 2006 | Q1 2006 | Q4 2005 | Q3 2005 | Q2 2005 |
|--------------------------------|-------------|--------------|-------------|-------------|-------------|
| California | | | | | |
| L.A./Orange County | 0.6% | -4.2% | 4.9% | 1.7% | 4.4% |
| San Diego | 1.7% | -5.5% | 6.6% | 1.4% | 4.7% |
| San Francisco | 5.3% | 0.6% | -4.2% | 5.8% | 3.3% |
| Sacramento | 1.5% | -6.5% | 5.6% | 5.8% | 3.0% |
| Pacific Northwest | | | | | |
| Seattle | 10.6% | -4.4% | 3.8% | -0.9% | 2.7% |
| Mountain/Desert Markets | | | | | |
| Phoenix | 4.0% | -4.3% | 12.9% | 3.5% | 0.0% |
| Total Same Store | 3.1% | -4.0% | 3.9% | 2.5% | 3.7% |

(1) Expenses fluctuate from quarter to quarter due to timing of repairs and maintenance, utilities and other items.

Net Asset Value Calculation, Annualized Q2 2006

(Amounts in thousands, except per share data)

Overall portfolio capitalization rate: 4.90%⁽¹⁾

| | Calculation per Actual-Q2 '06 | Adjustments | As Adjusted |
|--|----------------------------------|-------------------------------|----------------|
| Annualized revenues and expenses: | | | |
| Current rental revenues | \$313,864 | | \$313,864 |
| Partnership and ancillary revenues ⁽²⁾ | 16,260 | | 16,260 |
| Total real estate revenues | 330,124 | (\$8,413) ^{(3), (4)} | \$321,711 |
| Total real estate expenses | (104,652) | 2,689 ^{(3), (4)} | (101,963) |
| Annualized real estate net operating income | \$225,472 | (\$5,724) | \$219,748 |
| Real estate asset value | 4,601,469 | | \$4,484,653 |
| Value of other assets: | | | |
| Properties acquired @ 1.0x cost | - | | - |
| Construction in progress @ 1.20x cost | 161,152 | 127,763 ⁽³⁾ | 288,915 |
| Land under development @ 1.20x cost | 127,447 | 35,404 ⁽⁴⁾ | 162,851 |
| Receivables and other assets, tangible | 39,949 | | 39,949 |
| Other liabilities and nonconvertible minority interest | (95,515) | | (95,515) |
| Total value of other assets | \$233,033 | \$163,167 | \$396,200 |
| Value of all assets: | | | |
| Real estate asset value | \$4,601,469 | | \$4,484,653 |
| Value of other assets | 233,033 | | 396,200 |
| Total asset value | \$4,834,502 | | \$4,880,853 |
| Debt and preferred equity: | | | |
| Mortgage loans | \$203,087 | | \$203,087 |
| Unsecured senior notes | 980,000 | | 980,000 |
| Unsecured line of credit | 180,000 | | 180,000 |
| Secured line of credit | 75,000 | | 75,000 |
| Perpetual preferred stock | 250,000 | | 250,000 |
| Total debt and preferred | \$1,688,087 | | \$1,688,087 |
| Current equity value | \$3,146,415 | | \$3,192,766 |
| Common shares outstanding | 51,385 | | 51,385 |
| Operating partnership units | 959 | | 959 |
| Dilution from stock options | 1,210 | | 1,210 |
| Diluted shares/OP units outstanding | 53,554 | | 53,554 |
| CURRENT NET ASSET VALUE PER SHARE | \$58.75 | | \$59.62 |

| Market cap rates | Current range |
|-------------------|---------------|
| San Francisco | 4.50% - 5.00% |
| San Diego | 4.50% - 5.00% |
| L.A. / Orange Co. | 4.50% - 5.00% |
| Sacramento | 5.00% - 5.50% |
| Seattle | 5.00% - 5.50% |
| Phoenix | 5.00% - 5.50% |
| Weighted average | 4.60% - 5.20% |

| NAV Sensitivity | |
|-----------------|----------------|
| Cap Rate | \$NAV / Share |
| 5.20% | \$54.79 |
| 4.90% | \$59.62 |
| 4.60% | \$65.08 |

1 The NAV calculation uses a cap rate of 4.90%, which is at the mid point of our estimated composite range. Market cap rates are based on market transactional data in each operating region, compiled internally, and updated on a semi-annual basis.

2 Excludes other income and the gains on sales of land and Red Hawk Ranch settlement proceeds.

3 Represents The Heights in Chino Hills, CA, Bridgeport Coast in Santa Clarita, CA, and Galleria at Towngate in Moreno Valley, CA which have commenced the lease up process or did not generate full rental revenues for the period. Cost is added back to CIP at 1.20x of cost, and NOI from those communities is subtracted to arrive at adjusted NOI. Adjustment reduces annualized NOI by \$4.0M.

4 Represents Crossings, which is an office parcel in Santa Clara for which we commenced the transition to a multifamily development during the quarter. Cost is added back to LUD at 1.20x of cost, and NOI is subtracted to arrive at adjusted NOI. Adjustment reduces annualized NOI by \$1.7M.

Non-GAAP Financial Measure Reconciliations and Definitions*(Dollar amounts in thousands)*

This document includes certain non-GAAP financial measures that management believes are helpful in understanding our business, as further described below. BRE's definition and calculation of non-GAAP financial measures may differ from those of other REITs, and may, therefore, not be comparable. The non-GAAP financial measures should not be considered an alternative to net income or any other GAAP measurement of performance and should not be considered an alternative to cash flows from operating, investing or financing activities as a measure of liquidity.

Funds from Operations (FFO)

FFO is used by industry analysts and investors as a supplemental performance measure of an equity REIT. FFO is defined by the National Association of Real Estate Investment Trusts as net income or loss (computed in accordance with accounting principles generally accepted in the United States) excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated real estate assets, plus depreciation and amortization of real estate assets and adjustments for unconsolidated partnerships and joint ventures. We calculate FFO in accordance with the NAREIT definition.

We believe that FFO is a meaningful supplemental measure of our operating performance because historical cost accounting for real estate assets in accordance with GAAP assumes that the value of real estate assets diminishes predictably over time, as reflected through depreciation. Because real estate values have historically risen or fallen with market conditions, management considers FFO an appropriate supplemental performance measure because it excludes historical cost depreciation, as well as gains or losses related to sales of previously depreciated property, from GAAP net income. By excluding depreciation and gains or losses on sales of real estate, management uses FFO to measure returns on its investments in real estate assets. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited.

Management also believes that FFO, combined with the required GAAP presentations, is useful to investors in providing more meaningful comparisons of the operating performance of a company's real estate between periods or as compared to other companies. FFO does not represent net income or cash flows from operations as defined by GAAP and is not intended to indicate whether cash flows will be sufficient to fund cash needs. It should not be considered an alternative to net income as an indicator of the REIT's operating performance or to cash flows as a measure of liquidity. Our FFO may not be comparable to the FFO of other REITs due to the fact that not all REITs use the NAREIT definition.

| | Quarter Ended 06/30/06 | Quarter Ended 06/30/05 | Six Months Ended 06/30/06 | Six Months Ended 06/30/05 |
|--|---------------------------|---------------------------|------------------------------|------------------------------|
| Net income available to common shareholders | \$ 70,617 | \$ 13,501 | \$ 78,003 | \$ 42,338 |
| Depreciation from continuing operations | 18,376 | 16,810 | 37,507 | 33,829 |
| Depreciation from discontinued operations | - | 1,225 | - | 2,426 |
| Minority interests | 897 | 915 | 1,805 | 1,705 |
| Depreciation from unconsolidated entities | 243 | 216 | 338 | 418 |
| Net gain on investments | (38,302) | (5,374) | (38,302) | (26,897) |
| Less: Minority interests not convertible to common | (406) | (405) | (811) | (685) |
| Funds from operations | <u>\$ 51,425</u> | <u>\$ 26,888</u> | <u>\$ 78,540</u> | <u>\$ 53,134</u> |
| Diluted shares outstanding - EPS ⁽¹⁾ | 53,520 | 51,560 | 52,435 | 51,440 |
| Net income per common share - diluted | <u>\$ 1.33</u> | <u>\$ 0.26</u> | <u>\$ 1.49</u> | <u>\$ 0.82</u> |
| Diluted shares outstanding - FFO ⁽¹⁾ | 53,520 | 52,580 | 53,420 | 52,460 |
| FFO per common share - diluted | <u>\$ 0.96</u> | <u>\$ 0.51</u> | <u>\$ 1.47</u> | <u>\$ 1.01</u> |

⁽¹⁾ See analysis of weighted average shares and ending shares at page 16.

Non-GAAP Financial Measure Reconciliations and Definitions

*(Dollar amounts in thousands)***Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA**

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined by BRE as EBITDA, excluding minority interests, gains or losses from sales of investments, preferred stock dividends and other expenses. We consider EBITDA and Adjusted EBITDA to be appropriate supplemental measures of our performance because they eliminate depreciation, interest, and, with respect to Adjusted EBITDA, gains (losses) from property dispositions, nonroutine items, and other charges, which permits investors to view income from operations without the impact of noncash depreciation or the cost of debt, or with respect to Adjusted EBITDA, other non-operating items described above.

Because EBITDA and Adjusted EBITDA exclude depreciation and amortization and capture neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results from operations, the utility of EBITDA and Adjusted EBITDA as measures of our performance is limited. Below is a reconciliation of net income available to common shareholders to EBITDA and Adjusted EBITDA:

| | Quarter ended 06/30/06 | Quarter ended 6/30/05 | Six Months Ended 06/30/06 | Six Months Ended 06/30/05 |
|---|---------------------------|--------------------------|------------------------------|------------------------------|
| Net income available to common shareholders | \$ 70,617 | \$ 13,501 | \$ 78,003 | \$ 42,338 |
| Interest | 19,680 | 18,378 | 40,470 | 36,437 |
| Depreciation | 18,376 | 18,035 | 37,507 | 36,255 |
| EBITDA | <u>108,673</u> | <u>49,914</u> | <u>155,980</u> | <u>115,030</u> |
| Minority interests | 897 | 915 | 1,805 | 1,705 |
| Net gain on sales | (38,302) | (5,374) | (38,302) | (26,897) |
| Gain on sales of land | (3,485) | - | (3,485) | - |
| Dividends on preferred stock | 4,468 | 4,468 | 8,936 | 8,936 |
| Other expenses | 62 | 281 | 562 | 729 |
| Redhawk Settlement | (19,500) | - | (19,500) | - |
| Adjusted EBITDA | <u>\$ 52,813</u> | <u>\$ 50,204</u> | <u>\$ 105,996</u> | <u>\$ 99,503</u> |

Net Operating Income (NOI)

We consider community level and portfolio-wide NOI to be an appropriate supplemental measure to net income because it helps both investors and management to understand the core property operations prior to the allocation of general and administrative costs. This is more reflective of the operating performance of the real estate, and allows for an easier comparison of the operating performance of single assets or groups of assets. In addition, because prospective buyers of real estate have different overhead structures, with varying marginal impact to overhead by acquiring real estate, NOI is considered by many in the real estate industry to be a useful measure for determining the value of a real estate asset or groups of assets.

Because NOI excludes depreciation and does not capture the change in the value of our communities resulting from operational use and market conditions, nor the level of capital expenditures required to adequately maintain the communities (all of which have real economic effect and could materially impact our results from operations), the utility of NOI as a measure of our performance is limited. Other equity REITs may not calculate NOI consistently with our definition and, accordingly, our NOI may not be comparable to such other REITs' NOI. Accordingly, NOI should be considered only as a supplement to net income as a measure of our performance. NOI should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or make distributions. NOI also should not be used as a supplement to or substitute for cash flow from operating activities (computed in accordance with GAAP).

| | Quarter ended 06/30/06 | Quarter ended 6/30/05 | Six Months Ended 06/30/06 | Six Months Ended 06/30/05 |
|---|---------------------------|--------------------------|------------------------------|------------------------------|
| Net income available to common shareholders | \$ 70,617 | \$ 13,501 | \$ 78,003 | \$ 42,338 |
| Interest | 19,680 | 18,378 | 40,470 | 36,437 |
| Depreciation | 18,376 | 18,035 | 37,507 | 36,255 |
| Minority interests | 897 | 915 | 1,805 | 1,705 |
| Net gain on sales | (38,302) | (5,374) | (38,302) | (26,897) |
| Dividends on preferred stock | 4,468 | 4,468 | 8,936 | 8,936 |
| General and administrative expense | 4,745 | 4,048 | 9,185 | 8,808 |
| Other expenses | 62 | 281 | 562 | 729 |
| NOI | <u>\$ 80,543</u> | <u>\$ 54,252</u> | <u>\$ 138,166</u> | <u>\$ 108,311</u> |
| Less Non Same-Store NOI | <u>30,359</u> | <u>6,819</u> | <u>43,568</u> | <u>19,204</u> |
| Same-Store NOI | <u>\$ 50,184</u> | <u>\$ 47,433</u> | <u>\$ 94,598</u> | <u>\$ 89,107</u> |