BRE Properties, Inc.

Fourth Quarter 2004

Earnings Release and
Supplemental Financial Data

Villa Azure
624 Units
Los Angeles, California
Acquired December 2004

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Supplemental Financial Data

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BRE PROPERTIES ANNOUNCES RESTATEMENT; REPORTS FOURTH QUARTER AND FULL YEAR 2004 RESULTS

SAN FRANCISCO (February 8, 2005) – **BRE PROPERTIES, INC., (NYSE:BRE)** today announced that it has adjusted its accounting policy regarding accruals and the recognition of certain expense items and, as a result, expects to restate its audited financial statements for the fiscal years ended December 31, 2000 through 2003, and its unaudited financial statements for the quarters ended March 31, 2004, June 30, 2004 and September 30, 2004. The impact to earnings per share (EPS) and funds from operations (FFO) per fully diluted share ranges from zero to $0.019 for the restated years 2000 through 2003. For the related quarters in 2004, the impact to EPS and FFO per share ranges from $0.005 to $0.037. The impact to the nine-month period ended September 30, 2004 is $0.015 per share. (A reconciliation of net income available to common shareholders to FFO is provided at the end of this release.)

"The restatement does not materially change the company's historical trends, nor does it adversely affect our business outlook, which remains quite positive," said Constance Moore, BRE's president and chief executive officer. "The restatement corrects a method of accounting the company practiced for many years and assures comparisons of future results to past periods can be made on a consistent basis."

As a result of BRE's implementation of Section 404 of the Sarbanes-Oxley Act of 2002, the company determined that its long-held practice of recognizing payroll and certain categories of real estate expenses when they were paid instead of incurred is not appropriate. Although the expenses were of similar quality, quantity and timing in each period, they should have been recognized in the period incurred.

Management determined the internal control deficiency that gave rise to this restatement represents a material weakness, as defined by the PCAOB's Auditing Standard No. 2. BRE believes it has taken appropriate action to modify its system of internal control, to correct this error and properly remediate the control deficiency.

The company has elected to restate prior periods to adjust for out-of-period items, including expenses recognized in third quarter 2004 relating to the previously disclosed litigation charges associated with the Red Hawk Ranch apartment community. The timing adjustments for expense recognition affect net income, earnings per share, FFO and FFO per fully diluted share for the prior periods.

The estimated net impact of the restatement for the nine months ending September 30, 2004, and the first three quarters of 2004 are as follows:

Nine Months ended September 30, 2004 Restated

[in 000s, except per share data]	Estimated Restated	Originally Reported	Estimated Increase (Decrease)	
Net Income available to common shareholders	$36,296	$37,059	($763)	(2.1%)
Per diluted share	$0.72	$0.73	($0.015)	
Funds from Operations	$85,347	$86,110	($763)	(0.9%)
▪ Per diluted share	$1.65	$1.67	($0.015)	

Third Quarter 2004 Restated

[in 000s, except per share data]	Estimated Restated	Originally Reported	Estimated Increase (Decrease)	
Net Income available to common shareholders	$11,480	$10,116	$1,364	13.5%
▪ Per diluted share	$0.23	$0.20	$0.027	
Funds from Operations	$29,484	$28,120	$1,364	4.9%
▪ Per diluted share	$0.57	$0.54	$0.027	

Second Quarter 2004 Restated

[in 000s, except per share data]	Estimated Restated	Originally Reported	Estimated Increase (Decrease)	
Net Income available to common shareholders	$13,217	$13,479	($262)	(1.9%)
▪ Per diluted share	$0.26	$0.27	($0.006)	
Funds from Operations	$29,004	$29,266	($262)	(0.9%)
▪ Per diluted share	$0.56	$0.57	($0.005)	

First Quarter 2004 Restated

[in 000s, except per share data]	Estimated Restated	Originally Reported	Estimated Increase (Decrease)	
Net Income available to common shareholders	$11,599	$13,464	($1,865)	(13.9%)
▪ Per diluted share	$0.23	$0.27	($0.037)	
Funds from Operations	$26,859	$28,724	($1,865)	(6.5%)
▪ Per diluted share	$0.52	$0.56	($0.036)	

The estimated net impact of the restatement for the years ended December 31, 2003, 2002, 2001 and 2000 is as follows:

Full Year 2003 Restated

[in 000s, except per share data]	Estimated Restated	Originally Reported	Estimated Increase (Decrease)	
Net Income available to common shareholders	$70,175	$70,333	($158)	(0.2%)
▪ Per diluted share	$1.48	$1.48	($0.003)	
Funds from Operations	$103,690	$103,847	($157)	(0.2%)
▪ Per diluted share	$2.13	$2.14	($0.003)	

Full Year 2002 Restated

[in 000s, except per share data]	Estimated Restated	Originally Reported	Estimated Increase (Decrease)	
Net Income available to common shareholders	$87,171	$88,044	($873)	(1.0%)
▪ Per diluted share	$1.89	$1.91	($0.019)	
Funds from Operations	$124,072	$124,945	($873)	(0.7%)
▪ Per diluted share	$2.60	$2.62	($0.019)	

Full Year 2001 Restated

[in 000s, except per share data]	Estimated Restated	Originally Reported	Estimated Increase (Decrease)	
Net Income available to common shareholders	$78,971	$78,808	$163	0.2%
▪ Per diluted share	$1.69	$1.69	$0.003	
Funds from Operations	$124,529	$124,366	$163	0.1%
▪ Per diluted share	$2.57	$2.56	$0.003	

Full Year 2000 Restated

[in 000s, except per share data]	Estimated Restated	Originally Reported	Estimated Increase (Decrease)	
Net Income available to common shareholders	$36,521	$36,734	($213)	(0.6%)
▪ Per diluted share	$0.80	$0.81	($0.005)	
Funds from Operations	$114,450	$114,663	($213)	(0.2%)
▪ Per diluted share	$2.37	$2.38	($0.004)	

Fourth Quarter and 2004 Operating Results

Funds from operations (FFO), the generally accepted measure of operating performance for real estate investment trusts, totaled $23.3 million, or $0.45 per diluted share, for the fourth quarter 2004, and $108.6 million, or $2.10 per diluted share, for the 12-month period. FFO includes Other Expenses related to a one-time charge for the retirement of the company's former chief executive officer and Red Hawk Ranch litigation costs, totaling $5.0 million, or $0.10 per diluted share for the fourth quarter 2004, and $6.8 million, or $0.13 per diluted share, for the 12-month period.

The FFO results for the fourth quarter and full year 2004 compare with FFO totaling $25.8 million, or $0.50 per share in the fourth quarter 2003, and FFO totaling $103.7 million, or $2.13 per share for 2003. FFO for full year 2003 included litigation related charges of $7.3 million, or $0.15 per share, which were recognized in second quarter 2003.

Net income available to common shareholders for fourth quarter 2004 totaled $25.1 million, or $0.49 per diluted share, as compared with $11.2 million, or $0.22 per diluted share, for the same period 2003. Net income available to common shareholders for the year 2004 totaled $61.4 million, or $1.21 per diluted share, as compared with $70.2 million, or $1.48 per diluted share, for the year 2003. The fourth quarter and 2004 results include a net gain on sales totaling $19.9 million, or $0.39 per diluted share. The 2003 results included a net gain on sales totaling $23.1 million, or $0.49 per diluted share, which were recognized during the first six months of 2003.

Adjusted EBITDA for the quarter totaled $49.5 million, as compared with $45.6 million in fourth quarter 2003. (A reconciliation of net income available to common shareholders to Adjusted EBITDA is provided at the end of this release.) For fourth quarter 2004, revenues totaled $71.3 million, excluding revenues from discontinued operations of $4.0 million. Revenues for fourth quarter 2003 totaled $65.4 million excluding revenues from discontinued operations of $4.1 million.

Adjusted EBITDA for the year 2004 totaled $194.0 million, as compared with $183.3 million for the year 2003. For the year ended December 31, 2004, revenues totaled $280.6 million, as compared with revenues of $256.2 million for the same period 2003, excluding revenues from discontinued operations of $16.6 million and $18.6 million, respectively.

BRE's year-over-year core comparative earnings and FFO results were influenced by increased net operating income (NOI) generated from acquisitions completed in 2003 and 2004 and properties in the lease-up phase of development. (A reconciliation of net income available to shareholders to NOI is provided at the end of this release.) The growth in overall NOI was offset by increased interest expense, corporate G&A expense and an increase in weighted average shares outstanding following the third quarter 2003 offering of common shares.

Acquisition activities during 2003 and 2004 increased 4Q 2004 NOI by $2.5 million as compared with 4Q 2003. Development and lease-up properties generated $1.2 million in additional NOI during the quarter as compared with fourth quarter 2003 levels. For the year, acquisition activities increased 2004 NOI by $11.3 million as compared with 2003. Development and lease-up properties generated $5.2 million in additional NOI during 2004 as compared with 2003.

Level of Investment and NOI by Region
Quarter Ended December 31, 2004

($ amounts in 000s)

Region	# Units	Gross Investment	% Investment	% NOI
Southern CA	10,536	$1,229,741	47%	47%
Northern CA	5,644	591,537	23%	23%
Mountain/Desert	3,518	327,841	13%	10%
Pacific Northwest	3,572	389,052	15%	12%
Discontinued Operations	928	71,586	2%	5%
Partnership and other income	488	-	-	3%
Total	**24,686**	**$2,609,757**	**100%**	**100%**

Same-Store Property Results

During fourth quarter 2004, same-store NOI increased 1% as compared with the same period in 2003. Same-store NOI for the year was down 1% from 2003 levels. BRE defines same-store properties as stabilized apartment communities owned by the company for at least five full quarters. Of the 24,686 apartment units owned by BRE, same-store units totaled 19,726 for the quarter and 19,012 for the year.

Consistent with management's expectations, year-over-year, same-store revenues were flat for the fourth quarter and the year. Same-store physical occupancy levels averaged 94.7% during fourth quarter 2004 as compared with 94.2% during fourth quarter 2003. Average market rent for fourth quarter 2004 increased 2% to $1,122 per unit, from $1,104 per unit in fourth quarter 2003. Annualized resident turnover averaged 64% during 2004 and 65% during 2003. Same-store real estate expenses decreased 1% for the quarter and increased 3% for the year.

On a sequential basis, same-store NOI decreased 2.3% due to a sequential decrease in revenues of 2.4%. During the fourth quarter, average occupancy levels declined 0.6%, due to seasonal trends. Portfolio-wide, fourth quarter market rent levels increased 0.6% to $1,122 per unit, from $1,114 per unit in third quarter 2004.

Same-Store % Growth Results
Q4 2004 Compared with Q4 2003

		% Change			
	% NOI	Revenue	Expenses	NOI	#Units
L.A./Orange County, CA	25%	4.2%	-1.6%	6.8%	4,577
San Diego, CA	24%	1.5%	1.1%	1.7%	3,711
San Francisco, CA	17%	-3.0%	9.6%	-8.5%	3,035
Seattle, WA	13%	-0.7%	-7.0%	3.1%	3,149
Sacramento, CA	10%	-1.3%	-4.0%	0.1%	2,156
Phoenix, AZ	7%	-0.3%	-13.7%	8.7%	1,898
Denver, CO	4%	-5.5%	0.2%	-8.5%	1,200
Total	**100%**	**0.3%**	**-1.2%**	**1.0%**	**19,726**

Same-Store % Growth Results
12 Months Ended December 31, 2004 Compared with Same Period 2003

		% Change			
	% NOI	Revenue	Expenses	NOI	#Units
L.A./Orange County, CA	22%	3.6%	1.0%	4.8%	3,863
San Diego, CA	24%	1.9%	3.3%	1.3%	3,711
San Francisco, CA	19%	-4.3%	8.1%	-8.7%	3,035
Seattle, WA	14%	0.0%	1.5%	-0.9%	3,149
Sacramento, CA	10%	0.1%	3.8%	-1.6%	2,156
Phoenix, AZ	7%	1.6%	1.7%	1.6%	1,898
Denver, CO	4%	-5.0%	-0.1%	-7.5%	1,200
Total	**100%**	**0.2%**	**3.1%**	**-1.1%**	**19,012**

Same-Store Average Occupancy and Turnover Rates					
	Physical Occupancy			Turnover Ratio	
	Q4 2004	Q3 2004	Q4 2003	2004	2003
L.A./Orange County, CA	95.9%	96.0%	95.6%	60%	54%
San Diego, CA	96.1%	96.0%	94.6%	60%	65%
San Francisco, CA	93.0%	94.0%	92.3%	63%	69%
Seattle, WA	93.2%	94.7%	93.3%	61%	63%
Sacramento, CA	94.6%	96.3%	93.8%	75%	79%
Phoenix, AZ	95.3%	95.8%	95.4%	71%	69%
Denver, CO	92.5%	93.4%	94.0%	78%	74%
Average	**94.7%**	**95.3%**	**94.2%**	**64%**	**65%**

Disposition Activity

During fourth quarter 2004, the company sold three apartment communities, two located in Salt Lake City, Utah and one in Phoenix, Arizona. The results of the property sales were as follows:

Property Dispositions Quarter Ended December 31, 2004					
Property/Locations	Book Basis	Sales Price	Book Gain	Sale Cap Rate	IRR
Pinnacle Stonecreek Phoenix, AZ	$25,091	$34,700	$9,609	4.8%	12.8%
Pinnacle Fort Union Salt Lake City, UT	13,780	16,900	3,120	6.2%	8.0%
Pinnacle Reserve Draper, UT	39,829	47,025	7,196	6.4%	7.7%
Total/Wtg. Average	**$78,700**	**$98,625**	**$19,925**	**5.8%**	**8.7%**

At December 31, 2004, the company had three additional properties classified as "held for sale," with expected sale dates during the first half of 2005.

Acquisition and Development Activity

During fourth quarter 2004, BRE acquired Villa Azure, with 624 units, located in Los Angeles, California, for a purchase price of approximately $137 million.

Also in the quarter, the company acquired Bellaire Place, with 197 units located adjacent to our Evergreen community in Redmond, Washington, for a purchase price of approximately $31 million. Management of Bellaire and Evergreen has been combined, so they are now treated as one community, Evergreen Apartments, with 423 units.

During 2004, BRE completed three development communities: Fullerton, with 192 units in Fullerton, California; Westridge, with 234 units in Valencia, California; and Talega II, with 110 units in San Clemente, California. Average and end-of-period occupancy for these communities was 91% for the fourth quarter 2004.

BRE currently has five communities with a total of 1,312 units under construction, for a total estimated investment of $277 million, and an estimated balance to complete totaling $168 million. Expected delivery dates for these units range from 4Q 2005 through 2Q 2007. All development communities under construction are located in Southern California.

During fourth quarter 2004, BRE also acquired two parcels of land in the Seattle, Washington metro area. Combined with the parcel of land previously acquired in Emeryville, California, BRE now owns three land parcels representing 739 units of future development, with a total estimated investment of $179 million.

At December 31, 2004, the company had entered into agreements providing options to purchase or lease four parcels of land, and is actively pursuing local development approvals. Two sites are located in Northern California, representing 786 units of future development with an estimated total cost of $193 million. Two sites are located in Southern California, representing 608 units of future development at an estimated cost of $190 million. Anticipated construction start dates range from second half 2005 to first half 2007.

Financial and Other Information

At December 31, 2004, BRE's combination of debt and equity resulted in a total market capitalization of approximately $3.7 billion, with a debt-to-total market capitalization ratio of 37%. BRE's outstanding debt of $1.4 billion carried a weighted average interest rate of 5.6% for the year 2004. BRE's coverage ratio of Adjusted EBITDA to interest expense was 2.8 times for the quarter and 2.9 times for the year. The weighted average maturity for outstanding debt is five years. At December 31, 2004, outstanding borrowings under the company's unsecured and secured lines of credit totaled $327 million, with a weighted average interest cost of 2.6%.

On December 1, 2004, the company priced an offering of three million shares of 6.75% Series D Cumulative Redeemable Preferred Stock at $25 per share. The offering closed December 9, 2004.

For fourth quarter 2004, cash dividend payments to common shareholders totaled $24.6 million or $0.4875 per share. For the year ended December 31, 2004, cash dividend payments to common shareholders totaled $98 million, or $1.95 per share.

Other Expenses

During fourth quarter 2004, BRE recognized a one-time charge associated with the retirement of the company's former CEO, which totaled approximately $4.1 million, or $0.08 per share. The charge comprised approximately $2.1 million in cash payments and $2.0 million in noncash charges related to the fair value of stock options and restricted shares that vested under the terms of the retirement agreement.

Also included in Other Expenses are legal and consulting charges related to the Red Hawk Ranch litigation previously disclosed. As expected, these charges totaled $900,000 during fourth quarter 2004, or $0.02 per share, and $2.7 million for the year 2004, or $0.05 per share.

Earnings Outlook

As of January 7, 2004, 10 research analysts had contributed quarterly FFO estimates on BRE to First Call™, a widely referenced source of consensus earnings. Current analyst estimates of BRE's per share FFO for fourth quarter 2004 range from $0.40 to $0.42, for a consensus average of $0.41 per share. For the year 2004, 10 analysts have contributed FFO estimates for BRE to First Call ranging from $2.07 to $2.13, for a consensus average of $2.09.

For 2005, 14 analysts have contributed FFO estimates for BRE ranging from $2.18 to $2.35, for a consensus average of $2.23. BRE believes FFO per share results for 2005 will be affected by regional and national economic conditions, which may not generate material job growth during the year. Operating results in 2005 also will be affected by: 1) the level and timing of property acquisitions and dispositions; 2) the delivery of apartment communities currently under construction; 3) expense associated with current litigation proceedings; 4) costs associated with the adoption of legislative and regulatory mandates; and 5) the level, timing and costs associated with external capital formation.

Consistent with the BRE's initial 2005 earnings guidance provided December 20, 2004, the company expects FFO for year 2005 to range from $2.17 to $2.27 per share, which includes litigation costs classified as Other Expenses that are estimated to range from $0.05 to $0.07. BRE expects EPS estimates for 2005 to range from $1.13 to $1.26 per share. EPS estimates may be subject to fluctuation as a result of several factors, including changes in the recognition of depreciation expense and any gains or losses associated with disposition activity.

BRE expects FFO per share for the first quarter 2005 to range from $0.46 to $0.49, which includes litigation costs to be classified as Other Expenses that are estimated to range from $0.01 to $0.02 per share. BRE expects first quarter 2005 EPS to range from $0.13 to $0.16. The projected ranges for the first quarter reflect the near-term dilution associated with the sale of preferred stock and sequentially higher corporate G&A expense.

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 unusual or nonrecurring charges, and any gains or losses associated with disposition activity.

Q4 and Year 2004 Analyst Conference Call

The company will hold a conference call on Wednesday, February 9, 2005 at 8:30 a.m. PST /11:30 a.m. EST 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. Mention Conference ID# 2964399. A telephone replay of the call will be available February 9-23, 2005 at 800.642.1687, 706.645.9291 international, using the same conference ID#. A link to the live conference call webcast will be available in the Investors section, on the Corporate Profile page, at breproperties.com. An online playback of the webcast will be available for 30 days following the call.

About BRE Properties

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 85 apartment communities totaling 24,198 units in California, Arizona, Washington, Utah and Colorado. The company currently has eight other properties in various stages of development and construction, totaling 2,051 units, and joint venture interests in two additional apartment communities, totaling 488 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 company and property performance, and is based on the company's current expectations and judgment. Actual results could vary materially depending on risks and uncertainties inherent to general and local real estate conditions, competitive factors specific to markets in which BRE operates, legislative or other regulatory decisions, future interest rate levels or capital markets conditions. 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.

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BRE Properties, Inc.

Financial and Operating Highlights

Fourth Quarter 2004

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

OPERATING INFORMATION	Quarter Ended December 31, 2004	2003 (Restated)	Years ended December 31, 2004	2003 (Restated)
Total revenues [1]	$71,253	$65,416	$280,642	$256,230
Net income available to common shareholders	**$25,130**	**$11,233**	**$61,427**	**$70,175**
Per diluted share	**$0.49**	**$0.22**	**$1.21**	**$1.48**
Funds from Operations [2]	**$23,295**	**$25,798**	**$108,642**	**$103,690**
FFO per diluted share	**$0.45**	**$0.50**	**$2.10**	**$2.13**
Other Expenses [3]	**$5,015**	**-**	**$6,807**	**$7,305**
Other Expenses per diluted share	**$0.10**	**-**	**$0.13**	**$0.15**
Dividends per share	$0.4875	$0.4875	$1.95	$1.95
Adjusted EBITDA [2]	$49,484	$45,604	$193,970	$183,293
Common dividends	$24,589	$24,391	$98,015	$91,994
Preferred dividends	$3,526	$2,657	$12,114	$10,629
Interest expense	$17,783	$14,975	$66,826	$59,617
Interest coverage ratio [4]	2.8	3.0	2.9	3.1
Fixed charge coverage ratio [4]	2.3	2.6	2.5	2.6
Same-store revenue increase/decrease	**0.3%**	**-2.2%**	**0.2%**	**-3.7%**
Same-store expense increase/decrease	**-1.2%**	**5.7%**	**3.1%**	**2.1%**
Same-store NOI increase/decrease	**1.0%**	**-5.4%**	**-1.1%**	**-6.0%**
Operating margins	**69%**	**69%**	**69%**	**70%**

CAPITALIZATION DATA	12/31/04	12/31/03 (Restated)
Net real estate investments	$2,480,417	$2,184,947
Total assets, gross	$2,797,454	$2,462,242
Total debt	$1,378,566	$1,192,329
Minority interest	$35,675	$38,859
Preferred stock (at liquidation preference)	$250,000	$128,750
Total shareholders' equity	$1,046,455	$956,803
Common shares and units outstanding	51,438	50,965
Share price, end of period	$40.31	$33.40
Total market capitalization	$3,702,032	$3,023,310
Total book capitalization	$2,460,696	$2,187,991
Debt to total market capitalization	37%	39%
Debt to total book capitalization	56%	54%
Debt to total assets, gross	49%	48%
Secured debt to total assets	14%	10%

COMMUNITY INFORMATION	12/31/04	12/31/03
Operating communities directly owned and joint ventures:		
Communities	87	82
Units	24,686	23,469
Communities under development:		
Communities	8	7
Units	2,051	1,388

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

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

(3) Other expenses represent CEO retirement charge of $4.1M, and Red Hawk Ranch litigation and consultant costs totaling $935K for the fourth quarter and $2.7M for the year ended December 31, 2004. Other expenses for 2003 represent settlement charges and fees related to the Pinnacle at MacArthur joint venture dispute and class action application fee suit.

(4) 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

Fourth Quarter 2004

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

ASSETS	December 31, 2004	December 31, 2003 (Restated)
Real estate portfolio:		
Direct investments in real estate:		
Investments in rental properties	$2,538,171	$2,209,650
Construction in progress	108,930	105,091
Less: accumulated depreciation	(280,498)	(229,983)
	2,366,603	2,084,758
Equity interests in and advances to real estate joint ventures:		
Investments in rental properties	10,227	10,391
Real estate held for sale, net	60,383	61,394
Land under development	43,204	28,404
Total real estate portfolio	2,480,417	2,184,947
Other assets	36,539	47,312
TOTAL ASSETS	$2,516,956	$2,232,259

LIABILITIES AND SHAREHOLDERS' EQUITY	December 31, 2004	December 31, 2003 (Restated)
Liabilities:		
Unsecured senior notes	$848,201	$763,915
Unsecured line of credit	187,000	196,000
Secured line of credit	140,000	100,000
Mortgage loans	203,365	132,414
Accounts payable and accrued expenses	56,260	44,268
Total liabilities	1,434,826	1,236,597
Minority interests	35,675	38,859
Shareholders' equity:		
Preferred Stock, $0.01 par value; 10,000,000 shares authorized:		
2,150,000 shares 8.50% Series A cumulative redeemable, $25 liquidation preference, issued and outstanding at December 31, 2003	-	22
3,000,000 shares 8.08% Series B cumulative redeemable, $25 liquidation preference, issued and outstanding	30	30
4,000,000 shares 6.75% Series C cumulative redeemable, $25 liquidation preference, issued and outstanding at December 31, 2004	40	-
3,000,000 shares 6.75% Series D cumulative redeemable, $25 liquidation preference, issued and outstanding at December 31, 2004	30	-
Common stock, $0.01 par value, 100,000,000 shares authorized. Shares issued and outstanding: 50,418,529 and 49,992,198 at December 31, 2004 and 2003, respectively.	504	500
Additional paid-in capital	1,045,851	956,251
Total shareholders' equity	1,046,455	956,803
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$2,516,956	$2,232,259

BRE Properties, Inc.

Consolidated Statements of Income

Quarters and Years Ended December 31, 2004 and 2003

(Unaudited, dollar and share amounts in thousands)

REVENUE	Quarter ended 12/31/04	Quarter ended 12/31/03	Year ended 12/31/04	Year ended 12/31/03
		(Restated)		(Restated)
Rental income	$68,063	$62,433	$267,997	$244,982
Ancillary income	3,190	2,983	12,645	11,248
Total revenue	71,253	65,416	280,642	256,230
EXPENSES				
Real estate expenses	22,758	20,656	88,433	77,599
Depreciation	17,056	13,001	61,296	49,644
Interest expense	17,783	14,975	66,826	59,425
General and administrative	3,168	2,613	12,657	10,260
Other expenses	5,015	-	6,807	7,305
Total expenses	65,780	51,245	236,019	204,233
Other income	523	529	1,632	1,462
Income before minority interests, partnership income and discontinued operations	5,996	14,700	46,255	53,459
Minority interests	(602)	(719)	(2,509)	(3,196)
Partnership income	911	155	1,558	882
Income from continuing operations	6,305	14,136	45,304	51,145
Discontinued operations:				
Net gain on sales	19,925	-	19,925	23,147
Discontinued operations, net (1)	2,426	1,920	8,312	8,678
Total discontinued operations	22,351	1,920	28,237	31,825
NET INCOME	$28,656	$16,056	$73,541	$82,970
Redemption related preferred stock issuance costs	-	2,166	-	2,166
Dividends attributable to preferred stock	3,526	2,657	12,114	10,629
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$25,130	$11,233	$61,427	$70,175
Net income per common share - *basic*	$0.50	$0.23	$1.22	$1.49
Net income per common share - *assuming dilution*	$0.49	$0.22	$1.21	$1.48
Weighted average shares outstanding - *basic* (2)	50,375	49,815	50,200	47,070
Weighted average shares outstanding - *assuming dilution* (2)	51,320	50,270	50,825	47,445

(1) Details of net earnings from discontinued operations. Quarters ended December 31, 2004 and 2003 and the year ended December 31, 2004 include results from the three communities sold during fourth quarter 2004 and the three communities classified as held for sale at December 31, 2004. The year ended December 31, 2003 also includes results from the two communities sold during first quarter 2003 and one community sold during second quarter 2003.

	Quarter ended 12/31/04	Quarter ended 12/31/03	Year ended 12/31/04	Year ended 12/31/03
		(Restated)		(Restated)
Rental and ancillary income	$3,998	$4,092	$16,551	$18,553
Real estate expenses	(1,275)	(1,319)	(5,323)	(5,975)
Depreciation	(297)	(853)	(2,916)	(3,708)
Interest Expense	-	-	-	(192)
Income from discontinued operations, net	$2,426	$1,920	$8,312	$8,678

(2) See analysis of weighted average shares and ending shares at page 19.

BRE Properties, Inc.

Consolidated Balance Sheets-Past Five Quarters

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

ASSETS	Dec. 31, 2004	Sept. 30, 2004 (Restated)	June 30, 2004 (Restated)	Mar. 31, 2004 (Restated)	Dec. 31, 2003 (Restated)
Real estate portfolio:					
Direct investments in real estate:					
Investments in rental properties	$2,538,171	$2,441,375	$2,360,742	$2,298,862	$2,209,650
Construction in progress	108,930	73,576	97,361	97,233	105,091
Less: accumulated depreciation	(280,498)	(273,849)	(257,548)	(243,464)	(229,983)
	2,366,603	2,241,102	2,200,555	2,152,631	2,084,758
Equity interests in real estate joint ventures:					
Investments in rental properties	10,227	10,268	10,325	10,338	10,391
Real estate held for sale	60,383	60,325	60,606	60,902	61,394
Land under development	43,204	23,652	12,167	48,551	28,404
Total real estate portfolio	2,480,417	2,335,347	2,283,653	2,272,422	2,184,947
Other assets	36,539	46,246	54,187	48,265	47,312
TOTAL ASSETS	$ 2,516,956	$ 2,381,593	$ 2,337,840	$ 2,320,687	$ 2,232,259

LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities:					
Unsecured senior notes	$848,201	$848,352	$848,456	$848,763	$763,915
Unsecured line of credit	187,000	218,000	160,000	135,000	196,000
Secured line of credit	140,000	140,000	140,000	140,000	100,000
Mortgage loans	203,365	130,016	130,735	131,782	132,414
Accounts payable and accrued expenses	56,260	41,186	45,700	36,803	44,268
Total liabilities	1,434,826	1,377,554	1,324,891	1,292,348	1,236,597
Minority interests	35,675	35,720	33,798	38,862	38,859
Shareholders' equity:					
Preferred stock	100	70	70	70	52
Common stock	504	503	502	501	500
Additional paid-in capital	1,045,851	967,746	978,579	988,906	956,251
Total shareholders' equity	1,046,455	968,319	979,151	989,477	956,803
TOTAL LIABILITIES AND EQUITY	$2,516,956	$2,381,593	$2,337,840	$2,320,687	$2,232,259

BRE Properties, Inc.

Consolidated Statements of Income

Past Five Quarters

(Unaudited, dollar amounts in thousands)

REVENUE	Dec. 31, 2004	Sept. 30, 2004 (Restated)	June 30, 2004 (Restated)	Mar. 31, 2004 (Restated)	Dec. 31, 2003 (Restated)
Rental income	$68,063	$68,412	$67,260	$64,262	$62,433
Ancillary income	3,190	3,294	3,174	2,987	2,983
Total revenue	71,253	71,706	70,434	67,249	65,416
EXPENSES					
Real estate expenses	22,758	22,424	21,480	21,771	20,656
Depreciation	17,056	16,366	14,223	13,651	13,001
Interest expense	17,783	16,775	16,591	15,677	14,975
General and administrative	3,168	3,091	3,088	3,310	2,613
Other expenses	5,015	427	515	850	-
Total expenses	65,780	59,083	55,897	55,259	51,245
Other income	523	591	211	307	529
Income before minority interests, partnership income and discontinued operations	5,996	13,214	14,748	12,297	14,700
Minority interests	(602)	(576)	(613)	(718)	(719)
Partnership income	911	218	264	165	155
Income from continuing operations	6,305	12,856	14,399	11,744	14,136
Discontinued operations:					
Net gain on sales	19,925	-	-	-	-
Discontinued operations, net [1]	2,426	1,827	2,021	2,038	1,920
Total discontinued operations	22,351	1,827	2,021	2,038	1,920
NET INCOME	$ 28,656	$ 14,683	$ 16,420	$ 13,782	$ 16,056
Redemption related preferred stock issuance costs	-	-	-	-	2,166
Dividends attributable to preferred stock	3,526	3,203	3,203	2,183	2,657
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$25,130	$11,480	$13,217	$11,599	$11,233
Net income per common share - *basic*	$0.50	$0.23	$0.26	$0.23	$0.23
Net income per common share - *diluted*	$0.49	$0.23	$0.26	$0.23	$0.22
Weighted average shares outstanding - *basic*	50,375	50,210	50,130	50,065	49,815
Weighted average shares outstanding - *assuming dilution*	51,320	50,895	50,560	50,500	50,270

(1) Details of earnings from discontinued operations, net:	Dec. 31, 2004	Sept. 30, 2004	June 30, 2004	Mar. 31, 2004	Dec. 31, 2003
Rental and ancillary income	$ 3,998	$ 4,113	$ 4,236	$ 4,204	$ 4,092
Real estate expenses	(1,275)	(1,403)	(1,344)	(1,301)	(1,319)
Depreciation	(297)	(883)	(871)	(865)	(853)
Income from discontinued operations, net	$ 2,426	$ 1,827	$ 2,021	$ 2,038	$ 1,920

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)

CALCULATION OF FFO	Dec. 31, 2004	Sept. 30, 2004	June 30, 2004	Mar. 31, 2004	Dec. 31, 2003
		(Restated)	(Restated)	(Restated)	(Restated)
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$25,130	$11,480	$13,217	$11,599	$11,233
Add back/ exclude:					
Depreciation from continuing operations	17,056	16,366	14,223	13,651	13,001
Depreciation from discontinued operations	297	883	871	865	853
Minority interests	602	576	613	718	719
Depreciation from unconsolidated entities	240	284	219	270	236
Net (gain) on sales	(19,925)	-	-	-	-
Less: Minority interests not convertible into common shares	(105)	(105)	(139)	(244)	(244)
FUNDS FROM OPERATIONS (1)	$23,295	$29,484	$29,004	$26,859	$25,798
Other expenses (2), (3)	$5,015	$427	$515	$850	-
Weighted average shares and equivalents outstanding - *assuming dilution*	52,340	51,860	51,530	51,470	51,300
PER SHARE INFORMATION - *ASSUMING DILUTION* :					
Funds from operations	$0.45	$0.57	$0.56	$0.52	$0.50
Other expenses (2), (3)	$0.10	$0.01	$0.01	$0.02	$0.00

(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 D for further definition.

(2) Includes litigation and consulting costs incurred in connection with a construction defect lawsuit BRE is pursuing regarding the Red Hawk Ranch apartment community.

(3) Includes a one-time charge totaling $4,080,000 during the fourth quarter of 2004, relating to the retirement of our chief executive officer.

CAPITAL EXPENDITURES	Dec. 31, 2004	Sept. 30, 2004	June 30, 2004	Mar. 31, 2004	Dec. 31, 2003
Capital expenditures (4)	$5,285	$6,453	$4,223	$2,009	$2,703
Average apartment units in period	24,384	23,952	23,556	23,211	22,767
Capital expenditures per apartment unit in period	$217	$269	$179	$87	$119
Capital expenditures per apartment unit-trailing four quarters	$752	$654	$502	$440	$468
Revenue enhancing rehabilitation costs	$8,039	$4,571	$4,168	$1,311	$4,770

(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.

RECONCILIATION OF CONTINUING AND DISCONTINUED OPERATIONS	Dec. 31, 2004	Sept. 30, 2004	June 30, 2004	Mar. 31, 2004	Dec. 31, 2003
		(Restated)	(Restated)	(Restated)	(Restated)
Revenues from continuing operations	$72,687	$72,515	$70,909	$67,721	$66,100
Revenues from discontinued operations	3,998	4,113	4,236	4,204	4,092
Total Revenues	$76,685	$76,628	$75,145	$71,925	$70,192
Real estate expenses-continuing operations	$22,758	$22,424	$21,480	$21,771	$20,656
Real estate expenses-discontinued operations	1,275	1,403	1,344	1,301	1,319
Total Real Estate Expenses	$24,033	$23,827	$22,824	$23,072	$21,975
Total Net Operating Income	$52,652	$52,801	$52,321	$48,853	$48,217
Depreciation from continuing operations	$17,056	$16,366	$14,223	$13,651	$13,001
Depreciation from discontinued operations	297	883	871	865	853
Total Depreciation	$17,353	$17,249	$15,094	$14,516	$13,854

BRE Properties, Inc.

"Same-Store" Markets Summary

For the Years ended December 31, 2004 and 2003

(Dollar amounts in thousands)

California	No. of Units	Revenues 2004	Revenues 2003	Revenues % Change	Expenses 2004	Expenses 2003	Expenses % Change
L.A./Orange County	3,863	$52,462	$50,637	3.6%	$15,806	$15,649	1.0%
San Diego	3,711	54,766	53,763	1.9%	14,686	14,215	3.3%
San Francisco	3,035	46,038	48,084	-4.3%	13,823	12,791	8.1%
Sacramento	2,156	24,653	24,633	0.1%	8,122	7,826	3.8%
Pacific Northwest							
Seattle	3,149	35,055	35,070	0.0%	12,414	12,230	1.5%
Mountain/Desert Markets							
Phoenix	1,898	17,545	17,264	1.6%	6,564	6,452	1.7%
Denver	1,200	11,112	11,698	-5.0%	3,946	3,949	-0.1%
Total Same-Store (1)	19,012	$241,631	$241,149	0.2%	$75,361	$73,112	3.1%

California	No. of Communities	No. of Units	Net Operating Income 2004	Net Operating Income 2003	% Change	% of Total
L.A./Orange County	14	3,863	$36,656	$34,988	4.8%	22%
San Diego	13	3,711	40,080	39,548	1.3%	24%
San Francisco	9	3,035	32,215	35,293	-8.7%	19%
Sacramento	10	2,156	16,531	16,807	-1.6%	10%
Pacific Northwest						
Seattle	13	3,149	22,641	22,840	-0.9%	14%
Mountain/Desert Markets						
Phoenix	5	1,898	10,981	10,812	1.6%	7%
Denver	4	1,200	7,166	7,749	-7.5%	4%
Total Same-Store (1)	68	19,012	$166,270	$168,037	-1.1%	100%

"Non Same-Store" Summary	No. of Communities	No. of units	Net Operating Income 2004	Net Operating Income 2003
Acquired properties (2)	9	2,597	$12,868	$1,570
Development properties (3)	4	1,208	8,905	3,742
Rehabilitation properties (4)	1	453	4,166	5,282
Discontinued operations (5)	6	1,806	11,228	12,578
Joint venture and other real estate income (6)	2	488	1,558	882
Other income	n/a	n/a	1,632	1,462
Total Non Same-Store	22	6,552	$40,357	$25,516
Less Properties Sold Q4 '04	(3)	(878)		
Total All Units / NOI	87	24,686	$206,627	$193,553

(1) Consists of stabilized properties owned by BRE for at least eight full quarters, starting January 1, 2003.
(2) Consists of NOI from properties acquired after January 1, 2003.
(3) Consists of NOI from developed properties delivered or stabilized after January 1, 2003.
(4) Consists of NOI from one property which is under rehabilitation.
(5) Consists of NOI from properties sold in the past eight quarters and the three properties held for sale at December 31, 2004.
(6) Consists primarily of our percentage of net income derived from joint venture investments in rental properties.

BRE Properties, Inc.

"Same -Store" Operating Metrics

As of December 31, 2004 and 2003

California	No. of Units	Market Rent per Unit (1) Q404	Q403	% Change	Occupancy (2) Q404	Q403	Turnover Ratio (3) 2004	2003
L.A./ Orange Co.	4,577	$1,172	$1,138	3%	95.9%	95.6%	60%	54%
San Diego	3,711	1,352	1,307	4%	96.1%	94.6%	60%	65%
San Francisco	3,035	1,340	1,353	-1%	93.0%	92.3%	63%	69%
Sacramento	2,156	1,020	1,054	-3%	94.6%	93.8%	75%	79%
Pacific Northwest								
Seattle	3,149	962	936	3%	93.2%	93.3%	61%	63%
Mountain/Desert Markets								
Phoenix	1,898	803	776	3%	95.3%	95.4%	71%	69%
Denver	1,200	778	766	2%	92.5%	94.0%	78%	74%
Total/Average Same Store (4)	19,726	$1,122	$1,104	2%	94.7%	94.2%	64%	65%

(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 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 October 1, 2003.

"Non Same-Store" Operating Metrics

Acquisition, Development, Rehabilitation, and Joint Venture Communities - Q404(5)

California	Number of Units ACQ	DEV	REHAB	JV	Disc. Ops.	Total	Market Rent/Unit	Average Occupancy
L.A./ Orange Co.	1,460	788	-	-	-	2,248	$1,511	95.1%
San Francisco	-	-	453	-	-	453	1,360	83.4%
Sacramento	-	-	-	236	-	236	1,030	92.1%
Pacific Northwest								
Seattle	423	-	-	-	-	423	898	83.5%
Mountain/Desert Markets								
Phoenix	-	-	-	252	316	568	809	95.2%
Salt Lake City	-	-	-	-	612	612	753	94.5%
Denver	-	420	-	-	-	420	837	93.7%
Total/Average Non-Same Store	1,883	1,208	453	488	928	4,960	$1,191	92.7%
Total/Average Portfolio						24,686	$1,136	94.3%

(5) Consists of communities acquired and development properties delivered or stablilized after October 1, 2003, one community currently under rehabilitation, and two communities contributed to JV arrangements.

BRE Properties, Inc.

Debt Structure and Share Analysis as of December 31, 2004

(Dollar and share amounts in thousands)

			For the year ended December 31, 2004		
FIXED RATE	Balance Outstanding December 31, 2004	Average Life	Weighted Average Int. Rate	Percentage Total Debt	Percentage Gross Assets
Unsecured	$830,000	6.0 years	6.69%	60.2%	29.7%
Secured	148,763	6.1 years	6.63%	10.8%	5.3%
Total fixed rate debt	$978,763	6.0 years	6.68%	71.0%	35.0%
VARIABLE RATE DEBT					
Unsecured Line of credit (1)	$187,000	1.3 years	2.89%	13.6%	6.7%
Secured Line of credit	140,000	3.4 years	2.32%	10.2%	5.0%
Debt subject to floating rate swaps (2)	49,513	0.5 years	4.26%	3.6%	1.8%
Secured tax-exempt mortgages	23,290	3.5 years	2.56%	1.7%	0.8%
Total variable rate debt	$399,803	2.1 years	2.84%	29.0%	14.3%
TOTAL DEBT	$1,378,566	4.9 years	5.57%	100.0%	49.3%

Ratio of debt to total market capitalization	37%
Interest expense coverage - 2004	2.9 x
Fixed charge coverage - 2004 (3)	2.5 x

SENIOR UNSECURED DEBT RATINGS

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

SCHEDULED PRINCIPAL PAYMENTS

	Unsecured	Secured	Total
2005	$18,201	$33,548	$51,749
2006 (4)	187,000	15,101	202,101
2007	200,000	14,223	214,223
2008 (5)	-	161,881	161,881
2009	200,000	18,664	218,664
2010	-	32,581	32,581
2011	250,000	1,382	251,382
Thereafter	180,000	65,985	245,985
Total	$1,035,201	$343,365	$1,378,566

CAPITALIZED INTEREST

	Qtr. Ended 12/31/2004	Qtr. Ended 12/31/2003
Interest capitalized	$1,540	$1,884

	Year ended 12/31/2004	Year ended 12/31/2003
Interest capitalized	$6,163	$9,117

SUMMARY OF COMMON SHARES

Weighted Average	Qtr. Ended 12/31/2004	Qtr. Ended 12/31/2003
Weighted average shares outstanding (6)	50,375	49,815
Weighted average OP units	1,020	1,030
Dilutive effect of stock options	945	455
Diluted shares - FFO (7)	52,340	51,300
Less: Anti-dilutive OP Units (8)	(1,020)	(1,030)
Diluted shares - EPS(9)	51,320	50,270

Weighted Average	Year ended 12/31/2004	Year ended 12/31/2003
Weighted average shares outstanding (6)	50,200	47,070
Weighted average OP units	985	1,145
Dilutive effect of stock options	625	375
Diluted shares - FFO (7)	51,810	48,590
Less: Anti-dilutive OP Units (8)	(985)	(1,145)
Diluted shares - EPS(9)	50,825	47,445

Ending	As of 12/31/2004	As of 12/31/2003
Shares outstanding at end of period	50,419	49,992
OP units at end of period	1,019	973
Dilutive effect of stock options	945	375
Total	52,383	51,340

(1) We have a revolving Line of credit providing up to $350 million currently priced at LIBOR plus 70 bp, maturing in April 2006.
(2) We have four interest rate swap agreements with a notional amount aggregating $49 million that are used to assume a floating rate of interest on a portion of our fixed rate debt, maturing in 2005.
(3) Represents interest expense and preferred stock dividend payment coverage for the year ended December 31, 2004.
(4) Includes the scheduled maturity of our unsecured line of credit. At December 31, 2004, the outstanding balance was $187 milllion.
(5) Includes the scheduled maturity of our secured line of credit. At December 31, 2004, the outstanding balance was $140 million.
(6) Represents denominator for shares in the calculation of basic earnings per share.
(7) Represents denominator for shares in the calculation of diluted FFO per share.
(8) Under FAS 128, common share equivalents deemed to be anti-dilutive are excluded from the diluted earnings per share calculations.
(9) Represents denominator for shares in the calculation of diluted EPS.

BRE Properties, Inc.

Development Communities and Land Held for Development

December 31, 2004

(Dollar amounts in millions)

COMMUNITIES	Number of Units		Cost Incurred [1]		Estimated Cost		Balance to Complete	Estimated Completion [2]
CONSTRUCTION IN PROGRESS								
The Heights								
Chino Hills, CA	208	$	27.5	$	38.9	$	11.4	4Q/2005
Bridgeport Cove								
Santa Clarita, CA	188		18.7		40.5		21.8	3Q/2006
Galleria at Towngate								
Moreno Valley, CA	268		11.4		39.2		27.8	3Q/2006
Renaissance at Uptown Orange								
Orange, CA	460		33.7		104.1		70.4	2Q/2007
The Stuart at Sierra Madre Villa								
Pasadena, CA	188		17.6		54.2		36.6	2Q/2007
Total CIP	1,312	$	108.9	$	276.9	$	168.0	

LAND UNDER DEVELOPMENT [3]	Number of Units		Cost Incurred		Estimated Cost	Estimated Const. Start
Bay Vista Apartments						
Emeryville, CA	224	$	12.8	$	60.0	3Q/2005
Belcarra Apartments						
Bellevue, WA	320		21.8		71.4	2Q/2006
Denny Way Apartments						
Seattle, WA	195		8.6		47.8	2Q/2006
Total LUD	739	$	43.2	$	179.2	

Projected Composite Yield Upon Stabilization [4] 7.75% - 8.25%

LAND UNDER CONTRACT [5]	Number of Units		Cost Incurred [6]		Estimated Cost [7]	Estimated Const. Start
Los Angeles, CA	288	$	1.8	$	112.5	2H/2005
Anaheim, CA	320		0.7		77.2	1H/2006
Walnut Creek, CA	378		1.3		100.2	2H/2006
Pleasanton, CA	408		0.8		92.4	1H/2007
Total	1,394	$	4.6	$	382.3	

(1) Reflects all recorded costs incurred as of December 31, 2004, recorded on our consolidated balance sheet as "direct investments in real estate-construction in progress."

(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) 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.

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

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

(6) Represents deposits, contractual costs, and entitlement expenses incurred to date, of which $200,000 is refundable.

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

BRE Properties, Inc. Exhibit A

Sequential "Same-Store" Multifamily Markets Summary

Last five quarters

REVENUES

California	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003
L.A./Orange County	-0.6%	1.6%	3.2%	0.0%	-0.7%
San Diego	-0.7%	0.0%	3.6%	-1.3%	-0.3%
San Francisco	-4.6%	-1.5%	0.8%	2.4%	-6.2%
Sacramento	-3.4%	0.5%	-0.2%	1.8%	-4.1%
Pacific Northwest					
Seattle	-4.1%	-0.2%	2.4%	1.3%	-3.5%
Mountain/Desert Markets					
Phoenix	-1.7%	-0.4%	0.1%	1.2%	-0.2%
Denver	-4.8%	-3.2%	3.6%	-1.0%	-4.9%
Total Same Store	-2.4%	-0.8%	1.7%	0.7%	-3.2%

EXPENSES [1]

California	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003
L.A./Orange County	-1.8%	-3.2%	-4.9%	8.0%	-4.6%
San Diego	-1.5%	-0.9%	-3.7%	7.6%	-4.8%
San Francisco	8.9%	10.0%	-7.2%	-1.4%	4.8%
Sacramento	-3.3%	1.4%	-9.5%	8.0%	2.8%
Pacific Northwest					
Seattle	-8.0%	5.8%	-3.8%	-0.7%	0.6%
Mountain/Desert Markets					
Phoenix	-13.4%	3.4%	-0.2%	-3.1%	2.8%
Denver	-10.4%	20.9%	-4.4%	-3.2%	-13.0%
Total Same Store	-2.5%	6.8%	-4.8%	1.2%	-1.1%

NET OPERATING INCOME

California	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003
L.A./Orange County	-0.1%	3.7%	7.1%	-3.5%	1.1%
San Diego	-0.4%	0.3%	6.5%	-4.4%	1.4%
San Francisco	-10.4%	-5.7%	4.0%	4.1%	-11.0%
Sacramento	-3.4%	0.1%	4.9%	-1.3%	-7.2%
Pacific Northwest					
Seattle	-1.9%	-3.3%	5.9%	2.5%	-5.8%
Mountain/Desert Markets					
Phoenix	5.8%	-2.6%	0.2%	3.9%	-2.1%
Denver	-1.2%	-14.3%	7.8%	0.2%	-0.1%
Total Same Store	-2.3%	-3.1%	5.2%	0.2%	-3.4%

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

BRE Properties, Inc. | Exhibit B

Net Asset Value Calculation, Annualized Q4 2004

(Amounts in thousands, except per share data)

Overall portfolio capitalization rate: 6.00% [1]

	Calculation per Actual-Q4 '04	Adjustments	As Adjusted
Annualized revenues and expenses:			
Current rental revenues	$272,252	104 [(3), (4), (5)]	$272,356
Partnership and ancillary revenues [2]	16,404	(2,964) [(6)]	13,440
Total real estate revenues	288,656		$285,796
Total real estate expenses	(91,032)	(564) [(3), (4), (5)]	(90,468)
Annualized real estate net operating income	$197,624	$ (2,296)	$195,328
Real estate asset value	3,293,733		$3,255,467
Value of other assets:			
Properties acquired @ 1.0x cost	-	199,553 [(3)]	$199,553
Construction in progress @ 1.10x cost	119,823	47,395 [(4)]	167,218
Land under development @1.10x cost	47,524		47,524
Receivables and other assets, tangible	23,892		23,892
Other liabilities	(56,260)		(56,260)
Total value of other assets	$134,979	$ 246,948	$381,927
Value of all assets:			
Real estate asset value	$3,293,733		$3,255,467
Value of other assets	134,979		381,927
Total asset value	$3,428,712		$3,637,394
Debt and preferred equity:			
Mortgage loans	$203,365		$203,365
Unsecured senior notes	848,201		848,201
Unsecured line of credit	187,000		187,000
Secured line of credit	140,000		140,000
Perpetual preferred stock	250,000		250,000
Total debt and preferred	$1,628,566		$1,628,566
Current equity value	$1,800,146		$2,008,828
Common shares outstanding	50,419		50,419
Operating partnership units	1,019		1,019
Dilution from stock options	945		945
Diluted shares/OP units outstanding	52,383		52,383
CURRENT NET ASSET VALUE PER SHARE	$34.37		$38.35

1 Market cap rates	Current range
San Francisco	5.00% - 5.50%
San Diego	5.00% - 5.50%
L.A. / Orange Co.	5.00% - 5.50%
Sacramento	5.75% - 6.25%
Seattle	5.50% - 6.00%
Phoenix	5.50% - 6.00%
Denver	5.75% - 6.25%
Weighted average	5.25% - 5.75%

NAV Sensitivity	
Cap Rate	$NAV / Share
5.75%	$41.06
5.50%	$44.00
5.25%	$47.23

1 The NAV calculation uses a cap rate of 6.00%, which is 50 basis points above the mid-point of our estimated composite range. Market cap rates are based on market transactional data in each operating region, compiled internally, and are updated on a semi-annual basis.

2 Excludes other income.

3 Represents Evergreen Park Apartments and Villa Azure which were recently purchased and did not generate full rental revenues for the period. Cost is added back and net operating income from these communities are subtracted to arrive at adjusted NOI.

4 full rental revenues for the period. Cost is added back to CIP at 1.10x of cost, and net operating income from this community is subtracted to arrive at adjusted NOI.

5 Includes annualized 4Q '04 net operating income from the assets held for sale at December 31, 2004.

6 Partnership income reduced to exclude the impact of annualized 4Q '04 gain on sale of partnership properties.

BRE Properties, Inc.

Estimated Restatement Data

Exhibit C

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

	Nine Months Ended September 30, 2004			
		(Originally	Increase / (Decrease)	
	(As restated)	Reported)	$ Amount	%
Results of Operations				
Net income available to common shareholders	$36,296	$37,059	($763)	-2.1%
Per diluted share	$0.72	$0.73	($0.015)	
Funds from Operations	$85,347	$86,110	($763)	-0.9%
FFO per diluted share	$1.65	$1.67	($0.015)	
Other Expenses	$1,792	$1,792		
Other Expenses per diluted share	$0.03	$0.03		
Adjusted EBITDA	$144,484	$145,247	($763)	-0.5%
Other Metrics				
Interest coverage ratio	2.9	3.0		
Fixed charge coverage ratio	2.5	2.5		
Same-store revenue increase/decrease	-0.3%	-0.3%		
Same-store expense increase/decrease	4.5%	3.0%		
Same-store NOI increase/decrease	-1.5%	-0.9%		

	Quarter Ended September 30, 2004			
		(Originally	Increase / (Decrease)	
	(As restated)	Reported)	$ Amount	%
Results of Operations				
Net income available to common shareholders	$11,480	$10,116	$1,364	13.5%
Per diluted share	$0.23	$0.20	$0.027	
Funds from Operations	$29,484	$28,120	$1,364	4.9%
FFO per diluted share	$0.57	$0.54	$0.027	
Other Expenses	$427	$1,792	($1,365)	
Other Expenses per diluted share	$0.01	$0.04	($0.027)	
Adjusted EBITDA	$49,710	$49,711	($1)	0.0%
Other Metrics				
Interest coverage ratio	3.0	3.0		
Fixed charge coverage ratio	2.5	2.5		

Estimated Restatement Data

Exhibit C

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

	Quarter Ended June 30, 2004			
	(As restated)	(Originally Reported)	Increase / (Decrease) $ Amount	%
Results of Operations				
Net income available to common shareholders	$13,217	$13,479	($262)	-1.9%
Per diluted share	$0.26	$0.27	($0.006)	
Funds from Operations	$29,004	$29,266	($262)	-0.9%
FFO per diluted share	$0.56	$0.57	($0.005)	
Other Expenses	$515	-	$515	
Other Expenses per diluted share	$0.01	-	$0.010	
Adjusted EBITDA	$49,233	$49,711	($478)	-1.0%
Other Metrics				
Interest coverage ratio	3.0	3.0		
Fixed charge coverage ratio	2.5	2.5		

	Quarter Ended March 31, 2004			
	(As restated)	(Originally Reported)	Increase / (Decrease) $ Amount	%
Results of Operations				
Net income available to common shareholders	$11,599	$13,464	($1,865)	-13.9%
Per diluted share	$0.23	$0.27	($0.037)	
Funds from Operations	$26,859	$28,724	($1,865)	-6.5%
FFO per diluted share	$0.52	$0.56	($0.036)	
Other Expenses	$850	-	$850	
Other Expenses per diluted share	$0.02	-	$0.017	
Adjusted EBITDA	$45,543	$46,558	($1,015)	-2.2%
Other Metrics				
Interest coverage ratio	2.9	3.0		
Fixed charge coverage ratio	2.6	2.6		

BRE Properties, Inc.

Estimated Restatement Data

Exhibit C

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

	Year ended December 31, 2003			
	(As restated)	(Originally Reported)	Increase / (Decrease) $ Amount	%
Results of Operations				
Net income available to common shareholders	$70,175	$70,333	($158)	-0.2%
Per diluted share	$1.48	$1.48	($0.003)	
Funds from Operations	$103,690	$103,847	($157)	-0.2%
FFO per diluted share	$2.13	$2.14	($0.003)	
Other Expenses	$7,305	$7,305	-	
Other Expenses per diluted share	$0.15	$0.15	-	
Adjusted EBITDA	$183,293	$183,450	($157)	-0.1%
Other Metrics				
Interest coverage ratio	3.1	3.1		
Fixed charge coverage ratio	2.6	2.6		
Same-store revenue increase/decrease	-3.7%	-3.7%		
Same-store expense increase/decrease	2.0%	2.1%		
Same-store NOI increase/decrease	-6.0%	-6.0%		

	Year Ended December 31, 2002			
	(As restated)	(Originally Reported)	Increase / (Decrease) $ Amount	%
Results of Operations				
Net income available to common shareholders	$87,171	$88,044	($873)	-1.0%
Per diluted share	$1.89	$1.91	($0.019)	
Funds from Operations	$124,072	$124,945	($873)	-0.7%
FFO per diluted share	$2.60	$2.62	($0.019)	
Other Expenses	-	-	-	
Other Expenses per diluted share	-	-	-	
Adjusted EBITDA	$188,356	$189,229	($873)	-0.5%
Other Metrics				
Interest coverage ratio	3.3	3.3		
Fixed charge coverage ratio	2.9	2.9		
Same-store revenue increase/decrease	-2.6%	-2.6%		
Same-store expense increase/decrease	2.5%	3.1%		
Same-store NOI increase/decrease	-4.5%	-4.8%		

Estimated Restatement Data

Exhibit C

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

	Year Ended December 31, 2001			
	(As restated)	(Originally Reported)	Increase / (Decrease) $ Amount	%
Results of Operations				
Net income available to common shareholders	$78,971	$78,808	$163	0.2%
Per diluted share	$1.69	$1.69	$0.003	
Funds from Operations	$124,529	$124,366	$163	0.1%
FFO per diluted share	$2.57	$2.56	$0.003	
Other Expenses	7,163	7,163	-	
Other Expenses per diluted share	$0.15	$0.15	-	
Adjusted EBITDA	$183,949	$183,780	$169	0.1%
Other Metrics				
Interest coverage ratio	3.8	3.8		
Fixed charge coverage ratio	3.5	3.5		
Same-store revenue increase/decrease	5.7%	5.7%		
Same-store expense increase/decrease	2.7%	2.3%		
Same-store NOI increase/decrease	6.9%	7.1%		

	Year Ended December 31, 2000			
	(As restated)	(Originally Reported)	Increase / (Decrease) $ Amount	%
Results of Operations				
Net income available to common shareholders	$36,521	$36,734	($213)	-0.6%
Per diluted share	$0.80	$0.81	($0.005)	
Funds from Operations	$114,450	$114,663	($213)	-0.2%
FFO per diluted share	$2.37	$2.38	($0.004)	
Other Expenses	8,765	8,765	-	
Other Expenses per diluted share	$0.15	$0.15	-	
Adjusted EBITDA	$189,016	$189,229	($213)	-0.1%
Other Metrics				
Interest coverage ratio	3.3	3.3		
Fixed charge coverage ratio	2.9	2.9		
Same-store revenue increase/decrease	7.2%	7.2%		
Same-store expense increase/decrease	3.2%	2.9%		
Same-store NOI increase/decrease	8.9%	9.1%		

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 based on NAREIT's current definition and is calculated by BRE as net income computed in accordance with GAAP, excluding gains or losses from sales of investments, plus depreciation, and after adjustments for unconsolidated joint ventures and minority interests convertible to common shares. We consider FFO and FFO per common share to be appropriate supplemental measures of the operating performance of an equity REIT because, by excluding gains or losses and depreciation, FFO and FFO per common share can help one compare the operating performance of a company's real estate between periods or as compared to different companies. Below is a reconciliation of net income available to common shareholders to FFO:

	Quarter ended 12/31/04	Quarter ended 12/31/03	Year Ended 12/31/04	Year Ended 12/31/03
Net income available to common shareholders	$ 25,130	$ 11,233	$ 61,427	$ 70,175
Depreciation from continuing operations	17,056	13,001	61,296	49,644
Depreciation from discontinued operations	297	853	2,916	3,708
Minority interests	602	719	2,509	3,196
Depreciation from unconsolidated entities	240	236	1,013	1,094
Net gain on investments	(19,925)	-	(19,925)	(23,147)
Less: Minority interests not convertible to common	(105)	(244)	(594)	(980)
Funds from operations	$ 23,295	$ 25,798	$ 108,642	$ 103,690
Diluted shares outstanding - EPS (1)	51,320	50,270	50,825	47,445
Net income per common share - diluted	$ 0.49	$ 0.22	$ 1.21	$ 1.48
Diluted shares outstanding - FFO (1)	52,340	51,300	51,810	48,590
FFO per common share - diluted	$ 0.45	$ 0.50	$ 2.10	$ 2.13

(1)See analysis of weighted average shares at page 19.

(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, redemption related preferred stock issuance costs, 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 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. Below is a reconciliation of net income available to common shareholders to EBITDA and Adjusted EBITDA:

	Quarter ended 12/31/04	Quarter ended 12/31/03	Year to Date 12/31/04	Year to Date 12/31/03
Net income available to common shareholders	$ 25,130	$ 11,233	$ 61,427	$ 70,175
Interest	17,783	14,975	66,826	59,617
Depreciation	17,353	13,854	64,212	53,352
EBITDA	60,266	40,062	192,465	183,144
Minority interests	602	719	2,509	3,196
Net gain on sales	(19,925)	-	(19,925)	(23,147)
Redemption related preferred stock issuance costs	-	2,166	-	2,166
Dividends on preferred stock	3,526	2,657	12,114	10,629
Other expenses	5,015	-	6,807	7,305
Adjusted EBITDA	$ 49,484	$ 45,604	$ 193,970	$ 183,293

Net Operating Income (NOI)

NOI is defined as total revenues less real estate expenses (including such items as repairs and maintenance, payroll, utilities, property taxes and insurance, advertising and management fees.) We consider NOI to be an appropriate supplemental measure of our performance because it reflects the operating performance of our real estate portfolio at the property level and is used to make decisions about resource allocations and assessing regional property level performance. Below is a reconciliation of net income available to common shareholders to net operating income:

	Quarter ended 12/31/04	Quarter ended 12/31/03	Year to Date 12/31/04	Year to Date 12/31/03
Net income available to common shareholders	$ 25,130	$ 11,233	$ 61,427	$ 70,175
Interest	17,783	14,975	66,826	59,617
Depreciation	17,353	13,854	64,212	53,352
Minority interests	602	719	2,509	3,196
Net gain on sales	(19,925)	-	(19,925)	(23,147)
Redemption related preferred stock issuance costs	-	2,166	-	2,166
Dividends on preferred stock	3,526	2,657	12,114	10,629
General and administrative expense	3,168	2,613	12,657	10,260
Other expenses	5,015	-	6,807	7,305
NOI	$ 52,652	$ 48,217	$ 206,627	$ 193,553
Less Non Same-Store NOI	10,313	6,293	40,357	25,516
Same-Store NOI	$ 42,339	$ 41,924	$ 166,270	$ 168,037