

ALEXANDRIA REAL ESTATE EQUITIES INC  
Form 424B3  
June 07, 2010

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[TABLE OF CONTENTS](#)

[Table of Contents](#)

Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-166817

[PROSPECTUS](#)

## Alexandria Real Estate Equities, Inc. OFFER TO EXCHANGE

Shares of Common Stock plus cash for  
any and all of our outstanding  
8.00% Senior Convertible Notes due 2029  
(CUSIP No. 015271 AB5)

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We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, any and all of our outstanding 8.00% Senior Convertible Notes due 2029 (the "Convertible Notes"), for the following consideration per \$1,000 principal amount of Convertible Notes: (i) 24.1546 shares of our common stock; (ii) a cash payment of \$180.00 (the "Convertible Notes Cash Payment"); and (iii) accrued and unpaid interest on the Convertible Notes to, but excluding, the settlement date, payable in cash (collectively, the "Convertible Notes Offer Consideration").

We refer to the offer for the Convertible Notes pursuant to this prospectus and the accompanying letter of transmittal as the "Exchange Offer."

The Convertible Notes are currently convertible into shares of our common stock at a conversion rate of 24.1546 shares of our common stock per \$1,000 principal amount of Convertible Notes, or a conversion price of approximately \$41.40 per share of our common stock. The Exchange Offer allows current holders of Convertible Notes to receive the same number of shares of our common stock as they would receive upon conversion of the Convertible Notes, plus the Convertible Notes Cash Payment and the accrued and unpaid interest.

The Exchange Offer will expire at 11:59 p.m., New York City time, on June 11, 2010, unless the Exchange Offer is extended or earlier terminated by us (we refer to such date and time for the Exchange Offer, as may be extended, as the "Expiration Date"). You may withdraw Convertible Notes tendered in the Exchange Offer at any time prior to the Expiration Date for the Exchange Offer. You must validly tender your Convertible Notes for exchange in the Exchange Offer on or prior to the Expiration Date to receive the Convertible Notes Offer Consideration. You should carefully review the procedures for tendering Convertible Notes beginning on page 23 of this prospectus.

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The Exchange Offer is subject to the conditions discussed under "The Exchange Offer Conditions to the Exchange Offer," including, among other things, the effectiveness of the registration statement of which this prospectus forms a part. The Exchange Offer is not conditioned on any minimum aggregate principal amount of Convertible Notes being tendered.

As of the date of this prospectus, \$240,000,000 aggregate principal amount of Convertible Notes were outstanding. The Convertible Notes are not listed for trading on any securities exchange. Our shares of common stock are traded on The New York Stock Exchange under the symbol "ARE." The last reported sale price of our common stock on June 4, 2010 was \$62.36 per share. We expect that the shares of our common stock to be issued in the Exchange Offer will be approved for listing on The New York Stock Exchange, subject to official notice of issuance.

We urge you to carefully read the "Risk Factors" section beginning on page 13 before you make any decision regarding the Exchange Offer.

You must make your own decision whether to tender your Convertible Notes in the Exchange Offer, and, if so, the amount of your Convertible Notes to tender. Neither we, the dealer managers, the information and exchange agent nor any other person is making any recommendation as to whether or not you should tender your Convertible Notes for exchange in the Exchange Offer.

We are not asking you for a proxy and you are requested not to send us a proxy.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of our common stock or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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### THE JOINT DEALER MANAGERS FOR THE EXCHANGE OFFER ARE:

**BofA Merrill Lynch**

**Citi**

**J.P. Morgan**

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The date of this prospectus is June 7, 2010

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Table of Contents

**TABLE OF CONTENTS**

<u>Cautionary Note for Forward-Looking Statements</u>	<u>ii</u>
<u>Where You Can Find More Information</u>	<u>ii</u>
<u>Incorporation by Reference</u>	<u>ii</u>
<u>Questions and Answers About the Exchange Offer</u>	<u>1</u>
<u>Summary</u>	<u>7</u>
<u>Risk Factors</u>	<u>13</u>
<u>Use of Proceeds</u>	<u>15</u>
<u>Consolidated Ratio of Earnings to Fixed Charges and Preferred Dividends</u>	<u>16</u>
<u>Capitalization</u>	<u>17</u>
<u>Selected Financial Data</u>	<u>18</u>
<u>The Exchange Offer</u>	<u>21</u>
<u>Price Range of Common Stock and Dividends</u>	<u>33</u>
<u>Comparison of Rights of Holders of Convertible Notes and Holders of Our Common Stock</u>	<u>34</u>
<u>Description of Our Capital Stock</u>	<u>36</u>
<u>Material United States Federal Income Tax Considerations</u>	<u>41</u>
<u>Interests of Directors and Executive Officers</u>	<u>57</u>
<u>Dealer Managers and Information and Exchange Agent</u>	<u>57</u>
<u>Legal Matters</u>	<u>58</u>
<u>Experts</u>	<u>58</u>
<u>Miscellaneous</u>	<u>58</u>

You should rely only on the information contained or incorporated by reference in this document. We have not authorized anyone to provide you with information that is different. You should assume that the information contained or incorporated by reference in this prospectus is accurate only as of the date of this prospectus or the date of the document incorporated by reference, as applicable. We are not making an offer of these securities in any jurisdiction where the offer is not permitted.

We are incorporating by reference into this prospectus important business and financial information that is not included in or delivered with this prospectus. This information is available without charge to security holders upon written or oral request. Requests should be directed to Alexandria Real Estate Equities, Inc., Attention: Corporate Secretary, 385 East Colorado Boulevard, Suite 299, Pasadena, California 91101, Telephone: (626) 578-0777. **In order to obtain timely delivery, you must request the information no later than June 4, 2010, which is five business days before the Expiration Date.**

Table of Contents

**CAUTIONARY NOTE FOR FORWARD-LOOKING STATEMENTS**

Certain statements in this prospectus and the information incorporated by reference in this prospectus, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements." These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "forecast," "outlook," "intend," "strategy," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," "guidance" or the negative thereof or variations thereon or similar terminology generally intended to identify forward-looking statements. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements has been included in the section entitled "Risk Factors." We undertake no obligation, and we disclaim any obligation, to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by applicable law.

**WHERE YOU CAN FIND MORE INFORMATION**

We have filed with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-4 under the Securities Act of 1933, as amended (the "Securities Act"), to register the shares of our common stock offered by this prospectus. This prospectus does not contain all of the information included in the registration statement and the exhibits to the registration statement. We strongly encourage you to read carefully the registration statement and the exhibits to the registration statement.

Any statement made in this prospectus concerning the contents of any contract, agreement or other document is only a summary of the actual contract, agreement or other document. If we have filed any contract, agreement or other document as an exhibit to the registration statement, you should read the exhibit for a more complete understanding of the document or matter involved. Each statement regarding a contract, agreement or other document is qualified in its entirety by reference to the actual document.

We are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, accordingly, we file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available at the SEC's website (<http://www.sec.gov>) or through our web site (<http://www.labspace.com>). We have not incorporated by reference into this prospectus the information included on or linked from our website, and you should not consider it part of this prospectus. You may also read and copy any document we file with the SEC at its Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of the documents at prescribed rates from the Public Reference Room of the SEC. You may call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room.

**INCORPORATION BY REFERENCE**

The SEC allows us to "incorporate by reference" information into this document. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference in this prospectus is considered part of this prospectus. Any statement in this prospectus or incorporated by reference into this prospectus shall be automatically modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in a subsequently filed document that is incorporated by reference in this

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### Table of Contents

prospectus modifies or supersedes such prior statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We incorporate by reference the following documents that have been filed with the SEC (other than any portion of such filings that are furnished under applicable SEC rules rather than filed):

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, as filed with the SEC on March 1, 2010.

Our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 27, 2010.

Our Current Reports on Form 8-K, as filed with the SEC on April 29, 2010, May 14, 2010 and June 2, 2010.

Our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, as filed with the SEC on April 30, 2010.

The description of our common stock contained in the Registration Statement on Form 8-A filed with the SEC on May 14, 1997, including any amendments or reports filed for the purpose of updating such description.

All documents that we file with the SEC (other than any portion of such filings that are furnished under applicable SEC rules rather than filed) under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act until we complete the Exchange Offer, including any documents filed between the date of this prospectus and the date on which the registration statement of which this prospectus forms a part is declared effective, will be deemed to be incorporated in this prospectus by reference and will be a part of this prospectus from the date of the filing of such document.

You may request from us at no cost a copy of any document we incorporate by reference, excluding all exhibits to such incorporated documents (unless we have specifically incorporated by reference such exhibits either in this prospectus or in the incorporated document), by making such a request in writing or by telephone to the following:

Alexandria Real Estate Equities, Inc.  
385 East Colorado Boulevard, Suite 299  
Pasadena, California 91101  
Attention: Corporate Secretary  
(626) 578-0777

In order to ensure timely delivery of documents, security holders must request this information no later than five business days before the date they must make their investment decision. Accordingly, any request for documents should be made by June 4, 2010 to ensure timely delivery of the documents prior to the expiration of the Exchange Offer.

Table of Contents

**QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER**

These answers to questions that you may have as a holder of our Convertible Notes are highlights of selected information included elsewhere or incorporated by reference in this prospectus. To fully understand the Exchange Offer and the other considerations that may be important to your decision about whether to participate in it, you should carefully read this prospectus in its entirety, including the section entitled "Risk Factors," as well as the information incorporated by reference in this prospectus. See "Incorporation by Reference." For further information about us, see the section of this prospectus entitled "Where You Can Find More Information."

Except as used in "Comparison of Rights of Holders of Convertible Notes and Holders of Our Common Stock" and "Description of Our Capital Stock," as the context otherwise requires, or as otherwise specified or used in this prospectus, the terms "we," "our," "us," and "Alexandria" refer to Alexandria Real Estate Equities, Inc. and its subsidiaries.

**Why are you making the Exchange Offer?**

We are making the Exchange Offer to reduce the amount of our outstanding debt and related ongoing interest expense.

**What securities are being sought in the Exchange Offer?**

We are offering to exchange any and all of our Convertible Notes. As of the date of this prospectus, \$240,000,000 aggregate principal amount of Convertible Notes were outstanding.

**What will I receive in the Exchange Offer if I tender my Convertible Notes and they are accepted?**

For each \$1,000 principal amount of Convertible Notes that you validly tender as part of the Exchange Offer and we accept for exchange, you will receive the following:

24.1546 shares of our common stock;

a cash payment of \$180.00; and

accrued and unpaid interest on the Convertible Notes to, but excluding, the settlement date, payable in cash.

We will not issue fractional shares of our common stock in the Exchange Offer. Instead, we will pay cash for all fractional shares on the applicable settlement date based upon the closing price per share of our common stock on the business day immediately preceding the Expiration Date. See "The Exchange Offer Fractional Shares."

Your right to receive the Convertible Notes Offer Consideration in the Exchange Offer is subject to all of the conditions set forth in this prospectus and the related letter of transmittal.

**How does the Convertible Notes Offer Consideration I will receive if I tender my Convertible Notes compare to the payments I would receive on the Convertible Notes if I do not exchange now?**

If you do not tender Convertible Notes for exchange pursuant to the Exchange Offer, you will continue to receive interest payments at an annual rate of 8.00% in accordance with the terms of the Convertible Notes. Interest payments are made on April 15 and October 15 of each year until April 15, 2029, or until such earlier time as the Convertible Notes are redeemed, repurchased or purchased by us or converted into common stock. You will also continue to have the right to convert your Convertible Notes into common stock in accordance with their terms. If you do not tender your Convertible Notes for exchange in the Exchange Offer, however, you will not be entitled to receive the Convertible Notes Cash Payment to be made in connection with the Exchange Offer.

Table of Contents

**What other rights will I lose if I exchange my Convertible Notes in the Exchange Offer?**

If you validly tender your Convertible Notes and we accept them for exchange, you will lose the rights of a holder of such Convertible Notes. For example, you would lose the right to receive interest and principal payments on the Convertible Notes. In addition, you will not have the right to require us at your option to repurchase all or a portion of your Convertible Notes on April 15, 2014, April 15, 2019 and April 15, 2024. You would also lose your rights as a creditor of Alexandria. A holder of Convertible Notes participating in the Exchange Offer will become subject to all of the risks and uncertainties associated with ownership of our common stock. These risks may be different from and greater than those associated with holding the Convertible Notes.

**May I exchange only a portion of the Convertible Notes that I hold?**

Yes. You do not have to exchange all of your Convertible Notes to participate in the Exchange Offer. However, you may only tender your Convertible Notes for exchange in a principal amount of \$1,000 and integral multiples of \$1,000 in excess thereof.

**If the Exchange Offer is consummated and I do not participate or I do not exchange all of my Convertible Notes, how will my rights and obligations under my remaining outstanding Convertible Notes be affected?**

The terms of your Convertible Notes that remain outstanding after the consummation of the Exchange Offer will not change as a result of the Exchange Offer.

**Will you exchange all validly tendered Convertible Notes?**

Subject to the terms and conditions of the Exchange Offer, we will exchange all validly tendered Convertible Notes.

**How will the Exchange Offer affect the trading market for the Convertible Notes that are not exchanged?**

If a sufficiently large principal amount of Convertible Notes do not remain outstanding after the Exchange Offer, the trading market for the remaining outstanding Convertible Notes may be less liquid and more sporadic, and market prices may fluctuate significantly depending on the volume of trading of Convertible Notes. See "Risk Factors" If the Exchange Offer is consummated, there may be less liquidity in the market for non-tendered Convertible Notes, and the market price for non-tendered Convertible Notes may therefore decline."

**What do you intend to do with the Convertible Notes that are exchanged in the Exchange Offer?**

Convertible Notes accepted for exchange by us in the Exchange Offer will be cancelled.

**Are you making a recommendation regarding whether I should participate in the Exchange Offer?**

None of us, our board of directors, the dealer managers, the information and exchange agent or Wilmington Trust Company, as trustee under the indenture pursuant to which the Convertible Notes were issued, is making any recommendation regarding whether you should tender or refrain from tendering your Convertible Notes for exchange in the Exchange Offer. Accordingly, you must make your own determination as to whether to tender your Convertible Notes for exchange in the Exchange Offer and, if so, the principal amount of Convertible Notes to tender. Before making your decision, we urge you to read this prospectus carefully in its entirety, including the information set forth in the section of this prospectus entitled "Risk Factors," and the other documents incorporated by reference in this prospectus.

Table of Contents

**Will the common stock to be issued in the Exchange Offer be freely tradable?**

Yes. Generally, the common stock you receive in the Exchange Offer will be freely tradable, unless you are considered an "affiliate" of ours, as that term is defined in the Securities Act. Our common stock is listed on The New York Stock Exchange under the symbol "ARE," and we expect that the shares of our common stock to be issued in the Exchange Offer will be approved for listing on The New York Stock Exchange, subject to official notice of issuance. For more information regarding the market for our common stock, see the section of this prospectus entitled "Price Range of Common Stock and Dividends."

**What are the conditions to the Exchange Offer?**

The Exchange Offer is conditioned upon:

the effectiveness of the registration statement of which this prospectus forms a part; and

the other conditions described in "The Exchange Offer Conditions to the Exchange Offer."

The Exchange Offer is not conditioned upon any minimum amount of Convertible Notes being surrendered for exchange. We may waive certain conditions of the Exchange Offer. If any of the conditions are not satisfied or waived for the Exchange Offer, we will not complete the Exchange Offer.

**Will limitations on ownership of Alexandria's common stock apply?**

Yes. Our charter provides for an ownership limit, which prohibits, with certain exceptions, direct or constructive ownership of shares of our stock representing more than 9.8% of the combined total value of our outstanding shares of stock by any person, as defined in our charter. For further information regarding the ownership limitation and the consequences of exceeding it, see "Description of Our Capital Stock Restrictions on Ownership and Transfer." It is a condition to our acceptance of a holder's Convertible Notes for exchange that the amount of common stock such person will receive as a result of the Exchange Offer, when combined with other stock held by such person, does not exceed the ownership limitation. We will not waive the ownership condition in whole or in part in connection with the Exchange Offer.

**How will fluctuations in the trading price of our common stock affect the consideration offered to holders of Convertible Notes?**

If the market price of our common stock declines, the market value of the shares of common stock you would receive in the exchange for your Convertible Notes will also decline. The number of shares of common stock you would receive in the Exchange Offer will not vary based on the trading price of our common stock. The trading price of our common stock could fluctuate depending upon any number of factors, including those specific to us and those that influence the trading prices of equity securities generally. See "Risk Factors Risks Related to the Exchange Offer The price of our common stock recently has been volatile. This volatility may affect the price at which you could sell your common stock, and the sale of substantial amounts of our common stock could adversely affect the price of our common stock."

**How will you fund the cash portion of the Convertible Notes Offer Consideration?**

Assuming the Exchange Offer is fully subscribed, we will need approximately \$43.2 million in cash to fund the cash portion of the Convertible Notes Offer Consideration. We will borrow from our unsecured line of credit to make these payments.



Table of Contents

**When does the Exchange Offer expire?**

The Exchange Offer will expire at 11:59 p.m., New York City time, on June 11, 2010, unless extended or earlier terminated by us.

**Under what circumstances can the Exchange Offer be extended, amended or terminated?**

We reserve the right to extend the Exchange Offer for any reason. We also expressly reserve the right, at any time or from time to time, to amend the terms of the Exchange Offer in any respect prior to the Expiration Date. However, we may be required by law to extend the Exchange Offer if we make a material change in the terms of the Exchange Offer or to the information contained in this prospectus. During any extension of the Exchange Offer, Convertible Notes that were previously tendered for exchange and not validly withdrawn will remain subject to the Exchange Offer. We also reserve the right to terminate the Exchange Offer at any time prior to the Expiration Date if any condition to the Exchange Offer is not met. If the Exchange Offer is terminated, no Convertible Notes will be accepted for exchange, and any Convertible Notes that have been tendered for exchange will be returned to the holder promptly after the termination at our expense. For more information regarding our right to extend, amend or terminate the Exchange Offer, see the section of this prospectus entitled "The Exchange Offer Expiration Date; Extension; Termination; Amendment."

**How will I be notified if the Exchange Offer is extended, amended or terminated?**

We will issue a press release or otherwise publicly announce any extension, amendment or termination of the Exchange Offer. In the case of an extension, we will promptly make a public announcement by issuing a press release no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled Expiration Date. For more information regarding notification of extensions, amendments or the termination of the Exchange Offer, see the section of this prospectus entitled "The Exchange Offer Expiration Date; Extension; Termination; Amendment."

**Are the business, financial condition and results of operations of Alexandria relevant to my decision to tender in the Exchange Offer?**

Yes. The price of each of our common stock and the Convertible Notes is closely linked to our business, financial condition and results of operations. For more information on the accounting treatment of the Exchange Offer, see the section of this prospectus entitled "The Exchange Offer Accounting Treatment."

**What risks should I consider in deciding whether or not to tender my Convertible Notes?**

In deciding whether to participate in the Exchange Offer, you should carefully consider the discussion of risks and uncertainties affecting our business, the Convertible Notes and our common stock that are described in the section of this prospectus entitled "Risk Factors," and the documents incorporated by reference in this prospectus.

**What are the material U.S. federal income tax considerations of my participating in the Exchange Offer?**

Please see the section of this prospectus entitled "Material United States Federal Income Tax Considerations." You should consult your tax advisor for a full understanding of the tax considerations of participating in the Exchange Offer.

Table of Contents

**Are any Convertible Notes held by your directors or executive officers?**

No. To our knowledge, none of our directors or executive officers hold Convertible Notes. See the section of this prospectus entitled "Interests of Directors and Executive Officers."

**Will you receive any cash proceeds from the Exchange Offer?**

No. We will not receive any cash proceeds from the Exchange Offer.

**How do I tender my Convertible Notes for exchange in the Exchange Offer?**

If your Convertible Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to participate in the Exchange Offer, you should contact that registered holder promptly and instruct him, her or it to tender your Convertible Notes on your behalf. If you are a participant of the Depository Trust Company ("DTC"), you may electronically transmit your acceptance through DTC's Automated Tender Offer Program ("ATOP"). See the sections of this prospectus entitled "The Exchange Offer Procedures for Tendering Convertible Notes" and "The Exchange Offer Book-Entry Transfer."

For further information on how to tender Convertible Notes, contact the information and exchange agent at the telephone number set forth on the back cover of this prospectus or consult your broker, dealer, commercial bank, trust company or other nominee for assistance.

**What happens if some or all of my Convertible Notes are not accepted for exchange?**

If we decide not to accept some or all of your Convertible Notes because of an invalid tender, the occurrence of the other events set forth in this prospectus or otherwise, the Convertible Notes not accepted by us will be returned to you, at our expense, promptly after the expiration or termination of the Exchange Offer for those Convertible Notes by book entry transfer to your account at DTC.

**Until when may I withdraw Convertible Notes previously tendered for exchange?**

If not previously returned, you may withdraw Convertible Notes that were previously tendered for exchange at any time until the Expiration Date. In addition, you may withdraw any Convertible Notes that you tender that are not accepted for exchange by us after the expiration of 40 business days from the commencement of the Exchange Offer, if such Convertible Notes have not been previously returned to you. For more information, see the section of this prospectus entitled "The Exchange Offer Withdrawal Rights."

**How do I withdraw Convertible Notes previously tendered for exchange in the Exchange Offer?**

For a withdrawal to be effective, the information and exchange agent must receive a computer generated notice of withdrawal, transmitted by DTC on behalf of the holder in accordance with the standard operating procedure of DTC, or a written notice of withdrawal, sent by facsimile transmission, receipt confirmed by telephone, or letter, before the Expiration Date. For more information regarding the procedures for withdrawing these Convertible Notes, see the section of this prospectus entitled "The Exchange Offer Withdrawal Rights."

**Will I have to pay any fees or commissions if I tender my Convertible Notes for exchange in the Exchange Offer?**

You will not be required to pay any fees or commissions to us, the dealer managers or the information and exchange agent in connection with the Exchange Offer. However, if your Convertible Notes are held through a broker or other nominee who tenders the Convertible Notes on your behalf,

Table of Contents

your broker may charge you a commission for doing so. You should consult with your broker or nominee to determine whether any charges will apply.

**With whom may I talk if I have questions about the Exchange Offer?**

If you have questions about the terms of the Exchange Offer, please contact the joint dealer managers. If you have questions regarding the procedures for tendering Convertible Notes in the Exchange Offer or require assistance in tendering your Convertible Notes, please contact the information and exchange agent. The contact information for the joint dealer managers and the information and exchange agent are set forth on the back cover page of this prospectus. See also "Where You Can Find More Information."

Table of Contents

**SUMMARY**

The following summary contains basic information about us and the Exchange Offer. It may not contain all of the information that is important to you and it is qualified in its entirety by the more detailed information included or incorporated by reference in this prospectus. You should carefully consider the information contained in and incorporated by reference in this prospectus, including the information set forth under the heading "Risk Factors" in this prospectus. In addition, certain statements include forward-looking information that involves risks and uncertainties. See "Cautionary Note for Forward-Looking Statements."

**Alexandria Real Estate Equities, Inc.**

We are a Maryland corporation formed in October 1994 that has elected to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes. We are the largest owner and preeminent REIT focused principally on cluster development through the ownership, operation, management, selective redevelopment, development, and acquisition of properties containing life science laboratory space. We are the leading provider of high-quality, environmentally sustainable real estate, technical infrastructure, and services to the broad and diverse life science industry. Client tenants include institutional (universities and independent not-for-profit institutions), pharmaceutical, biotechnology, medical device, product, service, and translational entities, as well as government agencies. Our operating platform is based on the principle of "clustering," with assets and operations located in key life science markets.

As of March 31, 2010, we had 161 properties approximating 12.7 million rentable square feet consisting of 156 properties approximating 11.8 million rentable square feet (including spaces undergoing active redevelopment) and five properties undergoing ground-up development approximating 865,000 rentable square feet. As of that date, our properties were approximately 94.0% leased, excluding spaces at properties undergoing a permanent change in use to life science laboratory space through redevelopment, including the conversion of single-tenancy space to multi-tenancy space or multi-tenancy space to single-tenancy space. Our primary sources of revenues are rental income and tenant recoveries from leases of our properties. The comparability of financial data from period to period is affected by the timing of our property development, redevelopment, and acquisition activities. The address of the Company's principal executive offices is 385 East Colorado Boulevard, Suite 299, Pasadena, California 91101. The Company's telephone number is (626) 578-0777.

**Purpose of the Exchange Offer**

We are making the Exchange Offer to reduce the amount of our outstanding debt and related ongoing interest expense.

**Sources of Payment of the Convertible Notes Offer Consideration**

Assuming the Exchange Offer is subscribed in full, we will need approximately \$43.2 million in cash to fund the cash portion of the Convertible Notes Offer Consideration. We will borrow from our unsecured line of credit to make these payments. The shares of our common stock to be issued in the Exchange Offer are available from our authorized but unissued shares of common stock.

Table of Contents

**Summary Terms of the Exchange Offer**

The material terms of the Exchange Offer are summarized below. In addition, we urge you to read the detailed descriptions in the sections of this prospectus entitled "The Exchange Offer," "Comparison of Rights of Holders of Convertible Notes and Holders of Our Common Stock" and "Description of Our Capital Stock."

<b>Offeror</b>	Alexandria Real Estate Equities, Inc.
<b>Convertible Notes Subject to the Exchange Offer</b>	We are making the Exchange Offer for our 8.00% Senior Convertible Notes due 2029. We are offering to exchange, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, any and all of our outstanding Convertible Notes for the following consideration per \$1,000 principal amount of Convertible Notes: (i) 24.1546 shares of our common stock; (ii) a cash payment of \$180.00; and (iii) accrued and unpaid interest on the Convertible Notes to, but excluding, the settlement date, payable in cash.
<b>The Exchange Offer</b>	The Convertible Notes are currently convertible into shares of our common stock at a conversion rate of 24.1546 shares of our common stock per \$1,000 principal amount of Convertible Notes, or a conversion price of approximately \$41.40 per share of our common stock. The Exchange Offer allows current holders of Convertible Notes to receive the same number of shares of our common stock as they would receive upon conversion of the Convertible Notes, plus the Convertible Notes Cash Payment and the accrued and unpaid interest.
<b>Fractional Shares</b>	We will not issue fractional shares of our common stock in the Exchange Offer. Instead, we will pay cash for all fractional shares on the applicable settlement date based upon the closing price per share of our common stock on the business day immediately preceding the Expiration Date. See "The Exchange Offer Fractional Shares."
<b>Accrued and Unpaid Interest on Convertible Notes</b>	The Convertible Notes Offer Consideration includes accrued and unpaid interest on the Convertible Notes to, but excluding, the settlement date, payable in cash.
<b>Purpose of the Exchange Offer</b>	The purpose of the Exchange Offer is to reduce the amount of our outstanding debt and related ongoing interest expense.

Table of Contents

**Expiration Date**

The Exchange Offer will expire at 11:59 p.m., New York City time, on June 11, 2010, unless extended or earlier terminated by us (we refer to such date and time for the Exchange Offer, as may be extended, as the "Expiration Date"). We, in our sole discretion, may extend the Expiration Date for the Exchange Offer for any purpose, including in order to permit the satisfaction or waiver of any or all conditions to the Exchange Offer. See "The Exchange Offer Expiration Date; Extension; Termination; Amendment."

**Withdrawal; Non-Acceptance**

You may withdraw Convertible Notes tendered in the Exchange Offer at any time prior to the Expiration Date. In addition, if not previously returned, you may withdraw any Convertible Notes tendered in the Exchange Offer that are not accepted by us for exchange after the expiration of 40 business days after the commencement of the Exchange Offer. To withdraw previously-tendered Convertible Notes, you are required to submit a notice of withdrawal to the information and exchange agent in accordance with the procedures described herein and in the letter of transmittal.

If we decide for any reason not to accept any Convertible Notes tendered for exchange, the Convertible Notes will be returned to the registered holder at our expense promptly after the expiration or termination of the Exchange Offer.

Any withdrawn or unaccepted Convertible Notes will be credited to the tendering holder's account at DTC. For further information regarding the withdrawal of tendered Convertible Notes, see "The Exchange Offer Withdrawal Rights."

**Settlement Date**

We will issue shares of our common stock and make the related cash payments that are part of the Convertible Notes Offer Consideration. in exchange for tendered Convertible Notes that are accepted for exchange promptly after the Expiration Date.

**Holders Eligible to Participate in the Exchange Offer**

All holders of the Convertible Notes are eligible to participate in the Exchange Offer. See "The Exchange Offer Terms of the Exchange Offer."

**Conditions to the Exchange Offer**

The Exchange Offer is conditioned upon:

the effectiveness of the registration statement of which this prospectus forms a part; and  
the other conditions described in "The Exchange Offer Conditions to the Exchange Offer."

The Exchange Offer is not conditioned upon any minimum amount of Convertible Notes being surrendered for exchange.

Table of Contents

**Ownership Limitations**

Our charter prohibits, with certain exceptions, direct or constructive ownership of shares of our stock representing more than 9.8% of the combined total value of our outstanding shares of stock by any person, as defined in our charter. For a more complete description of the ownership limitation and the consequences of exceeding it, see "Description of Our Capital Stock Restrictions on Ownership and Transfer." It is a condition to our acceptance of a holder's Convertible Notes for exchange that the amount of common stock such person will receive as a result of the Exchange Offer, when combined with other stock held by such person, does not exceed the ownership limitation. We will not waive the ownership condition in whole or in part in connection with the Exchange Offer.

**Procedure for Tendering Convertible Notes**

If your Convertible Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to participate in the Exchange Offer, you should contact that registered holder promptly and instruct him, her or it to tender your Convertible Notes on your behalf. If you are a DTC participant, you may electronically transmit your acceptance through DTC's ATOP. See "The Exchange Offer Procedures for Tendering Convertible Notes" and "The Exchange Offer Book-Entry Transfer."

For further information on how to tender Convertible Notes, contact the information and exchange agent at the telephone number set forth on the back cover of this prospectus or consult your broker, dealer, commercial bank, trust company or other nominee for assistance.

**Amendment and Termination**

We have the right to terminate or withdraw, in our sole discretion, the Exchange Offer at any time and for any reason if the conditions to the Exchange Offer are not met by the Expiration Date. We reserve the right, subject to applicable law, (i) to waive any and all of the conditions of the Exchange Offer on or prior to the Expiration Date and (ii) to amend the terms of the Exchange Offer. In the event that the Exchange Offer is terminated, withdrawn or otherwise not consummated on or prior to the Expiration Date, no consideration will be paid or become payable to holders who have properly tendered their Convertible Notes pursuant to the Exchange Offer. In any such event, the Convertible Notes previously tendered pursuant to the Exchange Offer will be promptly returned to the tendering holders. See "The Exchange Offer Expiration Date; Extension; Termination; Amendment."

Table of Contents

<b>Consequences of Failure to Exchange Convertible Notes</b>	Convertible Notes not exchanged in the Exchange Offer will remain outstanding after consummation of the Exchange Offer and will continue to accrue interest in accordance with their terms. If a sufficiently large aggregate principal amount of Convertible Notes does not remain outstanding after the Exchange Offer, the trading market for the remaining Convertible Notes may be less liquid. See "The Exchange Offer Consequences of Failure to Exchange Convertible Notes in the Exchange Offer."
<b>Material United States Federal Income Tax Considerations</b>	The exchange of Convertible Notes for the Convertible Notes Offer Consideration should be treated as a recapitalization for U.S. federal income tax purposes. Accordingly, holders of Convertible Notes should not recognize loss but may recognize gain on the exchange for U.S. federal income tax purposes. For further discussion see "Material United States Federal Income Tax Considerations Taxation of the Exchange of Convertible Notes."
<b>Brokerage Commissions</b>	No brokerage commissions are payable by the holders of the Convertible Notes to the dealer managers, the information and exchange agent or us. If your Convertible Notes are held through a broker or other nominee who tenders the Convertible Notes on your behalf, your broker or nominee may charge you a commission for doing so. You should consult with your broker or nominee to determine whether any charges will apply.
<b>Use of Proceeds</b>	We will not receive any cash proceeds from the Exchange Offer.
<b>No Appraisal Rights</b>	Holders of Convertible Notes have no appraisal rights in connection with the Exchange Offer.
<b>Risk Factors</b>	Your decision whether to participate in the Exchange Offer and to exchange your Convertible Notes for the Convertible Notes Offer Consideration will involve risk. You should be aware of and carefully consider the risk factors set forth in "Risk Factors," along with all of the other information provided or referred to in this prospectus and the documents incorporated by reference herein, before deciding whether to participate in the Exchange Offer.
<b>Market Trading</b>	The Convertible Notes are not listed for trading on any national securities exchange. We urge you to consult with your bank, broker or financial advisor in order to obtain information regarding the market prices for the Convertible Notes before deciding whether to participate in the Exchange Offer.



Table of Contents

**Dealer Managers**

Our common stock is traded on The New York Stock Exchange under the symbol "ARE." The last reported sale price of our common stock on June 4, 2010 was \$62.36 per share. We expect that the common stock to be issued in the Exchange Offer will be approved for listing on The New York Stock Exchange, subject to official notice of issuance.

The joint dealer managers are Banc of America Securities LLC, Citigroup Global Markets Inc. and J.P. Morgan Securities Inc.

**Information and Exchange Agent**

D.F. King & Co., Inc. is serving as information and exchange agent in connection with the Exchange Offer.

**Further Information**

If you have questions about the terms of the Exchange Offer, please contact the joint dealer managers. If you have questions regarding the procedures for tendering Convertible Notes in the Exchange Offer or require assistance in tendering your Convertible Notes, please contact the information and exchange agent. The contact information for the joint dealer managers and the information and exchange agent are set forth on the back cover page of this prospectus. See also "Where You Can Find More Information."

Table of Contents

**RISK FACTORS**

*Any investment in our common stock involves a high degree of risk. You should carefully consider the following factors relating to our common stock and the Exchange Offer in addition to the other information contained and incorporated by reference into this prospectus before making a decision on whether or not to participate in the Exchange Offer. In addition, you should carefully consider, among other things, the matters discussed under "Risk Factors" in our Annual Report on Form 10-K for our fiscal year ended December 31, 2009 and in other documents that we may file with the SEC prior to completion of this Exchange Offer, all of which are incorporated by reference into this prospectus. If any of these risks actually occur, our business, financial condition and results of operations could suffer which in turn could affect the trading price of our common stock.*

**Risks Related to the Exchange Offer**

*The price of our common stock recently has been volatile. This volatility may affect the price at which you could sell your common stock, and the sale of substantial amounts of our common stock could adversely affect the price of our common stock.*

The market price for our common stock has varied between a high of \$75.18 (in April 2010) and a low of \$30.33 (in July 2009) during the period from January 1, 2009 through June 4, 2010. This volatility may affect the price at which you could sell the common stock you receive in the Exchange Offer, and the sale of substantial amounts of our common stock could adversely affect the price of our common stock. Our stock price may continue to be volatile and subject to significant price and volume fluctuations in response to market and other factors, variations in our quarterly operating results from expectations of securities analysts or investors; downward revisions in securities analysts' estimates; and announcement by us or our competitors of significant acquisitions, joint ventures or capital commitments or other material developments.

*The sale of substantial amounts of common stock, including the sale of common stock issued in the Exchange Offer, could cause the market price of our common stock to decline.*

We may issue up to 5,797,104 shares of common stock in the Exchange Offer, which is approximately 13% of the 44,310,946 shares of common stock outstanding as of June 4, 2010. The sale of substantial amounts of our common stock, or the perception that such sales could occur, could cause the market price of our common stock to decline. Further, the increase in the number of shares of our outstanding common stock resulting from the Exchange Offer could reduce the amount of our earnings per share which may also negatively affect the market price of our common stock.

*Upon consummation of the Exchange Offer, holders who tender their Convertible Notes in exchange for the Convertible Notes Offer Consideration will lose their rights under the Convertible Notes exchanged in the Exchange Offer, including their rights to future interest or cash distributions and principal payment, their repurchase and conversion rights and their rights as creditors of Alexandria.*

If you tender your Convertible Notes in exchange for the Convertible Notes Offer Consideration pursuant to the Exchange Offer, you will be giving up all of your rights as a holder of those Convertible Notes, including your right to future interest and principal payments and your repurchase and conversion rights. See "Comparison of Rights of Holders of Convertible Notes and Holders of Our Common Stock." You will also cease to be a creditor of Alexandria. Any shares of common stock that are issued upon exchange of the Convertible Notes tendered in the Exchange Offer will be, by definition, junior to claims of Alexandria's creditors and its preferred stockholders. A holder of Convertible Notes participating in the Exchange Offer will become subject to all of the risks and uncertainties associated with ownership of our common stock. These risks may be different from and greater than those associated with holding the Convertible Notes.

Table of Contents

***Future issuances of our common stock in the public market could lower the market price for our common stock.***

In the future, we may issue additional common stock or securities convertible into common stock to raise capital, finance acquisitions or retire debt, including Convertible Notes not exchanged in the Exchange Offer. In addition, a significant number of shares of our common stock are reserved for issuance upon the exercise of stock options and upon conversion of other outstanding securities. We cannot predict the effect, if any, that future issuances may have on the market price for our common stock. Any such issuances could reduce our earnings per share. The issuance and sale of substantial amounts of common stock or securities convertible into common stock, or the perception that such issuances and sales may occur, could adversely affect the market price of our common stock and impair our ability to raise capital.

***Certain provisions of our charter and bylaws may delay or prevent transactions that may be deemed to be desirable to our stockholders.***

As authorized by Maryland law, our charter allows our board of directors to cause us to issue additional authorized but unissued shares of our common stock or preferred stock and to classify or reclassify unissued shares of common or preferred stock without any stockholder approval. Our board of directors could establish a series of preferred stock that could delay, defer or prevent a transaction that might involve a premium price for our common stock or for other reasons be desired by our common stockholders or that have a dividend preference which may adversely affect our ability to pay dividends on our common stock.

Our charter permits the removal of a director only upon the affirmative vote of holders of at least a majority of the votes entitled to be cast generally in the election of directors, and our bylaws require advance notice of a stockholder's intention to nominate directors or to present other business for consideration by stockholders at an annual meeting of our stockholders. Our charter and bylaws also contain other provisions that may delay, defer or prevent a transaction or change in control that involves a premium price for our common stock or that for other reasons may be desired by our stockholders.

***The number of shares of common stock issuable as part of the Convertible Notes Offer Consideration is fixed and will not be adjusted. The market price of our common stock may fluctuate, and you cannot be sure of the market value of the common stock issued in the Exchange Offer.***

Upon completion of the Exchange Offer, each holder that validly tenders Convertible Notes will receive, for each \$1,000 principal amount of Convertible Notes, 24.1546 shares of common stock, a cash payment of \$180.00 and accrued and unpaid interest on the Convertible Notes to, but excluding, the settlement date for the Exchange Offer, payable in cash. The number of shares of common stock issuable in the Exchange Offer will not be adjusted due to any increases or decreases in the market price of our common stock or the Convertible Notes. The value of the common stock received in the Exchange Offer will depend upon the market price of our common stock on the settlement date. The trading price of the common stock will likely be different on the settlement date from the trading price as of the date the Exchange Offer commences or as of the date you tender your Convertible Notes for exchange because of ordinary trading fluctuations as well as changes in our business, operations or prospects, market reactions to the Exchange Offer, general market and economic conditions and other factors, many of which are not be within our control. Accordingly, holders of the Convertible Notes will not know the exact market value of the common stock that will be issued in connection with the Exchange Offer.

We may extend the Exchange Offer, during which time the market value of our common stock will fluctuate. Promptly following our acceptance of the Convertible Notes tendered in the Exchange Offer,

Table of Contents

we will issue the common stock as part of the Convertible Notes Offer Consideration, during which time the market value of our common stock will also fluctuate.

***Our board of directors has not made a recommendation as to whether you should tender your Convertible Notes in exchange for the Convertible Notes Offer Consideration in the Exchange Offer, and we have not obtained a third-party determination that the Exchange Offer is fair to holders of the Convertible Notes.***

Our board of directors has not made, and will not make, any recommendation as to whether holders of the Convertible Notes should tender their Convertible Notes in exchange for the Convertible Notes Offer Consideration pursuant to the Exchange Offer. We have not retained and do not intend to retain any unaffiliated representative to act solely on behalf of the holders of the Convertible Notes for purposes of negotiating the terms of the Exchange Offer, or preparing a report or making any recommendation concerning the fairness of the Exchange Offer.

***Failure to complete the Exchange Offer successfully could negatively affect the market prices of our common stock and Convertible Notes.***

Several conditions must be satisfied or waived in order to complete the Exchange Offer, including, among others, that there has not been any development that in our reasonable judgment may materially impair the contemplated benefits to us of the Exchange Offer or that is, or is reasonably likely to be, materially adverse to our businesses, operations, properties, condition, assets, liabilities or prospects. See "The Exchange Offer Conditions to the Exchange Offer." The foregoing conditions may not be satisfied, and if not satisfied or waived, the Exchange Offer may not occur or may be delayed.

If the Exchange Offer is not completed or is delayed, we may be subject to the risk that the market prices of our common stock and Convertible Notes may decline to the extent that the current market prices of our common stock and Convertible Notes reflect a market assumption or expectation that the Exchange Offer has been or will be completed.

***If the Exchange Offer is consummated, there may be less liquidity in the market for non-tendered Convertible Notes, and the market price for non-tendered Convertible Notes may therefore decline.***

If the Exchange Offer is consummated, the number of outstanding Convertible Notes will be reduced, which may adversely affect the liquidity of non-tendered Convertible Notes. An issue of securities with a small float generally commands a lower price than does a comparable issue of securities with a greater float. Therefore, the market price for Convertible Notes that are not validly tendered in the Exchange Offer may be adversely affected. The reduced float also may tend to make the trading prices of the Convertible Notes that are not exchanged more volatile.

#### USE OF PROCEEDS

We will not receive any cash proceeds from the Exchange Offer.

Table of Contents

**CONSOLIDATED RATIO OF EARNINGS TO COMBINED FIXED  
CHARGES AND PREFERRED STOCK DIVIDENDS**

	Three Months Ended March 31, 2010	Year Ended December 31,(a)				
		2009	2008	2007	2006	2005
(in thousands, except ratios)						
Income from continuing operations before noncontrolling interests	\$ 28,058	\$ 136,065	\$ 101,427	\$ 76,476	\$ 65,844	\$ 51,910
Add: Interest expense	17,562	82,249	85,366	93,539	69,087	46,792
Subtract: Noncontrolling interests in income of subsidiaries which have not incurred fixed charges	(302)	(1,217)	(1,304)	(1,407)	(1,404)	(571)
Earnings available for fixed charges	\$ 45,318	\$ 217,097	\$ 185,489	\$ 168,608	\$ 133,527	\$ 98,131
Combined fixed charges and preferred stock dividends:						
Interest incurred	\$ 36,076	\$ 148,345	\$ 151,587	\$ 142,641	\$ 105,359	\$ 75,371
Preferred stock dividends	7,089	28,357	24,225	12,020	16,090	16,090
Preferred stock redemption charge				2,799		
Total combined fixed charges and preferred stock dividends	\$ 43,165	\$ 176,702	\$ 175,812	\$ 157,460	\$ 121,449	\$ 91,461
Ratio of earnings to combined fixed charges and preferred stock dividends(b)	1.05	1.23	1.06(c)	1.07(d)	1.10	1.07

(a) Amounts disclosed for prior periods have been reclassified to conform to the current year presentation related to discontinued operations.

(b) For purposes of calculating the consolidated ratio of earnings to combined fixed charges and preferred stock dividends, earnings consist of earnings from continuing operations before income taxes and fixed charges less noncontrolling interests' in income of subsidiaries which have not incurred fixed charges. Fixed charges consist of interest incurred (including amortization of deferred financing costs and capitalized interest) and preferred stock dividends.

(c) Ratio of earnings to combined fixed charges and preferred stock dividends for the year ended December 31, 2008 includes the effect of non-cash impairment charges aggregating \$13,251,000 for other-than-temporary declines in the fair value of certain investments. Excluding the impact of the non-cash impairment charges, the ratio of earnings to combined fixed charges and preferred stock dividends for the year ended December 31, 2008 was 1.13.

(d) Ratio of earnings to combined fixed charges and preferred stock dividends for the year ended December 31, 2007 includes the effect of the preferred stock redemption charge. Excluding the impact of this charge, the ratio of earnings to combined fixed charges and preferred stock dividends for the year ended December 31, 2007 was 1.09.

Table of Contents**CAPITALIZATION**

The following table sets forth our capitalization as of March 31, 2010 on an actual basis and as adjusted to give effect to the consummation of the Exchange Offer assuming all outstanding Convertible Notes we are offering to exchange in the Exchange Offer are exchanged for the Convertible Notes Offer Consideration, and reflecting the estimated expenses of the Exchange Offer.

This table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes to those consolidated financial statements, which are incorporated by reference in this prospectus.

(Dollars in thousands, except per share amounts)	As of March 31, 2010	
	Actual	As Adjusted
<b>Debt:</b>		
Secured notes payable(1)	\$ 884,839	\$ 884,839
Unsecured line of credit and unsecured term loan	1,291,000	1,334,200
Unsecured convertible notes(2)	586,975	369,961
<b>Alexandria Real Estate Equities, Inc. stockholders' equity:</b>		
Preferred stock, \$0.01 par value per share; 100,000,000 shares authorized;		
5,185,500 shares of 8.375% Series C Cumulative Redeemable Preferred Stock issued and outstanding on a historical and pro forma basis; \$25.00 liquidation value	129,638	129,638
10,000,000 shares of 7.00% Series D Cumulative Convertible Preferred Stock issued and outstanding on a historical and pro forma basis; \$25.00 liquidation value	250,000	250,000
Common stock, \$0.01 par value per share; 100,000,000 shares authorized; 43,919,968 and 49,717,072 shares issued and outstanding on a historical and pro forma basis(3)	439	497
Excess stock, \$0.01 par value per share; 200,000,000 shares authorized; 0 shares issued and outstanding on a historical and pro forma basis		
Additional paid-in capital	1,987,512	2,153,608
Accumulated other comprehensive loss(4)	(26,990)	(26,990)
<b>Total capitalization</b>	<b>\$ 5,103,413</b>	<b>\$ 5,095,753</b>

(1) Includes unamortized discount of \$2.2 million as of March 31, 2010.

(2) Includes unamortized discount of \$37.7 million and \$14.7 million as of March 31, 2010 on a historical and as adjusted basis, respectively.

(3) The information presented does not include 576,426 shares of our common stock that we have reserved for issuance under our Amended and Restated 1997 Stock Award and Incentive Plan and 107,450 options to purchase shares of our common stock, all of which were exercisable and outstanding as of March 31, 2010.

(4) Accumulated other comprehensive loss consists of \$7,617,000 of unrealized gains on marketable securities, \$49,016,000 of unrealized losses on interest rate hedge agreements and \$14,409,000 of unrealized gains on foreign currency translation.

Table of Contents**SELECTED FINANCIAL DATA**

The following table sets forth selected consolidated financial data for each of the fiscal years ended December 31, 2005 through 2009 and for the three months ended March 31, 2009 and 2010. The financial data below is only a summary. It should be read in conjunction with our historical consolidated financial statements, including the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the annual, quarterly and current reports filed by us with the SEC. See "Where You Can Find More Information." The historical financial information presented may not be indicative of our future performance. Certain amounts for the periods prior to 2010 presented below have been reclassified to conform to the presentation of our consolidated financial statements for the three months ended March 31, 2010.

	Year Ended December 31,					Three Months Ended March 31,	
	2009(1)	2008(2)	2007(3)	2006	2005	2010	2009(4)
(Dollars in thousands, except per share amounts)							
<b>Operating Data:</b>							
Total revenue	\$ 483,549	\$ 455,735	\$ 392,268	\$ 297,376	\$ 218,130	\$ 116,487	\$ 131,559
Total expenses	358,738	354,308	315,792	231,532	166,220	88,429	93,293
Gain on early extinguishment of debt	11,254						
Income from continuing operations	136,065	101,427	76,476	65,844	51,910	28,058	38,266
Income from discontinued operations, net	5,583	18,670	13,504	9,859	12,157	727	2,983
Net income	141,648	120,097	89,980	75,703	64,067	28,785	41,249
Net income attributable to noncontrolling interests	7,047	3,799	3,669	2,287	634	935	875
Dividends on preferred stock	28,357	24,225	12,020	16,090	16,090	7,089	7,089
Preferred stock redemption charge			2,799				
Net income attributable to unvested restricted stock awards	1,270	1,327	1,075	873	540	219	517
Net income attributable to Alexandria Real Estate Equities, Inc.'s common stockholders	\$ 104,974	\$ 90,746	\$ 70,417	\$ 56,453	\$ 46,803	\$ 20,542	\$ 32,768
<b>Earnings per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders basic</b>							
Continuing operations	\$ 2.58	\$ 2.29	\$ 1.92	\$ 1.86	\$ 1.66	\$ 0.45	\$ 0.92
Discontinued operations, net	0.14	0.58	0.45	0.39	0.57	0.02	0.09
Earnings per share basic	\$ 2.72	\$ 2.877	\$ 2.37	\$ 2.25	\$ 2.23	\$ 0.47	\$ 1.01

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Earnings per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders														
	diluted													
Continuing operations	\$	2.58	\$	2.288	\$	1.91	\$	1.85	\$	1.63	\$	0.45	\$	0.92
Discontinued operations, net		0.14		0.58		0.45		0.38		0.57		0.02		0.09
Earnings per share diluted														
	\$	2.72	\$	2.86	\$	2.36	\$	2.23	\$	2.20	\$	0.47	\$	1.01
Weighted average shares of common stock outstanding														
Basic		38,586,909		31,653,829		29,668,231		25,102,200		20,948,915		43,821,765		32,478,671
Diluted		38,600,069		31,765,055		29,832,013		25,342,048		21,239,080		43,857,513		32,498,107
Cash dividends declared per share of common stock														
	\$	1.85	\$	3.18	\$	3.04	\$	2.86	\$	2.72	\$	0.35	\$	0.80

- 
- (1) For the year ended December 31, 2009, we recognized approximately \$18.5 million of additional rental income related to the modification of a lease in South San Francisco and we recognized a gain on early extinguishment of debt of approximately \$11.3 million related to the repurchase, in privately negotiated transactions, of approximately \$75 million (par value) of certain of our 3.70% unsecured convertible notes.
- (2) For the year ended December 31, 2008, we recognized additional rental income aggregating \$11.3 million related to a modification of a lease and a write-off of deferred rent and non-cash impairment charges aggregating \$17.9 million. The non-cash impairment charges consisted of \$4.6 million related to two properties and \$13.3 million for other-than-temporary declines in the fair market value of certain investments.



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## Table of Contents

- (3) For the year ended December 31, 2007, we recorded a charge of approximately \$2.8 million for costs related to the redemption of our series B cumulative redeemable preferred stock.
- (4) For the three months ended March 31, 2009, we recognized approximately \$18.5 million of additional rental income related to the modification of a lease in South San Francisco.

	Year Ended December 31,					Three Months Ended March 31,	
	2009(1)	2008(2)	2007(3)	2006	2005	2010	2009(4)
	(Dollars in thousands, except per share amounts)						
<b>Balance Sheet Data (at year end):</b>							
Rental properties, net	\$ 3,383,308	\$ 3,215,723	\$ 3,057,294	\$ 2,663,088	\$ 1,662,905	\$ 3,399,306	\$ 3,230,710
Land held for future development	\$ 255,025	\$ 109,478	\$ 89,621	\$ 63,163	\$ 12,615	\$ 294,631	\$ 109,561
Construction in progress	\$ 1,400,795	\$ 1,398,895	\$ 1,143,314	\$ 596,331	\$ 442,636	\$ 1,326,865	\$ 1,452,434
Investment in unconsolidated real estate entity	\$	\$	\$	\$	\$	\$ 34,421	\$
Total assets	\$ 5,457,227	\$ 5,132,077	\$ 4,641,245	\$ 3,617,477	\$ 2,362,450	\$ 5,468,534	\$ 5,242,175
Total debt	\$ 2,746,946	\$ 2,938,108	\$ 2,750,648	\$ 2,024,866	\$ 1,406,666	\$ 2,762,814	\$ 2,830,262
Total liabilities	\$ 3,051,148	\$ 3,357,014	\$ 3,025,502	\$ 2,208,348	\$ 1,512,535	\$ 3,069,353	\$ 3,199,678
Redeemable noncontrolling interests	\$ 41,441	\$ 33,963	\$ 35,342	\$ 20,132	\$ 20,115	\$ 17,490	\$ 32,887
Alexandria Real Estate Equities, Inc.'s stockholders' equity	\$ 2,323,408	\$ 1,700,010	\$ 1,540,219	\$ 1,351,652	\$ 829,800	\$ 2,340,599	\$ 1,968,706
Noncontrolling interests	\$ 41,230	\$ 41,090	\$ 40,182	\$ 37,345	\$	\$ 41,092	\$ 40,904
Total equity	\$ 2,364,638	\$ 1,741,100	\$ 1,580,401	\$ 1,388,997	\$ 829,800	\$ 2,381,691	\$ 2,009,610
<b>Reconciliation of net income attributable to Alexandria Real Estate Equities, Inc.'s common stockholders to funds from operations</b>							

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attributable to Alexandria Real Estate Equities, Inc.'s common stockholders							
Net income attributable to Alexandria Real Estate Equities, Inc.'s common stockholders	\$ 104,974	\$ 90,746	\$ 70,417	\$ 56,453	\$ 46,803	\$ 20,542	\$ 32,768
Add:							
Depreciation and amortization(5)	118,508	108,743	97,335	74,039	55,416	29,738	31,446
Net income attributable to noncontrolling interests	7,047	3,799	3,669	2,287	634	935	875
Net income attributable to unvested restricted stock awards	1,270	1,327	1,075	873	540	219	517
Subtract:							