

## CONSOLIDATED STATEMENTS OF INCOME

Alexandria Real Estate Equities, Inc. and Subsidiaries

Year Ended December 31, (Dollars in thousands, except per share amounts)			
	2004	2003	2002
<b>REVENUES</b>			
Rental	\$ 143,879	\$ 126,414	\$ 111,694
Tenant recoveries	35,864	32,076	29,020
Other income	3,541	2,068	1,557
	<b>183,284</b>	<b>160,558</b>	<b>142,271</b>
<b>EXPENSES</b>			
Rental operations	38,417	32,794	29,135
General and administrative	15,105	14,211	13,436
Interest	28,670	26,416	24,984
Depreciation and amortization	42,523	38,633	32,898
Impairment of investments	-	-	2,545
Loss on early extinguishment of debt	-	-	1,002
	<b>124,715</b>	<b>112,054</b>	<b>104,000</b>
Income from continuing operations	58,569	48,504	38,271
Income from discontinued operations, net	1,626	11,139	1,761
Net income	\$ 60,195	\$ 59,643	\$ 40,032
Dividends on preferred stock	12,595	8,898	8,579
Preferred stock redemption charge	1,876	-	-
Net income available to common stockholders	\$ 45,724	\$ 50,745	\$ 31,453
Basic income per common share:			
Income from continuing operations (net of preferred stock dividends and preferred stock redemption charge)	\$ 2.28	\$ 2.09	\$ 1.69
Income from discontinued operations, net	\$ 0.08	\$ 0.59	\$ 0.10
Net income available to common stockholders	\$ 2.37	\$ 2.67	\$ 1.79
Diluted income per common share:			
Income from continuing operations (net of preferred stock dividends and preferred stock redemption charge)	\$ 2.24	\$ 2.06	\$ 1.66
Income from discontinued operations, net	\$ 0.08	\$ 0.58	\$ 0.10
Net income available to common stockholders	\$ 2.33	\$ 2.64	\$ 1.76
Weighted average shares of common stock outstanding:			
Basic	19,315,364	18,993,856	17,594,228
Diluted	19,658,759	19,247,790	17,859,787

See accompanying notes.