Alexandria Real Estate Equities, Inc. Reports First Quarter Ended March 31, 2017, Financial and Operating Results Strong Internal and External Growth

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PASADENA, Calif., May 1, 2017 /PRNewswire/ -- Alexandria Real Estate Equities, Inc. (NYSE: ARE) announced financial and operating results for the first quarter ended March 31, 2017.

Key highlights

Addition to S&P 500 Index

We achieved another significant milestone with the announcement that the S&P Dow Jones Indices added Alexandria to the S&P 500® Index. This significant and important recognition reflects our best-in-class team's ability to successfully execute our differentiated business strategy, which drives our successful operating and financial performance.

Credit rating upgrade

S&P Global Ratings upgraded our corporate credit rating to BBB/Stable from BBB-/Positive.

Strong internal growth

- Total revenues of $270.9 million, up 25.4%, for 1Q17, compared to $216.1 million for 1Q16;
- Substantial leasing activity and strong rental rate growth, in light of minimal contractual lease expirations at the beginning of 2017 and a highly leased value-creation pipeline:

	1Q17
Total leasing activity – RSF	1,320,781
Lease renewals and re-leasing of space:	
Rental rate increases	27.8%
Rental rate increases (cash basis)	17.7%
RSF (included in total leasing activity above)	878,863

- Executed key leases at average rental rate increases of 25.9% and 17.4% (cash basis) during 1Q17, included in the statistics above:
    - 302,626 RSF, leased to Novartis AG at 100 and 200 Technology Square in our Cambridge submarket;
    - 155,685 RSF, leased to Genentech, Inc., a subsidiary of Roche, at 500 Forbes Boulevard in our South San Francisco submarket; and
    - 43,625 RSF, leased to Vir Biotechnology, Inc. at 499 Illinois Street in our Mission Bay/SoMa submarket.
- Same property net operating income growth:
    - 2.6% and 5.5% (cash basis) for 1Q17, compared to 1Q16.

Strong external growth; disciplined allocation of capital to visible, multiyear, highly leased value-creation pipeline

- Current and recent deliveries of Class A properties in our urban innovation clusters from our value-creation pipeline is expected to significantly increase net operating income:

Delivery Date	RSF	Percentage Leased	Incremental Annual Net Operating Income
2016	1,893,928	94%	$92 million (1)
1Q17	272,612	100%	$16 million
2Q17–4Q17	1,132,505	78%	$79 million to $89 million

(1) Delivery of 2016 projects were primarily weighted toward 4Q16.

- 1Q17 key development project placed into service: 241,276 RSF, leased to Juno Therapeutics, Inc. at 400 Dexter Avenue North in our Lake Union submarket; and
- Incremental contractual cash rents of $10 million per quarter, or $40 million annually, commenced in April 2017 primarily from our recently developed buildings at 75/125 Binney Street and 50 and 60 Binney Street in our Cambridge submarket.

Increased common stock dividend

Common stock dividend for 1Q17 of $0.83 per common share, up 3 cents, or 4%, over 1Q16; continuation of our strategy to share growth in cash flows from operating activities with our stockholders while also retaining a significant portion for reinvestment.

Operating results

	1Q17		1Q16		Change
Net income (loss) attributable to Alexandria's common stockholders – diluted:					
In millions	$	25.7	$	(3.8)	N/A
Per share	$	0.29	$	(0.05)	N/A
Funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted:					
In millions	$	130.6	$	97.1	34.5 %
Per share	$	1.48	$	1.34	10.4 %

Items included in net income (loss) attributable to Alexandria's common stockholders

(amounts are shown after deducting any amounts attributable to noncontrolling interests):

	Amount		Per Share – Diluted	
(In millions, except per share amounts)	1Q17	1Q16	1Q17	1Q16

Impairment of real estate – Asia	$ —	$ (29.0)	$ —	$ (0.40)
Loss on early extinguishment of debt	(0.7)	—	(0.01)	—
Preferred stock redemption charge	(11.3)	(3.0)	(0.12)	(0.04)
Total	$ (12.0)	$ (32.0)	$ (0.13)	$ (0.44)
Weighted-average shares of common stock outstanding – diluted			88.2	72.6

Core operating metrics and internal growth

- Percentage of annual rental revenue in effect from investment-grade tenants as of 1Q17: 51%;
- Percentage of annual rental revenue in effect from Class A properties in AAA locations as of 1Q17: 79%;
- Occupancy for operating properties in North America as of 1Q17: 95.5%; a decline of 1.1% from 4Q16 primarily relating to 125,409 RSF vacated in 1Q17 by Eli Lilly and Company at 10300 Campus Point Drive located in our University Town Center submarket as they relocated and expanded into 305,006 RSF at 10290 Campus Point Drive in December 2016;
- Operating margin for 1Q17: 72%;
- Adjusted EBITDA margin for 1Q17: 67%;
- See "Strong internal growth" in the Key highlights section on page 1 of this Earnings Press Release for information on our leasing activity, rental rate growth, and same property net operating income growth.

External growth

Disciplined allocation of capital to visible, multiyear, highly leased value-creation pipeline

- See page 1 of this Earnings Press Release for key highlights

Disciplined management of development pipeline

- Solid pre-leasing of 5.2 million RSF of ground-up developments that commenced since January 1, 2009:
  - 100% pre-leasing on 2.7 million RSF for 16 single-tenant buildings; and
  - 38% pre-leasing on 2.5 million RSF for nine multi-tenant buildings.

Strategic acquisitions

- We completed or entered into several agreements to acquire real estate consisting primarily of land parcels and a redevelopment property aggregating 3.2 million SF across our AAA urban innovation cluster locations for an aggregate purchase price of $412.2 million; and
- See page 4 of this Earnings Press Release for additional information on our completed and pending strategic acquisitions.

Balance sheet management

- In February 2017, S&P Global Ratings upgraded our corporate credit rating to BBB/Stable from BBB-/Positive;
- $14.5 billion total market capitalization as of 1Q17;
- $2.2 billion of liquidity as of 1Q17;
- Net debt to Adjusted EBITDA:
  - 1Q17 annualized: 5.9x; 1Q17 trailing 12 months: 6.6x; and
  - 4Q17 annualized target range: 5.3x to 5.8x;
- Fixed-charge coverage ratio:
  - 1Q17 annualized: 4.1x; 1Q17 trailing 12 months: 3.8x; and
  - 4Q17 annualized target: greater than 4.0x;
- Current and future value-creation pipeline was 11% of gross investments in real estate in North America as of 1Q17, with a 4Q17 target of less than 10%; and
- 5% unhedged variable-rate debt as a percentage of total debt as of 1Q17.

Key capital events

- In March 2017, we completed the offering of $425.0 million of unsecured senior notes, due in 2028, at an interest rate of 3.95% for net proceeds of $420.5 million;
- In March 2017, we entered into an offering to sell an aggregate 6.9 million shares of our common stock, at a public offering price of $108.55 per share. Approximately 60% of the proceeds will fund value-creation acquisitions and construction and 40% will fund balance sheet improvements, including reduction in our projected net debt to Adjusted EBITDA – 4Q17 annualized by 0.2x, and redemption of our Series E Redeemable Preferred Stock. Aggregate net proceeds from the sale, after underwriters' discount and issuance costs, of $713.3 million consisted of the following:
  - 2.1 million shares issued at closing with net proceeds of $217.8 million; and
  - 4.8 million shares subject to forward equity sales agreements expiring no later than March 2018 with net proceeds of $495.5 million, which will be further adjusted as provided in the sales agreements.
- In March 2017, we announced the redemption of all 5.2 million outstanding shares of our Series E Redeemable Preferred Stock at a redemption price of $25.00 per share plus accrued dividends. As a result of this announcement, we reclassified the $130.0 million par value outstanding to a preferred stock redemption liability and recognized a preferred stock redemption charge of $5.5 million related to the write-off of original issuance costs. We completed the redemption on April 14, 2017;
- Repurchased, in privately negotiated transactions, 501,115 shares of our 7.00% Series D cumulative convertible preferred stock for $17.9 million, or $35.79 per share, and recognized a preferred stock redemption charge of $5.8 million in 1Q17; and
- In March 2017, we repaid $200 million of our 2019 Unsecured Senior Bank Term Loan, reducing the total outstanding balance from $400 million to $200 million, and recognized a loss of $670 thousand related to the write-off of unamortized loan fees.

Corporate social responsibility/thought leadership

- 50% of total annual rental revenue expected from Leadership in Energy and Environmental Design ("LEED") certified projects upon completion of in-process projects;
- In January 2017, 75/125 Binney Street at Alexandria Center® at Kendall Square achieved LEED GOLD certification from the U.S. Green Building Council;
- In March 2017, Alexandria and Joel S. Marcus were honored to chair the U.S. Navy SEAL Foundation's Ninth Annual Benefit Dinner in New York City. The event raised a record-breaking $12.8 million to support the Navy SEAL Foundation's mission-critical work providing vital services for U.S. Navy SEAL families and included support from 100% of Alexandria's employees;
- In February 2017, Alexandria convened the Alexandria Summit® – Innovate Ag 2017 in New York City.

Subsequent events in April 2017

- Executed three interest rate swap agreements:
  - $150 million notional amount at a fixed pay rate of 1.60% effective March 29, 2018; and
  - $100 million notional amount at a fixed pay rate of 1.89% effective March 29, 2019.

Incremental Annual Net Operating Income from Development and Redevelopment of New Class A Properties
March 31, 2017

Delivery Date	RSF [(1)]	Percentage Leased [(1)]	Initial Stabilized Cash Yield	Incremental Annual Net Operating Income [(1)]
2016	1.9M	94%	7.4%	$92M [(2)]
1Q17	0.3M	100%	6.8%	$16M
2Q17–4Q17	1.1M	78%	6.9%	$79M to $89M

(1) Represents incremental annual net operating income upon stabilization of our development and redevelopment of new Class A properties, including only our share of real estate joint venture projects. RSF and percentage leased represent 100% of each property.

(2) Delivery of 2016 projects were primarily weighted toward 4Q16.

Acquisitions
March 31, 2017
(Dollars in thousands)

Submarket/Market	Property	Date of Purchase	Number of Properties	Square Footage: Operating	Square Footage: Redevelopment	Square Footage: Future Development	Purchase Price: Completed	Purchase Price: Pending
Cambridge/Greater Boston	303 Binney Street [(1)]	3/29/17	—	—	—	208,965	$ 80,250	$ —
Mission Bay/SoMa/ San Francisco	88 Bluxome Street [(2)]	1/10/17	1	232,470	—	1,070,925	130,000	—
	1655 and 1715 Third Street [(3)] (10% interest in real estate joint venture)	1H18	—	—	—	580,000	—	35,000
Greater Stanford/San Francisco	960 Industrial Road [(4)]	2Q17	1	195,000	—	500,000	—	64,959
Torrey Pines/Sorrento Mesa/ San Diego	3050 Callan Road and Vista Wateridge	3/24/17	—	—	—	229,000	8,250	—
Research Triangle Park/RTP	3054 East Cornwallis Road	2Q17	1	—	150,000	—	—	8,750
Pending acquisition [(5)]		2Q17	—	—	—	500,000	—	85,000
			3	427,470	150,000	3,088,890	$ 218,500	$ 193,709
							$412,209	

(1) Land parcels located adjacent to our Alexandria Center® at One Kendall Square campus that are currently entitled for the development of 163,339 RSF of office or office/laboratory space and 45,626 RSF of residential space. We may seek to increase the entitlements, which may result in additional purchase price consideration.

(2) We are currently pursuing entitlements for the development of two buildings aggregating 1,070,925 RSF in two phases. The existing 232,470 RSF building is operating as a leading tennis and fitness facility. The future development square footage is inclusive of the current operating RSF.

(3) Executed an agreement to purchase a 10% interest in a joint venture with Uber Technologies, Inc. ("Uber") and the Golden State Warriors. Our initial cash contribution of $35 million will be funded at closing of the joint venture in 2018. The joint venture will acquire land with completed below-grade improvements, building foundation and parking garage, and will complete vertical construction of two buildings aggregating 580,000 RSF, which will be leased to Uber.

(4) Future ground-up development site with an operating component. We expect to pursue entitlements aggregating 500,000 RSF for a multi-building development. We anticipate leasing the existing property back to the seller on a short-term basis until we obtain entitlements.

(5) Land parcel for the development of two buildings aggregating 500,000 RSF. Details of the pending acquisition will be disclosed in our 2Q17 Earnings Press Release and Supplemental Information.

(1) 172,500 SF redevelopment parcel acquired in November 2016 with the acquisition of Alexandria Center® at One Kendall Square.

Guidance
March 31, 2017
(Dollars in millions, except per share amounts)

The following updated guidance is based on our current view of existing market conditions and assumptions for the year ending December 31, 2017. There can be no assurance that actual amounts will be materially higher or lower than these expectations. See our discussion of "forward-looking statements" on page 7 of this Earnings Press Release.

Summary of Key Changes in Guidance	As of 5/1/17	As of 3/9/17	Summary of Key Changes in Guidance	As of 5/1/17	As of 3/9/17
EPS, FFO per share, and FFO per share, as adjusted	See below	See below	Key sources and uses of capital	See update below	
Rental rate increases up 1%	19.5% to 22.5%	18.5% to 21.5%	Same property NOI increase up 0.5%	2.0% to 4.0%	1.5% to 3.5%

Rental rate increases (cash basis) up 1%	7.5% to 10.5%	6.5% to 9.5%	Capitalization of interest [1]	$48 to $58 million	$42 to $52 million

Earnings per Share and Funds From Operations per Share Attributable to Alexandria's Common Stockholders – Diluted

	As of 5/1/17	As of 3/9/17
Earnings per share	$1.43 to $1.53	$1.39 to $1.59
Depreciation and amortization	4.45	4.45
Allocation to unvested restricted stock awards	(0.04)	(0.04)
Funds from operations per share	$5.84 to $5.94	$5.80 to $6.00
Add: loss on early extinguishment of debt	0.01	0.01
Add: preferred stock redemption charge	0.12 [2]	0.09
Funds from operations per share, as adjusted	$5.97 to $6.07	$5.90 to $6.10

Key Assumptions	**Low**	**High**
Occupancy percentage in North America as of December 31, 2017	96.6%	97.2%
Lease renewals and re-leasing of space:		
Rental rate increases	19.5%	22.5%
Rental rate increases (cash basis)	7.5%	10.5%
Same property performance:		
Net operating income increase	2.0%	4.0%
Net operating income increase (cash basis)	5.5%	7.5%
Straight-line rent revenue	$ 107	$ 112
General and administrative expenses	$ 68	$ 73
Capitalization of interest [1]	$ 48	$ 58
Interest expense	$ 131	$ 141

Key Credit Metrics	**As of 5/1/17**
Net debt to Adjusted EBITDA – 4Q17 annualized	5.3x to 5.8x
Net debt and preferred stock to Adjusted EBITDA – 4Q17 annualized	5.3x to 5.8x
Fixed-charge coverage ratio – 4Q17 annualized	Greater than 4.0x
Value-creation pipeline as a percentage of gross real estate as of December 31, 2017	Less than 10%

Key Sources and Uses of Capital	**Range**		**Midpoint**	
Sources of capital:				
Net cash provided by operating activities after dividends	$ 115	$ 135	$ 125	
Incremental debt	300	280	290	
Real estate dispositions and common equity	970	1,240	1,105	(3)(4)
Total sources of capital	$ 1,385	$ 1,655	$ 1,520	
Uses of capital:				
Construction	$ 815	$ 915	$ 865	
Acquisitions	380	480	430	(4)
7.00% Series D convertible preferred stock repurchases	60	130	95	
6.45% Series E redeemable preferred stock redemption	130	130	130	
Total uses of capital	$ 1,385	$ 1,655	$ 1,520	
Incremental debt (included above):				
Issuance of unsecured senior notes payable	$ 425	$ 425	$ 425	
Borrowings – secured construction loans	200	250	225	
Repayments of secured notes payable	(5)	(10)	(8)	
Repayment of unsecured senior term loan	(200)	(200)	(200)	
$1.65 billion unsecured senior line of credit/other	(120)	(185)	(152)	
Incremental debt	$ 300	$ 280	$ 290	

(1) Increased from a range from $42 million to $52 million to a range from $48 million to $58 million to reflect capitalization of interest related to the completed and projected acquisitions of 303 Binney Street, 3054 East Cornwallis Road, 3050 Callan Road, Vista Wateridge, and a pending acquisition of a land parcel. See "Acquisitions" on page 4 of this Earnings Press Release for additional information. There was no change in our guidance for interest expense.

(2) Includes charges aggregating $5.8 million related to the repurchases of 501,115 outstanding shares of our Series D Convertible Preferred Stock in 1Q17 and $5.5 million related to the redemption of our Series E Redeemable Preferred Stock in April 2017. Excludes any charges related to future repurchases of our Series D Convertible Preferred Stock.

(3) Includes the public offering of 6.9 million shares of our common stock in March 2017, of which 4.8 million shares are subject to forward equity sales agreements, with anticipated aggregate net proceeds of

$713.3 million, subject to adjustments as provided in the forward equity sales agreements. Also includes our share of the proceeds from the anticipated sale of a condominium interest in 203,090 RSF of our unconsolidated real estate joint venture property at 360 Longwood Avenue, aggregating approximately $65.7 million, pursuant to the exercise of a purchase option by the anchor tenant. The sale is expected to close in July 2017.

(4) Increase since March 9, 2017, is related to the pending $85.0 million acquisition of a land parcel for the development of 500,000 RSF of new Class A properties. Also includes remaining purchase price of $56.8 million related to the acquisition of the remaining 49% interest in our unconsolidated real estate joint venture with Uber completed in November 2016. This amount will be paid in three equal installments in 2017, upon Uber's completion of construction milestones. See "Acquisitions" on page 4 of this Earnings Press Release for additional information.

We will host a conference call on Tuesday, May 2, 2017, at 3:00 p.m. Eastern Time ("ET")/noon Pacific Time ("PT"), which is open to the general public to discuss our financial and operating results for the first quarter ended March 31, 2017. To participate in this conference call, dial (866) 524-3160 or (412) 317-6760 shortly before 3:00 p.m. ET/noon PT and ask the operator to join the Alexandria Real Estate Equities, Inc. call. The audio webcast can be accessed at www.are.com, in the "For Investors" section. A replay of the call will be available for a limited time from 5:00 p.m. ET/2:00 p.m. PT on Tuesday, May 2, 2017. The replay number is (877) 344-7529 or (412) 317-0088, and the confirmation code is 10102394.

Additionally, a copy of this Earnings Press Release and Supplemental Information for the first quarter ended March 31, 2017, is available in the "For Investors" section of our website at www.are.com or by following this link: http://www.are.com/fs/2017q1.pdf.

For any questions, please contact Joel S. Marcus, chairman, chief executive officer, and founder, at (626) 578-9693 or Dean A. Shigenaga, executive vice president, chief financial officer, and treasurer, at (626) 578-0777.

About the Company

Alexandria Real Estate Equities, Inc. (NYSE:ARE), an S&P 500® company, is an urban office real estate investment trust ("REIT") uniquely focused on collaborative life science and technology campuses in AAA innovation cluster locations, with a total market capitalization of $14.5 billion and an asset base in North America of 28.2 million square feet, as of March 31, 2017. The asset base in North America includes 20.1 million RSF of operating properties, including 1.6 million RSF of development and redevelopment of new Class A properties currently undergoing construction. Additionally, the asset base in North America includes 8.1 million SF of future development projects, including 1.5 million SF of near-term projects undergoing marketing for lease and preconstruction activities and 2.0 million SF of other near-term development projects. Founded in 1994, Alexandria pioneered this niche and has since established a significant market presence in key locations, including Greater Boston, San Francisco, New York City, San Diego, Seattle, Maryland, and Research Triangle Park. Alexandria has a longstanding and proven track record of developing Class A properties clustered in urban life science and technology campuses that provide its innovative tenants with highly dynamic and collaborative environments that enhance their ability to successfully recruit and retain world-class talent and inspire productivity, efficiency, creativity, and success. We believe these advantages result in higher occupancy levels, longer lease terms, higher rental income, higher returns, and greater long-term asset value. For additional information on Alexandria, please visit www.are.com.

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This document includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include, without limitation, statements regarding our 2017 earnings per share attributable to Alexandria's common stockholders – diluted, 2017 funds from operations per share attributable to Alexandria's common stockholders – diluted, net operating income, and our projected sources and uses of capital. You can identify the forward-looking statements by their use of forward-looking words, such as "forecast," "guidance," "projects," "estimates," "anticipates," "believes," "expects," "intends," "may," "plans," "seeks," "should," or "will," or the negative of those words or similar words. These forward-looking statements are based on our current expectations, beliefs, projections, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts, as well as a number of assumptions concerning future events. There can be no assurance that actual results will not be materially higher or lower than these expectations. These statements are subject to risks, uncertainties, assumptions, and other important factors that could cause actual results to differ materially from the results discussed in the forward-looking statements. Factors that might cause such a difference include, without limitation, our failure to obtain capital (debt, construction financing, and/or equity) or refinance debt maturities, increased interest rates and operating costs, adverse economic or real estate developments in our markets, our failure to successfully place into service and lease any properties undergoing development or redevelopment and our existing space held for future development or redevelopment (including new properties acquired for that purpose), our failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the Securities and Exchange Commission ("SEC"). Accordingly, you are cautioned not to place undue reliance on such forward-looking statements. All forward-looking statements are made as of the date of this earnings press release, and unless otherwise stated, we assume no obligation to update this information and expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. For more discussion relating to risks and uncertainties that could cause actual results to differ materially from those anticipated in our forward-looking statements, and risks to our business in general, please refer to our SEC filings, including our most recent annual report on Form 10-K and any subsequent quarterly reports on Form 10-Q.

Consolidated Statements of Income
March 31, 2017
(In thousands, except per share amounts)

	Three Months Ended				
	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16
Revenues:					
Rental	$ 207,193	$ 187,315	$ 166,591	$ 161,638	$ 158,276
Tenant recoveries	61,346	58,270	58,681	54,107	52,597
Other income	2,338	3,577	5,107	10,331	5,216
Total revenues	270,877	249,162	230,379	226,076	216,089
Expenses:					
Rental operations	77,087	73,244	72,002	67,325	65,837
General and administrative	19,229	17,458	15,854	15,384	15,188
Interest	29,784	31,223	25,850	25,025	24,855
Depreciation and amortization	97,183	95,222	77,133	70,169	70,866
Impairment of real estate	—	16,024	8,114	156,143	28,980
Loss on early extinguishment of debt	670	—	3,230	—	—
Total expenses	223,953	233,171	202,183	334,046	205,726
Equity in earnings (losses) of unconsolidated real estate joint ventures	361	86	273	(146)	(397)
Gain on sales of real estate – rental properties	270	3,715	—	—	—
Income (loss) from continuing operations	47,555	19,792	28,469	(108,116)	9,966
Gain on sales of real estate – land parcels	—	—	90	—	—
Net income (loss)	47,555	19,792	28,559	(108,116)	9,966
Net income attributable to noncontrolling interests	(5,844)	(4,488)	(4,084)	(3,500)	(4,030)
Net income (loss) attributable to Alexandria Real Estate Equities, Inc.'s stockholders	41,711	15,304	24,475	(111,616)	5,936
Dividends on preferred stock	(3,784)	(3,835)	(5,007)	(5,474)	(5,907)
Preferred stock redemption charge	(11,279)	(35,653)	(13,095)	(9,473)	(3,046)
Net income attributable to unvested restricted stock awards	(987)	(943)	(921)	(1,085)	(801)

Net income (loss) attributable to Alexandria Real Estate Equities, Inc.'s common stockholders	$ 25,661	$ (25,127)	$ 5,452	$ (127,648)	$ (3,818)
Net income (loss) per share attributable to Alexandria Real Estate Equities, Inc.'s common stockholders – basic and diluted	$ 0.29	$ (0.31)	$ 0.07	$ (1.72)	$ (0.05)
Weighted-average shares of common stock outstanding:					
Basic	88,147	80,800	76,651	74,319	72,584
Diluted	88,200	80,800	77,402	74,319	72,584
Dividends declared per share of common stock	$ 0.83	$ 0.83	$ 0.80	$ 0.80	$ 0.80

Consolidated Balance Sheets
March 31, 2017
(In thousands)

	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16
Assets					
Investments in real estate	$ 9,470,667	$ 9,077,972	$ 7,939,179	$ 7,774,608	$ 7,741,466
Investments in unconsolidated real estate joint ventures	50,457	50,221	133,580	132,433	127,165
Cash and cash equivalents	151,209	125,032	157,928	256,000	146,197
Restricted cash	18,320	16,334	16,406	13,131	14,885
Tenant receivables	9,979	9,744	9,635	9,196	9,979
Deferred rent	364,348	335,974	318,286	303,379	293,144
Deferred leasing costs	202,613	195,937	191,765	191,619	192,418
Investments	394,471	342,477	320,989	360,050	316,163
Other assets	206,562	201,197	206,133	104,414	130,115
Total assets	$ 10,868,626	$ 10,354,888	$ 9,293,901	$ 9,144,830	$ 8,971,532
Liabilities, Noncontrolling Interests, and Equity					
Secured notes payable	$ 1,083,758	$ 1,011,292	$ 789,450	$ 722,794	$ 816,578
Unsecured senior notes payable	2,799,508	2,378,262	2,377,482	2,376,713	2,031,284
Unsecured senior line of credit	—	28,000	416,000	72,000	299,000
Unsecured senior bank term loans	547,420	746,471	746,162	945,030	944,637
Accounts payable, accrued expenses, and tenant security deposits	782,637	731,671	605,181	593,628	628,467
Dividends payable	78,976	76,914	66,705	67,188	64,275
Preferred stock redemption liability	130,000	—	—	—	—
Total liabilities	5,422,299	4,972,610	5,000,980	4,777,353	4,784,241
Commitments and contingencies					
Redeemable noncontrolling interests	11,320	11,307	9,012	9,218	14,218
Alexandria Real Estate Equities, Inc.'s stockholders' equity:					
7.00% Series D cumulative convertible preferred stock	74,386	86,914	161,792	188,864	213,864
6.45% Series E cumulative redeemable preferred stock	—	130,000	130,000	130,000	130,000
Common stock	899	877	768	766	729
Additional paid-in capital	4,855,686	4,672,650	3,649,263	3,693,807	3,529,660
Accumulated other comprehensive income (loss)	21,460	5,355	(31,745)	8,272	(8,533)
Alexandria Real Estate Equities, Inc.'s stockholders' equity	4,952,431	4,895,796	3,910,078	4,021,709	3,865,720
Noncontrolling interests	482,576	475,175	373,831	336,550	307,353
Total equity	5,435,007	5,370,971	4,283,909	4,358,259	4,173,073
Total liabilities, noncontrolling interests, and equity	$ 10,868,626	$ 10,354,888	$ 9,293,901	$ 9,144,830	$ 8,971,532

Funds From Operations and Funds From Operations per Share
March 31, 2017
(In thousands, except per share amounts)

The following tables present a reconciliation of net income (loss) attributable to Alexandria's common stockholders – basic, the most directly comparable financial measure presented in accordance with generally accepted accounting principles ("GAAP"), including our share of amounts from consolidated and unconsolidated real estate joint ventures, to funds from operations attributable to Alexandria's common stockholders – diluted, and funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted, and related per share amounts. Amounts allocable to unvested restricted stock awards are not material and are not presented separately within the per share table below. Per share amounts may not add due to rounding.

	Three Months Ended				
	3/31/17	**12/31/16**	**9/30/16**	**6/30/16**	**3/31/16**
Net income (loss) attributable to Alexandria's common stockholders	**$ 25,661**	**$ (25,127)**	**$ 5,452**	**$ (127,648)**	**$ (3,818)**
Depreciation and amortization	97,183	95,222	77,133	70,169	70,866
Noncontrolling share of depreciation and amortization from consolidated real estate JVs	(3,642)	(2,598)	(2,224)	(2,226)	(2,301)
Our share of depreciation and amortization from unconsolidated real estate JVs	412	655	658	651	743
Gain on sales of real estate – rental properties	(270)	(3,715)	—	—	—

Gain on sales of real estate – land parcels	—	—	(90)	—	—
Impairment of real estate – rental properties	—	3,506	6,293	88,395	—
Allocation to unvested restricted stock awards	(561)	—	(438)	—	(80)
Funds from operations attributable to Alexandria's common stockholders – basic and diluted [1]	**118,783**	**67,943**	**86,784**	**29,341**	**65,410**
Non-real estate investment income	—	—	—	(4,361)	—
Impairment of land parcels and non-real estate investments	—	12,511	4,886	67,162	28,980
Loss on early extinguishment of debt	670	—	3,230	—	—
Preferred stock redemption charge	11,279	35,653	13,095	9,473	3,046
Allocation to unvested restricted stock awards	(150)	(605)	(359)	(530)	(358)
Funds from operations attributable to Alexandria's common stockholders – diluted, as adjusted	**$ 130,582**	**$ 115,502**	**$ 107,636**	**$ 101,085**	**$ 97,078**
Net income (loss) per share attributable to Alexandria's common stockholders	**$ 0.29**	**$ (0.31)**	**$ 0.07**	**$ (1.72)**	**$ (0.05)**
Depreciation and amortization	1.06	1.15	0.97	0.92	0.95
Gain on sales of real estate – rental properties	—	(0.05)	—	—	—
Impairment of real estate – rental properties	—	0.05	0.08	1.19	—
Funds from operations per share attributable to Alexandria's common stockholders – basic and diluted [1]	**1.35**	**0.84**	**1.12**	**0.39**	**0.90**
Non-real estate investment income	—	—	—	(0.06)	—
Impairment of land parcels and non-real estate investments	—	0.15	0.06	0.90	0.40
Loss on early extinguishment of debt	0.01	—	0.04	—	—
Preferred stock redemption charge	0.12	0.43	0.17	0.13	0.04
Funds from operations per share attributable to Alexandria's common stockholders – diluted, as adjusted	**$ 1.48**	**$ 1.42**	**$ 1.39**	**$ 1.36**	**$ 1.34**
Weighted-average shares of common stock outstanding for calculating funds from operations per share and funds from operations, as adjusted, per share – diluted	88,200	81,280	77,402	74,319	72,584

(1) Calculated in accordance with standards established by the Advisory Board of Governors of the National Association of Real Estate Investment Trusts (the "NAREIT Board of Governors") in its April 2002 White Paper and related implementation guidance.

To view the original version on PR Newswire, visit:http://www.prnewswire.com/news-releases/alexandria-real-estate-equities-inc-reports-first-quarter-ended-march-31-2017-financial-and-operating-results-strong-internal-and-external-growth-300448905.html

SOURCE Alexandria Real Estate Equities, Inc.