ALEXANDRIA REAL ESTATE EQUITIES INC
Form 8-K
September 22, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 22, 2010**

ALEXANDRIA REAL ESTATE EQUITIES, INC.

(Exact name of registrant as specified in its charter)

Maryland	**1-12993**	**95-4502084**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

385 East Colorado Boulevard, Suite 299 **Pasadena, California**	**91101**
(Address of principal executive offices)	(Zip Code)

Registrant s telephone number, including area code: **(626) 578-0777**

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4 (c) under the Exchange Act (17 CFR 240.13e-4 (c))

Item 7.01 Regulation FD Disclosure

On September 22, 2010, Alexandria Real Estate Equities, Inc. (the Company) announced that it agreed to sell 4,500,000 shares of common stock in an underwritten public offering. The Company also granted the underwriters a thirty-day option to purchase up to 675,000 additional shares to cover over-allotments, if any. The specific terms of the offering will be described in a prospectus supplement, dated September 22, 2010, relating to the offering to be filed by the Company with the Securities and Exchange Commission (the SEC) on or about September 22, 2010.

The Company hereby updates its guidance for FFO per share (diluted) and earnings per share (diluted) for the year ended December 31, 2010 based on the final terms of the offering of common stock and other factors.

Based on the Company s current view of existing market conditions, the terms and size of the offering, and certain current assumptions and estimates, the Company guidance for FFO per share (diluted) and earnings per share (diluted) is as follows:

	2010 (1)
FFO per share (diluted)	$3.57
Earnings per share (diluted)	$1.05

(1) Includes the $41.5 million and $1.3 million loss on early extinguishment of debt recognized in June and July 2010, respectively, upon repurchase of our 8.00% unsecured convertible notes. The Company guidance for FFO per share (diluted) excluding the aggregate loss on early extinguishment of debt would be $4.40.

Generally accepted accounting principles (GAAP) basis accounting for real estate assets utilizes historical cost accounting and assumes real estate values diminish over time. In an effort to overcome the difference between real estate values and historical cost accounting for real estate assets, the Board of Governors of the National Association of Real Estate Investment Trusts (NAREIT) established the measurement tool of FFO. Since its introduction, FFO has become a widely used non-GAAP financial measure among real estate investment trusts (REITs). The Company believes that FFO is helpful to investors as an additional measure of the performance of an equity REIT. The Company computes FFO in accordance with standards established by the Board of Governors of NAREIT in its April 2002 White Paper (the White Paper) and related implementation guidance, which may differ from the methodology for calculating FFO utilized by other equity REITs, and, accordingly, may not be comparable to such other REITs. The White Paper defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. While FFO is a relevant and widely used measure of operating performance for REITs, it should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of financial performance, or to cash flows from operating activities (determined in accordance with GAAP) as a measure of the Company s liquidity, nor is it indicative of funds available to fund the Company s cash needs, including its ability to make distributions. The Company believes that net income is the most directly comparable GAAP financial measure to FFO.

This item contains 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 the Company s 2010 earnings per share (diluted) and 2010 FFO per share (diluted). The Company s actual results may differ materially from those projected in such forward-looking statements. Factors that might cause such a difference include, without limitation, the terms and size of the offering, the Company s failure to obtain additional capital (debt, construction financing and or equity) or refinance debt maturities, future repurchases of debt, increased interest rates and operating costs, adverse economic or real estate developments in the Company s markets, the Company s failure to successfully complete and lease the Company s existing space held for redevelopment and new properties acquired for that purpose and any properties undergoing development, the Company s failure to successfully operate or lease acquired properties, decreased rental rates or increased vacancy rates or failure to renew or replace expiring leases, defaults on or non-renewal of leases by tenants, general and local economic conditions and other risks and uncertainties detailed in the Company s filings with the SEC, including the Company s most recent annual report on Form 10-K and any subsequent quarterly reports on Form 10-Q. The Company does not undertake any responsibility to update any of these factors or to announce publicly any revisions to any of the forward-looking statements contained in this or any other document, whether as a result of new information, future events or otherwise.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALEXANDRIA REAL ESTATE EQUITIES, INC.

Date: September 22, 2010

By: /s/ Dean A. Shigenaga
Dean A. Shigenaga
Chief Financial Officer