

# ESSEX

PROPERTY TRUST, INC.

## FOR IMMEDIATE RELEASE

### Essex Property Trust, Inc., and BRE Properties Completes \$16.2 Billion Merger

**Palo Alto, Calif. (April 1, 2014)**- Essex Property Trust, Inc. (NYSE: ESS) and BRE Properties, Inc. (NYSE: BRE) announced today the completion of the merger of the two companies, forming a combined company with equity market capitalization of approximately \$11.1 billion and a total market capitalization of approximately \$16.2 billion. The common stock of the combined company will trade under the symbol ESS on the New York Stock Exchange.

"We are excited to consummate the merger and move forward to combine these two great organizations to form the leading West Coast multifamily REIT," said Michael Schall, President and Chief Executive Officer of Essex. "The integration effort is proceeding as planned, which we believe will result in a stronger platform for sustainable growth, superior service for our residents, and expanded career opportunities for our employees. I want to thank the employees of both companies for their hard work, dedication and support."

"We are pleased that our stockholders have expressed overwhelming support and approval for this merger," said Constance B. Moore, Chief Executive Officer of BRE. "The combined portfolio of Essex and BRE will provide substantial value for our stockholders through enhanced operations, improvements in the costs of capital and synergistic opportunities. On behalf of BRE's Board and management, I want to thank our stockholders for their invaluable support throughout this process."

#### Transaction Details

Under the terms of the agreement, each share of BRE common stock has been converted into 0.2971 newly issued shares of Essex common stock plus \$7.18 in cash, without interest. The cash consideration was adjusted as a result of the authorization and declaration of a special distribution to the stockholders of BRE of \$5.15 per share of BRE common stock. Former Essex stockholders hold approximately 63% of the combined company's common stock, and former BRE stockholders hold approximately 37% of the combined company's common stock.

On March 31, 2014, BRE formed three new joint ventures with two separate third-party institutional joint venture partners and contributed 17 BRE properties with an aggregate estimated value of approximately \$888 million to the joint ventures. As a result of the contribution of the properties to the joint ventures and the merger, Essex Portfolio, L.P. and its subsidiaries now hold a 50% interest in each of the joint ventures. Additionally, BRE received proceeds from approximately \$475 million in mortgage financings of the properties contributed to the joint ventures. As a result of the closing of these joint ventures, BRE authorized the payment of the special distribution described above. The special distribution will be paid on or about April 9, 2014 to BRE stockholders of record as of the close of business on March 31, 2014.

#### Leadership and Organization

Irving F. Lyons, III, former Chairman of the Board of BRE, and Thomas E. Robinson and Thomas P Sullivan, former directors of BRE, have joined Essex's Board of Directors in connection with the merger.

George Marcus will serve as Chairman of the Board of the combined company. Michael Schall, Essex's President and Chief Executive Officer, will serve as President and Chief Executive Officer of the combined company.

#### **Anticipated Synergies and Accretion**

Annual synergies are expected to be in an amount sufficient to offset the expected increase in property taxes due to Proposition 13. The combined company is expected to benefit from the elimination of duplicative costs associated with supporting a public company platform and leveraging of Essex's platform and systems. The savings are expected to be realized upon the full integration, which is expected within an 18-month period following the closing of the merger. Essex anticipates the transaction to be accretive on a run rate basis to Core Funds from Operation (FFO) on a per diluted share basis of approximately \$0.05-\$0.08 annually.

#### **Advisors**

UBS Investment Bank acted as lead financial advisor to Essex. Citigroup acted as financial advisor to Essex. Goodwin Procter LLP acted as legal advisor to Essex. Wells Fargo Securities acted as exclusive financial advisor and Latham & Watkins LLP acted as legal advisor to BRE.

#### **About Essex Property Trust**

Essex Property Trust, Inc., an S&P 500 company, is a fully integrated real estate investment trust (REIT) that acquires, develops, redevelops, and manages apartment communities located in highly desirable, supply-constrained markets. As of April 1, 2014, after giving effect to the merger, Essex has ownership interests in 233 multifamily properties with an additional 15 properties in various stages of development. Additional information about Essex can be found on the Company's web site at <http://www.essexpropertytrust.com>.

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