FILER

Hudson Pacific Properties, Inc.

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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): November 7, 2011

Hudson Pacific Properties, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**001-34789**	**27-1430478**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

11601 Wilshire Blvd., Suite 1600 **Los Angeles, California**	**90025**
(Address of Principal Executive Offices)	(Zip Code)

(310) 445-5700
Registrant's Telephone Number, Including Area Code

Not Applicable
(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:

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

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

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

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

Section 2 — Financial Information

Item 2.02 **Results of Operations and Financial Condition.**

On November 7, 2011, Hudson Pacific Properties, Inc. (also referred to herein as the "Company," "we," "us," or "our") issued a press release regarding our financial results for our quarter ended September 30, 2011. A copy of the press release is furnished herewith as Exhibit 99.1, which is incorporated herein by reference.

Also on November 7, 2011, we made available on our Web site (www.hudsonpacificproperties.com) certain supplemental information concerning our financial results and operations for the third quarter. A copy of the supplemental information is furnished herewith as Exhibit 99.2, which is incorporated herein by reference.

Exhibits 99.1 and 99.2 are being furnished pursuant to Item 2.02 and shall not be deemed "filed" for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. The information in this Current Report on Form 8-K shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act regardless of any general incorporation language in such filing.

Section 7 — Regulation FD

Item 7.01 **Regulation FD Disclosure.**

As discussed in Item 2.02 above, we issued a press release regarding our financial results for our quarter ended September 30, 2011 and made available on our Web site certain supplemental information relating to our financial results for the quarter ended September 30, 2011.

The information being furnished pursuant to Item 7.01 shall not be deemed "filed" for any purpose, including for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section. The information in this Current Report on Form 8-K shall not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act regardless of any general incorporation language in such filing.

Section 9 — Financial Statements and Exhibits

Item 9.01 **Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit No.	Description
99.1**	Press release dated November 7, 2011 regarding the Company's financial results for the quarter ended September 30, 2011.
99.2**	Supplemental Operating and Financial Data for the third quarter 2011.

** Furnished herewith.

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.

		HUDSON PACIFIC PROPERTIES, INC.
Date: November 7, 2011	By:	/s/ Mark T. Lammas
		Mark T. Lammas
		Chief Financial Officer

EXHBIT INDEX

Exhibit No.	Description
99.1**	Press release dated November 7, 2011 regarding the Company’s financial results for the quarter ended September 30, 2011.
99.2**	Supplemental Operating and Financial Data for the third quarter 2011.

** Furnished herewith.

Hudson Pacific Properties, Inc. Announces Third Quarter 2011 Financial Results

Los Angeles, CA, November 7, 2011 - Hudson Pacific Properties, Inc. (the "Company") (NYSE: HPP) today announced financial results for the third quarter ended September 30, 2011.

Financial Results

Funds From Operations (FFO) (excluding acquisition-related expenses) for the three months ended September 30, 2011 totaled $9.0 million, or $0.25 per diluted share, compared to FFO (excluding acquisition-related expenses) of $4.4 million, or $0.18 per share, a year ago. The expenses associated with the acquisition of operating properties during the third quarter of 2011 were $0.8 million, or $0.02 per diluted share, compared to $0.3 million, or $0.01 per share, a year ago. FFO including the acquisition-related expenses totaled $8.2 million, or $0.23 per diluted share, for the three months ended September 30, 2011, compared to $4.1 million, or $0.17 per share, a year ago.

The Company reported a net loss attributable to common shareholders of $2.7 million, or $(0.08) per diluted share, for the three months ended September 30, 2011, compared to net loss attributable to common shareholders of $0.2 million, or $(0.01) per diluted share, for the three months ended September 30, 2010.

"Our strategy of anchoring a portfolio with stabilized assets favored by traditional office tenancy and complementary value-add opportunities in the most dynamic submarkets continues to bear fruit. We completed new and renewal leases totaling 112,673 square feet to improve our office portfolio occupancy, excluding third quarter acquisitions, to 91.3%," said Mr. Victor J. Coleman, Chairman and Chief Executive Officer of Hudson Pacific Properties, Inc. "We also completed the acquisition of three office property assets totaling 232,000 square feet and executed a purchase contract to acquire the 205,000-square-foot 6922 Hollywood Boulevard property, all assets located in our target markets and benefiting from strong media, entertainment and technology tenancy."

Third Quarter Highlights

- FFO (excluding acquisition-related expenses) of $9.0 million, or $0.25 per diluted share, up from $4.4 million, or $0.18 per share, a year ago;
- Completed new and renewal leases totaling 112,673 square feet, including a new 29,898 square foot, 20-year lease to Equinox at First Financial in Encino, commencing June 1, 2012;
- Improved office portfolio occupancy, excluding third quarter acquisitions, to 91.3% leased at September 30, 2011, up from 90.8% leased at June 30, 2011;
- Improved trailing 12-month occupancy for the media and entertainment portfolio to 73.1%, compared to 69.0% for the trailing 12-month period ended September 30, 2010;
- Acquired three office property assets totaling 232,000 square feet;
- Executed purchase contract to acquire 6922 Hollywood Boulevard in Hollywood;
- Declared and paid quarterly dividend of $0.125 per common share; and
- Declared and paid dividend of $0.52344 per share on 8.375% Series B Cumulative Preferred Stock.

Combined Operating Results For The Three Months Ended September 30, 2011

Total revenue during the quarter increased 110.9% to $36.9 million from $17.5 million for the same quarter a year ago. The increase in total revenue was primarily attributable to a $12.4 million increase in rental revenue to $24.1 million, a $6.5 million increase in tenant recoveries to $7.8 million and a $0.4 million increase in other property-related revenue to $4.6 million. The increase in rental revenue and tenant recoveries from a year ago was largely the result of rental revenue from office properties acquired during the third and fourth quarters of 2010 and third quarter of 2011. The increase in other property-related revenue from the same quarter a year ago was the result of improved production activity at the Company's media and entertainment properties.

Total operating expenses increased 111.8% to $32.8 million from $15.5 million for the same quarter a year ago. The increase in total operating expenses was primarily the result of a $10.0 million increase in office operating expenses to $12.8 million, a $6.7 million increase in depreciation and amortization to $11.0 million and a $0.5 million increase

in general and administrative expenses. The increase in office operating expenses and depreciation and amortization was primarily related to office properties acquired during the third and fourth quarters of 2010 and third quarter of 2011.

As a result, income from operations increased 103.6% to $4.1 million for the third quarter of 2011, compared to income from operations of $2.0 million for the same quarter a year ago.

Interest expense during the third quarter increased 128.3% to $4.1 million, compared to interest expense of $1.8 million for the same quarter a year ago. At September 30, 2011, the Company had $298.7 million of notes payable related to some of its properties, compared to $94.1 million of notes payable a year ago and $275.0 million of notes payable at June 30, 2011.

Segment Operating Results For The Three Months Ended September 30, 2011

Office Properties

Total revenue at the Company's office properties increased 250.9% to $26.7 million in the third quarter of 2011 from $7.6 million in the third quarter of 2010. The increase was primarily the result of a $12.4 million increase in rental revenue to $19.0 million and a $6.4 million increase in tenant recoveries to $7.4 million, which were largely attributable to contributions from office properties acquired during the third and fourth quarters of 2010 and third quarter of 2011.

Office property operating expenses increased 353.0% to $12.8 million in the third quarter of 2011 from $2.8 million for the same quarter a year ago. The increase was primarily the result of office properties acquired during the third and fourth quarters of 2010 and third quarter of 2011.

At September 30, 2011, the Company's office portfolio was 90.4% leased, up from 86.3% leased a year ago. During the quarter, the Company executed 13 new and renewal leases totaling 112,673 square feet. Leasing activity included the completion of a new 29,898 square foot, 20-year lease to Equinox, a high-end fitness chain, at our First Financial Plaza property in Encino. The lease will commence in the later half of 2012, upon completion of the build-out.

Media and Entertainment Properties

Total revenue at the Company's media and entertainment properties increased 3.0% to $10.2 million in the third quarter of 2011 from $9.9 million in the third quarter of 2010. The increase was primarily the result of a $0.4 million increase in other property-related revenue to $4.6 million in the third quarter of 2011, compared to $4.2 million in the same period a year ago, resulting from higher production activity.

Total media and entertainment expenses increased 2.8% to $6.1 million in the third quarter of 2011, compared to $6.0 million in the same period a year ago, primarily as a result of higher operating expenses associated with higher production activity.

As of September 30, 2011, the trailing 12-month occupancy for the Company's media and entertainment portfolio increased to 73.1% from 69.0% for the trailing 12-month period ended September 30, 2010. Trailing 12-month occupancy for the media and entertainment portfolio as of the most recently completed quarter was substantially in-line with the trailing 12-month occupancy of 73.8% for the period ended June 30, 2011.

Combined Operating Results For The Nine Months Ended September 30, 2011

For the first nine months of 2011, total revenue was $105.1 million, an increase of 165.8% from $39.6 million in the same period the prior year. Total operating expenses were $91.7 million, compared to $33.2 million in the same period a year ago. As a result, income from operations was $13.4 million, compared to income from operations of $6.3 million during the first nine months of 2010. The Company had acquisition-related expense during the first nine months of 2011 of $0.8 million, compared to $2.7 million for the same period a year ago. Interest expense during the first nine months of 2011 increased 113.8% to $13.2 million from $6.2 million in the same period of 2010.

Balance Sheet

At September 30, 2011, the Company had total assets of $1.1 billion, including cash and cash equivalents of $20.7 million. In addition, at September 30, 2011, the Company had total capacity of approximately $141.2 million on its $200.0 million secured credit facility, of which $33.0 million had been drawn.

Acquisitions

On July 26, 2011, the Company completed the acquisition of 604 Arizona in Santa Monica, for a total gross purchase price of $21.5 million (before closing costs and prorations). 604 Arizona is an approximately 44,000-square-foot project that is fully leased to Google, Inc. through July 31, 2012.

On August 18, 2011, the Company completed the acquisition of 275 Brannan Street in San Francisco, for a total gross purchase price of $12.25 million (before closing costs and prorations). Adjacent to the Company's 625 Second Street property, 275 Brannan Street is a three-story, brick-and-timber building containing approximately 50,000 square feet. Constructed in 1905, the building underwent a partial renovation in 2002. 275 Brannan is currently vacant, and the Company intends to perform a substantial renovation of the property and to market the property to tenants looking for open, creative office space.

On September 9, 2011, the Company completed the acquisition of 625 Second Street in San Francisco, for a total gross purchase price of $56.4 million (before closing costs and prorations), including the assumption of an existing $33.7 million loan. 625 Second Street is an approximately 136,906 square foot office property located in San Francisco's South of Market submarket. The property is fully leased to multiple tenants, with an average remaining lease term of approximately five years. The $33.7 million, ten-year loan bears interest at a fixed annual rate of 5.85% and matures on February 1, 2014.

On July 1, 2011, the Company executed a purchase agreement to acquire 6922 Hollywood Boulevard in Hollywood, for a total gross purchase price of $92.5 million (before closing costs and prorations), including the assumption of an existing $42.0 million loan. 6922 Hollywood is an approximately 205,522-square-foot project comprising approximately 171,828 square feet of office space and approximately 33,694 square feet of ground-floor retail space. The property is fully leased to multiple tenants, with an average remaining lease term of approximately seven years. The transaction is subject to the completion of various closing conditions, including the assumption of the loan. The $42.0 million loan bears interest at a fixed annual rate of 5.5775%, with 30-year amortization, and matures in January 2015. The Company expects to close this acquisition imminently.

Financings

On September 1, 2011, the Company fully repaid a $43.0 million mortgage loan secured by the Company's First Financial Plaza property in Encino, which bore interest at an annual rate of 5.34% and was scheduled to mature on December 1, 2011. The Company is currently in the process of securing a new $43.0 million mortgage loan to be secured by First Financial Plaza, which it expects to close in November 2011.

Dividend

The Company's Board of Directors declared a dividend on its common stock of $0.125 per share and on its 8.375% Series B Cumulative Preferred Stock of $0.52344 per share for the third quarter of 2011. Both dividends were paid on September 30, 2011 to stockholders of record on September 20, 2011.

2011 Outlook

The Company today revised its full-year 2011 FFO guidance to a range of $1.06 to $1.08 per diluted share (excluding acquisition-related expenses). The Company's previously announced guidance of $0.99 to $1.04 included the now completed acquisition of 625 Second Street, but did not reflect the impact of the other recently completed acquisitions of 604 Arizona and 275 Brannan Street, nor the anticipated acquisition of 6922 Hollywood Boulevard, which the Company expects to close imminently. The previous guidance also did not reflect the early repayment of the $43.0 million mortgage loan secured by First Financial Plaza, nor a new $43.0 million loan which the Company is in the process of securing for that property, as described above. The revised guidance now includes all recently completed acquisitions, the anticipated acquisition of 6922 Hollywood Boulevard (excluding acquisition-related expenses), and the refinancing of the $43.0 million of indebtedness secured by First Financial Plaza. This guidance also reflects the Company's FFO for the nine months ended September 30, 2011 of $0.83 per diluted share (excluding acquisition-related expenses). The Company estimates that fourth quarter 2011 acquisition-related expenses will be $0.02 per diluted share. The full-year 2011 FFO estimates reflect management's view of current and future market conditions, including assumptions with respect to rental rates, occupancy levels and the earnings impact of events referenced in this release, but otherwise exclude any impact from future acquisitions, dispositions, debt financings or repayments, recapitalizations, capital market activity, or similar matters.

Supplemental Information

Supplemental financial information regarding the Company's third quarter 2011 results may be found in the Investor Relations section of the Company's Web site at www.hudsonpacificproperties.com. This supplemental information provides additional detail on items such as property occupancy, financial performance by property and debt maturity schedules.

Conference Call

The Company will host a conference call at 1:30 p.m. PST / 4:30 p.m. EST on Monday, November 7, 2011, to discuss results for the third quarter of 2011. To participate in the event by telephone, please dial (877) 941-1427 five to ten minutes prior to the start time (to allow time for registration) and use conference ID 4474753. International callers should dial (480) 629-9664 and use the same conference ID number. A digital replay of the conference call will be available beginning November 7, 2011, at 4:30 p.m. PST / 7:30 p.m. EST, through November 14, 2011, at 8:59 p.m. PST / 11:59 p.m. EST. To access the replay, dial (877) 870-5176 (U.S.), and use conference ID 4474753. International callers should dial (858) 384-5517 and enter the same conference ID number. The call will also be broadcast live over the Internet and can be accessed on the Investor Relations section of the Company's Web site at www.hudsonpacificproperties.com. To listen to the live webcast, please visit the site at least 15 minutes prior to the start of the call in order to register, download and install any necessary audio software. A replay of the call will also be available for 90 days on the Company's Web site.

Use of Non-GAAP Information

We calculate funds from operations before non-controlling interest (FFO) in accordance with the standards established by the National Association of Real Estate Investment Trusts (NAREIT). FFO represents net income (loss), computed in accordance with accounting principles generally accepted in the United States of America (GAAP), excluding gains (or losses) from sales of depreciable operating property, real estate depreciation and amortization (excluding amortization of above/below market lease intangible assets and liabilities and amortization of deferred financing costs and debt discounts/premium) and after adjustments for unconsolidated partnerships and joint ventures. We use FFO as a supplemental performance measure because, in excluding real estate depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that results from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. Other equity REITs may not calculate FFO in accordance with the NAREIT definition and, accordingly, our FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of our performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends. FFO should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

About Hudson Pacific Properties

Hudson Pacific Properties, Inc. is a full-service, vertically integrated real estate company focused on owning, operating and acquiring high-quality office properties and state-of-the-art media and entertainment properties in select growth markets primarily in Northern and Southern California. The Company's strategic investment program targets high barrier-to-entry, in-fill locations with favorable, long-term supply-demand characteristics in select target markets including Los Angeles, Orange County, San Diego, San Francisco, Silicon Valley and the East Bay. The Company's portfolio consists of approximately 4.2 million square feet. The Company intends to elect to be taxed and to operate in a manner that will allow it to qualify as a real estate investment trust, or REIT, for federal income tax purposes, commencing with the taxable year ended December 31, 2010. Hudson Pacific Properties is a component of the Russell 2000® and the Russell 3000® indices. For additional information, visit www.hudsonpacificproperties.com.

Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company's control, that may cause actual results to differ significantly from those expressed in any forward-looking statement. All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Furthermore, the Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. For a further discussion of these and other factors that could cause the Company's future results to differ materially from any forward-looking statements, see the section entitled "Risk Factors" in the Company's final prospectus filed on April 27, 2011, and the Company's Annual Report on Form 10-K for the year ended December 31, 2010 filed with the Securities and Exchange Commission on March 24, 2011, and other risks described in documents subsequently filed by the Company from time to time with the Securities and Exchange Commission.

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or

Investor / Media Contact:

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(FINANCIAL TABLES FOLLOW)

Hudson Pacific Properties, Inc.
Consolidated Balance Sheets
(Unaudited, in thousands, except share data)

	September 30, 2011	December 31, 2010
ASSETS		
REAL ESTATE ASSETS		
Land	$ 349,783	329,231
Building and improvements	529,375	468,711
Tenant improvements	59,657	47,478
Furniture and fixtures	11,475	11,411
Property under development	8,218	7,904
Total real estate held for investment	958,508	864,735
Accumulated depreciation and amortization	(46,235)	(27,113)
Investment in real estate, net	912,273	837,622
Cash and cash equivalents	20,715	48,875
Restricted cash	9,624	4,121
Accounts receivable, net	10,758	4,478
Straight-line rent receivables	8,950	6,703
Deferred leasing costs and lease intangibles, net	78,943	86,385
Deferred finance costs, net	4,892	3,211
Interest rate contracts	202	—
Goodwill	8,754	8,754
Prepaid expenses and other assets	9,239	4,416
TOTAL ASSETS	1,064,350	1,004,565
LIABILITIES AND EQUITY		
Notes payable	$ 298,672	342,060
Accounts payable and accrued liabilities	18,753	11,507
Below-market leases	19,293	20,983
Security deposits	5,703	5,052
Prepaid rent	12,470	10,559
Interest rate contracts	—	71
TOTAL LIABILITIES	354,891	390,232
6.25% series A cumulative redeemable preferred units of the Operating Partnership	12,475	12,475
Redeemable non-controlling interest in consolidated real estate entity	—	40,328
EQUITY		
Hudson Pacific Properties, Inc. stockholders' equity:		
Preferred stock, $0.01 par value, 10,000,000 authorized; 8.375% series B cumulative redeemable preferred stock, $25.00 liquidation preference, 3,500,000 shares outstanding at September 30, 2011 and December 31, 2010, respectively	87,500	87,500
Common Stock, $0.01 par value 490,000,000 authorized, 33,572,454 outstanding at September 30, 2011 and 22,436,950 outstanding at December 31, 2010, respectively	336	224
Additional paid-in capital	556,650	411,598
Accumulated other comprehensive (deficit) income	(847)	6
Accumulated deficit	(10,588)	(3,482)
Total Hudson Pacific Properties, Inc. stockholders' equity	633,051	495,846
Non-controlling common units in the Operating Partnership	63,933	65,684
TOTAL EQUITY	696,984	561,530
TOTAL LIABILITIES AND EQUITY	$ 1,064,350	1,004,565

Hudson Pacific Properties, Inc.
Combined Statements of Operations
(Unaudited, in thousands, except share and per share data)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Revenues				
Office				
Rental	$ 18,950	$ 6,521	$ 54,285	$ 12,786
Tenant recoveries	7,437	1,001	19,584	1,915
Other	349	97	2,535	125
Total office revenues	26,736	7,619	76,404	14,826
Media & entertainment				
Rental	5,188	5,246	16,260	15,453
Tenant recoveries	402	363	1,261	1,179
Other property-related revenue	4,579	4,194	11,092	7,996
Other	12	83	111	96
Total media & entertainment revenues	10,181	9,886	28,724	24,724
Total revenues	36,917	17,505	105,128	39,550
Operating expenses				
Office operating expenses	12,785	2,822	32,592	5,650
Media & entertainment operating expenses	6,123	5,959	17,073	15,194
General and administrative	2,844	2,379	9,052	2,379
Depreciation and amortization	11,036	4,317	33,023	9,985
Total operating expenses	32,788	15,477	91,740	33,208
Income from operations	4,129	2,028	13,388	6,342
Other expense (income)				
Interest expense	4,073	1,784	13,245	6,196
Interest income	(36)	(31)	(67)	(37)
Unrealized (gain) on interest rate contracts	—	—	—	(347)
Acquisition-related expenses	762	256	762	2,689
Other expenses (income)	133	(8)	368	(8)
	4,932	2,001	14,308	8,493
Net (loss) income	$ (803)	$ 27	$ (920)	$ (2,151)
Less: Net income attributable to preferred stock and units	(2,027)	(195)	(6,081)	(199)
Less: Net income attributable to restricted shares	(53)	(25)	(177)	(25)
Less: Net loss (income) attributable to non-controlling interest in consolidated real estate entities	—	—	(803)	32
Add: Net loss attributable to common units in the Operating Partnership	211	21	698	277
Net loss attributable to Hudson Pacific Properties, Inc. shareholders' / controlling members' equity	$ (2,672)	$ (172)	$ (7,283)	$ (2,066)

Net loss attributable to shareholders' per share - basic and diluted	$ (0.08)	$ (0.01)	$ (0.26)	$ —
Weighted average shares of common stock outstanding - basic and diluted	33,146,334	21,946,508	28,126,546	—
Dividends declared per common share	$ 0.125	$ 0.0971	$ 0.375	$ —

Hudson Pacific Properties, Inc.
Funds From Operations
(Unaudited, in thousands, except per share data)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011
Reconciliation of net loss to Funds From Operations (FFO):			
Net (loss) income	$ (803)	$ 27	$ (920)
Adjustments:			
Depreciation and amortization of real estate assets	11,036	4,317	33,023
Less: Net loss (income) attributable to non-controlling interest in consolidated real estate entities	—	—	(803)
Less: Net income attributable to preferred stock and units	(2,027)	(195)	(6,081)
FFO to common shareholders and unit holders	$ 8,206	$ 4,149	$ 25,219
Specified items impacting FFO:			
Acquisition-related expenses	762	256	762
FFO (after specified items) to common shareholders and unit holders	$ 8,968	$ 4,405	$ 25,981
Weighted average common shares/units outstanding - diluted	36,183	24,823	31,210
FFO per common share/unit - diluted	0.23	0.17	0.81
FFO (after specified items) per common share/unit - diluted	0.25	0.18	0.83

HUDSON PACIFIC PROPERTIES, INC.

THIRD QUARTER 2011

Supplemental Operating and Financial Data

This Supplemental Operating and Financial Data 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. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. You should not rely on forward-looking statements as predictions of future events. Forward-looking statements involve numerous risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ materially from those expressed in any forward-looking statement made by us. These risks and uncertainties include, but are not limited to: adverse economic and real estate developments in Southern and Northern California; decreased rental rates or increased tenant incentives and vacancy rates; defaults on, early terminations of, or non-renewal of leases by tenants; increased interest rates and operating costs; failure to generate sufficient cash flows to service our outstanding indebtedness; difficulties in identifying properties to acquire and completing acquisitions; failure to successfully integrate pending and recent acquisitions; failure to successfully operate acquired properties and operations; failure to maintain our status as a REIT under the Internal Revenue Code of 1986, as amended; possible adverse changes in laws and regulations; environmental uncertainties; risks related to natural disasters; lack or insufficient amount of insurance; inability to successfully expand into new markets or submarkets; risks associated with property development; conflicts of interest with our officers; changes in real estate and zoning laws and increases in real property tax rates; the consequences of any possible future terrorist attacks; and other risks and uncertainties detailed in our Prospectus filed with the Securities and Exchange Commission on April 27, 2011. You are cautioned that the information contained herein speaks only as of the date hereof and Hudson Pacific Properties, Inc. assumes no obligation to update any forward-looking information, whether as a result of new information, future events or otherwise. For a discussion of important risks related to Hudson Pacific Properties, Inc.'s business, and an investment in its securities, including risks that could cause actual results and events to differ materially from results and events referred to in the forward-looking information, see the discussion under the caption “Risk Factors” in Hudson Pacific Properties, Inc.'s Prospectus dated April 27, 2011. In light of these risks and uncertainties, any forward-looking events described herein or in Hudson Pacific Properties, Inc.'s November 2011 conference call may not occur.

Hudson Pacific Properties, Inc.
Third Quarter 2011 Supplemental Operating and Financial Data

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COMPANY BACKGROUND

CORPORATE
11601 Wilshire Boulevard, Suite 1600, Los Angeles, California 90025
(310) 445-5700

BOARD OF DIRECTORS

Victor J. Coleman	**Theodore R. Antenucci**	**Jonathan M. Glaser**
Chairman of the Board and Chief Executive Officer, Hudson Pacific Properties, Inc.	President and Chief Executive Officer, Catellus Development Corporation	Managing Member, JMG Capital Management LLC
Richard B. Fried	**Mark D. Linehan**	**Robert M. Moran, Jr.**
Managing Member, Farallon Capital Management, L.L.C.	President and Chief Executive Officer, Wynmark Company	Co-founder and Co-owner, FJM Investments LLC
Barry A. Porter	**Patrick Whitesell**	**Howard S. Stern**
Managing General Partner, Clarity Partners L.P.	Co-Chief Executive, WME Entertainment	President, Hudson Pacific Properties, Inc.

EXECUTIVE AND SENIOR MANAGEMENT

Victor J. Coleman	**Howard S. Stern**	**Mark T. Lammas**
Chief Executive Officer	President	Chief Financial Officer
Christopher Barton	**Dale Shimoda**	**Alexander Vouvalides**
EVP, Operations and Development	EVP, Finance	VP, Asset Management
Harout Diramerian	**Kay Tidwell**	**Elva Hernandez**
Chief Accounting Officer	EVP, General Counsel	Operational Controller

INVESTOR RELATIONS

Addo Communications
Andrew Blazier
(310) 829-5400
Email Contact: andrewb@addocommunications.com
Please visit our corporate Web site at: www.hudsonpacificproperties.com

Hudson Pacific Properties, Inc.
Third Quarter 2011 Supplemental Operating and Financial Data

CORPORATE DATA

(unaudited, $ in thousands, except per share data)

Hudson Pacific Properties, Inc. (NYSE: HPP) (also referred to herein as the "Company," "we," "us," or "our") is a full-service, vertically integrated real estate company focused on owning, operating and acquiring high-quality office properties in select growth markets primarily in Northern and Southern California. Our investment strategy is focused on high barrier-to-entry, in-fill locations with favorable, long-term supply demand characteristics. These markets include Los Angeles, Orange County, San Diego, San Francisco, Silicon Valley and the East Bay, which we refer to as our target markets.

This Supplemental Operating and Financial Data supplements the information provided in our reports filed with the Securities and Exchange Commission. We maintain a Web site at www.hudsonpacificproperties.com.

Number of office properties owned		14
Office properties square feet (in thousands)		3,367
Office properties leased rate as of September 30, 2011(1)		90.4%
Office properties occupied rate as of September 30, 2011(1) (2)		89.0%
Number of media & entertainment properties owned		2
Media & entertainment square feet (in thousands)		857
Media & entertainment occupied rate as of September 30, 2011(3)		73.1%
Number of land assets owned		4
Land assets square feet (in thousands)(4)		1,447
Market capitalization (in thousands):		
Total debt(5)	$	298,097
Series A Preferred Units		12,475
Series B Preferred Stock		87,500
Common equity capitalization(6)		420,813
Total market capitalization	$	818,885
Debt/total market capitalization		36.4%
Series A preferred units & debt/total market capitalization		37.9%
Common stock data (NYSE:HPP):		
Range of closing prices(7)	$ 11.46-16.00	
Closing price at quarter end	$	11.63
Weighted average fully diluted shares\units outstanding (in thousands)(8)		36,183
Shares of common stock\units outstanding on September 30, 2011 (in thousands)(9)		36,183

(1) Office properties leased rate and occupied rate includes properties acquired in third quarter 2011, including the approximately 50,000 square-foot vacant 275 Brannan property, which the Company is in the process of renovating in anticipation of re-tenanting. Excluding 275 Brannan, the office properties leased rate and occupied rate was 91.8% and 90.4%, respectively.

(2) Represents percent leased less signed leases not yet commenced.

(3) Percent occupied for media and entertainment properties is the average percent occupied for the 12 months ended September 30, 2011.

(4) Square footage for land assets represents management's estimate of developable square feet, the majority of which remains subject to receipt of entitlement approvals that have not yet been obtained.

(5) Total debt excludes non-cash loan premium/discount.

(6) Common equity capitalization represents the shares of common stock (including unvested restricted shares) and OP units outstanding multiplied by the closing price of our stock at the end of the period.

(7) For the quarter ended September 30, 2011.

(8) For the quarter ended September 30, 2011. Diluted shares represent ownership in our company through shares of common stock, OP Units and other convertible instruments. Diluted shares do not include shares issuable upon exchange of our series A preferred units, which do not become exchangeable until June 29, 2013.

(9) This amount represents fully diluted common shares and OP units (including unvested restricted shares) at September 30, 2011, and does not include shares issuable upon exchange of our series A preferred units, which do not become exchangeable until June 29, 2013.

CONSOLIDATED FINANCIAL RESULTS

Consolidated Balance Sheets

(Unaudited, in thousands, except share data)

	September 30, 2011	December 31, 2010
ASSETS		
Total investment in real estate, net	$ 912,273	$ 837,622
Cash and cash equivalents	20,715	48,875
Restricted cash	9,624	4,121
Accounts receivable, net	10,758	4,478
Straight-line rent receivables	8,950	6,703
Deferred leasing costs and lease intangibles, net	78,943	86,385
Deferred finance costs, net	4,892	3,211
Interest rate contracts	202	—
Goodwill	8,754	8,754
Prepaid expenses and other assets	9,239	4,416
TOTAL ASSETS	$ 1,064,350	$ 1,004,565
LIABILITIES AND EQUITY		
Notes payable	$ 298,672	$ 342,060
Accounts payable and accrued liabilities	18,753	11,507
Below-market leases	19,293	20,983
Security deposits	5,703	5,052
Prepaid rent	12,470	10,559
Interest rate contracts	—	71
TOTAL LIABILITIES	354,891	390,232
6.25% series A cumulative redeemable preferred units of the Operating Partnership	12,475	12,475
Redeemable non-controlling interest in consolidated real estate entity	—	40,328
EQUITY		
Hudson Pacific Properties, Inc. stockholders' equity:		
Preferred stock, $0.01 par value, 10,000,000 authorized; 8.375% series B cumulative redeemable preferred stock, $25.00 liquidation preference, 3,500,000 shares outstanding at September 30, 2011 and December 31, 2010, respectively	87,500	87,500
Common Stock, $0.01 par value 490,000,000 authorized, 33,572,454 outstanding at September 30, 2011 and 22,436,950 outstanding at December 31, 2010, respectively	336	224
Additional paid-in capital	556,650	411,598
Accumulated other comprehensive (deficit) income	(847)	6
Accumulated deficit	(10,588)	(3,482)
Total Hudson Pacific Properties, Inc. stockholders' equity	633,051	495,846
Non-controlling common units in the Operating Partnership	63,933	65,684
TOTAL EQUITY	696,984	561,530
TOTAL LIABILITIES AND EQUITY	$ 1,064,350	$ 1,004,565

Consolidated Statements of Operations

(Unaudited, in thousands, except share and per share data)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
Revenues				
Office				
Rental	$ 18,950	$ 6,521	$ 54,285	$ 12,786
Tenant recoveries	7,437	1,001	19,584	1,915
Other	349	97	2,535	125
Total office revenues	26,736	7,619	76,404	14,826
Media & entertainment				
Rental	5,188	5,246	16,260	15,453
Tenant recoveries	402	363	1,261	1,179
Other property-related revenue	4,579	4,194	11,092	7,996
Other	12	83	111	96
Total media & entertainment revenues	10,181	9,886	28,724	24,724
Total revenues	36,917	17,505	105,128	22,068
Operating expenses				
Office operating expenses	12,785	2,822	32,592	5,650
Media & entertainment operating expenses	6,123	5,959	17,073	15,194
General and administrative	2,844	2,379	9,052	2,379
Depreciation and amortization	11,036	4,317	33,023	9,985
Total operating expenses	32,788	15,477	91,740	33,208
Income from operations	4,129	2,028	13,388	6,342
Other expense (income)				
Interest expense	4,073	1,784	13,245	6,196
Interest income	(36)	(31)	(67)	(37)
Unrealized (gain) on interest rate contracts	—	—	—	(347)
Acquisition-related expenses	762	256	762	2,689
Other expenses (income)	133	(8)	368	(8)
	4,932	2,001	14,308	8,493
Net (loss) income	$ (803)	$ 27	$ (920)	$ (2,151)
Less: Net income attributable to preferred stock and units	(2,027)	(195)	(6,081)	(199)
Less: Net income attributable to restricted shares	(53)	(25)	(177)	(25)
Less: Net loss (income) attributable to non-controlling interest in consolidated real estate entities	—	—	(803)	32
Add: Net loss attributable to common units in the Operating Partnership	211	21	698	277
Net loss attributable to Hudson Pacific Properties, Inc. shareholders' / controlling members' equity	$ (2,672)	$ (172)	$ (7,283)	$ (2,066)
Net loss attributable to shareholders' per share - basic and diluted	$ (0.08)	$ (0.01)	$ (0.26)	$ —
Weighted average shares of common stock outstanding - basic and diluted	33,146,334	21,946,508	28,126,546	—
Dividends declared per common share	$ 0.125	$ 0.0971	$ 0.375	—

FUNDS FROM OPERATIONS AND ADJUSTED FUNDS FROM OPERATIONS
(unaudited, in thousands, except per share data)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011
Funds From Operations (FFO) [1]			
Net (loss) income	(803)	27	(920)
Adjustments:			
Depreciation and amortization of real estate assets	11,036	4,317	33,023
Less: Net loss (income) attributable to non-controlling interest in consolidated real estate entities	—	—	(803)
Less: Net income attributable to preferred stock and units	(2,027)	(195)	(6,081)
FFO to common shareholders and unit holders	8,206	4,149	25,219
Specified items impacting FFO:			
Acquisition-related expenses	762	256	762
FFO (after specified items) to common shareholders and unit holders	8,968	4,405	25,981
Weighted average common shares/units outstanding - diluted	36,183	24,823	31,210
FFO per common share/unit - diluted	0.23	0.17	0.81
FFO (after specified items) per common share/unit - diluted	0.25	0.18	0.83
Adjusted Funds From Operations (AFFO) [1]			
FFO	8,206	4,149	25,219
Adjustments:			
Straight-line rent	(218)	(1,472)	(2,247)
Amortization of prepaid rent [2]	288	251	842
Amortization of above market and below market leases, net	(151)	(130)	(365)
Amortization of below market ground lease	62	15	204
Amortization of lease buy-out costs	23	133	384
Amortization of deferred financing costs and loan premium/discount, net	379	369	747
Recurring capital expenditures, tenant improvements and lease commissions	(1,770)	(812)	(4,275)
Non-cash compensation expense	691	376	2,004
AFFO	7,510	2,879	22,513
Dividends paid to common stock and unit holders	4,523	2,358	12,179
AFFO payout ratio	60.2%	81.9%	54.1%

(1) See page 18 for Management Statements on Funds From Operations (FFO) and Adjusted Funds From Operations (AFFO).
(2) Represents the difference between rental revenue recognize in accordance with accounting principles generally accepted in the United States (GAAP) based on the amortization of the prepaid rent liability relating to the KTLA lease at our Sunset Bronson property compared to scheduled cash rents received in connection with such prepayment.

DEBT SUMMARY
(In thousands)

The following table sets forth information with respect to our outstanding indebtedness as of September 30, 2011.

Debt	Outstanding	Interest Rate (1)	Annual Debt Service (1)	Maturity Date
Mortgage loan secured by 10950 Washington	$ 30,000	5.94%	$ 1,807	2/1/2012
Secured Revolving Credit Facility (2)	33,000	LIBOR+2.50% to 3.25%	--	6/29/2013
Mortgage loan secured by 625 Second Street (3)	33,700	5.85%	1,999	2/1/2014
Mortgage loan secured by Sunset Gower/Sunset Bronson (4)	92,000	LIBOR+3.50%	--	2/11/2016
Mortgage loan secured by Rincon Center (5)	109,397	5.134%	7,195	5/1/2018
Subtotal	$ 298,097			
Unamortized loan premium, net (6)	575			
Total	$ 298,672			

(1) Interest rate with respect to indebtedness is calculated on the basis of a 360-day year for the actual days elapsed, excluding the amortization of loan fees and costs. Annual debt service excludes debt that remains at variable rates.

(2) We entered into a $200.0 million secured revolving credit facility with a group of lenders for which an affiliate of Barclays Capital Inc. acts as administrative agent and joint lead arranger and affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated act as syndication agent and joint lead arranger. Until it was amended on April 4, 2011, the facility bore interest at a rate per annum equal to LIBOR plus 325 basis points to 400 basis points, depending on our leverage ratio, provided that LIBOR was subject to a floor of 1.50%. The secured revolving credit facility contains an accordion feature that allows us to increase the availability by $50.0 million, to $250.0 million, under specified circumstances. On April 4, 2011, we amended our $200.0 million secured revolving credit facility. As a result of the amendment, the secured revolving credit facility now bears interest at a rate per annum equal to LIBOR plus 250 basis points to 325 basis points (down from 325 basis points to 400 basis points), depending on our leverage ratio, and is no longer subject to a LIBOR floor of 1.50%. The secured revolving credit facility continues to include an accordion feature that allows us to increase the availability by $50.0 million, to $250.0 million, under specified circumstances. The annual fee charged against the unused portion of the facility has also been reduced to 40 basis points (down from 50 basis points).

(3) This loan was assumed on September 1, 2011 in connection with the closing of our acquisition of 625 Second Street property.

(4) On February 11, 2011, we closed a five-year term loan totaling $92.0 million with Wells Fargo Bank, N.A., secured by our Sunset Gower and Sunset Bronson media and entertainment properties. The loan bears interest at a rate equal to one-month LIBOR plus 3.50%. $37.0 million of the loan was subject to an interest rate contract, which swaps one-month LIBOR to a fixed rate of 0.75% through April 30, 2011. On March 16, 2011, we purchased an interest rate cap in order to cap one-month LIBOR at 3.715% with respect to $50.0 million of the loan through its maturity on February 11, 2016. Proceeds from the loan were used to fully refinance a $37.0 million mortgage loan secured by our Sunset Bronson property that was scheduled to mature on April 30, 2011. The remaining proceeds were used to partially pay down our secured revolving credit facility. Until its repayment on February 11, 2011, the $37.0 million mortgage loan secured by our Sunset Bronson property incurred interest at a rate of one-month LIBOR plus 3.65% and was subject to the same interest rate contract swapping one-month LIBOR to a fixed rate of 0.75% described earlier.

(5) On April 29, 2011, we closed a seven-year term loan totaling $110.0 million with JPMorgan Chase Bank, National Association, secured by our Rincon Center property. The loan bears interest at a fixed annual rate of 5.134%. The loan fully refinanced the prior $106.0 million project loan on the property that was scheduled to mature on July 1, 2011.

(6) Represents unamortized amount of the non-cash mark-to-market adjustment on debt associated with the First Financial and 10950 Washington loans.

PORTFOLIO DATA

OFFICE PORTFOLIO SUMMARY, OCCUPANCY, AND IN-PLACE RENTS

County	Number of Properties	Square Feet (1)	Percent of Total	Percent Occupied (2)	Annualized Base Rent (3)	Annualized Base Rent Per Leased Square Foot (4)
San Francisco	6	2,216,545	65.8%	87.3%	$ 46,521,011	$ 24.04
Los Angeles	6	711,998	21.1%	94.8%	22,101,263	32.76
Orange County	1	333,922	9.9%	86.9%	7,155,816	24.66
San Diego	1	104,234	3.1%	92.0%	1,510,622	15.75
	14	3,366,699	100%	89.0%	$ 77,288,711	$ 25.80

(1) Square footage for office properties has been determined by management based upon estimated leasable square feet, which may be less or more than the Building Owners and Managers Association, or BOMA, rentable area. Square footage may change over time due to remeasurement or releasing.
(2) Percent occupied for office properties is calculated as (i) square footage under commenced leases as of September 30, 2011, divided by (ii) total square feet, expressed as a percentage.
(3) Rent data for our office properties is presented on an annualized basis. Annualized base rent for office properties is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended September 30, 2011, by (ii) 12.
(4) Annualized base rent per leased square foot for the office properties is calculated as (i) annualized base rent divided by (ii) square footage under lease as of September 30, 2011.

MEDIA & ENTERTAINMENT PORTFOLIO SUMMARY, OCCUPANCY, AND IN-PLACE RENTS

Property	Square Feet (1)	Percent of Total	Percent Occupied (2)	Annual Base Rent (3)	Annual Base Rent Per Leased Square Foot (4)
Sunset Gower	543,709	63.4%	70.8%	$11,717,588	$ 30.45
Sunset Bronson	313,723	36.6%	77.1%	9,743,958	40.27
	857,432	100.0%	73.1%	$21,461,546	$ 34.24

(1) Square footage for media and entertainment properties has been determined by management based upon estimated leasable square feet, which may be less or more than the BOMA rentable area. Square footage may change over time due to remeasurement or releasing.
(2) Percent occupied for media and entertainment properties is the average percent occupied for the 12 months ended September 30, 2011.
(3) Annual base rent for media and entertainment properties reflects actual base rent for the 12 months ended September 30, 2011, excluding tenant reimbursements.
(4) Annual base rent per leased square foot for the media and entertainment properties is calculated as (i) annual base rent divided by (ii) square footage under lease as of September 30, 2011.

TEN LARGEST OFFICE TENANTS (1)

Tenant	Number of Leases	Number of Properties	Lease Expiration	Total Leased Square Feet	Percent of Rentable Square Feet		Annualized Base Rent (2)		Percent of Annualized Base Rent
Bank of America (3)	1	1	Various	832,549	24.7%		$ 9,913,660		12.8%
AIG	1	1	7/31/2017	166,757	5.0%		6,894,564		8.9%
AT&T	1	1	8/31/2013	155,964	4.6%		5,850,333		7.6%
Fox Interactive Media, Inc.	1	1	3/31/2017	104,897	3.1%		4,349,889		5.6%
Technicolor Creative Services USA, Inc.	1	1	5/31/2020	114,958	3.4%		4,246,778		5.5%
GSA - U.S. Corps of Engineers	1	1	2/19/2017	89,995	2.7%		3,260,240		4.2%
Kondaur Capital Corp.	1	1	3/31/2013	125,208	3.7%		3,095,142		4.0%
Saatchi & Saatchi North America, Inc.	1	1	12/31/2019	113,000	3.4%		3,069,070		4.0%
NFL Enterprises	1	1	3/31/2015	95,570	2.8%		2,895,300		3.7%
State of California	1	1	12/31/2017	35,452	1.1%		1,659,606		2.1%
Total	10	10		1,834,350	54.5%	1,788,380	$45,234,582	0.571	58.4%

(1) Top Ten Largest Office Tenants is determined by Annualized Base Rental Income as of September 30, 2011.
(2) Rent data for our office properties is presented on an annualized basis. Annualized base rent for office properties is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended September 30, 2011, by (ii) 12.
(3) Bank of America lease expiration by square footage: (1) 50,948 sf at 12/31/2012; (2) 236,522 sf at 12/31/2013; (3) 331,197 sf at 12/31/2015; and (4) 213,882 sf at 12/31/2017.

OFFICE PORTFOLIO LEASING ACTIVITY

Total Gross Leasing Activity		
Rentable square feet		112,673
Number of leases		13
Gross New Leasing Activity		
Rentable square feet		57,635
New cash rate	$	32.47
Number of leases		4
Gross Renewal Leasing Activity		
Rentable square feet		55,038
Renewal cash rate	$	22.76
Number of leases		9
Net Absorption		
Leased rentable square feet		42,234
Cash Rent Growth [1]		
Expiring Rate	$	22.95
New/Renewal Rate	$	22.76
Change		(0.8)%
Straight-Line Rent Growth [2]		
Expiring Rate	$	21.93
New/Renewal Rate	$	22.96
Change		4.7 %
Weighted Average Lease Terms		
New (in months)		149
Renewal (in months)		37

Tenant Improvements and Leasing Commissions [3]	Total Lease Transaction Costs Per Square Foot	Annual Lease Transaction Costs Per Square Foot
New leases	$62.79	$5.04
Renewal leases	$7.85	$2.52
Blended	$35.95	$4.56

(1) Represents a comparison between initial stabilized cash rents on new and renewal leases as compared to the expiring cash rents in the same space. New leases are only included if the same space was leased within the previous 12 months.

(2) Represents a comparison between initial straight-line rents on new and renewal leases as compared to the straight-line rents on expiring leases in the same space. New leases are only included if the same space was leased within the previous 12 months.

(3) Represents per square foot weighted average lease transaction costs based on the lease executed in the current quarter in our properties.

OFFICE LEASE EXPIRATIONS - ANNUAL

Year of Lease Expiration	Square Footage of Expiring Leases	Percent of Office Portfolio Square Feet	Annualized Base Rent (1)	Percentage of Office Portfolio Annualized Base Rent	Annualized Base Rent Per Leased Square Foot (2)	Annualized Base Rent Per Lease Square Foot at Expiration (3)
Available	323,030	9.6%	$ —	—	$ —	$ —
2011	65,442	1.9%	1,774,290	2.2%	27.11	27.11
2012	232,609	6.9%	7,138,553	9.0%	30.69	31.42
2013	745,709	22.2%	18,211,773	23.1%	24.42	25.23
2014	132,208	3.9%	3,845,481	4.9%	29.09	31.11
2015	468,537	13.9%	7,557,334	9.6%	16.13	18.27
2016	193,451	5.8%	5,360,814	6.8%	27.71	31.26
2017	725,004	21.6%	21,066,930	26.7%	29.06	32.17
2018	27,613	0.8%	580,013	0.7%	21.01	25.40
2019	195,869	5.8%	5,679,715	7.2%	29.00	33.87
2020	170,785	5.1%	5,363,317	6.8%	31.40	45.82
Thereafter	23,683	0.7%	710,490	0.9%	30.00	41.00
Building management use	15,038	0.4%	—	—%	—	—
Signed leases not commenced	47,721	1.4%	1,593,999	2.0%	33.40	38.71
Total/Weighted Average	3,366,699	100.0%	$78,882,709	100.0%	$ 25.92	$ 26.11

(1) Rent data for our office properties is presented on an annualized basis without regard to cancellation options. Annualized base rent for office properties is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended September 30, 2011, by (ii) 12.

(2) Annualized base rent per leased square foot for the office properties is calculated as (i) annualized base rent divided by (ii) square footage under lease as of September 30, 2011.

(3) Annualized base rent per leased square foot at expiration for the office properties is calculated as (i) annualized base rent at expiration divided by (ii) square footage under lease as of September 30, 2011.

QUARTERLY OFFICE LEASE EXPIRATIONS - NEXT FOUR QUARTERS

County		Q4 2011	Q1 2012	Q2 2012	Q3 2012
San Francisco	Expiring SF	874	11,943	50,265	4,173
	Rent per SF (1)	$ 17.32	$ 37.15	$ 42.64	$ 58.28
Los Angeles	Expiring SF	1,621	12,418	47,772	22,293
	Rent per SF (1)	$ 35.72	$ 33.37	$ 36.05	$ 33.90
Orange	Expiring SF	5,173	3,371	4,507	9,987
	Rent per SF (1)	$ 24.81	$ 27.84	$ 22.54	$ 27.81
San Diego	Expiring SF	6,133	—	—	14,932
	Rent per SF (1)	$ 11.21	$ —	$ —	$ 22.18

(1) Rent data for our office properties is presented on an annualized basis without regard to cancellation options. Annualized base rent for office properties is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended September 30, 2011, by (ii) 12.

OFFICE PORTFOLIO DIVERSIFICATION

Industry	Total Square Feet (1)	Annualized Rent as of Percent of Total
Business Services	76,489	2.8%
Educational	120,396	4.5%
Financial Services	1,086,169	22.0%
Insurance	211,478	10.4%
Legal	144,360	5.5%
Media & Entertainment	363,873	15.3%
Other	86,044	2.0%
Real Estate	42,683	1.8%
Retail	178,945	5.0%
Technology	420,368	19.1%
Advertising	115,735	4.1%
Government	125,447	6.4%
Healthcare	27,061	1.1%
Total	2,999,048	100.0%

(1) Does not include signed leases not commenced.

DEFINITIONS

Funds From Operations (FFO): We calculate funds from operations before non-controlling interest (FFO) in accordance with the standards established by the National Association of Real Estate Investment Trusts (NAREIT). FFO represents net income (loss), computed in accordance with accounting principles generally accepted in the United States of America (GAAP), excluding gains (or losses) from sales of depreciable operating property, real estate depreciation and amortization (excluding amortization of above (below) market rents for acquisition properties and amortization of deferred financing costs and debt discounts) and after adjustments for unconsolidated partnerships and joint ventures. We use FFO as a supplemental performance measure because, in excluding real estate depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs.

We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that results from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effect and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. Other equity REITs may not calculate FFO in accordance with the NAREIT definition and, accordingly, our FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of our performance. FFO should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends. FFO should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

Adjusted Funds From Operations (AFFO): Adjusted Funds From Operations (AFFO) is a non-GAAP financial measure we believe is a useful supplemental measure of our performance. We compute AFFO by adding to FFO the non-cash compensation expense and amortization of deferred financing costs, and subtracting recurring capital expenditures, tenant improvements and leasing commissions (excluding pre-existing obligations on contributed or acquired properties funded with amounts received in settlement of prorations), and eliminating the net effect of straight-line rents, amortization of lease buy-out costs, and amortization of above/below market lease intangible assets and liabilities and amortization of loan discounts/premium. We also add to FFO the difference between rental revenue recognize in accordance with accounting principles generally accepted in the United States (GAAP) based on the amortization of the prepaid rent liability relating to the KTLA lease at our Sunset Bronson property compared to scheduled cash rents received in connection with such prepayment. AFFO is not intended to represent cash flow for the period. We believe that AFFO provides useful information to the investment community about our financial position as compared to other REITs since AFFO is a widely reported measure used by other REITs. However, other REITs may use different methodologies for calculating AFFO and, accordingly, our AFFO may not be comparable to other REITs.