

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K/A

Current report filing [amend]

Filing Date: **1996-12-30** | Period of Report: **1996-12-30**  
SEC Accession No. **0000929454-96-000012**

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### FILER

#### **GLENBOROUGH REALTY TRUST INC**

CIK: **929454** | IRS No.: **943211970** | State of Incorporation: **MD** | Fiscal Year End: **1231**  
Type: **8-K/A** | Act: **34** | File No.: **001-14162** | Film No.: **96687958**  
SIC: **6500** Real estate

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4153439300

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

-----  
FORM 8-K/A

(Amendment No.1)

CURRENT REPORT

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

Date of Report (Date of earliest event reported)  
December 30, 1996 (November 19, 1996)  
-----

GLENBOROUGH REALTY TRUST INCORPORATED

-----  
(Exact name of registrant as specified in its charter)

Maryland	001-14162	94-3211970
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer I.D. Number)

400 South El Camino Real, Ste. 1100, San Mateo, California 94402

-----  
(Address of principal executive offices)

Registrant's Telephone number, including area code:(415) 343-9300  
-----

Page 1 of 41

Glenborough Realty Trust Incorporated (the "Company") hereby amends Item 7 of its Current Report on Form 8-K filed with the Securities and Exchange Commission (the "Commission") on December 4, 1996, to file the Pro Forma Financial Statements of the Company and exhibits related to the acquisition of the Carlsberg Properties (as defined in such Form 8-K) and the acquisition of the TRP Properties previously reported in the Company's Current Report on Form 8-K filed with the Commission on November 1, 1996, and defined therein.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) FINANCIAL STATEMENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS 4

Statement of revenues and certain expenses  
of the TRP Properties for the nine  
months ended September 30, 1996 (unaudited)  
and for the year ended December 31, 1995. 5

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS 8

Statement of revenues and certain expenses  
of the Carlsberg Properties for the nine  
months ended September 30, 1996 (unaudited)  
and for the year ended December 31, 1995. 9

(b) PRO FORMA FINANCIAL STATEMENTS

The accompanying pro forma financial statements represent the Company's consolidated balance sheet and consolidated statement of operations as of and for the nine months ended September 30, 1996 and for the year ended December 31, 1995, as if the transactions and the Consolidation (discussed below) took place on January 1, 1995.

The pro forma adjustments reflect: (a) the acquisition of the TRP Properties and the Carlsberg Properties; (b) the new debt and interest thereon and (c) the effect that these adjustments have on minority interest.

The Pro Forma information is unaudited and is not necessarily indicative of the consolidated results which would have occurred if the transactions had been consummated in the year presented, or on any particular date in the future, nor does it purport to represent the financial position or results of operations in future periods.

Pro Forma Consolidated Balance Sheet at September 30, 1996 with accompanying notes and adjustments	12
Pro Forma Consolidated Statement of Operations for the nine months ended September 30, 1996	15
Pro Forma Consolidated Statement of Operations for the year ended December 31, 1995	17

Page 2 of 41

Notes and adjustments to Proforma Consolidated Statements of Operations for the nine months ended September 30, 1996 and the year ended December 31, 1995	19
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The As Adjusted financial statements represent the Company's consolidated statement of operations for the year ended December 31, 1995 as if the consolidation (the "Consolidation") of eight predecessor California Limited partnerships (Equitec Income Real Estate Investors B, Equitec Income Real Estate Investors C, Equitec Income Real Estate Investors-Equitec Fund 4, Equitec Mortgage Investors Fund IV, Equitec 79 Real Estate Investors, Outlook Properties Fund IV, Glenborough All Suites Hotels, L.P. and Glenborough Pension Investors) (the "Partnerships") and Glenborough Corporation (previously disclosed on Forms 8-K and 8-K/A filed with the Securities and Exchange Commission on January 15, 1996 and March 15, 1996, respectively) had taken place on January 1, 1995.

The As Adjusted information is unaudited and is not necessarily indicative of the consolidated results which would have occurred if the transactions had been consummated in the year presented, or on any particular date in the future, nor does it purport to represent the financial position or results of operations in future periods.

The following financial statements reflect the unaudited As Adjusted Consolidated Financial Statements of Glenborough Realty Trust Incorporated for the year ended December 31, 1995.

Glenborough Realty Trust Incorporated As Adjusted Consolidating Statement of Operations with accompanying notes and adjustments	22
Glenborough Realty Trust Incorporated As Adjusted Historical Combining Statement of Operations with accompanying notes and adjustments	26
Glenborough Realty Trust Incorporated As Adjusted Statement of Hotel Lessor Operations with accompanying notes and adjustments	29
Glenborough Hotel Group ("GHG") As Adjusted Statement of Operations with accompanying notes and adjustments	31
Glenborough Corporation ("GC") As Adjusted Statement of Operations with accompanying notes and adjustments	35
Glenborough Inland Realty Corporation ("GIRC") As Adjusted Statement of Operations with accompanying notes and adjustments	39

Page 3 of 41

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Glenborough Realty Trust Incorporated:

We have audited the accompanying statement of revenues and certain expenses of the TRP Properties, as defined in Note 1, for the year ended December 31, 1995. This financial statement is the responsibility of the management of the Company. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in Note 1, and is not intended to be a complete presentation of the revenues and expenses of the TRP Properties.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain expenses of the TRP Properties for the year ended December 31, 1995, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

San Francisco, California  
July 9, 1996

Page 4 of 41

<TABLE>  
<CAPTION>

GLENBOROUGH REALTY TRUST INCORPORATED  
STATEMENTS OF REVENUES AND CERTAIN EXPENSES FOR  
THE TRP PROPERTIES  
For The Nine Months Ended September 30, 1996 (Unaudited)  
And The Year Ended December 31, 1995  
(in thousands)

	Nine Months Ended September 30, 1996 (Unaudited) -----	Year Ended December 31, 1995 -----
<S>	<C>	<C>
REVENUES	\$ 5,979	\$ 7,336
CERTAIN EXPENSES:		
Operating	1,338	1,854
Real estate taxes	543	694
	-----	-----
	1,881	2,548
	-----	-----
REVENUES IN EXCESS OF CERTAIN EXPENSES	\$ 4,098 =====	\$ 4,788 =====

The accompanying notes are an integral part of these statements.

</TABLE>

Page 5 of 41

GLENBOROUGH REALTY TRUST INCORPORATED  
NOTES TO STATEMENTS OF REVENUES AND CERTAIN EXPENSES FOR  
THE TRP PROPERTIES  
For The Nine Months Ended September 30, 1996 (Unaudited)  
And The Year Ended December 31, 1995

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICY

Property Acquired - The accompanying statements of revenues and certain expenses include the operations (see "Basis of Presentation" below) of the following TRP Properties (the "TRP Properties") acquired by Glenborough Realty Trust Incorporated (the "Company") from Trust Realty Partners, an unaffiliated third party.

<TABLE>

<CAPTION>

Property -----	City -----	State -----	Type ----
<S>	<C>	<C>	<C>
Auburn North	Auburn	WA	Shopping Cntr
One Professional Square	Omaha	NB	Office
Warner Village Medical Center	Fountain Valley	CA	Office
The Globe Office Building	Mercer Island	WA	Office
Rancho Bernardo R & D Center	Rancho Bernardo	CA	Industrial
Hoover Industrial Center	Mesa	AZ	Industrial
Walnut Creek Business Center	Austin	TX	Industrial
Mercantile Industrial I	Dallas	TX	Industrial
Quaker Industrial (formerly Mercantile Industrial II)	Dallas	TX	Industrial
Pinewood Industrial (formerly Mercantile Industrial III)	Arlington	TX	Industrial
Villas de Mission Apartments	Las Vegas	NV	Multifamily
Sahara Gardens Apartments	Las Vegas	NV	Multifamily

</TABLE>

Basis of Presentation - The accompanying statements of revenues and certain expenses are not intended to be a complete presentation of the actual operations of the TRP Properties for the periods presented. Certain expenses may not be comparable to the expenses expected to be incurred by the Company in the future operations of the Properties; however, the Company is not aware of any material factors relating to the TRP Properties that would cause the reported financial information not to be indicative of future operating results. Excluded expenses consist of property management fees, interest expense, depreciation and amortization and other costs not directly related to the future operations of the TRP Properties.

These financial statements have been prepared for the purpose of complying with certain rules and regulations of the Securities and Exchange Commission.

The financial information presented for the nine months ended September 30, 1996 is not audited. In the opinion of management,

Page 6 of 41

the unaudited financial information contains all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the statements of revenues and certain expenses for the TRP Properties.

Revenue Recognition - All leases are classified as operating leases, and rental revenue is recognized on a straight-line basis over the terms of the leases.

2. LEASING ACTIVITY

The minimum future rental revenues from leases in effect as of October 1, 1996, for the remainder of 1996 and annually thereafter are as follows (in thousands)

Year	Amount
-----	-----
1996 (three months)	\$ 903
1997	2,993
1998	1,845
1999	1,270
2000	734
2001	475
Thereafter	1,020
-----	-----
Total	\$ 9,240
	=====

In addition to minimum rental payments, tenants pay reimbursements for their pro rata share of specified operating expenses, which amounted to \$395 (unaudited) for the nine months ended September 30, 1996, and \$418 for the year ended December 31, 1995. Certain leases contain lessee renewal options.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Glenborough Realty Trust Incorporated:

We have audited the accompanying statement of revenues and certain expenses of the Carlsberg Properties, as defined in Note 1, for the year ended December 31, 1995. This financial statement is the responsibility of the management of the Company. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, as described in Note 1, and is not intended to be a complete presentation of the revenues and expenses of the Carlsberg Properties.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain expenses of the Carlsberg Properties for the year ended December 31, 1995, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

San Francisco, California  
November 15, 1996

<TABLE>  
<CAPTION>

GLENBOROUGH REALTY TRUST INCORPORATED  
STATEMENTS OF REVENUES AND CERTAIN EXPENSES FOR  
THE CARLSBERG PROPERTIES  
For The Nine Months Ended September 30, 1996 (Unaudited)

And the Year Ended December 31, 1995  
(in thousands)

	Nine Months Ended September 30, 1996 (unaudited) -----	Year Ended December 31, 1995 -----
<S>	<C>	<C>
REVENUES	\$ 2,291	\$ 2,836
CERTAIN EXPENSES:		
Operating	650	783
Real estate taxes	206	278
	-----	-----
	856	1,061
	-----	-----
REVENUES IN EXCESS OF CERTAIN EXPENSES	\$ 1,435 =====	\$ 1,775 =====

The accompanying notes are an integral part of these statements.

</TABLE>

Page 9 of 41

GLENBOROUGH REALTY TRUST INCORPORATED  
NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES FOR  
THE CARLSBERG PROPERTIES  
For the Nine Months Ended September 30, 1996 (unaudited)  
and the Year Ended December 31, 1995

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICY

Properties Acquired - The accompanying combined statements of revenues and certain expenses include the operations (see "Basis of Presentation") of the following five properties (the "Carlsberg Properties") acquired by Glenborough Realty Trust Incorporated (the "Company"), from an unaffiliated third party.

<TABLE>

<CAPTION>

Property -----	City -----	State -----	Type -----
<S>	<C>	<C>	<C>
Sonora Plaza	Sonora	CA	Shopping Cntr
Vintage Pointe (formerly Carlsberg Plaza)	Phoenix	AZ	Office
Hillcrest Office Plaza	Fullerton	CA	Office
Dallidet Professional Center	San Luis Obispo	CA	Office

Basis of Presentation - The accompanying statements of revenues and certain expenses are not intended to be a complete presentation of the actual operations of the Carlsberg Properties for the periods presented. Certain expenses may not be comparable to the expenses incurred by the Company in the future operations of the Carlsberg Properties; however, the Company is not aware of any material factors relating to the Carlsberg Properties that would cause the reported financial information not to be indicative of future operating results. Excluded expenses consist of property management fees, interest expense, depreciation and amortization and other costs not directly related to the future operations of the Carlsberg Properties.

These financial statements have been prepared for the purpose of complying with certain rules and regulations of the Securities and Exchange Commission.

The financial information presented for the nine months ended September 30, 1996 is not audited. In the opinion of management, the unaudited financial information contains all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the combined statements of revenues and certain expenses for the Carlsberg Properties.

Revenue Recognition - All leases are classified as operating leases, and rental revenue is recognized on a straight-line basis over the terms of the leases.

GLENBOROUGH REALTY TRUST INCORPORATED  
NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES FOR  
THE CARLSBERG PROPERTIES - (Continued)  
For the Nine Months Ended September 30, 1996 (unaudited)  
and the Year Ended December 31, 1995

2. LEASING ACTIVITY

The minimum future rental revenues from leases in effect as of October 1, 1996, for the remainder of 1996 and annually thereafter are as follows (in thousands):

Year	Amount
-----	-----
1996 (three months)	\$ 640
1997	2,492
1998	2,122
1999	1,629
2000	1,476
2001	1,179
Thereafter	5,536
	-----
Total	\$ 15,074
	=====

In addition to minimum rental payments, tenants pay reimbursements for their pro rata share of specified operating expenses, which amounted to \$195 (unaudited) for the nine months ended September 30, 1996 and \$231 for the year ended December 31, 1995. Certain leases contain lessee renewal options.

<TABLE>  
<CAPTION>

GLENBOROUGH REALTY TRUST INCORPORATED  
PRO FORMA CONSOLIDATED BALANCE SHEET  
(in thousands, except shares)  
September 30, 1996  
(Unaudited)

	Historical (1)	Property Acquisitions (2)	Offering (3)
	-----	-----	-----
ASSETS			
<S>	<C>	<C>	<C>
Rental property, net	\$ 99,165	\$ 64,388	\$ ---



Investments in Associated Companies and Glenborough Partners	6,189	500	---
Investments in management contracts and other, net	355	---	---
Mortgage loans receivable, net	7,213	3,600	---
Cash and cash equivalents	610	(23,457)	46,714
Other assets	5,673	---	---
	-----	-----	-----
TOTAL ASSETS	\$ 119,205	\$ 45,031	\$ 46,714
	=====	=====	=====
LIABILITIES			
Mortgage loans	\$ 29,542	\$ 25,200	\$ ---
Secured bank line	29,002	14,744	---
Other liabilities	3,541	1,338	---
	-----	-----	-----
Total liabilities	62,085	41,282	---
	-----	-----	-----
MINORITY INTEREST	8,285	760	---
	-----	-----	-----
STOCKHOLDERS' EQUITY			
Common stock (9,661,553 shares issued and outstanding)	6	---	4
Additional paid-in capital	56,147	2,989	46,710
Deferred compensation	(446)	---	---
Retained earnings (deficit)	(6,872)	---	---
	-----	-----	-----
Total stockholders' equity	48,835	2,989	46,714
	-----	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$119,205	\$ 45,031	\$ 46,714
	=====	=====	=====

- continued -

</TABLE>

Page 12 of 41

<TABLE>

<CAPTION>

GLENBOROUGH REALTY TRUST INCORPORATED  
PRO FORMA CONSOLIDATED BALANCE SHEET  
(in thousands, except shares) - continued  
September 30, 1996  
(Unaudited)

	Repayment of Debt (4)	Pro Forma
	-----	-----
ASSETS		
<S>	<C>	<C>
Rental property, net	\$ ---	\$163,553
Investments in Associated Companies and Glenborough Partners	---	6,689
Investments in management contracts and other, net	---	355
Mortgage loans receivable	---	10,813
Cash and cash equivalents	(23,128)	739
Other assets	---	5,673
	-----	-----
TOTAL ASSETS	\$ (23,128)	\$187,822
	=====	=====
LIABILITIES		
Mortgage loans	\$ ---	\$ 54,742
Secured bank line	(23,128)	20,618
Other liabilities	---	4,879
	-----	-----
Total liabilities	(23,128)	80,239
	-----	-----
MINORITY INTEREST	---	9,045
	-----	-----

STOCKHOLDERS' EQUITY		
Common stock (9,661,553 shares issued and outstanding)	---	10
Additional paid-in capital	---	105,846
Deferred compensation	---	(446)
Retained earnings (deficit)	---	(6,872)
	-----	-----
Total stockholders' equity	---	98,538
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ (23,128)	\$187,822
	=====	=====

</TABLE>

Page 13 of 41

GLENBOROUGH REALTY TRUST INCORPORATED  
NOTES AND ADJUSTMENTS TO PRO FORMA CONSOLIDATED  
BALANCE SHEET AS OF SEPTEMBER 30, 1996  
(unaudited, dollars in thousands)

1. Reflects the historical consolidated balance sheet of the Company as of September 30, 1996, which includes the acquisitions of the following properties:

Property	Purchase Price
-----	-----
UCT Property	\$18,600,000
San Antonio Hotel	\$ 2,700,000
Kash n' Karry Property	\$ 1,540,000
Bond Street Property	\$ 3,200,000

2. Reflects the acquisition of the Carlsberg Properties (including a note receivable secured by the Grunow Medical Building) and the acquisition of the TRP Properties for total acquisition prices of \$19,589 and \$43,200, respectively, including acquisition costs of approximately \$1,599. These acquisitions were funded with approximately \$23,457 of the net proceeds from the Offering, assumption of approximately \$25,200 of mortgage debt, borrowings on the secured bank line (the "Facility") of approximately \$14,744, and the issuance of 52,386 Operating Partnership units with an aggregate approximate value of \$760 and 206,844 shares of unregistered Common Stock with an aggregate approximate value of \$2,989. The assumed mortgages bear interest rates of 8.00% to 9.25% and mature between August 1998 and August 2015.

3. Reflects the net proceeds from the Offering. In connection with the Offering, the Company incurred costs of approximately \$4,145.

4. Reflects the repayment of borrowings on the Facility of approximately \$23,128. After the Offering and the completion of the acquisitions of the Carlsberg and TRP Properties, the Company had approximately \$29,382 of remaining borrowing capacity on the Facility.

Page 14 of 41

<TABLE>  
<CAPTION>

GLENBOROUGH REALTY TRUST INCORPORATED  
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS  
For the nine months ended September 30, 1996  
(in thousands, except per share amounts)  
(Unaudited)

	Historical (1)	Facility and Term Loan (2)	Property Acquisitions (3)
	-----	-----	-----
REVENUES			
<S>	<C>	<C>	<C>
Rental revenue	\$ 11,281	\$ ---	\$ 11,376
Fees and reimbursements from affiliates	199	---	---
Interest and other income	623	---	---
Equity in earnings of Associated Companies	1,363	---	---
Gain on sale of rental properties	321	---	---
	-----	-----	-----
Total revenue	13,787	---	11,376
	-----	-----	-----

OPERATING EXPENSES			
Operating expenses	3,244	---	3,978
General and administrative	977	---	---
Depreciation and amortization	2,694	---	1,412
Interest expense	2,546	1,681	1,937
	-----	-----	-----
Total operating expenses	9,461	1,681	7,327
	-----	-----	-----
Income from operations before minority interest	4,326	(1,681)	4,049
Minority interest	(312)	---	---
	-----	-----	-----
Net income	\$ 4,014	\$ (1,681)	\$ 4,049
	=====	=====	=====
Net income per share	\$ 0.70		
	=====		
Weighted average number of common shares outstanding	5,763,742		
	=====		

- continued -

</TABLE>

Page 15 of 41

<TABLE>  
<CAPTION>

GLENBOROUGH REALTY TRUST INCORPORATED  
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS - continued  
For the nine months ended September 30, 1996  
(in thousands, except per share amounts)  
(Unaudited)

	Repayment of Debt (4)	Other (5)	Pro Forma (6)
	-----	-----	-----
REVENUES			
<S>	<C>	<C>	<C>
Rental revenue	\$ ---	\$ (260)	\$ 22,397
Fees and reimbursements from affiliates	---	---	199
Interest and other income	---	(24)	599
Equity in earnings of Associated Companies	---	79	1,442
Gain on sale of rental properties	---	---	321
	-----	-----	-----
Total revenue	---	(205)	24,958
	-----	-----	-----
OPERATING EXPENSES			
Operating expenses	---	(128)	7,094
General and administrative	---	150	1,127
Depreciation and amortization	---	(50)	4,056
Interest expense	(1,344)	---	4,820
	-----	-----	-----
Total operating expenses	(1,344)	(28)	17,097
	-----	-----	-----
Income from operations before minority interest	1,344	(177)	7,861
Minority interest	---	(290)	(602)
	-----	-----	-----
Net income	\$ 1,344	\$ (467)	\$ 7,259
	=====	=====	=====
Net income per share			\$ 0.75
			=====
Weighted average number of			

&lt;/TABLE&gt;

Page 16 of 41

<TABLE>  
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GLENBOROUGH REALTY TRUST INCORPORATED  
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS  
For the year ended December 31, 1995  
(in thousands, except per share amounts)  
(Unaudited)

	Historical(1) -----	Facility and Term Loan(2) -----	Property Acquisitions(3) -----
REVENUES			
<S>	<C>	<C>	<C>
Rental revenue	\$ 13,472	\$ ---	\$ 15,561
Fees and reimbursements from affiliates	260	---	---
Interest and other income	982	---	---
Equity in earnings of Associated Companies	1,691	---	---
	-----	-----	-----
Total revenue	16,405	---	15,561
	-----	-----	-----
OPERATING EXPENSES			
Operating expenses	4,061	---	5,953
General and administrative	983	---	---
Depreciation and amortization	3,654	---	1,763
Interest expense	2,767	2,202	3,303
Loss provision	863	---	---
	-----	-----	-----
Total operating expenses	12,328	2,202	11,019
	-----	-----	-----
Income from operations before minority interest	4,077	(2,202)	4,542
Minority interest	(281)	---	---
	-----	-----	-----
Net income	\$ 3,796	\$ (2,202)	\$ 4,542
	=====	=====	=====
Net income per share	\$ 0.66		
	=====		
Weighted average number of common shares outstanding	5,753,709		
	=====		

- continued -

&lt;/TABLE&gt;

Page 17 of 41

<TABLE>  
<CAPTION>

GLENBOROUGH REALTY TRUST INCORPORATED  
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS - continued  
For the year ended December 31, 1995  
(in thousands, except per share amounts)  
(Unaudited)

	Repayment of Debt(4)	Other(5)	Pro Forma(6)
	-----	-----	-----
REVENUES			
<S>	<C>	<C>	<C>
Rental revenue	\$ ---	\$ (595)	\$ 28,438
Fees and reimbursements from affiliates	---	---	260
Interest and other income	---	396	1,378
Equity in earnings of Associated Companies	---	106	1,797
	-----	-----	-----
Total Revenue	---	(93)	31,873
	-----	-----	-----
OPERATING EXPENSES			
Operating expenses	---	(273)	9,741
General and administrative	---	200	1,183
Depreciation and amortization	---	(116)	5,301
Interest expense	(1,792)	---	6,480
Loss provision	---	---	863
	-----	-----	-----
Total operating expense	(1,792)	(189)	23,568
	-----	-----	-----
Income from operations before minority interest	1,792	96	8,305
Minority interest	---	(352)	(633)
	-----	-----	-----
Net income	\$ 1,792	\$ (256)	\$ 7,672
	=====	=====	=====
Net income per share			\$ 0.79
			=====
Weighted average number of common shares outstanding			9,661,553
			=====

</TABLE>

Page 18 of 41

GLENBOROUGH REALTY TRUST INCORPORATED  
NOTES AND ADJUSTMENTS TO PRO FORMA CONSOLIDATED  
STATEMENTS OF OPERATIONS FOR THE NINE MONTHS  
ENDED SEPTEMBER 30, 1996 AND THE YEAR ENDED DECEMBER 31, 1995  
(unaudited, dollars in thousands)

1. Reflects the historical consolidated operations of the Company for the nine months ended September 30, 1996, excluding extraordinary items and Consolidation costs, and the as adjusted consolidated operations of the Company for the year ended December 31, 1995. The as adjusted operations reflect the Consolidation and related transactions as if such transactions had occurred on January 1, 1995. These Proforma Consolidated Statements of Operations should be read in conjunction with the unaudited As Adjusted Statement of Operations of the Company for the year ended December 31, 1995 included on pages 22 to 28 of this Form 8-K/A.

2. Reflects the repayment of the Company's original secured bank line with borrowings on the Company's replacement Facility and Term Loan. The repayment results in a net increase in interest expense consisting of the following:

	Nine Months Ended September 30, 1996	Year Ended December 31, 1995
	-----	-----
Interest differential	\$ 1,461	\$ 1,933
Amortization of new loan fees	221	295
Amortization of old loan fees	(56)	(99)
Unused Facility fees	55	73
	-----	-----
	\$ 1,681	\$ 2,202
	=====	=====

The amortization of the new loan fees is based upon total estimated fees and costs of \$1,309 over the respective terms of the Facility and Term Loan. The unused Facility fees are based upon 0.25% of the pro forma unused Facility capacity as of September 30, 1996 of approximately \$29,382.

The Facility provides for maximum borrowings of up to \$50,000, but is limited to a specified borrowing base (\$50,000 on a pro forma basis), has an initial term of two years which can be extended an additional three years at the option of the Company, bears interest at LIBOR plus 2.375% (assumed to be 7.75%), requires monthly interest-only payments and requires annual unused Facility fees equal to 0.25% of the unused Facility balance. The Term Loan has a term of two years and bears interest at LIBOR plus 2.375% (assumed to be 7.75%). In connection with obtaining the Facility and Term Loan, the Company incurred commitment fees and other costs totaling approximately \$1,309.

Page 19 of 41

3. Reflects the historical operations of the Carlsberg Properties, TRP Properties, UCT Property, Bond Street Property, Kash n' Karry Property and the San Antonio Hotel.

<TABLE>

<CAPTION>

Nine Months Ended September 30, 1996  
(or portion of 1996 prior to acquisition)

	Carlsberg Properties	TRP Properties	UCT Property
<S>	<C>	<C>	<C>
Revenues	\$ 2,291	\$ 5,979	\$ 2,290
Operating expenses	(856)	(1,881)	(1,016)
	\$ 1,435	\$ 4,098	\$ 1,274
	=====	=====	=====

</TABLE>

<TABLE>

<CAPTION>

Nine Months Ended September 30, 1996  
(or portion of 1996 prior to acquisition)

	Bond Street Property	Kash n' Karry Property	San Antonio Hotel	Combined Total
<S>	<C>	<C>	<C>	<C>
Revenues	\$ 519	\$ 93	\$ 204	\$ 11,376
Operating expenses	(190)	---	(35)	(3,978)
	\$ 329	\$ 93	\$ 169	\$ 7,398
	=====	=====	=====	=====

</TABLE>

<TABLE>

<CAPTION>

Year Ended December 31, 1995

	Carlsberg Properties	TRP Properties	UCT Property
<S>	<C>	<C>	<C>
Revenues	\$ 2,836	\$ 7,336	\$ 4,239
Operating expenses	(1,061)	(2,548)	(2,042)
	\$ 1,775	\$ 4,788	\$ 2,197
	=====	=====	=====

</TABLE>

<TABLE>

<CAPTION>

Year Ended December 31, 1995

	Bond Street Property	Kash n' Karry Property	San Antonio Hotel	Combined Total
<S>	<C>	<C>	<C>	<C>
Revenues	\$ 631	\$ 166	\$ 353	\$ 15,561
Operating expenses	(241)	---	(61)	(5,953)
	\$ 390	\$ 166	\$ 292	\$ 9,608
	=====	=====	=====	=====

</TABLE>

Also, reflects estimated depreciation and amortization, based upon estimated useful lives of 40 years on a straight-line basis, estimated interest on the pro forma Facility borrowings of approximately \$14,744 used to acquire the Carlsberg

Properties in 1996 and approximately \$38,849 used to acquire the Carlsberg Properties, UCT Property, Bond Street Property, Kash n' Karry Property and San Antonio Hotel in 1995 and estimated interest on the pro forma mortgage debt assumed of approximately \$25,200 in connection with the acquisition of the Carlsberg Properties and the TRP Properties in 1996 and 1995. The estimated interest on the Facility borrowing is based on an assumed interest rate of 7.750% and estimated interest on the mortgage loans assumed is based upon an assumed weighted average rate of 8.570%.

4. Reflects the reduction of interest expense resulting from the repayment of borrowings on the Facility of approximately \$23,128 at an assumed interest rate of 7.750%. The Company's Facility and Term Loan are subject to changes in LIBOR. Based upon the pro forma Facility and Term Loan balances as of September 30, 1996, a 1/8% increase or decrease in LIBOR will result in increased or decreased annual interest expense of approximately \$32.

5. Reflects a (i) net increase in the Company's equity in earnings from its investments in GC and GHG, (ii) interest income on the note receivable from Carlsberg secured by the Grunow Medical Building, (iii) the elimination of actual revenues and expenses of the All American Self Storage properties that were sold in June 1996, (iv) the minority interests' share of the pro forma adjustments to the net income of the Operating Partnership and (v) increased general and administrative expenses of approximately \$150 per year related to the property acquisitions. The net increase in equity in earnings from its investments in GC and GHG is comprised primarily of (i) a decrease due to a reduction of annual management fees of approximately \$152 received by GC from the UCT Property and the Bond Street Property net of estimated taxes, (ii) approximately \$300 in additional management fees for GC from certain related Carlsberg properties not acquired by the Company and (iii) an increase due to an estimated annual increase in GHG's net income of approximately \$38 due to its leasing of the San Antonio Hotel from the Company.

6. The pro forma taxable income before dividends paid deduction for the Company for the nine months ended September 30, 1996 was approximately \$8,825 which has been calculated as pro forma net income from operations of approximately \$7,881 plus GAAP basis depreciation and amortization of approximately \$4,036 less tax basis depreciation and amortization and other tax differences of approximately \$3,092.

<TABLE>  
<CAPTION>

GLENBOROUGH REALTY TRUST INCORPORATED  
AS ADJUSTED CONSOLIDATING STATEMENT OF OPERATIONS  
For the Year Ended December 31, 1995  
(unaudited, in thousands, except per share amounts)

	Glenborough Realty Trust Incorporated (a)	As Adjusted Historical Combined (b)	Hotel Operations (c)	Management Operations (d)
	-----	-----	-----	-----
REVENUES:				
<S>	<C>	<C>	<C>	<C>
Rental revenues	\$ ---	\$ 9,189	\$ 2,182	\$ ---
Management fee income	---	260	---	---
Interest and other income	---	982	---	---
Equity in earnings of Associated Companies	---	---	32	1,659
Total revenues	-----	-----	-----	-----
	---	10,431	2,214	1,659
	-----	-----	-----	-----
OPERATING EXPENSES:				
Operating expenses	---	3,698	363	---
General and administrative	---	953	---	---
Depreciation and				

amortization	---	2,488	944	---
Interest expense	---	1,993	---	---
Loss provision	---	863	---	---
	-----	-----	-----	-----
Total operating expenses	---	9,995	1,307	---
	-----	-----	-----	-----
Income from operations before minority interest	---	436	907	1,659
Minority interest	---	---	---	---
	-----	-----	-----	-----
Net income (loss)	\$ ---	\$ 436	\$ 907	\$ 1,659
	=====	=====	=====	=====

-continued-

</TABLE>

Page 22 of 41

<TABLE>  
<CAPTION>

GLENBOROUGH REALTY TRUST INCORPORATED  
AS ADJUSTED CONSOLIDATING STATEMENT OF OPERATIONS - continued  
For the Year Ended December 31, 1995  
(unaudited, in thousands, except per share amounts)

	GPA Properties (e)	Debt Pay Down and Refinancings (f)	Other Pro-Forma Adjustments	Glenborough Realty Trust Incorporated Consolidated
	-----	-----	-----	-----
REVENUES:				
<S>	<C>	<C>	<C>	<C>
Rental revenues	\$ 2,101	\$ ---	\$ ---	\$ 13,472
Management fee income	---	---	---	260
Interest and other income	---	---	---	982
Equity in earnings of Associated Companies	---	---	---	1,691
	-----	-----	-----	-----
Total revenues	2,101	---	---	16,405
	-----	-----	-----	-----
OPERATING EXPENSES:				
Operating expenses	---	---	---	4,061
General and administrative	---	---	30 (g)	983
Depreciation and amortization	---	---	222 (h)	3,654
Interest expense	---	774	---	2,767
Loss provision	---	---	---	863
	-----	-----	-----	-----
Total operating expenses	---	774	252	12,328
	-----	-----	-----	-----
Income from operations before minority interest	2,101	(774)	(252)	4,077
Minority interest	---	---	(281) (i)	(281)
	-----	-----	-----	-----
Net income (loss)	\$ 2,101	\$ (774)	\$ (533)	\$ 3,796
	=====	=====	=====	=====
Net income per share				\$ 0.66
				=====



</TABLE>

Page 23 of 41

GLENBOROUGH REALTY TRUST INCORPORATED  
NOTES AND ADJUSTMENTS TO  
AS ADJUSTED CONSOLIDATING STATEMENTS OF OPERATIONS  
For the Year ended December 31, 1995  
(unaudited, in thousands)

- a) Not applicable as the Company had no operations prior to the Consolidation.
- b) Reflects the as adjusted historical combined statements of operations of the Partnerships and GC. See as adjusted historical combining statement of operations.
- c) Reflects (i) estimated revenues and expenses related to the Company's hotels leased to and operated by GHG and (ii) the Company's equity in GHG's earnings. See as adjusted statement of hotel lessor operations and statement of operations for GHG.
- d) Reflects the Company's equity in the earnings of GC of approximately \$449 and GIRC of approximately \$1,210.
- e) Reflects the historical revenues and expenses of the GPA properties acquired.
- f) Reflects a net increase in interest expense resulting from the refinancing of mortgage loans and other notes payable with borrowings of (i) \$20,000 on a secured bank line with an investment bank, (ii) \$10,000 on secured lines of credit with a bank and (iii) \$2,650 of secured loan with a bank. The \$20,000 secured bank line has a term of ten years and bears a fixed interest rate of 7.57%. The \$10,000 secured bank line of credit has a term of three years and bears a variable interest rate at LIBOR plus 2.365% (7.88% at December 31, 1995). The secured loan with a bank has a term of 10 years and bears a fixed interest rate of 7.75%. The net increase in interest expense is comprised of the following:

Increase due to new borrowings on secured bank lines, lines of credit and loans	\$ 2,507
Increase due to amortization of new loan origination fees	177
Reduction due to repayment of mortgage loans and other notes payable	(1,910)
Net increase	----- \$ 774 =====

- g) Reflects estimated state income and franchise taxes.
- h) Reflects estimated depreciation and amortization of the GPA Properties acquired, based upon asset lives of 40 years.

Page 24 of 41

- i) Reflects GPA's approximate 13.63% ownership interest in the operations of Glenborough Properties, L.P. (the "Operating Partnership"), of which the Company is a 84.37% owner. GPA's minority interest is calculated as follows;

Pro forma income before minority interest of the Company	\$ 4,077
Add Company expenses before Consolidation	983
Equity in earnings of Associated Companies and management fees	

earned by the Company	(1,951)
Less fees paid by the Operating Partnership to the Company	(1,047)
Pro forma income from operations of the Operating Partnership	2,062
	-----
GPA's minority interest	\$ 281
	=====

j) Represents the weighted average shares outstanding assuming that GPA's Units in the Operating Partnership are not converted into Common Stock of the Company.

Page 25 of 41

<TABLE>  
<CAPTION>

GLENBOROUGH REALTY TRUST INCORPORATED  
AS ADJUSTED HISTORICAL COMBINING STATEMENT OF OPERATIONS  
For the Year ended December 31, 1995  
(unaudited, in thousands)

	1995 Historical Combined (a)	Hotel Operations (b)	Management Operations (c)
	-----	-----	-----
Revenues:			
<S>	<C>	<C>	<C>
Rental revenues	\$ 15,454	\$ (6,265)	\$ ---
Fee and reimbursements	16,019	---	(16,019)
Interest and other	2,698	(302)	(560)
	-----	-----	-----
Total revenues	34,171	(6,567)	(16,579)
	-----	-----	-----
Expenses:			
Operating	8,576	(4,998)	---
General and administrative	15,947	---	(14,361)
Depreciation and amortization	4,762	(944)	(1,487)
Interest expense	2,129	---	(1,439)
Loss provision	1,876	---	(1,013)
	-----	-----	-----
Total expenses	33,290	(5,942)	(18,300)
	-----	-----	-----
Operating income (loss)	881	(625)	1,721
Income taxes	(357)	---	357
	-----	-----	-----
Net income (loss)	\$ 524	\$ (625)	\$ 2,078
	=====	=====	=====

-continued-

</TABLE>

Page 26 of 41

<TABLE>  
<CAPTION>

GLENBOROUGH REALTY TRUST INCORPORATED

AS ADJUSTED HISTORICAL COMBINING STATEMENT OF OPERATIONS - continued  
For the Year ended December 31, 1995  
(unaudited, in thousands)

	Internalize Management (d) -----	Other Adjustments -----	As Adjusted Historical Combined -----
Revenues:			
<S>	<C>	<C>	<C>
Rental revenues	\$ ---	\$ ---	\$ 9,189
Fee and reimbursements	---	260 (f)	260
Interest and other	---	(854) (e)	982
	-----	-----	-----
Total revenues	---	(594)	10,431
	-----	-----	-----
Expenses:			
Operating	120	---	3,698
General and administrative	(633)	---	953
Depreciation and amortization	---	157 (f)	2,488
Interest expense	---	1,303 (e,g)	1,993
Loss provision	---	---	863
	-----	-----	-----
Total expenses	(513)	1,460	9,995
	-----	-----	-----
Operating income (loss)	513	(2,054)	436
Income taxes	---	---	---
	-----	-----	-----
Net income (loss)	\$ 513	\$ (2,054)	\$ 436
	=====	=====	=====

</TABLE>

Page 27 of 41

GLENBOROUGH REALTY TRUST INCORPORATED  
NOTES AND ADJUSTMENTS TO  
AS ADJUSTED HISTORICAL COMBINING STATEMENT OF OPERATIONS  
For the Year Ended December 31, 1995  
(unaudited, in thousands)

- a) Reflects the historical combined operations of the Partnerships and GC.
- b) Reflects the elimination of historical revenues and expenses of the three hotels (Arlington, Tucson and Ontario) owned by the Company, that are leased to and operated by GHG.
- c) Represents the elimination of certain revenues and expenses that are included in GC's historical statements of operations due to the internalization of management.
- d) Further reflects the internalization of management including (i) property administration costs that were reimbursed to GC by the Partnerships, but excluded by elimination of intercompany transactions in the historical combined financial statements of the Partnerships and GC and (ii) a reduction of general and administrative expenses (including legal, accounting and investor relations) resulting from the Consolidation and internalization of management.
- e) Represents the elimination of interest income and expense related to the Finley note receivable and related mortgage debt that were repaid in April 1995.
- f) Reflects management fees related to Glenborough Institutional Fund I that are earned by the Company that were previously earned by GC and amortization of the related management contract.
- g) Reflects the historical interest expense related to notes payable contributed by GC.

<TABLE>  
<CAPTION>

GLENBOROUGH REALTY TRUST INCORPORATED  
AS ADJUSTED STATEMENT OF HOTEL LESSOR OPERATIONS  
For the year ended December 31, 1995  
(unaudited, in thousands)

	Lease Adjustments (a) -----	Other Adjustments -----		As Adjusted -----
Revenues:				
<S>	<C>	<C>		<C>
Rental revenues	\$ 2,182	\$ ---		\$ 2,182
Equity in earnings of GHG	---	32	(b)	32
	-----	-----		-----
Total revenues	2,182	32		2,214
	-----	-----		-----
Expenses:				
Operating	275	88	(c)	363
Depreciation and amortization	944	---		944
	-----	-----		-----
Total expenses	1,219	88		1,307
	-----	-----		-----
Net income (loss)	\$ 963	\$ (56)		\$ 907
	=====	=====		=====

</TABLE>

GLENBOROUGH REALTY TRUST INCORPORATED  
NOTES AND ADJUSTMENTS TO  
AS ADJUSTED STATEMENT OF HOTEL LESSOR OPERATIONS  
For the Year Ended December 31, 1995  
(unaudited, in thousands)

- a) Reflects the estimated lease payments, property taxes and depreciation and amortization associated with the hotels owned by the Company and leased to and operated by GHG. See as adjusted statement of operations for GHG.
- b) Reflects the Company's equity in earnings of GHG. See as adjusted statement of operations for GHG.
- c) Reflects management fees to be paid by the Company to GHG. GHG will provide fee management services related to the Irving hotel.

<TABLE>  
<CAPTION>

GLENBOROUGH HOTEL GROUP  
AS ADJUSTED STATEMENT OF OPERATIONS  
For the Year Ended December 31, 1995  
(unaudited, in thousands)

	Historical (a)			
	Arlington -----	Tucson -----	Ontario -----	Sub-total -----
Revenues:				
<S>	<C>	<C>	<C>	<C>
Room revenues	\$ 2,210	\$ 2,667	\$ 1,388	\$ 6,265
Management fees	---	---	---	---
Interest and other	97	121	84	302
	-----	-----	-----	-----
Total revenues	2,307	2,788	1,472	6,567

Expenses:				
Operating	1,113	1,225	869	3,207
Salaries & administration	615	635	541	1,791
Depreciation and amortization	325	386	233	944
Interest	---	---	---	---
Lease expense	---	---	---	---
Total operating expenses	2,053	2,246	1,643	5,942
Operating income (loss)	254	542	(171)	625
Income taxes	---	---	---	---
Income before minority interest	254	542	(171)	625
Minority interest	---	---	---	---
Net income (loss)	\$ 254	\$ 542	\$ (171)	\$ 625

-continued-

</TABLE>

Page 31 of 41

<TABLE>  
<CAPTION>

GLENBOROUGH HOTEL GROUP  
AS ADJUSTED STATEMENT OF OPERATIONS - continued  
For the Year Ended December 31, 1995  
(unaudited, in thousands)

	As Adjusted		
	Lease Adjustments (b)	Other Adjustments	As Adjusted GHG
Revenues:			
<S>	<C>	<C>	<C>
Room revenues	\$ ---	\$ ---	\$ 6,265
Management fees	---	2,225 (c)	2,225
Interest and other	---	---	302
Total revenues	---	2,225	8,792
Expenses:			
Operating	(275)	(644) (d)	2,288
Salaries & administration	---	2,320 (c)	4,111
Depreciation and amortization	(944)	87 (f)	87
Interest	---	9	9
Lease expense	2,182	---	2,182
Total operating expenses	963	1,772	8,677
Operating income (loss)	(963)	453	115
Income taxes	---	(46) (g)	(46)
Income before minority interest	(963)	407	69
Minority interest	---	(36) (h)	(36)

Net income (loss)

-----  
\$ (963)  
=====

-----  
\$ 371  
=====

-----  
\$ 33  
=====

Preferred stock dividends

\$ 98 (i)

Common stock dividends

23

</TABLE>

GLENBOROUGH HOTEL GROUP  
NOTES AND ADJUSTMENTS TO AS ADJUSTED STATEMENTS OF OPERATIONS  
For the Year Ended December 31, 1995  
(unaudited, in thousands, except per share amounts)

- a) Reflects the historical operations of the three hotels (Arlington, Tucson and Ontario) owned by the Company that are leased to and operated by GHG.
- b) Reflects the estimated lease payments, property taxes and depreciation and amortization associated with the hotels owned by the Company that will be included in the operations of the Company. See as adjusted statement of hotel lessor operations for the Company.
- c) Reflects management fees of \$718 and reimbursement of salaries of \$1,507 associated with fee management services provided to third parties and the Company related to the contracts owned by Resort Group Inc., the Irving hotel and the Outlook Income Fund 9 Hotels ("OIF 9 Hotels"). The estimated fees and reimbursements are comprised of the following:

Resort Group, Inc.:	
Galveston, Texas	\$ 347
Port Aransas, Texas	73
Irving Hotel	514
OIF 9 Hotels	1,291
	-----
Total	\$ 2,225
	=====

- d) Reflects the elimination of historical management fees paid by the three hotels (Arlington, Tucson and Ontario) owned by the Company resulting from the internalization of hotel management.
- e) Reflects an increase in general and administrative expenses, including salaries, associated with operating as a separate entity and fee management services provided the third parties by GHG. Under the prior ownership structure general and administrative expenses were recorded at the partnership level and not at the property operating level. The increase consists of the following:

Reimbursable salaries and benefits	\$ 1,507
Corporate and administrative salaries and benefits	546
Rent and other overhead, including utilities	95
Resort Group Inc. expenses	20
General and administrative expenses, including accounting, legal and directors fees	152
	-----
Total	\$ 2,320
	=====

- f) Reflects estimated depreciation for the year ended December 31, 1995 of furniture, equipment and buildings of \$3 that will be owned by GHG, and amortization of the contracts owned by Resort Group, Inc. of \$84.
- g) Reflects estimated income tax expense of GHG.
- h) Reflects the approximately 20% minority ownership interest in the Resort Group Inc. held by an unaffiliated third party.

i) Reflects estimated dividends paid by GHG equal to \$600 a share plus 75% of any remaining cash flow. The primary source of dividends paid by GHG will be cash flow from operations which is in excess of GHG's earnings.

Page 34 of 41

<TABLE>  
<CAPTION>

GLENBOROUGH CORPORATION  
(FORMERLY GLENBOROUGH REALTY CORPORATION)  
AS ADJUSTED STATEMENT OF OPERATIONS  
For the Year Ended December 31, 1995  
(unaudited, in thousands)

	As Adjusted Management Operations (a)	Expired Contracts (b)	Participating Partnerships (c)	Hotel Group (d)
	-----	-----	-----	-----
REVENUES:				
<S>	<C>	<C>	<C>	<C>
Fees and reimbursements	\$ 16,019	\$ (1,036)	\$ (186)	\$ (4,331)
Interest and other	560	(336)	(98)	(29)
	-----	-----	-----	-----
Total revenues	16,579	(1,372)	(284)	(4,360)
	-----	-----	-----	-----
EXPENSES:				
Salaries & administration	14,361	(3,192)	(697)	(3,862)
Depreciation and amortization	1,487	(562)	(121)	(87)
Interest expense	1,439	---	(1,438)	---
Loss provision	1,013	(1,013)	---	---
	-----	-----	-----	-----
Total expenses	18,300	(4,767)	(2,256)	(3,949)
	-----	-----	-----	-----
Income (loss) before provisions for income taxes	(1,721)	3,395	1,972	(411)
Income taxes	(357)	---	---	---
	-----	-----	-----	-----
Net income (loss)	\$ (2,078)	\$ 3,395	\$ 1,972	\$ (411)
	=====	=====	=====	=====

-continued-

</TABLE>

Page 35 of 41

<TABLE>  
<CAPTION>

GLENBOROUGH CORPORATION  
(FORMERLY GLENBOROUGH REALTY CORPORATION)  
AS ADJUSTED STATEMENT OF OPERATIONS - continued  
For the Year Ended December 31, 1995  
(unaudited, in thousands)

	Rancon Contracts (e)	Other Adjustments	As Adjusted GC
	-----	-----	-----
REVENUES:			
<S>	<C>	<C>	<C>
Fees and reimbursements	\$ (5,863)	\$ ---	\$ 4,603
Interest and other	---	---	97
	-----	-----	-----
Total revenues	(5,863)	---	4,700
	-----	-----	-----

EXPENSES:				
Salaries & administration	(3,118)	12	(f)	3,504
Depreciation and amortization	(717)	284	(g)	284
Interest expense	---	79	(h)	80
Loss provision	---	---		---
	-----	-----		-----
Total expenses	(3,835)	375		3,868
	-----	-----		-----
Income (loss) before provision for income taxes	(2,028)	(375)		832
Income taxes	---	24	(i)	(333)
	-----	-----		-----
Net income (loss)	\$ (2,028)	\$ (351)		\$ 499
	=====	=====		=====
Preferred stock dividends				\$ 745 (j)
Common stock dividends				\$ 38

</TABLE>

Page 36 of 41

GLENBOROUGH CORPORATION  
(FORMERLY GLENBOROUGH REALTY CORPORATION)  
NOTES AND ADJUSTMENTS TO AS ADJUSTED STATEMENTS OF OPERATIONS  
For the Year Ended December 31, 1995  
(unaudited in thousands, except per share amounts)

- a) Reflects the as adjusted consolidated historical management operations of GC, GHG and GIRC.
- b) Reflects the historical revenues and expenses associated with certain management contracts which expired prior to the date of Consolidation.
- c) Reflects the historical revenues and expenses associated with management services provided to the Partnerships by GC which were eliminated as a result of the internalization of management.
- d) Reflects the historical revenues and expenses associated with hotel management services provided to the Partnerships by GC and it's subsidiaries which were eliminated as a result of the internalization of management or are now incurred by GHG.
- e) Reflects actual revenues and expenses, including salaries, benefits and other administrative costs related to the Rancon Contracts that were purchased by GC on January 1, 1995 and that were contributed to GIRC by the Company. On a historical basis such revenues and expenses were included in the operations of GC.
- f) Reflects an estimated net increase of salaries and general and administrative expenses (including legal, accounting and office expenses) resulting from the Consolidation. The net increase consists of the following:

Net increase in general and administrative expenses, including accounting, legal and directors fees	\$ 100
Reduction of officers' salaries	( 88)
	-----
Total	\$ 12
	=====

- g) Reflects the estimated depreciation and amortization related to furniture and equipment and the estimated amortization of contracts.
- h) Reflects the estimated interest associated with the note payable of \$1,000 contributed to GC by the Company. The note payable bears interest at 9%, with interest only payments, and matures in March of 1998.
- i) Reflects estimated decrease in income tax expense of GC.



- j) Reflects dividends paid by GC equal to \$0.80 per share plus 95% of any remaining cash flow. The primary source of dividends paid by GC is cash flow from operations which is in excess of GC's earnings.

<TABLE>  
<CAPTION>

GLENBOROUGH INLAND REALTY CORPORATION  
AS ADJUSTED STATEMENT OF OPERATIONS  
For the Year Ended December 31, 1995  
(unaudited, in thousands)

	Rancon Adjustments (a) -----	Other Adjustments -----	As Adjusted GIRC -----
Revenues:			
Fees and			
<S> reimbursements	<C> \$ 5,863	<C> \$ ---	<C> \$ 5,863
Interest and other	---	---	---
	-----	-----	-----
Total revenues	5,863	---	5,863
	-----	-----	-----
Expenses:			
Salaries &			
administration	3,118	(224) (b)	2,894
Depreciation and			
amortization	717	30 (c)	747
Interest expense	---	101 (d)	101
	-----	-----	-----
Total expenses	3,835	(93)	3,742
	-----	-----	-----
Income (loss)			
before provision for			
income taxes	2,028	93	2,121
Income taxes	---	(848) (e)	(848)
	-----	-----	-----
Net income (loss)	\$ 2,028	\$ (755)	\$ 1,273
	=====	=====	=====
Preferred stock			
dividends			\$ 1,919 (f)
Common stock			
dividends			\$ 100

</TABLE>

GLENBOROUGH INLAND REALTY CORPORATION  
NOTES AND ADJUSTMENTS TO AS ADJUSTED STATEMENTS OF OPERATIONS  
For the Year Ended December 31, 1995  
(unaudited, in thousands, except per share amounts)

- a) Reflects the historical management fees and expenses related to the Rancon Contracts with a carrying value of \$6,813 contributed to GIRC by the Company.
- b) Reflects an estimated reduction of salaries, benefits and other expenses resulting primarily from reductions in officers' salaries resulting from the Consolidation.
- c) Reflects estimated depreciation of furniture and equipment contributed to GIRC by the Company.
- d) Reflects the estimated interest expense associated with a note payable consisting of \$2,566 contributed to GIRC by the Company and \$2,100 related to the acquisition of certain land parcels. The notes payable bears interest at 9%, with interest only payments, and matures in March of 1998.
- e) Reflects estimated income tax expense of GIRC.

f) Reflects estimated dividends paid by GIRC equal to \$0.80 per share plus 95% of any remaining cash flow. The primary source of dividends paid by GIRC is cash flow from operations which is in excess of GIRC's earnings.

Page 40 of 41

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.

GLENBOROUGH REALTY TRUST INCORPORATED

By: Glenborough Realty Trust Incorporated,

Date: December 30, 1996

/s/ Andrew Batinovich  
Andrew Batinovich  
Director, Executive Vice President,  
Chief Operating Officer  
and Chief Financial Officer  
(Principal Financial Officer)

Date: December 30, 1996

/s/ Terri Garnick  
Terri Garnick  
Senior Vice President,  
Chief Accounting Officer,  
Treasurer  
(Principal Accounting Officer)

Page 41 of 41

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