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Microsoft Expands to Seattle's South Lake Union Neighborhood

SEATTLE—September 6, 2007—Vulcan Inc. today announced that Microsoft will be moving into the Westlake/Terry Building in Seattle's South Lake Union neighborhood, representing the largest of Microsoft's leased office spaces in downtown Seattle.

"The Puget Sound area is our home and it's only logical that our presence in Seattle grows along with portions of our business that are already based in the city. These new locations are part of the vibrant and growing tech centers in Seattle," said Chris Liddell, Chief Financial Officer at Microsoft. "The Westlake/Terry Building specifically will also offer options for some of our employees who live in Seattle and can take advantage of significant space that will be set aside to allow them to avoid the cross-lake commute."

Microsoft will lease approximately 126,000 square feet of office space at the 317,000-square-foot Westlake/Terry Building, which opened in August 2007. About 400 Microsoft employees, including its Online Services Business, will occupy the top four floors of the six-story building on the west block starting in March 2008. Additionally, the Westlake/Terry Building will provide temporary work space for 150 Microsoft employees who need to conduct meetings in Seattle or stop in to avoid rush hour commutes.

"Seattle is proud to have Microsoft expanding on this side of the lake into areas like South Lake Union that are attracting many pioneering, growing companies," said Seattle Mayor Greg Nickels. "Clearly this is a great day for Seattle, but it is also a great day for Microsoft's employees and the environment. It's a move where everybody wins."

"Microsoft's decision to move into South Lake Union is great news for all of Seattle," said Ada M. Healey, vice president of real estate for Vulcan Inc. "This world-class organization will contribute further dynamic energy and intellectual capital to the area, and will help solidify South Lake Union's reputation as a vibrant, innovative urban community."

In February 2006, Microsoft announced that it would accelerate campus development plans, expanding its Redmond, Wash., campus by one-third of its current size which would make it one of the world's largest corporate campuses. The expansion announced today is in addition to the company's previous plans, which are in progress and on schedule to be completed in 2009.

Almost half of Microsoft's worldwide employees work in the Puget Sound area. The company employs nearly 36,000 workers in the Puget Sound region and another 44,000 globally.



The Westlake/Terry Building also serves as the new corporate headquarters for Group Health Cooperative, who is a co-owner of the development. Nearly 700 Group Health administrative employees moved into the building in late August 2007.

The project spans a full city block bordered by Westlake Avenue North to the west, Terry Avenue North to the east, Harrison Street to the north, and Thomas Street to the south. The two-building, mixed-use development also includes nearly 40,000 square feet of ground-floor retail. Callison is the architect for the Westlake/Terry Building, and GLY Construction is the general contractor.

The building is designed as a highly sustainable, eco-friendly facility that is expected to become one of Seattle's first commercial core and shell projects to achieve the U.S. Green Building Council's LEED-Gold (Leadership in Energy and Environmental Design) certification. Scheduled to begin operating in late 2007, the upcoming Seattle Streetcar line will also run along three sides of the project, offering tenants convenient public transit options to downtown and throughout South Lake Union.

Vulcan owns approximately 60 acres in South Lake Union and is leading one of the largest urban revitalization efforts in the U.S. that will consist of nearly 10 million square feet upon completion. Its vision for the area is to partner with the community to foster a vibrant, connected neighborhood that blends new housing development with lively shops and restaurants, new offices, biotech research, attractive parks and public transportation. To date, the company has delivered nine new commercial, residential and mixed-use projects in South Lake Union totaling approximately 1.7 million square feet, with nearly 1 million square feet currently under construction.

About Vulcan Real Estate

Vulcan Real Estate directs all real estate strategies for Vulcan Inc., a Paul G. Allen company. Through strategic acquisitions and innovative development, Vulcan Real Estate creates a diversified portfolio of high-performing, quality assets. The company's experienced, talented team of real estate professionals offers a full range of development services from site selection to build-to-suit construction. Its real estate model is based on quality, sustainable development that builds new value across the entire community. For more information, visit www.vulcanrealestate.com.

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