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Vulcan Real Estate Wraps Up 2006 on High Note

Development momentum expected to continue in year ahead buoyed by strong local real estate market outlook

SEATTLE — January 31, 2007—Vulcan Real Estate announced today that 2006 marked a banner year for the development company, which is redeveloping more than 60 acres it owns in Seattle’s South Lake Union neighborhood. Vulcan Real Estate is a division of Vulcan Inc., the project and investment management company founded by Paul G. Allen.

“The Seattle real estate market continues to be very strong in response to a robust economy and the city’s growing appeal as a dynamic 24-7 hub,” said Ada M. Healey, vice president of Vulcan Real Estate. “We’re very confident in the market and Vulcan’s continued success this coming year in developing quality projects that will help create a vibrant and sustainable community in South Lake Union.”

Vulcan’s redevelopment of South Lake Union represents one of the largest urban redevelopment efforts in the United States and will consist of more than 10 million square feet of new housing, offices and life sciences research space, retail shops, open green space and improved public transportation when completed. Vulcan has completed eight commercial, residential and mixed-use projects totaling nearly 1.4 million square feet. The company has nearly 1 million square feet currently under construction and approximately 1.6 million square feet in the pre-development pipeline.

Vulcan Real Estate’s 2006 highlights include:

- Completed its flagship 2200 development in South Lake Union—which includes a Whole Foods Market, a Pan Pacific hotel, 261 luxury condos, and other retail, shops and services
- Started construction on UW Medicine Phase II, which will total 284,000 square feet when completed in mid-2008
- Started construction on 2201 Westlake, a 450,000-square-foot, mixed-use project across the street from 2200 that will include 300,000 square feet of high-performance office space, 135 luxury condominiums known as Enso and nearly 25,000 square feet of street-level retail scheduled to open in early 2009
- Started construction on Westlake/Terry Building, a 320,000-square-foot building complex slated to open in late 2007 that will serve as Group Health Cooperative’s new corporate headquarters for nearly 700 employees

- Completed construction of Alley24, a 362,500-square-foot sustainable, high performance mixed-use development in the Cascade neighborhood featuring 172 eco-friendly apartments, 180,000 square feet of green office space for nearly 1,000 employees as well as approximately 28,000 square feet of street-level retail shops and restaurants.
- Re-launched South Lake Union Discovery Center to showcase the neighborhood as well as Vulcan's three new condominium projects to the public; the Discovery Center has welcomed nearly 27,000 visitors since it opened in April 2005
- Leased approximately 50,000 square feet of retail space to a variety of shops and services including Rain Fitness, Snowboard Connection, tottini, Southlake Bar & Grill, Urban Beast, Spa Blix, Starbucks, Scraps Dog Bakery, Seva Home, Westlake Cleaners, Mad Pizza, FK Kirsten, and others
- Announced John L. Scott Real Estate as the company's sales partner for its new condominium projects in the South Lake Union neighborhood
- Expanded in-house real estate team to 44 employees

Local and national industry organizations have recognized Vulcan Real Estate as a leader in real estate development. In 2006, the company received numerous industry awards including:

- National Association of Industrial and Office Properties (NAIOP) Developer of the Year (four years in a row), Sustainable Development of the Year for 2006 (Alley24) and Mixed-Use Development of the Year for 2006 (Alley24)
- 2006 winner of numerous Silver and Regional Awards from the National Association of Home Builders and two coveted Gold Awards for 2200
- 2007 winner of several Silver and Regional Awards from the National Sales and Marketing Council and a finalist for the top Gold Award for Alley24 and the What's Green marketing campaign
- Seattle King County Association of Realtors 2006 Pacesetter Award for outstanding contribution to the real estate industry
- Seattle Magazine's "Person of the Year" (Paul G. Allen, owner)

The company has also played a very active role within the community and has sponsored many popular community programs in 2006 including:

- South Lake Union Cinema on the Lawn—an outdoor film series benefiting local non-profits
- South Lake Union Block Party—an outdoor arts/crafts and music festival for all ages.
- Cascade Holiday Tree Lighting Ceremony
- One of the founding members of the South Lake Union Chamber of Commerce

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.