

BRE Properties, Inc.

40th Annual Meeting of Shareholders

The Palace Hotel
San Francisco, CA

May 18, 2010



Safe Harbor Statement

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: Except for the historical information contained herein, this presentation contains forward-looking statements regarding Company and property performance, and is based on the Company’s current expectations and judgment. Actual results could vary materially depending on risks and uncertainties inherent to general and local real estate conditions, competitive factors specific to markets in which BRE operates, legislative or other regulatory decisions, future interest rate levels or capital markets conditions. The Company assumes no responsibility to update this information. For more details, please refer to the Company’s SEC filings, including its most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q.

Annual Meeting Agenda

10:00 a.m.

Welcome and Call to Order

1. Review Agenda

Irving F. "Bud" Lyons

2. Chairman's Comments

Irving F. "Bud" Lyons

3. Official Business

Irving F. "Bud" Lyons

– Review of Proxy Items No. 1, No. 2 and No.3

– Voting and Report: Inspector of Elections

4. Adjournment of Formal Meeting

10:30 a.m.

CEO's Report

Constance B. Moore

11:00 a.m.

Q&A

Constance B. Moore

11:30 a.m.

Annual Meeting Concludes

Board of Directors

Irving F. "Bud" Lyons, III * (Chairman)

Former Vice Chairman
ProLogis

Paula F. Downey*

President
AAA No. Cal., Nevada and Utah

Edward F. Lange, Jr.

EVP & COO
BRE Properties, Inc.

Christopher J. McGurk*

CEO
Overture Films

Matthew T. Medeiros*

President & CEO
SonicWALL, Inc.

Constance B. Moore

President & CEO
BRE Properties, Inc.

Jeanne R. Myerson*

President & CEO
The Swig Company

Jeffrey T. Pero*

Former Partner
Latham & Watkins LLP

Thomas E. Robinson*

Senior Advisor
Stifel, Nicolaus & Company

Dennis E. Singleton*

Former Vice Chairman
Spieker Properties, Inc.

Thomas P. Sullivan*

Partner
Wilson Meany Sullivan

**Independent Director*

BRE Executive Officers

Constance B. Moore

President

Chief Executive Officer

John A. Schissel

Executive Vice President

Chief Financial Officer

Edward F. Lange, Jr.

Executive Vice President

Chief Operating Officer

Stephen C. Dominiak

Executive Vice President

Chief Investment Officer

Kerry Fanwick

Executive Vice President

General Counsel

Shareholder Proposals

1. Election of Directors
2. Amendment to the Amended and Restated 1999 BRE Stock Incentive Plan
3. Ratification of appointment of Ernst & Young LLP as Independent Registered Public Accounting Firm for the year ending December 31, 2010

CEO's Report



BRE Properties

- 
- Publicly traded REIT (NYSE: BRE)
 - Multifamily focus; founded 1970
 - 75 wholly-owned properties; 21,735 units
 - 13 JV communities; 4,080 units
 - 5 development sites; 1,568 units
 - \$4.1 billion total market cap
 - Uninterrupted dividends since inception

Data as of 3/31/2010.

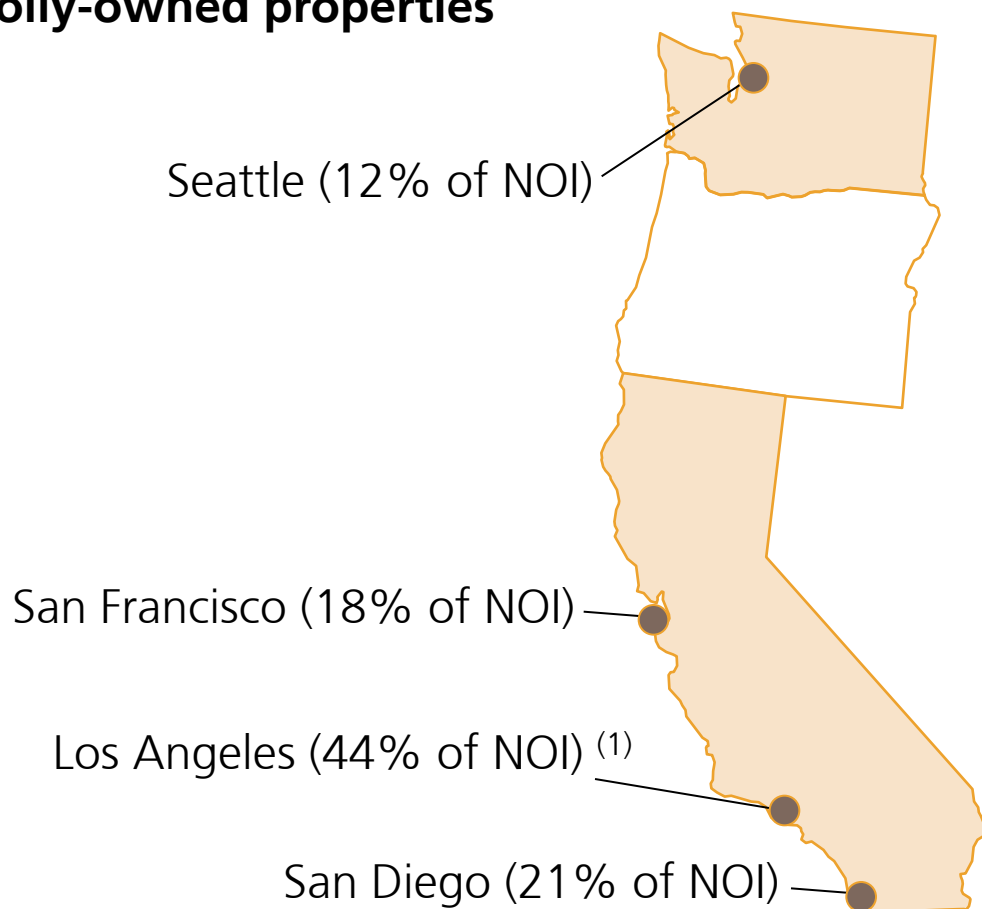
BRE's Competitive Position

- High-quality assets in supply-constrained West Coast markets
 - Limited new supply and favorable demographics support post-recession rent growth
 - Favorable rent-to-own gap in core markets
- Leading multifamily operator with best-in-class margins
 - Significant concentration in core West Coast growth markets
 - Progressive technology platform / management model
- Ability to grow via acquisitions and development
 - Opportunity to scale presence in core markets below replacement cost
- Strong balance sheet
- Uninterrupted dividends since inception

(1) As of 3/31/2010.

BRE's "Homeprint"

Percentage of NOI for wholly-owned properties



Non-Core Markets (3% of NOI)

Markets exited 2000-2009

- Albuquerque
- Las Vegas
- Tucson
- Portland
- Salt Lake City
- Sacramento

Data as of 3/31/2010. Excludes joint-venture properties.

⁽¹⁾ Includes Los Angeles, Orange County and Inland Empire.

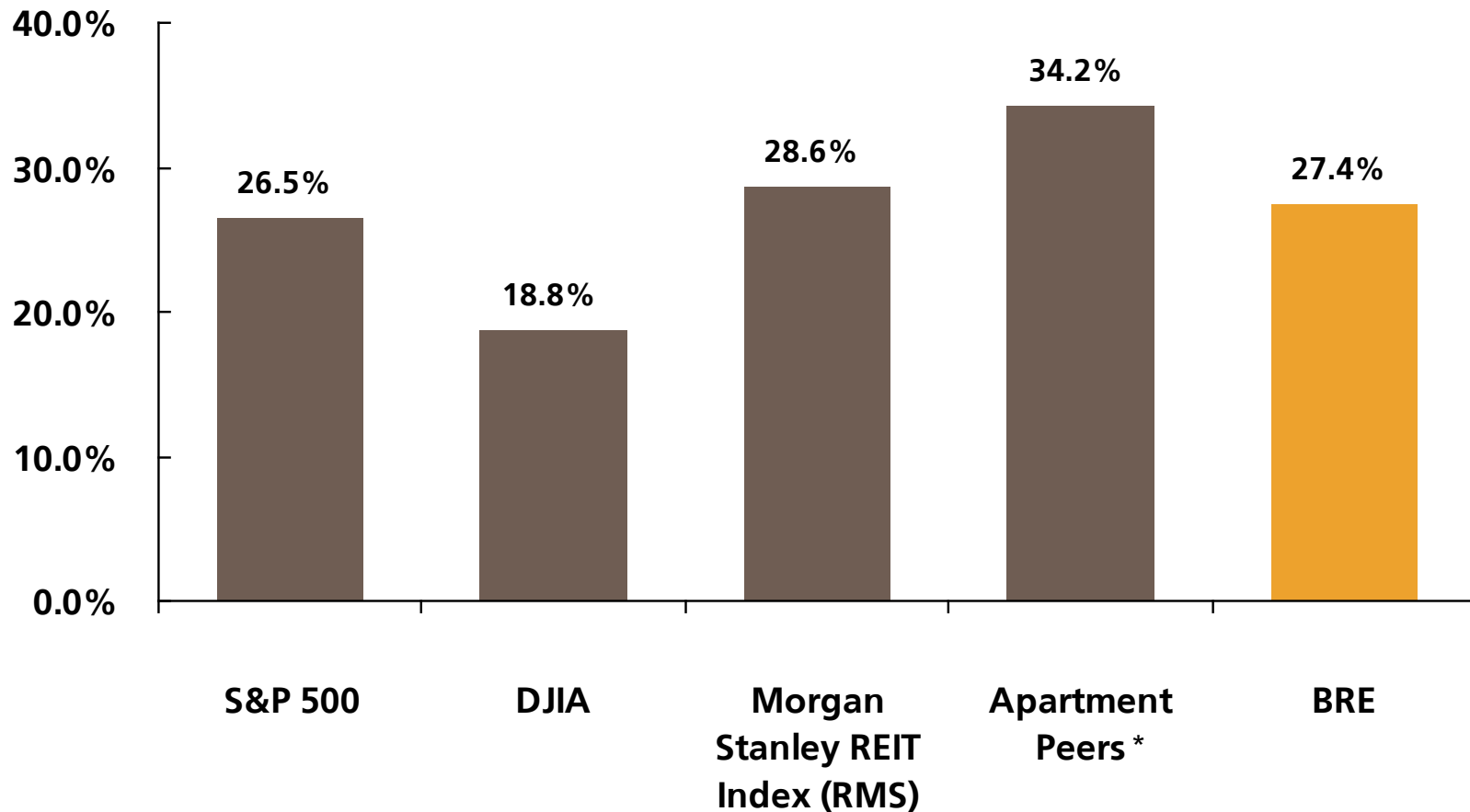
2009 Recap

- Entered 2009 in midst of severe economic/capital markets crisis
- Focused enterprise activities on maintaining a defensive operating posture, scaling back development, enhancing liquidity and preserving capital
 - Implemented operating plan to increase occupancies and minimize impact of declining rent curve
 - Decelerated development program

2009 Recap *(continued)*

- Strengthened financial position
 - Retired \$550 million of debt maturing between 2009 and 2013
 - Funded with \$620 million FNMA facility; 10-year term at 5.6%
 - Raised \$105 million of common equity through ATM program
 - Sold two properties and one land parcel for \$82 million in proceeds
 - Reduced common dividend by 33% to \$1.50 per share

2009 Total Return Performance



** Peer average comprising the 10 largest market caps in the sector, excluding BRE.*

Bringing the Numbers Home

- In 2005, we identified five keys to outperformance
 - Provide a scorecard with each Annual Review
- Measures tied to business model
 - Strategic market focus
 - Earnings (FFO) growth
 - EVA spread
 - Capital recycling
 - Appropriate capital structure
- Strong performance prior to recession
- California-centric model; a risk to exploit

Performance Keys

Strategic Market Focus (% of total NOI)

84%

California

3-5 year target: 90%

21%

Northern California

3-5 year target: 30%

63%

Southern California

3-5 year target: 60%

Core FFO Growth

(6.9%)

5-year average: 10.7%

Internal Same-Store Growth

(3.9%)

Revenue

5-year average: 3.0%

(6.4%)

NOI

5-year average: 2.9%

External NOI Growth

3 (801 units)

Communities Delivered in 2009

\$283M

Invested Capital

5.5-6.5%

Expected Stabilized Yields

Data as of 12/31/2009.

Performance Keys *(continued)*

Economic Value Added (EVA) Spread

177

2009 EVA Spread

Basis Point Target EVA Spread: 150-200

Basis Points:

at 100 = BRE / Peer Performance 2005

at 150 = Beats Expectations; Creates Value

at 200 = Outperformance Defined

Capital Structure

52%

Leverage

3-5 year target: 50%

3.0x

Interest Coverage

3-5 year target: $\geq 3.0x$

Capital Recycling

\$82.7M

Annual target: < \$75M/year

3-year average: \$101.2M

Properties sold in:

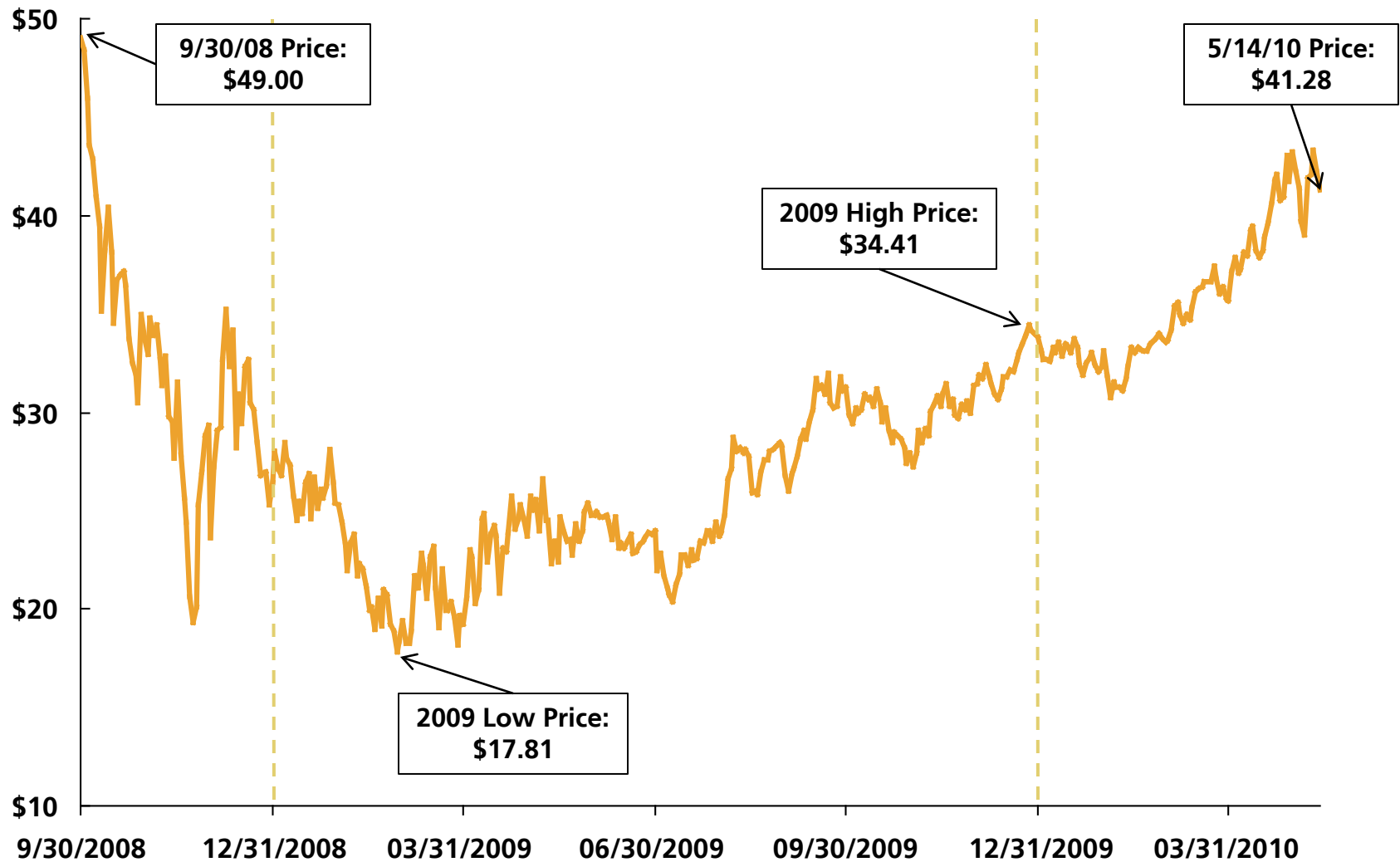
2009: Three (\$82.7M)

2008: Six (\$163.2M)

2007: Three (\$55.3M)

Data as of 12/31/2009.

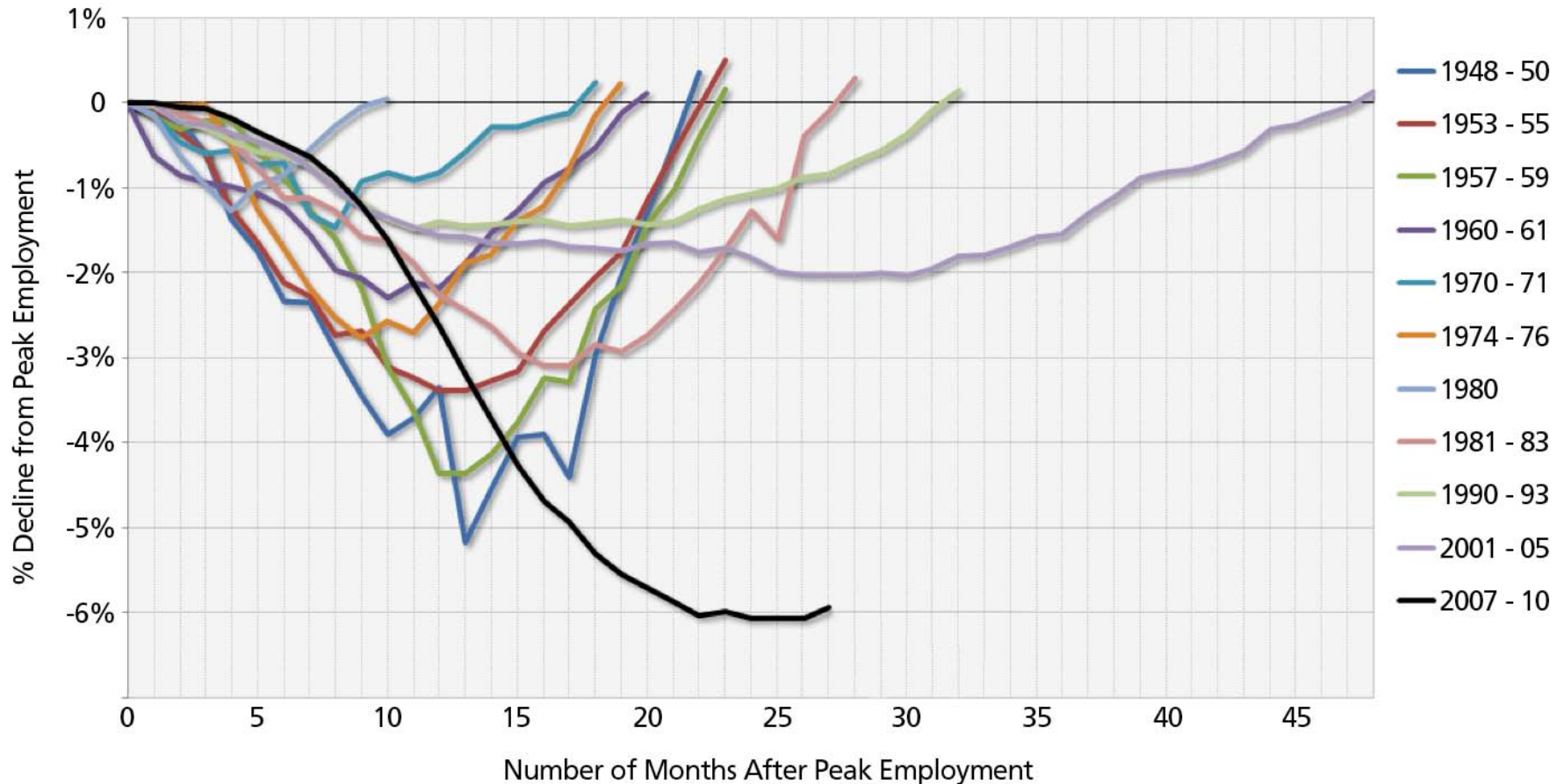
BRE Price Performance



Source: SNL Financial Services, as of 5/14/2010.

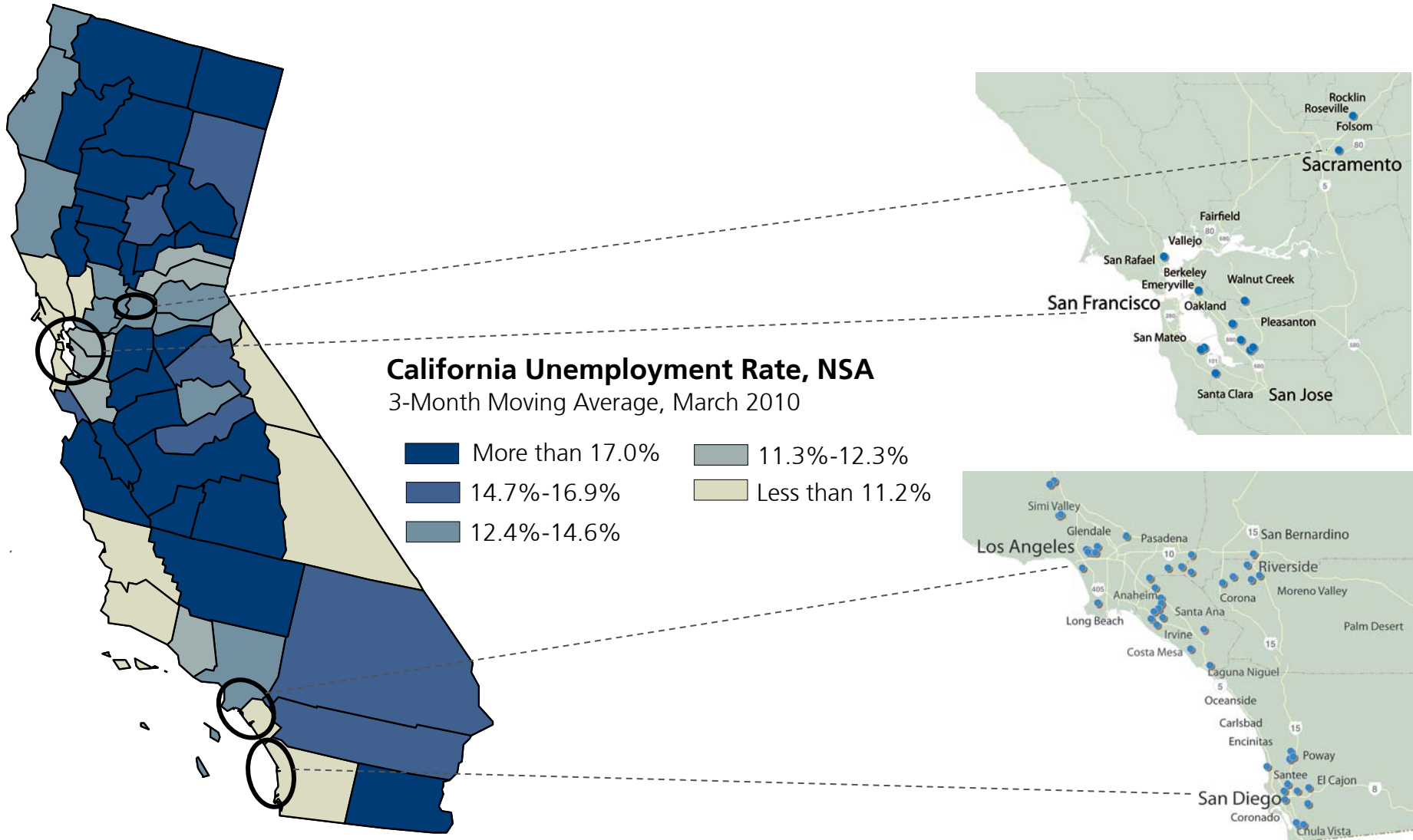
Job Loss Impacts Multifamily Fundamentals

Post WWII Recession Employment Declines



Source: www.thefundamentalanalyst.com, as of 3/31/2010.

Unemployment in California



Source: U.S. Department of Labor and Wells Fargo Securities, LLC.

Job Losses in BRE's Markets

Core Markets	Same-Store ⁽¹⁾		Absolute Job Losses ⁽²⁾	
	# Units	% NOI	12-months ended December 2009	3-months ended March 2010
San Diego	3,958	22.1%	(68,900)	7,700
Inland Empire	3,089	11.9%	(80,700)	3,700
Orange County	3,469	18.6%	(97,000)	19,600
Los Angeles	2,263	12.5%	(218,800)	11,800
San Francisco	3,152	19.5%	(175,700)	300
Seattle	2,963	11.6%	(94,200)	10,000
Total Core Markets	18,894	96.2%	(735,300)	53,100

(1) Data as of 3/31/2010.

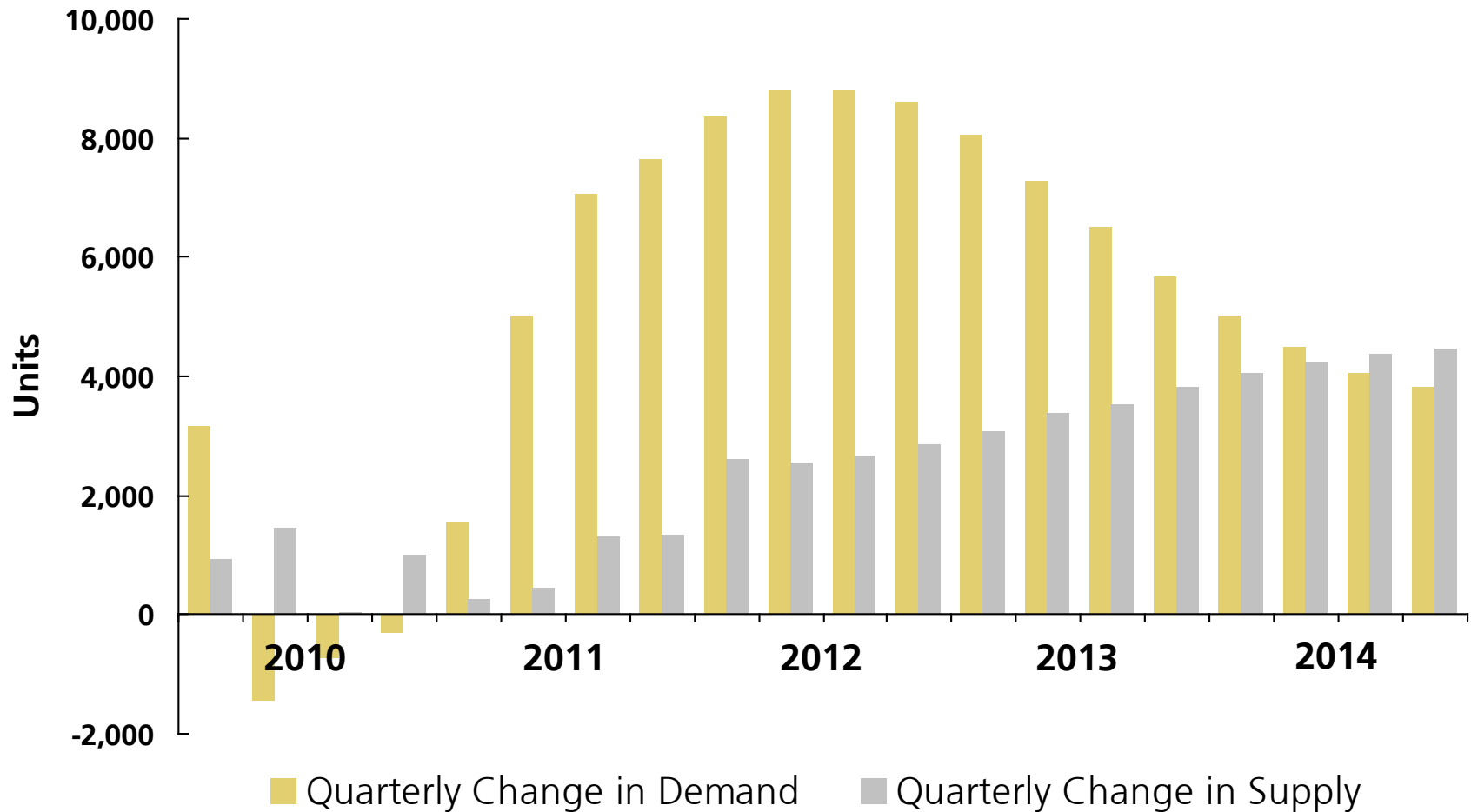
(2) Source: Bureau of Labor Statistics, as of March 2010.

California: Favorable Long-Term Fundamentals

- Largest economy in the U.S. and 8th largest in the world
 - Approximately 12% of total US population and 11% of total U.S. employment
- Significant participant in global GDP, reducing reliance on U.S.-led recovery
 - Gateway to Pacific Rim economic growth
- Large, diversified economy; historically a net generator of jobs
 - Unique crossroads of world-class research, entrepreneurship and private capital
- Largely supply-constrained markets with favorable propensity-to-rent levels
 - Geographic barriers limit new supply
 - Median home prices are 50% higher than the rest of the nation

Stage Set for California Multifamily Recovery

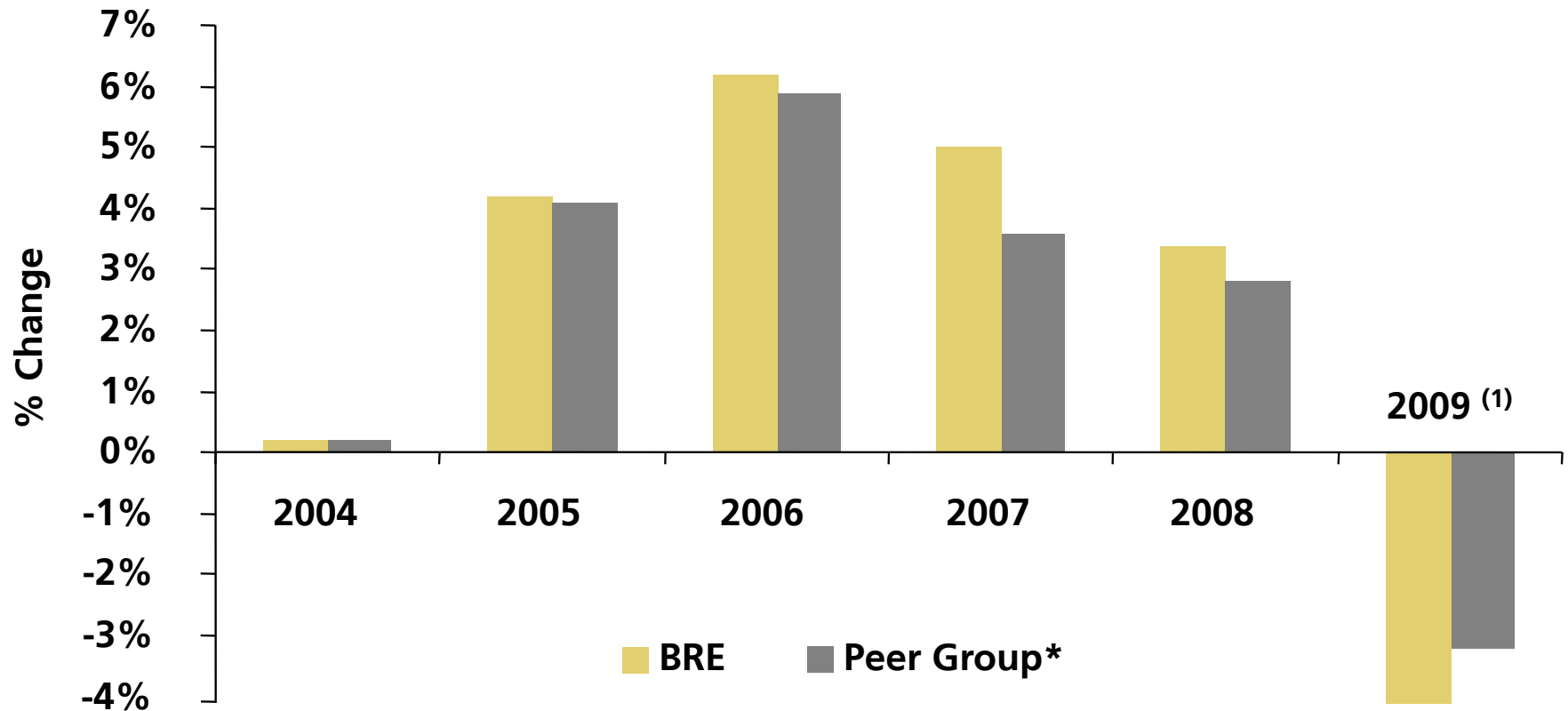
Projected CA apartment supply & demand coming out of the recession



Source: PPR as of 1Q 2010. Data for California only.

Demonstrated Ability to Outperform in Growth Cycles

Same-Store Revenue Growth



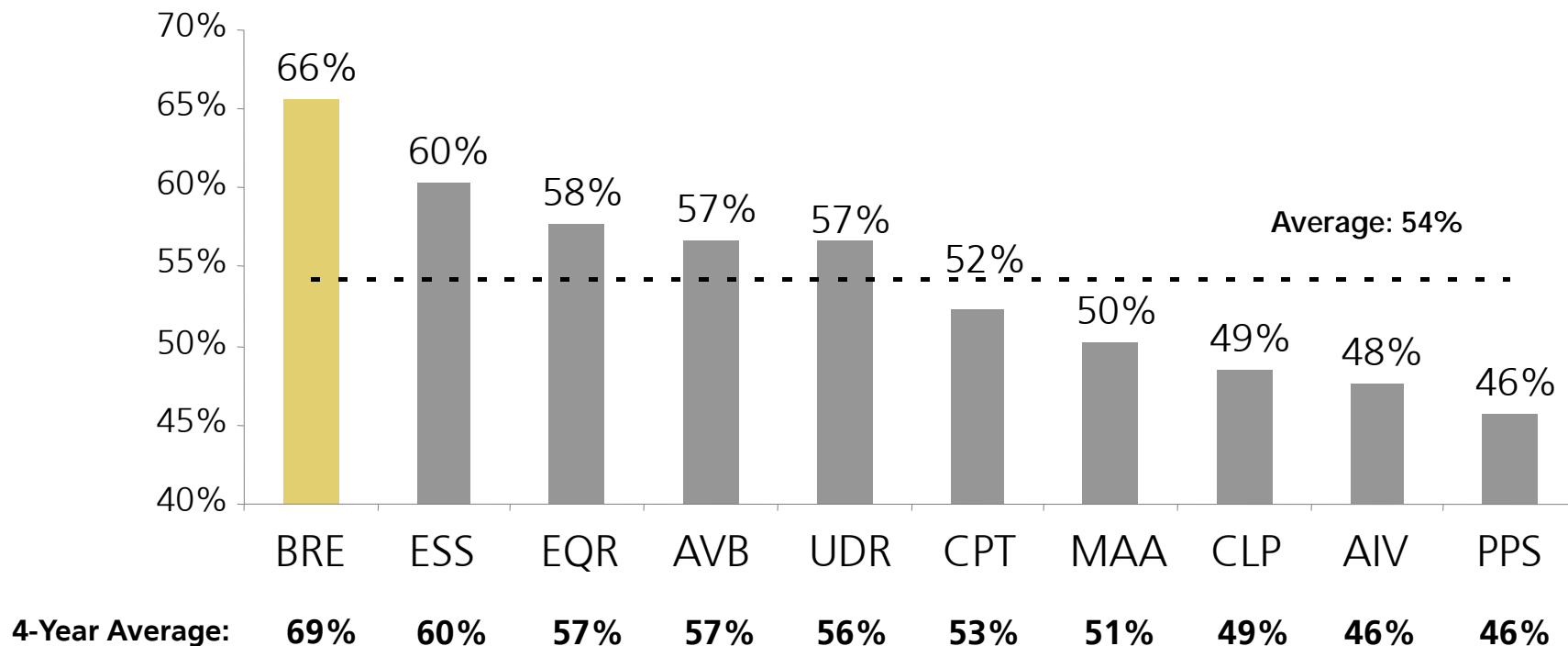
*Peer group defined as AVB, AIV, CPT, ESS, EQR, UDR.

Source: BRE Research and public filings.

(1) As of 12/31/2009.

Profitability: EBITDA Operating Margins

2009 Adjusted EBITDA to Total Revenue ⁽¹⁾



Source: Company public filings.

⁽¹⁾ Adjusted EBITDA excludes unusual / one-time items.

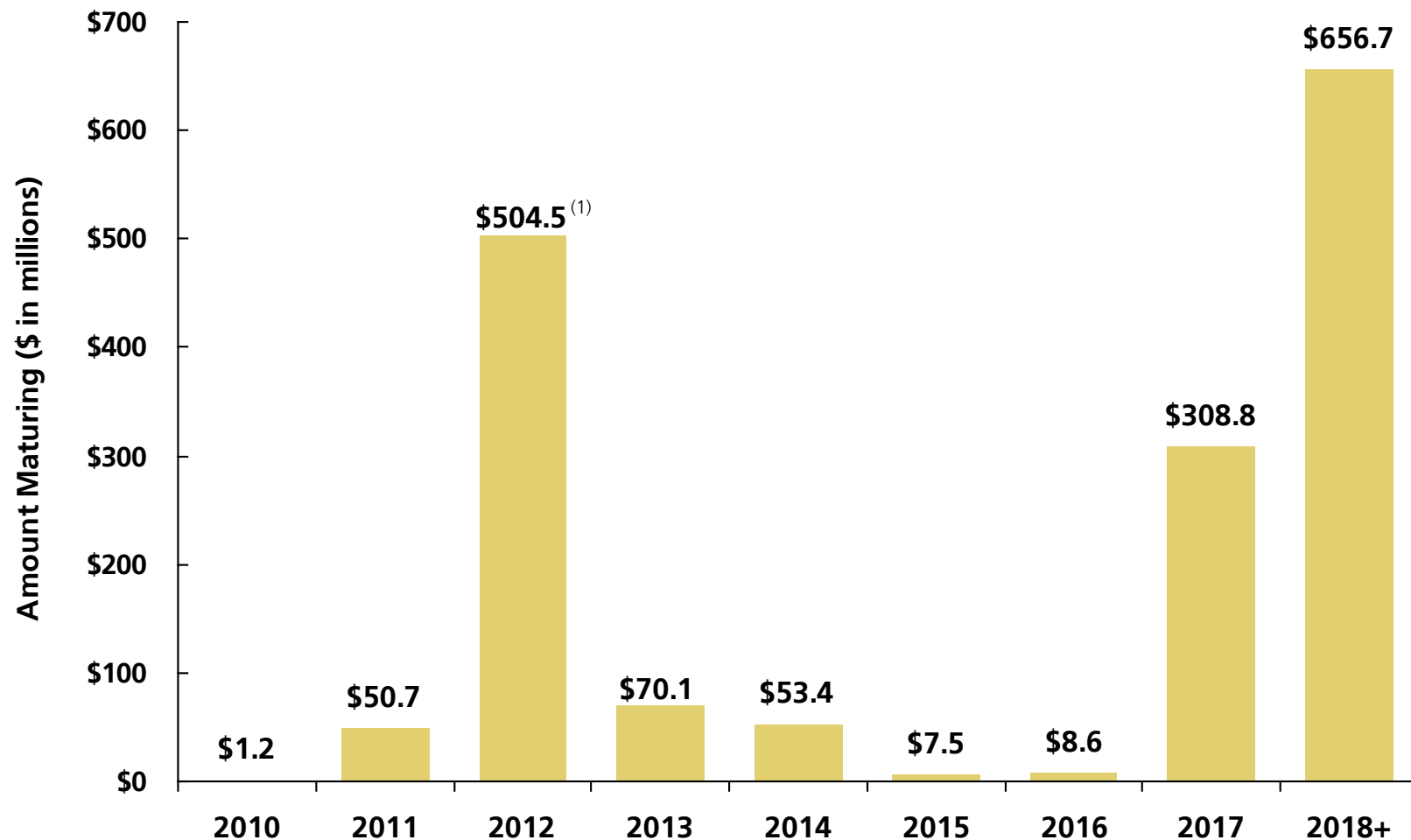
Recent Events: \$275 Million Offering Summary

Issuer:	BRE Properties, Inc.
Credit Rating:	Baa2 (stable) / BBB (stable)
Type of Offering:	Follow-on common equity offering
Amount Raised (incl. green shoe):	\$275.7 million (\$264.2 million net proceeds)
Use of Proceeds:	General corporate purposes; immediate purpose to repay amounts outstanding under line of credit
Transaction Rationale:	Significantly strengthens credit metrics, reduces 2012 debt maturity tower and provides incremental capacity for new investments

Notable Credit Metrics Impact:	<u>3/31/10</u>	<u>ProForma</u> ⁽¹⁾
Total Debt / EBITDA	8.7x	7.4x
Total Debt / Gross Assets	52.9%	45.5%
Unencumbered NOI	68.7%	68.7%

(1) Proforma as of 3/31/2010 for the acquisitions of Allure at Scripps Ranch and Legacy at Museum Park, sale of Montebello, and \$275M common equity offering.

Debt Maturity Profile



(1) Maturing amounts include principal amortization on secured indebtedness. 2012 debt maturities consist of \$371M of senior unsecured convertible notes, \$67M of secured debt and \$67M drawn on the company's unsecured line of credit as of 3/31/2010, pro forma for the acquisition of Legacy at Museum Park, sale of Montebello, and \$275M equity offering.

Outlook

- Current economic climate
 - GDP stabilized in 2H'09
 - Jobs expected to stabilize mid-2010
- BRE transitioning from defense to offense
 - Pivoting away from concessions for recovery phase
 - California-centric strategy historically has led to outperformance
- Favorable long-term fundamentals
 - No new supply; rents run with jobs
 - Gen-Y demographic 70+ million strong
 - Growing propensity-to-rent; ownership levels dropping
- Investment sale activity increasing
 - Ability to acquire assets below replacement cost
 - Opportunity to scale asset base in higher-growth core markets

Concluding Thoughts

- Focus on high-quality assets in supply-constrained West Coast markets
- Leading multifamily operator with best-in-class margins
- Ability to grow via acquisitions and development
- Well-capitalized balance sheet
- Uninterrupted dividends since inception with strong dividend coverage

Questions?



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