

**CATELLUS** DEVELOPMENT CORPORATION  
annual report

TWO THOUSAND THREE

**CATELLUS DEVELOPMENT CORPORATION** is a publicly traded real estate development company that began operating as a real estate investment trust (“REIT”) effective January 1, 2004, with a significant portfolio of rental properties and developable land. We focus on managing and developing predominantly industrial rental property in many of the country’s major distribution centers and transportation corridors. Our rental portfolio, which at December 31, 2003, totaled 38.2 million square feet of commercial property, approximately 90% of which is industrial, provides stability and a relatively consistent source of earnings. Our portfolio of developable land provides the potential for future growth through development.

Catellus Development Corporation is traded on the New York Stock Exchange under the symbol CDX; the company’s corporate office is in San Francisco, California, with regional offices in Southern California, Dallas, Denver, and Chicago.

## Dear fellow shareholders

2003 was an important year for Catellus, as we completed the restructuring of our operations to allow us to operate as a real estate investment trust, or REIT, taking the next step in our evolution. It seems, therefore, this is a good time to reflect on where we have been and where we are going.

Catellus became a public company in 1990, following its spin-off from the Santa Fe Pacific Corporation, with one of the largest, most diverse and complicated land portfolios in the western United States. I joined Catellus as chief executive officer in 1994, and in the years since, Catellus has seen many changes.

We succeeded in assembling an outstanding team to provide Catellus with the necessary skills to manage this diverse and complicated land portfolio. We identified the portions of this historic portfolio that were not strategic, and as we sold these non-strategic assets, we were able to use this capital to strengthen our balance sheet.

We determined that the way to unlock the embedded value in the remaining assets was to become a diversified development company, and over the years, we created the necessary core competencies to do so. We built a team to develop our urban assets, which presented some of the most challenging entitlement and environmental issues. We acquired a homebuilder to develop the suburban residential land in our historic portfolio and to take advantage of opportunities we saw in other residential markets in California. We assembled a team to develop the prime industrial sites included in the former railroad portfolio that were located along transportation corridors and in major distribution markets.

In February 2003, after a comprehensive review of strategic alternatives and the implications on our business model of an election to be taxed as a REIT, your board of directors unanimously approved the conversion of Catellus to a REIT. This decision included a determination to focus our development efforts, going forward, on the industrial sector. Shareholders approved the REIT conversion at our annual meeting in September 2003, and on January 1, 2004, we began operating as a REIT.

We expect our shareholders to benefit from a stable dividend generated by our high-quality industrial rental portfolio and enhanced by the tax efficiency of the REIT structure. We expect to grow this dividend over time by the strategic application of our proven development skills and the recycling of surplus capital from our urban and residential activities back into our core industrial business.

The evolution of Catellus from a railroad land company, to a diversified development company, to a REIT focused primarily on industrial real estate, has produced very positive results for our shareholders. A \$1,000 investment in Catellus at the end of December 1994 would have been worth \$4,922 at the end of 2003 with dividends reinvested—a 392% total return versus 182% for the S&P 500 and 193% for the Morgan Stanley REIT Index over the same period.

#### 2003 RESULTS

In addition to converting to a REIT, we posted strong operating results and made significant progress toward realizing the value of our non-core assets, providing future capital to reinvest in our core industrial business. Our shareholders received a total return in 2003 of 46% compared to the Morgan Stanley REIT Index of 37%.

As part of the REIT conversion, we distributed a one time special dividend of accumulated earnings and profits. The stock dividend issued in the earnings and profit distribution consisted of approximately 10.7 million shares of common stock, and the cash portion was approximately \$100 million. We began paying a quarterly dividend with the third quarter dividend of 2003 and anticipate paying a quarterly dividend in 2004 of \$0.27 per share.

Our earnings per share (“EPS”) for the year was \$2.30, compared to \$1.01 for the same period in 2002. The significant year-over-year increase in net income was due, in large part, to the reversal of certain deferred taxes associated with the conversion to a REIT.

In addition to EPS, Catellus provides a supplemental performance measure of Funds From Operations (“FFO”), as defined by the National Association of Real Estate Investment Trusts (“NAREIT”), which we believe also provides a useful measure of our operating

performance. We provide FFO in two segments: Core Segment and Urban, Residential & Other Segment. The first segment, or Core Segment, reflects the part of our business that we expect will be ongoing and central to our future operations. The second segment, or Urban, Residential & Other Segment, reflects our urban and residential businesses, including residential lot development, urban development, and desert land sales, which we intend to transition out of over time. FFO, as adjusted for hypothetical tax benefit, for the Core Segment was \$138.0 million in 2003 compared to \$134.8 million in 2002. FFO for 2003, including both segments, as adjusted for hypothetical tax benefit, was \$209.0 million, compared to \$174.4 million for 2002.

Our portfolio at year-end totaled 38.2 million square feet. The portfolio was 95.2% occupied, compared to 94.5% at year-end 2002, and rental revenue less property operating costs, including equity in earnings from operating joint ventures and before adjustments for discontinued operations, increased from \$204.2 million in 2002 to \$219.0 million in 2003.

2003 was also a solid year for our development activity. At year-end we had 4.3 million square feet under construction, of which 3.3 million square feet will be added to the portfolio; one million square feet is development for a fee; and 58,000 square feet is build-to-suit for sale. Of the 3.3 million square feet to be added to the portfolio, the projected cost is \$104 million and, when fully leased, the properties are projected to yield a return on cost of 10.2%.

In March 2003, when we announced our conversion to a REIT, we also said that part of the transition to an industrial REIT would be to monetize our non-core assets and recycle the capital generated back into our core industrial business. We made significant progress toward this goal in 2003. At the start of 2003, the net book value of these non-core assets was \$403 million. During the year, we generated \$96 million after taxes and reinvestment from the monetization of non-core assets and, at year-end, still had over \$400 million of net book value remaining in the assets yet to be monetized.

#### LOOKING AHEAD

We have adopted a more sharply focused business strategy to be executed within a REIT structure. The success of our development program over the last several

years positions us with strong and stable cash flows from a newly developed rental portfolio of lower risk, higher-return industrial properties.

The skills we acquired as a diversified development company are today the “Catellus Advantage” as an industrial focused REIT. Over time, we have learned how to successfully manage the complex challenges associated with developing land, as well as meet the changing needs of the logistics and distribution business.

Given the realities of the global economy and the continued demand for goods movement, we believe that the country’s major distribution centers are ideally suited for future growth. The five largest distribution markets are Southern California, Suburban Chicago, Northern New Jersey, Atlanta, and Dallas. We have had a significant presence in Southern California, Suburban Chicago, and Dallas; in 2003 we entered Atlanta and Northern New Jersey. We are developing approximately one million square feet in Atlanta in three separate buildings for APL Logistics, our largest distribution warehouse customer, and have land that will support an additional 778,000 square feet of development. We announced our expansion into Northern New Jersey, the nation’s third largest industrial market, with the purchase of a 24-acre land parcel near New Jersey Turnpike Exit 12 in Carteret.

#### A TIME OF TRANSITION

We anticipate that the transition from a diversified development company to a REIT focused on the industrial sector will be substantially completed over the next three years as we recycle capital from our urban and residential assets. Going forward, we intend to continue looking for ways to operate more efficiently, consistent with focusing our development activities on industrial property.

We are very proud of what we have accomplished at our three urban mixed-use projects. We will continue the projects that are under way, but do not plan to seek new ones. Because of this and the considerable progress we have already made, the two most senior executives of the Urban Group, Doug Gardner, president, and Mark Schuh, executive vice president, left Catellus at the end of 2003. I am deeply appreciative of their contributions to Catellus.

Earlier this year, we also announced that Tim Beaudin, our executive vice president, will leave the company after the first quarter of 2005. Tim was the first person I hired at Catellus, and he has been instrumental in helping to shape the company over the last nine years. I expect Tim to continue to play a valuable role over the next year as we put in place operational efficiencies and recycle capital from our non-core assets into our industrial business.

#### CORPORATE GOVERNANCE

Shareholders' focus on corporate governance issues has greatly increased, and appropriately so. Our board takes these matters very seriously, and we are very proud of our governance policies, which were put in place long before the events that brought national attention to corporate governance issues. Our board is elected annually. I am the only inside director; all of the other directors are independent, as defined by the New York Stock Exchange corporate governance listing standards. We also have a lead independent director, whose duties include presiding over executive sessions of the independent directors, advising me on board agendas and meeting schedules, overseeing the effective functioning of the board, and reviewing directed communications from shareholders and interested third parties.

Sound corporate governance has been an important aspect of our culture for many years. Long before the Sarbanes-Oxley Act of 2002, our board adopted corporate governance guidelines, maintained written charters for all standing committees and had the ability to hire external advisors. As part of our long-standing commitment to corporate governance, the board has taken steps to affirm and update our corporate governance documents and practices to fully comply with Sarbanes-Oxley, the New York Stock Exchange corporate governance listing standards, and SEC regulations. You may find detailed information on our corporate governance practices in the Investor Relations section of the Company's website at [www.catellus.com](http://www.catellus.com).

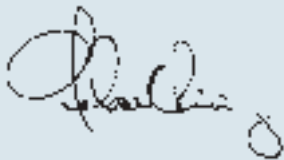
The board also considers shareholder views on issues that may come before it, and takes action when appropriate. At last year's annual meeting, shareholders approved a proposal recommending that "the board of directors redeem any poison pill previously issued (if applicable) and not adopt or extend any poison pill unless such adoption or extension

has been submitted to a shareholder vote.” Catellus does not presently have a shareholder rights plan (commonly referred to as a poison pill), and by action of our board of directors in the first quarter of this year, it is now Catellus’ policy not to adopt a shareholder rights plan without submitting the plan to a non-binding shareholder vote either before or after the adoption.

Earlier this year, the board also voted to reduce the number of directors from 11 to nine. As a result, Joe Alibrandi and Cora Tellez will be retiring from the board on May 4. Both Joe and Cora provided invaluable insight and guidance during their tenures as directors and I am extremely grateful for their service.

I also want to thank and acknowledge our employees for their contributions to the outstanding year we had in 2003, especially those who repeatedly dealt with the complex issues and met the deadlines associated with our conversion to a REIT. Their efforts remind me how proud I am of the talented team we have assembled. I am also deeply appreciative of you, our shareholders, for your continued support of our efforts. We look forward to sharing with you another successful year.

**NELSON C. RISING**  
CHAIRMAN & CHIEF EXECUTIVE OFFICER



Catellus' board of directors consists of 11 members—ten independent members, as defined by New York Stock Exchange corporate governance listing standards, and Nelson Rising, who serves as chairman and chief executive officer. We have a lead independent director, Richard Farman, and each member of the board is elected annually. We benefit greatly from the experience, insight, and judgment of our directors and are very grateful for their commitment and service. The board members elected in 2003 are presented below.

**BOARD OF DIRECTORS**

**NELSON C. RISING**  
CHAIRMAN & CHIEF EXECUTIVE OFFICER



**RICHARD D. FARMAN**  
LEAD INDEPENDENT DIRECTOR



**JOSEPH F. ALIBRANDI**  
DIRECTOR



**STEPHEN F. BOLLENBACH**  
DIRECTOR

**DARYL J. CARTER**  
DIRECTOR



**CHRISTINE GARVEY**  
DIRECTOR



**WILLIAM M. KAHANE**  
DIRECTOR

**LESLIE D. MICHELSON**  
DIRECTOR

**DEANNA W. OPPENHEIMER**  
DIRECTOR

**THOMAS M. STEINBERG**  
DIRECTOR

**CORA M. TELLEZ**  
DIRECTOR



**SENIOR MANAGEMENT**

**TIM BEAUDIN**  
EXECUTIVE VICE PRESIDENT

**TED ANTENUCCI**  
PRESIDENT  
CATELLUS COMMERCIAL DEVELOPMENT

**BILL HOSLER**  
SENIOR VICE PRESIDENT &  
CHIEF FINANCIAL OFFICER

**VANESSA WASHINGTON**  
SENIOR VICE PRESIDENT &  
GENERAL COUNSEL

**MIKE WENZELL**  
VICE PRESIDENT  
CORPORATE STRATEGIC INITIATIVES



**CORPORATE OFFICERS**

**WILLIE BOGAN**  
VICE PRESIDENT &  
ASSOCIATE GENERAL COUNSEL

**CHRIS CHEN**  
VICE PRESIDENT &  
ASSOCIATE GENERAL COUNSEL

**JAIME GERTMENIAN**  
VICE PRESIDENT  
HUMAN RESOURCES & ADMINISTRATION

**BILL LAU**  
VICE PRESIDENT  
FINANCE & TREASURER

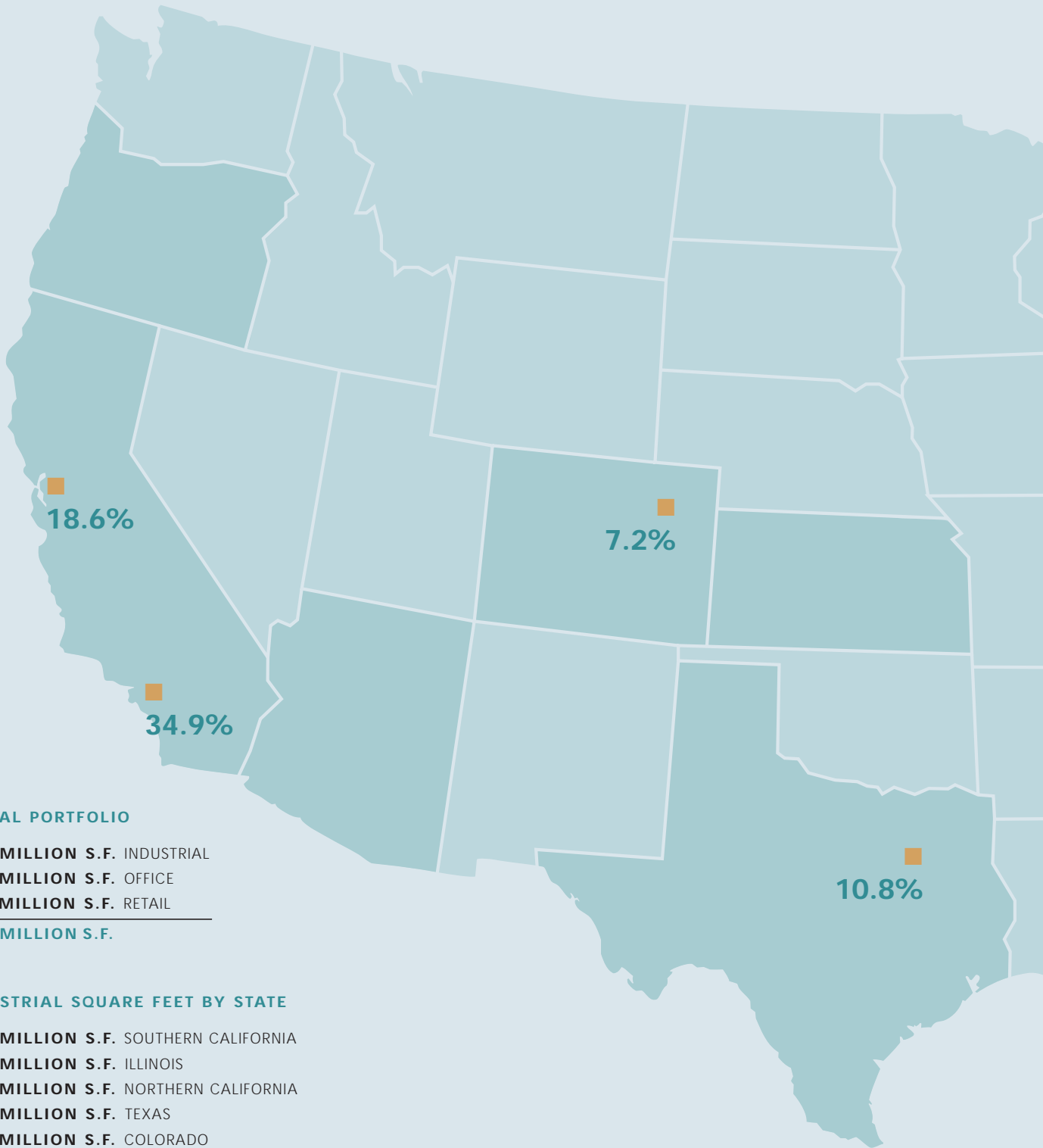
**PAUL LOCKIE**  
VICE PRESIDENT & CONTROLLER

**MARGAN MITCHELL**  
VICE PRESIDENT  
CORPORATE COMMUNICATIONS

**DAVID ZEIGER**  
VICE PRESIDENT  
TAXATION



# INCOME PRODUCING PORTFOLIO



## RENTAL PORTFOLIO

34.2 MILLION S.F. INDUSTRIAL  
3.2 MILLION S.F. OFFICE  
0.8 MILLION S.F. RETAIL

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38.2 MILLION S.F.

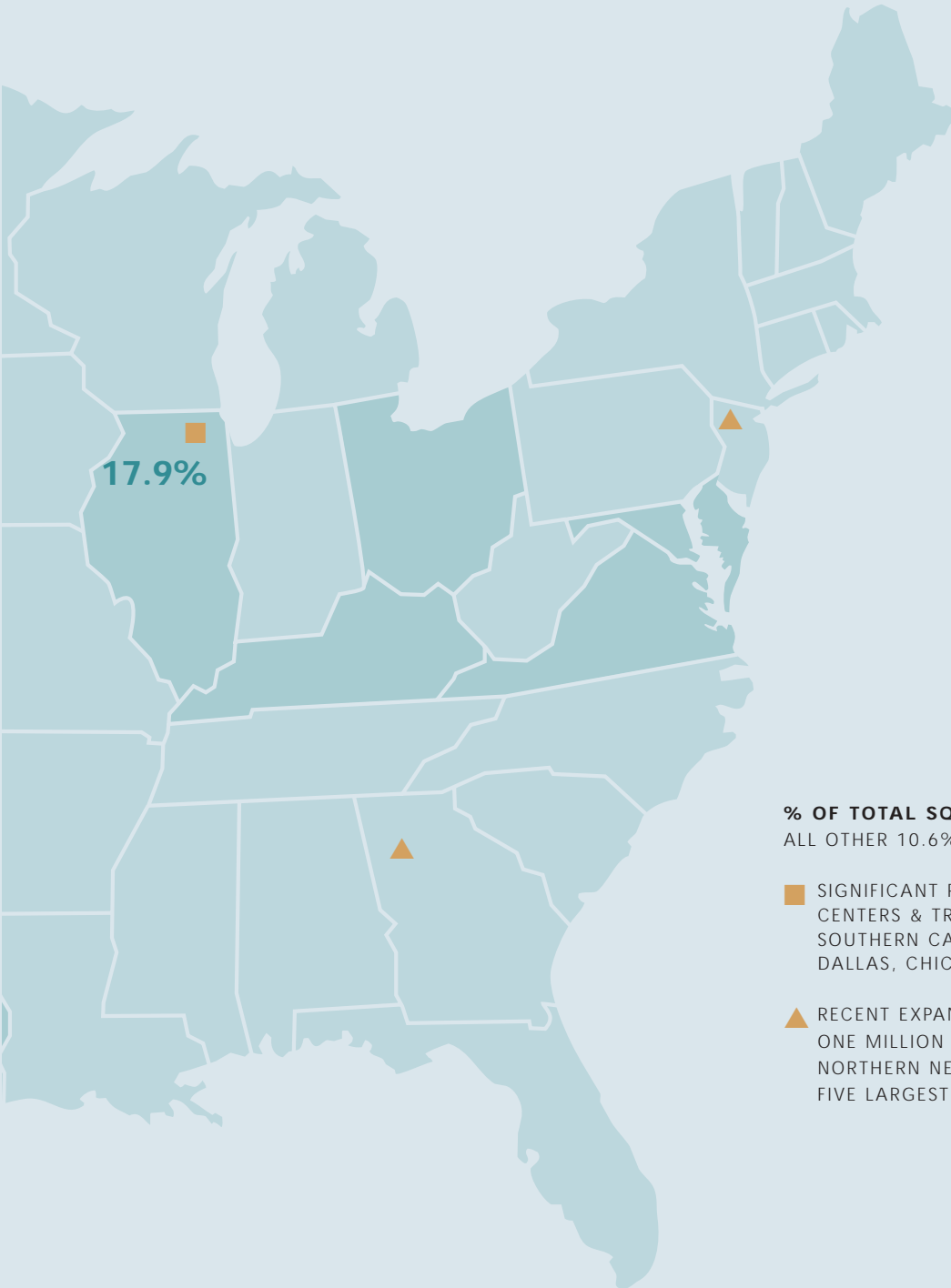
## INDUSTRIAL SQUARE FEET BY STATE

12.6 MILLION S.F. SOUTHERN CALIFORNIA  
6.3 MILLION S.F. ILLINOIS  
5.8 MILLION S.F. NORTHERN CALIFORNIA  
3.3 MILLION S.F. TEXAS  
2.4 MILLION S.F. COLORADO  
3.8 MILLION S.F. OTHER

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34.2 MILLION S.F. TOTAL

## A focus on major distribution markets and transportation corridors

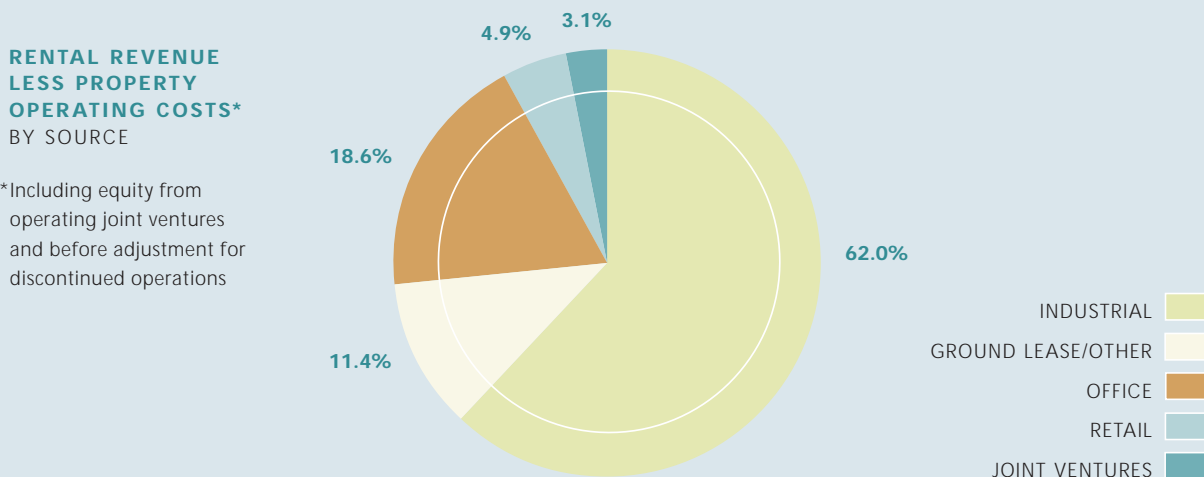


## Our income-producing portfolio

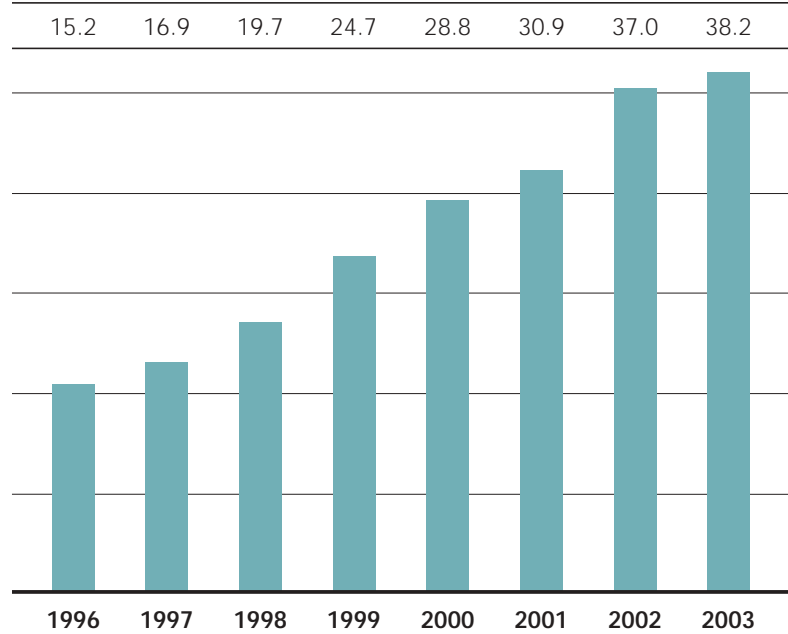
Our rental portfolio today consists of over 38 million square feet of space, the majority of which we have developed since 1995. Approximately 90% of the square footage in the rental portfolio consists of lower-risk/higher-return distribution warehouses built with state-of-the-art specifications that accommodate today’s changing distribution technologies and requirements.

The features of a typical Catellus building reflect our strategic focus on major distribution centers and transportation corridors. Our buildings are designed for the efficient storage and distribution of goods. A typical building has a large footprint ranging from 300,000 to 600,000 square feet, “clear heights” exceeding 30 feet to maximize inventory capacity, and often has dock doors on both sides of the building, making it easier to move goods in and out—just a few of the building features critical to the success of large-scale distribution enterprises that locate in our target markets.

Rental revenue less property operating costs has increased steadily over the years, as both the size and quality of our rental portfolio have grown. Rental revenue less property operating costs includes rent from our buildings and ground leases, as well as equity in earnings from operating joint ventures, and is calculated before adjustments for discontinued operations. Cash flow from our income-producing portfolio supports dividends paid to our shareholders.

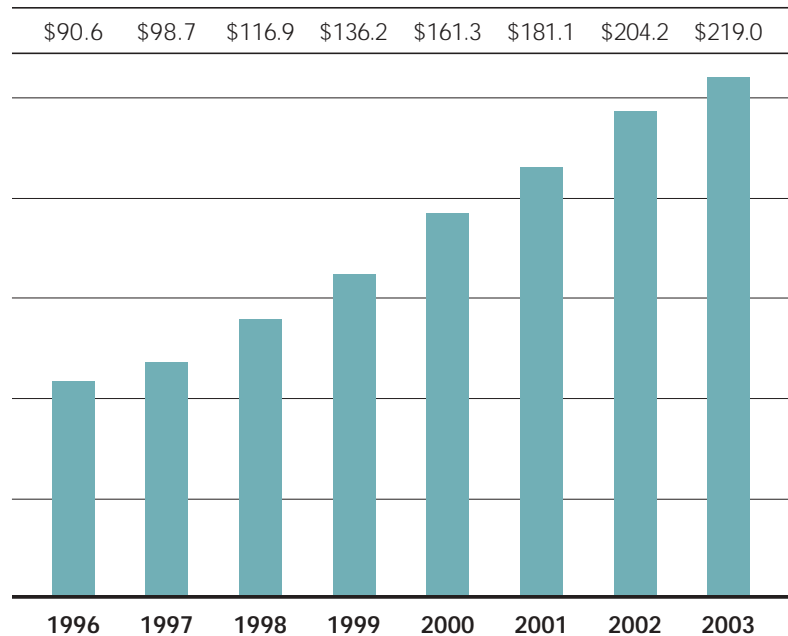


**BUILDING PORTFOLIO SIZE**  
SQUARE FEET IN MILLIONS

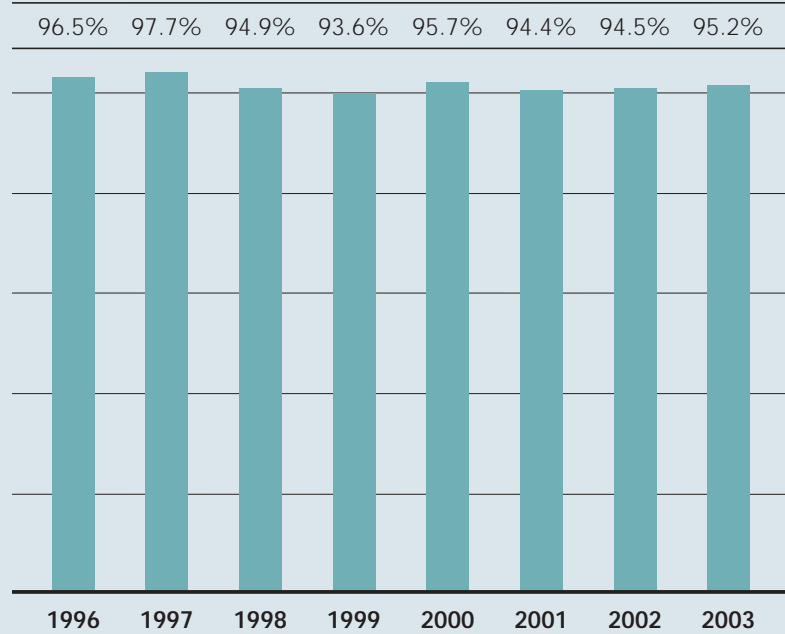


**INCOME-PRODUCING PORTFOLIO**  
**RENTAL REVENUE LESS**  
**PROPERTY OPERATING COSTS\***  
\$ IN MILLIONS

\*Including equity from operating joint ventures and before adjustment for discontinued operations



TOTAL BUILDING PORTFOLIO  
OCCUPANCY



The quality of our buildings is confirmed by the portfolio's consistently high occupancy rate, which was 95.2% at December 31, 2003. Historically, our occupancy rate has outperformed the industry average by a meaningful margin—a testament to the steady demand for newer industrial space in the major distribution markets where we develop and own property.

We operate our properties knowing that tenants want and need management with a real stake in the relationship; the professionals who handle the day-to-day needs of our income-producing portfolio take a very hands-on approach to this ongoing challenge. This approach also offers long-term strategic value: strong relationships frequently lead to future development opportunities.

**ASSET MANAGEMENT**

**KEITH ANDERSON**  
SENIOR VICE PRESIDENT

**JOHN BEZZANT**  
VICE PRESIDENT

**ANNI CHAPMAN**  
VICE PRESIDENT

**RALPH PICKETT**  
VICE PRESIDENT

**JAY AXUP**  
DIRECTOR

**LISA HOOTON**  
DIRECTOR

**PAUL MAQUERA**  
DIRECTOR

**CHERYL TODD**  
DIRECTOR

**PAM WILSON**  
DIRECTOR



## A blueprint for success

Over the past several years, we have worked with our customers to understand the needs of modern distribution systems, and then designed and developed buildings with specifications to accommodate those needs. A few of these specifications, generally available only in newer buildings, include higher ceiling clear heights, upgraded fire sprinkler systems, extra wide truck courts with multiple loading docks and truck doors, and modern exhaust and electrical systems.

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**SPECIFICATION / BENEFIT**

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**20' WIDE CONCRETE "DOLLY PAD"** To preserve the finished surface of the truck courts and prevent landing gear from sinking.

**50' WIDE CONCRETE TRUCK APRON** Adjacent to the dock doors to preserve the integrity of the finished surface.

**8' HIGH WROUGHT IRON FENCING OR CONCRETE SCREEN WALLS** Automatic gate controls for truck court entries.

**PATIOS WITH TRELIS ADJACENT TO THE OFFICE AREAS** A design element that provides respite from heat and sun.

**ESFR SPRINKLER SYSTEMS** Early suppression, fast response system preferred for storage occupancy.

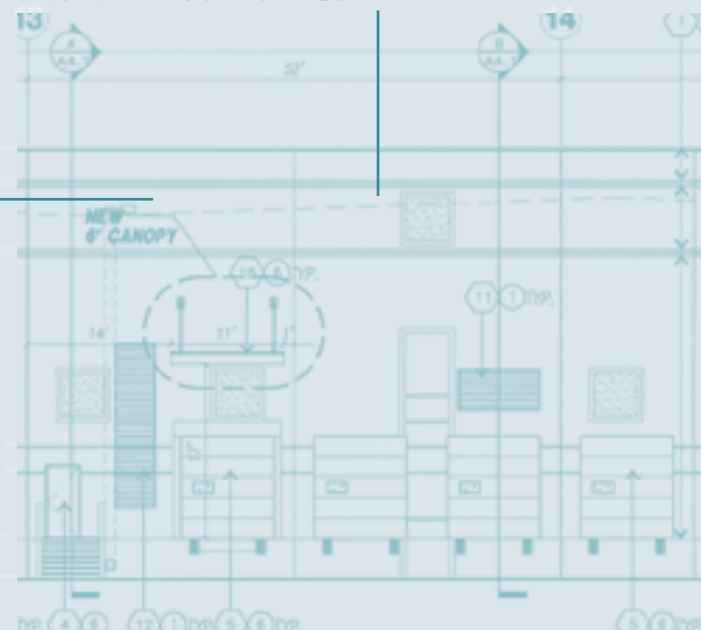
**TALL PARAPETS** Effectively conceals conspicuous rooftop equipment from view.

**FULL HEIGHT DEMISING WALL** Allows construction of secure divider between two tenants.

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### TALL PARAPETS CONCEAL ROOF TOP EQUIPMENT

### WHITE FOIL FACED SCRIM INSULATION



SIXTEEN

PARTIAL SOUTH ELEVATION

**SPECIFICATION / BENEFIT**

**EXTENSIVE USE OF GLASS** Provides natural light to office space at corners of buildings.

**EXPANSIVE SKYLIGHTS** Coverage exceeding industry standards, in markets where installed.

**DISTINCTIVE EXTERIOR ELEVATIONS** Architectural elements that enhance the building's exterior appeal.

**WHITE FOIL FACED SCRIM INSULATION** On the underside of the roof structure for more reflectability of light inside.

**MECHANICAL EXHAUST SYSTEM** Providing two air changes in a warehouse versus industry standard of one.

**TWO ELECTRICAL SERVICES** Providing flexibility should two tenants occupy one building.

**KNOCK OUT PANELS ON THE EXTERIOR WALLS** Allowing for more windows in expanded corner office configurations.

PARTIAL SOUTH ELEVATION (CONT)

3% SKYLIGHTS

EXTENSIVE USE OF GLASS AND OTHER ARCHITECTURAL DETAILS

SEVENTEEN

PARTIAL SOUTH ELEVATION (CONT)



**STAPLETON BUSINESS CENTER**  
**WHIRLPOOL CORPORATION**  
DENVER, COLORADO

**KAISER COMMERCE CENTER**  
**TSA STORES, INC.**  
FONTANA, CALIFORNIA

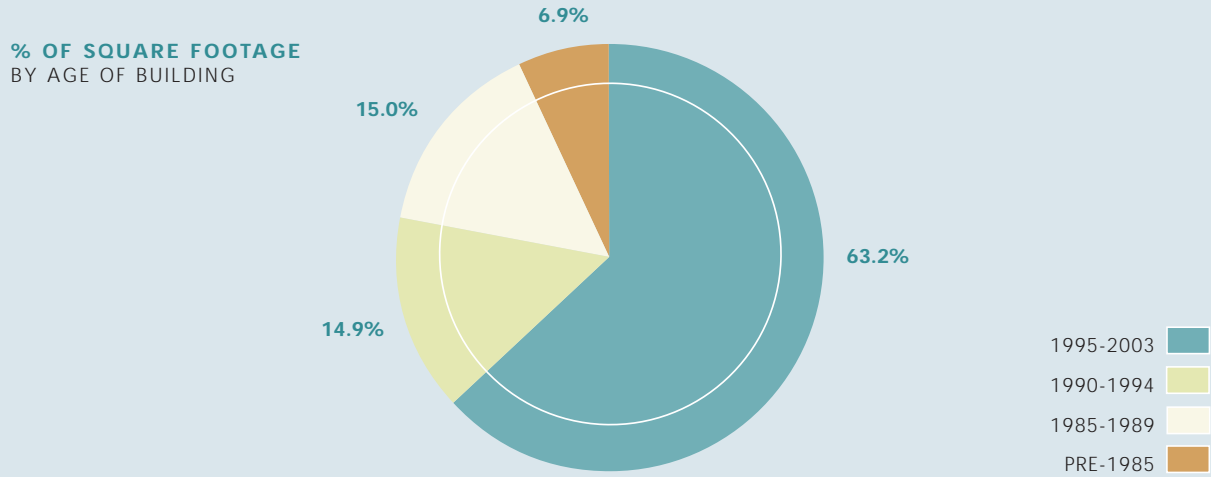


**INTERNATIONALE CENTRE WEST**  
**APL LOGISTICS**  
ROMEDEVILLE, ILLINOIS

**SPRECKLES BUSINESS PARK**  
**FORD MOTOR COMPANY**  
MANTECA, CALIFORNIA



## Significant portion of rental portfolio developed since 1995



Approximately 63% of our total rental portfolio has been built since 1995. We believe that for many businesses, the age of the building in which they operate is critical to their success. Our industrial customers rely on warehouse facilities and buildings that can accommodate the latest distribution technologies, and frequently, only newer buildings include these modern specifications.

**KAISER COMMERCE CENTER**  
**KELLOGG'S**  
FONTANA, CALIFORNIA

**RANCHO CUCAMONGA CORPORATE PARK**  
**SANYO LOGISTICS CORPORATION**  
RANCHO CUCAMONGA, CALIFORNIA



## INDUSTRIAL PROPERTY

CITY	STATE	YEAR BUILT	MAJOR TENANT	RENTABLE SQUARE FEET	YEAR END OCCUPANCY
Fontana	CA	2003	Exel, Inc.	577,905	100%
Rancho Cucamonga	CA	2003	Sanyo Logistics Corporation	468,410	100%
Romeoville	IL	2003	APL Logistics Warehouse	346,146	100%
Shawnee	KS	2003	Ford Motor Company	223,200	100%
Denver	CO	2003	Whirlpool Corporation	171,438	100%
Denver	CO	2003	Western Paper Distributors Inc.	147,885	100%
Portland	OR	2003	NIR, Inc.	96,608	100%
Minooka	IL	2002	Kellogg's USA, Inc.	1,034,200	100%
Fontana	CA	2002	Exel, Inc.	830,000	100%
Manteca	CA	2002	Ford Motor Company	608,860	100%
Rancho Cucamonga	CA	2002	Ford Motor Company	449,370	100%
Romeoville	IL	2002	APL Logistics Warehouse	421,361	100%
Grand Prairie	TX	2002	Lagasse Bros., Inc.	398,364	27%
Shepherdsville	KY	2002	APL Logistics Warehouse	382,800	100%
Denver	CO	2002	Ford Motor Company	314,978	64%
Fort Worth	TX	2002	Ford Motor Company	252,000	100%
Denver	CO	2002	Kellogg Sales Company	144,511	100%
Fremont	CA	2002	ASUS Computer International, Inc.	105,821	100%
Denver	CO	2002	Colorado Health Systems, Inc.	90,126	100%
Denver	CO	2001	Aspen Pet Products, Inc.	360,118	100%
Denver	CO	2001	United Stationers Supply Co.	350,969	100%
Woodridge	IL	2001	Metro Exhibit Corporation	167,529	100%
Denver	CO	2001	Dreyer's Grand Ice Cream, Inc.	161,511	100%
Rancho Cucamonga	CA	2001	Scripto-Tokai Corporation	120,620	100%
Fremont	CA	2001	Synnex Information Technologies, Inc.	100,528	71%
Fremont	CA	2001	Synnex Information Technologies, Inc.	65,332	100%
Woodridge	IL	2000	Prairie Packaging, Inc.	513,674	100%
Ontario	CA	2000	New Balance Athletic Shoe, Inc.	504,530	100%
Grand Prairie	TX	2000	Quaker Sales & Distribution, Inc.	450,864	100%
Rancho Cucamonga	CA	2000	APL Logistics Warehouse	443,190	100%
Rancho Cucamonga	CA	2000	APL Logistics Warehouse	441,970	100%
Grand Prairie	TX	2000	APL Logistics Warehouse	422,622	100%
Ontario	CA	2000	The Hain Food Group	373,283	100%
Woodridge	IL	2000	Central American Distribution	367,999	100%
Ontario	CA	2000	The Gillette Company	359,996	100%
Woodridge	IL	2000	Corporate Express Office Prods.	263,007	88%
Oakland	CA	2000	United States Postal Service	147,500	100%
Rancho Cucamonga	CA	2000	Carpenter Technology Corporation	56,490	100%

## INDUSTRIAL PROPERTY

CITY	STATE	YEAR BUILT	MAJOR TENANT	RENTABLE SQUARE FEET	YEAR END OCCUPANCY
Woodridge	IL	1999	The Gillette Company	532,560	100%
Grand Prairie	TX	1999	APL Logistics Warehouse	423,700	100%
Romeoville	IL	1999	APL Logistics Warehouse	402,266	100%
Woodridge	IL	1999	Central American Warehouse Co.	396,489	100%
Woodridge	IL	1999	United States Intermodal Serv., LLC	351,799	100%
Grand Prairie	TX	1999	APL Logistics Warehouse	343,200	100%
Fremont	CA	1999	Peripheral Computer Support	187,168	100%
Portland	OR	1999	Spicers Papers, Inc.	180,000	100%
Louisville	KY	1999	Clark Material Handling Company	166,600	100%
Woodridge	IL	1999	Samuel Manu-Tech, Inc.	165,173	100%
Portland	OR	1999	Synetics Solutions, Inc.	165,000	100%
Denver	CO	1999	The SYGMA Network, Inc.	156,139	100%
Woodridge	IL	1999	Packaging Consultants, Inc.	114,591	100%
Portland	OR	1999	Kinco International, Inc.	103,500	100%
Richmond	CA	1999	Kaiser Foundation Health Plan, Inc.	88,845	100%
Fremont	CA	1999	Fiberstars, Inc.	60,000	100%
Fremont	CA	1999	Sonic Manufacturing Tech., Inc.	53,395	100%
Richmond	CA	1999	Kaiser Foundation Health Plan, Inc.	42,500	100%
Ontario	CA	1998	Sweetheart Holdings, Inc.	526,408	100%
Stockton	CA	1998	Kellogg's USA Inc.	500,199	100%
Denver	CO	1998	Quantum Logistics, Inc.	325,999	100%
Woodridge	IL	1998	APL Logistics Warehouse	240,280	100%
City of Industry	CA	1998	Liberty Glove, Inc.	183,855	100%
Oakland	CA	1998	The Sleep Train, Inc.	176,826	63%
Woodridge	IL	1998	Trudeau Corporation (America), Inc.	159,258	100%
City of Industry	CA	1998	Graybar Electric Company, Inc.	140,380	100%
City of Industry	CA	1998	Unipac Shipping Company	138,124	100%
Denver	CO	1998	Jupiter I dba Office Scapes	129,442	100%
City of Industry	CA	1998	Playhut, Inc.	109,448	100%
Fremont	CA	1998	Mouse Systems	102,626	100%
Fremont	CA	1997	Office Depot, Inc.	476,177	100%
Aberdeen	MD	1997	Saks & Company	470,707	100%
City of Industry	CA	1997	Viewsonic Corporation	298,050	100%
Union City	CA	1997	Spicers Paper, Inc.	234,588	100%
Garland	TX	1997	Interceramic, Inc.	227,023	100%
Garland	TX	1997	SpeedFC, Inc.	226,906	100%
Ontario	CA	1997	Tyco Healthcare Group, LP	180,608	100%
Fremont	CA	1997	Galgon Industries, Inc.	174,460	73%

## INDUSTRIAL PROPERTY

CITY	STATE	YEAR BUILT	MAJOR TENANT	RENTABLE SQUARE FEET	YEAR END OCCUPANCY
Anaheim	CA	1997	Anixter Inc.	130,466	100%
Fremont	CA	1997	Victron, Inc.	127,452	100%
Ontario	CA	1997	Los Angeles Times Communic.	37,000	100%
City of Industry	CA	1996	Owens & Minor West, Inc.	230,992	100%
Ontario	CA	1996	McLane Company, Inc.	201,454	100%
Fremont	CA	1996	Home Depot USA, Inc.	158,400	100%
Fremont	CA	1996	Menlo Logistics, Inc.	114,948	100%
Fremont	CA	1996	Y.C. Cable, Inc.	94,080	100%
Vernon	CA	1996	Lucky Brand Dungarees, Inc.	41,712	100%
Vernon	CA	1996	Monami Textile, Inc.	30,840	100%
Vernon	CA	1996	U.S. Plastic, Inc.	27,798	100%
Ontario	CA	1995	Dunlop Tire Corp.	300,136	100%
Santa Fe Springs	CA	1995	Spicers Paper, Inc.	100,000	100%
<b>1995-2003 Total</b>			<b>(89 buildings)</b>	<b>23,285,282</b>	<b>98%</b>
Grove City	OH	1994	Abbott Laboratories	300,211	48%
Dallas	TX	1994	Interceramic, Inc	262,000	100%
Fullerton	CA	1994	Adams Rite Aerospace, Inc.	100,000	100%
Anaheim	CA	1994	Los Angeles Times Communic.	17,575	100%
Grove City	OH	1993	Lennox Industries	360,412	100%
Grove City	OH	1993	McGraw Hill	305,268	100%
Woodridge	IL	1993	Dollar Tree Stores, Inc.	261,400	100%
Ontario	CA	1992	THMX Holdings, LLC	149,406	100%
Livermore	CA	1992	Owens & Minor West	148,440	100%
Woodridge	IL	1992	Vistar Corporation	148,416	100%
Anaheim	CA	1992	Vacant	130,595	0%
Anaheim	CA	1992	Partition Installations, Inc.	79,846	100%
Vernon	CA	1992	John S. Dull & Associates, Inc.	47,000	100%
Anaheim	CA	1992	SCP Superior Acquisition Co.	36,800	100%
Anaheim	CA	1992	Robert Bosch Tool Corporation	26,200	100%
City of Industry	CA	1991	Circuit City Stores, Inc.	449,049	100%
Woodridge	IL	1991	Graham Packaging Company, L.P.	265,062	74%
Woodridge	IL	1991	Argo Turboserve Corporation	116,544	100%
Union City	CA	1991	Classic Design Furnishings, Inc.	105,408	100%
Vernon	CA	1991	Brambles Info. Mgmt., Inc.	49,250	100%
Santa Fe Springs	CA	1991	Highlight Graphics	41,921	75%
Santa Fe Springs	CA	1991	Hotchkis Performance	35,973	100%
Vernon	CA	1991	Alto Products	30,840	100%
Santa Fe Springs	CA	1991	Polestar, Inc.	30,418	100%

## INDUSTRIAL PROPERTY

CITY	STATE	YEAR BUILT	MAJOR TENANT	RENTABLE SQUARE FEET	YEAR END OCCUPANCY
Santa Fe Springs	CA	1991	Create Magic	14,644	92%
Santa Fe Springs	CA	1991	Dover Resources	11,814	89%
Ontario	CA	1990	Cott Beverages, Inc.	412,944	100%
Santa Fe Springs	CA	1990	La Salle Paper Company, Inc.	237,814	100%
Garland	TX	1990	Sears Logistics Services, Inc.	200,000	100%
Tempe	AZ	1990	Stinger Mac Accessories, Inc.	165,646	100%
Ontario	CA	1990	H. Tedmori, Inc.	141,150	100%
Livermore	CA	1990	The Quality Packaging, Inc.	131,128	100%
Union City	CA	1990	Tyco Printed Circuit Group LP	116,993	100%
Vernon	CA	1990	Mister S	48,187	100%
Vernon	CA	1990	Vacant	26,923	0%
Vernon	CA	1990	Maruhana U.S.A., Corp.	26,653	100%
<b>1990-1994 Total</b>			<b>(36 buildings)</b>	<b>5,031,930</b>	<b>92%</b>
Stockton	CA	1989	Ralphs Grocery Co.	435,609	100%
Ontario	CA	1989	Toto USA, Inc.	405,864	100%
Anaheim	CA	1989	Nu Media Graphics, Inc.	39,285	100%
Anaheim	CA	1989	Shaxon Industries	28,185	100%
Santa Ana	CA	1989	Severn Trent Laboratories, Inc.	24,968	100%
Anaheim	CA	1989	Specification Seals Co.	24,955	100%
Anaheim	CA	1989	Automation Products	20,705	100%
Phoenix	AZ	1988	Freeport Logistics Inc.	206,263	100%
Vernon	CA	1988	Pepboys of California	137,307	100%
Tempe	AZ	1988	Eagle Global Logistics	133,291	100%
Carson	CA	1988	F.R.T. International, Inc.	133,240	100%
Carson	CA	1988	Expeditors International	118,545	100%
Union City	CA	1988	Interamerican Motor Corporation	115,200	70%
Livermore	CA	1988	Trans Western Polymers, Inc.	92,022	100%
Vernon	CA	1988	Kardar Industries, Inc.	85,349	44%
Union City	CA	1988	Orthopedic Systems, Inc.	82,944	100%
Union City	CA	1988	National Retail Transportation, Inc.	77,760	100%
Livermore	CA	1988	Trans Western Polymers, Inc.	76,800	100%
Tustin	CA	1988	Terumo Cardiovascular Systems Corp.	69,763	100%
Tustin	CA	1988	GE Medical Systems Info Tech.	59,505	100%
Orange	CA	1988	Freedom Communications Inc.	54,177	100%
Santa Ana	CA	1988	Applied Industrial Technology, Inc.	36,225	100%
Los Angeles	CA	1988	Tanimura Distributing	31,311	100%
Rancho Cucamonga	CA	1987	Conagra Foods, Inc.	419,064	100%
Stockton	CA	1987	Ralphs Grocery Co.	314,392	100%

**INDUSTRIAL PROPERTY**

CITY	STATE	YEAR BUILT	MAJOR TENANT	RENTABLE SQUARE FEET	YEAR END OCCUPANCY
Phoenix	AZ	1987	Huhtamaki Plastics, Inc.	221,116	100%
Santa Fe Springs	CA	1987	Galleher Hardwood Company	98,882	100%
Union City	CA	1987	Am-Pac Tire Distribution, Inc.	88,704	62%
Union City	CA	1987	Pacific Cartage And Warehousing	86,496	33%
Santa Fe Springs	CA	1987	Atlantic, Inc.	70,756	100%
Anaheim	CA	1987	Mintek Digital, Inc.	52,965	100%
Anaheim	CA	1987	Meiho Technology, Inc.	51,153	100%
Union City	CA	1987	EXP Pharmaceutical Waste Mgmt.	44,909	100%
Anaheim	CA	1987	United Media Services, Inc.	43,428	100%
Anaheim	CA	1987	Saint-Gobain Industrial Ceramics	32,074	100%
Los Angeles	CA	1987	Tanimura Distributing	30,104	100%
La Mirada	CA	1986	Mohawk Industries, Inc.	220,000	100%
Union City	CA	1986	Runco International, Inc.	126,144	38%
Orange	CA	1986	Data Aire, Inc.	108,222	100%
Tempe	AZ	1986	Stolper-Fabralloy	101,601	100%
Tempe	AZ	1986	Southern Wine And Spirits	93,366	100%
Vernon	CA	1986	Jade Apparel, Inc.	77,184	100%
Tustin	CA	1986	Vacant	67,439	0%
Orange	CA	1986	Mailing And Marketing, Inc.	42,918	100%
Orange	CA	1986	Cano Container Corporation	35,000	100%
Vernon	CA	1986	Rayem Investments, Inc.	28,875	100%
Anaheim	CA	1985	Fremont Investment And Loan	20,769	100%
<b>1985-1989 Total</b>			<b>(47 buildings)</b>	<b>4,964,834</b>	<b>94%</b>
<b>Pre-1985 Total</b>			<b>(27 buildings)</b>	<b>889,183</b>	<b>95%</b>
<b>Total Industrial</b>			<b>(199 buildings)</b>	<b>34,171,229</b>	<b>96%</b>

**Average Age 7.1 Years**

**OFFICE PROPERTY**

San Francisco	CA	2002	The Gap, Inc.	282,773	100%
Westminster	CO	2002	Allos Therapeutics, Inc.	151,412	98%
Glenview	IL	2002	DE Trading Corporation	116,015	41%
Coppell	TX	2002	Brink's, Incorporated	101,844	100%
Westminster	CO	2001	American Skandia Life Assurance	121,461	100%
Woodridge	IL	1991	Argonne National Laboratory	97,964	83%
Anaheim	CA	1990	Fremont Investment & Loan	94,112	100%
Corona	CA	1990	Centex Homes	61,791	90%
Santa Ana	CA	1989	Orange, County of	66,106	100%
Chatsworth	CA	1988	101Communications LLC	56,964	82%

## OFFICE PROPERTY

CITY	STATE	YEAR BUILT	MAJOR TENANT	RENTABLE SQUARE FEET	YEAR END OCCUPANCY
Chatsworth	CA	1988	Washington Mutual Bank, FA	53,292	80%
Chatsworth	CA	1988	Physerv LLC	43,117	100%
San Jose	CA	1986	AON Service Corporation	70,903	66%
San Jose	CA	1986	Puma Technology Inc.	69,956	97%
Chatsworth	CA	1986	Washington Mutual Bank	60,175	100%
Orange	CA	1986	Control Air Conditioning Corp.	40,000	100%
San Jose	CA	1985	MCI Worldcom Communications	77,092	76%
San Jose	CA	1985	State Farm Mutual Automobile Ins.	71,514	89%
San Jose	CA	1985	Porter Novelli Inc.	69,952	93%
San Jose	CA	1985	Vacant	67,317	0%
<b>1985-2003 Total</b>			<b>(20 buildings)</b>	<b>1,773,760</b>	<b>86%</b>
<b>Pre-1985 Total</b>			<b>(12 buildings)</b>	<b>1,391,203</b>	<b>91%</b>
<b>Total Office</b>			<b>(32 buildings)</b>	<b>3,164,963</b>	<b>88%</b>
<b>RETAIL</b>					
Tucson	AZ	2002	Vacant	51,242	0%
Tucson	AZ	2002	J & J Dental, P.C.	12,414	42%
Tucson	AZ	2002	Ole Mexican Grill	5,840	59%
Tucson	AZ	2002	Chinese Combo	4,950	80%
Emeryville	CA	2001	Michaels Stores, Inc.	23,923	100%
Emeryville	CA	1994	Home Depot USA, Inc.	117,000	100%
Emeryville	CA	1994	Home Depot USA, Inc.	102,501	100%
Emeryville	CA	1994	Sportmart, Inc.	96,954	100%
Emeryville	CA	1994	Pak 'N Save	59,195	100%
Emeryville	CA	1994	Mattress Discounters Corporation	4,897	100%
Emeryville	CA	1994	Designs CMAL Store Inc.	3,561	100%
Emeryville	CA	1994	Jackson Hewitt	3,537	100%
Anaheim	CA	1985	AON Service Corporation	12,307	57%
Anaheim	CA	1985	Koosharem Corporation	10,668	47%
<b>1985-2003 Total</b>			<b>(14 buildings)</b>	<b>508,989</b>	<b>86%</b>
<b>Pre-1985 Total</b>			<b>(8 buildings)</b>	<b>359,310</b>	<b>89%</b>
<b>Total Retail</b>			<b>(22 buildings)</b>	<b>868,299</b>	<b>87%</b>
<b>Grand Total</b>			<b>(253 buildings)</b>	<b>38,204,491</b>	<b>95%</b>

## DEVELOPMENT

Our development activities focus primarily on suburban business parks with large distribution warehouse facilities. Most of what we develop is pre-leased or “build-to-suit.” When market conditions warrant, we may begin to develop a building before it is leased. We also develop properties for others, either when a customer wants to own rather than lease a facility in one of our parks, or on a fee basis.

### CONSTRUCTION STARTS DURING 2003

LOCATION	TENANT/PROJECT	BUILDING TYPE	START DATE	% LEASED	SQUARE FEET
Shawnee, KS	Ford	Industrial	Feb-03	100%	223,000 <sup>1</sup>
Atlanta, GA	APL	Industrial	Mar-03	100%	341,000 <sup>1</sup>
Atlanta, GA	APL	Industrial	Mar-03	100%	341,000 <sup>1</sup>
Atlanta, GA	APL	Industrial	Mar-03	100%	295,000 <sup>1</sup>
Fontana, CA	Kellogg's	Industrial	May-03	100%	450,000 <sup>1</sup>
Winchester, VA	Ford	Industrial	Jun-03	100%	252,000 <sup>1</sup>
Fontana, CA	Sports Authority	Industrial	Jun-03	100%	617,000 <sup>1</sup>
Fremont, CA	Arena Capital	Industrial	Jun-03	Build to Sell	50,000 <sup>2</sup>
Fremont, CA	Fremont Pediatric	Office	Jun-03	Build to Sell	8,000 <sup>2</sup>
Woodridge, IL	APL	Industrial	Nov-03	100%	117,000 <sup>1</sup>
Fontana, CA	Wal-Mart	Industrial	Dec-03	100%*	758,000 <sup>1</sup>
Rose Hills, CA		Industrial	Dec-03	Design build	1,000,000 <sup>3</sup>
<b>Total construction starts</b>					<b>4,452,000</b>

1 Total to be added to rental portfolio

100% 3,394,000

2 Total build to sell

58,000

3 Total design build for fee

1,000,000

\* Leased subsequent to December 31, 2003

During the year, we completed 3.5 million square feet of development, of which two million square feet was added to our rental portfolio. These assets are projected to generate \$7.7 million in stabilized full-year rental revenue, net of property operating costs.

**CONSTRUCTION** COMPLETIONS DURING 2003

LOCATION	TENANT / PROJECT	BUILDING TYPE	COMPLETION DATE	% LEASED	SQUARE FEET
Denver, CO	Western Paper Distrib.	Industrial	Feb-03	100%	148,000 <sup>1</sup>
Romeoville, IL	APL	Industrial	Feb-03	100%	346,000 <sup>1</sup>
Denver, CO	Champion Windows	Industrial	Feb-03	Fee	145,000 <sup>3</sup>
Denver, CO	Whirlpool	Industrial	Apr-03	100%	171,000 <sup>1</sup>
Glenview, IL	Anixter	Office	Apr-03	Fee	185,000 <sup>3</sup>
Portland, OR	NIR, Inc.	Industrial	May-03	100%	97,000 <sup>1</sup>
Rancho Cucamonga, CA	Sanyo Logistics Corp.	Industrial	May-03	100%	468,000 <sup>1</sup>
Avon, CO	Home Depot	Retail	May-03	Joint Venture	118,000 <sup>4</sup>
Fontana, CA	CBRE	Industrial	Jun-03	Build to Sell	600,000 <sup>2</sup>
Avon, CO	Wal-Mart	Retail	Jul-03	Joint Venture	187,000 <sup>4</sup>
Fontana, CA	Exel	Industrial	Sep-03	100%	578,000 <sup>1</sup>
Shawnee, KS	Ford	Industrial	Sep-03	100%	223,000 <sup>1</sup>
Gresham, OR	Staples	Industrial	Oct-03	100%	200,000 <sup>2</sup>
<b>Total completions</b>					<b>3,466,000</b>
1 Total to be added to rental portfolio				100%	2,031,000
2 Total build to sell					800,000
3 Total design build for fee					330,000
4 Total joint venture (Catellus sold its interest in these joint ventures in 2003)					305,000

## The Catellus advantage

What sets our development capability apart is our expertise in handling complex properties—sites that have significant entitlement, infrastructure, or environmental issues that must be addressed before development can begin. The experience we've gained in many years of doing this enables us to deal with these kinds of issues quickly and effectively, giving Catellus a pronounced advantage.

We also opportunistically apply our proven land development skills to projects outside of our core focus on industrial, typically on property we do not own where we can keep capital investment to a minimum. For example, in Austin, Texas, we are involved in redeveloping the Robert Mueller Airport, and we are redeveloping the Los Angeles Air Force Base in partnership with others.

We replenish our supply of land in our target markets. During the year we acquired land capable of supporting 10.5 million square feet of industrial space. We sold or leased developed land capable of supporting 1.3 million square feet of space, and we placed into development land that will support 3.5 million square feet of property. The table below highlights the concentrations of land inventory in each of our target markets at year-end.

**LAND** INVENTORY · COMMERCIAL / AT YEAR END 2003

LOCATION	DEVELOPMENT POTENTIAL SQUARE FEET (IN '000)
Southern California	4,402
Northern California	4,911
Illinois	7,865
Texas	4,904
Colorado	5,316
Atlanta	778
Northern New Jersey	367
Other	3,888
<b>Total (Includes owned, as well as optioned/controlled land)</b>	<b>32,431</b>

**STEVE BRYAN**  
SENIOR VICE PRESIDENT

**PAT CAVANAGH**  
SENIOR VICE PRESIDENT

**DAN MARCUS**  
SENIOR VICE PRESIDENT

**DAN MATULA**  
SENIOR VICE PRESIDENT

**KEVIN MATZKE**  
SENIOR VICE PRESIDENT

**CHARLIE MCPHEE**  
SENIOR VICE PRESIDENT

**MIKE MERCIER**  
SENIOR VICE PRESIDENT

**MIKE DEL SANTO**  
VICE PRESIDENT

**MARK EVANS**  
VICE PRESIDENT

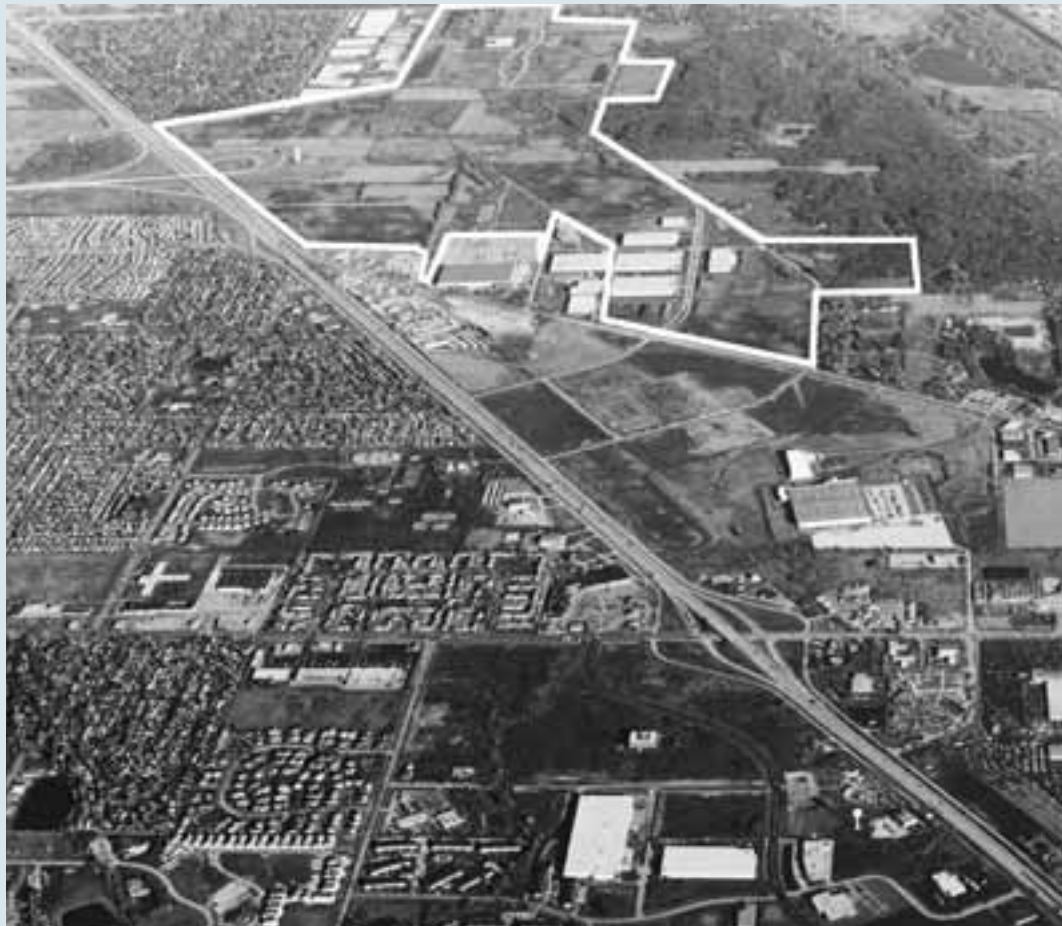
**GREG WEAVER**  
VICE PRESIDENT

**SEAN WHISKEMAN**  
VICE PRESIDENT



## Internationale Centre. Woodridge, Illinois

Located in the Village of Woodridge, 26 miles southwest of downtown Chicago at the intersection of Interstates I-55 and I-355, Internationale Centre West is a 920-acre site approved for over ten million square feet of commercial development. We have developed and retained approximately 3.8 million square feet, and have sold approximately one million square feet of completed development and land capable of supporting 4.9 million square feet of space. At year-end 2003, the park was 97% leased. Other Catellus developments in the Chicago area include the 425-acre Internationale Centre South in Minooka, the 130-acre Internationale Centre West in Romeoville, and the 92-acre Prairie Glen Corporate Campus in Glenview.



INTERNATIONALE CENTRE 1994



## Kaiser Commerce Center. Fontana, California

Catellus acquired the highly visible, 588-acre former Kaiser steel mill in California's San Bernardino County, in 2000. The location is excellent. It easily serves the ports of Los Angeles and Long Beach, and is less than a mile from the intersection of Interstates 10 and 15, through which 40% of the truck traffic entering and leaving California passes. The pace of leasing and development activity has been especially brisk. At year-end 2003, we had completed 1.2 million square feet of industrial development and had an additional 1.8 million square feet under construction. With the development activities and two land sales at the site, we have only two million square feet of entitlements remaining of the original nine million square feet.

KAISER COMMERCE CENTER 2000





## Stapleton Business Center. Denver, Colorado

Stapleton Business Center is a 295-acre business park approved for up to 3.6 million square feet of development. It is located within the Stapleton Airport redevelopment area on the north side of I-70. At year-end 2003, we had completed construction of 11 buildings totaling 2.4 million square feet, with 171,300 square feet under construction. We have sold 70 acres to industrial users who have built nine buildings totaling 850,000 square feet. Major tenants at Stapleton include Ford Motor Company, Whirlpool Corporation, Kellogg Sales Company, Dreyer's Grand Ice Cream, North American Van Lines, SYGMA, United Stationers, and Aspen Pet Products.



STAPLETON BUSINESS CENTER 1998

STAPLETON BUSINESS CENTER TODAY



## Rancho Cucamonga. Rancho Cucamonga, California

Located in Southern California's Inland Empire, one of the country's largest distribution markets, Rancho Cucamonga Corporate Park is a 140-acre business park approved for approximately 2.4 million square feet of development. At year-end 2003, we had completed approximately two million square feet of development for our rental portfolio. We also had ground leases in place that supported approximately 141,000 square feet of space and had sold land accommodating another 15,000 square feet of space. Major tenants include APL Logistics, Ford Motor Company, and Sanyo Logistics.



RANCHO CUCAMONGA 1997



## Victoria by the Bay. Hercules, California

Victoria by the Bay is a 206-acre bay front residential development at the site of a former oil refinery, approximately 30 minutes from the east side of San Francisco's Bay Bridge. We are no longer planning to invest substantial capital in large residential land projects, however this project demonstrates how we have been able to profitably apply our land development skills to large and complicated sites. These are skills that are applicable to many different land uses. The abandoned refinery sat vacant for several years until our development team recognized opportunity where others saw insurmountable obstacles. We not only identified the environmental issues, we knew how to resolve them and convert this extraordinarily well located site to an 880-lot residential home community, which we finished selling to home builders in 2003.



VICTORIA BY THE BAY 1997



## A TIME OF TRANSITION

As we make the transition from a diversified development company to one primarily focused on industrial product, we will continue taking steps to better position our businesses for operation as a REIT. This will include looking for ways to operate more efficiently, consistent with focusing our development activities on industrial property. We plan to continue our urban mixed-use and suburban residential projects that are underway, but do not plan to seek new ones.

The suburban residential projects and nearly all of the Urban Group projects have been included in a taxable REIT subsidiary, or TRS. We expect to recycle surplus capital from the continuing development of these projects, now with greater emphasis on third party parcel sales, land leases, and joint ventures.

We will continue the redevelopment of the Robert Mueller Airport in Austin, Texas, and the redevelopments of the Los Angeles Air Force Base in El Segundo, California, and the Alameda Naval Air Station in Alameda, California. Each of these projects offers unique economic, cultural, and job-creating benefits to the communities with which we've partnered. We expect to continue to be a good partner in managing these projects, and to generate capital that will be recycled back into our business.



**UNION STATION** LOS ANGELES, CALIFORNIA



**SANTA FE PLACE** SAN DIEGO, CALIFORNIA

**MISSION BAY** SAN FRANCISCO, CALIFORNIA



## Recycling capital from non-core assets

In 2003, we made significant progress in monetizing our non-core assets. At the start of 2003, the net book value of our non-core assets was \$403 million. During the year, we monetized \$140 million from those assets. After taxes and reinvestment, we generated \$96 million and still have over \$400 million of net book value in the assets that remain.

As we complete our transition, we will continue to monetize these assets, reinvesting a portion of the proceeds when necessary, and recycling the capital generated back into our core industrial business.

**SERRANO** SACRAMENTO, CALIFORNIA

**TALEGA** SAN CLEMENTE, CALIFORNIA



In 2003, the Urban Group generated sales of \$60.9 million with a pre-tax gain of \$17.1 million. Activity is strong at all three developments, and we plan to continue the projects currently underway. At Santa Fe Place in San Diego, only two development sites remain. We started construction on a 47,000 square foot pre-leased building at Los Angeles Union Station and are exploring residential uses at this location. In San Francisco, there are now 1,100 residential units either complete or near completion. The vision for Mission Bay is taking shape.

URBAN SALES 2003

TRANSACTION	PROJECT	AMOUNT*
Land sale	Santa Fe Place	\$ 16.3
Land sale	Santa Fe Place	17.2
Land Sale	Mission Bay	7.8
Glassworks Condominium Sales	Mission Bay	19.6
<b>Total Urban Sales</b>		<b>\$60.9</b>

\*Dollars in millions

URBAN DEVELOPMENT

**TIM CAREY**  
EXECUTIVE VICE PRESIDENT

**ERIC HARRISON**  
EXECUTIVE VICE PRESIDENT

**ANTHONY BLANCHARD**  
SENIOR VICE PRESIDENT

**SETH BLAND**  
SENIOR VICE PRESIDENT

**ANDREA JONES**  
SENIOR VICE PRESIDENT



**UNDER CONSTRUCTION**

LOCATION	BUILDING TYPE	SQUARE FEET	CONSTRUCTION START DATE	SCHEDULED COMPLETION DATE
Mission Bay N2P1	Mixed Use	33,000	4Q 2001	2Q 2004
Mission Bay N2P1	Residential	11,400	4Q 2001	1Q 2004
Mission Bay N1	Office, Retail	127,000	3Q 2001	2Q 2004
Mission Bay N1	Residential	568,000	3Q 2001	4Q 2004
Union Station Parcel 1	Office	47,000	4Q 2003	1Q 2005
<b>Total</b>		<b>786,400</b>		

**SANTA FE PLACE**  
SAN DIEGO, CALIFORNIA

**MISSION BAY**  
SAN FRANCISCO, CALIFORNIA



## Our profitable residential experience

The residential housing market has demonstrated explosive growth and vitality in recent years, particularly in California and selected western markets—and has been very profitable for Catellus and our investors. Our diversified land development skills allowed us to capitalize on this surge of housing demand. As we continue to make the transition to an industrial focused developer—and complete the monetization of our residential land portfolio—we expect to continue to benefit from the demand for new homes. As well, we expect to leverage our residential expertise to select opportunities where we can apply our skills with minimal capital investment, as we are doing in Alameda, California, and Austin, Texas.

In 2003, we made significant progress in monetizing components of our residential land portfolio. A particular example of this monetization effort is Talega, a residential-community development project located in Orange County, California. Catellus and its partners acquired and entitled the land for a total of 4,000 home sites in 1997. Since that time, we have sold 3,108 lots to third party home developers. Cumulatively, we have invested a total of \$15.2 million into the Talega partnership and realized \$83.6 million in pre-tax gain, including \$42 million realized from the sale of our remaining 30% interest in 2003.

### THE PARKWAY SACRAMENTO, CALIFORNIA



### RESIDENTIAL DEVELOPMENT

**TOM MARSHALL**  
SENIOR VICE PRESIDENT



LAND INVENTORY · RESIDENTIAL / AT YEAR END 2003

DEVELOPMENT	REMAINING LOTS	% OWNERSHIP
Alameda, CA	334	100%
West Bluffs, Playa del Rey, CA	114	100%
Serrano, Sacramento, CA	1,131	50%
Parkway, Sacramento, CA	418	50%
Bayport, Alameda, CA	151	33%
<b>Total</b>	<b>2,148</b>	



**ALAMEDA NAVAL AIR STATION, FISC**  
ALAMEDA, CALIFORNIA

**WEST BLUFFS** PLAYA DEL REY, CALIFORNIA

**SERRANO** SACRAMENTO, CALIFORNIA



### Company Headquarters

201 Mission Street, 2nd Floor  
San Francisco, California 94105  
(415) 974-4500

### Independent Auditors

PricewaterhouseCoopers LLP  
San Francisco, CA

### Transfer Agent and Registrar

American Stock Transfer and Trust  
Shareholder Services Department  
59 Maiden Lane  
New York, NY 10038  
Phone 1-800-937-5449  
E-mail: [info@amstock.com](mailto:info@amstock.com)  
Website: [www.amstock.com](http://www.amstock.com)

### Form 10-K

Current and prospective investors can obtain copies of our Form 10-K at no charge by visiting the Investor Relations section of our corporate website, [www.catellus.com](http://www.catellus.com), or by calling the company headquarters at (415) 974-4500. Requests may also be sent by email to: [InvestorRelations@Catellus.com](mailto:InvestorRelations@Catellus.com)

### Company Website

[www.catellus.com](http://www.catellus.com)

### Stock Exchange Listing

New York Stock Exchange  
Symbol: CDX



### COMMON STOCK

<b>2003</b>	<b>HIGH</b>	<b>LOW</b>
1st Quarter	\$ 21.70	\$ 19.05
2nd Quarter	\$ 23.29	\$ 21.14
3rd Quarter	\$ 24.75	\$ 22.00
4th Quarter	\$ 26.61	\$ 21.75

<b>2002</b>	<b>HIGH</b>	<b>LOW</b>
1st Quarter	\$ 19.67	\$ 18.02
2nd Quarter	\$ 21.10	\$ 19.67
3rd Quarter	\$ 20.79	\$ 17.12
4th Quarter	\$ 19.85	\$ 16.85

### Southern California Office

Los Angeles Union Station  
800 North Alameda, Suite 100  
Los Angeles, California 90012  
(213) 625-5865

### Northern California Offices

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