



Trizec Completes \$1.6 Billion Acquisition of Southern California Office Portfolio

Trizec Nearly Doubles Platform in Southern California with Largest Acquisition to Date

CHICAGO (May 2, 2006) — Trizec Properties, Inc. (NYSE: TRZ) today announced that it has completed the acquisition of 13 high-quality Southern California office properties from Arden Realty, Inc. for approximately \$1.63 billion. Trizec previously announced this portfolio transaction, and it is part of the closing of GE Real Estate's acquisition of Arden Realty, Inc., which was also announced today.

To facilitate the portfolio transaction, Trizec has obtained a bridge loan of \$1.3 billion from a group of lenders led by Deutsche Bank. The bridge loan has a 12-month term, with two six-month extension options and currently carries an interest rate of LIBOR plus 140 basis points. In addition, Trizec has assumed a \$58.5 million loan on 5670 Wilshire Boulevard, one of the acquired properties. The balance of the acquisition price was funded by borrowings under Trizec's existing unsecured credit facility, cash and the issuance of approximately 2.5 million common units, valued at approximately \$61.4 million, in Trizec Holdings Operating LLC to certain eligible limited partners of Arden's operating partnership. It is anticipated that the outstanding balance on the bridge loan and credit facility will be gradually reduced with proceeds from Trizec's on-going capital recycling program and from permanent mortgage financing on the acquired assets.

Tim Callahan, Trizec's president and chief executive officer commented, "Through this transaction, we have acquired a large, high-quality portfolio that is well-located in markets that we believe have strong economies, positive employment trends and growing rental rates. These properties have embedded growth opportunities, and we see significant opportunity to capture value in this portfolio over time." Mr. Callahan added, "The focused investment strategy and the operational platform we've built over the years have positioned Trizec well to leverage the largest acquisition in our history. With our expansion in Los Angeles and entry into San Diego, we're now well established as one of Southern California's largest office property owners with a total of 8.5 million square feet."

Trizec's new assets are concentrated in West Los Angeles and San Diego. The properties include: Howard Hughes Center (comprising six properties), Westwood Center, World Savings

Center, 9665 Wilshire Boulevard and 5670 Wilshire Boulevard in West Los Angeles, and Sorrento Towers, 701 B Street and 707 Broadway in San Diego. The portfolio also includes four land parcels at Howard Hughes Center that can accommodate the development of up to 490,000 square feet of office space and 600 residential units.

With this transaction, Trizec nearly doubles its Southern California office portfolio from 4.5 million square feet to more than 8.5 million square feet. Accordingly, Southern California has now become Trizec's largest market, representing approximately 30 percent of the company's total net operating income (NOI), based on Trizec's current portfolio. Trizec's Southern California holdings, along with the company's New York and Washington, D.C. portfolios, now represent approximately two-thirds of the company's NOI from three of the country's strongest performing office markets.

Trizec has further solidified its regional leadership team, following the recent appointments of Anthony Manos, senior vice president of the Southern California Region and John Barganski, vice president – leasing, who joined Patrick Lacey, Trizec's existing vice president – general manager. Trizec now welcomes 23 former Arden colleagues, who will contribute to managing and leasing all of the acquired properties.

Trizec Properties, Inc., a real estate investment trust (REIT) headquartered in Chicago, is one of the largest owners and operators of commercial office properties in the United States. With the acquisition of the Southern California portfolio, the company now has ownership interests in and manages a high-quality portfolio of 61 office properties totaling approximately 40 million square feet concentrated in the metropolitan areas of seven major U.S. markets. The company trades on the New York Stock Exchange under the symbol TRZ. For more information, visit Trizec's Web site at www.trz.com or call toll free at 1 (800) 891-7017.

This release contains forward-looking statements, within the meaning of the federal securities laws, relating to our business and financial outlook which are based on our current expectations, beliefs, projections, forecasts, future plans and strategies, and anticipated events or trends. In some cases, you can identify forward looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or the negative of these terms or other comparable terminology. We intend these forward-looking statements, which are not guarantees of future performance and financial condition, to be covered by the safe harbor provisions for forward-looking statements contained in the federal securities laws. Forward-looking statements are not historical facts. Instead, such statements reflect estimates and assumptions and are subject to certain risks and uncertainties that are difficult to predict or anticipate. Therefore, actual outcomes and results may differ materially from those projected or anticipated in these forward-looking statements. You should not place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, without limitation, the risks described under "Item 1A. Risk Factors" in our 2005 Form 10-K, filed with the Securities and Exchange Commission on March 14, 2006. These factors include, without limitation, the following: changes in national and local economic conditions, including those economic conditions in our seven core markets; the extent, duration and strength of any economic recovery; our ability to maintain occupancy and to timely lease or re-lease office space; the extent of any tenant bankruptcies and insolvencies; our ability to sell our non-core office properties in a timely manner; our ability to acquire office properties selectively in our core markets; our ability to integrate and realize the full benefits from our acquisitions, including the Arden office portfolio; our ability to maintain REIT qualification and changes to U.S. tax laws that affect REITs; material increases in the amount of special dividends payable to affiliates of Trizec Canada Inc. on shares of our special voting stock as a result of increases in the applicable cross-border withholding tax rates; Canadian tax laws that affect treatment of investment in U.S. real estate companies; the competitive environment in which we operate; the cost and availability of debt and equity financing; the effect of any impairment charges associated with changes in market conditions; the sale or other disposition of shares of our common stock owned by Trizec Canada Inc.; our ability to obtain, at a reasonable cost, adequate insurance coverage for catastrophic events, such as earthquakes and terrorist acts; and other risks and uncertainties detailed from time to time in our filings with the Securities and Exchange Commission.

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