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Redevelopment Agency Seals Deal with Tech Company

BEA Systems to move headquarters to Downtown San Jose

SAN JOSE, Calif. --- The San Jose Redevelopment Agency's Board unanimously approved a Property Use Agreements and an Office Lease with BEA Systems, Inc. for BEA to purchase public parking rights in the building for 30 years and lease up to 30,000 square feet of office space for five years to assist the company with the move of its corporate headquarters to 488 Almaden Boulevard in downtown San Jose.

“BEA is a valued member of San Jose’s high-tech community and has made a major commitment to “stay here and grow here”. BEA’s corporate headquarters downtown will have positive economic and social returns that encourage other companies to invest downtown, as happened when Adobe moved into downtown,” said Mayor Chuck Reed. “In a globally competitive environment, the BEA move downtown will send a confident message that San Jose offers prime space, excellent infrastructure, a high quality of life, and a business climate that supports retention and expansion of driving industries.”

The agreements with BEA require the Redevelopment Agency to invest \$13.32 million over a 15-year term for the public use of restricted parking spaces in the parking garage of BEA’s new headquarters. According to the agreements, the public will have rights to 388 parking spaces on weeknights and 842 parking spaces on weekends and holidays for a period of 30 years. Additionally, the Agency agreed to lease up to 30,000 square feet of office space for a period of five years.

“All of San Jose wins with this deal, and BEA’s move shows the confidence of our Silicon Valley business community in the future of our downtown,” said San Jose City Councilmember Sam Liccardo. “A few years from now, we’ll look at Adobe and BEA as merely the beginning of an alphabet of creative tech companies comprising our increasingly vibrant city center.”

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BEA is currently located in a 225,000 square foot leased facility in the Rincon de Los Esteros Redevelopment Project Area in North San Jose. BEA will invest up to \$25 million in tenant improvements in the building. Tenant improvements are anticipated to create approximately 150 new construction jobs, an estimated \$8 million in construction payroll.

“Agency and City staff worked with BEA to help facilitate their move to a more desirable location,” said Harry Mavrogenes, Executive Director, San Jose Redevelopment Agency. “As a result, we were able to keep over 800 BEA employees from moving out of Silicon Valley and retain the \$160 million in payroll.”

General Fund revenues of approximately \$86,000 annually and Redevelopment Tax Increment revenues of approximately \$980,000 annually are estimated to be generated by BEA’s move to Downtown San Jose and the vacancy rate for Downtown’s “Class A” office buildings is expected to reduce to 12.7 percent from 18.9 percent.

“BEA Systems’ headquarters move to downtown San Jose will help position the market leading infrastructure company to continue to attract employees in the years and decades ahead with a vibrant state-of-the-art work environment that is convenient to housing, amenities and transportation,” said Kevin Hayden, Vice President, Corporate Communications, BEA Systems.

About BEA Systems

BEA Systems, Inc. (Nasdaq: BEAS) is a world leader in enterprise and communications infrastructure software. BEA’s SOA 360° platform is designed to be the industry’s most unified SOA platform for business transformation and optimization by, among other things, improving cost structures and growing new revenue streams. Information about how BEA is enabling customers to achieve Business LiquidITy™ can be found at www.bea.com.

About the San Jose Redevelopment Agency

The Agency is dedicated to improving the quality of life for all who live and work in San José. Governed by the City Council, the Agency facilitates and oversees comprehensive programs for development to revitalize and strengthen quality of life and competitiveness for San Jose’s downtown, neighborhoods, and industrial areas. www.sjredevelopment.org.

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Legal Notice Regarding Forward-Looking Statements

Some of the statements in this press release are forward-looking, including the statements regarding BEA's plans to invest in tenant improvements and the features and the benefits of BEA's products. Actual results could differ materially from those expressed in any forward-looking statements. Risks and uncertainties that could cause results to differ materially include risks associated with: any unforeseen changes in the technology, standards or marketplace for enterprise information integration software; the timing of a recovery from any economic and IT industry downturn; any unforeseen technical difficulties related to the development BEA's solutions; and any software errors related to BEA's solutions. Readers should also refer to the risk disclosures set forth in BEA's 10-Q for the quarter ended July 31, 2006 as filed with the SEC and subsequent reports filed thereafter by BEA from time-to-time with the SEC. The forward-looking statements contained in this release are made as of the date hereof, and BEA does not assume any obligation to update such statements nor the reasons why actual results could differ materially from those projected in such statements.

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