

CRESCENT REAL ESTATE EQUITIES CO

Form DEFA14A

July 12, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

CRESCENT REAL ESTATE EQUITIES COMPANY

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

PRESS RELEASE

CRESCENT REAL ESTATE ANNOUNCES REDEMPTION OF PREFERRED SHARES

FORT WORTH, TEXAS, July 12, 2007 Crescent Real Estate Equities Company (NYSE: CEI) today announced that it has delivered notices of redemption to holders of its 6-3/4% Series A Convertible Cumulative Preferred Shares and 9.50% Series B Cumulative Redeemable Preferred Shares.

On July 3, 2007, Crescent distributed the redemption notices to each of the holders of the Series A Preferred and Series B Preferred, indicating that Crescent determined to redeem all such shares that were outstanding on that date. The redemptions are anticipated to occur immediately prior to the consummation of the merger of Crescent with an affiliate of Morgan Stanley Real Estate, which is currently anticipated to occur on or about August 3, 2007. In the event this merger is not consummated, the redemptions will terminate automatically and without any action of any party.

Assuming the redemption date is August 3, 2007, Crescent will pay to each holder of Series A Preferred an amount of cash equal to \$25.3656 (\$25.00 redemption price plus accumulated and unpaid dividends of \$0.3656) per share and to each holder of Series B Preferred an amount of cash equal to \$25.5146 (\$25.00 redemption price plus accumulated and unpaid dividends of \$0.5146) per share. To the extent the redemptions occur later than August 3, 2007, the redemption prices of the Series A Preferred and Series B Preferred will be increased by \$0.0047 and \$0.0066 per day, respectively.

The Series A Preferred are convertible into common shares of beneficial interest of Crescent at a conversion price of \$40.86 (equivalent to a conversion rate of 0.6119 common shares for each Series A Preferred share) at the election of the holders of the Series A Preferred. However, on the redemption date, the rights of the holders of the Series A Preferred and Series B Preferred, including the right of holders of Series A Preferred to convert their shares into common shares of Crescent and the right of holders of both Series A Preferred and Series B Preferred to receive distributions, will cease.

ABOUT CRESCENT

Crescent Real Estate Equities Company (NYSE: CEI) is a real estate investment trust headquartered in Fort Worth, Texas. Through its subsidiaries and joint ventures, Crescent owns and manages a portfolio of 63 premier office buildings totaling 26 million square feet located in select markets across the United States with major concentrations in Dallas, Houston, Denver, Miami, and Las Vegas. Crescent also holds investments in resort residential developments in locations such as Scottsdale, AZ, Vail Valley, CO, and Lake Tahoe, CA; and in the wellness lifestyle leader, Canyon Ranch®. For more information, visit Crescent's Web site at www.crescent.com.

FORWARD-LOOKING STATEMENTS

This press release may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the partnership expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause the Company's actual results to differ materially from those implied or expressed by the

forward-looking statements. Crescent assumes no duty whatsoever to update these forward-looking statements or to conform them to future events or developments.

ADDITIONAL INFORMATION

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