

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K/A
Amendment No. 1

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2006

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-13545

AMB Property Corporation

(Exact name of registrant as specified in its charter)

Maryland
*(State or Other Jurisdiction of
Incorporation or Organization)*

**Pier 1, Bay 1,
San Francisco, California**
(Address of Principal Executive Offices)

94-3281941
(IRS Employer Identification No.)

94111
(Zip Code)

(415) 394-9000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>(Title of Each Class)</u>	<u>(Name of Each Exchange on Which Registered)</u>
Common Stock, \$.01 par value	New York Stock Exchange
6 1/2% Series L Cumulative Redeemable Preferred Stock	New York Stock Exchange
6 3/4% Series M Cumulative Redeemable Preferred Stock	New York Stock Exchange
7% Series O Cumulative Redeemable Preferred Stock	New York Stock Exchange
6.85% Series P Cumulative Redeemable Preferred Stock	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of common shares held by non-affiliates of the registrant (based upon the closing sale price on the New York Stock Exchange) on June 30, 2006 was \$4,256,316,319.

As of February 21, 2007, there were 90,903,378 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates by reference portions of the registrant's Proxy Statement for its Annual Meeting of Stockholders which the registrant anticipates will be filed no later than 120 days after the end of its fiscal year pursuant to Regulation 14A.

This Annual Report on Form 10-K for AMB Property Corporation for the year ended December 31, 2006 is being amended to revise Part II, Item 8 and Part IV, Item 15 (a)(1) and (2) and 15(c)(1) to include audited financial statements for AMB Japan Fund I, L.P.

PART II

Item 8. *Financial Statements and Supplementary Data*

See Item 15: "Exhibits and Financial Statement Schedule."

PART IV

Item 15. *Exhibits and Financial Statement Schedules*

(a)(1) and (2) **Financial Statements and Schedule of AMB Property Corporation:**

The following consolidated financial information is included as a separate section of this report on Form 10-K.

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets as of December 31, 2006 and 2005	F-3
Consolidated Statements of Operations for the years ended December 31, 2006, 2005 and 2004	F-4
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2006, 2005 and 2004	F-5
Consolidated Statements of Cash Flows for the years ended December 31, 2006, 2005 and 2004	F-6
Notes to Consolidated Financial Statements	F-7
Schedule III — Consolidated Real Estate and Accumulated Depreciation	S-1
(c)(1) Financial Statements of AMB Japan Fund I, L.P.	S-11
EXHIBIT 23.1	
EXHIBIT 31.2	
EXHIBIT 32.2	

All other schedules are omitted since the required information is not present in amounts sufficient to require submission of the schedule or because the information required is included in the financial statements and notes thereto.

(a)(3) Exhibits:

Unless otherwise indicated below, the Commission file number to the exhibit is No. 001-13545.

Exhibit Number	Description
3.1	Articles of Incorporation of AMB Property Corporation (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-35915)).
3.2	Articles Supplementary establishing and fixing the rights and preferences of the 8.00% Series I Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Current Report on Form 8-K filed on March 23, 2001).
3.3	Articles Supplementary establishing and fixing the rights and preferences of the 7.95% Series J Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Current Report on Form 8-K filed on October 3, 2001).
3.4	Articles Supplementary redesignating and reclassifying all 2,200,000 Shares of the 8.75% Series C Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Current Report on Form 8-K filed on December 7, 2001).
3.5	Articles Supplementary establishing and fixing the rights and preferences of the 7.95% Series K Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Current Report on Form 8-K filed on April 23, 2002).
3.6	Articles Supplementary redesignating and reclassifying 130,000 Shares of 7.95% Series F Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.2 of AMB Property Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002).
3.7	Articles Supplementary redesignating and reclassifying all 20,000 Shares of 7.95% Series G Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.3 of AMB Property Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002).
3.8	Articles Supplementary establishing and fixing the rights and preferences of the 6 ¹ / ₂ % Series L Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.16 of AMB Property Corporation's Form 8-A filed on June 20, 2003).
3.9	Articles Supplementary establishing and fixing the rights and preferences of the 6 ³ / ₄ % Series M Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.17 of AMB Property Corporation's Form 8-A filed on November 12, 2003).
3.10	Articles Supplementary redesignating and reclassifying all 1,300,000 shares of 8 ⁵ / ₈ % Series B Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.18 to AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2004).
3.11	Articles Supplementary establishing and fixing the rights and preferences of the 7.00% Series O Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.19 to AMB Property Corporation's Registration Statement on Form 8-A filed on December 12, 2005).
3.12	Articles Supplementary redesignating and reclassifying all 4,600,000 shares of 8 ¹ / ₂ % Series A Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.1 to AMB Property Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006).
3.13	Articles Supplementary redesignating and reclassifying all 840,000 shares of 8.125% Series H Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.1 to AMB Property Corporation's Current Report on Form 8-K filed on March 24, 2006).
3.14	Articles Supplementary establishing and fixing the rights and preferences of the 6.85% Series P Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.18 to AMB Property Corporation's Registration Statement on Form 8-A filed on August 24, 2006).
3.15	Articles Supplementary redesignating and reclassifying all 220,440 shares of 7.75% Series E Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.1 to AMB Property Corporation's Current Report on Form 8-K filed on October 4, 2006).
3.16	Articles Supplementary redesignating and reclassifying 267,439 shares of 7.95% Series F Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.2 to AMB Property Corporation's Current Report on Form 8-K filed on October 4, 2006).

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
3.17	Articles Supplementary Reestablishing and Refixing the Rights and Preferences of the 7.75% Series D Cumulative Redeemable Preferred Stock as 7.18% Series D Cumulative Redeemable Preferred Stock. (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Current Report on Form 8-K filed on February 22, 2007).
3.18	Fifth Amended and Restated Bylaws of AMB Property Corporation (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Current Report on Form 8-K filed on February 22, 2007).
4.1	Form of Certificate for Common Stock of AMB Property Corporation (incorporated by reference to Exhibit 3.3 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-35915)).
4.2	Form of Certificate for 6 ¹ / ₂ % Series L Cumulative Redeemable Preferred Stock of AMB Property Corporation (incorporated by reference to Exhibit 4.3 of AMB Property Corporation's Form 8-A filed on June 20, 2003).
4.3	Form of Certificate for 6 ³ / ₄ % Series M Cumulative Redeemable Preferred Stock of AMB Property Corporation (incorporated by reference to Exhibit 4.3 of AMB Property Corporation's Form 8-A filed on November 12, 2003).
4.4	Form of Certificate for 7.00% Series O Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 4.4 to AMB Property Corporation's Form 8-A filed December 12, 2005).
4.5	Form of Certificate for 6.85% Series P Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 4.5 of AMB Property Corporation's Form 8-A filed on August 24, 2006).
4.6	\$30,000,000 7.925% Fixed Rate Note No. 1 dated August 18, 2000, attaching the Parent Guarantee dated August 18, 2000 (incorporated by reference to Exhibit 4.5 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2000).
4.7	\$25,000,000 7.925% Fixed Rate Note No. 2 dated September 12, 2000, attaching the Parent Guarantee dated September 12, 2000 (incorporated by reference to Exhibit 4.6 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2000).
4.8	\$50,000,000 8.00% Fixed Rate Note No. 3 dated October 26, 2000, attaching the Parent Guarantee dated October 26, 2000 (incorporated by reference to Exhibit 4.7 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2000).
4.9	\$25,000,000 8.00% Fixed Rate Note No. 4 dated October 26, 2000, attaching the Parent Guarantee dated October 26, 2000 (incorporated by reference to Exhibit 4.8 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2000).
4.10	Specimen of 7.10% Notes due 2008 (included in the First Supplemental Indenture incorporated by reference to Exhibit 4.2 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-49163)).
4.11	Specimen of 7.50% Notes due 2018 (included in the Second Supplemental Indenture incorporated by reference to Exhibit 4.3 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-49163)).
4.12	\$50,000,000 7.00% Fixed Rate Note No. 9 dated March 7, 2001, attaching the Parent Guarantee dated March 7, 2001 (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on March 16, 2001).
4.13	\$25,000,000 6.75% Fixed Rate Note No. 10 dated September 6, 2001, attaching the Parent Guarantee dated September 6, 2001 (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on September 18, 2001).
4.14	\$20,000,000 5.90% Fixed Rate Note No. 11 dated January 17, 2002, attaching the Parent Guarantee dated January 17, 2002 (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on January 23, 2002).
4.15	\$75,000,000 5.53% Fixed Rate Note No. B-1 dated November 10, 2003, attaching the Parent Guarantee dated November 10, 2003 (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003).
4.16	\$100,000,000 Fixed Rate Note No. B-2 dated March 16, 2004, attaching the Parent Guarantee dated March 16, 2004 (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on March 17, 2004).

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
4.17	\$175,000,000 Fixed Rate Note No. B-3, attaching the Parent Guarantee (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on November 18, 2005).
4.18	Indenture dated as of June 30, 1998, by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on August 10, 2006).
4.19	First Supplemental Indenture dated as of June 30, 1998 by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.2 of AMB Property Corporation's Current Report on Form S-11 (No. 333-49163)).
4.20	Second Supplemental Indenture dated as of June 30, 1998, by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.3 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-49163)).
4.21	Third Supplemental Indenture dated as of June 30, 1998, by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.4 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-49163)).
4.22	Fourth Supplemental Indenture, dated as of August 15, 2000 by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K/A filed on November 16, 2000).
4.23	Fifth Supplemental Indenture dated as of May 7, 2002, by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.15 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2002).
4.24	Sixth Supplemental Indenture dated as of July 11, 2005, by and among AMB Property, L.P., AMB Property Corporation and U.S. Bank National Association, as successor-in-interest to State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on July 13, 2005).
4.25	5.094% Notes due 2015, attaching Parent Guarantee (incorporated by reference to Exhibit 4.2 of AMB Property Corporation's Current Report on Form 8-K filed on July 13, 2005).
4.26	Seventh Supplemental Indenture, dated as of August 10, 2006, by and among AMB Property, L.P., AMB Property Corporation and U.S. Bank National Association, as successor-in-interest to State Street Bank and Trust Company of California, N.A., as trustee, including the Form of Fixed Rate Medium-Term Note, Series C, attaching the Form of Parent Guarantee, and the Form of Floating Rate Medium-Term Note, Series C, attaching the Form of Parent Guarantee. (incorporated by reference to Exhibit 4.2 of AMB Property Corporation's Current Report on Form 8-K filed on August 10, 2006).
4.27	\$175,000,000 Fixed Rate Note No. FXR-C-1, dated as of August 15, 2006, attaching the Parent Guarantee (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on August 15, 2006).
4.28	Form of Registration Rights Agreement among AMB Property Corporation and the persons named therein (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-35915)).
4.29	Registration Rights Agreement dated November 14, 2003 by and among AMB Property II, L.P. and the unitholders whose names are set forth on the signature pages thereto (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on November 17, 2003).
4.30	Registration Rights Agreement dated as of April 17, 2002 by and among AMB Property Corporation, AMB Property, L.P. and the unitholders whose names are set forth on the signature pages thereto (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on April 23, 2002).

Exhibit Number	Description
4.31	Registration Rights Agreement dated as of September 21, 2001 by and among AMB Property Corporation, AMB Property, L.P. and the unitholders whose names are set forth on the signature pages thereto (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on October 3, 2001).
4.32	Registration Rights Agreement dated as of March 21, 2001 by and among AMB Property Corporation, AMB Property II, L.P. and the unitholders whose names are set forth on the signature pages thereto (incorporated by reference to Exhibit 3.2 of AMB Property Corporation's Current Report on Form 8-K filed on March 23, 2001).
4.33	Registration Rights Agreement dated as of May 5, 1999 by and among AMB Property Corporation, AMB Property II, L.P. and the unitholders whose names are set forth on the signature pages thereto (filed with AMB Property Corporation's Annual Report on Form 10-K on February 23, 2007).
4.34	Registration Rights Agreement dated as of November 1, 2006 by and among AMB Property Corporation, AMB Property II, L.P., J.A. Green Development Corp. and JAGI, Inc. (filed with AMB Property Corporation's Annual Report on Form 10-K on February 23, 2007).
10.1	Dividend Reinvestment and Direct Purchase Plan, dated July 9, 1999 (incorporated by reference to Exhibit 10.4 of AMB Property Corporation's Quarterly Report on Report Form 10-Q for the quarter ended June 30, 1999).
*10.2	Third Amended and Restated 1997 Stock Option and Incentive Plan of AMB Property Corporation and AMB Property, L.P. (incorporated by reference to Exhibit 10.22 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2001).
*10.3	Amendment No. 1 to the Third Amended and Restated 1997 Stock Option and Incentive Plan of AMB Property Corporation and AMB Property, L.P. (incorporated by reference to Exhibit 10.23 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2001).
*10.4	Amendment No. 2 to the Third Amended and Restated 1997 Stock Option and Incentive Plan of AMB Property Corporation and AMB Property, L.P., dated September 23, 2004 (incorporated by reference to Exhibit 10.5 of AMB Property Corporation's Quarterly Report on Form 10-Q filed on November 9, 2004).
*10.5	2002 Stock Option and Incentive Plan of AMB Property Corporation and AMB Property, L.P. (incorporated by reference to Exhibit 4.15 of AMB Property Corporation's Registration Statement on Form S-8 (No. 333-90042)).
*10.6	Amendment No. 1 to the 2002 Stock Option and Incentive Plan of AMB Property Corporation and AMB Property, L.P., dated September 23, 2004 (incorporated by reference to Exhibit 10.4 of AMB Property Corporation's Quarterly Report on Form 10-Q filed on November 9, 2004).
10.7	Twelfth Amended and Restated Agreement of Limited Partnership of AMB Property, L.P. dated as of August 25, 2006, (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on August 30, 2006).
10.8	Fourteenth Amended and Restated Agreement of Limited Partnership of AMB Property II, L.P., dated February 22, 2007 (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on February 22, 2007).
10.9	Second Amended and Restated Revolving Credit Agreement, dated as of June 1, 2004 by and among AMB Property L.P., the banks listed therein, JPMorgan Chase Bank, as administrative agent, J.P. Morgan Europe Limited, as administrative agent for alternate currencies, Bank of America, N.A., as syndication agent, J.P. Morgan Securities Inc. and Banc of America Securities LLC, as joint lead arrangers and joint bookrunners, Commerzbank Aktiengesellschaft New York and Grand Cayman Branches, PNC Bank National Association and Wachovia Bank, N.A., as documentation agents, KeyBank National Association, The Bank of Nova Scotia, acting through its San Francisco Agency, and Wells Fargo Bank, N.A., as managing agents, and ING Real Estate Finance (USA) LLC, Southtrust Bank and Union Bank of California, N.A., as co-agents (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on June 10, 2004).

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
10.10	Guaranty of Payment, dated as of June 1, 2004 by AMB Property Corporation for the benefit of JPMorgan Chase Bank, as administrative agent, and J.P. Morgan Europe Limited, as administrative agent for alternate currencies, for the banks listed on the signature page to the Second Amended and Restated Revolving Credit Agreement (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Current Report on Form 8-K filed on June 10, 2004).
10.11	Qualified Borrower Guaranty, dated as of June 1, 2004 by AMB Property, L.P. for the benefit of JPMorgan Chase Bank and J.P. Morgan Europe Limited, as administrative agents for the banks listed on the signature page to the Second Amended and Restated Revolving Credit Agreement (incorporated by reference to Exhibit 10.3 of AMB Property Corporation's Current Report on Form 8-K filed on June 10, 2004).
10.12	Revolving Credit Agreement, dated as of June 29, 2004, by and among AMB Japan Finance Y.K., as initial borrower, AMB Property, L.P., as guarantor, AMB Property Corporation, as guarantor, the banks listed on the signature pages thereof, and Sumitomo Mitsui Banking Corporation, as administrative agent and sole lead arranger and bookmanager (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on July 2, 2004).
10.13	Guaranty of Payment, dated as of June 29, 2004 by AMB Property, L.P. and AMB Property Corporation for the benefit of Sumitomo Mitsui Banking Corporation, as administrative agent and sole lead arranger and bookmanager, for the banks that are from time to time parties to the Revolving Credit Agreement (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Current Report on Form 8-K filed on July 2, 2004).
10.14	Amendment No. 1 to Revolving Credit Agreement, dated as of June 9, 2005, by and among, AMB Japan Finance Y.K., AMB Amagasaki TMK, AMB Narita 1-1 TMK and AMB Narita 2 TMK, as borrowers, AMB Property, L.P., as guarantor, AMB Property Corporation, as guarantor, the banks listed on the signature pages thereof, and Sumitomo Mitsui Banking Corporation, as administrative agent and sole lead arranger and bookmanager (incorporated by reference in Exhibit 10.19 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2005).
10.15	Amendment No. 2 to Revolving Credit Agreement, dated as of December 8, 2005, by and among, AMB Japan Finance Y.K., as initial borrower, AMB Property, L.P., as guarantor, AMB Property Corporation, as guarantor, the banks listed on the signature pages thereof, and Sumitomo Mitsui Banking Corporation, as administrative agent and sole lead arranger and bookmanager (incorporated by reference in Exhibit 10.20 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2005).
10.16	Credit Facility Agreement, dated as of November 24, 2004, by and among AMB Tokai TMK, as borrower, AMB Property, L.P., as guarantor, AMB Property Corporation, as guarantor, the banks listed on the signature pages thereof, and Sumitomo Mitsui Banking Corporation, as administrative agents and sole lead arranger and bookmanager (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on December 1, 2004).
10.17	Guaranty of Payment, dated as of November 24, 2004 by AMB Property, L.P. and AMB Property Corporation for the benefit of Sumitomo Mitsui Banking Corporation, as administrative agent and sole lead arranger and bookmanager, for the banks that are from time to time parties to the Credit Facility Agreement (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Current Report on Form 8-K filed on December 1, 2004).
10.18	Agreement of Sale, made as of October 6, 2003, by and between AMB Property, L.P., International Airport Centers L.L.C. and certain affiliated entities (incorporated by reference to Exhibit 99.3 of AMB Property Corporation's Current Report on Form 8-K filed on November 6, 2003).

<u>Exhibit Number</u>	<u>Description</u>
10.19	Amendment No. 1, dated May 12, 2005, to Second Amended and Restated Credit Agreement by and among AMB Property, L.P., AMB Property Corporation, the banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Europe Limited, as administrative agent, Bank of America, N.A., as syndication agent, J.P. Morgan Securities Inc. and Banc of America Securities LLC as joint lead arrangers and joint bookrunners, Commerzbank Aktiengesellschaft New York and Grand Cayman Branches, PNC Bank, National Association, and Wachovia Bank, N.A., as documentation agents, Keybank National Association, the Bank of Nova Scotia, acting through its San Francisco agency, and Wells Fargo Bank, N.A., as managing agents, and ING Real Estate Finance (USA) LLC, Southtrust Bank and Union Bank of California, N.A., as co-agents (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005).
10.20	Exchange Agreement dated as of July 8, 2005, by and between AMB Property, L.P. and Teachers Insurance and Annuity Association of America (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on July 13, 2005).
10.21	Third Amended and Restated Revolving Credit Agreement, dated as of February 16, 2006, by and among AMB Property, L.P., as guarantor, AMB Property Corporation, as guarantor, the banks listed on the signature pages thereto, Bank of America, N.A., as administrative agent, The Bank of Nova Scotia, as syndication agent, Societe Generale, as documentation agent, Banc of America Securities Asia Limited, as Hong Kong dollars agent, Bank of America, N.A., acting by its Canada branch, as reference bank, Bank of America, Singapore branch, as Singapore dollars agent, and each of the other lending institutions that becomes a lender thereunder (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on February 22, 2006).
*10.22	Separation Agreement and Release of All Claims, dated August 17, 2005, by and between AMB Property Corporation and David S. Fries (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on August 17, 2005).
10.23	Third Amended and Restated Revolving Credit Agreement, dated as of June 1, 2006, by and among AMB Property, L.P., as Borrower, the banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as Administrative Agent, J.P. Morgan Europe Limited, as Administrative Agent for Alternate Currencies, Bank of America, N.A., as Syndication Agent, J.P. Morgan Securities Inc. and Banc of America Securities LLC, as Joint Lead Arrangers and Joint Bookrunners, Eurohypo AG, New York Branch, Wachovia Bank, N.A. and PNC Bank, National Association, as Documentation Agents, The Bank of Nova Scotia, acting through its San Francisco Agency, Wells Fargo Bank, N.A., ING Real Estate Finance (USA) LLC and LaSalle Bank National Association, as Managing Agents (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on June 7, 2006).
10.24	Fourth Amended and Restated Revolving Credit Agreement, dated as of June 13, 2006, by and among the qualified borrowers listed on the signature pages thereto, AMB Property, L.P., as a qualified borrower and guarantor, AMB Property Corporation, as guarantor, the banks listed on the signature pages thereto, Bank of America, N.A., as administrative agent, The Bank of Nova Scotia, as syndication agent, LaSalle Bank National Association and Société Générale, as co-documentation agents, Banc of America Securities Asia Limited, as Hong Kong dollars agent, Bank of America, N.A., acting by its Canada branch, as reference bank, Bank of America, Singapore branch, as Singapore dollars agent, and each of the other lending institutions that becomes a lender thereunder (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on June 19, 2006).
10.25	Amended and Restated Revolving Credit Agreement, dated as of June 23, 2006, by and among the initial borrower and the initial qualified borrowers listed on the signature pages thereto, AMB Property, L.P., as a guarantor, AMB Property Corporation, as a guarantor, the banks listed on the signature pages thereto, Sumitomo Mitsui Banking Corporation, as administrative agent and sole lead arranger and bookmanager, and each of the other lending institutions that becomes a lender thereunder (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on June 29, 2006).
10.26	AMB 2005 Nonqualified Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on October 4, 2006).
10.27	Amended and Restated 2002 Nonqualified Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Current Report on Form 8-K filed on October 4, 2006).

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
10.28	Form of Amended and Restated Change of Control and Noncompetition Agreement by and between AMB Property, L.P. and executive officers (incorporated by reference to Exhibit 10.3 of AMB Property Corporation's Current Report on Form 8-K filed on October 4, 2006).
10.29	Separation Agreement and Release of All Claims, dated November 20, 2006, by and between AMB Property Corporation and W. Blake Baird (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on November 24, 2006).
10.30	Separation Agreement and Release of All Claims, dated November 21, 2006, by and between AMB Property Corporation and Michael A. Coke (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Current Report on Form 8-K filed on November 24, 2006).
10.31	Euros 228,000,000 Facility Agreement, dated as of December 8, 2006, by and among AMB European Investments LLC, AMB Property, L.P., ING Real Estate Finance NV and the Entities of AMB, Entities of AMB Property, L.P., Financial Institutions and the Entities of ING Real Estate Finance NV all listed on Schedule 1 of the Facility Agreement (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on December 14, 2006).
10.32	Collateral Loan Agreement, dated as of February 14, 2007, by and among The Prudential Insurance Company Of America and Prudential Mortgage Capital Company, LLC, as Lenders, and AMB-SGP California, LLC, AMB-SGP CIF-California, LLC, AMB-SGP CIF-I, LLC, AMB-SGP Docks, LLC, AMB-SGP Georgia, LLC, AMB-SGP CIF-Illinois, L.P. and AMB-SGP TX/IL SUB, LLC as Borrowers (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Form 8-K filed on February 21, 2007).
10.33	\$160,000,000 Amended, Restated and Consolidated Promissory Note (Fixed A-1), dated February 14, 2007, by AMB-SGP California, LLC, AMB-SGP CIF-California, LLC, AMB-SGP CIF-I, LLC, AMB-SGP Docks, LLC, AMB-SGP Georgia, LLC, AMB-SGP CIF-Illinois, L.P. and AMB-SGP TX/IL SUB, LLC, as Borrowers, to Prudential Mortgage Capital Company LLC, as Lender (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Form 8-K filed on February 21, 2007).
10.34	\$40,000,000 Amended, Restated and Consolidated Promissory Note (Floating A-2), dated February 14, 2007, by AMB-SGP California, LLC, AMB-SGP CIF-California, LLC, AMB-SGP CIF-I, LLC, AMB-SGP Docks, LLC, AMB-SGP Georgia, LLC, AMB-SGP CIF-Illinois, L.P. and AMB-SGP TX/IL SUB, LLC, as Borrowers, to The Prudential Insurance Company of America, as Lender (incorporated by reference to Exhibit 10.3 of AMB Property Corporation's Form 8-K filed on February 21, 2007).
10.35	\$84,000,000 Amended, Restated and Consolidated Promissory Note (Fixed B-1), dated February 14, 2007, by AMB-SGP California, LLC, AMB-SGP CIF-California, LLC, AMB-SGP CIF-I, LLC, AMB-SGP Docks, LLC, AMB-SGP Georgia, LLC, AMB-SGP CIF-Illinois, L.P. and AMB-SGP TX/IL SUB, LLC, as Borrowers, to The Prudential Insurance Company of America, as Lender (incorporated by reference to Exhibit 10.4 of AMB Property Corporation's Form 8-K filed on February 21, 2007).
10.36	\$21,000,000 Amended, Restated and Consolidated Promissory Note (Floating B-2), dated February 14, 2007, by AMB-SGP California, LLC, AMB-SGP CIF-California, LLC, AMB-SGP CIF-I, LLC, AMB-SGP Docks, LLC, AMB-SGP Georgia, LLC, AMB-SGP CIF-Illinois, L.P. and AMB-SGP TX/IL SUB, LLC, as Borrowers, to The Prudential Insurance Company of America, as Lender (incorporated by reference to Exhibit 10.5 of AMB Property Corporation's Form 8-K filed on February 21, 2007).
21.1	Subsidiaries of AMB Property Corporation (filed with AMB Property Corporation's Annual Report on Form 10-K on February 23, 2007).
23.1	Consent of PricewaterhouseCoopers LLP.
24.1	Powers of Attorney (included in Part IV of AMB Property Corporation's Annual Report on Form 10-K filed on February 23, 2007).
31.1	Rule 13a-14(a)/15d-14(a) Certifications dated February 23, 2007 (filed with AMB Property Corporation's Annual Report on Form 10-K on February 23, 2007).
31.2	Rule 13a-14(a)/15d-14(a) Certifications dated October 25, 2007.

[Table of Contents](#)

Exhibit Number	Description
32.1	18 U.S.C. § 1350 Certifications dated February 23, 2007. The certifications in this exhibit are being furnished solely to accompany this report pursuant to 18 U.S.C. § 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any of our filings, whether made before or after the date hereof, regardless of any general incorporation language in such filing (filed with AMB Property Corporation's Annual Report on Form 10-K on February 23, 2007).
32.2	18 U.S.C. § 1350 Certifications dated October 25, 2007. The certifications in this exhibit are being furnished solely to accompany this report pursuant to 18 U.S.C. § 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any of our filings, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

* Management contract or compensatory plan or arrangement

(b) **Financial Statement Schedule:**

See Item 15(a)(1) and (2) above.

(c)(1) Financial Statements of AMB Japan Fund I, L.P. on page S-11

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, AMB Property Corporation has duly caused this Amendment No. 1 to the report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMB PROPERTY CORPORATION

By: _____
/s/ Hamid R. Moghadam
Hamid R. Moghadam
*Chairman of the Board, President and
Chief Executive Officer*

Date: October 25, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934, this Amendment No. 1 to the report has been signed below by the following persons on behalf of AMB Property Corporation and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Hamid R. Moghadam</u> Hamid R. Moghadam	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	October 25, 2007
<u>/s/ T. Robert Burke*</u> T. Robert Burke	Director	October 25, 2007
<u>/s/ David A. Cole*</u> David A. Cole	Director	October 25, 2007
<u>/s/ Lydia H. Kennard*</u> Lydia H. Kennard	Director	October 25, 2007
<u>/s/ J. Michael Losh*</u> J. Michael Losh	Director	October 25, 2007
<u>/s/ Frederick W. Reid*</u> Frederick W. Reid	Director	October 25, 2007
<u>/s/ Jeffrey L. Skelton*</u> Jeffrey L. Skelton	Director	October 25, 2007
<u>/s/ Thomas W. Tusher*</u> Thomas W. Tusher	Director	October 25, 2007
<u>Carl B. Webb</u>	Director	October 25, 2007

[Table of Contents](#)

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Thomas S. Olinger</u> Thomas S. Olinger	Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)	October 25, 2007
<u>/s/ Nina A. Tran*</u> Nina A. Tran	Chief Accounting Officer and Senior Vice President (Duly Authorized Officer and Principal Accounting Officer)	October 25, 2007
<u>*/s/Hamid R. Moghadam</u> Hamid R. Moghadam	Attorney-in Fact	October 25, 2007

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
of AMB Property Corporation:

We have completed integrated audits of AMB Property Corporation's consolidated financial statements and of its internal control over financial reporting as of December 31, 2006 in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements and financial statement schedule

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of AMB Property Corporation and its subsidiaries at December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 12 to the consolidated financial statements, the Company adopted Statement of Financial Accounting Standards No. 123(R), Share-Based Payment, on January 1, 2006.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A of AMB Property Corporation's Form 10-K for the year ended December 31, 2006, that the Company maintained effective internal control over financial reporting as of December 31, 2006 based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006, based on criteria established in *Internal Control — Integrated Framework* issued by the COSO. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance

[Table of Contents](#)

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

San Francisco, California
February 23, 2007

AMB PROPERTY CORPORATION
CONSOLIDATED BALANCE SHEETS
As of December 31, 2006 and 2005

	December 31, 2006	December 31, 2005
	(Dollars in thousands, except share and per share amounts)	
ASSETS		
Investments in real estate:		
Land	\$ 1,351,123	\$ 1,527,072
Buildings and improvements	4,038,474	4,273,716
Construction in progress	1,186,136	997,506
Total investments in properties	6,575,733	6,798,294
Accumulated depreciation and amortization	(789,693)	(697,388)
Net investments in properties	5,786,040	6,100,906
Investments in unconsolidated joint ventures	274,381	118,653
Properties held for contribution, net	154,036	32,755
Properties held for divestiture, net	20,916	17,936
Net investments in real estate	6,235,373	6,270,250
Cash and cash equivalents	174,763	232,881
Restricted cash	21,115	34,352
Mortgage and loan receivables	18,747	21,621
Accounts receivable, net of allowance for doubtful accounts of \$6,361 and \$6,302, respectively	133,998	178,682
Deferred financing costs, net	20,394	25,026
Other assets	109,122	39,927
Total assets	<u>\$ 6,713,512</u>	<u>\$ 6,802,739</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Debt:		
Secured debt	\$ 1,395,354	\$ 1,912,526
Unsecured senior debt securities	1,101,874	975,000
Unsecured credit facilities	852,033	490,072
Other debt	88,154	23,963
Total debt	3,437,415	3,401,561
Security deposits	36,106	47,055
Dividends payable	48,967	46,382
Accounts payable and other liabilities	186,807	170,307
Total liabilities	3,709,295	3,665,305
Commitments and contingencies (Note 14)		
Minority interests:		
Joint venture partners	555,201	853,643
Preferred unitholders	180,298	278,378
Limited partnership unitholders	102,061	89,114
Total minority interests	837,560	1,221,135
Stockholders' equity:		
Series L preferred stock, cumulative, redeemable, \$.01 par value, 2,300,000 shares authorized and 2,000,000 issued and outstanding \$50,000 liquidation preference	48,017	48,017
Series M preferred stock, cumulative, redeemable, \$.01 par value, 2,300,000 shares authorized and 2,300,000 issued and outstanding \$57,500 liquidation preference	55,187	55,187
Series O preferred stock, cumulative, redeemable, \$.01 par value, 3,000,000 shares authorized and 3,000,000 issued and outstanding \$75,000 liquidation preference	72,127	72,344
Series P preferred stock, cumulative, redeemable, \$.01 par value, 2,000,000 shares authorized and 2,000,000 issued and outstanding \$50,000 liquidation preference	48,086	—
Common stock \$.01 par value, 500,000,000 shares authorized, 89,662,435 and 85,814,905 issued and outstanding, respectively	895	857
Additional paid-in capital	1,796,849	1,641,186
Retained earnings	147,274	101,124
Accumulated other comprehensive loss	(1,778)	(2,416)
Total stockholders' equity	2,166,657	1,916,299
Total liabilities and stockholders' equity	<u>\$ 6,713,512</u>	<u>\$ 6,802,739</u>

The accompanying notes are an integral part of these consolidated financial statements.

AMB PROPERTY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years ended December 31, 2006, 2005 and 2004

	2006	2005	2004
	(Dollars in thousands, except per share amounts)		
REVENUES			
Rental revenues	\$ 683,794	\$ 616,933	\$ 563,500
Private capital income	46,102	43,942	12,895
Total revenues	<u>729,896</u>	<u>660,875</u>	<u>576,395</u>
COSTS AND EXPENSES			
Property operating expenses	(100,785)	(78,387)	(80,806)
Real estate taxes	(75,039)	(80,542)	(63,330)
Depreciation and amortization	(177,824)	(161,732)	(136,610)
Impairment losses	(6,312)	—	—
General and administrative	(104,262)	(71,564)	(57,181)
Other expenses	(2,620)	(5,038)	(2,554)
Fund costs	(2,091)	(1,482)	(1,741)
Total costs and expenses	<u>(468,933)</u>	<u>(398,745)</u>	<u>(342,222)</u>
OTHER INCOME AND EXPENSES			
Equity in earnings of unconsolidated joint ventures, net	23,240	10,770	3,781
Other income	9,423	5,593	4,700
Gains from dispositions of real estate interests	—	19,099	5,219
Development profits, net of taxes	106,389	54,811	8,528
Interest expense, including amortization	(165,230)	(147,317)	(141,955)
Total other income and expenses, net	<u>(26,178)</u>	<u>(57,044)</u>	<u>(119,727)</u>
Income before minority interests, discontinued operations and cumulative effect of change in accounting principle	<u>234,785</u>	<u>205,086</u>	<u>114,446</u>
Minority interests' share of income:			
Joint venture partners' share of income before minority interests and discontinued operations	(37,975)	(36,401)	(29,360)
Joint venture partners' share of development profits	(5,613)	(13,492)	(958)
Preferred unitholders	(16,462)	(21,473)	(20,161)
Limited partnership unitholders	(2,805)	(3,411)	(2,384)
Total minority interests' share of income	<u>(62,855)</u>	<u>(74,777)</u>	<u>(52,863)</u>
Income from continuing operations before cumulative effect of change in accounting principle	<u>171,930</u>	<u>130,309</u>	<u>61,583</u>
Discontinued operations:			
Income attributable to discontinued operations, net of minority interests	9,314	13,945	21,883
Gains from dispositions of real estate, net of minority interests	42,635	113,553	42,005
Total discontinued operations	<u>51,949</u>	<u>127,498</u>	<u>63,888</u>
Net income before cumulative effect of change in accounting principle	<u>223,879</u>	<u>257,807</u>	<u>125,471</u>
Cumulative effect of change in accounting principle	193	—	—
Net income	<u>224,072</u>	<u>257,807</u>	<u>125,471</u>
Preferred stock dividends	(13,582)	(7,388)	(7,131)
Preferred stock and unit redemption issuance costs	(1,070)	—	—
Net income available to common stockholders	<u>\$ 209,420</u>	<u>\$ 250,419</u>	<u>\$ 118,340</u>
Basic income per common share			
Income from continuing operations (after preferred stock dividends and preferred stock and unit redemption issuance costs) before cumulative effect of change in accounting principle	\$ 1.80	\$ 1.46	\$ 0.66
Discontinued operations	0.59	1.52	0.78
Cumulative effect of change in accounting principle	—	—	—
Net income available to common stockholders	<u>\$ 2.39</u>	<u>\$ 2.98</u>	<u>\$ 1.44</u>
Diluted income per common share			
Income from continuing operations (after preferred stock dividends and preferred stock and unit redemption issuance costs) before cumulative effect of change in accounting principle	\$ 1.73	\$ 1.40	\$ 0.64
Discontinued operations	0.57	1.45	0.75
Cumulative effect of change in accounting principle	—	—	—
Net income available to common stockholders	<u>\$ 2.30</u>	<u>\$ 2.85</u>	<u>\$ 1.39</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING			
Basic	<u>87,710,500</u>	<u>84,048,936</u>	<u>82,133,627</u>
Diluted	<u>91,106,893</u>	<u>87,873,399</u>	<u>85,368,626</u>

The accompanying notes are an integral part of these consolidated financial statements.

AMB PROPERTY CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years ended December 31, 2006, 2005 and 2004
(dollars in thousands)

	Preferred Stock	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
		Number of Shares	Amount				
Balance as of December 31, 2003	\$ 103,373	81,792,913	\$ 818	\$ 1,551,441	\$ —	\$ 1,505	\$ 1,657,137
Net income	7,131	—	—	—	118,340	—	125,471
Unrealized loss on securities and derivatives	—	—	—	—	—	(2,058)	(2,058)
Currency translation adjustment	—	—	—	—	—	(438)	(438)
Total comprehensive income	—	—	—	—	—	—	122,975
Stock — based compensation amortization and issuance of restricted stock, net	—	204,556	2	10,442	—	—	10,444
Exercise of stock options	—	1,233,485	12	27,709	—	—	27,721
Conversion of partnership units	—	17,686	—	618	—	—	618
Forfeiture of restricted stock	—	—	—	(646)	—	—	(646)
Reallocation of partnership interest	—	—	—	1,038	—	—	1,038
Offering costs	(169)	—	—	—	—	—	(169)
Dividends	(7,131)	—	—	(22,507)	(118,340)	—	(147,978)
Balance as of December 31, 2004	103,204	83,248,640	832	1,568,095	—	(991)	1,671,140
Net income	7,388	—	—	—	250,419	—	257,807
Unrealized gain on securities and derivatives	—	—	—	—	—	421	421
Currency translation adjustment	—	—	—	—	—	(1,846)	(1,846)
Total comprehensive income	—	—	—	—	—	—	256,382
Issuance of preferred stock, net	72,344	—	—	—	—	—	72,344
Stock — based compensation amortization and issuance of restricted stock, net	—	183,216	2	12,294	—	—	12,296
Exercise of stock options	—	2,033,470	20	48,452	—	—	48,472
Conversion of partnership units	—	349,579	3	15,105	—	—	15,108
Forfeiture of restricted stock	—	—	—	(1,869)	—	—	(1,869)
Reallocation of partnership interest	—	—	—	(891)	—	—	(891)
Dividends	(7,388)	—	—	—	(149,295)	—	(156,683)
Balance as of December 31, 2005	175,548	85,814,905	857	1,641,186	101,124	(2,416)	1,916,299
Net income	13,582	—	—	—	209,420	—	223,002
Unrealized gain on securities and derivatives	—	—	—	—	—	825	825
Currency translation adjustment	—	—	—	—	—	(187)	(187)
Total comprehensive income	—	—	—	—	—	—	223,640
Issuance of preferred stock, net	48,086	—	—	—	—	—	48,086
Stock — based compensation amortization and issuance of restricted stock, net	—	331,911	3	20,733	—	—	20,736
Exercise of stock options	—	2,697,315	27	55,494	—	—	55,521
Conversion of partnership units	—	818,304	8	45,143	—	—	45,151
Forfeiture of restricted stock	—	—	—	(3,454)	—	—	(3,454)
Cumulative effect of change in accounting principle	—	—	—	(193)	—	—	(193)
Reallocation of partnership interest	—	—	—	37,940	—	—	37,940
Offering costs	(217)	—	—	—	—	—	(217)
Dividends	(13,582)	—	—	—	(163,270)	—	(176,852)
Balance as of December 31, 2006	\$ 223,417	89,662,435	\$ 895	\$ 1,796,849	\$ 147,274	\$ (1,778)	\$ 2,166,657

The accompanying notes are an integral part of these consolidated financial statements.

AMB PROPERTY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years ended December 31, 2006, 2005 and 2004

	2006	2005	2004
	(Dollars in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 224,072	\$ 257,807	\$ 125,471
Adjustments to net income:			
Straight-line rents and amortization of lease intangibles	(19,134)	(19,523)	(16,281)
Depreciation and amortization	177,824	161,732	136,610
Impairment losses	6,312	—	—
Stock-based compensation amortization	20,736	12,296	10,444
Equity in earnings of unconsolidated joint ventures	(23,240)	(10,770)	(3,781)
Operating distributions received from unconsolidated joint ventures	4,875	2,752	2,971
Gains from dispositions of real estate interest	—	(19,099)	(5,219)
Development profits, net of taxes	(106,389)	(54,811)	(8,528)
Debt premiums, discounts and finance cost amortization, net	8,343	4,172	310
Total minority interests' share of net income	62,855	74,777	52,863
Discontinued operations:			
Depreciation and amortization	2,153	18,572	30,740
Joint venture partners' share of net income	(426)	8,006	12,707
Limited partnership unitholders' share of net income	457	763	1,257
Gains from dispositions of real estate, net of minority interests	(42,635)	(113,553)	(42,005)
Cumulative effect of change in accounting principle	(193)	—	—
Changes in assets and liabilities:			
Accounts receivable and other assets	3,276	(42,379)	(1,154)
Accounts payable and other liabilities	16,969	15,073	944
Net cash provided by operating activities	335,855	295,815	297,349
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in restricted cash and other assets	(24,910)	1,973	(9,749)
Cash paid for property acquisitions	(451,940)	(424,087)	(415,034)
Additions to land, buildings, development costs, building improvements and lease costs	(1,033,941)	(662,561)	(581,168)
Net proceeds from divestiture of real estate	616,343	1,088,737	213,296
Additions to interests in unconsolidated joint ventures	(18,969)	(74,069)	(16,003)
Capital distributions received from unconsolidated joint ventures	34,277	17,483	47,849
Repayment/(issuance) of mortgage receivable	2,874	(7,883)	29,407
Cash transferred to unconsolidated joint venture	(4,294)	—	—
Net cash used in investing activities	(880,560)	(60,407)	(731,402)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of common stock, proceeds from stock option exercises	55,521	48,472	27,721
Borrowings on secured debt	610,598	386,592	420,565
Payments on secured debt	(483,138)	(327,038)	(98,178)
Borrowings on other debt	65,098	—	—
Payments on other debt	(16,281)	(649)	(600)
Borrowings on unsecured credit facilities	1,291,209	873,627	795,128
Payments on unsecured credit facilities	(944,626)	(697,464)	(747,432)
Net proceeds from issuances of senior debt securities	272,079	—	99,067
Payments on senior debt securities	(150,000)	(28,940)	(21,060)
Payment of financing fees	(11,746)	(10,185)	(13,230)
Net proceeds from issuances of preferred stock or units	48,086	72,344	—
Issuance costs on preferred stock or units	(217)	—	(169)
Repurchase of preferred units	(98,080)	—	—
Cash transferred to unconsolidated joint venture	—	—	(2,897)
Contributions from co-investment partners	189,110	160,544	192,956
Dividends paid to common and preferred stockholders	(174,266)	(154,070)	(145,951)
Distributions to minority interests, including preferred units	(169,726)	(425,089)	(96,215)
Net cash provided by (used in) financing activities	483,621	(101,856)	409,705
Net effect of exchange rate changes on cash	2,966	(10,063)	6,062
Net (decrease) increase in cash and cash equivalents	(58,118)	123,489	(18,286)
Cash and cash equivalents at beginning of period	232,881	109,392	127,678
Cash and cash equivalents at end of period	\$ 174,763	\$ 232,881	\$ 109,392
Supplemental Disclosures of Cash Flow Information			
Cash paid for interest, net of capitalized interest	\$ 159,389	\$ 174,246	\$ 171,298
Non-cash transactions:			
Acquisition of properties	\$ 689,832	\$ 519,106	\$ 695,169
Assumption of secured debt	(134,651)	(74,173)	(210,233)
Assumption of other assets and liabilities	(17,931)	(5,994)	(59,970)
Acquisition capital	(20,061)	(13,979)	(8,097)
Minority interests' contributions, including units issued	(65,249)	(873)	(1,835)
Net cash paid for acquisitions	\$ 451,940	\$ 424,087	\$ 415,034
Preferred unit redemption issuance costs	\$ 1,070	\$ —	\$ —
Contribution of properties to unconsolidated joint ventures, net	\$ 161,967	\$ 27,282	\$ 9,467
Deconsolidation of AMB Institutional Alliance Fund III, L.P.	\$ 93,876	\$ —	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2006 and 2005

1. Organization and Formation of the Company

AMB Property Corporation, a Maryland corporation (the "Company"), commenced operations as a fully integrated real estate company effective with the completion of its initial public offering on November 26, 1997. The Company elected to be taxed as a real estate investment trust (REIT) under Sections 856 through 860 of the Internal Revenue Code of 1986 as amended (the "Code"), commencing with its taxable year ended December 31, 1997, and believes its current organization and method of operation will enable it to maintain its status as a REIT. The Company, through its controlling interest in its subsidiary, AMB Property, L.P., a Delaware limited partnership (the "Operating Partnership"), is engaged in the acquisition, development and operation of industrial properties in key distribution markets throughout North America, Europe and Asia. The Company uses the terms "industrial properties" or "industrial buildings" to describe various types of industrial properties in its portfolio and uses these terms interchangeably with the following: logistics facilities, centers or warehouses; distribution facilities, centers or warehouses; High Throughput Distribution® (HTD®) facilities; or any combination of these terms. The Company uses the term "owned and managed" to describe assets in which it has at least a 10% ownership interest, for which it is the property or asset manager, and which it intends to hold for the long-term. Unless the context otherwise requires, the "Company" means AMB Property Corporation, the Operating Partnership and their other controlled subsidiaries.

As of December 31, 2006, the Company owned an approximate 95.0% general partnership interest in the Operating Partnership, excluding preferred units. The remaining approximate 5.0% common limited partnership interests are owned by non-affiliated investors and certain current and former directors and officers of the Company. As the sole general partner of the Operating Partnership, the Company has full, exclusive and complete responsibility and discretion in the day-to-day management and control of the Operating Partnership. Net operating results of the Operating Partnership are allocated after preferred unit distributions based on the respective partners' ownership interests. Certain properties are owned by the Company through limited partnerships, limited liability companies and other entities. The ownership of such properties through such entities does not materially affect the Company's overall ownership interests in the properties.

Through the Operating Partnership, the Company enters into co-investment joint ventures with institutional investors. These co-investment joint ventures provide the Company with an additional source of capital and income. As of December 31, 2006, the Company had investments in five consolidated and four unconsolidated co-investment joint ventures. Effective October 1, 2006, the Company deconsolidated AMB Institutional Alliance Fund III, L.P., an open-ended co-investment partnership formed in 2004 with institutional investors, on a prospective basis, due to the re-evaluation of the Company's accounting for its investment in the fund in light of changes to the partnership agreement regarding the general partner's rights effective October 1, 2006.

Any references to the number of buildings, square footage, customers and occupancy in the financial statement footnotes are unaudited.

AMB Capital Partners, LLC, a Delaware limited liability company ("AMB Capital Partners"), provides real estate investment services to clients on a fee basis. Headlands Realty Corporation, a Maryland corporation, conducts a variety of businesses that include development projects available for sale or contribution to third parties and incremental income programs. IMD Holding Corporation, a Delaware corporation, conducts a variety of businesses that also includes development projects available for sale or contribution to third parties. AMB Capital Partners, Headlands Realty Corporation and IMD Holding Corporation are wholly-owned direct or indirect subsidiaries of the Operating Partnership.

As of December 31, 2006, the Company owned or had investments in, on a consolidated basis or through unconsolidated joint ventures, properties and development projects expected to total approximately 124.7 million rentable square feet (11.6 million square meters) and 1,108 buildings in 39 markets within twelve countries. Additionally, as of December 31, 2006, the Company managed, but did not have a significant ownership interest in,

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

industrial and other properties, totaling approximately 1.5 million rentable square feet. The Company's investment strategy generally targets customers whose business is tied to global trade, which according to the World Trade Organization, has grown more than three times the world domestic product growth rate during the last 20 years. To serve the facility needs of these customers, the Company seeks to invest in major distribution markets, transportation hubs and gateways, that generally are tied to global trade, both in the U.S. and internationally.

Of the approximately 124.7 million rentable square feet as of December 31, 2006:

- on an owned and managed basis, which include investments held on a consolidated basis or through unconsolidated joint ventures, the Company owned or partially owned 964 industrial buildings, principally warehouse distribution buildings, encompassing approximately 100.7 million rentable square feet that were 96.1% leased;
- on an owned and managed basis, which include investments held on an unconsolidated basis or through unconsolidated joint ventures, the Company had investments in 45 industrial development projects which are expected to total approximately 13.7 million rentable square feet upon completion;
- on a consolidated basis, the Company owned nine development projects, totaling approximately 2.7 million rentable square feet that are available for sale or contribution; and
- through other non-managed unconsolidated joint ventures, the Company had investments in 46 industrial operating properties, totaling approximately 7.4 million rentable square feet, and one industrial operating property, totaling approximately 0.2 million square feet which is available for sale or contribution.

2. Summary of Significant Accounting Policies

Basis of Presentation. These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying consolidated financial statements include the financial position, results of operations and cash flows of the Company, its wholly-owned qualified REIT and taxable REIT subsidiaries, the Operating Partnership and joint ventures, in which the Company has a controlling interest. Third-party equity interests in the Operating Partnership and joint ventures are reflected as minority interests in the consolidated financial statements. The Company also has non-controlling partnership interests in unconsolidated real estate joint ventures, which are accounted for under the equity method. All significant intercompany amounts have been eliminated.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications. Certain items in the consolidated financial statements for prior periods have been reclassified to conform to current classifications.

Investments in Real Estate. Investments in real estate and leasehold interests are stated at cost unless circumstances indicate that cost cannot be recovered, in which case, the carrying value of the property is reduced to estimated fair value. The Company also regularly reviews the impact of above or below-market leases, in-place leases and lease origination costs for all new acquisitions, and records an intangible asset or liability accordingly. Carrying values for financial reporting purposes are reviewed for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of a property may not be fully recoverable. Impairment is recognized when estimated expected future cash flows (undiscounted and without interest charges) are less than the carrying value of the property. The estimation of expected future net cash flows is inherently uncertain and relies on assumptions regarding current and future economics and market conditions and the availability of capital. If impairment analysis assumptions change, then an adjustment to the carrying value of

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

the Company's long-lived assets could occur in the future period in which the assumptions change. To the extent that a property is impaired, the excess of the carrying amount of the property over its estimated fair value is charged to earnings. As a result of leasing activity and the economic environment, the Company re-evaluated the carrying value of its investments and recorded impairment charges of \$6.3 million during the year ended December 31, 2006 on certain of its investments.

Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the real estate investments. Investments that are located on-tarmac, which is land owned by federal, state or local airport authorities, and subject to ground leases are depreciated over the lesser of 40 years or the contractual term of the underlying ground lease. The estimated lives and components of depreciation and amortization expense for the years ended December 31 are as follows (dollars in thousands):

<u>Depreciation and Amortization Expense</u>	<u>Estimated Lives</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Building costs	5-40 years	\$ 81,565	\$ 85,192	\$ 68,329
Building costs on ground leases	5-40 years	19,173	16,631	31,268
Buildings and improvements:				
Roof/HVAC/parking lots	5-40 years	10,016	6,928	6,072
Plumbing/signage	7-25 years	2,469	2,111	1,704
Painting and other	5-40 years	11,479	15,035	13,516
Tenant improvements	Over initial lease term	19,901	21,635	20,246
Lease commissions	Over initial lease term	19,990	21,095	19,655
Total real estate depreciation and amortization		164,593	168,627	160,790
Other depreciation and amortization	Various	15,384	11,677	6,560
Discontinued operations' depreciation	Various	(2,153)	(18,572)	(30,740)
Total depreciation and amortization from continuing operations		\$ 177,824	\$ 161,732	\$ 136,610

The cost of buildings and improvements includes the purchase price of the property or interest in property, including legal fees and acquisition costs. Project costs directly associated with the development and construction of a real estate project, which include interest and property taxes, are capitalized as construction in progress. Capitalized interest related to construction projects for the years ended December 31, 2006, 2005 and 2004 was \$42.9 million, \$29.5 million and \$18.7 million, respectively.

Expenditures for maintenance and repairs are charged to operations as incurred. Maintenance expenditures include painting and repair costs. The Company expenses costs as incurred and does not accrue in advance of planned major maintenance activities. Significant renovations or betterments that extend the economic useful life of assets are capitalized and include parking lot, HVAC and roof replacement costs.

Investments in Consolidated and Unconsolidated Joint Ventures. Minority interests represent the limited partnership interests in the Operating Partnership and interests held by certain third parties in several real estate joint ventures, which own properties aggregating approximately 36.1 million square feet, which are consolidated for financial reporting purposes. Such investments are consolidated because the Company exercises significant control over major operating decisions such as approval of budgets, selection of property managers, asset management, investment activity and changes in financing.

The Company holds interests in both consolidated and unconsolidated joint ventures. The Company determines consolidation based on standards set forth in EITF 04-5, *Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have*

AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

Certain Rights or FASB Interpretation No. 46R, *Consolidation of Variable Interest Entities* "FIN 46". Based on the guidance set forth in EITF 04-5, the Company consolidates certain joint venture investments because it exercises significant control over major operating decisions, such as approval of budgets, selection of property managers, asset management, investment activity and changes in financing. For joint ventures that are variable interest entities as defined under FIN 46 where the Company is not the primary beneficiary, it does not consolidate the joint venture for financial reporting purposes. For joint ventures under EITF 04-5, where the Company does not exercise significant control over major operating and management decisions, but where it exercises significant influence, the Company uses the equity method of accounting and does not consolidate the joint venture for financial reporting purposes.

In May 2003, the FASB issued SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity* ("SFAS 150"). This Statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). SFAS 150 was effective beginning in the third quarter of 2003; however, the FASB deferred the implementation of SFAS 150 as it applied to certain minority interests in finite-lived entities indefinitely. The disclosure requirements for certain minority interests in finite-lived entities still apply. The Company adopted the requirements of SFAS 150 in the third quarter of 2003, and, considering the aforementioned deferral, there was no impact on the Company's financial position, results of operations or cash flows. However, the minority interests associated with certain of the Company's consolidated joint ventures, that have finite lives under the terms of the partnership agreements represent mandatorily redeemable interests as defined in SFAS 150. As of December 31, 2006 and 2005, the aggregate book value of these minority interests in the accompanying consolidated balance sheet was \$555.2 million and \$853.6 million, respectively, and the Company believes that the aggregate settlement value of these interests was approximately \$1.0 billion and \$1.2 billion, respectively. This amount is based on the estimated liquidation values of the assets and liabilities and the resulting proceeds that the Company would distribute to its joint venture partners upon dissolution, as required under the terms of the respective partnership agreements. Subsequent changes to the estimated fair values of the assets and liabilities of the consolidated joint ventures will affect the Company's estimate of the aggregate settlement value. The partnership agreements do not limit the amount that the minority partners would be entitled to in the event of liquidation of the assets and liabilities and dissolution of the respective partnerships.

Cash and Cash Equivalents. Cash and cash equivalents include cash held in financial institutions and other highly liquid short-term investments with original maturities of three months or less.

Restricted Cash. Restricted cash includes cash held in escrow in connection with property purchases, Section 1031 exchange accounts and debt or real estate tax payments.

Mortgages and Loans Receivable. Through a wholly-owned subsidiary, the Company holds a mortgage loan receivable of \$12.7 million on AMB Pier One, LLC, an unconsolidated joint venture. The Company also holds a loan receivable of \$6.1 million on G. Accion, an unconsolidated investment. The book value of the mortgages approximates fair value.

Accounts Receivable. Accounts receivable includes all current accounts receivable, net of allowances, other accruals and deferred rent receivable of \$64.6 million and \$66.7 million as of December 31, 2006 and 2005, respectively. The Company regularly reviews the credit worthiness of its customers and adjusts its allowance for doubtful accounts, straight-line rent receivable balance and tenant improvement and leasing costs amortization accordingly.

Concentration of Credit Risk. Other real estate companies compete with the Company in its real estate markets. This results in competition for customers to occupy space. The existence of competing properties could have a material impact on the Company's ability to lease space and on the amount of rent received. As of

AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

December 31, 2006, the Company does not have any material concentration of credit risk due to the diversification of its customers.

Deferred Financing Costs. Costs incurred in connection with financings are capitalized and amortized to interest expense using the straight-line method over the term of the related loan. As of December 31, 2006 and 2005, deferred financing costs were \$20.4 million and \$25.0 million, respectively, net of accumulated amortization.

Goodwill and Intangible Assets. The Company has classified as goodwill the cost in excess of fair value of the net assets of companies acquired in purchase transactions. As prescribed in Statement of Financial Accounting Standards No. 142, "Goodwill and Intangible Assets", (SFAS 142) goodwill and certain indefinite lived intangible assets, including excess reorganization value and certain trademarks, are no longer amortized, but are subject to at least annual impairment testing. The Company tests annually (or more often, if necessary) for impairment under SFAS No. 142. The Company determined that there was no impairment to goodwill and intangible assets during the year ended December 31, 2006.

Financial Instruments. SFAS No. 133, *Accounting for Derivative Instruments and for Hedging Activities*, provides comprehensive guidelines for the recognition and measurement of derivatives and hedging activities and, specifically, requires all derivatives to be recorded on the balance sheet at fair value as an asset or liability, with an offset to accumulated other comprehensive income or loss. For revenues or expenses denominated in nonfunctional currencies, the Company may use derivative financial instruments to manage foreign currency exchange rate risk. The Company's derivative financial instruments in effect at December 31, 2006 were three interest rate swaps hedging cash flows of our variable rate borrowings based on U.S. Libor (USD) and Euribor (Europe). Adjustments to the fair value of these instruments for the year ended December 31, 2006 resulted in a gain of \$0.6 million. This gain is included in other assets in the consolidated balance sheet and accumulated other comprehensive loss in the consolidated statements of stockholders' equity.

Debt. The Company's debt includes both fixed and variable rate secured debt, unsecured fixed rate debt, unsecured variable rate debt and credit facilities. Based on borrowing rates available to the Company at December 31, 2006, the book value and the estimated fair value of the total debt (both secured and unsecured) was \$3.4 billion and \$3.5 billion, respectively. The carrying value of the variable rate debt approximates fair value.

Debt Premiums. Debt premiums represent the excess of the fair value of debt over the principal value of debt assumed in connection with the Company's initial public offering and subsequent property acquisitions. The debt premiums are being amortized as an offset to interest expense over the term of the related debt instrument using the straight-line method. As of December 31, 2006 and 2005, the net unamortized debt premium was \$6.3 million and \$12.0 million, respectively, and are included as a component of secured debt on the accompanying consolidated balance sheets.

Rental Revenues and Allowance for Doubtful Accounts. The Company, as a lessor, retains substantially all of the benefits and risks of ownership of the properties and accounts for its leases as operating leases. Rental income is recognized on a straight-line basis over the term of the leases. Reimbursements from customers for real estate taxes and other recoverable operating expenses are recognized as revenue in the period the applicable expenses are incurred. The Company also records lease termination fees when a customer terminates its lease by executing a definitive termination agreement with the Company, vacates the premises and the payment of the termination fee is not subject to any conditions that must be met before the fee is due to the Company. In addition, the Company nets its allowance for doubtful accounts against rental income for financial reporting purposes. Such amounts totaled \$2.9 million, \$3.2 million and \$1.8 million for the years ended December 31, 2006, 2005 and 2004, respectively.

Private Capital Income. Private capital income consists primarily of acquisition and development fees, asset management fees and priority distributions earned by AMB Capital Partners from joint ventures and clients. Private capital income also includes promoted interests and incentive distributions from the Operating Partnership's co-investment joint ventures. The Company received incentive distributions of \$22.5 million, of which \$19.8 million

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

was from AMB Partners II, L.P., and \$26.4 million for the sale of AMB Institutional Alliance Fund I, L.P., respectively, during the years ended December 31, 2006 and 2005.

Other Income. Other income consists primarily of interest income from mortgages receivable and on cash and cash equivalents.

Development Profits, Net of Taxes. When the Company disposes of its real estate entities' interests, gains reported from the sale of these interests represent either: (i) the sale of partial interests in consolidated co-investment joint ventures to third-party investors for cash or (ii) the sale of partial interests in properties to unconsolidated co-investment joint ventures with third-party investors for cash.

Gains from Dispositions of Real Estate. Gains and losses are recognized using the full accrual method. Gains related to transactions which do not meet the requirements of the full accrual method of accounting are deferred and recognized when the full accrual method of accounting criteria are met.

Discontinued Operations. The Company reported real estate dispositions as discontinued operations separately as prescribed under the provisions of SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS 144). The Company separately reports as discontinued operations the historical operating results attributable to operating properties sold and held for disposition and the applicable gain or loss on the disposition of the properties, which is included in gains from dispositions of real estate, net of minority interests, in the statement of operations. The consolidated statements of operations for prior periods are also adjusted to conform with this classification. There is no impact on the Company's previously reported consolidated financial position, net income or cash flows.

International Operations. The U.S. dollar is the functional currency for the Company's subsidiaries operating in the United States and Mexico. The functional currency for the Company's subsidiaries operating outside the United States is generally the local currency of the country in which the entity is located, mitigating the effect of currency exchange gains and losses. The Company's subsidiaries whose functional currency is not the U.S. dollar translate their financial statements into U.S. dollars. Assets and liabilities are translated at the exchange rate in effect as of the financial statement date. The Company translates income statement accounts using the average exchange rate for the period and significant nonrecurring transactions using the rate on the transaction date. For the years ended December 31, 2006, 2005 and 2004, losses resulting from the translation were \$0.2 million, \$1.8 million and \$0.4 million, respectively. These losses are included in accumulated other comprehensive income (loss) as a separate component of stockholders' equity.

The Company's international subsidiaries may have transactions denominated in currencies other than their functional currency. In these instances, non-monetary assets and liabilities are reflected at the historical exchange rate, monetary assets and liabilities are remeasured at the exchange rate in effect at the end of the period and income statement accounts are remeasured at the average exchange rate for the period. Gains from remeasurement were \$0.8 million, \$0.6 million and \$0.5 million for the years ended 2006, 2005 and 2004, respectively. These gains are included in the consolidated statements of operations.

The Company also records gains or losses in the income statement when a transaction with a third party, denominated in a currency other than the entity's functional currency, is settled and the functional currency cash flows realized are more or less than expected based upon the exchange rate in effect when the transaction was initiated. These gains and losses have been immaterial over the past three years.

New Accounting Pronouncements. In June 2006, the FASB issued FASB Interpretation ("FIN") No. 48, *Accounting for Uncertainty in Income Taxes — An Interpretation of FASB Statement No. 109*, which clarifies the accounting and disclosure for uncertainty in tax positions, as defined. FIN 48 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. This interpretation is effective for fiscal years beginning after December 15, 2006. Based on the Company's

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

evaluation, which is ongoing, the Company does not believe that FIN 48 will have a material impact on its financial position, results of operations and cash flows.

In September 2006, the SEC staff issued Staff Accounting Bulletin (“SAB”) No. 108, “*Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements*,” in order to address the SEC Staff’s concerns over registrant’s exclusive reliance on either the “iron curtain” or balance sheet approach or the “rollover” or income statement approach in quantifying financial statement misstatements. SAB No. 108 states that registrants should use both a balance sheet and an income statement approach when quantifying and evaluating the materiality of a misstatement and contains guidance on correcting errors under the dual approach. SAB No. 108 is effective for financial statements issued for fiscal years ending after November 15, 2006. The adoption of SAB No. 108 did not have a material impact on the Company’s financial position or results of operations.

3. Real Estate Acquisition and Development Activity

Acquisition Activity. During the year ended December 31, 2006, on an owned and managed basis, the Company acquired 106 industrial buildings, aggregating approximately 9.8 million square feet for a total expected investment of \$834.2 million (includes acquisition costs of \$814.1 million and estimated acquisition capital of \$20.1 million, unaudited), of which the Company acquired 70 buildings through one of its unconsolidated co-investment joint ventures. During 2005, the Company acquired 39 industrial buildings, aggregating approximately 6.4 million square feet for a total expected investment of \$522.3 million (includes acquisition costs of \$508.6 million and estimated acquisition capital of \$13.7 million, unaudited).

Development Starts. During the year ended December 31, 2006, the Company initiated 30 new industrial development projects in North America, Europe and Asia with a total expected investment of \$914.3 million (unaudited), aggregating approximately 10.4 million square feet. During 2005, the Company initiated 30 new industrial development projects in North America, Europe and Asia with a total expected investment of \$522.4 million (unaudited), aggregating approximately 7.0 million square feet.

Development Completions. During the year ended December 31, 2006, the Company completed 33 industrial projects with a total investment of \$777.8 million (unaudited), aggregating 8.7 million square feet. Seven of these completed projects with a total investment of \$90.5 million (unaudited) and aggregating approximately 0.9 million square feet were placed in operations, nine projects with a total investment of \$430.3 million (unaudited) and aggregating approximately 3.5 million square feet were contributed to unconsolidated joint ventures, seven projects with a total investment of \$57.8 million (unaudited) and aggregating approximately 1.3 million square feet were sold to third parties, and ten projects with a total investment of \$199.2 million (unaudited), aggregating approximately 3.0 million square feet were available for sale or contribution as of December 31, 2006. One of these ten projects totaling \$13.0 million (unaudited) and approximately 0.2 million square feet is held in an unconsolidated joint venture. During the year ended December 31, 2005, the Company completed 15 industrial projects with a total investment of \$250.7 million (unaudited), aggregating 4.3 million square feet. Eleven of these completed projects with a total investment of \$137.9 million (unaudited) and aggregating approximately 2.5 million square feet were placed in operations, one approximately 0.4 million square foot project with a total investment of \$20.1 million (unaudited) was contributed to an unconsolidated joint venture, two projects with a total investment of \$60.9 million (unaudited) aggregating approximately 0.8 million square feet were sold to third parties, and one approximately 0.6 million square foot project with an investment of \$31.8 million (unaudited) was available for sale or contribution as of December 31, 2005.

Development Pipeline. As of December 31, 2006, the Company had 45 industrial projects in its development pipeline, which will total approximately 13.7 million square feet, and will have an aggregate estimated investment of \$1.3 billion (unaudited) upon completion. The Company has an additional ten development projects available for sale or contribution totaling approximately 3.0 million square feet, with an aggregate estimated investment of

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

\$199.2 million (unaudited). One of these ten projects totaling \$13.0 million (unaudited) and approximately 0.2 million square feet is held in an unconsolidated joint venture. As of December 31, 2006, the Company and its joint venture partners had funded an aggregate of \$814.5 million and needed to fund an estimated additional \$481.0 million (unaudited) in order to complete its development pipeline. The Company's development pipeline currently includes projects expected to be completed through the fourth quarter of 2008. In addition, during the year ended December 31, 2006, the Company acquired 835 acres of land for industrial warehouse development in North America and Asia for approximately \$293.2 million.

4. Gains from Dispositions of Real Estate Interests, Development Sales and Discontinued Operations

Gains from Dispositions of Real Estate Interests. On June 30, 2005, the Company formed AMB Japan Fund I, L.P. a joint venture with 13 institutional investors, in which the Company retained an approximate 20% interest. The 13 institutional investors have committed 49.5 billion Yen (\$415.7 million U.S. dollars, using the exchange rate at December 31, 2006) for an approximate 80% equity interest. The Company contributed \$106.9 million (using exchange rate in effect at contribution) in operating properties, consisting of six industrial buildings, aggregating approximately 0.9 million square feet, to this fund. During 2005, the Company recognized a gain of \$17.8 million on the contribution, representing the portion of its interest in the contributed properties acquired by the third-party investors for cash.

On December 31, 2004, the Company formed AMB-SGP Mexico, LLC, a joint venture with Industrial (Mexico) JV Pte Ltd, a subsidiary of GIC Real Estate Pte. Ltd., the real estate investment subsidiary of the Government of Singapore Investment Corporation, in which the Company retained a 20% interest. During 2005, the Company recognized a gain of \$1.3 million from disposition of real estate interests, representing the additional value received from the contribution of properties to AMB-SGP Mexico, LLC.

Development Sales. During 2006, the Company sold five land parcels and six development projects totaling approximately 1.3 million square feet for an aggregate sale price of \$86.6 million, resulting in an after-tax gain of \$13.3 million. In addition, during 2006, the Company received approximately \$0.4 million in connection with the condemnation of a parcel of land resulting in a loss of \$1.0 million, \$0.8 million of which was the joint venture partner's share.

During 2005, the Company sold five land parcels and five development projects, aggregating approximately 0.9 million square feet for an aggregate price of \$155.2 million, resulting in an after-tax gain of \$45.1 million. In addition, during 2005, the Company received final proceeds of \$7.8 million from a land sale that occurred in 2004.

During 2004, the Company sold seven land parcels and six development projects as part of our development-for-sale program, aggregating approximately 0.3 million square feet, for an aggregate price of \$40.4 million, resulting in an after-tax gain of \$6.5 million.

Discontinued Operations. The Company reports its property divestitures as discontinued operations separately as prescribed under the provisions of SFAS No. 144. Beginning in 2002, SFAS No. 144 requires the Company to separately report as discontinued operations the historical operating results attributable to operating properties sold and held for disposition and the applicable gain or loss on the disposition of the properties, which is included in gains from dispositions of real estate, net of minority interests, in the statement of operations. Although the application of SFAS No. 144 may affect the presentation of the Company's results of operations for the periods that it has already reported in filings with the SEC, there will be no effect on its previously reported financial position, net income or cash flows.

During 2006, the Company divested itself of 39 industrial buildings, aggregating approximately 3.5 million square feet, for an aggregate price of \$175.3 million, with a resulting net gain of \$42.6 million.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

During 2005, the Company divested itself of 142 industrial buildings and one retail center, aggregating approximately 9.3 million square feet, for an aggregate price of \$926.6 million, with a resulting net gain of \$113.6 million. Included in these divestitures is the sale of the assets of AMB Alliance Fund I for \$618.5 million. The multi-investor fund owned 100 buildings totaling approximately 5.8 million square feet. The Company received cash and a distribution of an on-tarmac property, AMB DFW Air Cargo Center I, in exchange for its 21% interest in the fund. The Company also received a net incentive distribution of approximately \$26.4 million in cash which is classified under private capital income on the consolidated statement of operations.

During 2004, the Company divested itself of 21 industrial buildings, two retail centers and one office building, aggregating approximately 3.1 million square feet, for an aggregate price of \$200.3 million, with a resulting net gain of \$42.0 million.

Development Contributions. During 2006, the Company contributed a total of nine completed development projects into unconsolidated co-investment joint ventures. Four projects totaling approximately 2.6 million square feet were contributed into AMB Japan Fund I, L.P., two projects totaling approximately 0.8 million square feet were contributed into AMB-SGP Mexico, LLC, and three projects totaling approximately 0.6 million square feet were contributed into AMB Institutional Alliance Fund III, L.P. In addition, one land parcel was contributed into AMB DFS Fund I, LLC. As a result of these contributions, the Company recognized an aggregate after-tax gain of \$94.1 million, representing the portion of the Company's interest in the contributed property acquired by the third-party investors for cash. These gains are included in development profits, net of taxes, in the statement of operations.

During 2005, the Company contributed one approximately 0.4 million square foot completed development project into AMB-SGP Mexico, LLC, and recognized an after-tax gain of \$1.9 million.

During 2004, the Company contributed one approximately 0.2 million square foot completed development project into AMB-SGP Mexico, LLC, and recognized an after-tax gain of \$2.0 million.

Properties Held for Contribution. As of December 31, 2006, the Company held for contribution to co-investment joint ventures nine industrial projects with an aggregate net book value of \$154.0 million, which, when contributed to a joint venture, will reduce the Company's current ownership interest from approximately 100% to an expected range of 15-50%.

Properties Held for Divestiture. As of December 31, 2006, the Company held for divestiture four industrial projects with an aggregate net book value of \$20.9 million. These properties either are not in the Company's core markets or do not meet its current strategic objectives, or are included as part of its development-for-sale program. The divestitures of the properties are subject to negotiation of acceptable terms and other customary conditions. Properties held for divestiture are stated at the lower of cost or estimated fair value less costs to sell.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

The following summarizes the condensed results of operations of the properties held for divestiture and sold under SFAS No. 144 for the years ended December 31 (dollars in thousands):

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Rental revenues	\$ 14,351	\$ 79,171	\$ 114,970
Straight-line rents and amortization of lease intangibles	589	2,239	2,278
Property operating expenses	(3,267)	(13,179)	(18,265)
Real estate taxes	(1,721)	(9,642)	(14,371)
Depreciation and amortization	(2,153)	(18,572)	(30,740)
General and administrative	(13)	(85)	(113)
Other income and expenses, net	19	165	200
Interest, including amortization	1,540	(17,383)	(18,112)
Joint venture partners' share of loss (income)	426	(8,006)	(12,707)
Limited partnership unitholders' share of income	(457)	(763)	(1,257)
Income attributable to discontinued operations	<u>\$ 9,314</u>	<u>\$ 13,945</u>	<u>\$ 21,883</u>

As of December 31, 2006 and 2005, assets and liabilities attributable to properties held for divestiture under the provisions of SFAS No. 144 consisted of the following (dollars in thousands):

	<u>2006</u>	<u>2005</u>
Other assets	\$ 1	\$ 1
Accounts payable and other liabilities	\$ 286	\$ 1,884

5. Mortgage and Loan Receivables

Through a wholly-owned subsidiary, the Company holds a mortgage loan receivable on AMB Pier One, LLC, an unconsolidated joint venture. The Company also holds a loan receivable on G.Accion, S.A. de C.V. (G.Accion), an unconsolidated equity investment. The Company's mortgage and loan receivables at December 31, 2006 and 2005 consisted of the following (dollars in thousands):

<u>Mortgage and Loan Receivables</u>	<u>Market</u>	<u>Maturity</u>	<u>2006</u>	<u>2005</u>	<u>Rate</u>
1. Pier 1	SF Bay Area	May 2026	\$ 12,686	\$ 12,821	13.0%
2. G.Accion	Mexico, Various	March 2010	6,061	8,800	10.0%
Total Mortgage and Loan Receivables			<u>\$ 18,747</u>	<u>\$ 21,621</u>	

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

6. Debt

As of December 31, 2006 and 2005, debt consisted of the following (dollars in thousands):

	<u>2006</u>	<u>2005</u>
Wholly-owned secured debt, varying interest rates from 4.3% to 10.4%, due February, 1 2007 to April 2020 (weighted average interest rate of 5.6% and 4.1% at December 31, 2006 and 2005, respectively)	\$ 368,332	\$ 522,459
Consolidated joint venture secured debt, varying interest rates from 2.9% to 9.4%, due March 2007 to January 2025 (weighted average interest rates of 6.5% and 6.3% at December 31, 2006 and 2005, respectively)	1,020,678	1,378,083
Unsecured senior debt securities, varying interest rates from 3.5% to 8.0%, due January 2007 to June 2018 (weighted average interest rates of 6.2% and 6.2% at December 31, 2006 and December 31, 2005, respectively, and net of unamortized discounts of \$10.6 million and \$12.5 million, respectively)	1,112,491	975,000
Other debt, varying interest rates from 5.1% to 7.5%, due June 2007 to November 2015 (weighted average interest rates of 6.6% and 8.2% at December 31, 2006 and December 31, 2005, respectively)	88,154	23,963
Unsecured credit facilities, variable interest rate, due February 2010 and June 2010 (weighted average interest rates of 3.1% and 2.2% at December 31, 2006 and 2005, respectively)	852,033	490,072
Total debt before unamortized net premiums (discounts)	3,441,688	3,389,577
Unamortized net premiums (discounts)	(4,273)	11,984
Total consolidated debt	<u>\$ 3,437,415</u>	<u>\$ 3,401,561</u>

Secured debt generally requires monthly principal and interest payments. Some of the loans are cross-collateralized by multiple properties. The secured debt is secured by deeds of trust or mortgages on certain properties and is generally non-recourse. As of December 31, 2006 and 2005, the total gross investment book value of those properties securing the debt was \$2.6 billion and \$3.6 billion, respectively, including \$1.9 billion and \$2.5 billion, respectively, in consolidated joint ventures. As of December 31, 2006, \$1.0 billion of the secured debt obligations bore interest at fixed rates with a weighted average interest rate of 6.1% while the remaining \$386.1 million bore interest at variable rates (with a weighted average interest rate of 4.7%).

As of December 31, 2006, the Operating Partnership had outstanding an aggregate of \$1.1 billion in unsecured senior debt securities, which bore a weighted average interest rate of 6.2% and had an average term of 4.8 years. These unsecured senior debt securities include \$300.0 million in notes issued in June 1998, \$225.0 million of medium-term notes, which were issued under the Operating Partnership's 2000 medium-term note program, \$275.0 million of medium-term notes, which were issued under the Operating Partnership's 2002 medium-term note program, \$175.0 million of medium-term notes, which were issued under the Operating Partnership's 2006 medium-term note program and approximately \$112.5 million of 5.094% Notes Due 2015, which were issued to Teachers Insurance and Annuity Association of America on July 11, 2005 in a private placement, in exchange for the cancelled \$100.0 million of notes that were issued in June 1998 resulting in a discount of approximately \$12.5 million. The unsecured senior debt securities are subject to various covenants. Also included is a \$25.0 million promissory note which matures in January 2007. Management believes that the Company and the Operating Partnership were in compliance with their financial covenants as of December 31, 2006.

As of December 31, 2006, the Company had \$88.2 million outstanding in other debt which bore a weighted average interest rate of 6.6% and had an average term of 6.1 years. Other debt includes a \$65.0 million non-recourse

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

credit facility obtained by AMB Partners II, L.P., a subsidiary of the Operating Partnership, which had a \$65.0 million balance outstanding as of December 31, 2006. The Company also had \$23.2 million outstanding in other non-recourse debt.

On June 1, 2006, the Operating Partnership entered into a third amended and restated \$550.0 million (includes Euros, Yen or U.S. Dollar denominated borrowings) unsecured revolving credit agreement that replaced its then-existing \$500.0 million credit facility, which was to mature on June 1, 2007. The Company is a guarantor of the Operating Partnership's obligations under the credit facility. The line, which matures on June 1, 2010, carries a one-year extension option and can be increased to up to \$700.0 million upon certain conditions. The rate on the borrowings is generally LIBOR plus a margin, based on the Operating Partnership's long-term debt rating, which was 42.5 basis points as of December 31, 2006, with an annual facility fee of 15 basis points. The four year credit facility includes a multi-currency component, under which up to \$550.0 million can be drawn in U.S. Dollars, Euros, Yen or British Pounds Sterling. The Operating Partnership uses the credit facility principally for acquisitions, funding development activity and general working capital requirements. As of December 31, 2006, the outstanding balance on the credit facility was \$303.7 million and the remaining amount available was \$234.6 million, net of outstanding letters of credit of \$11.7 million. The outstanding balance included borrowings denominated in Euros, which, using the exchange rate in effect on December 31, 2006, equaled approximately \$303.7 million in U.S. dollars. The credit agreement contains affirmative covenants, including compliance with financial reporting requirements and maintenance of specified financial ratios, and negative covenants, including limitations on the incurrence of liens and limitations on mergers or consolidations. Management believes that the Company and the Operating Partnership were in compliance with their financial covenants under this credit agreement at December 31, 2006.

On June 23, 2006, AMB Japan Finance Y.K., a subsidiary of the Operating Partnership and as the initial borrower, entered into an amended and restated revolving credit agreement for a 45.0 billion Yen unsecured revolving credit facility, which, using the exchange rate in effect on December 31, 2006, equaled approximately \$377.9 million U.S. dollars. This replaced the 35.0 billion Yen unsecured revolving credit facility executed on June 29, 2004, as previously amended, which using the exchange rate in effect on December 31, 2006, equaled approximately \$293.9 million U.S. dollars. The Company, along with the Operating Partnership, guarantees the obligations of AMB Japan Finance Y.K. under the credit facility, as well as the obligations of any other entity in which the Operating Partnership directly or indirectly owns an ownership interest and which is selected from time to time to be a borrower under and pursuant to the credit agreement. The borrowers intend to use the proceeds from the facility to fund the acquisition and development of properties and for other real estate purposes in Japan, China and South Korea. Generally, borrowers under the credit facility have the option to secure all or a portion of the borrowings under the credit facility with certain real estate assets or equity in entities holding such real estate assets. The credit facility matures in June 2010 and has a one-year extension option. The credit facility can be increased to up to 55.0 billion Yen, which, using the exchange rate in effect on December 31, 2006, equaled approximately \$461.9 million U.S. dollars. The extension option is subject to the satisfaction of certain conditions and the payment of an extension fee equal to 0.15% of the outstanding commitments under the facility at that time. The rate on the borrowings is generally TIBOR plus a margin, which is based on the credit rating of the Operating Partnership's long-term debt and was 42.5 basis points as of December 31, 2006. In addition, there is an annual facility fee, payable in quarterly amounts, which is based on the credit rating of the Operating Partnership's long-term debt, and was 15 basis points of the outstanding commitments under the facility as of December 31, 2006. As of December 31, 2006, the outstanding balance on this credit facility, using the exchange rate in effect on December 31, 2006, was \$320.9 million in U.S. dollars. The credit agreement contains affirmative covenants, including financial reporting requirements and maintenance of specified financial ratios, and negative covenants, including limitations on the incurrence of liens and limitations on mergers or consolidations. Management believes that the Company, the Operating Partnership and AMB Japan Finance Y.K. were in compliance with their financial covenants under this credit agreement at December 31, 2006.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

On June 13, 2006, the Operating Partnership and certain of its consolidated subsidiaries entered into a fourth amended and restated credit agreement for a \$250.0 million unsecured revolving credit facility, which replaced the third amended and restated credit agreement for a \$250.0 million unsecured credit facility. On February 16, 2006, the third amended and restated credit agreement replaced the then-existing \$100.0 million unsecured revolving credit facility that was to mature in June 2008. The Company, along with the Operating Partnership, guarantees the obligations for such subsidiaries and other entities controlled by the Company or the Operating Partnership that are selected by the Operating Partnership from time to time to be borrowers under and pursuant to the credit facility. The four-year credit facility includes a multi-currency component under which up to \$250.0 million can be drawn in U.S. dollars, Hong Kong dollars, Singapore dollars, Canadian dollars and Euros. The line, which matures in February 2010 and carries a one-year extension option, can be increased to up to \$350.0 million upon certain conditions and the payment of an extension fee equal to 0.15% of the outstanding commitments. The rate on the borrowings is generally LIBOR plus a margin, based on the credit rating of the Operating Partnership's senior unsecured long-term debt, which was 60 basis points as of December 31, 2006, with an annual facility fee based on the credit rating of the Operating Partnership's senior unsecured long-term debt. The borrowers intend to use the proceeds from the facility to fund the acquisition and development of properties and general working capital requirements. As of December 31, 2006, the outstanding balance on this credit facility was approximately \$227.4 million. The credit agreement contains affirmative covenants, including financial reporting requirements and maintenance of specified financial ratios by the Operating Partnership, and negative covenants, including limitations on the incurrence of liens and limitations on mergers or consolidations. Management believes that the Company and the Operating Partnership were in compliance with their financial covenants under this credit agreement at December 31, 2006.

As of December 31, 2006, the scheduled maturities of the Company's total debt, excluding unamortized secured debt premiums and discounts, were as follows (dollars in thousands):

	Wholly-owned Secured Debt	Consolidated Joint Venture Secured Debt	Unsecured Senior Debt Securities	Other Debt	Credit Facilities	Total
2007	\$ 12,929	\$ 84,815	\$ 100,000	\$ 16,125	\$ —	\$ 213,869
2008	41,906	173,029	175,000	810	—	390,745
2009	3,536	96,833	100,000	971	—	201,340
2010	69,327	112,918	250,000	941	852,033	1,285,219
2011	3,094	228,708	75,000	1,014	—	307,816
2012	5,085	169,717	—	1,093	—	175,895
2013	38,668	55,168	175,000	65,920	—	334,756
2014	186,864	4,261	—	616	—	191,741
2015	2,174	19,001	112,491	664	—	134,330
2016	4,749	50,648	—	—	—	55,397
Thereafter	—	25,580	125,000	—	—	150,580
Total	<u>\$ 368,332</u>	<u>\$ 1,020,678</u>	<u>\$ 1,112,491</u>	<u>\$ 88,154</u>	<u>\$ 852,033</u>	<u>\$ 3,441,688</u>

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

7. Leasing Activity

Future minimum base rental income due under non-cancelable leases with customers in effect as of December 31, 2006 was as follows (dollars in thousands):

2007	\$	488,738
2008		409,728
2009		335,638
2010		264,633
2011		196,729
Thereafter		352,884
Total	\$	<u>2,048,350</u>

The schedule does not reflect future rental revenues from the renewal or replacement of existing leases and excludes property operating expense reimbursements. In addition to minimum rental payments, certain customers pay reimbursements for their pro rata share of specified operating expenses, which amounted to \$143.0 million, \$144.0 million and \$134.1 million for the years ended December 31, 2006, 2005 and 2004, respectively. These amounts are included as rental revenue and operating expenses in the accompanying consolidated statements of operations. Some leases contain options to renew.

8. Income Taxes

The Company elected to be taxed as a REIT under the Code, commencing with its taxable year ended December 31, 1997. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that it currently distribute at least 90% of its taxable income to its stockholders. It is management's current intention to adhere to these requirements and maintain the Company's REIT status. As a REIT, the Company generally will not be subject to corporate level federal income tax on net income it distributes currently to its stockholders. As such, no provision for federal income taxes has been included in the accompanying consolidated financial statements. If the Company fails to qualify as a REIT in any taxable year, it will be subject to federal income taxes at regular corporate rates (including any applicable alternative minimum tax) and may be ineligible to qualify as a REIT for four subsequent taxable years. Even if the Company qualifies for taxation as a REIT, the Company may be subject to certain state, local taxes on its income and excise taxes on its undistributed taxable income. The Company is required to pay federal and state income tax on its net taxable income, if any, from the activities conducted by the Company's taxable REIT subsidiaries. Foreign income taxes are accrued for foreign countries in which the Company operates, as necessary.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

The following is a reconciliation of net income available to common stockholders to taxable income available to common stockholders for the years ended December 31 (dollars in thousands):

	2006	2005	2004
Net income available to common stockholders	\$ 209,420	\$ 250,419	\$ 118,340
Book depreciation and amortization	177,824	161,732	136,610
Book depreciation discontinued operations	2,153	18,572	30,740
Impairment losses	6,312	—	—
Tax depreciation and amortization	(155,467)	(152,084)	(141,368)
Book/tax difference on gain on divestitures and contributions of real estate	(108,777)	(23,104)	(7,409)
Book/tax difference in stock option expense	(50,030)	(35,513)	(15,069)
Other book/tax differences, net(1)	(3,436)	(35,348)	(14,786)
Taxable income available to common stockholders	\$ 77,999	\$ 184,674	\$ 107,058

(1) Primarily due to straight-line rent, prepaid rent, joint venture accounting and debt premium amortization timing differences.

For income tax purposes, distributions paid to common stockholders consist of ordinary income, capital gains, non-taxable return of capital or a combination thereof. For the years ended December 31, 2006, 2005 and 2004, the Company elected to distribute all of its taxable capital gain. The taxability of the Company's distributions to common stockholders is summarized below:

	2006		2005		2004	
Ordinary income	\$ 0.53	38.4%	\$ 0.50	23.0%	\$ 0.78	46.1%
Capital gains	0.16	11.6%	1.34	61.1%	0.37	21.9%
Unrecaptured Section 1250 gain	0.20	14.4%	0.35	15.9%	0.15	8.9%
Dividends paid or payable	0.89	64.4%	2.19	100.0%	1.30	76.9%
Return of capital	0.49	35.6%	—	0.0%	0.39	23.10
Total distributions	<u>\$ 1.38</u>	<u>100.0%</u>	<u>\$ 2.19</u>	<u>100.0%</u>	<u>\$ 1.69</u>	<u>100.0%</u>

9. Minority Interests in Consolidated Joint Ventures and Preferred Units

Minority interests in the Company represent the limited partnership interests in the Operating Partnership, limited partnership interests in AMB Property II, L.P., a Delaware limited partnership, and interests held by certain third parties in several real estate joint ventures, aggregating approximately 36.1 million square feet, which are consolidated for financial reporting purposes. Such investments are consolidated because the Company exercises significant rights over major operating decisions such as approval of budgets, selection of property managers, asset management, investment activity and changes in financing. These joint venture investments do not meet the variable interest entity criteria under FASB Interpretation No. 46R, *Consolidation of Variable Interest Entities*.

Effective October 1, 2006, the Company deconsolidated AMB Institutional Alliance Fund III, L.P., an open-ended co-investment partnership formed in 2004 with institutional investors, on a prospective basis, due to the re-evaluation of the Company's accounting for its investment in the fund in light of changes to the partnership agreement regarding the general partner's rights effective October 1, 2006.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

Through the Operating Partnership, the Company enters into co-investment joint ventures with institutional investors. The Company's co-investment joint ventures are engaged in the acquisition, ownership, operation, management and, in some cases, the renovation, expansion and development of industrial buildings in target markets in North America.

The Company's consolidated co-investment joint ventures' total investment and property debt in properties at December 31, 2006 and 2005 (dollars in thousands) were:

Co-investment Joint Venture	Joint Venture Partner	Company's Ownership Percentage	Total Investment in Real Estate(1)		Property Debt(2)		Other Debt	
			2006	2005	2006	2005	2006	2005
AMB/Eric, L.P.	Eric Insurance Company and affiliates	50%	\$ 52,942	\$ 99,722	\$ 20,605	\$ 40,710	\$ —	\$ —
AMB Partners II, L.P.	City and County of San Francisco Employees' Retirement System	20%	679,138	592,115	323,532	291,684	65,000	—
AMB-SGP, L.P.	Industrial JV Pte Ltd(3)	50%	444,990	436,713	235,480	239,944	—	—
AMB Institutional Alliance Fund II, L.P.	AMB Institutional Alliance REIT II, Inc.(4)	20%	519,534	507,493	243,263	245,056	—	—
AMB-AMS, L.P.(5)	PMT, SPW and TNO(6)	39%	153,563	146,007	78,904	63,143	—	—
AMB Institutional Alliance Fund III, L.P.(7)	AMB Institutional Alliance REIT III, Inc.	23%	—	749,634	—	421,290	—	—
			<u>\$ 1,850,167</u>	<u>\$ 2,531,684</u>	<u>\$ 901,784</u>	<u>\$ 1,301,827</u>	<u>\$ 65,000</u>	<u>\$ —</u>

- (1) The Company also had other consolidated joint ventures with total investments in real estate of \$579.3 million as of December 31, 2006.
- (2) The Company also had other consolidated joint ventures with property debt of \$123.6 million as of December 31, 2006.
- (3) A subsidiary of GIC Real Estate Pte. Ltd., the real estate investment subsidiary of the Government of Singapore Investment Corporation.
- (4) Comprised of 14 institutional investors as stockholders and one third-party limited partner as of December 31, 2006.
- (5) AMB-AMS, L.P. is a co-investment partnership with three Dutch pension funds.
- (6) PMT is Stichting Pensioenfonds Metaal en Techniek, SPW is Stichting Pensioenfonds voor de Woningcorporaties and TNO is Stichting Pensioenfonds TNO.
- (7) AMB Institutional Alliance Fund III, L.P., is an open-ended co-investment partnership formed in 2004 with institutional investors, which effective October 1, 2006, was deconsolidated on a prospective basis.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

The following table details the minority interests as of December 31, 2006 and 2005 (dollars in thousands):

	<u>2006</u>	<u>2005</u>
Joint venture partners	\$ 555,201	\$ 853,643
Limited Partners in the Operating Partnership	74,780	86,164
Series J preferred units (liquidation preference of \$40,000)	38,883	38,883
Series K preferred units (liquidation preference of \$40,000)	38,932	38,932
Held through AMB Property II, L.P.:		
Class B Limited Partners	27,281	2,950
Series D preferred units (liquidation preference of \$79,767)	77,684	77,684
Series E preferred units (repurchased in June 2006)	—	10,788
Series F preferred units (repurchased in September 2006)	—	9,900
Series H preferred units (repurchased in March 2006)	—	40,912
Series I preferred units (liquidation preference of \$25,500)	24,799	24,800
Series N preferred units (repurchased in January 2006)	—	36,479
Total minority interests	\$ 837,560	\$ 1,221,135

The following table distinguishes the minority interests' share of income, including minority interests' share of development profits, but excluding minority interests' share of discontinued operations for the years ending December 31, 2006, 2005 and 2004 (dollars in thousands):

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Joint venture partners	\$ 37,975	\$ 36,401	\$ 29,360
Joint venture partners' share of development profits	5,613	13,492	958
Common limited partners in the Operating Partnership	1,990	3,296	2,282
Series J preferred units (liquidation preference of \$40,000)	3,180	3,180	3,180
Series K preferred units (liquidation preference of \$40,000)	3,180	3,180	3,180
Held through AMB Property II, L.P.:			
Class B common limited partnership units	815	115	102
Series D preferred units (liquidation preference of \$79,767)	6,182	6,182	6,182
Series E preferred units (repurchased in June 2006)	392	854	854
Series F preferred units (repurchased in September 2006)	546	800	800
Series H preferred units (repurchased in March 2006)	815	3,413	3,413
Series I preferred units (liquidation preference of \$25,500)	2,040	2,040	2,040
Series N preferred units (repurchased in January 2006)	127	1,824	512
Total minority interests' share of net income	\$ 62,855	\$ 74,777	\$ 52,863

10. Investments in Unconsolidated Joint Ventures

The Company's investment in unconsolidated joint ventures at December 31, 2006 and 2005 totaled \$274.4 million and \$118.7 million, respectively. The Company's exposure to losses associated with its unconsolidated joint ventures is limited to its carrying value in these investments and guarantees of \$170.5 million on loans on three of its unconsolidated joint ventures.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

The Company's unconsolidated joint ventures' net equity investments at December 31, 2006 and 2005 (dollars in thousands) were:

Unconsolidated Joint Ventures	Square Feet	2006	2005	Company's Ownership Percentage
Co-Investment Joint Ventures				
AMB-SGP Mexico, LLC(1)	2,737,515	\$ 7,601	\$ 16,218	20%
AMB Japan Fund I, L.P.(2)	3,814,773	31,811	10,112	20%
AMB Institutional Alliance Fund III, L.P.(3)	13,963,806	136,971	—	23%
AMB DFS Fund I, LLC(4)	N/A	11,700	—	15%
Other Industrial Operating Joint Ventures	7,684,931	47,955	41,520	53%
Other Industrial Development Joint Ventures	N/A	—	6,176	—
Other Investment — G.Accion(5)	N/A	38,343	44,627	39%
Total Unconsolidated Joint Ventures	28,201,025	\$ 274,381	\$ 118,653	

- (1) AMB-SGP Mexico, LLC, is a co-investment partnership formed in 2004 with Industrial (Mexico) JV Pte. Ltd., a subsidiary of GIC Real Estate Pte. Ltd, the real estate investment subsidiary of the Government of Singapore Investment Corporation. Includes \$5.5 million of shareholder loans outstanding at December 31, 2006 between the Company and the co-investment partnership.
- (2) AMB Japan Fund I, L.P. is a co-investment partnership formed in 2005 with institutional investors.
- (3) AMB Institutional Alliance Fund III, L.P. is an open-ended co-investment partnership formed in 2004 with institutional investors, which invest through a private REIT. Prior to October 1, 2006, the Company accounted for AMB Institutional Alliance Fund III, L.P. as a consolidated joint venture.
- (4) AMB DFS Fund I, LLC is a co-investment partnership formed in 2006 with a subsidiary of GE Real Estate to build and sell properties.
- (5) The Company has a 39% unconsolidated equity interest in G.Accion, a Mexican real estate company. G.Accion provides management and development services for industrial, retail, residential and office properties in Mexico.

The table below presents summarized financial information of the Company's unconsolidated joint ventures as of and for the years ended December 31, 2006, 2005 and 2004:

2006	Net Investment in Properties	Total assets	Total debt	Total liabilities	Minority Interests	Equity	Revenues	Income (loss) from Continuing Operations	Net Income (loss)
Co-Investment Joint Ventures:									
AMB-SGP Mexico, LLC(1)	\$ 158,959	\$ 172,533	\$ 106,700	\$ 162,963	\$ 1,082	\$ 8,488	\$ 14,514	\$ (6,796)	\$ (6,796)
AMB Japan Fund I, L.P.(2)	595,859	673,811	450,270	483,835	48,570	141,406	19,217	1,716	1,716
AMB Institutional Alliance Fund III, L.P.(3)	1,279,564	1,318,709	675,500	714,072	3,090	601,547	80,160	12,691	33,842
AMB DFS Fund I, LLC(4)	78,450	78,475	—	—	—	78,475	—	—	—
Other Industrial Operating Joint Ventures	223,679	241,085	184,423	193,394	—	47,691	37,238	11,529	26,139
Other Investment:									
G Accion(5)	9,536	158,733	14,881	45,380	1,610	111,743	18,294	(51,399)	21,532
Total Unconsolidated Ventures	\$ 2,346,047	\$ 2,643,346	\$ 1,431,774	\$ 1,599,644	\$ 54,352	\$ 989,350	\$ 169,423	\$ (32,259)	\$ 76,433

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

2005	Net Investment in Properties	Total assets	Total debt	Total liabilities	Minority Interests	Equity	Revenues	Income(loss) from Continuing Operations	Net Income (loss)
Co-Investment Joint Ventures:									
AMB-SGP Mexico,LLC(1)	\$ 105,123	\$ 127,509	\$ 65,351	\$ 86,522	\$ 81,663	\$ (40,676)	\$ 9,288	\$ (4,892)	\$ (4,892)
AMB Japan Fund I,L.P.(2)	121,161	161,469	73,893	106,008	10,043	45,418	6,736	871	871
Other Industrial Operating Joint Ventures	279,526	297,874	232,503	239,335	—	58,539	42,031	9,659	9,713
Other Industrial Development Joint Ventures	33,190	34,542	21,596	22,856	5,471	6,216	732	(305)	(305)
Other Investment:									
G Accion(5)	116,549	249,193	91,730	126,456	832	121,905	49,605	(33,977)	1,750
Total Unconsolidated Ventures	\$ 655,549	\$ 870,587	\$ 485,073	\$ 581,177	\$ 98,009	\$ 191,402	\$ 108,392	\$ (28,644)	\$ 7,137

2004	Net Investment in Properties	Total assets	Total debt	Total liabilities	Minority Interests	Equity	Revenues	Income(loss) from Continuing Operations	Net Income (loss)
Co-Investment Joint Ventures:									
AMB-SGP Mexico,LLC(1)	\$ 73,300	\$ 103,223	\$ 16,405	\$ 46,870	\$ 48,631	\$ 7,722	\$ —	\$ —	\$ —
Other Industrial Operating Joint Ventures	275,269	290,734	223,215	230,224	—	60,510	38,112	6,765	7,471
Other Industrial Development Joint Ventures	31,640	35,287	27,664	29,360	3,108	2,818	—	(3)	(3)
Total Unconsolidated Ventures	\$ 380,209	\$ 429,244	\$ 267,284	\$ 306,454	\$ 51,739	\$ 71,050	\$ 38,112	\$ 6,762	\$ 7,468

- (1) AMB-SGP Mexico, LLC, is a co-investment partnership formed in 2004 with Industrial (Mexico) JV Pte. Ltd., a subsidiary of GIC Real Estate Pte. Ltd, the real estate investment subsidiary of the Government of Singapore Investment Corporation. Includes \$5.5 million of shareholder loans outstanding at December 31, 2006 between the Company and the co-investment partnership.
- (2) AMB Japan Fund I is a co-investment partnership formed in 2005 with institutional investors.
- (3) AMB Institutional Alliance Fund III, L.P. is an open-ended co-investment partnership formed in 2004 with institutional investors, which invest through a private REIT. Prior to October 1, 2006, the Company accounted for AMB Institutional Alliance Fund III, L.P. as a consolidated joint venture.
- (4) AMB DFS Fund I, LLC is a co-investment partnership formed in 2006 with a subsidiary of GE Real Estate to build and sell properties.
- (5) The Company has a 39% unconsolidated equity interest in G.Accion, a Mexican real estate company. G.Accion provides management and development services for industrial, retail, residential and office properties in Mexico.

On December 30, 2004, the Company formed AMB-SGP Mexico, LLC, a joint venture with Industrial (Mexico) JV Pte. Ltd., a subsidiary of GIC Real Estate Pte. Ltd., the real estate investment subsidiary of the Government of Singapore Investment Corporation, in which the Company retained a 20% interest. During 2006, the Company recognized development profits of \$5.1 million from the contribution of two completed development projects for \$56.4 million aggregating approximately 0.8 million square feet. During 2005, the Company recognized a gain of \$1.3 million from disposition of real estate interests, representing the additional value received from the contribution of properties to AMB-SGP Mexico, LLC during 2004. During 2005, the Company recognized development profits of \$1.9 million from the contribution of one industrial building for \$23.6 million aggregating approximately 0.4 million square feet.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

On June 30, 2005, the Company formed AMB Japan Fund I, L.P., a joint venture with 13 institutional investors, in which joint venture the Company retained an approximate 20% interest. The 13 institutional investors have committed 49.5 billion Yen (approximately \$415.7 million in U.S. dollars, using the exchange rate at December 31, 2006) for an approximate 80% equity interest. During 2006, the Company recognized development profits of \$77.9 million, representing the portion of the Company's interest in the contributed properties acquired by the third-party investors for cash from the contribution to the joint venture of four completed development projects for \$486.2 million (using the exchange rates in effect at contribution) aggregating approximately 2.6 million square feet. During 2005, the Company contributed to the joint venture \$106.9 million (using the exchange rate in effect at contribution) in operating properties, consisting of six industrial buildings, aggregating approximately 0.9 million square feet and recognized a gain of \$17.6 million on the contribution, representing the portion of the Company's interest in the contributed property acquired by the third-party investors for cash.

Effective October 1, 2006, the Company deconsolidated AMB Institutional Alliance Fund III, L.P., an open-ended co-investment partnership formed in 2004 with institutional investors, on a prospective basis, due to the re-evaluation of the Company's accounting for its investment in the fund in light of changes to the partnership agreement regarding the general partner's rights effective October 1, 2006. During 2006, the Company recognized development profits of \$10.3 million, representing the portion of the Company's interest in the contributed properties acquired by the third-party investors for cash from the contribution to the joint venture of three completed development projects for approximately \$64.8 million aggregating approximately 0.6 million square feet.

On October 17, 2006, the Company formed AMB DFS Fund I, LLC, a merchant development joint venture with GE Real Estate ("GE"), in which joint venture the Company retained an approximate 15% interest. The joint venture will have total investment capacity of approximately \$500.0 million to pursue development-for-sale opportunities primarily in U.S. markets other than those the Company identifies as its target markets. GE and the Company have committed \$425.0 million and \$75.0 million of equity, respectively. During 2006, the Company contributed a land parcel with a contribution value of approximately \$77.5 million to this fund and recognized development profits of approximately \$0.8 million on the contribution, representing the portion of its interest in the contributed land parcel acquired by the third-party investor for cash.

Under the agreements governing the joint ventures, the Company and the other parties to the joint ventures may be required to make additional capital contributions and, subject to certain limitations, the joint ventures may incur additional debt.

The Company also has a 0.1% unconsolidated equity interest (with an approximate 33% economic interest) in AMB Pier One, LLC, a joint venture related to the 2000 redevelopment of the pier which houses the Company's office space in the San Francisco Bay Area. The investment is not consolidated because the Company does not exercise control over major operating decisions such as approval of budgets, selection of property managers, investment activity and changes in financing. The Company has an option to purchase the remaining equity interest beginning January 1, 2007 and expiring December 31, 2009, based on the fair market value as stipulated in the joint venture agreement. As of December 31, 2006, the Company also had an approximate 39% unconsolidated equity interest in G.Accion, a Mexican real estate company. G.Accion provides management and development services for industrial, retail, residential and office properties in Mexico. In addition, as of December 31, 2006, a subsidiary of the Company also had an approximate 5% interest in IAT Air Cargo Facilities Income Fund (IAT), a Canadian income trust specializing in aviation-related real estate at Canada's leading international airports. This equity investment of approximately \$2.7 million and \$2.6 million, respectively, is included in other assets on the consolidated balance sheets as of December 31, 2006 and 2005.

11. Stockholders' Equity

Holders of common limited partnership units of the Operating Partnership and class B common limited partnership units of AMB Property II, L.P. have the right, commencing generally on or after the first anniversary of

AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

the holder becoming a limited partner of the Operating Partnership or AMB Property II, L.P., as applicable (or such other date agreed to by the Operating Partnership or AMB Property II, L.P. and the applicable unit holders), to require the Operating Partnership or AMB Property II, L.P., as applicable, to redeem part or all of their common units or class B common limited partnership units, as applicable, for cash (based upon the fair market value, as defined in the applicable partnership agreement, of an equivalent number of shares of common stock of the Company at the time of redemption) or the Operating Partnership or AMB Property II, L.P. may, in its respective sole and absolute discretion (subject to the limits on ownership and transfer of common stock set forth in the Company's charter), elect to have the Company exchange those common units or class B common limited partnership units, as applicable, for shares of the Company's common stock on a one-for-one basis, subject to adjustment in the event of stock splits, stock dividends, issuance of certain rights, certain extraordinary distributions and similar events. With each redemption or exchange of the Operating Partnership's common units, the Company's percentage ownership in the Operating Partnership will increase. Common limited partners and class B common limited partners may exercise this redemption right from time to time, in whole or in part, subject to certain limitations. In November 2006, AMB Property II L.P., issued 1,130,835 of its class B common limited partnership units in connection with a property acquisition which resulted in a reallocation of partnership interest. During 2006, the Operating Partnership redeemed 818,304 of its common limited partnership units for an equivalent number of shares of the Company's common stock.

On September 21, 2006, AMB Property II, L.P., repurchased all 201,139 of its outstanding 7.95% Series F Cumulative Redeemable Preferred Limited Partnership Units from a single institutional investor for an aggregate price of \$10.0 million, including accrued and unpaid distributions. In connection with this repurchase, the Company reclassified all of its 267,439 shares of 7.95% Series F Cumulative Redeemable Preferred Stock as preferred stock.

On June 30, 2006, AMB Property II, L.P., repurchased all 220,440 of its outstanding 7.75% Series E Cumulative Redeemable Preferred Limited Partnership Units from a single institutional investor for an aggregate price of \$10.9 million, including accrued and unpaid distributions. In connection with this repurchase, the Company reclassified all of its 220,440 shares of 7.75% Series E Cumulative Redeemable Preferred Stock as preferred stock.

On March 21, 2006, AMB Property II, L.P., repurchased all 840,000 of its outstanding 8.125% Series H Cumulative Redeemable Preferred Limited Partnership Units from a single institutional investor for an aggregate price of \$42.8 million, including accrued and unpaid distributions. In connection with this repurchase, we reclassified all of our outstanding 840,000 shares of 8.125% Series H Cumulative Redeemable Preferred Stock as preferred stock.

As of December 31, 2006, \$145.3 million in preferred units with a weighted average rate of 7.85%, issued by the Operating Partnership, were callable under the terms of the partnership agreement and \$40.0 million in preferred units with a weighted average rate of 7.95% become callable in 2007.

On August 25, 2006, the Company issued and sold 2,000,000 shares of 6.85% Series P Cumulative Redeemable Preferred Stock at \$25.00 per share. Dividends are cumulative from the date of issuance and payable quarterly in arrears at a rate per share equal to \$1.7125 per annum. The series P preferred stock is redeemable by the Company on or after August 25, 2011, subject to certain conditions, for cash at a redemption price equal to \$25.00 per share, plus accumulated and unpaid dividends thereon, if any, to the redemption date. The Company contributed the net proceeds of approximately \$48.1 million to the Operating Partnership, and in exchange, the Operating Partnership issued to the Company 2,000,000 6.85% Series P Cumulative Redeemable Preferred Units.

On December 13, 2005, the Company issued and sold 3,000,000 shares of 7.00% Series O Cumulative Redeemable Preferred Stock at \$25.00 per share. Dividends are cumulative from the date of issuance and payable quarterly in arrears at a rate per share equal to \$1.75 per annum. The series O preferred stock is redeemable by the Company on or after December 13, 2010, subject to certain conditions, for cash at a redemption price equal to \$25.00 per share, plus accumulated and unpaid dividends thereon, if any, to the redemption date. The Company

AMB PROPERTY CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

contributed the net proceeds of approximately \$72.3 million to the Operating Partnership, and in exchange, the Operating Partnership issued to the Company 3,000,000 7.00% Series O Cumulative Redeemable Preferred Units.

On September 24, 2004, AMB Property II, L.P., a partnership in which Texas AMB I, LLC, a Delaware limited liability company and the Company's indirect subsidiary, owns an approximate 8.0% general partnership interest and the Operating Partnership owns an approximate 92% common limited partnership interest, issued 729,582 5.0% Series N Cumulative Redeemable Preferred Limited Partnership Units at a price of \$50.00 per unit. The series N preferred units were issued to Robert Pattillo Properties, Inc. in exchange for the contribution to AMB Property II, L.P. of certain parcels of land that are located in multiple markets. Effective January 27, 2006, Robert Pattillo Properties, Inc. exercised its rights under its Put Agreement, dated September 24, 2004, with the Operating Partnership, and sold all of its series N preferred units to the Operating Partnership for an aggregate price of \$36.6 million, including accrued and unpaid distributions. Also on January 27, 2006, AMB Property II, L.P. repurchased all of the series N preferred units from the Operating Partnership at an aggregate price of \$36.6 million and cancelled all of the outstanding series N preferred units as of such date.

On November 25, 2003, the Company issued and sold 2,300,000 shares of 6.75% Series M Cumulative Redeemable Preferred Stock at \$25.00 per share. Dividends are cumulative from the date of issuance and payable quarterly in arrears at a rate per share equal to \$1.6875 per annum. The series M preferred stock is redeemable by the Company on or after November 25, 2008, subject to certain conditions, for cash at a redemption price equal to \$25.00 per share, plus accumulated and unpaid dividends thereon, if any, to the redemption date. The Company contributed the net proceeds of approximately \$55.4 million to the Operating Partnership, and in exchange, the Operating Partnership issued to the Company 2,300,000 6.75% Series M Cumulative Redeemable Preferred Units.

On June 23, 2003, the Company issued and sold 2,000,000 shares of 6.5% Series L Cumulative Redeemable Preferred Stock at a price of \$25.00 per share. Dividends are cumulative from the date of issuance and payable quarterly in arrears at a rate per share equal to \$1.625 per annum. The series L preferred stock is redeemable by the Company on or after June 23, 2008, subject to certain conditions, for cash at a redemption price equal to \$25.00 per share, plus accumulated and unpaid dividends thereon, if any, to the redemption date. The Company contributed the net proceeds of approximately \$48.0 million to the Operating Partnership, and in exchange, the Operating Partnership issued to the Company 2,000,000 6.5% Series L Cumulative Redeemable Preferred Units. The Operating Partnership used the proceeds, in addition to proceeds previously contributed to the Operating Partnership from other equity issuances, to redeem all 3,995,800 of its 8.5% Series A Cumulative Redeemable Preferred Units from the Company on July 28, 2003. The Company, in turn, used those proceeds to redeem all 3,995,800 of our 8.5% Series A Cumulative Redeemable Preferred Stock for \$100.2 million, including all accumulated and unpaid dividends thereon, to the redemption date.

In December 2005, the Company's board of directors approved a new two-year common stock repurchase program for the repurchase of up to \$200.0 million of its common stock. The Company did not repurchase or retire any shares of its common stock during the year ended December 31, 2006.

The Company has authorized 100,000,000 shares of preferred stock for issuance, of which the following series were designated as of December 31, 2006: 1,595,337 shares of series D cumulative redeemable preferred; 510,000 shares of series I cumulative redeemable preferred; 800,000 shares of series J cumulative redeemable preferred; 800,000 shares of series K cumulative redeemable preferred; 2,300,000 shares of series L cumulative redeemable preferred, of which 2,000,000 are outstanding; 2,300,000 shares of series M cumulative redeemable preferred, all of which are outstanding; 3,000,000 shares of series O cumulative redeemable preferred, all of which are outstanding, and 2,000,000 shares of series P cumulative redeemable preferred, all of which are outstanding.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

The following table sets forth the dividends and distributions paid per share or unit:

Paying Entity	Security	2006	2005	2004
AMB Property Corporation	Common stock	\$ 1.84	\$ 1.76	\$ 1.70
AMB Property Corporation	Series L preferred stock	\$ 1.63	\$ 1.63	\$ 1.63
AMB Property Corporation	Series M preferred stock	\$ 1.69	\$ 1.69	\$ 1.69
AMB Property Corporation	Series O preferred stock	\$ 1.75	\$ 0.09	n/a
AMB Property Corporation	Series P preferred stock	\$ 0.60	n/a	n/a
Operating Partnership	Common limited partnership units	\$ 1.84	\$ 1.76	\$ 1.70
Operating Partnership	Series J preferred units	\$ 3.98	\$ 3.98	\$ 3.98
Operating Partnership	Series K preferred units	\$ 3.98	\$ 3.98	\$ 3.98
AMB Property II, L.P.	Class B common limited partnership units	\$ 1.84	\$ 1.76	\$ 1.70
AMB Property II, L.P.	Series D preferred units	\$ 3.88	\$ 3.88	\$ 3.88
AMB Property II, L.P.	Series E preferred units(1)	\$ 1.78	\$ 3.88	\$ 3.88
AMB Property II, L.P.	Series F preferred units(2)	\$ 2.72	\$ 3.98	\$ 3.98
AMB Property II, L.P.	Series H preferred units(3)	\$ 0.97	\$ 4.06	\$ 4.06
AMB Property II, L.P.	Series I preferred units	\$ 4.00	\$ 4.00	\$ 4.00
AMB Property II, L.P.	Series N preferred units(4)	\$ 0.22	\$ 2.50	\$ 0.70

(1) In June 2006, AMB Property II, L.P. repurchased all of its outstanding Series E preferred units.

(2) In September 2006, AMB Property II, L.P. repurchased all of its outstanding Series F preferred units.

(3) In March 2006, AMB Property II, L.P. repurchased all of its outstanding Series H preferred units.

(4) The holder of the series N preferred units exercised its put option in January 2006 and sold all of its series N preferred units to the Operating Partnership and AMB Property II, L.P. repurchased all of such units from the Operating Partnership.

12. Stock Incentive Plan, 401(k) Plan and Deferred Compensation Plan

Stock Incentive Plans. The Company has stock option and incentive plans (“Stock Incentive Plans”) for the purpose of attracting and retaining eligible officers, directors and employees. The Company has reserved for issuance 18,950,000 shares of common stock under its Stock Incentive Plans. As of December 31, 2006, the Company had 6,843,025 non-qualified options outstanding granted to certain directors, officers and employees. Each option is exchangeable for one share of the Company’s common stock. Each option’s exercise price is equal to the Company’s market price on the date of grant. The options have an original ten-year term and generally vest pro rata in annual installments over a three to five-year period from the date of grant.

The Company adopted SFAS No. 123R, *Share Based Payment*, on January 1, 2006. The Company opted to utilize the modified prospective method of transition in adopting SFAS No. 123R. The effect of this change from applying the original expense recognition provisions of SFAS No. 123, *Accounting for Stock-Based Compensation*, had an immaterial effect on income before minority interests and discontinued operations, income from continuing operations, net income and earnings per share. The effect of this change from applying the original provisions of SFAS No. 123 had no effect on cash flow from operating and financing activities. The Company recorded a cumulative effect of change in accounting principle in the amount of \$0.2 million as of January 1, 2006 to reflect the change in accounting for forfeitures. The Company values stock options using the Black-Scholes option-pricing model and recognizes this value as an expense over the vesting periods. Under this standard, recognition of expense for stock options is applied to all options granted after the beginning of the year of adoption. In accordance with SFAS No. 123R, the Company will recognize the associated expense over the three to five-year vesting periods. For the years ended December 31, 2006, 2005 and 2004, under SFAS No. 123R or SFAS No. 123, related stock option expense was \$6.8 million, \$4.8 million and \$4.0 million, respectively. Additionally, the Company awards restricted

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

stock and recognizes this value as an expense over the vesting periods. During the years ended December 31, 2006, 2005 and 2004, related restricted stock compensation expense was \$13.9 million, \$7.5 million and \$6.4 million, respectively. The expense is included in general and administrative expenses in the accompanying consolidated statements of operations. As of December 31, 2006, the Company had \$5.1 million of total unrecognized compensation cost related to unvested options granted under the Stock Incentive Plans which is expected to be recognized over a weighted average period of 1 year. Results for prior periods have not been restated.

As a result of adopting SFAS No. 123R on January 1, 2006, the Company's income before income taxes and net income for the year ended December 31, 2006 is \$0.5 million higher than if the Company had continued to account for share-based compensation under the original provisions of SFAS No. 123. Basic and diluted earnings per share for the year ended December 31, 2006 would have decreased to \$2.38 and \$2.29, respectively, if the Company had not adopted SFAS No. 123R.

SFAS No. 123R requires the cash flows resulting from tax benefits resulting from tax deductions in excess of the compensation cost recognized for those options (excess tax benefits) to be classified as financing cash flows. The Company does not have any such excess tax benefits.

The fair value of each option grant was estimated at the date of grant using the Black-Scholes option-pricing model. The Company uses historical data to estimate option exercise and employee termination within the valuation model. Expected volatilities are based on historical volatility of the Company's stock. The risk-free rate for periods within the expected life of the option is based on the U.S. Treasury yield curve in effect at the time of the grant. The following assumptions are used for grants during the years ended December 31, 2006, 2005 and 2004, respectively: dividend yields of 3.5%, 4.5% and 4.8%; expected volatility of 17.9%, 17.5% and 18.6%; risk-free interest rates of 4.6%, 3.8% and 3.6%; and expected lives of six, seven and seven years, respectively.

Following is a summary of the option activity for the year ended December 31, 2006 (options in thousands):

	Shares Under Option	Weighted Average Exercise Price	Options Exercisable at Year End
Outstanding as of December 31, 2003	10,286	\$ 23.92	<u>7,210</u>
Granted	1,253	34.88	
Exercised	(1,233)	22.45	
Forfeited	(85)	29.43	
Outstanding as of December 31, 2004	10,221	25.40	<u>7,841</u>
Granted	1,086	38.94	
Exercised	(2,033)	24.24	
Forfeited	(126)	35.32	
Outstanding as of December 31, 2005	9,148	27.14	<u>7,237</u>
Granted	874	51.89	
Exercised	(3,081)	24.16	
Forfeited	(98)	42.18	
Outstanding as of December 31, 2006	6,843	\$ 31.42	<u>5,404</u>
Remaining average contractual life	6.0 years		
Fair value of options granted during the year	\$ 8.54		

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

The following table summarizes additional information concerning outstanding and exercisable stock options at December 31, 2006 (options in thousands):

Range of Exercise Price	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Currently Exercisable	
				Number of Options	Weighted Average Exercise Price
\$20.19 - \$24.69	1,937	\$ 22.52	3.4	1,936	\$ 22.52
\$25.06 - \$30.81	2,293	27.10	5.8	2,291	27.10
\$30.81 - \$44.65	1,774	37.06	7.6	1,004	36.61
\$44.65 - \$61.35	839	51.89	9.2	173	51.92
	<u>6,843</u>			<u>5,404</u>	

The following table summarizes additional information concerning unvested stock options at December 31, 2006 (options in thousands):

Unvested Options	Number of Options	Weighted Average Exercise Price
Unvested at December 31, 2005	1,912	\$ 27.14
Granted	874	51.89
Vested	(1,250)	36.23
Forfeited	(97)	42.15
Unvested at December 31, 2006	<u>1,439</u>	<u>\$ 43.54</u>

Cash received from options exercised during the years ended December 31, 2006, 2005 and 2004 was \$55.5 million, \$48.5 million and \$27.7 million, respectively. There were no excess tax benefits realized for the tax deductions from option exercises during the years ended December 31, 2006, 2005 and 2004. The total intrinsic value of options exercised during the years ended December 31, 2006, 2005 and 2004 was \$88.1 million, \$38.1 million and \$17.5 million, respectively. The total intrinsic value of options outstanding and exercisable as of December 31, 2006 was \$146.4 million.

The Company issued 450,352, 262,394 and 227,609 shares of restricted stock, respectively, to certain officers of the Company as part of the pay-for-performance pay program and in connection with employment with the Company during the years ended December 31, 2006, 2005 and 2004, respectively. The total fair value of restricted shares was \$23.3 million, \$10.2 million and \$8.0 million for the years ended December 31, 2006, 2005 and 2004, respectively. As of December 31, 2006, 99,587 shares of restricted stock had been forfeited. The 611,549 outstanding restricted shares are subject to repurchase rights, which generally lapse over a period from three to five years.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

The following table summarizes additional information concerning unvested restricted shares at December 31, 2006 (shares in thousands):

<u>Unvested Shares</u>	<u>Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Unvested at December 31, 2005	548	\$ 34.41
Granted	450	51.92
Vested	(330)	35.97
Forfeited	(56)	45.68
Unvested at December 31, 2006	<u>612</u>	<u>\$ 45.43</u>

As of December 31, 2006, there was \$24.1 million of total unrecognized compensation cost related to unvested share-based compensation arrangements granted under the stock incentive plans. That cost is expected to be recognized over a weighted average period of 1.96 years. The total fair value of shares vested, based on the market price on the vesting date, for the years ended December 31, 2006 and 2005 was \$17.4 million and \$9.8 million, respectively.

401(k) Plan. In November 1997, the Company established a Section 401(k) Savings and Retirement Plan (the "401(k) Plan"), which is a continuation of the 401(k) Plan of the predecessor, to cover eligible employees of the Company and any designated affiliates. During 2006 and 2005, the 401(k) Plan permitted eligible employees of the Company to defer up to 20% of their annual compensation (as adjusted under the terms of the 401(k) Plan), subject to certain limitations imposed by the Code. The employees' elective deferrals are immediately vested and non-forfeitable upon contribution to the 401(k) Plan. During 2006 and 2005, the Company matched employee contributions under the 401(k) Plan in an amount equal to 50% of the first 6.0% of annual compensation deferred by each employee, up to a maximum match by the Company of \$6,600 and \$6,300 per year, respectively, for each participating employee.

Matching contributions made by the Company vest fully one year after the commencement of an employee's employment with the Company. The Company may also make discretionary contributions to the 401(k) Plan. In 2006, 2005 and 2004, the Company paid \$0.8 million, \$0.7 million and \$0.5 million, respectively, for its 401(k) match. No discretionary contributions were made by the Company to the 401(k) Plan in 2006, 2005 and 2004.

Deferred Compensation Plans. The Company has established two non-qualified deferred compensation plans for eligible officers and directors of the Company and certain of its affiliates, which enable eligible participants to defer income from their U.S. payroll up to 100% of annual base pay, up to 100% of annual bonuses, up to 100% of their meeting fees and/or committee chairmanship fees, and up to 100% of certain equity-based compensation, as applicable, subject to restrictions, on a pre-tax basis. This deferred compensation is our unsecured obligation. The Company may make discretionary matching contributions to participant accounts at any time. The Company made no such discretionary matching contributions in 2006, 2005 or 2004. The participant's elective deferrals and any matching contributions are immediately 100% vested. As of December 31, 2006 and 2005, the total fair value of compensation deferred was \$70.2 million and \$20.9 million, respectively.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

13. Income Per Share

The Company's only dilutive securities outstanding for the years ended December 31, 2006, 2005 and 2004 were stock options and shares of restricted stock granted under its stock incentive plans. The effect on income per share was to increase weighted average shares outstanding. Such dilution was computed using the treasury stock method. The computation of basic and diluted earnings per share ("EPS") is presented below (dollars in thousands, except share and per share amounts):

	2006	2005	2004
Numerator			
Income from continuing operations before cumulative effect of change in accounting principle	\$ 171,930	\$ 130,309	\$ 61,583
Preferred stock dividends	(13,582)	(7,388)	(7,131)
Preferred unit issuance costs	(1,070)	—	—
Income from continuing operations before cumulative effect of change in accounting principle (after preferred stock dividends)	157,278	122,921	54,452
Total discontinued operations	51,949	127,498	63,888
Cumulative effect of change in accounting principle	193	—	—
Net income available to common stockholders	<u>\$ 209,420</u>	<u>\$ 250,419</u>	<u>\$ 118,340</u>
Denominator			
Basic	87,710,500	84,048,936	82,133,627
Stock options and restricted stock dilution(1)	3,396,393	3,824,463	3,234,999
Diluted weighted average common shares	<u>91,106,893</u>	<u>87,873,399</u>	<u>85,368,626</u>
Basic income per common share			
Income from continuing operations (after preferred stock dividends) before cumulative effect of change in accounting principle	\$ 1.80	\$ 1.46	\$ 0.66
Discontinued operations	0.59	1.52	0.78
Cumulative effect of change in accounting principle	—	—	—
Net income available to common stockholders	<u>\$ 2.39</u>	<u>\$ 2.98</u>	<u>\$ 1.44</u>
Diluted income per common share			
Income from continuing operations (after preferred stock dividends) before cumulative effect of change in accounting principle	\$ 1.73	\$ 1.40	\$ 0.64
Discontinued operations	0.57	1.45	0.75
Cumulative effect of change in accounting principle	—	—	—
Net income available to common stockholders	<u>\$ 2.30</u>	<u>\$ 2.85</u>	<u>\$ 1.39</u>

(1) Excludes anti-dilutive stock options of 48,196, 56,463 and 62,380, respectively, for the years ended December 31, 2006, 2005, and 2004.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

14. Commitments and Contingencies

Commitments

Lease Commitments. The Company holds operating ground leases on land parcels at its on-tarmac facilities, leases on office spaces for corporate use, and a leasehold interest that it holds for investment purposes. The remaining lease terms are from one to 55 years. Buildings and improvements are being amortized ratably over the lesser of the terms of the related leases or 40 years. Future minimum rental payments required under non-cancelable operating leases in effect as of December 31, 2006 were as follows (dollars in thousands):

2007	\$ 21,636
2008	22,186
2009	21,506
2010	20,667
2011	20,668
Thereafter	272,483
Total	<u>\$ 379,146</u>

Standby Letters of Credit. As of December 31, 2006, the Company had provided approximately \$22.1 million in letters of credit, of which \$11.7 million were provided under the Operating Partnership's \$550.0 million unsecured credit facility. The letters of credit were required to be issued under certain ground lease provisions, bank guarantees and other commitments.

Guarantees. Other than parent guarantees associated with the unsecured debt, as of December 31, 2006, the Company had outstanding guarantees in the aggregate amount of \$48.2 million in connection with certain acquisitions. As of December 31, 2006, the Company guaranteed \$26.8 million and \$83.2 million on outstanding loans on two of its consolidated joint ventures and two of its unconsolidated joint ventures, respectively. In addition, as of December 31, 2006, the Company guaranteed \$87.3 million on outstanding property debt related to one of its unconsolidated joint ventures.

Performance and Surety Bonds. As of December 31, 2006, the Company had outstanding performance and surety bonds in an aggregate amount of \$11.4 million. These bonds were issued in connection with certain of its development projects and were posted to guarantee certain tax obligations and the construction of certain real property improvements and infrastructure, such as grading, sewers and streets. Performance and surety bonds are commonly required by public agencies from real estate developers. Performance and surety bonds are renewable and expire upon the payment of the taxes due or the completion of the improvements and infrastructure.

Promoted Interests and Other Contractual Obligations. Upon the achievement of certain return thresholds and the occurrence of certain events, the Company may be obligated to make payments to certain of joint venture partners pursuant to the terms and provisions of their contractual agreements with the Operating Partnership. From time to time in the normal course of the Company's business, the Company enters into various contracts with third parties that may obligate it to make payments, pay promotes or perform other obligations upon the occurrence of certain events.

Contingencies

Litigation. In the normal course of business, from time to time, the Company may be involved in legal actions relating to the ownership and operations of its properties. Management does not expect that the liabilities, if any, that may ultimately result from such legal actions will have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Company.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

Environmental Matters. The Company monitors its properties for the presence of hazardous or toxic substances. The Company is not aware of any environmental liability with respect to the properties that would have a material adverse effect on the Company's business, assets or results of operations. However, there can be no assurance that such a material environmental liability does not exist. The existence of any such material environmental liability would have an adverse effect on the Company's results of operations and cash flow. The Company carries environmental insurance and believes that the policy terms, conditions, limits and deductibles are adequate and appropriate under the circumstances, given the relative risk of loss, the cost of such coverage and current industry practice.

General Uninsured Losses. The Company carries property and rental loss, liability, flood and terrorism insurance. The Company believes that the policy terms, conditions, limits and deductibles are adequate and appropriate under the circumstances, given the relative risk of loss, the cost of such coverage and current industry practice. In addition, certain of the Company's properties are located in areas that are subject to earthquake activity; therefore, the Company has obtained limited earthquake insurance on those properties. There are, however, certain types of extraordinary losses, such as those due to acts of war, that may be either uninsurable or not economically insurable. Although the Company has obtained coverage for certain acts of terrorism, with policy specifications and insured limits that it believes are commercially reasonable, there can be no assurance that the Company will be able to collect under such policies. Should an uninsured loss occur, the Company could lose its investment in, and anticipated profits and cash flows from, a property.

Various properties that the Company owns or leases in New Orleans, Louisiana and South Florida suffered damage in 2005 as a result of Hurricanes Katrina and Wilma. Although the Company expects that its insurance will cover losses arising from this damage in excess of the industry standard deductibles paid by the Company, there can be no assurance the Company will be reimbursed for all losses incurred. Management is not aware of circumstances associated with these losses that would have a material adverse effect on the Company's business, assets or results from operations.

Captive Insurance Company. In December 2001, the Company formed a wholly-owned captive insurance company, Arcata National Insurance Ltd., (Arcata), which provides insurance coverage for all or a portion of losses below the deductible under the Company's third-party policies. The captive insurance company is one element of the Company's overall risk management program. The Company capitalized Arcata in accordance with the applicable regulatory requirements. Arcata established annual premiums based on projections derived from the past loss experience at the Company's properties. Annually, the Company engages an independent third party to perform an actuarial estimate of future projected claims, related deductibles and projected expenses necessary to fund associated risk management programs. Premiums paid to Arcata may be adjusted based on this estimate. Like premiums paid to third-party insurance companies, premiums paid to Arcata may be reimbursed by customers pursuant to specific lease terms. Through this structure, the Company believes that it has more comprehensive insurance coverage at an overall lower cost than would otherwise be available in the market.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

15. Quarterly Financial Data (Unaudited)

Selected quarterly financial results for 2006 and 2005 were as follows (dollars in thousands, except share and per share amounts):

2006	Quarter (unaudited)(1)				Year
	March 31	June 30	September 30	December 31	
Total revenues	\$ 177,711	\$ 177,068	\$ 184,451	\$ 190,666	\$ 729,896
Income before minority interests, discontinued operations and cumulative effect of change in accounting principle	32,477	69,522	49,082	83,704	234,785
Total minority interests' share of income	(14,545)	(15,375)	(17,163)	(15,772)	(62,855)
Income from continuing operations before cumulative effect of change in accounting principle	17,932	54,147	31,919	67,932	171,930
Total discontinued operations	9,452	21,206	1,468	19,823	51,949
Cumulative effect of change in accounting principle	193	—	—	—	193
Net income	27,577	75,353	33,387	87,755	224,072
Preferred stock dividends	(3,096)	(3,095)	(3,440)	(3,951)	(13,582)
Preferred unit redemption (issuance costs)/discount	(1,097)	77	16	(66)	(1,070)
Net income available to common stockholders	\$ 23,384	\$ 72,335	\$ 29,963	\$ 83,738	\$ 209,420
Basic income per common share(2)					
Income from continuing operations	\$ 0.16	\$ 0.59	\$ 0.32	\$ 0.72	\$ 1.80
Discontinued operations	0.11	0.24	0.02	0.22	0.59
Cumulative effect of change in accounting principle	—	—	—	—	—
Net income available to common stockholders	\$ 0.27	\$ 0.83	\$ 0.34	\$ 0.94	\$ 2.39
Diluted income per common share(2)					
Income from continuing operations	\$ 0.16	\$ 0.56	\$ 0.31	\$ 0.70	\$ 1.73
Discontinued operations	0.10	0.24	0.02	0.21	0.57
Cumulative effect of change in accounting principle	—	—	—	—	—
Net income available to common stockholders	\$ 0.26	\$ 0.80	\$ 0.33	\$ 0.91	\$ 2.30
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING					
Basic	86,432,895	87,317,494	88,029,033	88,835,283	87,710,500
Diluted	90,179,329	90,135,659	91,058,029	92,251,667	91,106,893

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

- (1) Certain reclassifications have been made to the quarterly data to conform with the annual presentation with no net effect to net income or net income available to common stockholders.
(2) The sum of quarterly financial data may vary from the annual data due to rounding.

2005	Quarter (unaudited)(1)				Year
	March 31	June 30	September 30	December 31	
Total revenues	\$ 152,931	\$ 154,512	\$ 156,819	\$ 196,613	\$ 660,875
Income before minority interests and discontinued operations	40,337	47,011	26,149	91,589	205,086
Total minority interests' share of income	(24,744)	(15,135)	(14,700)	(20,198)	(74,777)
Income from continuing operations	15,593	31,876	11,449	71,391	130,309
Total discontinued operations	31,174	8,913	17,619	69,792	127,498
Net income	46,767	40,789	29,068	141,183	257,807
Preferred stock dividends	(1,783)	(1,783)	(1,783)	(2,039)	(7,388)
Net income available to common stockholders	\$ 44,984	\$ 39,006	\$ 27,285	\$ 139,144	\$ 250,419
Basic income per common share(2)					
Income from continuing operations	\$ 0.17	\$ 0.36	\$ 0.11	\$ 0.82	\$ 1.46
Discontinued operations	0.37	0.11	0.21	0.82	1.52
Net income available to common stockholders	\$ 0.54	\$ 0.47	\$ 0.32	\$ 1.64	\$ 2.98
Diluted income per common share(2)					
Income from continuing operations	\$ 0.16	\$ 0.35	\$ 0.11	\$ 0.78	\$ 1.40
Discontinued operations	0.36	0.10	0.20	0.78	1.45
Net income available to common stockholders	\$ 0.52	\$ 0.45	\$ 0.31	\$ 1.56	\$ 2.85
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING					
Basic	83,133,730	83,521,538	84,437,568	85,010,258	84,048,936
Diluted	86,516,695	87,076,011	88,373,479	88,981,657	87,873,399

- (1) Certain reclassifications have been made to the quarterly data to conform with the annual presentation with no net effect to net income or per share amounts.
(2) The sum of quarterly financial data may vary from the annual data due to rounding.

16. Segment Information

The Company operates industrial properties and manages its business by geographic markets. Such industrial properties consist primarily of warehouse distribution facilities suitable for single or multiple customers, and are typically comprised of multiple buildings that are leased to customers engaged in various types of businesses. The Company's geographic markets for industrial properties are managed separately because each market requires different operating, pricing and leasing strategies. The accounting policies of the segments are the same as those

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

described in the summary of significant accounting policies. The Company evaluates performance based upon property net operating income of the combined properties in each segment.

The U.S. target markets are listed on the table below. The other U.S. target markets category includes Austin, Baltimore/Washington D.C., Boston, Houston, Minneapolis, and Orlando. The other U.S. non-target markets category captures all of the Company's other U.S. markets, except for those markets listed individually in the table. For the segment information included below, the non-U.S. target markets category includes Belgium, China, France, Germany, Japan, Mexico and the Netherlands.

Summary information for the reportable segments is as follows (dollars in thousands):

Segments	Rental Revenues			Property NOI(1)		
	2006	2005	2004	2006	2005	2004
Industrial U.S. hub and gateway markets:						
Atlanta	\$ 21,538	\$ 23,270	\$ 32,850	\$ 16,459	\$ 18,161	\$ 25,430
Chicago	55,255	55,085	45,015	38,606	38,105	31,389
Dallas/Fort Worth	16,493	16,791	16,551	11,089	11,491	11,218
Los Angeles	111,191	108,625	106,306	87,708	86,300	83,288
Northern New Jersey/New York	79,940	85,331	64,662	56,283	61,278	45,022
San Francisco Bay Area	86,477	86,631	98,885	68,412	69,005	79,486
Miami	40,311	35,953	36,833	27,678	24,188	24,136
Seattle	38,968	44,368	41,675	30,668	34,394	32,539
On-Tarmac	55,131	56,912	54,425	31,584	33,198	30,596
Total industrial U.S. hub markets	505,304	512,966	497,202	368,487	376,120	363,104
Other U.S. target markets	100,622	113,422	118,205	73,805	81,324	87,076
Other U.S. non-target markets	17,144	20,084	18,061	12,412	14,531	13,811
Non U.S. target markets	56,491	30,762	25,641	43,985	23,942	20,694
Straight-line rents and amortization of lease intangibles	19,134	19,523	16,281	19,134	19,523	16,281
Total other markets	39	1,586	5,358	99	1,153	3,010
Discontinued operations	(14,940)	(81,410)	(117,248)	(9,952)	(58,589)	(84,612)
Total	\$ 683,794	\$ 616,933	\$ 563,500	\$ 507,970	\$ 458,004	\$ 419,364

(1) Property net operating income ("NOI") is defined as rental revenue, including reimbursements, less property operating expenses, which excludes depreciation, amortization, general and administrative expenses and interest expense. For a reconciliation of NOI to net income, see the table below.

The Company considers NOI to be an appropriate supplemental performance measure because NOI reflects the operating performance of the Company's real estate portfolio on a segment basis, and the Company uses NOI to make decisions about resource allocations and to assess regional property level performance. However, NOI should not be viewed as an alternative measure of the Company's financial performance since it does not reflect general and administrative expenses, interest expense, depreciation and amortization costs, capital expenditures and leasing costs, or trends in development and construction activities that could materially impact the Company's results from operations. Further, the Company's NOI may not be comparable to that of other real estate companies, as they may use different methodologies for calculating NOI.

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

The following table is a reconciliation from NOI to reported net income, a financial measure under GAAP (dollars in thousands):

	2006	2005	2004
Property NOI	\$ 507,970	\$ 458,004	\$ 419,364
Private capital income	46,102	43,942	12,895
Depreciation and amortization	(177,824)	(161,732)	(136,610)
Impairment losses	(6,312)	—	—
General and administrative	(104,262)	(71,564)	(57,181)
Other expenses	(2,620)	(5,038)	(2,554)
Fund costs	(2,091)	(1,482)	(1,741)
Equity in earnings of unconsolidated joint ventures	23,240	10,770	3,781
Other income	9,423	5,593	4,700
Gains from dispositions of real estate	—	19,099	5,219
Development profits, net of taxes	106,389	54,811	8,528
Interest, including amortization	(165,230)	(147,317)	(141,955)
Total minority interests' share of income	(62,855)	(74,777)	(52,863)
Total discontinued operations	51,949	127,498	63,888
Cumulative effect of change in accounting principle	193	—	—
Net income	<u>\$ 224,072</u>	<u>\$ 257,807</u>	<u>\$ 125,471</u>

The Company's total assets by market were:

	Total Assets as of	
	December 31, 2006	December 31, 2005
Industrial U.S. hub and gateway markets:		
Atlanta	\$ 162,980	\$ 208,751
Chicago	447,995	504,581
Dallas/Fort Worth	140,847	137,112
Los Angeles	897,057	930,917
Northern New Jersey/New York	607,727	756,719
San Francisco Bay Area	707,139	789,129
Miami	370,304	372,728
Seattle	381,306	371,029
On-Tarmac	210,798	245,046
Total industrial U.S. hub markets	<u>3,926,153</u>	<u>4,316,012</u>
Other U.S. target markets	578,251	693,287
Other non-target markets and other	111,556	264,954
Non U.S. target markets	1,428,420	975,960
Total other markets	—	10,277
Investments in unconsolidated joint ventures	274,381	118,653
Non-segment assets	394,751	423,596
Total assets	<u>\$ 6,713,512</u>	<u>\$ 6,802,739</u>

AMB PROPERTY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006 and 2005

17. Subsequent Event

On February 14, 2007, seven subsidiaries of AMB-SGP, L.P., a Delaware limited partnership, which is a subsidiary of the Company, entered into a loan agreement for a \$305 million secured financing. The loan is secured by more than sixty buildings owned by such subsidiaries of AMB-SGP, L.P. \$160 million of the loan will be securitized and sold on the open market, and the remaining portion will be held in the lenders' general accounts. AMB-SGP, L.P. remains a guarantor of certain standard recourse carve-outs under the loan agreement.

On the same day, pursuant to the loan agreement the same seven subsidiaries delivered four promissory notes to the two lenders, each of which matures on March 5, 2012. One note, has a principal of \$160 million and an interest rate that is fixed at 5.29%. One is a \$40 million note with an interest rate of 81 basis points above the one-month LIBOR rate, a second has a principal of \$84 million and a fixed interest rate of 5.90%, and the final note has a principal of \$21 million and bears interest at a rate of 135 basis points above the one-month LIBOR rate.

AMB PROPERTY CORPORATION
SCHEDULE III
CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2006

Property	No of Bldgs	Location	Type	Encumbrances(3)	Initial Cost to Company		Costs Capitalized Subsequent to Acquisition	Gross Amount Carried at 12/31/06		Accumulated Depreciation(4)	Year of Construction/ Acquisition	Depreciable Life (Years)
					Land	Building & Improvements		Land	Building & Improvements			
(In thousands, except number of buildings)												
Atlanta												
Airport Plaza	3	GA	IND	\$ 4,275	\$ 1,811	\$ 5,093	\$ 974	\$ 1,811	\$ 6,067	\$ 7,878	2003	5-40
Airport South Business Park	8	GA	IND	16,086	9,200	16,436	14,476	9,200	30,912	40,112	2001	5-40
Atlanta South Business Park	9	GA	IND	—	8,047	24,180	4,348	8,047	28,528	36,575	1997	5-40
AMB Garden City Industrial	1	GA	IND	—	441	2,604	147	462	2,730	3,192	2004	5-40
South Ridge at Hartsfield	1	GA	IND	3,828	2,096	4,008	1,130	2,096	5,138	7,234	2001	5-40
Southfield/KRDC Industrial SG	13	GA	IND	32,177	13,578	35,730	8,591	13,578	44,321	57,899	1997	5-40
Southside Distribution Center	1	GA	IND	1,064	766	2,480	105	766	2,585	3,351	2001	5-40
Sylvan Industrial	1	GA	IND	—	1,946	5,905	724	1,946	6,629	8,575	1999	5-40
Chicago												
Addison Business Center	1	IL	IND	—	1,060	3,228	389	1,060	3,617	4,677	2000	5-40
Alsip Industrial	1	IL	IND	—	1,200	3,744	737	1,200	4,481	5,681	1998	5-40
Belden Avenue SGP	3	IL	IND	9,486	5,393	13,655	1,176	5,487	14,737	20,224	2001	5-40
Bensenville Ind Park	13	IL	IND	—	20,799	62,438	23,187	20,799	85,625	106,424	1993	5-40
Bridgeview Industrial	1	IL	IND	—	1,332	3,996	561	1,332	4,557	5,889	1995	5-40
Chancellor Park	8	IL	IND	35,838	24,491	31,848	1,725	24,491	33,573	58,064	2002	5-40
Chicago Industrial Portfolio	1	IL	IND	—	762	2,285	749	762	3,034	3,796	1992	5-40
Chicago Ridge Freight Terminal	1	IL	IND	—	3,705	3,576	206	3,705	3,782	7,487	2001	5-40
AMB District Industrial	1	IL	IND	—	703	1,338	173	703	1,511	2,214	2004	5-40
Elk Grove Village SG	10	IL	IND	15,948	7,059	21,739	5,095	7,059	26,834	33,893	2001	5-40
Executive Drive	1	IL	IND	—	1,399	4,236	1,599	1,399	5,835	7,234	1997	5-40
AMB Golf Distribution	1	IL	IND	13,922	7,740	16,749	823	7,740	17,572	25,312	2005	5-40
Hamilton Parkway	1	IL	IND	—	1,554	4,408	563	1,554	4,971	6,525	1995	5-40
Hintz Building	1	IL	IND	—	420	1,259	402	420	1,661	2,081	1998	5-40
Itasca Industrial Portfolio	5	IL	IND	—	3,830	11,537	2,958	3,830	14,495	18,325	1994	5-40
AMB Kehoe Industrial	1	IL	IND	—	2,000	3,006	—	2,000	3,006	5,006	2006	5-40
Melrose Park Distribution Ctr	1	IL	IND	—	2,936	9,190	2,398	2,936	11,588	14,524	1995	5-40
NDP — Chicago	3	IL	IND	—	1,496	4,487	1,271	1,496	5,758	7,254	1998	5-40
AMB Nicholas Logistics Center	1	IL	IND	—	4,681	5,811	1,883	4,681	7,694	12,375	2001	5-40
AMB O'Hare	14	IL	IND	8,987	2,924	8,995	3,002	2,924	11,997	14,921	2001	5-40
O'Hare Industrial Portfolio	12	IL	IND	—	5,497	20,238	1,806	5,497	22,044	27,541	1996	5-40
Poplar Gateway Truck Terminal	1	IL	IND	—	4,551	3,152	806	4,551	3,958	8,509	2002	5-40
AMB Port O'Hare	2	IL	IND	5,739	4,913	5,761	1,300	4,913	7,061	11,974	2001	5-40
AMB Svert Distribution	1	IL	IND	—	857	1,377	744	857	2,121	2,978	2004	5-40
Stone Distribution Center	1	IL	IND	2,781	2,242	3,266	801	2,242	4,067	6,309	2003	5-40
AMB Territorial Industrial	1	IL	IND	—	954	3,451	5	954	3,456	4,410	2006	5-40
Thorndale Distribution	1	IL	IND	5,252	4,130	4,216	531	4,130	4,747	8,877	2002	5-40

AMB PROPERTY CORPORATION
SCHEDULE III
CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2006

Property	No of Bldgs	Location	Type	Encumbrances(3)	Initial Cost to Company		Costs Capitalized Subsequent to Acquisition	Gross Amount Carried at 12/31/06			Accumulated Depreciation(4)	Year of Construction/ Acquisition	Depreciable Life (Years)
					Land	Building & Improvements		Land	Building & Improvements	Total Cost(1)(2)			
(In thousands, except number of buildings)													
Touhy Cargo Terminal	1	IL	IND	5,056	2,800	110	4,615	2,800	4,725	7,525	450	2002	5-40
West O'Hare CC	2	IL	IND	5,892	8,523	14,848	1,761	8,523	16,609	25,132	1,732	2001	5-40
Windsor Court	1	IL	IND	—	766	2,338	165	766	2,503	3,269	612	1997	5-40
Wood Dale Industrial SG	5	IL	IND	8,227	2,868	9,166	1,482	2,868	10,648	13,516	1,993	2001	5-40
Yohan Industrial	3	IL	IND	4,364	5,904	7,323	1,656	5,904	8,979	14,883	1,349	2003	5-40
Dallas/Ft. Worth													
Addison Technology Center	1	TX	IND	—	899	2,696	1,312	899	4,008	4,907	1,228	1998	5-40
Dallas Industrial	12	TX	IND	—	5,938	17,836	5,980	5,938	23,816	29,754	7,856	1994	5-40
Greater Dallas Industrial Port	4	TX	IND	—	4,295	14,285	3,971	4,295	18,256	22,551	5,676	1997	5-40
Lincoln Industrial Center	1	TX	IND	—	671	2,052	1,426	671	3,478	4,149	760	1994	5-40
Lonestar Portfolio	6	TX	IND	15,414	6,451	19,360	4,978	6,451	24,338	30,789	4,115	1994	5-40
Northfield Dist. Center	7	TX	IND	21,453	9,313	27,388	3,676	9,313	31,064	40,377	3,519	2002	5-40
Richardson Tech Center SGP	2	TX	IND	4,810	1,522	5,887	2,425	1,522	8,312	9,834	1,116	2001	5-40
Walwood Industrial	2	TX	IND	—	1,983	5,989	2,476	1,983	8,465	10,448	2,745	1994	5-40
West North Carrier Parkway	1	TX	IND	—	1,375	4,165	1,275	1,375	5,440	6,815	1,676	1993	5-40
Los Angeles													
Activity Distribution Center	4	CA	IND	—	3,736	11,248	3,293	3,736	14,541	18,277	3,914	1994	5-40
Anaheim Industrial Property	1	CA	IND	—	1,457	4,341	940	1,457	5,281	6,738	1,420	1994	5-40
Artesia Industrial	23	CA	IND	—	21,764	65,270	15,301	21,764	80,571	102,335	21,873	1996	5-40
Bell Ranch Distribution	5	CA	IND	—	6,904	12,915	1,415	6,904	14,330	21,234	2,286	2001	5-40
Cabrillo Distribution Center	1	CA	IND	11,794	7,563	11,177	41	7,563	11,218	18,781	1,134	2002	5-40
Carson Industrial	12	CA	IND	—	4,231	10,418	6,664	4,231	17,082	21,313	3,713	1999	5-40
Carson Town Center	2	CA	IND	—	6,565	3,210	15,604	6,565	18,814	25,379	3,865	2000	5-40
Chartwell Distribution Center	1	CA	IND	—	2,711	8,191	1,111	2,711	9,302	12,013	1,645	2000	5-40
Del Amo Industrial Center	1	CA	IND	—	2,529	7,651	231	2,529	7,882	10,411	1,206	2000	5-40
Eaves Distribution Center	3	CA	IND	14,341	11,893	12,708	3,317	11,893	16,025	27,918	3,239	2001	5-40
Fordyce Distribution Center	1	CA	IND	7,054	5,835	10,985	917	5,835	11,902	17,737	1,346	2001	5-40
Ford Distribution Cntr	7	CA	IND	—	24,557	22,046	5,261	24,557	27,307	51,864	4,750	2001	5-40
Harris Bay Cir Alliance II	9	CA	IND	31,095	20,772	31,050	4,370	20,863	35,329	56,192	6,706	2000	5-40
Hawthorne LAX Cargo AMBPTNII	1	CA	IND	7,952	2,775	8,377	519	2,775	8,896	11,671	1,436	2000	5-40
LA Co Industrial Port SGP	6	CA	IND	21,596	9,430	29,242	6,600	9,432	35,840	45,272	5,700	2001	5-40
LAX Gateway	1	CA	IND	15,960	—	26,814	425	—	27,239	27,239	3,093	2004	5-40
Los Nietos Business Center SG	4	CA	IND	7,504	2,488	7,751	1,103	2,488	8,854	11,342	1,635	2001	5-40
International MultiFoods	1	CA	IND	—	1,613	4,879	1,613	1,613	6,630	8,243	1,910	1993	5-40
NDP — Los Angeles	6	CA	IND	—	5,948	17,844	4,879	5,948	22,723	28,671	5,520	1998	5-40
Normandie Industrial	1	CA	IND	—	2,398	7,491	3,095	2,398	10,586	12,984	2,370	2000	5-40
Northpointe Commerce	2	CA	IND	—	1,773	5,358	788	1,773	6,146	7,919	1,646	1993	5-40

AMB PROPERTY CORPORATION
SCHEDULE III
CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2006

Property	No of Bldgs	Location	Type	Encumbrances(3)	Initial Cost to Company		Costs Capitalized Subsequent to Acquisition	Gross Amount Carried at 12/31/06			Accumulated Depreciation(4)	Year of Construction/ Acquisition	Depreciable Life (Years)
					Land	Building & Improvements		Land	Building & Improvements	Total Costs(1)(2)			
(In thousands, except number of buildings)													
Pioneer-Alburts	5	CA	IND	7,821	2,422	7,166	1,302	2,422	8,468	10,890	1,645	2001	5-40
Park One at LAX, LLC	0	CA	IND	—	75,000	431	67	75,000	498	75,498	64	2002	5-40
Slanson Dist. Ctr. AMBPTNH	8	CA	IND	24,706	7,806	23,552	6,163	7,806	29,715	37,521	5,307	2000	5-40
Spinaker Logistics	1	CA	IND	12,934	12,198	17,276	1,737	12,198	19,013	31,211	417	2004	5-40
AMB Starboard Distribution Ctr	1	CA	IND	—	19,683	17,387	2,069	19,683	19,456	39,139	1,160	2005	5-40
Sunset Dist. Center	3	CA	IND	13,725	13,360	2,765	10,022	13,360	12,787	26,147	1,311	2002	5-40
Systematics	1	CA	IND	—	911	2,773	711	911	3,484	4,395	1,161	1993	5-40
Torrance Commerce Center	6	CA	IND	—	2,045	6,136	1,604	2,045	7,740	9,785	2,281	1998	5-40
AMB Triton Distribution Center	1	CA	IND	9,700	6,856	7,135	1,243	6,856	8,378	15,234	351	2005	5-40
Van Nuys Airport Industrial	4	CA	IND	—	9,393	8,641	15,714	9,393	24,355	33,748	5,463	2000	5-40
Walnut Drive	1	CA	IND	—	964	2,918	814	964	3,732	4,696	1,065	1997	5-40
Watson Industrial Center AFdIII	1	CA	IND	4,270	1,713	5,321	1,378	1,713	6,699	8,412	1,252	2001	5-40
Wilmington Avenue Warehouse	2	CA	IND	—	3,849	11,605	4,525	3,849	16,130	19,979	4,284	1999	5-40
Miami													
Beacon Centre	18	FL	IND	65,798	31,704	96,681	26,393	31,704	123,074	154,778	24,905	2000	5-40
Beacon Centre — Headlands	1	FL	IND	—	2,523	7,669	1,288	2,523	8,957	11,480	1,637	2000	5-40
Beacon Industrial Park	8	FL	IND	—	10,105	31,437	9,388	10,105	40,825	50,930	9,881	1996	5-40
Beacon Lakes	1	FL	IND	7,544	1,689	8,133	878	1,689	9,011	10,700	822	2002	5-40
Blue Lagoon Business Park	2	FL	IND	—	4,945	14,875	2,439	4,945	17,314	22,259	4,486	1996	5-40
Cobia Distribution Center	2	FL	IND	7,800	1,792	5,950	2,292	1,792	8,242	10,034	534	2004	5-40
Dolphin Distribution Center	1	FL	IND	2,819	1,581	3,602	1,652	1,581	5,254	6,835	295	2003	5-40
Gratigny Distribution Center	1	FL	IND	3,766	1,551	2,380	1,306	1,551	3,686	5,237	513	2003	5-40
Marlin Distribution Center	1	FL	IND	—	1,076	2,169	931	1,076	3,100	4,176	408	2003	5-40
Miami Airport Business Center	6	FL	IND	—	6,400	19,634	5,068	6,400	24,702	31,102	4,956	1999	5-40
Panther Distribution Center	1	FL	IND	3,865	1,840	3,252	1,391	1,840	4,643	6,483	482	2003	5-40
Sunrise Industrial	3	FL	IND	7,415	4,573	17,088	2,155	4,573	19,243	23,816	3,104	1998	5-40
Tarpon Distribution Center	1	FL	IND	3,008	884	3,914	531	884	4,445	5,329	450	2004	5-40
No. New Jersey/New York City													
AMB Meadowlands Park	8	NJ	IND	—	5,449	14,458	4,975	5,449	19,433	24,882	4,253	2000	5-40
Dellamere	8	NJ	IND	13,662	12,061	11,577	2,674	12,061	14,251	26,312	2,084	2002	5-40
Docks Corner SG (Phase II)	1	NJ	IND	34,068	13,672	22,516	20,624	13,672	43,140	56,812	7,672	2001	5-40
Fairfalls Portfolio	28	NJ	IND	32,984	20,381	45,038	6,351	20,381	51,389	71,770	5,121	2004	5-40
Fairmeadows Portfolio	20	NJ	IND	30,058	22,932	35,422	7,935	22,932	43,457	66,389	4,437	2003	5-40
Jamesburg Road Corporate Park	3	NJ	IND	20,605	11,700	35,101	6,141	11,700	41,242	52,942	11,070	1998	5-40
JFK Air Cargo	15	NY	IND	—	16,944	45,694	8,664	16,944	54,358	71,302	11,696	2000	5-40
JFK Airport Park	1	NY	IND	—	2,350	7,251	1,240	2,350	8,491	10,841	1,798	2000	5-40
AMB JFK Airgate Center	4	NY	IND	12,770	5,980	26,393	2,570	5,980	28,963	34,943	2,070	2005	5-40

AMB PROPERTY CORPORATION
SCHEDULE III
CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2006

Property	No of Bldgs	Location	Type	Encumbrances(3)	Initial Cost to Company			Costs Capitalized Subsequent to Acquisition	Gross Amount Carried at 12/31/06			Accumulated Depreciation(4)	Year of Construction/ Acquisition	Depreciable Life (Years)
					Land	Building & Improvements			Land	Building & Improvements	Total Costs(1)(2)			
(In thousands, except number of buildings)														
Linden Industrial	1	NJ	IND	—	900	2,753	1,617	900	4,370	5,270	1,057	1999	5-40	
Mahwah Corporate Center	4	NJ	IND	—	7,068	22,086	5,886	7,068	27,972	35,040	5,604	1998	5-40	
Mooncreek Distribution Center	1	NJ	IND	—	2,958	7,924	166	2,958	8,090	11,048	662	2004	5-40	
Meadowlands ALFI	3	NJ	IND	11,510	5,210	10,272	2,457	5,210	12,729	17,939	2,624	2001	5-40	
Meadowlands Cross Dock	1	NJ	IND	—	1,110	3,485	1,102	1,110	4,587	5,697	1,187	2000	5-40	
Meadow Lane	1	NJ	IND	—	838	2,594	773	838	3,367	4,205	702	1999	5-40	
Moonachie Industrial	2	NJ	IND	5,154	2,731	5,228	711	2,731	5,939	8,670	1,036	2001	5-40	
Murray Hill Parkway	2	NJ	IND	—	1,670	2,568	5,605	1,670	8,173	9,843	3,117	1999	5-40	
Newark Airport I & II	2	NJ	IND	3,347	1,755	5,400	656	1,755	6,056	7,811	1,385	2000	5-40	
Orchard Hill	1	NJ	IND	1,504	1,212	1,411	642	1,212	2,053	3,265	242	2002	5-40	
AMB Pointview Dist. Ctr	1	NJ	IND	12,217	4,693	12,355	539	4,693	12,894	17,587	563	2005	5-40	
Porcete Avenue Warehouse	1	NJ	IND	—	4,067	12,202	5,081	4,067	17,283	21,350	4,391	1998	5-40	
Skyland Crossdock	1	NJ	IND	—	—	7,250	714	—	7,964	7,964	970	2002	5-40	
Teeterboro Meadows 15	1	NJ	IND	9,189	4,961	9,618	6,838	4,961	16,456	21,417	2,953	2001	5-40	
AMB Tri-Port Distribution Ctr	1	NJ	IND	—	25,672	19,852	729	25,672	20,581	46,253	1,564	2004	5-40	
Two South Middlesex	1	NJ	IND	—	2,247	6,781	2,354	2,247	9,135	11,382	2,627	1995	5-40	
On-Farmac														
AMB BWI Cargo Center E	1	MD	IND	—	—	6,367	290	—	6,567	6,567	2,157	2000	5-19	
AMB DFW Cargo Center East	3	TX	IND	5,678	—	20,632	1,291	—	21,923	21,923	5,176	2000	5-26	
AMB DAY Cargo Center	5	OH	IND	6,265	—	7,163	554	—	7,717	7,717	2,264	2000	5-23	
AMB DFW Cargo Center 1	1	TX	IND	—	—	34,199	724	—	34,923	34,923	1,334	2005	5-32	
AMB DFW Cargo Center 2	1	TX	IND	—	—	4,286	14,703	—	18,989	18,989	3,721	1999	5-39	
AMB IAD Cargo Center 5	1	VA	IND	—	—	38,840	804	—	39,644	39,644	11,723	2002	5-15	
AMB JAX Cargo Center	1	FL	IND	—	—	3,029	226	—	3,255	3,255	859	2000	5-22	
AMB JFK Cargo Center 7577	2	NJ	IND	—	—	30,965	6,503	—	37,468	37,468	12,917	2002	5-13	
AMB LAS Cargo Center 15	4	NV	IND	—	—	19,721	1,560	—	21,281	21,281	3,026	2003	5-33	
AMB LAX Cargo Center	3	CA	IND	6,454	—	13,445	782	—	14,227	14,227	3,940	2000	5-22	
AMB MCI Cargo Center 1	1	MO	IND	4,215	—	5,793	437	—	6,230	6,230	2,115	2000	5-18	
AMB MCI Cargo Center 2	1	MO	IND	8,485	—	8,134	180	—	8,314	8,314	1,836	2000	5-27	
AMB PHL Cargo Center C2	1	PA	IND	—	—	9,716	2,438	—	12,154	12,154	4,068	2000	5-27	
AMB PDX Cargo Center Airtrans	2	OR	IND	—	—	9,207	2,018	—	11,225	11,225	2,187	1999	5-28	
AMB RNO Cargo Center 1011	2	NV	IND	—	—	6,014	302	—	6,316	6,316	1,129	2003	5-23	
AMB SEA Cargo Center North	2	WA	IND	3,771	—	15,594	570	—	16,164	16,164	3,764	2000	5-27	
AMB SEA Cargo Center South	1	WA	IND	—	—	3,056	363	—	3,419	3,419	1,519	2000	5-14	
San Francisco Bay Area														
Acer Distribution Center	1	CA	IND	—	3,146	9,479	3,162	3,146	12,641	15,787	3,941	1998	5-40	
Albree Business Center	1	CA	IND	7,331	6,299	6,227	1,189	6,299	7,416	13,715	1,222	2001	5-40	

AMB PROPERTY CORPORATION
SCHEDULE III
CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2006

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					Land	Building & Improvements		Land	Building & Improvements	Total Cost(1)(2)			
(In thousands, except number of buildings)													
Alvarado Business Center SG	5	CA	IND	22,560	6,328	26,671	10,620	6,328	37,291	43,619	6,551	2001	5-40
Brennan Distribution	1	CA	IND	3,448	3,683	3,022	2,193	3,683	5,215	8,898	1,599	2001	5-40
Central Bay	2	CA	IND	6,571	3,896	7,400	1,903	3,896	9,303	13,199	2,068	2001	5-40
Component Drive Ind Port	3	CA	IND	—	12,688	6,974	2,028	12,688	9,002	21,690	1,766	2001	5-40
Dado Distribution	1	CA	IND	—	7,221	3,739	2,520	7,221	6,259	13,480	1,217	2001	5-40
Doolittle Distribution Center	1	CA	IND	—	2,644	8,014	1,522	2,644	9,536	12,180	2,030	2000	5-40
Dowe Industrial Center	2	CA	IND	—	2,665	8,034	2,537	2,665	10,571	13,236	3,023	1991	5-40
East Bay Whipple	1	CA	IND	6,497	5,233	8,126	1,697	5,233	9,823	15,156	1,735	2001	5-40
East Bay Doolittle	1	CA	IND	—	7,128	11,023	3,051	7,128	14,074	21,202	2,783	2001	5-40
Edgewater Industrial Center	1	CA	IND	—	4,038	15,113	5,574	4,038	20,687	24,725	4,995	2000	5-40
East Grand Airfreight	2	CA	IND	3,789	5,093	4,190	816	5,093	5,006	10,099	639	2003	5-40
Fairway Drive Ind SGP	4	CA	IND	11,546	4,204	13,949	3,496	4,204	17,445	21,649	3,009	2001	5-40
Junction Industrial Park	4	CA	IND	—	7,875	23,975	4,377	7,875	28,352	36,227	6,651	1999	5-40
Laurelwood Drive	2	CA	IND	—	2,750	8,538	958	2,750	9,496	12,246	2,238	1997	5-40
Lawrence SSF	1	CA	IND	—	2,870	5,521	1,269	2,870	6,790	9,660	1,491	2001	5-40
Marina Business Park	2	CA	IND	—	3,280	4,316	447	3,280	4,763	8,043	608	2002	5-40
Martin/Scott Ind Port	2	CA	IND	—	9,052	5,309	952	9,052	6,261	15,313	979	2001	5-40
MBC Industrial	4	CA	IND	—	5,892	17,716	3,881	5,892	21,597	27,489	6,065	1996	5-40
Milmoor Page SGP	3	CA	IND	10,780	3,420	10,600	3,356	3,420	13,956	17,376	2,391	2001	5-40
Moffett Distribution	7	CA	IND	15,856	26,916	11,277	2,875	26,916	14,152	41,068	2,725	2001	5-40
Moffett Park / Bordeaux R&D	4	CA	IND	—	—	—	3,801	—	3,801	3,801	2,557	1996	5-40
Moffett Park R&D Portfolio	10	CA	IND	—	14,805	44,462	12,458	14,805	56,920	71,725	17,744	1996	5-40
Pacific Business Center	2	CA	IND	—	5,417	16,291	4,519	5,417	20,810	26,227	6,174	1993	5-40
Pardee Drive SG	1	CA	IND	1,443	619	1,880	284	619	2,164	2,783	354	2001	5-40
South Bay Brokaw	3	CA	IND	—	4,372	13,154	3,218	4,372	16,372	20,744	4,769	1995	5-40
South Bay Junction	2	CA	IND	—	3,464	10,424	1,099	3,464	11,523	14,987	3,089	1995	5-40
South Bay Lundy	2	CA	IND	—	5,497	16,542	2,787	5,497	19,329	24,826	5,417	1995	5-40
South Bay Osgood	1	CA	IND	—	1,659	4,992	1,537	1,659	6,529	8,188	1,787	1995	5-40
Silicon Valley R&D	5	CA	IND	—	6,700	20,186	11,877	6,700	32,063	38,763	10,434	1997	5-40
Utah Airfreight	1	CA	IND	16,234	18,753	8,381	1,759	18,753	10,140	28,893	1,565	2003	5-40
Wiegman Road	1	CA	IND	—	1,563	4,688	1,670	1,563	6,358	7,921	2,044	1997	5-40
Willow Park Industrial	21	CA	IND	—	25,590	76,771	20,408	25,590	97,179	122,769	26,189	1998	5-40
Williams & Burroughs AMB Prtl	4	CA	IND	7,468	2,262	6,981	3,406	2,262	10,387	12,649	2,949	2001	5-40
Yosemite Drive	1	CA	IND	—	2,350	7,051	1,546	2,350	8,597	10,947	2,115	1997	5-40
Zanker/Charcot Industrial Seattle	5	CA	IND	—	5,282	15,887	4,806	5,282	20,693	25,975	5,633	1992	5-40
Black River	1	WA	IND	3,197	1,845	3,559	534	1,845	4,093	5,938	778	2001	5-40

AMB PROPERTY CORPORATION
SCHEDULE III
CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2006

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					Land	Building & Improvements		Land	Building & Improvements	Total Cost(1)(2)			
(In thousands, except number of buildings)													
Earlington Business Park	1	WA	IND	3,962	2,766	3,234	1,052	2,766	4,286	7,052	753	2002	5-40
East Valley Warehouse	1	WA	IND	—	6,813	20,311	6,656	6,813	27,167	33,980	7,620	1999	5-40
Harvest Business Park	3	WA	IND	—	2,371	7,153	2,161	2,371	9,314	11,685	2,735	1995	5-40
Kent Centre Corporate Park	4	WA	IND	—	3,042	9,165	3,060	3,042	12,225	15,267	3,282	1995	5-40
Kingsport Industrial Park	7	WA	IND	—	7,919	23,812	7,195	7,919	31,007	38,926	8,849	1992	5-40
NDP — Seattle	4	WA	IND	11,206	3,992	11,773	1,404	3,992	13,177	17,169	1,783	2002	5-40
Northwest Distribution Center	3	WA	IND	—	3,533	10,751	2,010	3,533	12,761	16,294	3,494	1992	5-40
AMB Portside Distribution Cent	1	WA	IND	—	9,964	14,421	4,707	9,964	19,128	29,092	990	2005	5-40
Puget Sound Airfreight	1	WA	IND	—	1,329	1,830	426	1,329	2,256	3,585	424	2002	5-40
Renton Northwest Corp. Park	6	WA	IND	22,990	25,959	14,792	1,922	25,959	16,714	42,673	2,132	2002	5-40
SEA Logistics Center 2	3	WA	IND	14,031	11,481	24,496	485	11,481	24,981	36,462	2,293	2003	5-40
AMB Summer Landing	1	WA	IND	—	6,937	17,577	3,056	6,937	20,633	27,570	1,425	2005	5-40
Trans-Pacific Industrial Park	11	WA	IND	48,600	31,675	42,210	9,516	31,675	51,726	83,401	5,459	2003	5-40
Non U.S. Target Markets													
AMB Capronlaan	1	The Netherlands	IND	22,260	8,769	14,675	2,403	9,497	16,350	25,847	1,418	2004	5-40
AMB CDG Cargo Center SAS	1	France	IND	20,403	—	38,870	2,353	—	41,223	41,223	2,806	2004	8-38
AMB Schiphol Dist Center	1	The Netherlands	IND	9,655	6,258	9,490	84	6,258	9,574	15,832	701	2004	5-40
Koothovenlaan 1&2	2	The Netherlands	IND	10,256	4,371	7,412	506	4,551	7,738	12,289	459	2005	4-40
AMB Ile d'Abeau Logistics Park Bldg B	1	Lyon	IND	18,479	3,774	14,367	1,809	4,133	15,817	19,950	893	2005	5-40
Frankfurt Logistic Center	1	Germany	IND	23,316	—	19,875	5,250	—	25,125	25,125	1,620	2003	37-40
Paris Nord Distribution I	1	France	IND	—	2,864	4,723	2,606	3,743	6,450	10,193	693	2002	5-40
Paris Nord Distribution II	1	France	IND	—	1,697	5,127	4,034	2,191	8,667	10,858	1,217	2002	5-40
Bourget Industrial	1	France	IND	33,077	10,058	23,843	2,769	10,864	25,806	36,670	2,004	2003	5-38
Port of Rotterdam	1	The Netherlands	IND	3,689	—	5,660	428	—	6,088	6,088	263	2005	4-40
Port of Hamburg 2, 3, 5	3	Germany	IND	18,987	—	34,218	4,360	—	38,578	38,578	1,564	2005	2-28
AMB LG Roissy Mesnil SAS	1	France	IND	310	124	537	54	124	591	715	3	2006	2-40
AMB LG Roissy Santal SAS	1	France	IND	2,851	1,396	3,227	143	1,396	3,370	4,766	91	2006	2-40
AMB LG Roissy Saturne SAS	1	France	IND	2,957	1,666	3,894	151	1,666	4,045	5,711	79	2006	4-40
AMB LG Roissy Scandy SAS	1	France	IND	3,867	1,870	4,325	157	1,870	4,482	6,352	115	2006	2-40
AMB LG Roissy Scipion SAS	1	France	IND	2,006	844	3,597	141	844	3,738	4,582	81	2006	2-40
AMB LG Roissy Segur SAS	1	France	IND	9,655	4,583	11,444	237	4,583	11,681	16,264	224	2006	5-40
AMB LG Roissy Sepia SAS	1	France	IND	4,052	2,162	4,594	651	2,162	5,245	7,407	97	2006	6-40
AMB LG Roissy Seringa SAS	1	France	IND	2,653	1,126	3,483	250	1,126	3,733	4,859	79	2006	3-40
AMB LG Roissy Signae SAS	1	France	IND	4,785	2,106	5,228	166	2,106	5,394	7,500	117	2006	3-40
AMB LG Roissy Sisley SAS	1	France	IND	6,349	2,883	6,942	425	2,883	7,367	10,250	136	2006	5-40
AMB LG Roissy Soliflore SAS	1	France	IND	2,178	752	3,248	138	752	3,386	4,138	77	2006	2-40

AMB PROPERTY CORPORATION
SCHEDULE III
CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2006

Property	No of Bldgs	Location	Type	Encumbrances(3)	Initial Cost to Company		Costs Capitalized Subsequent to Acquisition	Gross Amount Carried at 12/31/06			Accumulated Depreciation(4)	Year of Construction/ Acquisition	Depreciable Life (Years)
					Land	Building & Improvements		Land	Building & Improvements	Total Cost(1)(2)			
(In thousands, except number of buildings)													
AMB LG Roissy Sonate SAS	1	France	IND	7,477	4,121	9,745	291	4,121	10,036	14,157	241	2006	2-40
AMB LG Roissy Sorbiers SAS	1	France	IND	3,524	1,124	4,853	155	1,124	5,008	6,132	150	2006	2-40
AMB LG Roissy Stortland SAS	1	France	IND	1,346	479	2,109	226	479	2,335	2,814	42	2006	2-40
AMB LG Roissy Symphonie SAS	1	France	IND	3,933	1,930	4,463	158	1,930	4,621	6,551	125	2006	2-40
AMB Eemhaven Distribution Center B.V.	1	The Netherlands	IND	—	—	23,588	1,399	—	24,987	24,987	9	2006	5-33
AMB Hordijk Distribution Center B.V.	1	The Netherlands	IND	—	—	12,349	4	—	12,353	12,353	54	2006	5-40
SCI AMB France Givaudan DC	1	France	IND	—	1,037	4,323	—	1,037	4,323	5,360	51	2006	5-40
AMB Port of Hamburg 4, 6-8 BV	4	Germany	IND	39,284	—	51,359	81	—	51,440	51,440	2,116	2006	2-28
AMB Juiting DC	1	Shanghai	IND	—	—	6,302	—	—	6,302	6,302	501	2005	2-40
Corregidora Distribution Center	1	Mexico	IND	—	798	3,662	9	798	3,671	4,469	50	2006	10-40
U.S. Other Target Markets													
MET PHASE I 95, LTD	4	TX	IND	—	10,968	14,554	2,677	10,968	17,231	28,199	1,346	1995	5-40
MET 412, LTD	1	TX	IND	—	—	18,390	2,678	—	21,068	21,068	8,067	1997	5-40
TechRidge Bldg 4.3B (Phase IV)	1	TX	IND	8,000	4,020	9,185	114	4,020	9,299	13,319	62	2006	5-40
TechRidge Phase II	1	TX	IND	10,588	7,261	13,484	234	7,261	13,718	20,979	1,976	2001	5-40
TechRidge Phase IIIA Bldg. 4.1	1	TX	IND	9,200	3,143	12,087	13	3,143	12,100	15,243	1,353	2004	5-40
Beltway Distribution	1	MD	IND	—	4,800	15,159	6,298	4,800	21,457	26,257	5,508	1999	5-40
B.W.I.P.	2	MD	IND	—	2,258	5,149	1,219	2,258	6,368	8,626	921	2002	5-40
Columbia Business Center	9	MD	IND	—	3,856	11,736	5,001	3,856	16,737	20,593	4,582	1999	5-40
Corridor Industrial	1	MD	IND	2,260	996	3,019	382	996	3,401	4,397	774	1999	5-40
Crysen Industrial	1	MD	IND	—	1,425	4,275	1,425	1,425	5,542	6,967	1,640	1998	5-40
Dulles Commerce Center	3	MD	IND	—	3,694	12,547	1,341	3,694	13,888	17,582	497	2003	5-40
Gateway Commerce Center	5	MD	IND	—	4,083	12,336	2,568	4,083	14,904	18,987	3,593	1999	5-40
AMB Granite Hill Dist. Center	2	MD	IND	—	4,653	6,407	319	4,653	6,726	11,379	193	2006	5-40
Greenwood Industrial	3	MD	IND	—	4,729	14,188	4,053	4,729	18,241	22,970	4,712	1998	5-40
Meadowridge Industrial	3	MD	IND	—	3,716	11,147	958	3,716	12,105	15,821	2,786	1998	5-40
Oakland Ridge Ind Ctr I	1	MD	IND	1,769	797	2,466	1,160	797	3,626	4,423	1,153	1999	5-40
Oakland Ridge Ind Ctr II	1	MD	IND	2,269	839	2,557	1,411	839	3,968	4,807	1,436	1999	5-40
Oakland Ridge Ind Ctr V	4	MD	IND	—	—	6,740	3,052	—	9,772	9,772	3,455	1999	5-40
Pantexen Range Road	2	MD	IND	—	1,696	5,127	1,265	1,696	6,392	8,088	1,806	1997	5-40
Preston Court	1	MD	IND	—	2,313	7,192	1,073	2,313	8,265	10,578	2,056	1997	5-40
Boston Industrial	17	MA	IND	6,475	16,329	50,856	20,516	16,329	71,372	87,701	21,612	1998	5-40
Cabot Business Park	12	MA	IND	—	15,398	42,288	10,484	15,398	52,772	68,170	14,458	1997	5-40
Cabot BP Land (KYD)	1	MA	IND	—	863	6,918	3,035	863	9,953	10,816	3,585	1998	5-40
Cabot Business Park SGP	3	MA	IND	15,525	6,253	18,747	1,872	6,253	20,619	26,872	2,634	2002	5-40

AMB PROPERTY CORPORATION
SCHEDULE III
CONSOLIDATED REAL ESTATE AND ACCUMULATED DEPRECIATION
As of December 31, 2006

Property	No of Bldgs	Location	Type	Encumbrances(3)	Initial Cost to Company		Costs Capitalized Subsequent to Acquisition	Gross Amount Carried at 12/31/06			Accumulated Depreciation(4)	Year of Construction/ Acquisition	Depreciable Life (Years)
					Land	Building & Improvements		Land	Building & Improvements	Total Costs(1)(2)			
(In thousands, except number of buildings)													
Patriot Dist. Center	1	MA	IND	11,844	4,164	22,603	1,249	4,164	23,852	28,016	1,534	2003	5-40
Somerville Distribution Center	1	MA	IND	—	5,221	13,208	1,714	5,221	14,922	20,143	1,107	2004	5-40
AMB Blue Water	1	MN	IND	—	1,905	6,312	—	1,905	6,312	8,217	63	2006	5-40
Braemar Business Center	2	MN	IND	—	1,566	4,613	1,551	1,566	6,164	7,730	1,878	1998	5-40
Burnsville Business Center	1	MN	IND	—	932	2,796	1,566	932	4,362	5,294	1,617	1998	5-40
Corporate Square Industrial	6	MN	IND	—	4,024	12,113	4,335	4,024	16,448	20,472	5,249	1996	5-40
AMB Industrial Park Bus. Ctr	1	MN	IND	3,212	1,648	4,187	8	1,648	4,195	5,843	309	2004	5-40
Minneapolis Distribution Port	3	MN	IND	—	4,052	13,375	4,611	4,052	17,986	22,038	4,840	1994	5-40
Mendota Heights Gateway Common	1	MN	IND	—	1,367	4,565	2,833	1,367	7,398	8,765	2,987	1997	5-40
Minneapolis Industrial Port IV	4	MN	IND	—	4,938	14,854	3,628	4,938	18,482	23,420	5,517	1994	5-40
AMB Northpoint Indust. Center	3	MN	IND	6,245	2,769	8,087	115	2,769	8,202	10,971	751	2004	5-40
Penn James Warehouse	2	MN	IND	—	1,991	6,013	1,888	1,991	7,901	9,892	2,346	1996	5-40
Round Lake Business Center	1	MN	IND	—	875	2,625	863	875	3,488	4,363	1,076	1998	5-40
AMB Shady Oak Indust. Center	1	MN	IND	1,745	897	1,795	248	897	2,043	2,940	237	2004	5-40
Twin Cities	2	MN	IND	—	4,873	14,638	7,989	4,873	22,627	27,500	7,436	1995	5-40
Chancellor	1	FL	IND	—	1,587	3,759	3,622	1,587	7,381	8,968	1,249	1996	5-40
Chancellor Square	3	FL	IND	13,929	2,009	6,106	5,576	2,009	11,682	13,691	3,558	1998	5-40
Presidents Drive	6	FL	IND	—	5,770	17,655	4,785	5,770	22,440	28,210	6,111	1997	5-40
Sand Lake Service Center	6	FL	IND	—	3,483	10,585	5,152	3,483	15,737	19,220	4,876	1998	5-40
Other U.S. Non-Target Markets													
Janitrol	1	OH	IND	—	1,797	4,605(1)	369	1,797	4,974	6,771	1,442	1997	5-40
Elmwood Distribution	5	LA	IND	—	4,163	12,488	5,391	4,152	17,890	22,042	2,742	1998	5-40
Total	820				\$ 1,302,021	\$ 1,347,480	\$ 3,266,466	\$ 775,651	\$ 1,351,123	\$ 4,038,474	\$ 5,389,597		

(1) The Company recognized an impairment loss of approximately \$1.0 million during the year ended December 31, 2006, as a result of leasing activities and changes in the economic environment.

	2006	2005	2004
(1) Reconciliation of total cost to consolidated balance sheet caption as of December 31, 2006:			
Total per Schedule III(5)	\$ 5,389,597	\$ 5,800,788	\$ 5,814,767
Construction in process	1,186,136	997,506	711,377
Total investments in properties	<u>\$ 6,575,733</u>	<u>\$ 6,798,294</u>	<u>\$ 6,526,144</u>
(2) Aggregate cost for federal income tax purposes of investments in real estate	<u>\$ 6,297,448</u>	<u>\$ 6,468,360</u>	<u>\$ 6,263,171</u>
(3) Reconciliation of total debt to consolidated balance sheet caption as of December 31, 2006:			
Total per Schedule III	\$ 1,302,921	\$ 1,598,919	\$ 1,828,864
Debt on properties held for divestiture	22,919	—	27,481
Debt on development properties	63,170	301,623	25,413
Unamortized premiums	6,344	11,984	10,766
Total debt	<u>\$ 1,395,354</u>	<u>\$ 1,912,526</u>	<u>\$ 1,892,524</u>
(4) Reconciliation of accumulated depreciation to consolidated balance sheet caption as of December 31, 2006:			
Total per Schedule III	\$ 789,693	\$ 693,324	\$ 614,084
Accumulated depreciation on properties under renovation	—	4,064	1,562
Total accumulated depreciation	<u>\$ 789,693</u>	<u>\$ 697,388</u>	<u>\$ 615,646</u>
(5) A summary of activity for real estate and accumulated depreciation for the year ended December 31, 2006 is as follows:			
Investments in Properties:			
Balance at beginning of year	\$ 6,798,294	\$ 6,526,144	\$ 5,491,707
Acquisition of properties	669,771	505,127	687,072
Improvements, including development properties	442,922	496,623	618,188
Deconsolidation of AMB Institutional Alliance Fund III, L.P.	(743,323)	—	—
Asset impairment	(6,312)	—	—
Divestiture of properties	(478,545)	(770,869)	(185,564)
Adjustment for properties held for divestiture	(107,074)	41,269	(85,259)
Balance at end of year	<u>\$ 6,575,733</u>	<u>\$ 6,798,294</u>	<u>\$ 6,526,144</u>
Accumulated Depreciation:			
Balance at beginning of year	\$ 697,388	\$ 615,646	\$ 485,559
Depreciation expense, including discontinued operations	127,199	168,869	163,316
Properties divested	(37,391)	(95,371)	(23,559)
Adjustment for properties held for divestiture	2,497	8,244	(9,670)
Balance at end of year	<u>\$ 789,693</u>	<u>\$ 697,388</u>	<u>\$ 615,646</u>

AMB JAPAN FUND I, L.P.
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2006 AND 2005

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners of
AMB Japan Fund I, L.P.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of partners' capital and of cash flows present fairly, in all material respects, the financial position of AMB Japan Fund I, L.P. and its subsidiaries at December 31, 2006 and 2005, and the results of their operations and their cash flows for the year ended December 31, 2006 and the period from Inception (June 30, 2005) to December 31, 2005 in conformity with accounting principles generally accepted in the United States of America (denominated in Yen). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
February 12, 2007

AMB JAPAN FUND I, L.P.
CONSOLIDATED BALANCE SHEETS
As of December 31, 2006 and 2005

	2006	2005
	(Yen in thousands)	
ASSETS		
Investments in real estate:		
Land	¥ 29,132,520	¥ 3,247,793
Buildings and improvements	42,574,173	11,223,394
Total investments in real estate	71,706,693	14,471,187
Accumulated depreciation and amortization	(757,753)	(204,437)
Net investments in real estate	70,948,940	14,266,750
Cash and cash equivalents	3,030,454	1,488,353
Restricted cash	5,099,538	3,142,163
Deferred financing costs, net	547,277	1,009
Accounts receivable and other assets	648,517	114,751
Total assets	¥ 80,274,726	¥ 19,013,026
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities:		
Mortgage loan payable	¥ 2,705,495	¥ 2,711,494
Bonds payable	38,550,556	3,389,367
Secured loans payable	12,385,000	2,600,000
Net payables to affiliates	71,430	2,815,703
Accounts payable and other liabilities	1,192,553	373,113
Distributions payable	1,021,381	367,020
Security deposits	1,713,593	225,761
Total liabilities	57,640,008	12,482,458
Commitments and contingencies (Note 9)		
Minority interests	5,785,959	1,182,563
Partners' Capital:		
AMB Japan Investments, LLC (general partner)	168,487	53,480
Limited partners' capital	16,680,272	5,294,525
Total partners' capital	16,848,759	5,348,005
Total liabilities and partners' capital	¥ 80,274,726	¥ 19,013,026

The accompanying notes are an integral part of these consolidated financial statements.

AMB JAPAN FUND I, L.P.

CONSOLIDATED STATEMENTS OF OPERATIONS
For the Year ended December 31, 2006
and for the Period from Inception (June 30, 2005) to December 31, 2005

	2006	Period from Inception (June 30, 2005) to December 31, 2005
		(Yen in thousands)
RENTAL REVENUES	¥ 2,243,976	¥ 738,648
COSTS AND EXPENSES		
Property operating costs	266,781	91,000
Real estate taxes and insurance	326,813	115,089
Depreciation and amortization	553,538	204,436
General and administrative	171,112	79,717
Total costs and expenses	1,318,244	490,242
Operating income	925,732	248,406
OTHER INCOME AND EXPENSES		
Interest and other income	294	4
Interest, including amortization	(615,868)	(99,376)
Total other income and expenses	(615,574)	(99,372)
Income before minority interests and taxes	310,158	149,034
Income and withholding taxes	(33,429)	(26,135)
Minority interests' share of income	(64,795)	(27,390)
Net income	211,934	95,509
Priority distributions to AMB Japan Investments, LLC	(654,361)	(367,020)
Net loss available to partners	¥ (442,427)	¥ (271,511)

The accompanying notes are an integral part of these consolidated financial statements.

AMB JAPAN FUND I, L.P.

CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
For the Year ended December 31, 2006
and for the Period from Inception (June 30, 2005) to December 31, 2005

	AMB Japan Investments, LLC (General Partner)	Limited Partners (Yen in thousands)	Total
Contributions at Inception (June 30, 2005)	¥ 57,500	¥ 5,692,500	¥ 5,750,000
Net income (loss)	364,305	(268,796)	95,509
Fund offering costs	(1,305)	(129,179)	(130,484)
Priority distributions (Note 8)	(367,020)	—	(367,020)
Balance at December 31, 2005	53,480	5,294,525	5,348,005
Contributions	119,596	11,840,000	11,959,596
Net income (loss)	649,937	(438,003)	211,934
Fund offering costs	(91)	(8,961)	(9,052)
Other comprehensive income (Note 2)	(74)	(7,289)	(7,363)
Priority distributions (Note 8)	(654,361)	—	(654,361)
Balance at December 31, 2006	¥ 168,487	¥ 16,680,272	¥ 16,848,759

The accompanying notes are an integral part of these consolidated financial statements.

AMB JAPAN FUND I, L.P.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Year ended December 31, 2006
and for the Period from Inception (June 30, 2005) to December 31, 2005

	2006	Period from Inception (June 30, 2005) to December 31, 2005
	(Yen in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	¥211,934	¥95,509
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	553,538	204,436
Straight-line rents and amortization of lease intangibles	(176,543)	(40,642)
Debt premiums and finance cost amortization, net	97,170	(5,944)
Minority interests' share of income	64,795	27,390
Changes in assets and liabilities:		
Accounts receivable and other assets	(82,749)	101,151
Restricted cash	(442,060)	—
Accounts payable and other liabilities	(488,927)	103,813
Security deposits	115,045	(7,159)
Net cash (used in) provided by operating activities	(147,797)	478,554
CASH FLOWS FROM INVESTING ACTIVITIES		
Debt financed distributions to AMB Japan for property acquisitions	(9,758,080)	—
Cash paid for property acquisitions, net of cash and restricted cash acquired	(8,634,334)	(3,994,653)
Restricted cash acquired	(1,515,315)	(3,142,163)
Additions to properties	(255,730)	(15,509)
Net cash used in investing activities	(20,163,459)	(7,152,325)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions from limited partners	11,840,000	5,692,490
Contributions from minority interest partners	359,891	1,931
Borrowings on secured loan	9,785,000	2,600,000
Payments of financing costs	(71,979)	(1,813)
Payment of bonds payable	(31,313)	—
Distributions to minority interest partners	(19,190)	—
Fund offering costs	(9,052)	(130,484)
Net cash provided by financing activities	21,853,357	8,162,124
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,542,101	1,488,353
CASH AND CASH EQUIVALENTS — Beginning of period	1,488,353	—
CASH AND CASH EQUIVALENTS — End of period	¥3,030,454	¥1,488,353

The accompanying notes are an integral part of these consolidated financial statements.

AMB JAPAN FUND I, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2006

1. Organization

On May 19, 2005, AMB Japan Investments, LLC ("AMB Japan") and AMB Property II, L.P. as limited partner, formed AMB Japan Fund I, L.P. (the "Fund"), a Cayman Islands-exempted limited partnership. On June 30, 2005 ("Inception"), 13 institutional investors were admitted as limited partners to the Fund and AMB Property II, L.P. withdrew as a limited partner.

On June 30, 2005, AMB Japan contributed its 80.81 percent indirect equity interest with an agreed value of ¥11.9 billion in two operating properties (the "Properties"), consisting of six industrial buildings aggregating 0.9 million square feet (unaudited) to the Fund in exchange for a one percent general partnership interest in the Fund and ¥5.4 billion in cash. At Inception, the limited partners collectively made cash contributions of ¥5.7 billion to the Fund in exchange for a 99.0 percent collective limited partnership interest in the Fund.

The limited partners have collectively committed ¥49.5 billion in equity to the Fund and AMB Japan, as general partner, has committed ¥0.5 billion in equity to the Fund. In addition, AMB Property Singapore Pte. Ltd. ("AMB Singapore") has committed ¥11.9 billion in equity to co-invest with the Fund in properties. As of December 31, 2006, the Fund had completed four capital calls totaling ¥17.5 billion from the limited partners and non-cash contributions from the general partner totaling ¥0.2 billion, respectively.

The Fund and AMB Singapore co-invest (80.81 percent and 19.19 percent, respectively) in Singapore private limited companies ("PTEs") which indirectly own industrial real estate in Japan. The Properties are owned individually in Japanese Tokutei Mokuteki Kaishas ("TMKs"). TMKs are asset-backed entities subject to tax on income net of distributions. Distributions from TMKs to non-residents are subject to local withholding taxes.

As of December 31, 2006, the Fund indirectly owned 80.81 percent of 12 operating buildings aggregating 3.8 million square feet (unaudited). The Properties are located in the following submarkets of Tokyo: Funabashi, Kashiwa, Kawasaki, Narita, Ohta, and Saitama, and a submarket of Osaka: Amagasaki.

2. Summary of Significant Accounting Policies

Basis of Presentation. These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") in Yen currency. The accompanying consolidated financial statements include the financial position, results of operations, and cash flows of the Fund and the joint ventures in which the Fund has a controlling interest. Third party equity interests in the Fund's joint ventures are reflected as minority interests in the accompanying consolidated financial statements. All significant intercompany amounts have been eliminated.

Use of Estimates. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Functional and Reporting Currency. The Yen is both the functional and reporting currency for the Fund's operations. Functional currency is the currency of the primary economic environment in which the Fund operates. Monetary assets and liabilities denominated in currencies other than the Yen are remeasured using the exchange rate at the balance sheet date.

Investments in Real Estate. Investments in real estate are stated at cost unless circumstances indicate that cost cannot be recovered, in which case, the carrying value of the property is reduced to estimated fair value. Carrying values for financial reporting purposes are reviewed for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of a property may not be recoverable. Impairment is recognized when estimated expected future cash flows (undiscounted and without interest charges) are less than the carrying value of the property. The estimation of expected future net cash flows is inherently

AMB JAPAN FUND I, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006

uncertain and relies on assumptions regarding current and future economic and market conditions and the availability of capital. If impairment analysis assumptions change, then an adjustment to the carrying value of the Fund's long-lived assets could occur in the future period in which the assumptions change. To the extent that a property is impaired, the excess of the carrying amount of the property over its estimated fair value is charged to income and is included on the consolidated statements of operations. There were no impairments of the carrying values of its investments in real estate as of December 31, 2006 and 2005.

Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the investments in real estate. The estimated lives are as follows:

<u>Depreciation and Amortization Expense</u>	<u>Estimated Lives</u>
Building and seismic costs	40 years
Parking, plumbing and utility	25 years
Expansions, roof, HVAC and other	20 years
Furniture, fixtures and other	10 years
Signage and common areas	7 years
Painting and other	5 years
Ground lease	Lesser of lease term or 40 years

The initial cost of buildings and improvements includes the purchase price of the property or interest in the property including legal fees and acquisition costs.

Expenditures for maintenance and repairs are charged to operations as incurred. Significant renovations or betterments that extend the economic life of assets are capitalized.

The Fund records at acquisition an intangible asset or liability for the value attributable to above- or below-market leases, in-place leases and lease origination costs. At December 31, 2006, the Fund has recorded intangible assets and liabilities in the amounts of ¥111.0 million, ¥816.3 million, and ¥61.9 million for the value attributable to below-market leases, in-place leases, and lease origination costs, respectively, which are included in buildings and improvements in the accompanying consolidated balance sheets. The value attributable to below-market leases is amortized over the average lease term, approximately 3.9 years, and the amortization is included in rental revenues in the accompanying statements of operations. The value attributable to in-place leases and lease origination costs is amortized over the initial lease term, ranging from 3.9 years to 9.9 years, and the amortization expense is included in depreciation and amortization expense in the accompanying statements of operations.

Cash and Cash Equivalents. Cash and cash equivalents include cash held in financial institutions and other highly liquid short-term investments with original maturities of three months or less.

Restricted Cash. Restricted cash includes cash reserves required to be held pursuant to Agreements with Chuo Mitsui Trust & Banking Co., Ltd. ("Chuo Mitsui"), JP Morgan Trust Bank, Ltd. ("JP Morgan"), Sumitomo Mitsui Banking Corporation ("SMBC") and Shinsei Bank, Limited, as well as cash held in escrow under the terms of the Loan Agreement with JP Morgan. Pursuant to these agreements, minimum levels of cash are required to be held as reserves for operating expenses, real estate taxes and insurance reserves, consumption tax and maintenance reserves. Restricted cash also includes cash held directly by the Fund as collateral for a ¥2.6 billion secured loan payable in connection with the Fund's acquisition of Higashi-Ogijima Distribution Center, which was acquired indirectly by an entity of which the Fund owns 80.81 percent. Upon repayment of this secured loan payable, the cash will become unrestricted.

Deferred Financing Costs. Costs incurred in connection with financings are capitalized and amortized to interest expense using the effective-interest method over the terms of the related debt. As of December 31, 2006 and 2005, deferred financing costs were ¥547.3 million and ¥1.0 million, respectively, net of accumulated amortization.

AMB JAPAN FUND I, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006

Financial Instruments. SFAS No. 133, Accounting for Derivative Instruments and for Hedging Activities, provides comprehensive guidelines for the recognition and measurement of derivatives and hedging activities and, specifically, requires all derivatives to be recorded on the balance sheet at fair value as an asset or liability, with an offset to accumulated other comprehensive income or loss. The Fund's derivative financial instruments in effect at December 31, 2006 were four interest rate swaps, hedging cash flows of the Fund's variable rate bonds based on Tokyo Inter-bank Offered Rate ("TIBOR") plus a margin. Adjustments to the fair value of these instruments for the year ended December 31, 2006 resulted in a loss of ¥7.4 million, net of minority interest. There were no other derivative financial instruments included in accumulated other comprehensive income or loss for the year ended December 31, 2006. There was no impact on accumulated other comprehensive income or loss for the year ended December 31, 2005 as the Fund did not have any derivative financial instruments. This loss is included in accounts payables and other liabilities in the accompanying consolidated balance sheets and other comprehensive income in the accompanying consolidated statements of partners' capital.

Mortgage and Bond Premiums. Mortgage and bond premiums represent the excess of the fair value of debt over the principal value of debt assumed in connection with acquisitions. The mortgage and bond premiums are being amortized into interest expense over the term of the related debt instrument using the effective-interest method. As of December 31, 2006 and 2005, the unamortized mortgage and bond premiums were approximately ¥57.4 million and ¥70.9 million, respectively.

Minority Interests. Minority interests represent a 19.19 percent indirect equity interest in the Properties held by AMB Singapore. Such investments are consolidated because the Fund owns a majority interest and exercises significant control through the ability to control major operating decisions.

Partners' Capital. Profits and losses of the Fund are allocated to each of the partners in accordance with the respective partnership agreements as amended. Partner distributions are expected to be made on a semi-annual basis when distributable proceeds are available. Distributions, other than priority distributions (Note 8), are made to each of the partners in accordance with their respective ownership interests at the time of the distribution.

Rental Revenues. The Fund, as a lessor, retains substantially all of the benefits and risks of ownership of the Properties and accounts for its leases as operating leases. Rental income is recognized on a straight-line basis over the terms of the leases. Reimbursements from tenants for real estate taxes and other recoverable operating expenses are recognized as revenue in the period that the applicable expenses are incurred. The Fund recorded ¥28.4 million and ¥14.2 million of revenue related to the amortization of lease intangibles for the year ended December 31, 2006 and for the period from Inception to December 31, 2005, respectively. The lease intangibles are being amortized on a straight-line basis over the lease terms.

Concentration of Credit Risk. There are owners and developers of real estate that compete with the Fund in its trade areas. This results in competition for tenants to occupy space. The existence of competing properties could have a material impact on the Fund's ability to lease space and on the level of rent that can be achieved. The Fund had five tenants that accounted for 53.0 percent of rental revenues for the year ended December 31, 2006.

Fair Value of Financial Instruments. The Fund's financial instruments include a mortgage loan payable, bonds payable and secured loans payable. Based on borrowing rates available to the Fund at December 31, 2006, the estimated fair market value of the financial instruments was ¥53.4 billion.

3. Real Estate Acquisition Activity

During the year ended December 31, 2006, the Fund acquired an 80.81 percent equity interest in entities that indirectly own four operating properties aggregating 2.6 million square feet (unaudited) from AMB Japan. AMB Singapore retained 19.19 percent of the equity interest in the same entities. The total aggregate investment cost was approximately ¥57.1 billion, which includes ¥79.7 million closing costs. As of December 31, 2006, the Fund owed AMB Japan ¥56.6 million which represents the unpaid portion of the purchase price (Note 8).

AMB JAPAN FUND I, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006

During the period from the Inception to December 31, 2005, the Fund acquired an 80.81 percent equity interest in entities that indirectly own two operating properties, aggregating 0.9 million square feet (unaudited) from AMB Japan. AMB Singapore retained 19.19 percent of the equity interest in the same entities. The total aggregate investment cost was approximately ¥11.9 billion, which includes ¥8.0 million closing costs. As of December 31, 2005, the Fund owed AMB Japan ¥2.6 billion which represents the unpaid portion of the purchase price (Note 8).

During the period from Inception to December 31, 2005, the Fund and AMB Singapore indirectly acquired a five-story 248,214 square feet (unaudited) facility from a third-party seller. The total aggregate investment was approximately ¥2.5 billion which includes approximately ¥150.4 million in closing costs and acquisition fees.

The total purchase price has been allocated as follows (yen in thousands):

	December 31, 2006	Period from Inception to December 31, 2005
Land	¥27,037,638	¥3,247,793
Buildings and improvements	29,234,337	11,005,346
In-place leases	708,025	108,329
Lease origination costs	—	61,858
Below-market leases	—	(110,951)
	<u>¥56,980,000</u>	<u>¥14,312,375</u>

4. Debt

As of December 31, 2006 and 2005, the Fund had one mortgage loan payable totaling ¥2.7 billion, not including an unamortized mortgage premium of approximately ¥25.5 million and ¥31.5 million, respectively. The mortgage loan payable bears interest at a fixed rate of 2.83 percent and matures in 2011.

The mortgage loan payable is collateralized by certain of the Properties and requires interest only payments to be made quarterly until maturity in 2011. In addition, the mortgage loan payable has various covenants such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. Management of the Fund believes that the Fund was in compliance with these covenants as of December 31, 2006 and 2005.

As of December 31, 2006 and 2005, the Fund had one collateralized bond payable totaling ¥3.4 billion, not including an unamortized bond premium of ¥31.9 million and ¥39.4 million, respectively. The bond bears interest at a fixed rate of 2.83 percent and matures in 2011. Principal amortization on this bond begins in June 2007.

If at any such time, the principal outstanding on the ¥3.4 billion bond payable reaches the balance of the principal outstanding on the ¥2.7 billion mortgage loan payable, amortization of principal would then be applied on a pro rata basis of 50.0 percent to the bond payable and 50.0 percent to the mortgage loan payable.

As of December 31, 2006 and 2005, the Fund had four collateralized specified bonds payable totaling ¥35.2 billion and ¥0, respectively. The bonds bear interest at rates per annum equal to the rates of the TIBOR and Yen London Inter-Bank Offer Rate ("LIBOR") plus a margin ranging from 85 to 155 basis points and mature between 2012 and 2013. To hedge the cash flows of these floating rate borrowings, the Fund purchased interest swaps, which have fixed the interest rates payable on principal amounts totaling ¥31.2 billion at rates ranging from 1.32 percent to 1.60 percent per annum. Including the interest rate swaps, the effective borrowing cost for the ¥35.2 billion bonds is 2.65 percent per annum.

As of December 31, 2006 and 2005, the Fund had secured loans payable totaling ¥12.4 billion and ¥2.6 billion, respectively:

- (i) The ¥2.6 billion secured loan payable bears interest at a rate per annum equal to TIBOR plus a margin of 20 basis points and matures in August 2007. For the year ended December 31, 2006 and for the period from

AMB JAPAN FUND I, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006

Inception to December 31, 2005, the interest rate approximated 0.410 percent and 0.263 percent per annum, respectively. The loan payable is secured by a restricted cash balance held directly by the Fund in a cash collateral account.

(ii) The ¥9.8 billion secured loan payable bears interest at a rate per annum equal to LIBOR plus a margin of 75 basis points and matures in April 2008. For the year ended December 31, 2006, the interest rate approximated 1.14 percent per annum. The loan payable is secured by the partners' capital commitment ("Credit Facility").

The scheduled principal payments of the Fund's mortgage payable, bonds payable and secured loans payable as of December 31, 2006 are as follows (yen in thousands):

	Mortgage Loan Payable	Bonds Payable	Secured Loans Payable	Total
2007	¥ —	¥ 212,300	¥ 2,600,000	¥ 2,812,300
2008	—	227,400	9,785,000	10,012,400
2009	—	499,400	—	499,400
2010	—	579,760	—	579,760
2011	2,680,000	3,723,220	—	6,403,220
Thereafter	—	33,276,608	—	33,276,608
Subtotal	2,680,000	38,518,688	12,385,000	53,583,688
Unamortized premiums	25,495	31,868	—	57,363
Total	¥ 2,705,495	¥ 38,550,556	¥ 12,385,000	¥ 53,641,051

Except for the secured loan payable of ¥9.8 billion due in 2008 which is held by the Fund, the Fund's operating properties, mortgage loan payable, bonds payable, and secured loan payable are all held in Japanese TMKs which are special purpose companies ("SPCs"). TMKs are SPCs established under Japanese Asset Liquidation law. As of December 31, 2006, the seven TMKs included in the Fund's consolidated financial statements are AMB Funabashi Tokorozawa TMK, AMB Higashi-Ogijima TMK, AMB Tokai TMK, AMB Narita 1-1 TMK, AMB Amagasaki TMK, AMB Kashiwa TMK and AMB Funabashi 6 TMK. The Properties owned by AMB Funabashi Tokorozawa TMK collateralize one mortgage loan payable and one bond payable. The secured loan payable held by AMB Higashi-Ogijima TMK is collateralized by cash directly held by the Fund in a cash collateral account. The properties owned by AMB Tokai TMK, AMB Narita 1-1 TMK, AMB Amagasaki TMK and AMB Kashiwa TMK collateralize bonds payable by the respective entities. The creditors of the TMKs do not have recourse to any other assets or revenues of AMB Japan or its affiliated entities. Conversely, the creditors of AMB Japan and its affiliated entities do not have recourse to any of the assets or revenues of the TMKs.

AMB JAPAN FUND I, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006**5. Leasing Activity**

The following is a schedule of minimum future cash rentals on non-cancelable tenant operating leases in effect as of December 31, 2006. The schedule does not reflect future rental revenues from the renewal or replacement of existing leases and excludes property operating expense reimbursements.

	(Yen in thousands)
2007	¥4,592,530
2008	4,358,963
2009	3,292,245
2010	3,102,076
2011	1,722,689
Thereafter	3,620,633
Total	¥20,689,136

In addition to minimum rental payments, certain tenants pay reimbursements for their pro rata share of specified operating expenses per their applicable lease agreement, which amounted to ¥115.9 million for the year ended December 31, 2006 and ¥32.1 million for the period from Inception to December 31, 2005. These amounts are included as rental revenues in the accompanying consolidated statement of operations. Some leases contain options to renew.

6. Income and Withholding Taxes

The Fund is exempt from all forms of taxation in the Cayman Islands, including income, capital gains, and withholding tax. The foreign countries where the Fund has operations may impose income, withholding, and other direct and indirect taxes under their respective laws. Accordingly, the Fund recognizes income taxes for these jurisdictions in accordance with U.S. GAAP, as necessary. As of December 31, 2006 and 2005, the Fund has accrued a current tax liability of ¥61.3 million and ¥26.1 million, respectively, representing future withholding taxes on distributions from operations in Japan and Singapore. The Fund also accrued a deferred tax asset of ¥34.5 million and ¥0, respectively, as of December 31, 2006 and 2005. These amounts are included in accounts payable and other liabilities and accounts receivables and other assets in the accompanying consolidated balance sheets.

The tax consequences for each partner of the Fund of acquiring, holding, or disposing of partnership interests will depend upon the relevant laws of any jurisdiction to which the partner is subject.

AMB JAPAN FUND I, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006

7. Supplemental Disclosures of Cash Flow Information

	For the Year Ended December 31, 2006	For the Period from Inception to December 31, 2005
	(Yen in thousands)	
Cash paid for interest, net of amounts capitalized	¥ 404,487	¥ 93,684
Acquisition of properties	¥ 56,980,000	¥ 14,312,375
Non-cash transactions:		
Assumption of bond payable	(35,200,000)	—
Assumption of other assets and liabilities	(5,366,091)	(1,575,172)
Assumption of debts	—	(6,107,609)
Payable for remaining portion of purchase price	(479,330)	(2,577,431)
Non-cash contribution by General Partner	(119,596)	(57,510)
	15,814,983	3,994,653
Debt financed distribution for acquisition of property	(7,180,649)	—
Net cash paid for property acquisitions	¥ 8,634,334	¥ 3,994,653

8. Transactions with Affiliates

During the year ended December 31, 2006, AMB Japan contributed its equity interest in five Singapore PTE entities which owned an 80.81 percent indirect interest in four operating properties, aggregating 2.6 million square feet (unaudited) to the Fund. As of December 31, 2006, the Fund has an obligation of ¥56.6 million, payable to AMB Japan, related to the unpaid portion of the contribution value for the Singapore PTE entities, which is included in net payables to affiliates in the accompanying consolidated balance sheets.

During the year ended December 31, 2006, the Fund made debt financed distributions of ¥9.8 billion to AMB Japan related to the unpaid portion of the contributions value for the Singapore PTE entities contributed at Inception and during the year ended December 31, 2006. As of December 31, 2005, ¥2.6 billion was included in net payables to affiliates in the accompanying consolidated balance sheets.

The contribution values of the Singapore PTEs contributed to the Fund at Inception were determined based on estimated fair market values of the net assets of each PTE as of June 30, 2005. Included in the fair market value determination of the Singapore PTE net assets was the fair market value of the Properties. The fair market value of the Properties was determined based on an appraisal conducted by an independent third party. In September 2005, the June 30, 2005 estimated fair market values of the net assets of the PTEs were adjusted to reflect final valuations. The effect of this adjustment resulted in a receivable to the Fund of ¥15.1 million as of December 31, 2005, which is netted against net payables to affiliates in the accompanying consolidated balance sheets.

Pursuant to the Co-Investment Agreement, AMB Singapore has an obligation to contribute 19.19 percent in capital (debt or equity) towards acquisitions of properties. As of December 31, 2005, AMB Singapore had issued unsecured, non-interest bearing loans in the amount of ¥139.2 million to an 80.81 percent controlled subsidiary of the Fund as funding for acquisition of properties. During the year ended December 31, 2006, these loans were converted into equity in this subsidiary of the Fund.

Pursuant to the Amended and Restated Limited Partnership Agreement and the Co-Investment Agreement, AMB Japan receives an acquisition fee equal to 0.9 percent of the Fund's share of the acquisition cost of properties purchased from third parties. This acquisition fee is reduced by a 0.4 percent acquisition fee AMB Singapore receives of the acquisition cost of properties purchased from third parties who are referred to the Fund by AMB Singapore. As of December 31, 2006 and 2005, the Fund has recorded acquisition fees of approximately ¥0 and

AMB JAPAN FUND I, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006

¥21.8 million, respectively, of which ¥12.1 million was payable to AMB Japan and ¥9.7 million was payable to AMB Singapore related to the Fund's acquisition of Higashi-Ogijima Distribution Center. These amounts are included in net payables to affiliates in the accompanying consolidated balance sheets.

In relation to the acquisition of Higashi-Ogijima Distribution Center, AMB Higashi-Ogijima TMK paid an acquisition fee of ¥63.4 million to AMB Blackpine Ltd ("Blackpine"), a 50/50 joint venture between AMB Headlands Japan LLC, an indirect subsidiary of AMB Property Corporation ("AMB"), and a team of real estate professionals in Japan. During the year ended December 31, 2006, AMB acquired the 50.0 percent of Blackpine that AMB did not previously own, and AMB has combined the operation of Blackpine with its wholly-owned Japanese subsidiary, AMB Property Japan, Inc., the Japan branch of AMB ("AMB Property Japan"). This acquisition fee was capitalized and included in investments in real estate in the accompanying consolidated balance sheets. As of December 31, 2006 and 2005, the unamortized acquisition fee was approximately ¥61.3 million and ¥62.9 million, respectively.

In 2005, the TMKs recorded asset management fees and leasing commissions to Blackpine of approximately ¥7.2 million and ¥16.7 million, respectively. The leasing commissions were capitalized and included in investments in real estate in the accompanying consolidated balance sheets and are being amortized over the lease terms. As of December 31, 2006 and 2005, the unamortized leasing commissions were approximately ¥12.6 million and ¥16.0 million, respectively. Blackpine ceased providing asset management services to the TMKs on January 1, 2006.

Pursuant to an asset management fees agreement, on January 1, 2006, AMB Property Japan began providing asset management services to the Properties. The asset management fee is payable monthly. For the year ended December 31, 2006, the Fund recorded asset management fees of approximately ¥54.5 million.

Pursuant to the Management Services Agreement, AMB Singapore receives management service fees, payable on a quarterly basis, equal to 0.25 percent of capital (equity and debt) contributed to each PTE by the Fund and AMB Singapore. For the year ended December 31, 2006, and for the period from Inception to December 31, 2005, the PTEs recorded management service fees of approximately ¥18.6 million and ¥7.7 million, respectively. As of December 31, 2006 and 2005, the Fund owed ¥7.9 million and ¥7.7 million, respectively, for management service fees which are included in net payables to affiliates in the accompanying consolidated balance sheets.

Pursuant to the Limited Partnership Agreement from June 30, 2005 to June 30, 2006, AMB Japan, as general partner, receives asset management priority distributions equal to 1.5 percent per annum, payable on a quarterly basis, of aggregate capital commitments made to the Fund from the effective date of the agreement through the Supplemental Capital Call Date (as defined in the Limited Partnership Agreement). Pursuant to the First Amendment to the Amended and Restated Agreement of Limited Partnership, effective from July 1, 2006, the asset management priority distribution base changed from 100 percent to 90.0 percent of the aggregate capital commitments to the Fund until the earlier of 90.0 percent of capital commitments being called or the Supplement Call Date (as defined in the Limited Partnership Agreement), and thereafter until the Supplement Call Date, the base will be the called but unreturned capital contributions. Subsequent to the Supplemental Capital Call Date, AMB Japan receives asset management priority distributions equal to 1.5 percent per annum, payable on a quarterly basis, of the unreturned capital contributions. Both amounts referred to above are reduced by amounts paid or accrued to AMB Singapore for management service fees pursuant to the Management Services Agreement and asset management fees paid or accrued to AMB Property Japan, pursuant to the agreement regarding asset management fees. For the year ended December 31, 2006, the Fund recorded asset management priority distributions of approximately ¥654.4 million. For the period from Inception to December 31, 2005, the Fund recorded asset management priority distributions of approximately ¥367.0 million. As of December 31, 2006 and 2005, the Fund owed ¥1.0 billion and ¥367.0 million, respectively, for asset management priority distributions, which are included in distributions payable in the accompanying consolidated balance sheets.

AMB JAPAN FUND I, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
December 31, 2006

Pursuant to the Limited Partnership Agreement, AMB Japan receives incentive distributions equal to 20.0 percent of the amount over a 10.0 percent net nominal internal rate of return (“IRR”) accruing to the limited partners. The incentive distributions increase to 25.0 percent of the amount over a 13.0 percent IRR accruing to the limited partners. As of December 31, 2006, no incentive distributions have been paid or accrued.

AMB, the asset manager for AMB Japan, obtains company-wide insurance coverage from third parties that applies to all properties owned or managed by AMB, including the Properties. As such, the Properties are allocated a portion of the insurance expense incurred by AMB based on AMB’s assessment of the specific risks at those properties. Insurance expense allocated to the Properties amounted to ¥108.9 million for the year ended December 31, 2006 and ¥24.1 million for the period from Inception to December 31, 2005.

9. Commitments and Contingencies

Litigation. In the normal course of business, from time to time, the Fund may be involved in legal actions relating to the ownership and operations of its Properties. Management does not expect that the liabilities, if any, that may ultimately result from such legal actions would have a material adverse effect on the financial position, results of operations, or cash flows of the Fund.

Environmental Matters. The Fund follows AMB’s policy of monitoring its properties for the presence of hazardous or toxic substances. The Fund is not aware of any environmental liability with respect to the Properties that would have a material adverse effect on the Fund’s business, assets or results of operations. However, there can be no assurance that such a material environmental liability does not exist. The existence of any such material environmental liability would have an adverse effect on the Fund’s results of operations and cash flows.

General Uninsured Losses. The Fund carries property and rental loss, liability, flood, environmental and terrorism insurance. Management of the Fund believes that the policy terms and conditions, limits and deductibles are adequate and appropriate under the circumstances, given the relative risk of loss, the cost of such coverage and industry practice. In addition, certain of the Fund’s properties are located in areas that are subject to earthquake activity; therefore, the Fund has obtained limited earthquake insurance on those properties. There are, however, certain types of extraordinary losses, such as those due to acts of war that may be either uninsurable or not economically insurable. Although the Fund has obtained coverage for certain acts of terrorism, with policy specifications and insured limits that management of the Fund believes are commercially reasonable, it is not certain that the Fund will be able to collect under such policies. Should an uninsured loss occur, the Fund could lose its investment in, and anticipated profits and cash flows from, a property. AMB has adopted certain policies with respect to insurance coverage and proceeds as part of its operating policies, which apply to properties owned or managed by AMB, including properties owned by the Fund.

10. Subsequent Events (Unaudited)

Subsequent to December 31, 2006, the Fund acquired approximately ¥31.4 billion of operating properties, obtained secured loans payable and bonds payable of approximately ¥27.0 billion, and repaid ¥6.1 billion in bonds and secured loans payable, in the ordinary course of business.

EXHIBIT INDEX

Unless otherwise indicated below, the Commission file number to the exhibit is No. 001-13545.

Exhibit Number	Description
3.1	Articles of Incorporation of AMB Property Corporation (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-35915)).
3.2	Articles Supplementary establishing and fixing the rights and preferences of the 8.00% Series I Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Current Report on Form 8-K filed on March 23, 2001).
3.3	Articles Supplementary establishing and fixing the rights and preferences of the 7.95% Series J Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Current Report on Form 8-K filed on October 3, 2001).
3.4	Articles Supplementary redesignating and reclassifying all 2,200,000 Shares of the 8.75% Series C Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Current Report on Form 8-K filed on December 7, 2001).
3.5	Articles Supplementary establishing and fixing the rights and preferences of the 7.95% Series K Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Current Report on Form 8-K filed on April 23, 2002).
3.6	Articles Supplementary redesignating and reclassifying 130,000 Shares of 7.95% Series F Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.2 of AMB Property Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002).
3.7	Articles Supplementary redesignating and reclassifying all 20,000 Shares of 7.95% Series G Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.3 of AMB Property Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002).
3.8	Articles Supplementary establishing and fixing the rights and preferences of the 6 ¹ / ₂ % Series L Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.16 of AMB Property Corporation's Form 8-A filed on June 20, 2003).
3.9	Articles Supplementary establishing and fixing the rights and preferences of the 6 ³ / ₄ % Series M Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.17 of AMB Property Corporation's Form 8-A filed on November 12, 2003).
3.10	Articles Supplementary redesignating and reclassifying all 1,300,000 shares of 8 ⁵ / ₈ % Series B Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.18 to AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2004).
3.11	Articles Supplementary establishing and fixing the rights and preferences of the 7.00% Series O Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.19 to AMB Property Corporation's Registration Statement on Form 8-A filed on December 12, 2005).
3.12	Articles Supplementary redesignating and reclassifying all 4,600,000 shares of 8 ¹ / ₂ % Series A Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.1 to AMB Property Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006).
3.13	Articles Supplementary redesignating and reclassifying all 840,000 shares of 8.125% Series H Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.1 to AMB Property Corporation's Current Report on Form 8-K filed on March 24, 2006).
3.14	Articles Supplementary establishing and fixing the rights and preferences of the 6.85% Series P Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.18 to AMB Property Corporation's Registration Statement on Form 8-A filed on August 24, 2006).
3.15	Articles Supplementary redesignating and reclassifying all 220,440 shares of 7.75% Series E Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.1 to AMB Property Corporation's Current Report on Form 8-K filed on October 4, 2006).
3.16	Articles Supplementary redesignating and reclassifying 267,439 shares of 7.95% Series F Cumulative Redeemable Preferred Stock as Preferred Stock (incorporated by reference to Exhibit 3.2 to AMB Property Corporation's Current Report on Form 8-K filed on October 4, 2006).

[Table of Contents](#)

Exhibit Number	Description
3.17	Articles Supplementary Reestablishing and Refixing the Rights and Preferences of the 7.75% Series D Cumulative Redeemable Preferred Stock as 7.18% Series D Cumulative Redeemable Preferred Stock. (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Current Report on Form 8-K filed on February 22, 2007).
3.18	Fifth Amended and Restated Bylaws of AMB Property Corporation (incorporated by reference to Exhibit 3.1 of AMB Property Corporation's Current Report on Form 8-K filed on February 22, 2007).
4.1	Form of Certificate for Common Stock of AMB Property Corporation (incorporated by reference to Exhibit 3.3 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-35915)).
4.2	Form of Certificate for 6 ¹ / ₂ % Series L Cumulative Redeemable Preferred Stock of AMB Property Corporation (incorporated by reference to Exhibit 4.3 of AMB Property Corporation's Form 8-A filed on June 20, 2003).
4.3	Form of Certificate for 6 ³ / ₄ % Series M Cumulative Redeemable Preferred Stock of AMB Property Corporation (incorporated by reference to Exhibit 4.3 of AMB Property Corporation's Form 8-A filed on November 12, 2003).
4.4	Form of Certificate for 7.00% Series O Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 4.4 to AMB Property Corporation's Form 8-A filed December 12, 2005).
4.5	Form of Certificate for 6.85% Series P Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 4.5 of AMB Property Corporation's Form 8-A filed on August 24, 2006).
4.6	\$30,000,000 7.925% Fixed Rate Note No. 1 dated August 18, 2000, attaching the Parent Guarantee dated August 18, 2000 (incorporated by reference to Exhibit 4.5 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2000).
4.7	\$25,000,000 7.925% Fixed Rate Note No. 2 dated September 12, 2000, attaching the Parent Guarantee dated September 12, 2000 (incorporated by reference to Exhibit 4.6 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2000).
4.8	\$50,000,000 8.00% Fixed Rate Note No. 3 dated October 26, 2000, attaching the Parent Guarantee dated October 26, 2000 (incorporated by reference to Exhibit 4.7 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2000).
4.9	\$25,000,000 8.00% Fixed Rate Note No. 4 dated October 26, 2000, attaching the Parent Guarantee dated October 26, 2000 (incorporated by reference to Exhibit 4.8 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2000).
4.10	Specimen of 7.10% Notes due 2008 (included in the First Supplemental Indenture incorporated by reference to Exhibit 4.2 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-49163)).
4.11	Specimen of 7.50% Notes due 2018 (included in the Second Supplemental Indenture incorporated by reference to Exhibit 4.3 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-49163)).
4.12	\$50,000,000 7.00% Fixed Rate Note No. 9 dated March 7, 2001, attaching the Parent Guarantee dated March 7, 2001 (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on March 16, 2001).
4.13	\$25,000,000 6.75% Fixed Rate Note No. 10 dated September 6, 2001, attaching the Parent Guarantee dated September 6, 2001 (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on September 18, 2001).
4.14	\$20,000,000 5.90% Fixed Rate Note No. 11 dated January 17, 2002, attaching the Parent Guarantee dated January 17, 2002 (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on January 23, 2002).
4.15	\$75,000,000 5.53% Fixed Rate Note No. B-1 dated November 10, 2003, attaching the Parent Guarantee dated November 10, 2003 (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003).
4.16	\$100,000,000 Fixed Rate Note No. B-2 dated March 16, 2004, attaching the Parent Guarantee dated March 16, 2004 (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on March 17, 2004).

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
4.17	\$175,000,000 Fixed Rate Note No. B-3, attaching the Parent Guarantee (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on November 18, 2005).
4.18	Indenture dated as of June 30, 1998, by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on August 10, 2006).
4.19	First Supplemental Indenture dated as of June 30, 1998 by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.2 of AMB Property Corporation's Current Report on Form S-11 (No. 333-49163)).
4.20	Second Supplemental Indenture dated as of June 30, 1998, by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.3 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-49163)).
4.21	Third Supplemental Indenture dated as of June 30, 1998, by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.4 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-49163)).
4.22	Fourth Supplemental Indenture, dated as of August 15, 2000 by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K/A filed on November 16, 2000).
4.23	Fifth Supplemental Indenture dated as of May 7, 2002, by and among AMB Property, L.P., AMB Property Corporation and State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.15 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2002).
4.24	Sixth Supplemental Indenture dated as of July 11, 2005, by and among AMB Property, L.P., AMB Property Corporation and U.S. Bank National Association, as successor-in-interest to State Street Bank and Trust Company of California, N.A., as trustee (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on July 13, 2005).
4.25	5.094% Notes due 2015, attaching Parent Guarantee (incorporated by reference to Exhibit 4.2 of AMB Property Corporation's Current Report on Form 8-K filed on July 13, 2005).
4.26	Seventh Supplemental Indenture, dated as of August 10, 2006, by and among AMB Property, L.P., AMB Property Corporation and U.S. Bank National Association, as successor-in-interest to State Street Bank and Trust Company of California, N.A., as trustee, including the Form of Fixed Rate Medium-Term Note, Series C, attaching the Form of Parent Guarantee, and the Form of Floating Rate Medium-Term Note, Series C, attaching the Form of Parent Guarantee. (incorporated by reference to Exhibit 4.2 of AMB Property Corporation's Current Report on Form 8-K filed on August 10, 2006).
4.27	\$175,000,000 Fixed Rate Note No. FXR-C-1, dated as of August 15, 2006, attaching the Parent Guarantee (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on August 15, 2006).
4.28	Form of Registration Rights Agreement among AMB Property Corporation and the persons named therein (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Registration Statement on Form S-11 (No. 333-35915)).
4.29	Registration Rights Agreement dated November 14, 2003 by and among AMB Property II, L.P. and the unitholders whose names are set forth on the signature pages thereto (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on November 17, 2003).
4.30	Registration Rights Agreement dated as of April 17, 2002 by and among AMB Property Corporation, AMB Property, L.P. and the unitholders whose names are set forth on the signature pages thereto (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on April 23, 2002).
4.31	Registration Rights Agreement dated as of September 21, 2001 by and among AMB Property Corporation, AMB Property, L.P. and the unitholders whose names are set forth on the signature pages thereto (incorporated by reference to Exhibit 4.1 of AMB Property Corporation's Current Report on Form 8-K filed on October 3, 2001).

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
4.32	Registration Rights Agreement dated as of March 21, 2001 by and among AMB Property Corporation, AMB Property II, L.P. and the unitholders whose names are set forth on the signature pages thereto (incorporated by reference to Exhibit 3.2 of AMB Property Corporation's Current Report on Form 8-K filed on March 23, 2001).
4.33	Registration Rights Agreement dated as of May 5, 1999 by and among AMB Property Corporation, AMB Property II, L.P. and the unitholders whose names are set forth on the signature pages thereto (filed with AMB Property Corporation's Annual Report on Form 10-K on February 23, 2007).
4.34	Registration Rights Agreement dated as of November 1, 2006 by and among AMB Property Corporation, AMB Property II, L.P., J.A. Green Development Corp. and JAGI, Inc. (filed with AMB Property Corporation's Annual Report on Form 10-K on February 23, 2007).
10.1	Dividend Reinvestment and Direct Purchase Plan, dated July 9, 1999 (incorporated by reference to Exhibit 10.4 of AMB Property Corporation's Quarterly Report on Report Form 10-Q for the quarter ended June 30, 1999).
*10.2	Third Amended and Restated 1997 Stock Option and Incentive Plan of AMB Property Corporation and AMB Property, L.P. (incorporated by reference to Exhibit 10.22 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2001).
*10.3	Amendment No. 1 to the Third Amended and Restated 1997 Stock Option and Incentive Plan of AMB Property Corporation and AMB Property, L.P. (incorporated by reference to Exhibit 10.23 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2001).
*10.4	Amendment No. 2 to the Third Amended and Restated 1997 Stock Option and Incentive Plan of AMB Property Corporation and AMB Property, L.P., dated September 23, 2004 (incorporated by reference to Exhibit 10.5 of AMB Property Corporation's Quarterly Report on Form 10-Q filed on November 9, 2004).
*10.5	2002 Stock Option and Incentive Plan of AMB Property Corporation and AMB Property, L.P. (incorporated by reference to Exhibit 4.15 of AMB Property Corporation's Registration Statement on Form S-8 (No. 333-90042)).
*10.6	Amendment No. 1 to the 2002 Stock Option and Incentive Plan of AMB Property Corporation and AMB Property, L.P., dated September 23, 2004 (incorporated by reference to Exhibit 10.4 of AMB Property Corporation's Quarterly Report on Form 10-Q filed on November 9, 2004).
10.7	Twelfth Amended and Restated Agreement of Limited Partnership of AMB Property, L.P. dated as of August 25, 2006, (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on August 30, 2006).
10.8	Fourteenth Amended and Restated Agreement of Limited Partnership of AMB Property II, L.P., dated February 22, 2007 (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on February 22, 2007).
10.9	Second Amended and Restated Revolving Credit Agreement, dated as of June 1, 2004 by and among AMB Property L.P., the banks listed therein, JPMorgan Chase Bank, as administrative agent, J.P. Morgan Europe Limited, as administrative agent for alternate currencies, Bank of America, N.A., as syndication agent, J.P. Morgan Securities Inc. and Banc of America Securities LLC, as joint lead arrangers and joint bookrunners, Commerzbank Aktiengesellschaft New York and Grand Cayman Branches, PNC Bank National Association and Wachovia Bank, N.A., as documentation agents, KeyBank National Association, The Bank of Nova Scotia, acting through its San Francisco Agency, and Wells Fargo Bank, N.A., as managing agents, and ING Real Estate Finance (USA) LLC, Southtrust Bank and Union Bank of California, N.A., as co-agents (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on June 10, 2004).
10.10	Guaranty of Payment, dated as of June 1, 2004 by AMB Property Corporation for the benefit of JPMorgan Chase Bank, as administrative agent, and J.P. Morgan Europe Limited, as administrative agent for alternate currencies, for the banks listed on the signature page to the Second Amended and Restated Revolving Credit Agreement (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Current Report on Form 8-K filed on June 10, 2004).
10.11	Qualified Borrower Guaranty, dated as of June 1, 2004 by AMB Property, L.P. for the benefit of JPMorgan Chase Bank and J.P. Morgan Europe Limited, as administrative agents for the banks listed on the signature page to the Second Amended and Restated Revolving Credit Agreement (incorporated by reference to Exhibit 10.3 of AMB Property Corporation's Current Report on Form 8-K filed on June 10, 2004).

[Table of Contents](#)

Exhibit Number	Description
10.12	Revolving Credit Agreement, dated as of June 29, 2004, by and among AMB Japan Finance Y.K., as initial borrower, AMB Property, L.P., as guarantor, AMB Property Corporation, as guarantor, the banks listed on the signature pages thereof, and Sumitomo Mitsui Banking Corporation, as administrative agent and sole lead arranger and bookmanager (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on July 2, 2004).
10.13	Guaranty of Payment, dated as of June 29, 2004 by AMB Property, L.P. and AMB Property Corporation for the benefit of Sumitomo Mitsui Banking Corporation, as administrative agent and sole lead arranger and bookmanager, for the banks that are from time to time parties to the Revolving Credit Agreement (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Current Report on Form 8-K filed on July 2, 2004).
10.14	Amendment No. 1 to Revolving Credit Agreement, dated as of June 9, 2005, by and among, AMB Japan Finance Y.K., AMB Amagasaki TMK, AMB Narita 1-1 TMK and AMB Narita 2 TMK, as borrowers, AMB Property, L.P., as guarantor, AMB Property Corporation, as guarantor, the banks listed on the signature pages thereof, and Sumitomo Mitsui Banking Corporation, as administrative agent and sole lead arranger and bookmanager (incorporated by reference in Exhibit 10.19 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2005).
10.15	Amendment No. 2 to Revolving Credit Agreement, dated as of December 8, 2005, by and among, AMB Japan Finance Y.K., as initial borrower, AMB Property, L.P., as guarantor, AMB Property Corporation, as guarantor, the banks listed on the signature pages thereof, and Sumitomo Mitsui Banking Corporation, as administrative agent and sole lead arranger and bookmanager (incorporated by reference in Exhibit 10.20 of AMB Property Corporation's Annual Report on Form 10-K for the year ended December 31, 2005).
10.16	Credit Facility Agreement, dated as of November 24, 2004, by and among AMB Tokai TMK, as borrower, AMB Property, L.P., as guarantor, AMB Property Corporation, as guarantor, the banks listed on the signature pages thereof, and Sumitomo Mitsui Banking Corporation, as administrative agents and sole lead arranger and bookmanager (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on December 1, 2004).
10.17	Guaranty of Payment, dated as of November 24, 2004 by AMB Property, L.P. and AMB Property Corporation for the benefit of Sumitomo Mitsui Banking Corporation, as administrative agent and sole lead arranger and bookmanager, for the banks that are from time to time parties to the Credit Facility Agreement (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Current Report on Form 8-K filed on December 1, 2004).
10.18	Agreement of Sale, made as of October 6, 2003, by and between AMB Property, L.P., International Airport Centers L.L.C. and certain affiliated entities (incorporated by reference to Exhibit 99.3 of AMB Property Corporation's Current Report on Form 8-K filed on November 6, 2003).
10.19	Amendment No. 1, dated May 12, 2005, to Second Amended and Restated Credit Agreement by and among AMB Property, L.P., AMB Property Corporation, the banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Europe Limited, as administrative agent, Bank of America, N.A., as syndication agent, J.P. Morgan Securities Inc. and Banc of America Securities LLC as joint lead arrangers and joint bookrunners, Commerzbank Aktiengesellschaft New York and Grand Cayman Branches, PNC Bank, National Association, and Wachovia Bank, N.A., as documentation agents, Keybank National Association, the Bank of Nova Scotia, acting through its San Francisco agency, and Wells Fargo Bank, N.A., as managing agents, and ING Real Estate Finance (USA) LLC, Southtrust Bank and Union Bank of California, N.A., as co-agents (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005).
10.20	Exchange Agreement dated as of July 8, 2005, by and between AMB Property, L.P. and Teachers Insurance and Annuity Association of America (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on July 13, 2005).

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
10.21	Third Amended and Restated Revolving Credit Agreement, dated as of February 16, 2006, by and among AMB Property, L.P., as guarantor, AMB Property Corporation, as guarantor, the banks listed on the signature pages thereto, Bank of America, N.A., as administrative agent, The Bank of Nova Scotia, as syndication agent, Societe Generale, as documentation agent, Banc of America Securities Asia Limited, as Hong Kong dollars agent, Bank of America, N.A., acting by its Canada branch, as reference bank, Bank of America, Singapore branch, as Singapore dollars agent, and each of the other lending institutions that becomes a lender thereunder (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on February 22, 2006).
*10.22	Separation Agreement and Release of All Claims, dated August 17, 2005, by and between AMB Property Corporation and David S. Fries (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on August 17, 2005).
10.23	Third Amended and Restated Revolving Credit Agreement, dated as of June 1, 2006, by and among AMB Property, L.P., as Borrower, the banks listed on the signature pages thereof, JPMorgan Chase Bank, N.A., as Administrative Agent, J.P. Morgan Europe Limited, as Administrative Agent for Alternate Currencies, Bank of America, N.A., as Syndication Agent, J.P. Morgan Securities Inc. and Banc of America Securities LLC, as Joint Lead Arrangers and Joint Bookrunners, Eurohypo AG, New York Branch, Wachovia Bank, N.A. and PNC Bank, National Association, as Documentation Agents, The Bank of Nova Scotia, acting through its San Francisco Agency, Wells Fargo Bank, N.A., ING Real Estate Finance (USA) LLC and LaSalle Bank National Association, as Managing Agents (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on June 7, 2006).
10.24	Fourth Amended and Restated Revolving Credit Agreement, dated as of June 13, 2006, by and among the qualified borrowers listed on the signature pages thereto, AMB Property, L.P., as a qualified borrower and guarantor, AMB Property Corporation, as guarantor, the banks listed on the signature pages thereto, Bank of America, N.A., as administrative agent, The Bank of Nova Scotia, as syndication agent, LaSalle Bank National Association and Société Générale, as co-documentation agents, Banc of America Securities Asia Limited, as Hong Kong dollars agent, Bank of America, N.A., acting by its Canada branch, as reference bank, Bank of America, Singapore branch, as Singapore dollars agent, and each of the other lending institutions that becomes a lender thereunder (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on June 19, 2006).
10.25	Amended and Restated Revolving Credit Agreement, dated as of June 23, 2006, by and among the initial borrower and the initial qualified borrowers listed on the signature pages thereto, AMB Property, L.P., as a guarantor, AMB Property Corporation, as a guarantor, the banks listed on the signature pages thereto, Sumitomo Mitsui Banking Corporation, as administrative agent and sole lead arranger and bookmanager, and each of the other lending institutions that becomes a lender thereunder (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on June 29, 2006).
10.26	AMB 2005 Nonqualified Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on October 4, 2006).
10.27	Amended and Restated 2002 Nonqualified Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Current Report on Form 8-K filed on October 4, 2006).
10.28	Form of Amended and Restated Change of Control and Noncompetition Agreement by and between AMB Property, L.P. and executive officers (incorporated by reference to Exhibit 10.3 of AMB Property Corporation's Current Report on Form 8-K filed on October 4, 2006).
10.29	Separation Agreement and Release of All Claims, dated November 20, 2006, by and between AMB Property Corporation and W. Blake Baird (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on November 24, 2006).
10.30	Separation Agreement and Release of All Claims, dated November 21, 2006, by and between AMB Property Corporation and Michael A. Coke (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Current Report on Form 8-K filed on November 24, 2006).
10.31	Euros 228,000,000 Facility Agreement, dated as of December 8, 2006, by and among AMB European Investments LLC, AMB Property, L.P., ING Real Estate Finance NV and the Entities of AMB, Entities of AMB Property, L.P., Financial Institutions and the Entities of ING Real Estate Finance NV all listed on Schedule 1 of the Facility Agreement (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Current Report on Form 8-K filed on December 14, 2006).

[Table of Contents](#)

<u>Exhibit Number</u>	<u>Description</u>
10.32	Collateral Loan Agreement, dated as of February 14, 2007, by and among The Prudential Insurance Company Of America and Prudential Mortgage Capital Company, LLC, as Lenders, and AMB-SGP California, LLC, AMB-SGP CIF-California, LLC, AMB-SGP CIF-I, LLC, AMB-SGP Docks, LLC, AMB-SGP Georgia, LLC, AMB-SGP CIF-Illinois, L.P. and AMB-SGP TX/IL SUB, LLC as Borrowers (incorporated by reference to Exhibit 10.1 of AMB Property Corporation's Form 8-K filed on February 21, 2007).
10.33	\$160,000,000 Amended, Restated and Consolidated Promissory Note (Fixed A-1), dated February 14, 2007, by AMB-SGP California, LLC, AMB-SGP CIF-California, LLC, AMB-SGP CIF-I, LLC, AMB-SGP Docks, LLC, AMB-SGP Georgia, LLC, AMB-SGP CIF-Illinois, L.P. and AMB-SGP TX/IL SUB, LLC, as Borrowers, to Prudential Mortgage Capital Company LLC, as Lender (incorporated by reference to Exhibit 10.2 of AMB Property Corporation's Form 8-K filed on February 21, 2007).
10.34	\$40,000,000 Amended, Restated and Consolidated Promissory Note (Floating A-2), dated February 14, 2007, by AMB-SGP California, LLC, AMB-SGP CIF-California, LLC, AMB-SGP CIF-I, LLC, AMB-SGP Docks, LLC, AMB-SGP Georgia, LLC, AMB-SGP CIF-Illinois, L.P. and AMB-SGP TX/IL SUB, LLC, as Borrowers, to The Prudential Insurance Company of America, as Lender (incorporated by reference to Exhibit 10.3 of AMB Property Corporation's Form 8-K filed on February 21, 2007).
10.35	\$84,000,000 Amended, Restated and Consolidated Promissory Note (Fixed B-1), dated February 14, 2007, by AMB-SGP California, LLC, AMB-SGP CIF-California, LLC, AMB-SGP CIF-I, LLC, AMB-SGP Docks, LLC, AMB-SGP Georgia, LLC, AMB-SGP CIF-Illinois, L.P. and AMB-SGP TX/IL SUB, LLC, as Borrowers, to The Prudential Insurance Company of America, as Lender (incorporated by reference to Exhibit 10.4 of AMB Property Corporation's Form 8-K filed on February 21, 2007).
10.36	\$21,000,000 Amended, Restated and Consolidated Promissory Note (Floating B-2), dated February 14, 2007, by AMB-SGP California, LLC, AMB-SGP CIF-California, LLC, AMB-SGP CIF-I, LLC, AMB-SGP Docks, LLC, AMB-SGP Georgia, LLC, AMB-SGP CIF-Illinois, L.P. and AMB-SGP TX/IL SUB, LLC, as Borrowers, to The Prudential Insurance Company of America, as Lender (incorporated by reference to Exhibit 10.5 of AMB Property Corporation's Form 8-K filed on February 21, 2007).
21.1	Subsidiaries of AMB Property Corporation (filed with AMB Property Corporation's Annual Report on Form 10-K on February 23, 2007).
23.1	Consent of PricewaterhouseCoopers LLP.
24.1	Powers of Attorney (included in Part IV of AMB Property Corporation's Annual Report on Form 10-K filed on February 23, 2007).
31.1	Rule 13a-14 (a)/15d-14 (a) Certifications dated February 23, 2007 (filed with AMB Property Corporation's Annual Report on Form 10-K on February 23, 2007).
31.2	Rule 13a-14 (a)/15d-14 (a) Certifications dated October 25, 2007 .
32.1	18 U.S.C. § 1350 Certifications dated February 23, 2007. The certifications in this exhibit are being furnished solely to accompany this report pursuant to 18 U.S.C. § 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any of our filings, whether made before or after the date hereof, regardless of any general incorporation language in such filing (filed with AMB Property Corporation's Annual Report on Form 10-K on February 23, 2007).
32.2	18 U.S.C. § 1350 Certifications dated October 25, 2007. The certifications in this exhibit are being furnished solely to accompany this report pursuant to 18 U.S.C. § 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any of our filings, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

* Management contract or compensatory plan or arrangement

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Forms S-3 (Nos. 333-86842, 333-68291, 333-68283, 333-75953, 333-78699, 333-76823, 333-81475, 333-80815, 333-75951, 333-36894, 333-73718, 333-120793, 333-135210 and 333-140861) and Forms S-8 (Nos. 333-42015, 333-78779, 333-90042, 333-100214 and 333-144489) of AMB Property Corporation of our report dated February 23, 2007 relating to the financial statements, financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting of AMB Property Corporation and our report dated February 12, 2007, relating to the financial statements of AMB Japan Fund I, L.P., which appear in this Form 10-K/A.

PricewaterhouseCoopers LLP

San Francisco, California
October 25, 2007

CERTIFICATIONS

I, Hamid R. Moghadam, certify that:

- (1) I have reviewed this Amendment No. 1 to the annual report on Form 10-K/A of AMB Property Corporation;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ HAMID R. MOGHADAM
Chairman of the Board,
President and CEO

Date: October 25, 2007

I, Thomas S. Olinger, certify that:

- (1) I have reviewed this Amendment No. 1 to the annual report on Form 10-K/A of AMB Property Corporation;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ THOMAS S. OLINGER

Thomas S. Olinger
Chief Financial Officer

Date: October 25, 2007

Certification of Chief Executive Officer and Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of AMB Property Corporation (the "Company"), hereby certifies, to such officer's knowledge, that:

(i) the accompanying Amendment No. 1 to the Annual Report on Form 10-K/A of the Company for the year end period ended December 31, 2006 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ HAMID R. MOGHADAM

Hamid R. Moghadam
Chairman of the Board, President and
Chief Executive Officer

/s/ THOMAS S. OLINGER

Thomas S. Olinger
Chief Financial Officer

Date: October 25, 2007

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.