
U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

**Current Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): January 23, 2006

AMB PROPERTY CORPORATION

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation)

001-13545
(Commission file number)

94-3281941
(I.R.S. employer identification
number)

Pier 1, Bay 1, San Francisco, California 94111

(Address of principal executive offices) (Zip code)

415-394-9000

(Registrants' telephone number, including area code)

n/a

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION AND
ITEM 7.01 REGULATION FD DISCLOSURE**

On January 23, 2006, we disclosed a supplemental analyst package in connection with our earnings conference call for the fourth quarter of 2005. A copy of the supplemental analyst package is attached hereto as Exhibit 99.1. This section and the attached exhibit are provided under Items 2.02 and 7.01 of Form 8-K and are furnished to, but not filed with, the Securities and Exchange Commission.

Forward Looking Statements

Some of the information included in the supplemental analyst package and the conference call to be held in connection therewith contains forward-looking statements, such as those related to development and renovation projects (including stabilization dates, square feet at stabilization or completion, and total investment amounts), lease expirations and future business plans (such as property divestitures and financings), which are made pursuant to the safe-harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from those in the forward-looking statements, and you should not rely on the forward-looking statements as predictions of future events. The events or circumstances reflected in forward-looking statements might not occur. You can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “pro forma,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and we may not be able to realize them. We caution you not to place undue reliance on forward-looking statements, which reflect our analysis only and speak only as of the date of this report or the dates indicated in the statements. We assume no obligation to update or supplement forward-looking statements. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: defaults on or non-renewal of leases by tenants, increased interest rates and operating costs, our failure to obtain necessary outside financing, difficulties in identifying properties to acquire and in effecting acquisitions, our failure to successfully integrate acquired properties and operations, our failure to divest properties we have contracted to sell or to timely reinvest proceeds from any divestitures, risks and uncertainties affecting property development and construction (including construction delays, cost overruns, our inability to obtain necessary permits and public opposition to these activities), our failure to qualify and maintain our status as a real estate investment trust, environmental uncertainties, risks related to natural disasters, financial market fluctuations, changes in real estate and zoning laws, risks related to doing business internationally and increases in real property tax rates. Our success also depends upon economic trends generally, including interest rates, income tax laws, governmental regulation, legislation, population changes and

certain other matters discussed under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Business Risks” and elsewhere in our annual report on Form 10-K for the year ended December 31, 2004.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits:

Exhibit Number	Description
99.1	AMB Property Corporation Supplemental Analyst Package for Fourth Quarter 2005 Earnings Conference Call January 24, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMB Property Corporation
(Registrant)

Date: January 23, 2006

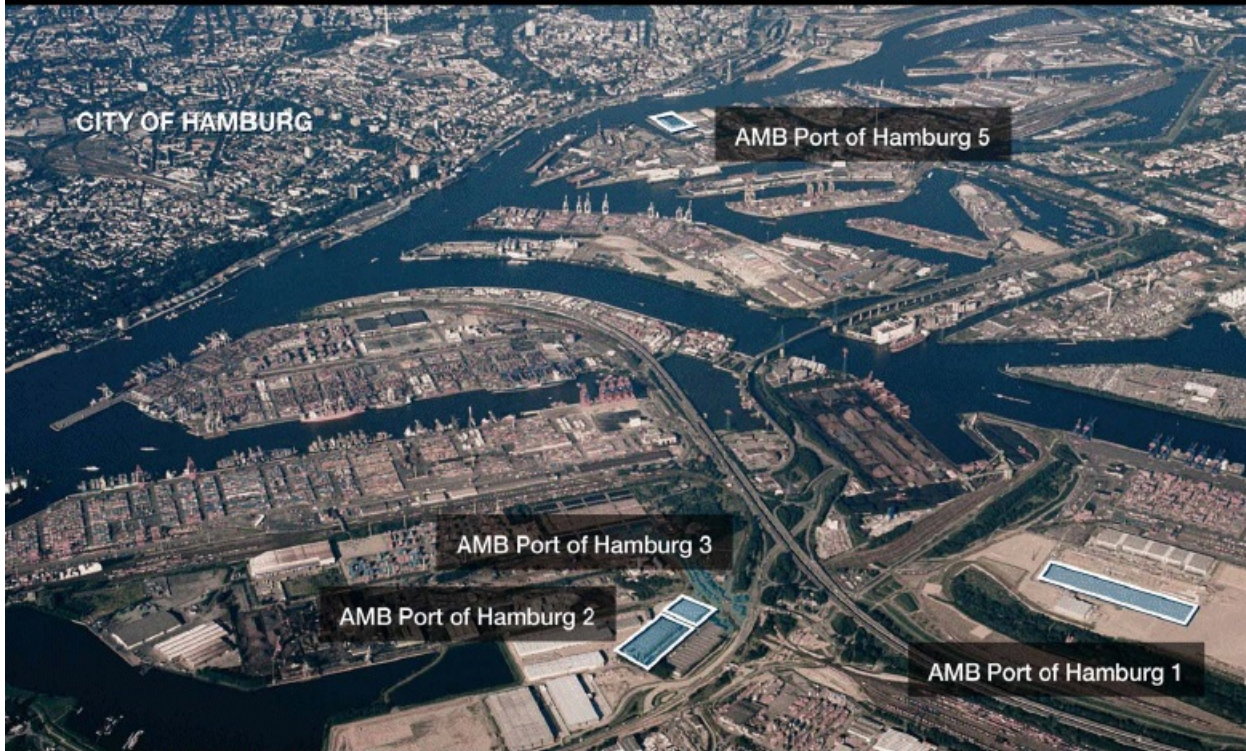
By: /s/ Tamra Browne
Tamra Browne
Senior Vice President, General Counsel and Secretary

Exhibits

Exhibit Number	Description
99.1	AMB Property Corporation Supplemental Analyst Package for Fourth Quarter 2005 Earnings Conference Call January 24, 2006



Supplemental Analyst Package
4Q2005 Earnings Conference Call 1/24/2006



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Cover: AMB entered the Hamburg market with the acquisition of three existing facilities and one development project totaling 801,825 square feet. Hamburg is Europe's second busiest seaport, largest rail container-handling center and is served by a high-quality motorway network.

FINANCIAL HIGHLIGHTS
(dollars in thousands, except share data)

	Quarters Ended December 31,			Years Ended December 31,		
	2005	Change	2004	2005	Change	2004
Operating Data						
Revenues	\$ 200,348	28.1%	\$ 156,353	\$ 676,149	14.1%	\$ 592,429
Adjusted EBITDA ⁽¹⁾	192,852	49.4%	129,121	584,134	19.1%	490,630
Net income available to common stockholders	139,144	147.8%	56,152	250,419	111.6%	118,340
FFO ⁽²⁾	107,743	91.4%	56,285	254,363	22.7%	207,314
Per diluted share and unit:						
EPS	\$ 1.56	140.0%	\$ 0.65	\$ 2.85	105.0%	\$ 1.39
FFO ⁽²⁾	1.15	85.5%	0.62	2.75	19.6%	2.30
Dividends per common share	0.44	3.5%	0.425	1.76	3.5%	1.70
Ratios						
Interest coverage ⁽³⁾	4.3 x		3.2 x	3.4 x		3.0 x
Fixed charge coverage ⁽³⁾	3.3 x		2.4 x	2.6 x		2.3 x
FFO payout	38%		69%	64%		74%

	As of				
	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005	December 31, 2004
Capitalization					
AMB's share of total debt ⁽⁴⁾	\$ 2,601,878	\$ 2,641,073	\$ 2,573,040	\$ 2,527,494	\$ 2,395,046
Preferred equity	467,325	392,325	392,325	392,325	392,325
Market equity	4,435,696	4,035,177	3,862,441	3,338,920	3,554,108
Total capitalization	\$ 7,504,899	\$ 7,068,575	\$ 6,827,806	\$ 6,258,739	\$ 6,341,479
Ratios					
AMB's share of total debt-to-AMB's share of total book capitalization ⁽⁴⁾⁽⁵⁾	53.3%	55.8%	55.4%	55.1%	54.0%
AMB's share of total debt-to-AMB's share of total market capitalization ⁽⁴⁾⁽⁶⁾	34.7%	37.4%	37.7%	40.4%	37.8%
Total common shares and units outstanding	90,211,430	89,870,295	88,934,860	88,683,130	87,994,744

⁽¹⁾ See the footnotes to the Adjusted EBITDA and Coverage Ratio.

⁽²⁾ See the footnotes to the Consolidated Statements of Funds from Operations.

⁽³⁾ See Supplemental Financial Measures Disclosures for a discussion of why management believes the Company's share of total debt is a useful supplemental measure for its management and investors, of ways to use this measure when assessing the Company's financial performance, and the limitations of the measure as a measurement tool.

⁽⁴⁾ See Reporting Definitions for definition of "AMB's share of total debt-to-AMB's share of total book capitalization."

⁽⁵⁾ See Reporting Definition for definition of "AMB's share of total debt-to-AMB's share of total market capitalization."

CONSOLIDATED BALANCE SHEETS
 (dollars in thousands)

	As of				
	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006	December 31, 2004
Assets					
Investments in real estate:					
Total investments in properties	\$ 6,798,294	\$ 6,898,824	\$ 6,680,432	\$ 6,608,737	\$ 6,526,144
Accumulated depreciation	(697,388)	(721,892)	(683,679)	(652,085)	(615,646)
Net investments in properties	6,100,906	6,176,932	5,996,753	5,956,652	5,910,498
Investments in unconsolidated joint ventures	118,653	115,624	121,000	105,127	55,166
Properties held for contribution, net	32,755	80,245	-	-	-
Properties held for divestiture, net	17,936	45,742	75,472	49,455	87,340
Net investments in real estate	6,270,250	6,418,543	6,193,225	6,111,234	6,053,004
Cash and cash equivalents	267,233	162,437	169,471	215,068	146,593
Mortgages and loans receivable	21,621	21,652	21,682	21,710	13,738
Accounts receivable, net	178,682	158,000	173,360	135,768	109,028
Other assets	64,953	75,605	66,633	71,304	64,580
Total assets	\$ 6,802,739	\$ 6,836,237	\$ 6,624,371	\$ 6,555,084	\$ 6,386,943
Liabilities and Stockholders' Equity					
Secured debt	\$ 1,912,526	\$ 2,051,480	\$ 1,843,861	\$ 1,915,702	\$ 1,892,524
Unsecured senior debt securities	975,000	1,003,940	1,003,940	1,003,940	1,003,940
Unsecured debt	23,963	24,175	8,710	8,869	9,028
Unsecured credit facilities	490,072	472,291	549,397	422,616	351,699
Accounts payable and other liabilities	263,744	262,425	242,044	258,159	262,286
Total liabilities	3,665,305	3,814,311	3,648,852	3,609,286	3,519,477
Minority interests:					
Joint venture partners	853,643	933,262	906,527	884,188	828,622
Preferred unitholders	278,378	278,378	278,378	278,378	278,378
Limited partnership unitholders	89,114	86,719	89,601	89,377	89,326
Total minority interests	1,221,135	1,298,359	1,274,506	1,251,943	1,196,326
Stockholders' equity:					
Common equity	1,740,751	1,620,363	1,597,809	1,590,651	1,567,936
Preferred equity	175,548	103,204	103,204	103,204	103,204
Total stockholders' equity	1,916,299	1,723,567	1,701,013	1,693,855	1,671,140
Total liabilities and stockholders' equity	\$ 6,802,739	\$ 6,836,237	\$ 6,624,371	\$ 6,555,084	\$ 6,386,943



AMB PROPERTY CORPORATION

SUPPLEMENTAL ANALYST PACKAGE
Fourth Quarter Earnings Conference Call

CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands, except share data)

	For the Quarters Ended		For the Years Ended	
	December 31,		December 31,	
	2005	2004	2005	2004
Revenues				
Rental revenues	\$ 168,026	\$ 151,535	\$ 632,207	\$ 579,534
Private capital income ⁽⁹⁾	51,422	4,818	43,942	12,895
Total revenues	<u>200,348</u>	<u>156,353</u>	<u>676,149</u>	<u>592,429</u>
Costs and expenses				
Property operating costs	(43,321)	(38,238)	(163,208)	(148,258)
Depreciation and amortization	(43,557)	(38,782)	(165,438)	(141,120)
General and administrative	(20,343)	(13,963)	(77,409)	(58,843)
Fund costs	(409)	(1,004)	(1,482)	(1,741)
Total costs and expenses	<u>(107,630)</u>	<u>(91,987)</u>	<u>(407,537)</u>	<u>(349,962)</u>
Operating income	92,718	64,366	268,612	242,467
Other income and expenses				
Equity in earnings of unconsolidated joint ventures	811	525	10,770	3,781
Other income and expenses, net	3,342	509	6,499	3,738
Gains from dispositions of real estate, net	176	5,219	19,099	5,219
Development profits, net of taxes	34,489	3,772	54,811	8,528
Interest expense, including amortization	(38,445)	(36,176)	(149,492)	(144,882)
Total other income and expenses	<u>373</u>	<u>(20,181)</u>	<u>(58,313)</u>	<u>(123,996)</u>
Income before minority interests and discontinued operations	93,091	38,217	210,299	118,871
Minority interests' share of income:				
Joint venture partners' share of income	(9,349)	(7,774)	(36,398)	(29,544)
Joint venture partners' share of development profits	(3,366)	(64)	(13,492)	(958)
Preferred unitholders	(5,369)	(5,395)	(21,473)	(20,161)
Limited partnership unitholders	(2,054)	(799)	(3,681)	(2,615)
Total minority interests' share of income	<u>(20,138)</u>	<u>(14,032)</u>	<u>(75,044)</u>	<u>(55,278)</u>
Income from continuing operations	72,953	24,185	135,255	63,593
Discontinued operations:				
Income attributable to discontinued operations, net of minority interests	2,413	4,069	8,999	17,873
Gain from disposition of real estate, net of minority interests	65,817	29,680	113,553	42,005
Total discontinued operations	<u>68,230</u>	<u>33,749</u>	<u>122,552</u>	<u>60,878</u>
Net income	141,183	57,934	257,807	125,471
Preferred stock dividends	(2,039)	(1,782)	(7,388)	(7,131)
Net income available to common stockholders	<u>\$ 139,144</u>	<u>\$ 56,152</u>	<u>\$ 250,419</u>	<u>\$ 118,340</u>
Net income per common share (diluted)	<u>\$ 1.56</u>	<u>\$ 0.65</u>	<u>\$ 2.85</u>	<u>\$ 1.39</u>
Weighted average common shares (diluted)	<u>88,981,657</u>	<u>86,263,305</u>	<u>87,873,399</u>	<u>85,368,626</u>

⁽⁹⁾ Includes incentive distributions for 2005 of \$26.4 million which is net of \$2.7 million which has been deferred.

**CONSOLIDATED STATEMENTS OF FUNDS FROM OPERATIONS ⁽¹⁾**
(dollars in thousands, except share data)

	For the Quarters Ended		For the Years Ended	
	December 31,		December 31,	
	2005	2004	2005	2004
Net Income	\$ 141,183	\$ 57,934	\$ 257,807	\$ 125,471
Gains from disposition of real estate, net of minority interests ⁽²⁾	(65,993)	(34,899)	(132,652)	(47,224)
Depreciation and amortization:				
Total depreciation and amortization	43,557	38,782	165,438	141,120
Discontinued operations' depreciation	2,985	5,837	14,866	26,230
Non-real estate depreciation	(949)	(363)	(3,388)	(871)
Adjustments to derive FFO from consolidated JVs:				
Joint venture partners' minority interests (Net income)	9,349	7,774	36,398	29,544
Limited partnership unitholders' minority interests (Net income)	2,054	799	3,681	2,615
Limited partnership unitholders' minority interests (Development profits)	1,704	213	2,262	435
Discontinued operations' minority interests (Net income)	1,711	3,075	8,502	13,549
FFO attributable to minority interests	(27,641)	(22,020)	(100,275)	(80,192)
Adjustments to derive FFO from unconsolidated JVs:				
AMB's share of net income	(811)	(525)	(10,770)	(3,781)
AMB's share of FFO	2,633	1,460	14,441	7,549
AMB's share of development profits, net of taxes	-	-	5,441	-
Preferred stock dividends	(2,039)	(1,782)	(7,388)	(7,131)
Funds from operations	\$ 107,743	\$ 56,285	\$ 254,363	\$ 207,314
FFO per common share and unit (diluted)	\$ 1.15	\$ 0.62	\$ 2.75	\$ 2.30
Weighted average common shares and units (diluted)	93,422,964	91,003,313	92,508,725	90,120,250

⁽¹⁾ See Supplemental Financial Measures Disclosures for a discussion of why management believes FFO is a useful supplemental measure of operating performance, of ways in which investors might use FFO when assessing AMB's financial performance, and of FFO's limitations as a measurement tool.

⁽²⁾ 2005 includes accumulated depreciation re-capture of approximately \$1.1 million associated with the sale of the Interstate Crossdock redevelopment project.

ADJUSTED EBITDA ⁽¹⁾ AND COVERAGE RATIOS
(dollars in thousands)

	For the Quarters Ended December 31,		For the Years Ended December 31,	
	2005	2004	2005	2004
Net income	\$ 141,183	\$ 57,934	\$ 257,807	\$ 125,471
Depreciation and amortization	43,557	38,782	165,438	141,120
Stock-based compensation amortization	2,673	2,501	12,296	10,444
Adjustments to derive adjusted EBITDA from unconsolidated JVs:				
AMB's share of net income	(811)	(525)	(10,770)	(3,781)
AMB's share of FFO ⁽²⁾	2,633	1,460	14,441	7,549
AMB's share of interest expense	2,833	953	9,021	3,927
AMB's share of development profits, net of taxes	-	-	5,441	-
Interest expense, including amortization	38,445	36,176	149,492	144,882
Total minority interests' share of income	20,138	14,032	75,044	53,278
Total discontinued operations, including gains	(68,400)	(38,968)	(141,631)	(65,097)
Discontinued operations' adjusted EBITDA	10,607	16,776	47,575	72,837
Adjusted EBITDA	\$ 192,852	\$ 129,121	\$ 584,134	\$ 490,630
Interest				
Interest expense, including amortization - continuing operations	\$ 38,445	\$ 36,176	\$ 149,492	\$ 144,882
Interest expense, including amortization - discontinued operations	3,498	3,795	15,208	15,185
AMB's share of interest expense from unconsolidated JVs	2,833	953	9,021	3,927
Total interest	\$ 44,776	\$ 40,924	\$ 173,721	\$ 163,994
Interest coverage ⁽³⁾	4.3 x	3.2 x	3.4 x	3.0 x
Fixed charge				
Interest expense, including amortization - continuing operations	\$ 38,445	\$ 36,176	\$ 149,492	\$ 144,882
Amortization of financing costs and debt premiums - continuing operations	(1,643)	(688)	(4,172)	(1,433)
Interest expense, including amortization - discontinued operations	3,498	3,795	15,208	15,185
Amortization of financing costs and debt premiums - discontinued operations	(122)	(120)	(482)	988
AMB's share of interest expense from unconsolidated JVs	2,833	953	9,021	3,927
Capitalized interest	7,575	6,875	29,503	18,687
Preferred unit distributions	5,369	5,395	21,473	20,161
Preferred stock dividends	2,039	1,782	7,388	7,131
Total fixed charge	\$ 57,994	\$ 54,168	\$ 227,431	\$ 209,528
Fixed charge coverage ⁽⁴⁾	3.3 x	2.4 x	2.6 x	2.3 x

- (1) See Supplemental Financial Measures Disclosures for a discussion of why management believes adjusted EBITDA is a useful supplemental measure of operating performance and liquidity, of ways in which investors might use adjusted EBITDA when assessing AMB's financial performance, and of adjusted EBITDA's limitations as a measurement tool.
- (2) See Supplemental Financial Measures Disclosures for a discussion of why management believes FFO is a useful supplemental measure of operating performance, of ways in which investors might use FFO when assessing AMB's financial performance, and of FFO's limitations as a measurement tool.
- (3) See Reporting Definitions for interest coverage and Supplemental Financial Measures Disclosures for a discussion of why management believes interest coverage is a useful supplemental measure of liquidity.
- (4) See Reporting Definitions for fixed charge coverage and Supplemental Financial Measures Disclosures for a discussion of why management believes fixed charge coverage is a useful supplemental measure of liquidity.

SUPPLEMENTAL CASH FLOW INFORMATION
 (dollars in thousands)

	For the Quarters Ended		For the Years Ended	
	December 31,		December 31,	
	2005	2004	2005	2004
Supplemental Information:				
Straight-line rents and amortization of lease intangibles	\$ 4,273	\$ 4,320	\$ 19,523	\$ 16,281
AMB's share of straight-line rents and amortization of lease intangibles	\$ 3,681	\$ 2,530	\$ 13,490	\$ 11,107
Gross lease termination fees	\$ 3,897	\$ 2,353	\$ 5,269	\$ 11,428
Net lease termination fees ⁽¹⁾	\$ 3,646	\$ 2,127	\$ 4,912	\$ 10,221
AMB's share of net lease termination fees	\$ 906	\$ 1,623	\$ 2,167	\$ 7,099
AMB's share of unconsolidated JV's NOI ⁽²⁾	\$ 7,193	\$ 2,204	\$ 26,197	\$ 10,859
JV Partners' share of cash basis NOI ⁽²⁾	\$ 43,149	\$ 34,824	\$ 156,392	\$ 123,881
Discontinued operations' NOI - Held for Sale ⁽²⁾	\$ 187	\$ 154	\$ 655	\$ 759
Discontinued operations' NOI - Sold ⁽²⁾	\$ 10,520	\$ 16,474	\$ 46,939	\$ 71,941
Stock-based compensation amortization	\$ 2,673	\$ 2,501	\$ 12,296	\$ 10,444
Capitalized interest	\$ 7,575	\$ 6,875	\$ 29,503	\$ 18,687
Recurring capital expenditures:				
Tenant improvements	\$ 6,382	\$ 9,464	\$ 22,443	\$ 26,728
Lease commissions and other lease costs	5,119	6,848	20,957	24,247
Building improvements	9,270	8,659	28,050	20,756
Sub-total	20,771	24,971	71,450	71,731
JV Partners' share of capital expenditures	(4,394)	(6,438)	(17,351)	(18,059)
AMB's share of recurring capital expenditures	\$ 16,377	\$ 18,533	\$ 54,099	\$ 53,672

⁽¹⁾ Net lease termination fees are defined as gross lease termination fees less the associated straight-line rent balance.

⁽²⁾ See Supplemental Financial Measures Disclosures for a discussion of why management believes NOI is a useful supplemental measure for our management and investors, of ways to use this measure when assessing financial performance, and the limitations of the measure as a measurement tool.



CONSOLIDATED INDUSTRIAL OPERATING AND LEASING STATISTICS

(dollars in thousands, except per square foot amounts)

Operating Portfolio ⁽¹⁾	Year-to-		Same Store Pool ⁽²⁾	Year-to-	
	Quarter	Date		Quarter	Date
Square feet owned at December 31, 2005 ⁽³⁾	87,772,104	87,772,104	Square feet in same store pool at December 31, 2005	72,452,609	72,452,609
Occupancy percentage at December 31, 2005	95.8%	95.8%	% of total unconsolidated industrial square feet	82.5%	82.5%
Weighted average lease terms:			Occupancy percentage at period end:		
Original	6.1 years	6.1 years	December 31, 2005	95.6%	95.6%
Remaining	3.3 years	3.3 years	December 31, 2004	95.2%	95.2%
Tenant retention	66.1%	64.2%	Tenant retention	60.8%	63.7%
Same Space Leasing Activity:⁽⁴⁾			Rent increases (decreases) on renewals and rollovers	(4.6%)	(9.8%)
Rent increases (decreases) on renewals and rollovers	(4.3%)	(9.7%)	Same space square footage commencing (millions)	3.4	13.0
Same space square footage commencing (millions)	3.8	13.6			
2nd Generation Leasing Activity:			Cash basis NOI % change: ⁽⁵⁾		
TIs and LCs per square foot:			Revenues	4.1%	0.0%
Retained	\$ 1.26	\$ 1.60	Expenses	0.9%	(0.2%)
Re-tenanted	2.76	3.03	NOI ⁽⁶⁾	5.2%	0.1%
Weighted average	\$ 2.16	\$ 2.34	NOI without lease termination fees ⁽⁶⁾	3.5%	0.9%
Square footage commencing (millions)	5.3	18.5			

(1) Includes all consolidated industrial operating properties and excludes industrial development and renovation projects. Excludes retail and other properties' square feet of 0.3 million with occupancy of 98.7% and annualized base rent of \$1.7 million.
(2) The same store pool excludes properties purchased and developments stabilized after December 31, 2003. See Reporting Definitions.
(3) In addition to owned square feet as of December 31, 2005, the Company managed, but did not have an ownership interest in, approximately 0.4 million additional square feet of industrial and other properties. The Company also manages approximately 1.3 million square feet of industrial properties representing the IAT portfolio on behalf of the IAT Air Cargo Facilities Income Fund. The Company also has investments in 12.8 million square feet of industrial operating properties through its investments in unconsolidated joint ventures.
(4) Consists of second generation leases renewing or re-tenanting with current and prior lease terms greater than one year.
(5) See Supplemental Financial Measures Disclosures for a discussion of why management believes NOI is a useful supplemental measure for our management and investors, of ways to use this measure when assessing financial performance, and the limitations of the measure as a measurement tool.
(6) See Supplemental Financial Measures Disclosures for a discussion of why management believes NOI is a useful supplemental measure for our management and investors, of ways to use this measure when assessing financial performance, and the limitations of the measure as a measurement tool.

CONSOLIDATED INDUSTRIAL MARKET OPERATING STATISTICS ⁽¹⁾
As of December 31, 2005

	Atlanta	Chicago	Dallas/ Ft. Worth	Los Angeles ⁽²⁾	No. New Jersey/ New York	San Francisco Bay Area	Miami	Seattle	North American On-Tarraf ⁽³⁾	Total U.S. Hub and Gateway Markets	Total Other Markets	Total Weighted Average
Number of buildings	45	99	35	135	117	118	49	50	34	682	194	876
Rentable square feet	4,416,190	9,770,870	3,513,054	13,104,346	9,570,850	11,147,409	5,015,247	6,932,127	2,674,136	65,966,215	21,805,889	87,772,104
% of total rentable square feet	4.9%	11.1%	4.0%	14.9%	10.7%	12.7%	5.7%	7.9%	3.0%	74.9%	25.1%	100.0%
Occupancy percentage	95.2%	94.5%	91.5%	98.6%	96.8%	95.9%	98.3%	95.6%	95.0%	96.2%	94.0%	95.8%
Annualized base rent (000's)	\$18,473	\$45,249	\$12,311	\$80,542	\$67,212	\$69,704	\$36,207	\$31,124	\$45,296	\$406,118	\$121,194	\$527,312
% of total annualized base rent	3.5%	8.6%	2.3%	15.3%	12.6%	13.2%	6.9%	5.9%	8.6%	76.9%	23.1%	100.0%
Number of leases	176	196	118	373	325	335	236	199	234	2,192	679	2,871
Annualized base rent per square foot	\$4.39	\$4.90	\$3.83	\$6.23	\$7.41	\$6.52	\$7.34	\$4.68	\$17.83	\$6.40	\$5.87	\$
Lease expirations as a % of ABR: ⁽⁴⁾												
2006	25.1%	28.7%	9.4%	19.5%	14.9%	9.8%	17.9%	17.2%	17.0%	17.4%	12.1%	16.2%
2007	12.7%	26.7%	14.1%	13.7%	13.2%	15.5%	20.1%	18.2%	7.9%	15.7%	13.0%	15.1%
2008	24.2%	10.9%	19.3%	23.7%	10.6%	16.6%	12.1%	13.7%	11.7%	15.7%	13.3%	15.2%
Weighted average lease terms:												
Original	5.1 years	4.5 years	5.8 years	6.0 years	6.8 years	5.6 years	5.4 years	6.0 years	8.6 years	5.8 years	6.9 years	6.1 years
Remaining	2.7 years	2.4 years	3.7 years	3.2 years	3.6 years	2.9 years	3.3 years	3.0 years	4.9 years	3.1 years	3.9 years	3.3 years
Tenant retention:												
Quarter	96.6%	97.5%	85.0%	21.8%	13.9%	62.2%	76.1%	26.0%	83.6%	68.1%	56.0%	66.1%
Year-to-date	89.3%	82.1%	62.2%	48.6%	41.3%	67.6%	68.4%	33.2%	80.7%	64.3%	63.1%	64.2%
Rent increases on renewals and rollovers:												
Quarter	(5.2%)	0.2%	(6.4%)	(4.0%)	(8.3%)	(14.6%)	(0.9%)	9.1%	6.7%	(3.9%)	(8.8%)	(4.3%)
Year-to-date	(3.0%)	0.7%	(6.0%)	1.6%	1.4%	(41.0%)	1.3%	(3.2%)	2.2%	(10.8%)	(4.3%)	(9.7%)
Same store cash basis NOI % change: ⁽⁵⁾												
Quarter	3.9%	(18.4%)	(21.6%)	8.3%	41.3%	(2.8%)	21.6%	9.3%	12.1%	6.3%	1.2%	5.2%
Year-to-date	(3.9%)	(5.1%)	(2.4%)	3.5%	17.6%	(11.2%)	4.8%	7.0%	4.4%	0.6%	(1.9%)	0.1%
Sq. feet owned in same store pool ⁽⁶⁾	3,843,330	7,194,432	3,374,894	11,510,097	6,517,164	10,387,804	4,236,006	6,117,008	2,556,891	35,847,646	16,604,963	72,452,609
AMB's pro rata share of square feet ⁽⁷⁾	2,533,993	8,671,069	2,552,038	10,633,857	5,313,216	8,562,543	4,262,732	3,783,649	2,530,524	48,825,411	18,341,161	67,166,602
Total market square footage ⁽⁸⁾	5,422,333	14,431,125	3,737,334	17,930,364	9,853,611	11,551,326	5,671,847	7,718,372	3,930,038	80,246,150	34,708,482	114,954,632

(1) Includes all industrial consolidated operating properties and excludes industrial development and renovation projects.
(2) The Company also has a 19.9 acre parking lot with 2,720 parking spaces and 12 billboard signs in the Los Angeles market immediately adjacent to LAX.
(3) Includes domestic on-tarraf cargo facilities at 14 airports.
(4) See Reporting Definitions.
(5) See Supplemental Financial Measures Disclosures for a discussion of why management believes NOI is a useful supplemental measure for our management and investors, of ways to use this measure when assessing the Company's financial performance, and the limitations of the measure as a measurement tool.
(6) Same-store pool at December 31, 2005, excludes properties or developments stabilized after December 31, 2003.
(7) Calculated as AMB's pro rata share of square feet on consolidated and unconsolidated operating properties.
(8) Total market square footage includes industrial and retail operating properties, development properties, unconsolidated properties (100% SF), and properties managed for third parties.

CONSOLIDATED INDUSTRIAL PORTFOLIO OVERVIEW
As of December 31, 2005

	Number of Buildings	Rentable Square Feet	% of Total Rentable Square Foot	Occupancy Percentage	Annualized Base Rent (000's)	% of Total Annualized Base Rent	Number of Leases	Annualized Base Rent per Square Foot
Domestic Hub Markets	682	65,966,215	74.9 %	96.2 %	\$ 406,118	76.9 %	2,192	\$6.40
Other Markets								
Domestic Target Markets								
Austin	8	1,558,757	1.8	93.9	8,371	1.6	29	5.72
Baltimore/Washington DC	36	2,809,554	3.2	98.2	18,689	3.5	133	6.77
Boston	40	5,288,268	6.0	91.1	31,694	6.0	100	6.58
Minneapolis	29	3,707,692	4.2	98.0	15,912	3.0	136	4.38
Subtotal Weighted Average	113	13,364,271	15.2	94.8	74,666	14.1	398	5.89
Domestic Non-Target Markets								
Charlotte	21	1,317,864	1.6	83.7	5,518	1.0	65	5.00
Columbus	1	240,000	0.3	100.0	720	0.1	3	3.00
Houston	1	410,000	0.5	100.0	2,531	0.5	1	6.17
Memphis	17	1,883,845	2.2	91.4	8,744	1.7	47	5.08
New Orleans	5	410,839	0.5	98.3	2,004	0.4	51	4.96
Orlando	16	1,424,748	1.7	96.4	6,250	1.2	75	4.55
San Diego	5	276,167	0.3	85.4	1,911	0.4	19	8.10
Subtotal Weighted Average	66	5,963,463	7.1	92.0	27,678	5.3	261	5.04
International Target Markets⁽¹⁾								
Amsterdam, Netherlands	5	476,972	0.5	100.0	4,608	0.9	5	9.66
Frankfurt, Germany	1	166,917	0.2	100.0	1,980	0.4	1	11.86
Hamburg, Germany	3	397,963	0.4	99.1	3,153	0.6	6	7.99
Lyon, France	1	262,491	0.3	100.0	1,452	0.3	2	5.53
Paris, France	4	1,022,063	1.2	100.0	7,125	1.4	4	6.97
Shanghai, China	1	151,749	0.2	100.0	532	0.1	2	3.54
Subtotal Weighted Average	15	2,478,155	2.8	99.9	18,850	3.7	20	7.61
Total Other Markets	194	21,805,889	25.1	94.6	121,194	23.1	679	5.87
Total Weighted Average	876	87,772,104	100.0 %	95.8 %	\$ 527,312	100.0 %	2,871	\$ 6.27

⁽¹⁾ Annualized base rent for leases denominated in foreign currencies is translated using the currency exchange rate at December 31, 2005.

UNCONSOLIDATED INDUSTRIAL PORTFOLIO OVERVIEW
 As of December 31, 2005

	Number of Buildings	Rentable Square Feet	Occupancy Percentage	Annualized Base Rent (000's)	% of Total Annualized Base Rent	Annualized Base Rent per Square Foot
Domestic Hub Markets						
Atlanta	7	407,028	75.7 %	\$ 1,719	2.9 %	\$ 5.58
Chicago	36	4,046,721	84.0	15,024	25.1	4.42
Los Angeles	10	3,312,452	100.0	13,373	22.4	4.04
No. New Jersey/New York City	1	212,335	100.0	828	1.4	3.90
Subtotal/Weighted Average	54	7,978,536	90.6	30,944	51.8	4.28
Domestic Target Markets	6	474,172	100.0	1,928	3.2	4.07
Domestic Non-Target Markets	9	1,232,799	91.1	3,939	6.6	3.51
International Target Markets ⁽¹⁾						
Guadalajara, Mexico	6	931,873	98.1	4,838	8.1	5.29
Mexico City, Mexico	4	960,534	100.0	6,037	10.1	6.29
Tokyo, Japan	7	1,201,698	98.5	12,087	20.2	10.22
Subtotal/Weighted Average	17	3,094,105	98.8	22,962	38.4	7.51
Total/Weighted Average	86	12,779,612	93.0 %	\$ 59,773	100.0 %	\$ 5.03

COMBINED INDUSTRIAL PORTFOLIO SUMMARY ⁽²⁾

	Number of Buildings	Rentable Square Feet	Occupancy Percentage	Annualized Base Rent (000's)	% of Total Annualized Base Rent	Annualized Base Rent per Square Foot
Domestic Hub Markets	736	73,944,751	95.6 %	\$ 437,062	74.5 %	\$ 6.18
Domestic Target	119	13,838,443	95.0	76,594	13.0	5.82
Domestic Non-Target	75	7,196,262	91.9	31,617	5.4	4.78
International	32	5,572,260	99.2	41,812	7.1	7.56
Total/Weighted Average	962	100,551,716	95.5 %	\$ 587,085	100.0 %	\$ 6.12

⁽¹⁾ Annualized base rent for leases denominated in foreign currencies is translated using the currency exchange rate at December 31, 2005.

⁽²⁾ Includes all consolidated and unconsolidated industrial operating properties on a 100% basis. Excludes retail and other properties' square feet of 0.3 million and 1.3 million square feet of industrial properties representing the IAT portfolio.

CONSOLIDATED INDUSTRIAL LEASE EXPIRATIONS⁽¹⁾
As of December 31, 2005
 (dollars in thousands)

	Square Feet	Annualized Base Rent ⁽²⁾	% of Annualized Base Rent
2006	14,814,362	\$ 89,922	16.2%
2007	14,245,738	83,898	15.1%
2008	14,095,709	84,259	15.2%
2009	11,726,525	70,944	12.8%
2010	10,368,286	77,179	13.9%
2011	6,097,520	43,935	7.9%
2012	3,983,288	35,548	6.4%
2013	1,397,167	14,630	2.6%
2014	3,508,245	24,318	4.4%
2015 and beyond	3,943,343	31,404	5.5%
Total	84,180,183	\$ 556,037	100.0%

⁽¹⁾ Schedule includes spaces that expire on or after December 31, 2005. Schedule also includes leases in month-to-month and hold-over status totaling 3.7 million square feet.
⁽²⁾ Calculated as monthly rent at expiration multiplied by 12. Non-U.S. Dollar projects are converted to U.S. Dollars using the budgeted exchange rate at expiration.

TOP 25 CUSTOMERS
As of December 31, 2005
 (dollars in thousands)

Customer Name ⁽¹⁾	Number of Leases	Aggregate Rentable Square Feet	Percentage of Aggregate Leased Square Feet ⁽²⁾	Annualized Base Rent ⁽³⁾	Percentage of Aggregate Annualized Base Rent ⁽⁴⁾
United States Government ⁽⁵⁾	49	1,118,282	1.3%	\$ 19,576	3.7%
FedEx Corporation	27	1,359,559	1.5%	14,130	2.7%
Deutsche Post World Net	44	1,727,890	2.0%	13,753	2.6%
Hamonic Inc.	4	285,480	0.3%	6,674	1.3%
City and County of San Francisco	1	559,605	0.6%	5,714	1.1%
La Poste	2	854,427	1.0%	5,424	1.0%
Expeditors International	7	1,041,773	1.2%	5,115	1.0%
Worldwide Flight Services	12	318,959	0.4%	3,870	0.7%
UPS	13	549,994	0.6%	3,812	0.7%
International Paper Company	6	473,399	0.5%	3,800	0.7%
Panalpina, Inc.	7	572,935	0.7%	3,542	0.7%
Forward Air Corporation	8	475,954	0.5%	3,416	0.6%
Nippon Express USA	5	429,040	0.5%	3,361	0.6%
Ahold NV	5	644,571	0.7%	2,837	0.5%
Elmhult Limited Partnership	5	760,253	0.9%	2,686	0.5%
Vino Manufacturing Corporation	1	559,000	0.6%	2,566	0.5%
BAX Global Inc.	7	169,531	0.2%	2,561	0.5%
Aeroground Inc.	6	201,367	0.2%	2,555	0.5%
United Air Lines Inc.	5	118,825	0.1%	2,456	0.5%
Applied Materials, Inc.	1	290,557	0.3%	2,277	0.4%
Iron Mountain Information Management	9	442,041	0.5%	2,126	0.4%
Kintetsu World Express	5	167,027	0.2%	2,112	0.4%
Eagle Global Logistics, L.P.	7	350,563	0.4%	2,071	0.4%
FMI International	1	315,000	0.4%	2,068	0.4%
United Liquors, Ltd.	1	440,000	0.5%	2,057	0.4%
Total		14,226,032	16.2%	\$ 120,559	22.8%

⁽¹⁾ Customer(s) may be a subsidiary of or an entity affiliated with the named customer. The Company also holds a lease at our Park One property adjacent to LAX with an ABR of \$7,217, which is not included.

⁽²⁾ Computed as aggregate leased square feet divided by the aggregate leased square feet of the industrial, retail and other properties.

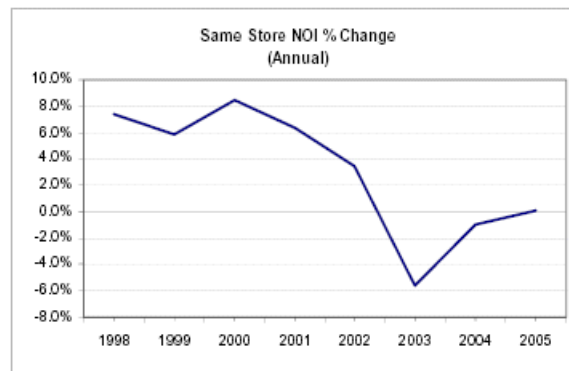
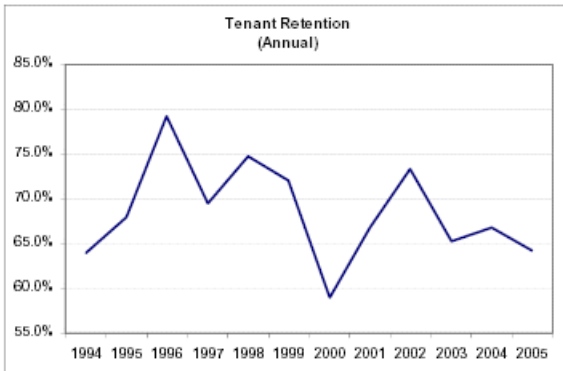
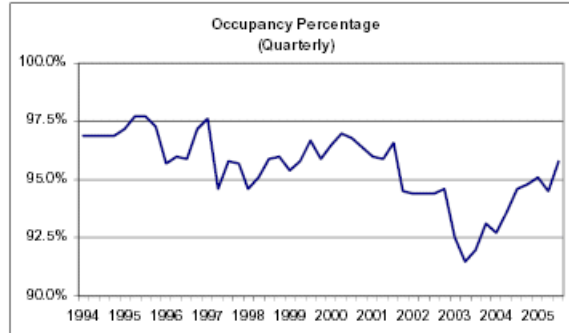
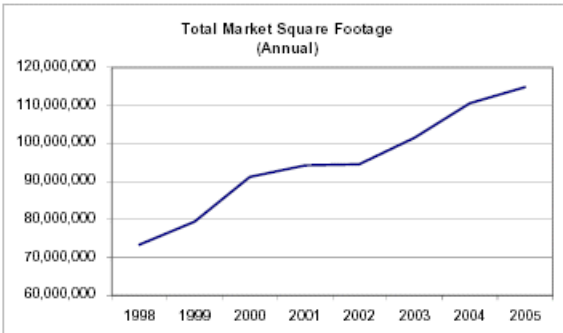
⁽³⁾ See Reporting Definitions.

⁽⁴⁾ Computed as aggregate annualized base rent divided by the aggregate annualized base rent of the industrial, retail and other properties.

⁽⁵⁾ Airport rental amounts (but not square footage) are included.

⁽⁶⁾ United States Government includes the United States Postal Service (USPS), United States Customs, United States Department of Agriculture (USDA) and various other U.S. governmental agencies.

**CONSOLIDATED HISTORICAL INDUSTRIAL
OPERATING AND LEASING STATISTICS**



ACQUISITIONS

For the Quarter ended December 31, 2005
(dollars in thousands)

Property Name	Location	Number of Buildings	Square Feet	Month of Acquisition	Acquisition Cost	AMB's Ownership Percentage
Property Acquisitions						
AMB Alliance Fund III						
1. AMB Broadmoor Distribution	Chelsea, MA	1	57,800	October	\$ 8,569	20%
2. AMB Glendale Lakes Distribution Center	Glendale Heights, IL	2	126,554	November	10,662	20%
3. AMB Lani Haul Distribution Center	Rancho Cucamonga, CA	2	25,903	December	8,459	20%
4. AMB Lunar Pointe Distribution	Fagan, MN	1	116,951	December	7,925	20%
5. AMB Pinewood Distribution	Norwood, MA	1	345,026	October	23,619	20%
6. Technology Bldg 42	Austin, TX	1	242,579	December	14,556	15%
Subtotal		8	914,613		73,380	
AMB-AMS						
7. AMB Titus Distribution Center	La Mirada, CA	1	203,890	November	15,541	39%
AMB - SQP Mexico						
8. Arizates Industrial Park	Guadalajara, Mexico	1	242,500	October	10,642	20%
AMB Property Corporation						
9. AMB DFW Air Cargo Center 1 ^(a)	Dallas, TX	1	232,873	December	38,250	100%
10. AMB Jaxing Distribution Center I	Shanghai, China	1	151,749	November	7,945	100%
11. AMB Post of Hamburg Bldg 5	Hamburg, Germany	1	105,296	December	10,545	100%
12. AMB Post of Hamburg Bldg 263	Hamburg, Germany	2	222,757	December	23,675	94%
Subtotal		5	782,585		79,315	
Total Fourth Quarter Property Acquisitions		15	2,143,554		\$ 178,644^(a)	56%
Weighted Average Stalked Cap. Rate G:U:P/Cash					7.6%/7.3%	
Total Year-to-Date Property Acquisitions		41	6,893,820		\$ 553,053	49%
Weighted Average Stalked Cap. Rate G:U:P/Cash					7.4%/7.1%	
Other Acquisitions						
None		n/a	n/a		n/a	n/a
Total Fourth Quarter Other Acquisitions		n/a	n/a		n/a	n/a
Total Year-to-Date Other Acquisitions		-	-		\$ 48,635	41%
Total Year-to-Date Acquisitions					\$ 605,668	48%

^(a) Represents the total expected investment, including closing costs and estimated acquisition capital of \$2.8 million.
^(b) The Company received a distribution of AMB DFW Air Cargo Center 1 as a portion of its proceeds from the sale of the assets of AMB Institutional Alliance Fund I.

OPERATING PROPERTY DISPOSITIONS
For the Quarter ended December 31, 2005
 (dollars in thousands)

<u>Property Name</u>	<u>Location</u>	<u>Number of Buildings or Centers</u>	<u>Square Feet</u>	<u>Month of Disposition</u>	<u>Disposition Price</u>	<u>AMB's Ownership Percentage</u>
1. Edenvale Business Center	Eden Prairie, MN	1	85,857	November	\$ 5,100	100%
2. Dilworth	Dallas, TX	1	163,369	November	5,065	100%
3. Portland Industrial Portfolio	Portland, OR	5	676,104	November	45,918	100%
4. AMB Core Markets (Alliance Fund I) ⁽¹⁾	Various	100	5,829,117	December	618,450	21%
Total Fourth Quarter Dispositions		107	6,754,447		\$ 674,533	28%
Weighted Average Stabilized Cash Cap Rate					6.2%	
Total Year-to-Date Dispositions		143	9,253,413		\$ 926,582	42%
Weighted Average Stabilized Cash Cap Rate					6.6%	

⁽¹⁾ The sale of the assets of AMB Institutional Alliance Fund I includes the distribution of AMB DFW Air Cargo Center I, valued at approximately \$38.25 million, to the Company and the separate transfer of certain other assets, valued at approximately \$9.5 million, to a third-party.

CONTRIBUTIONS TO PRIVATE CAPITAL JOINT VENTURES
For the Quarter ended December 31, 2005
 (dollars in thousands)

<u>Property Contributions</u>	<u>Location</u>	<u>Number of Buildings</u>	<u>Square Feet</u>	<u>Contribution Value</u>	<u>AMB's Retained Ownership Percentage</u>
None	n/a	n/a	n/a	n/a	n/a
Total Fourth Quarter Property Contributions		<u>-</u>	<u>-</u>	<u>\$ -</u>	n/a
Weighted Average Stabilized Cash Cap Rate					
Total Year-to-Date Property Contributions		<u>7</u>	<u>1,306,858</u>	<u>\$ 130,500</u>	20%
Weighted Average Stabilized Cash Cap Rate				7.5%	



NEW DEVELOPMENT & RENOVATION PROJECTS
For the Quarter ended December 31, 2005

(dollars in thousands)

Projects	Location	Developer	Estimated Stabilization	Estimated Square Feet	Estimated Total Investment ⁽¹⁾	AMB's Ownership Percentage
1. AMB Kashiwa DC 1	Kashiwa, Japan	AMB Bladpine	Q1 06	221,477	\$ 23,900	100%
2. AMB Horizon Creek - Bldg 300	Atlanta, GA	Seefried Properties	Q2 07	190,923	9,600	100%
3. Agave - Bldg 2	Mexico City, Mexico	G. Aemon	Q2 07	259,473	14,800	98%
4. AMB Douglassingel Distribution Center	Amsterdam, Netherlands	Austin	Q3 07	148,994	20,200	100%
5. AMB DFW Logistics Center 1	Dallas, TX	AMB	Q3 07	113,640	5,400	100%
6. AMB Des Plaines Logistics Center	Des Plaines, IL	AMB	Q3 07	125,080	12,400	100%
7. AMB Port of Hamburg 1	Hamburg, Germany	BUSS Ports + Logistics	Q3 07	403,862	33,100	94%
8. Civic Center Corporate Park	Torrance, CA	AMB	Q4 07	161,785	25,900	100%
9. AMB Valley Distribution Center	Auburn, WA	AMB	Q1 08	766,245	42,700	100%
Total Fourth Quarter New Projects				2,391,479	\$ 187,400	99%
Weighted Average Estimated Stabilized Yield ⁽²⁾					7.6%	
Total Year-to-Date New Projects				6,955,771	\$ 522,400	95%
Weighted Average Estimated Stabilized Yield ⁽²⁾					7.9%	

⁽¹⁾ Represents total estimated cost of renovation, expansion, or development, including initial acquisition costs, third party developer earnouts (if triggered by stabilization) and associated carry costs. The estimates are based on the Company's current estimates and forecasts and are subject to change. Non-U.S. Dollar investments are translated to U.S. Dollars using the exchange rate at December 31, 2005.
⁽²⁾ Yields exclude value-added conversion projects and are calculated on an after tax basis for international projects. See Reporting Definitions.



DEVELOPMENT & RENOVATION PROJECTS IN PROCESS

As of December 31, 2005

(dollars in thousands)

Projects	Location	Developer	Estimated Stabilization	Estimated Square Feet at Stabilization	Estimated Total Investment ⁽¹⁾	AMB's Ownership Percentage
2006 Deliveries						
1. AMB BRU Air Cargo Center	Brussels, Belgium	AMB	Q1	100,212	\$ 11,600	100%
2. AMB West Office - Bldg 1	EJ Groove, Village, IL	AMB	Q1	189,240	15,700	20%
3. AMB West Office - Bldg 2	EJ Groove, Village, IL	AMB	Q1	119,868	9,500	20%
4. Naita Air Cargo 1 - Phase 1 Bldg A	Tokyo, Japan	AMB Blackpine	Q1	107,566	11,000	100%
5. Naita Air Cargo 1 - Phase 1 Bldg B	Tokyo, Japan	AMB Blackpine	Q1	864,207	57,500	100%
6. Highway 17 - 50 Broad Street	Carlsbad, NJ	AMB	Q1	130,000	9,100	100%
7. Monarch Commerce Center - Bldg 1	Miramar, FL	AMB	Q2	71,000	5,600	100%
8. Monarch Commerce Center - Bldg 2	Miramar, FL	AMB	Q2	32,152	2,400	100%
9. Monarch Commerce Center - Bldg 3	Miramar, FL	AMB	Q2	37,447	2,800	100%
10. Dulles Commerce Center - Bldg 150	Dulles, VA	Secified Properties	Q2	72,600	6,300	20%
11. Dulles Commerce Center - Bldg 200	Dulles, VA	Secified Properties	Q2	97,232	7,500	20%
12. AMB Horizon Creek - Bldg 400	Atlanta, GA	Secified Properties	Q2	204,256	9,100	100%
13. AMB Ohta Distribution Center	Tokyo, Japan	AMB Blackpine	Q2	789,969	173,500	100%
14. Singapore Airport Logistics Center - Bldg 2 ⁽²⁾	Changi, Airport, Singapore	Boonleat Projects PTE	Q2	254,267	12,000	50%
15. AMB Amagasaki Distribution Center	Osaka, Japan	AMB Blackpine	Q2	973,029	94,100	100%
16. AMB Layline Distribution Center ⁽³⁾	Torrance, CA	AMB	Q2	208,000	20,000	100%
17. AMB Redlands - Parcel 1	Redlands, CA	AMB	Q2	699,350	24,800	100%
18. Nash Logistics Center ⁽⁴⁾	EJ Segundo, CA	LMC	Q2	75,000	12,500	50%
19. Sprancker Logistics ⁽⁵⁾	Redondo Beach, CA	LMC	Q2	279,431	30,900	30%
20. Beacon Lakes - Bldg 6	Miami, FL	Godina	Q3	216,464	12,300	70%
21. Northside Bldg 700	Dallas, TX	Secified Properties	Q3	108,640	6,300	20%
22. Agave - Bldg 4	Mexico City, Mexico	G. Lesion	Q3	217,514	13,600	98%
23. AMB Volker Logistics Center 1	Amsterdam, Netherlands	Delta Group	Q3	250,238	21,100	100%
24. AMB Anzang Distribution Center	Toronto, Canada	AMB	Q4	194,330	12,800	100%
25. AMB Milton 401 Business Park - Bldg 1	Toronto, Canada	AMB	Q4	373,245	19,300	100%
26. Beacon Lakes - Bldg 10	Miami, FL	Godina	Q4	102,476	11,500	70%
27. Beacon Lakes Village - Phase 1 Bldg 2 ⁽⁶⁾	Miami, FL	Godina	Q4	52,918	5,700	70%
28. Platinum Triangle Land ⁽⁷⁾	Jakarta, CA	AMB	Q4	-	33,200	100%
29. AMB Kashiwa DC-1	Kashiwa, Japan	AMB Blackpine	Q4	221,477	23,000	100%
30. Highway 17 - 33 Madison Street	Carlsbad, NJ	AMB	Q4	150,446	12,000	100%
Total 2006 Deliveries				7,039,813	\$ 702,200	90%
Leased or Under Contract (For Sale/Funded-as-date)				50%	\$ 502,100 ⁽⁸⁾	90%
Weighted Average Estimated Stabilized Yield ⁽⁹⁾						7.6%

Continued on next page

⁽¹⁾ Represents total estimated cost of renovation, expansion or development, including initial acquisition costs, third party developer earnouts (if triggered by stabilization) and associated carry costs. The estimates are based on the Company's current estimates and forecasts and are subject to change. Excludes 1,307 acres of land held for future development or sale (representing a potential 24.3 million square feet) totaling \$349.5 million, including acquisition and carry costs. Non-US Dollar investments are translated to US Dollars using the exchange rate at December 31, 2005.

⁽²⁾ AMB's share of amounts funded to date for 2006, 2007 and 2008 deliveries was \$527.2 million, \$51.4 million and \$23.7 million, respectively, for a total of \$602.3 million.

⁽³⁾ Represents a renovation project. See Reporting Definitions.

⁽⁴⁾ Represents projects in unconsolidated joint ventures.

⁽⁵⁾ Yields exclude value-added conversion projects and are calculated on an after tax basis for international projects. See Reporting Definitions.

⁽⁶⁾ Represents a value-added conversion project. See Reporting Definitions.



DEVELOPMENT & RENOVATION PROJECTS IN PROCESS
As of December 31, 2005

(dollars in thousands)

(continued)

Project	Location	Developer	Estimated Stabilization	Estimated Square Feet at Stabilization	Estimated Total Investment ⁽¹⁾	AMB's Ownership Percentage
2007 Deliveries						
31. AMB Pearson Logistics Centre 1-Bldg 200	Toronto, Canada	AMB	Q1	216,518	\$ 14,400	100%
32. AMB Isle d'Abeau Logistics - Bldg C	Lyon, France	GEPIUM	Q1	277,817	18,000	100%
33. AMB Tumberry Distribution VI	Roselle, IL	AMB	Q1	179,400	10,400	20%
34. AMB Frankfurt Logistics Center 55 - Phase II	Frankfurt, Germany	AMB	Q1	312,031	15,400	100%
35. AMB Pearson Logistics Centre - Bldg 100	Toronto, Canada	AMB	Q2	446,538	28,000	100%
36. AMB Horizon Creek - Bldg 300	Arlanta, GA	Secured Properties	Q2	150,023	9,000	100%
37. AMB Geneva Distribution Center	Geneva, France	GEPIUM	Q2	591,888	51,000	100%
38. Agave - Bldg 2	Mexico City, Mexico	C. Accion	Q2	259,473	14,000	98%
39. AMB Dooijensingal Distribution Center	Amsterdam, Netherlands	Asinim	Q3	148,994	23,200	100%
40. AMB Fokker Logistics Center 2 - Bldg 1	Amsterdam, Netherlands	Delta Group	Q3	118,575	14,400	100%
41. AMB DFW Logistics Center 1	Dallas, TX	AMB	Q3	115,640	5,400	100%
42. AMB Des Plaines Logistics Center	Des Plaines, IL	AMB	Q3	125,080	12,400	100%
43. AMB Port of Hamburg 1	Hamburg, Germany	BLS Pure + Logistics	Q3	405,862	55,100	94%
44. Civic Center Corporate Park	Torrance, CA	AMB	Q4	161,783	25,000	100%
Total 2007 Deliveries				3,325,324	\$ 270,300	96%
Leased or Under Contract For Sale/Funded-to-date				0%	\$ 56,700 ⁽²⁾	
Weighted Average Estimated Stabilized Yield ⁽³⁾						7.5%
2008 Deliveries						
45. AMB Valley Distribution Center	Auburn, WA	AMB	Q1	766,245	\$ 42,700	100%
46. AMB Barajas Logistics Park	Madrid, Spain	Codina-Toribia	Q1	452,841	52,900	80%
47. AMB Fokker Logistics Center 3	Amsterdam, Netherlands	Delta Group	Q1	315,229	38,000	50%
Total 2008 Deliveries				1,534,315	\$ 133,600	77%
Leased or Under Contract For Sale/Funded-to-date				0%	\$ 52,600 ⁽²⁾	
Weighted Average Estimated Stabilized Yield ⁽³⁾						8.1%
Total Scheduled Deliveries						
				11,895,852	\$ 1,066,600	96%
Leased or Under Contract For Sale/Funded-to-date				30%	\$ 681,400 ⁽²⁾	
Weighted Average Estimated Stabilized Yield ⁽³⁾						7.7%

⁽¹⁾ Represents total estimated cost of renovation, expansion or development, including initial acquisition costs, third party developer earnouts (if triggered by stabilization) and associated carry costs. The estimates are based on the Company's current estimates and forecasts and are subject to change. Excludes 1,307 acres of land held for future development or sale (representing a potential 24.3 million square feet) totaling \$349.5 million, including acquisition and carry costs. Non-US Dollar investments are translated to US Dollars using the exchange rate at December 31, 2005.

⁽²⁾ AMB's share of amounts funded to date for 2006, 2007 and 2008 deliveries was \$527.2 million, \$51.4 million and \$23.7 million, respectively, for a total of \$602.3 million.

⁽³⁾ Yields exclude value-added conversion projects and are calculated on an after tax basis for international projects. See Reporting Definitions.

STABILIZED DEVELOPMENT & RENOVATION PROJECTS
For the Quarter ended December 31, 2005
 (dollars in thousands)

Projects Placed in Operations			Location	Developer	Square Feet	Total Investment ⁽¹⁾	AMB's Ownership Percentage
1. Fondyee Distribution Center ⁽²⁾			Carson, CA	AMB	250,000	\$ 17,600	20%
2. O'Hare Industrial - 701 Hilltop Drive			Itasca, IL	Hamilton Partners	60,810	3,000	100%
Total Fourth Quarter Placed in Operations					310,810	\$ 20,600	32%
Leased/Weighted Average Stabilized Yield ⁽³⁾					80%	8.1%	
Total Year-to-Date Placed in Operations					2,466,613	\$ 137,900	38%
Leased/Weighted Average Stabilized Yield ⁽³⁾					98%	8.7%	
Projects Placed in Available for Sale or Contribution ⁽⁴⁾			Location	Developer	Square Feet	Total Investment ⁽¹⁾	AMB's Ownership Percentage
None			n/a	n/a	n/a	n/a	n/a
Total Fourth Quarter Available for Sale or Contribution					-	\$ -	n/a
Total Year-to-Date Available for Sale or Contribution					1,819,550	\$ 112,800	94%
Leased/Weighted Average Stabilized Yield ⁽³⁾					97%	8.0%	

⁽¹⁾ Represents total estimated cost of renovation, expansion or development, including initial acquisition costs, third party developer earnouts (if triggered by stabilization) and associated carry costs. The estimates are based on the Company's current estimates and forecasts and are subject to change. Non-US Dollar investments are translated to US Dollars using the exchange rate at December 31, 2005.

⁽²⁾ Represents projects where development activities have been completed and which the Company intends to sell or contribute within two years of completion.

⁽³⁾ Represents a renovation project. See Reporting Definitions.

⁽⁴⁾ Yields exclude value-added conversion projects and are calculated on an after tax basis for international projects. See Reporting Definitions.

DEVELOPMENT PROJECTS AVAILABLE FOR SALE OR CONTRIBUTION AND SOLD OR CONTRIBUTED PROJECTS
As of December 31, 2005
 (dollars in thousands)

<u>Projects Available for Sale or Contribution⁽¹⁾</u>	<u>Location</u>	<u>Estimated Square Feet at Completion</u>	<u>Estimated Total Investment⁽¹⁾</u>	<u>AMB's Ownership Percentage</u>
1. Entino Distribution Center	Mexico City, Mexico	580,669	\$ 32,800	98%
Total Available for Sale or Contribution		580,669	\$ 32,800	98%
Funded-to-date			\$ 32,800 ⁽²⁾	

<u>Projects Sold or Contributed</u>	<u>Location</u>	<u>Square Feet</u>	<u>Gross Price</u>	<u>AMB's Ownership Percentage</u>	<u>AMB's Recognized Share of Net Cash Gain</u>
1. Wilsonville Phase II	Wilsonville, OR	249,625	\$ 19,882	100%	
2. Fisher Farms Land	Carol Stream, IL	n/a	15,100	100%	
3. MN Vacant Land	Minneapolis, MN	n/a	1,275	100%	
4. Interstate Crosslock ⁽³⁾	Teterboro, NJ	616,992	69,500	100%	
5. Beacom Lakes - MDX Land ⁽⁴⁾	Miami, FL	n/a	7,832	79%	
Total Fourth Quarter Sold or Contributed		866,617	\$ 113,589	99%	\$ 32,827
Total Year-to-Date Sold or Contributed		1,543,629	\$ 207,715	92%	\$ 49,016

⁽¹⁾ Represents total estimated cost of renovation, expansion, or development, including initial acquisition costs, carry and partner amounts (if triggered by stabilization). The estimates are based on the Company's current estimates and forecasts and are subject to change. Non-U.S. Dollar investments are translated to U.S. Dollars using the exchange rate at December 31, 2005.
⁽²⁾ Represents projects where development activities have been completed and which the Company intends to sell or contribute within two years of construction completion.
⁽³⁾ AMB's share of amounts funded to date was \$32.1 million.
⁽⁴⁾ Represents a renovation project. See Reporting Definitions.
⁽⁵⁾ Represents the final proceeds from a land sale that occurred in the second quarter of 2004.

CAPITALIZATION SUMMARY
As of December 31, 2005
(dollars in thousands, except share price)

Year	AMB Secured Debt ⁽¹⁾	Joint Venture Debt ⁽²⁾	Unsecured Senior debt Securitized	Unsecured Debt	Credit Facilities ⁽³⁾	Total Debt
2006	65,309	79,252	75,000	16,280	-	235,911
2007	12,680	58,124	75,000	752	422,602	569,158
2008	43,705	178,795	175,000	810	67,479	467,890
2009	5,264	126,551	100,000	873	-	232,688
2010	710,788	156,927	250,000	941	-	438,946
2011	21,373	357,207	75,000	1,014	-	634,794
2012	254,996	171,442	-	1,093	-	427,531
2013	14,773	156,894	-	920	-	212,587
2014	15,066	4,664	-	416	-	20,146
2015	1,951	44,653	100,000	664	-	147,268
Thereafter	19,004	32,544	125,000	-	-	176,548
Sub-total	522,459	1,378,083	975,000	23,563	496,072	3,389,577
Unamortized premiums	2,577	9,402	-	-	-	11,979
Total consolidated debt	\$250,036	\$ 1,387,485	\$ 975,000	\$ 23,563	\$ 496,072	\$ 3,401,556
AMB's share of unconsolidated JV debt ⁽⁴⁾	-	461,120	-	-	-	161,120
Total debt	\$250,036	\$ 1,848,605	\$ 975,000	\$ 23,563	\$ 496,072	\$ 3,562,676
JV partners' share of consolidated JV debt	-	(960,800)	-	-	-	(960,800)
AMB's share of total debt ⁽⁵⁾	\$ 250,036	\$ 887,805	\$ 975,000	\$ 23,563	\$ 496,072	\$ 2,601,678
Weighted average interest rate	4.1%	6.9%	6.2%	8.2%	2.2%	5.3%
Weighted average maturity (in years)	5.8	5.7	5.2	3.1	1.6	4.9

Security	Market Equity		
	Shares	Price	Value
Common Stock	85,814,905	\$ 49.17	\$ 4,219,519
LP Units	4,316,525	49.17	216,177
Total	90,131,430		\$ 4,435,696

Security	Preferred Stock and Units ⁽⁶⁾	
	Dividend Rate	Liquidation Preference
Series D & E preferred units	7.75%	\$ 99,789
Series F preferred units	7.95%	10,057
Series H preferred units	8.13%	42,000
Series I preferred units	8.00%	25,500
Series J preferred units	7.95%	40,000
Series K preferred units	7.95%	40,000
Series N preferred units ⁽⁷⁾	5.00%	36,479
Series L preferred stock	6.50%	50,000
Series M preferred stock	6.75%	57,500
Series O preferred stock	7.00%	75,000
Weighted Average/Total	7.21%	\$ 467,325

Capitalization Ratios	
Total debt to total market capitalization ⁽⁸⁾	42.1%
AMB's share of total debt to AMB's share of total market capitalization ⁽⁹⁾	34.7%
Total debt plus preferred to total market capitalization ⁽⁸⁾	47.6%
AMB's share of total debt plus preferred to AMB's share of total market capitalization ⁽⁹⁾	40.9%

(1) AMB secured debt includes debt related to international assets in the amount of \$383.0 million. Of this, \$250.5 million is associated with assets located in Asia and the remaining \$132.5 million is related to assets located in Europe.

(2) Represents three credit facilities with total capacity of approximately \$897.2 million. Includes \$173.1 million, \$249.5 million and \$67.5 million in Euro, Yen and Canadian dollar based borrowings, respectively, translated to US Dollars using the foreign exchange rates at December 31, 2005.

(3) The weighted average interest and maturity for the unconsolidated JV debt were 3.3% and 3.7 years, respectively.

(4) Exchangeable under certain circumstances by the unit holder and redeemable at the option of the Company after a specified non-call period, generally five years from issuance.

(5) The holders of the Series N Preferred Units exercised their put option on January 15, 2006 at a price equal to \$50 per unit, plus all accrued and unpaid distributions.

(6) See Reporting Definitions for the Company's definitions of "total market capitalization," "AMB's share of total market capitalization," "market equity," and "preferred." See Supplemental Financial Measures Disclosures for a discussion of why management believes the Company's share of total debt is a useful supplemental measure for its management and investors, of ways to use this measure when assessing the Company's financial performance, and the limitations of the measure as a measurement tool.



CO-INVESTMENT CONSOLIDATED JOINT VENTURES
As of December 31, 2005
(dollars in thousands)

Joint Ventures	AMB's	Number of	Square	Gross	Property	JV Partners'
	Ownership					
	Percentage			Value ⁽²⁾		of Debt ⁽³⁾
Co-Investment Operating Joint Ventures:						
AMB Eric ⁽⁴⁾	50%	15	1,921,432	\$ 99,722	\$ 40,710	\$ 20,354
AMB Partners II ⁽⁵⁾	20%	105	8,618,386	557,461	285,668	229,017
AMB-SGP ⁽⁷⁾	50%	74	8,287,007	436,713	239,944	119,666
AMB Institutional Alliance Fund II ⁽⁶⁾	20%	70	7,964,444	498,161	245,056	193,486
AMB-AMS ⁽⁸⁾	39%	32	1,891,934	115,852	49,159	30,130
AMB Institutional Alliance Fund III ⁽⁹⁾	20%	57	7,219,725	743,322	421,290	333,156
Total Co-Investment Operating Joint Ventures	27%	353	35,902,928	2,451,231	1,281,827	925,809
Co-Investment Development Joint Ventures:						
AMB Partners II ⁽⁵⁾	20%	4	478,880	34,654	6,016	4,765
AMB Institutional Alliance Fund II ⁽⁶⁾	20%	1	108,640	9,332	-	-
AMB-AMS ⁽⁸⁾	39%	1	279,431	30,135	13,984	8,597
AMB Institutional Alliance Fund III ⁽⁹⁾	20%	1	179,400	6,312	-	-
Total Co-Investment Development Joint Ventures	27%	7	1,046,351	80,453	20,000	13,362
Total Co-Investment Consolidated Joint Ventures	27%	360	36,949,279	\$ 2,531,684	\$1,301,827	\$ 939,171
Partners' Share of						
Co-investment Joint Ventures	Cash NOI ⁽¹⁰⁾	Net Income	FFO	Cash NOI ⁽¹⁰⁾	Net Income	FFO
For the quarter ended December 31, 2005	\$ 59,480	\$ 262,221	\$ 39,547	\$ 42,798	\$ 173,200	\$ 27,349
For the twelve months ended December 31, 2005	\$ 210,088	\$ 350,626	\$ 150,323	\$ 154,807	\$ 224,292	\$ 107,810

(1) For development properties, this represents estimated square feet at completion of development for committed phases of development and renovation projects.
(2) Represents the book value of the property (before accumulated depreciation) owned by the joint venture entity and excludes net other assets. Development book values include uncommitted land.
(3) JV partners' share of debt is defined as total debt less the Company's share of total debt. See Supplemental Financial Measures Disclosures for a discussion of why management believes the Company's share of total debt is a useful supplemental measure for its management and investors, of ways to use this measure when assessing the Company's financial performance, and the limitations of the measure as a measurement tool.
(4) AMB Eric is a co-investment partnership formed in 1998 with the Eric Insurance Group.
(5) AMB Institutional Alliance Fund II is a co-investment partnership with institutional investors, which invest through a private REIT.
(6) AMB Partners II is a co-investment partnership formed in 2001 with the City and County of San Francisco Employees' Retirement System.
(7) AMB-SGP is a co-investment partnership formed in 2001 with GIC Real Estate Pte Ltd, the real estate investment subsidiary of the Government of Singapore Investment Corporation.
(8) AMB-AMS is a co-investment partnership with three Dutch pension funds advised by Mn Services NV.
(9) AMB Institutional Alliance Fund III is an open-ended co-investment partnership formed in 2004 with institutional investors, which invest through a private REIT.
(10) See Supplemental Financial Measures Disclosures for a discussion of why management believes NOI is a useful supplemental measure for our management and investors, of ways to use this measure when assessing financial performance, and the limitations of the measure as a measurement tool.

OTHER CONSOLIDATED JOINT VENTURES
As of December 31, 2005
 (dollars in thousands)

Properties	Market	AMB's Ownership Percentage	Square Feet	Gross Book Value ⁽¹⁾	Property Debt	JV Partners' Share of Debt ⁽²⁾
Other Industrial Operating Joint Ventures	Various	92%	2,956,762	\$ 244,787	\$ 42,688	\$ 3,329
Other Industrial Development Joint Ventures	Various	73%	1,834,483	133,903	42,975	18,303
Total Other Industrial Consolidated Joint Ventures		86%	4,791,245	\$ 378,690	\$ 85,663	\$ 21,632

⁽¹⁾ Represents the book value of the property (before accumulated depreciation) owned by the joint venture entity and excludes net other assets. Development book values include uncommitted land.

⁽²⁾ JV Partners' Share of Debt is defined as total debt less the Company's share of total debt. See Supplemental Financial Measures Disclosures for a discussion of why management believes the Company's share of total debt is a useful supplemental measure for its management and investors, of ways to use this measure when assessing the Company's financial performance, and the limitations of the measure as a measurement tool.

UNCONSOLIDATED JOINT VENTURES, MORTGAGE INVESTMENTS AND OTHER INVESTMENTS

As of December 31, 2005

(dollars in thousands)

Unconsolidated Joint Ventures	Market	Square Feet	AMB's Net Equity Investment	AMB's Ownership Percentage	AMB's Share of Debt ⁽¹⁾
Co-Investment Joint Ventures					
1. AMB-SGP Mexico ⁽²⁾	Various, Mexico	1,892,407	\$ 16,218	20%	\$ 12,809
2. AMB Japan Fund I ⁽³⁾	Various, Japan	1,201,698	10,112	20%	14,667
Total Co-Investment Joint Ventures		3,094,105	\$ 26,330	20%	\$ 27,476
Other Industrial Operating Joint Ventures					
		9,295,507	\$ 41,520	52%	\$ 91,847
Other Industrial Development Joint Ventures⁽⁴⁾					
		719,267	6,176	50%	12,125
Total Unconsolidated Joint Ventures		13,108,879	\$ 74,026	40%	\$ 131,448
Mortgage and Loan Investments					
Market	Maturity	Mortgage Receivable ⁽⁵⁾	Rate		
1. Pier I ⁽⁶⁾	SF Bay Area	May 2026	\$ 12,821	13.0%	
2. G.Accion	Various	November 2006	8,800	10.0%	
			\$ 21,621		
Other Investments					
Market	Property Type	Net Investment	AMB's Ownership Percentage	AMB's Share of Debt ⁽¹⁾	
1. Park One	Los Angeles	Parking Lot	\$ 75,498	100%	\$ -
2. G.Accion ⁽⁷⁾	Various	Various	44,627	39%	29,672
3. IAT Air Cargo Facilities Income Fund ⁽⁸⁾	Canada	Industrial	2,644	5%	-
			\$ 122,769		\$ 29,672

⁽¹⁾ See Supplemental Financial Measures Disclosures for a discussion of why management believes the Company's share of total debt is a useful supplemental measure for its management and investors, of ways to use this measure when assessing the Company's financial performance, and the limitations of the measure as a measurement tool.

⁽²⁾ AMB-SGP Mexico is a co-investment partnership formed in 2004 with GIC Real Estate Pte Ltd, the real estate investment subsidiary of the Government of Singapore Investment Corporation. Includes \$7.3 million of shareholder loans outstanding at December 31, 2005 between the Company and the co-investment partnership.

⁽³⁾ AMB Japan Fund I is a co-investment partnership formed in 2005 with institutional investors.

⁽⁴⁾ Square feet for development joint ventures represents estimated square feet at completion of development project.

⁽⁵⁾ AMB has a 0.1% unconsolidated equity interest (with a 33% economic interest) in this property and also has an option to purchase the remaining equity interest beginning January 1, 2007 and expiring December 31, 2009.

⁽⁶⁾ The Company holds inter-company loans that it eliminates in consolidations.

⁽⁷⁾ 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.

⁽⁸⁾ The Company has an approximate 5% equity interest in IAT Air Cargo Facilities Income Fund, a public Canadian real estate income trust.

REPORTING DEFINITIONS

Acquisition/non-recurring capex includes immediate building improvements that were taken into consideration when underwriting the purchase of a building or which are incurred to bring a building up to "operating standard" or to stabilization. Also includes incremental building improvements and leasing costs that are incurred in an effort to substantially increase the revenue potential of an existing building.

AMB's share of total debt-to-AMB's share of total book capitalization is calculated using the following definitions: AMB's share of total debt is the pro rata portion of the total debt based on the Company's percentage of equity interest in each of the consolidated or unconsolidated ventures holding the debt. AMB's share of total book capitalization is defined as the Company's share of total debt plus minority interests to preferred unitholders and limited partnership unitholders plus stockholders' equity.

AMB's share of total debt-to-AMB's share of total market capitalization is calculated using the following definitions: AMB's share of total debt is the pro rata portion of the total debt based on the Company's percentage of equity interest in each of the consolidated or unconsolidated ventures holding the debt. The Company's definition of "total market capitalization" is total debt plus preferred equity liquidation preferences plus market equity. The Company's definition of "AMB's share of total market capitalization" is the Company's share of total debt plus preferred equity liquidation preferences plus market equity. The Company's definition of "market equity" is the total number of outstanding shares of the Company's common stock and common limited partnership units multiplied by the closing price per share of its common stock as of December 31, 2005.

AMB's share of total market capitalization is defined by the Company as the Company's share of total debt plus preferred equity liquidation preferences plus market equity.

Annualized base rent (ABR) is calculated as monthly base rent (cash basis) per the lease, as of a certain date, multiplied by 12. If free rent is granted, then the first positive rent value is used.

Completion/Stabilization is generally defined as properties that are 90% leased or properties for which we have held a certificate of occupancy or building has been substantially complete for at least 12 months.

Estimated stabilized yields on development and renovation projects are calculated from estimated annual NOI following occupancy stabilization divided by the estimated total investment, including Development Alliance Partner[®] earnouts (if triggered by stabilization) and associated carrying costs.

Fixed charge coverage is adjusted EBITDA divided by total interest expense (including capitalized interest) plus preferred dividends and distributions.

Interest coverage is adjusted EBITDA divided by total GAAP interest expense.

Market equity is defined by the Company as the total number of outstanding shares of the Company's common stock and common limited partnership units multiplied by the closing price per share of its common stock as of December 31, 2005.

Occupancy percentage represents the percentage of total rentable square feet owned, which is leased, including month-to-month leases, as of the date reported. Space is considered leased when the tenant has either taken physical or economic occupancy.

Percentage pre-leased represents the percentage of signed leases only.

Preferred is defined by the Company, with respect to its capitalization ratios, as preferred equity liquidation preferences.

Renovation projects represents projects where the acquired buildings are less than 75% leased and require significant capital expenditures (generally more than 10% - 25% of acquisition cost) to bring the buildings up to operating standards and stabilization (generally 90% occupancy).

Recurring capital expenditures represents non-incremental building improvements and leasing costs required to maintain current revenues. Recurring capital expenditures do not include acquisition capital that was taken into consideration when underwriting the purchase of a building or which are incurred to bring a building up to "operating standard."

Rent increases on renewals and rollovers are calculated as the difference, weighted by square feet, of the net ABR due the first month after a term commencement date and the net ABR due the last month prior to the termination date of the former tenant's term. If free rent is granted, then the first positive full rent value is used as a point of comparison. The rental amounts exclude base stop amounts, holdover rent and premium rent charges. If either the previous or current lease terms are under 12 months, then they are excluded from this calculation. If the lease is the first in the unit (first generation) and there is no prior lease for comparison, then it is excluded from this calculation.

Same store NOI growth is the change in the NOI (excluding straight-line rents) of the same store properties from the prior year reporting period to the current year reporting period.

Same store properties include all properties that were owned as of the end of both the current and prior year reporting periods and excludes development properties for both the current and prior reporting periods. The same store pool is set annually and excludes properties purchased and developments stabilized after December 31, 2005. Same store pool includes Park One parking lot in Los Angeles, California.

Second generation TIs and LCs per square foot are total tenant improvements, lease commissions and other leasing costs incurred during leasing of second generation space divided by the total square feet leased. Costs incurred prior to leasing available space are not included until such space is leased. Second generation space excludes newly developed square footage or square footage vacant at acquisition.

Square feet owned represents 100% of the square footage of properties either owned directly by the Company or which the Company has a controlling interest in (e.g. consolidated joint ventures) and excludes square footage of development properties prior to completion.

Stabilized GAAP cap rates rates are calculated as NOI, including straight-line rents, stabilized to market occupancy (generally 95%) divided by total acquisition cost. The total acquisition cost basis includes the initial purchase price, the effects of marking assumed debt to market, all due diligence and closing costs, SFAS 141 adjustments, planned immediate capital expenditures, leasing costs necessary to achieve stabilization and, if applicable, any estimated costs required to buy-out AMB's joint venture partners.

Tenant retention is the square footage of all leases renewed by existing tenants divided by the square footage of all expiring and renewed leases during the reporting period, excluding the square footage of tenants that default or buy-out prior to expiration of their lease, short-term tenants and the square footage of month-to-month leases.

Total market capitalization is defined by the Company as total debt plus preferred equity liquidation preferences plus market equity.

Value-added conversion project represents the repurposing of land or a building site for more valuable uses and may include such activities as rezoning, redesigning, reconstructing and reentering.

SUPPLEMENTAL FINANCIAL MEASURES DISCLOSURES

Adjusted EBITDA. The Company uses adjusted earnings before interest, tax, depreciation and amortization, or adjusted EBITDA, to measure both its operating performance and liquidity. The Company considers adjusted EBITDA to provide investors relevant and useful information because it permits fixed income investors to view income from its operations on an unleveraged basis before the effects of non-cash depreciation and amortization expense. By excluding interest expense, adjusted EBITDA allows investors to measure the Company's operating performance independent of its capital structure and indebtedness and, therefore, allows for a more meaningful comparison of its operating performance between quarters as well as annual periods and to compare its operating performance to that of other companies, both in the real estate industry and in other industries. The Company considers adjusted EBITDA to be a useful supplemental measure for reviewing its comparative performance with other companies because, by excluding non-cash depreciation expense, adjusted EBITDA can help the investing public compare the performance of a real estate company to that of companies in other industries. As a liquidity measure, the Company believes that adjusted EBITDA helps fixed income and equity investors to analyze its ability to meet debt service obligations and to make quarterly preferred share and unit distributions. Management uses adjusted EBITDA in the same manner as the Company expects investors to when measuring the Company's operating performance and liquidity; specifically when assessing its operating performance, and comparing that performance to other companies, both in the real estate industry and in other industries, and when evaluating its ability to meet debt service obligations and to make quarterly preferred share and unit distributions. The Company believes investors should consider adjusted EBITDA, in conjunction with net income (the primary measure of the Company's performance) and the other required GAAP measures of its performance and liquidity, to improve their understanding of the Company's operating results and liquidity, and to make more meaningful comparisons of the performance of its assets between periods and as against other companies. By excluding interest, taxes, depreciation and amortization when assessing the Company's financial performance, an investor is assessing the earnings generated by the Company's operations, but not taking into account the eliminated expenses incurred in connection with such operations. As a result, adjusted EBITDA has limitations as an analytical tool and should be used in conjunction with the Company's required GAAP presentations. Adjusted EBITDA does not reflect the Company's historical cash expenditures or future cash requirements for working capital, capital expenditures or contractual commitments. Adjusted EBITDA also does not reflect the cash required to make interest and principal payments on the Company's outstanding debt. While adjusted EBITDA is a relevant and widely used measure of operating performance and liquidity, it does not represent net income or cash flow from operations as defined by GAAP and it should not be considered as an alternative to those indicators in evaluating operating performance or liquidity. Further, the Company's computation of adjusted EBITDA may not be comparable to EBITDA reported by other companies.

Company's share of total debt. The Company's share of total debt is the pro rata portion of the total debt based on its percentage of equity interest in each of the consolidated or unconsolidated ventures holding the debt. The Company believes that its share of total debt is a meaningful supplemental measure, which enables both management and investors to analyze its leverage and to compare its leverage to that of other companies. In addition, it allows for a more meaningful comparison of its debt to that of other companies that do not consolidate their joint ventures. The Company's share of total debt is not intended to reflect its actual liability should there be a default under any or all of such loans or a liquidation of the joint ventures.

Interest coverage. The Company uses interest coverage to measure its liquidity. The Company considers interest coverage to provide investors relevant and useful information because it permits fixed income investors to measure the Company's ability to meet its interest payments on outstanding debt. The Company's computation of interest coverage may not be comparable to interest coverage reported by other companies.

Fixed charge coverage. The Company uses fixed charge coverage to measure its liquidity. The Company considers fixed charge coverage to provide investors relevant and useful information because it permits fixed income investors to measure the Company's ability to meet its interest payments on outstanding debt, make distributions to its preferred unitholders and pay dividends to its preferred shareholders. The Company's computation of fixed charge coverage may not be comparable to fixed charge coverage reported by other companies.

Funds From Operations ("FFO"). The Company believes that net income, as defined by GAAP, is the most appropriate earnings measure. However, the Company considers funds from operations, or FFO, as defined by NAREIT, to be a useful supplemental measure of its operating performance. FFO is defined as net income, calculated in accordance with GAAP, less gains (or losses) from dispositions of real estate held for investment purposes and real estate-related depreciation, and adjustments to derive the Company's pro rata share of FFO of consolidated and unconsolidated joint ventures. Further, the Company does not adjust FFO to eliminate the effects of non-recurring charges. The Company believes that FFO, as defined by NAREIT, is a meaningful supplemental measure of its operating performance because historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time, as reflected through depreciation and amortization expenses. However, since real estate values have historically risen or fallen with market and other conditions, many industry investors and analysts have considered presentation of operating results for real estate companies that use historical cost accounting to be insufficient. Thus, NAREIT created FFO as a supplemental measure of operating performance for real estate investment trusts that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. The Company believes that the use of FFO, combined with the required GAAP presentations, has been beneficial in improving the understanding of operating results of real estate investment trusts among the investing public and making comparisons of operating results among such companies more meaningful. The Company considers FFO to be a useful measure for reviewing comparative operating and financial performance because, by excluding gains or losses related to sales of previously depreciated operating real estate assets and real estate depreciation and amortization, FFO can help the investing public compare the operating performance of a company's real estate between periods or as compared to other companies. While FFO is a relevant and widely used measure of operating performance of real estate investment trusts, it does not represent cash flow from operations or net income as defined by GAAP and should not be considered as an alternative to those measures in evaluating the Company's liquidity or operating performance. FFO also does not consider the costs associated with capital expenditures related to the Company's real estate assets nor is FFO necessarily indicative of cash available to fund the Company's future cash requirements. Further, the Company's computation of FFO may not be comparable to FFO reported by other real estate investment trusts that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than the Company does.

Net Operating Income ("NOI"). Net operating income is defined as rental revenue, including reimbursements, less property operating expenses, which excludes depreciation, amortization, general and administrative expenses and interest expense. The Company considers NOI to be an appropriate supplemental performance measure because NOI reflects the operating performance of the real estate portfolio. However, NOI should not be viewed as an alternative measure of 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 results from operations. Further, NOI may not be comparable to that of other real estate investment trusts, as they may use different methodologies for calculating NOI.

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Some of the information included in this supplemental analyst package and the conference call to be held in connection therewith contains forward-looking statements, such as those related to development and renovation projects (including stabilization dates, square feet at stabilization or completion, and total investment amounts), lease expirations and future business plans (such as property divestitures and financings), which are made pursuant to the safe-harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results to differ materially from those in the forward-looking statements, and you should not rely on the forward-looking statements as predictions of future events. The events or circumstances reflected in forward-looking statements might not occur. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "pro forma," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and we may not be able to realize them. We caution you not to place undue reliance on forward-looking statements, which reflect our analysis only and speak only as of the date of this report or the dates indicated in the statements. We assume no obligation to update or supplement forward-looking statements. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: defaults on or non-renewal of leases by tenants, increased interest rates and operating costs, our failure to obtain necessary outside financing, difficulties in identifying properties to acquire and in effecting acquisitions, our failure to successfully integrate acquired properties and operations, our failure to divest properties we have contracted to sell or to timely reinvest proceeds from any divestitures, risks and uncertainties affecting property development and construction (including construction delays, cost overruns, our inability to obtain necessary permits and public opposition to these activities), our failure to qualify and maintain our status as a real estate investment trust, environmental uncertainties, risks related to natural disasters, financial market fluctuations, changes in real estate and zoning laws, risks related to doing business internationally and increases in real property tax rates. Our success also depends upon economic trends generally, including interest rates, income tax laws, governmental regulation, legislation, population changes and certain other matters discussed under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Business Risks" and elsewhere in our annual report on Form 10-K for the year ended December 31, 2004.
