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

Form 10-K

(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)*	**94-3281941** *(IRS Employer Identification No.)*
Pier 1, Bay 1, San Francisco, California *(Address of Principal Executive Offices)*	**94111** *(Zip Code)*

(415) 394-9000
(Registrant's telephone number, including area code)

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

(Title of Each Class)	(Name of Each Exchange on Which Registered)
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.

FORWARD-LOOKING STATEMENTS

Some of the information included in this annual report on Form 10-K contains forward-looking statements, 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 numerous 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 should not be read as guarantees of future performance or results, and will not necessarily be accurate indicators of whether, or the time at which, such performance or results will be achieved. There is no assurance that the events or circumstances reflected in forward-looking statements will occur or be achieved. 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.

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:

- *changes in general economic conditions or in the real estate sector;*
- *defaults on or non-renewal of leases by customers or renewal at lower than expected rent;*
- *difficulties in identifying properties to acquire and in effecting acquisitions on advantageous terms and the failure of acquisitions to perform as we expect;*
- *risks and uncertainties affecting property development and renovation (including construction delays, cost overruns, our inability to obtain necessary permits and financing, public opposition to these activities, as well as the risks associated with our expansion of and increased investment in our development business);*
- *risks of doing business internationally, including unfamiliarity with new markets and currency risks;*
- *risks of opening offices globally (including increasing headcount);*
- *a downturn in the U.S., California or the global economy or real estate conditions;*
- *risks of changing personnel and roles;*
- *losses in excess of our insurance coverage;*
- *our failure to divest of properties on advantageous terms or to timely reinvest proceeds from any such divestitures;*
- *unknown liabilities acquired in connection with acquired properties or otherwise;*
- *risks associated with using debt to fund acquisitions and development, including re-financing risks;*
- *our failure to obtain necessary financing;*
- *risks associated with equity and debt securities financings and issuances (including the risk of dilution);*
- *changes in local, state and federal regulatory requirements;*
- *increases in real property tax rates;*
- *increases in interest rates and operating costs or greater than expected capital expenditures;*
- *environmental uncertainties; and*
- *our failure to qualify and maintain our status as a real estate investment trust under the Internal Revenue Code of 1986, as amended.*

Our success also depends upon economic trends generally, various market conditions and fluctuations and those other risk factors discussed under the heading "Risk Factors" in Item 1.A of this report. We caution you not to place undue reliance on forward-looking statements, which reflect our analysis only and speak as of the date of this report or as of the dates indicated in the statements. All of our forward-looking statements, including those in this report, are qualified in their entirety by this statement. We assume no obligation to update or supplement forward-looking statements.

PART I

Item 1. ***Business***

General

AMB Property Corporation, a Maryland corporation, acquires, develops and operates industrial properties in key distribution markets throughout North America, Europe and Asia. We use the terms "industrial properties" or "industrial buildings" to describe various types of industrial properties in our portfolio and use 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. We use the term "owned and managed" to describe assets in which we have at least a 10% ownership interest, for which we are the property or asset manager, and which we intend to hold for the long-term.

We commenced operations as a fully integrated real estate company effective with the completion of our initial public offering on November 26, 1997. Our strategy focuses on providing properties for customers who value the efficient movement of goods located mostly in the world's busiest distribution markets: large, supply-constrained locations with proximity to airports, seaports and major highway systems. As of December 31, 2006, we 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 square feet (11.6 million square meters) and 1,088 buildings in 39 markets within twelve countries. Additionally, as of December 31, 2006, we managed, but did not have a significant ownership interest in, industrial and other properties totaling approximately 1.5 million rentable square feet.

We operate our business primarily through our subsidiary, AMB Property, L.P., a Delaware limited partnership, which we refer to as the "operating partnership". As of December 31, 2006, we owned an approximate 95.0% general partnership interest in the operating partnership, excluding preferred units. As the sole general partner of the operating partnership, we have the full, exclusive and complete responsibility for and discretion in its day-to-day management and control.

Our investment strategy generally targets customers whose businesses are tied to global trade, which, according to the World Trade Organization, has grown two to three times the world gross domestic product growth rate during the last 20 years. To serve the facility needs of these customers, we seek to invest globally in major distribution markets, transportation hubs and gateways that generally are tied to global trade.

Our strategy is to be a leading provider of industrial properties in supply-constrained submarkets of our targets markets. These submarkets are generally characterized by large population densities and typically offer substantial consumer concentrations, proximity to large clusters of distribution-facility users and significant labor pools, and are generally located near key international passenger and cargo airports, seaports and major highway systems. When measured by annualized base rent, on an owned and managed basis, 99.6% of our portfolio of industrial properties is located in our target markets, and much of this is in in-fill submarkets within our target markets. In-fill locations are characterized by supply constraints on the availability of land for competing projects as well as physical, political or economic barriers to new development.

Further, in many of our target markets, we focus on HTD® facilities, which are buildings designed to facilitate the rapid distribution of our customers' products rather than storage of goods. Our investment focus on HTD® assets is based on what we believe to be a global trend toward lower inventory levels and expedited supply chains. HTD® facilities generally have a variety of physical characteristics that allow for the rapid transport of goods from point-to-point. These physical characteristics could include numerous dock doors, shallower building depths, fewer columns, large truck courts and more space for trailer parking. We believe that these building characteristics represent an important success factor for time-sensitive customers such as air express, logistics and freight forwarding companies, and that these facilities function best when located in convenient proximity to transportation infrastructure, such as major airports and seaports.

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, we owned and managed 964 industrial buildings, principally warehouse distribution facilities, encompassing approximately 100.7 million rentable square feet that were 96.1% leased;
- on an owned and managed basis, which include investments held on a consolidated basis or through unconsolidated joint ventures, we 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, we 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, we 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.

During 2006, our property acquisitions, on an owned and managed basis, totaled $834.2 million (including expected capital expenditures, and acquisitions by AMB Institutional Alliance Fund III, an unconsolidated joint venture, totaling $540.0 million), primarily located in our target countries that included France, Germany, Mexico, the Netherlands, and the U.S. As of December 31, 2006, we had four industrial projects held for divestiture. Dispositions during 2006 totaled $335.1 million, including dispositions by two of our unconsolidated joint ventures of $159.8 million. Assets were divested in markets that no longer fit our investment strategy, such as Charlotte, Cincinnati and Memphis, and we also disposed of properties at valuation levels that we considered to be premium. While we continue to sell assets, we believe that we have achieved our near-term strategic disposition goals. Additionally, we contributed $607.3 million of completed development projects and a land parcel for $77.5 million to our private capital joint ventures as part of our continuing strategy to increase the proportion of our assets owned in co-investment joint ventures.

We are self-administered and self-managed and expect that we have qualified and will continue to qualify as a real estate investment trust for federal income tax purposes beginning with the year ended December 31, 1997. As a self-administered and self-managed real estate investment trust, our own employees perform our corporate administrative and management functions, rather than our relying on an outside manager for these services. We manage our portfolio of properties in a flexible operating model which includes both direct property management and a Strategic Alliance Program® in which we have established relationships with third-party real estate management firms, brokers and developers that provide property-level administrative and management services under our direction.

Our global headquarters are located at Pier 1, Bay 1, San Francisco, California 94111; our telephone number is (415) 394-9000. We maintain other office locations in Amsterdam, Atlanta, Baltimore, Beijing, Boston, Chicago, Dallas, Los Angeles, Menlo Park, New Jersey, New York, Nagoya, Narita, Osaka, Shanghai, Singapore, Tokyo, and Vancouver. As of December 31, 2006, we employed 416 individuals: 173 in our San Francisco headquarters, 62 in our Boston office, 43 in our Tokyo office, and the remainder in our other regional offices. Our website address is www.amb.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available on our website free of charge as soon as reasonably practicable after we electronically file such material with, or furnish it to, the U.S. Securities and Exchange Commission. The public may read and copy these materials at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a Web site that contains such reports, proxy and information statements and other information whose Internet address is http://www.sec.gov. Our Corporate Governance Principles and Code of Business Conduct are also posted on our website. Information contained on our website is not and should not be deemed a part of this annual report or any other report or filing filed with the U.S. Securities and Exchange Commission.

NEW YORK STOCK EXCHANGE CERTIFICATION

We submitted our 2006 annual Section 12(a) Chief Executive Officer certification with the New York Stock Exchange. The certification was not qualified in any respect. Additionally, we filed with the U.S. Securities and Exchange Commission as exhibits to this Annual Report on Form 10-K for the year ended December 31, 2006, the Chief Executive Officer and Chief Financial Officer certifications required under Section 302 of the Sarbanes-Oxley Act of 2002 and furnished as exhibits to this Annual Report the Chief Executive Officer and Chief Financial Officer certifications required under Section 906 of the Sarbanes-Oxley Act of 2002.

Unless the context otherwise requires, the terms “AMB,” the “Company,” “we,” “us” and “our” refer to AMB Property Corporation, AMB Property, L.P. and their other controlled subsidiaries, and the references to AMB Property Corporation include AMB Property, L.P. and their controlled subsidiaries. We refer to AMB Property, L.P. as the “operating partnership.” The following marks are our registered trademarks: AMB®; High Throughput Distribution® (HTD®); and Strategic Alliance Programs®.

Operating Strategy

We base our operating strategy on a variety of operational and service offerings, including in-house acquisitions, development, redevelopment, asset management, property management, leasing, finance, accounting and market research. Our strategy is to leverage our expertise across a large customer base, and complement our internal management resources with long-standing relationships with entrepreneurial real estate management and development firms in certain of our target markets.

We believe that real estate is fundamentally a local business and best operated by local teams in each market comprised of AMB employees, local alliance partners or both. We intend to continue to increase utilization of internal management resources in target markets to achieve both operating efficiencies and to expose our customers to the broadening array of AMB service offerings, including access to multiple locations worldwide and build-to-suit developments. We actively manage our portfolio, whether directly or with an alliance partner, by establishing leasing strategies, negotiating lease terms, pricing, and level and timing of property improvements.

Growth Strategies

Growth through Operations

We seek to generate long-term internal growth through rent increases on existing space and renewals on rollover space by working to maintain a high occupancy rate at our properties and to control expenses by capitalizing on the economies of scale inherent in owning, operating and growing a large, global portfolio. During 2006, our average industrial property base rental rates decreased by 0.1% from the rent in place at expiration for that space on leases entered into or renewed during the period. This amount excludes expense reimbursements, rental abatements, percentage rents and straight-line rents. During 2006, cash basis same store net operating income (rental revenues less property operating expenses and real estate taxes for properties included in the same store pool, which is set annually and excludes properties purchased or developments stabilized after December 31, 2004) increased by 2.6% on our industrial properties. Since our initial public offering in November 1997, on a consolidated basis, we have experienced average annual increases in industrial property base rental rates of 4.4% and maintained an average quarter-end occupancy rate of 95.0% in our industrial property operating portfolio. While we believe that it is important to view real estate as a long-term investment, past results are not necessarily an indication of future performance. See Part II, Item 7: “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Supplemental Earnings Measures” for a discussion of same store net operating income and a reconciliation of same store net operating income and net income and Part IV, Item 15: Note 16 of the “Notes to Consolidated Financial Statements” for detailed segment information, including revenue attributable to each segment, gross investment in each segment and total assets.

Growth through Development and Value-Added Conversions

We believe that development, redevelopment and expansion of well-located, high-quality industrial properties should continue to provide us with attractive investment opportunities at a higher rate of return than we may obtain

from the purchase of existing properties. We believe we have the in-house expertise to create value both through new construction and acquisition and management of value-added properties. Value-added conversion projects represent the development of land or a building site for a more valuable use and may include such activities as rezoning, redesigning, reconstructing and retenanting. Both new development and value-added conversions require significant management attention and capital investment to maximize their return. Completed development properties are generally contributed to our co-investment joint ventures and held in our owned and managed portfolio or sold to third parties. We believe our global market presence and expertise will enable us to continue to generate and capitalize on a diverse range of development opportunities.

We believe that the multidisciplinary backgrounds of our employees should provide us with the skills and experience to capitalize on strategic renovation, expansion and development opportunities. Many of our officers have specific experience in real estate development, both with us and with national development firms, and over the past four years, we have significantly expanded our development staff. We pursue development projects directly and in joint ventures, providing us with the flexibility to pursue development projects independently or in partnerships, depending on market conditions, submarkets or building sites.

Growth through Acquisitions and Capital Redeployment

We believe that our acquisition experience and our network of property management, leasing and acquisition resources will continue to provide opportunities for growth. In addition to our internal resources, we have long-term relationships with third-party local property management firms, which we believe may give us access to additional acquisition opportunities, as such managers frequently market properties on behalf of sellers. We believe also that our UPREIT structure, which enables us to acquire land and industrial properties in exchange for limited partnership units in the operating partnership or AMB Property II, L.P., another of our operating partnerships, enhances our attractiveness to owners and developers seeking to transfer properties on a tax-deferred basis. In addition, we seek to redeploy capital from non-strategic assets into properties that better fit our current investment focus.

We are generally engaged in various stages of negotiations for a number of acquisitions and dispositions that may include acquisitions and dispositions of individual properties, large multi-property portfolios or other real estate companies. We cannot assure you that we will consummate any of these transactions. Such transactions, if we consummate them, may be material individually or in the aggregate. Sources of capital for acquisitions may include retained cash flow from operations, borrowings under our unsecured credit facilities, other forms of secured or unsecured debt financing, issuances of debt or preferred or common equity securities by us or the operating partnership (including issuances of units in the operating partnership or its subsidiaries), proceeds from divestitures of properties, assumption of debt related to the acquired properties and private capital from our co-investment partners. See Part II, Item 7: “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Summary of Key Transactions in 2006.”

Growth through Global Expansion

By the end of 2010, we expect to have approximately 50% of our owned and managed operating portfolio invested in non-U.S. markets (based on annualized base rent). As of December 31, 2006, our non-U.S. operating properties comprised 14.1% of our owned and managed operating portfolio (based on annualized base rent) and 7.4% of our consolidated operating portfolio (based on annualized base rent). Our North American target countries outside of the United States currently comprise Canada and Mexico. Our European target countries currently comprise Belgium, France, Germany, Italy, the Netherlands, Spain and the United Kingdom. Our Asian target countries currently comprise China, India, Japan, Singapore and South Korea. We expect to add additional target countries outside the United States in the future.

We believe that expansion into target markets outside the U.S. represents a natural extension of our strategy to invest in industrial property markets with high population densities, close proximity to large customer clusters and available labor pools, and major distribution centers serving global trade. Our international expansion strategy mirrors our focus in the United States on supply-constrained submarkets with political, economic or physical constraints to new development. Our international investments extend our offering of HTD® facilities for customers

who value speed-to-market over storage. Specifically, we are focused on customers whose business is derived from global trade. In addition, our investments target major consumer distribution markets and customers. We believe that our established customer relationships, our contacts in the air cargo and logistics industries, our underwriting of markets and investments and our strategic alliances with knowledgeable developers and managers will assist us in competing internationally.

There are many factors that could cause our entry into target markets and future capital allocation to differ from our current expectations, which are discussed in this report under the heading "Business Risks — Risks Associated with Our International Business." Further, it is possible that our target markets will change over time to reflect experience, market opportunities, customer needs and changes in global distribution patterns. For a discussion of the amount of our revenues attributable to the United States and international markets, please see Part IV, Item 15: Note 16 of the "Notes to Consolidated Financial Statements."

Growth through Co-Investments

We co-invest in properties with private-capital investors through partnerships, limited liability companies or joint ventures. Our co-investment joint ventures are managed by our private capital group and typically operate under the same investment strategy that we apply to our other operations. Typically, we will own a 15%-50% interest in our co-investment joint ventures. We believe that our co-investment program will continue to serve as a source of capital for acquisitions and developments; however, we cannot assure you that it will continue to do so. In addition, our co-investment joint ventures typically allow us to earn acquisition and development fees, asset management fees or priority distributions, as well as promoted interests or incentive distributions based on the performance of the co-investment joint ventures. As of December 31, 2006, we owned approximately 64.3 million square feet of our properties (51.6% of the total operating and development portfolio) through our consolidated and unconsolidated joint ventures.

Item 1A. *Risk Factors*

BUSINESS RISKS

Our operations involve various risks that could have adverse consequences to us. These risks include, among others:

General Real Estate Industry Risks

Our performance and value are subject to general economic conditions and risks associated with our real estate assets.

The investment returns available from equity investments in real estate depend on the amount of income earned and capital appreciation generated by the properties, as well as the expenses incurred in connection with the properties. If our properties do not generate income sufficient to meet operating expenses, including debt service and capital expenditures, then our ability to pay dividends to our stockholders could be adversely affected. In addition, there are significant expenditures associated with an investment in real estate (such as mortgage payments, real estate taxes and maintenance costs) that generally do not decline when circumstances reduce the income from the property. Income from, and the value of, our properties may be adversely affected by:

- changes in the general economic climate;
- local conditions, such as oversupply of or a reduction in demand for industrial space;
- the attractiveness of our properties to potential customers;
- competition from other properties;
- our ability to provide adequate maintenance and insurance;
- increased operating costs;

- increased cost of compliance with regulations;
- the potential for liability under applicable laws (including changes in tax laws); and
- disruptions in the global supply chain caused by political, regulatory or other factors, including terrorism.

In addition, periods of economic slowdown or recession in the United States and in other countries, rising interest rates or declining demand for real estate, or public perception that any of these events may occur, would result in a general decrease in rents or an increased occurrence of defaults under existing leases, which would adversely affect our financial condition and results of operations. Future terrorist attacks may result in declining economic activity, which could reduce the demand for and the value of our properties. To the extent that future attacks impact our customers, their businesses similarly could be adversely affected, including their ability to continue to honor their existing leases.

Our properties are concentrated predominantly in the industrial real estate sector. As a result of this concentration, we would feel the impact of an economic downturn in this sector more acutely than if our portfolio included other property types.

We may be unable to renew leases or relet space as leases expire.

As of December 31, 2006, leases on a total of 14.3% of our industrial properties (based on annualized base rent) will expire on or prior to December 31, 2007. We derive most of our income from rent received from our customers. Accordingly, our financial condition, results of operations, cash flow and our ability to pay dividends on, and the market price of, our stock could be adversely affected if we are unable to promptly relet or renew these expiring leases or if the rental rates upon renewal or reletting are significantly lower than expected. If a customer experiences a downturn in its business or other type of financial distress, then it may be unable to make timely rental payments or renew its lease. Further, our ability to rent space and the rents that we can charge are impacted, not only by customer demand, but by the number of other properties we have to compete with to appeal to customers.

Actions by our competitors may decrease or prevent increases of the occupancy and rental rates of our properties.

We compete with other developers, owners and operators of real estate, some of which own properties similar to ours in the same submarkets in which our properties are located. If our competitors offer space at rental rates below current market rates or below the rental rates we currently charge our customers, we may lose potential customers, and we may be pressured to reduce our rental rates below those we currently charge in order to retain customers when our customers' leases expire. As a result, our financial condition, cash flow, cash available for distribution, trading price of our common stock and ability to satisfy our debt service obligations could be materially adversely affected.

Real estate investments are relatively illiquid, making it difficult for us to respond promptly to changing conditions.

Real estate assets are not as liquid as certain other types of assets. Further, the Internal Revenue Code regulates the number of properties that we as a real estate investment trust, can dispose of in a year, their tax bases and the cost of improvements that we make to the properties. In addition, a portion of the properties held directly or indirectly by certain of our subsidiary partnerships were acquired in exchange for limited partnership units in the applicable partnership. The contribution agreements for such properties may contain restrictions on certain sales, exchanges or other dispositions of these properties, or a portion thereof, that result in a taxable transaction for specified periods, following the contribution of these properties to the applicable partnership. These limitations may affect our ability to sell properties. This lack of liquidity and the Internal Revenue Code restrictions may limit our ability to vary our portfolio promptly in response to changes in economic or other conditions and, as a result, could adversely affect our financial condition, results of operations, cash flow and our ability to pay dividends on, and the market price of, our stock.

We could be adversely affected if a significant number of our customers are unable to meet their lease obligations.

Our results of operations, distributable cash flow and the value of our stock would be adversely affected if a significant number of our customers were unable to meet their lease obligations to us. In the event of a significant number of lease defaults, our cash flow may not be sufficient to pay dividends to our stockholders and repay maturing debt. As of December 31, 2006, we did not have any single customer account for annualized base rent revenues greater than 3.1%. However, in the event of lease defaults by a significant number of our customers, we may incur substantial costs in enforcing our rights as landlord.

We may be unable to consummate acquisitions on advantageous terms or acquisitions may not perform as we expect.

We acquire and intend to continue to acquire primarily industrial properties. The acquisition of properties entails various risks, including the risks that our investments may not perform as we expect, that we may be unable to quickly and efficiently integrate our new acquisitions into our existing operations and that our cost estimates for bringing an acquired property up to market standards may prove inaccurate. Further, we face significant competition for attractive investment opportunities from other well-capitalized real estate investors, including both publicly-traded real estate investment trusts and private institutional investment funds. This competition increases as investments in real estate become increasingly attractive relative to other forms of investment. As a result of competition, we may be unable to acquire additional properties as we desire or the purchase price may be significantly elevated. In addition, we expect to finance future acquisitions through a combination of borrowings under our unsecured credit facilities, proceeds from equity or debt offerings by us or the operating partnership or its subsidiaries and proceeds from property divestitures, which may not be available and which could adversely affect our cash flow. Any of the above risks could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock.

We may be unable to complete renovation and development projects on advantageous terms.

As part of our business, we develop new and renovate existing properties, and we intend to continue to expand and increase our investment in our development and renovation business. The real estate development and renovation business involves significant risks that could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock, which include the following risks:

- we may not be able to obtain financing for development projects on favorable terms and complete construction on schedule or within budget, resulting in increased debt service expense and construction costs and delays in leasing the properties and generating cash flow;
- we may not be able to obtain, or may experience delays in obtaining, all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations;
- the properties may perform below anticipated levels, producing cash flow below budgeted amounts;
- substantial renovation and new development activities, regardless of their ultimate success, typically require a significant amount of management’s time and attention, diverting their attention from our day-to-day operations; and
- upon completion of construction, we may not be able to obtain, or obtain on advantageous terms, permanent financing for activities that we have financed through construction loans.

Risks Associated With Our International Business

Our international growth is subject to special risks and we may not be able to effectively manage our international growth.

We have acquired and developed, and expect to continue to acquire and develop, properties outside the United States. Because local markets affect our operations, our international investments are subject to economic

fluctuations in the international locations in which we invest. In addition, our international operations are subject to the usual risks of doing business abroad such as revisions in tax treaties or other laws and regulations, including those governing the taxation of our international revenues, restrictions on the transfer of funds, and, in certain parts of the world, uncertainty over property rights and political instability. We cannot predict the likelihood that any of these developments may occur. Further, we have entered, and may in the future enter, into agreements with non-U.S. entities that are governed by the laws of, and are subject to dispute resolution in the courts of, another country or region. We cannot accurately predict whether such a forum would provide us with an effective and efficient means of resolving disputes that may arise. And even if we are able to obtain a satisfactory decision through arbitration or a court proceeding, we could have difficulty enforcing any award or judgment on a timely basis or at all.

We also have offices in many countries outside the United States and, as a result, our operations may be subject to risks that may limit our ability to effectively establish, staff and manage our offices outside the United States, including:

- Differing employment practices and labor issues;
- Local business and cultural factors that differ from our usual standards and practices;
- Regulatory requirements and prohibitions that differ between jurisdictions; and
- Health concerns.

Our global growth (including growth in new regions in the U.S.) subjects us to certain risks, including risks associated with funding increasing headcount, integrating new offices, and establishing effective controls and procedures to regulate the operations of new offices. In addition, payroll expenses are paid in local currencies and, therefore, we are exposed to risks associated with fluctuations in the rate of exchange between the U.S. dollar and these currencies.

Further, our business has grown rapidly and continues to grow through international property acquisitions and developments. If we fail to effectively manage our international growth, then our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock could be adversely affected.

Acquired properties may be located in new markets, where we may face risks associated with investing in an unfamiliar market.

We have acquired and may continue to acquire properties in international markets that are new to us. When we acquire properties located in these markets, we may face risks associated with a lack of market knowledge or understanding of the local economy, forging new business relationships in the area and unfamiliarity with local government and permitting procedures. We work to mitigate such risks through extensive diligence and research and associations with experienced partners; however, there can be no guarantee that all such risks will be eliminated.

We are subject to risks from potential fluctuations in exchange rates between the U.S. dollar and the currencies of the other countries in which we invest.

We are pursuing, and intend to continue to pursue, growth opportunities in international markets. As we invest in countries where the U.S. dollar is not the national currency, we are subject to international currency risks from the potential fluctuations in exchange rates between the U.S. dollar and the currencies of those other countries. A significant depreciation in the value of the currency of one or more countries where we have a significant investment may materially affect our results of operations. We attempt to mitigate any such effects by borrowing under our multi-currency credit facility in the currency of the country we are investing in and, under certain circumstances, by putting in place international currency put option contracts to hedge exchange rate fluctuations. For leases denominated in international currencies, we may use derivative financial instruments to manage the international currency exchange risk. We cannot, however, assure you that our efforts will successfully neutralize all international currency risks. If we do engage in international currency exchange rate hedging activities, any income recognized with respect to these hedges (as well as any international currency gain recognized with respect to changes in

exchange rates) may not qualify under the 75% gross income test or the 95% gross income test that we must satisfy annually in order to qualify and maintain our status as a real estate investment trust.

General Business Risks

Our performance and value are impacted by the local economic conditions of and the risks associated with doing business in California.

As of December 31, 2006, our industrial properties located in California represented 25.3% of the aggregate square footage of our industrial operating properties and 25.4% of our industrial annualized base rent, on an owned and managed basis. Our revenue from, and the value of, our properties located in California may be affected by local real estate conditions (such as an oversupply of or reduced demand for industrial properties) and the local economic climate. Business layoffs, downsizing, industry slowdowns, changing demographics and other factors may adversely impact California's economic climate. Because of the number of properties we have located in California, a downturn in California's economy or real estate conditions could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock.

We may experience losses that our insurance does not cover.

We carry commercial liability, property and rental loss insurance covering all the properties that we own and manage in types and amounts that we believe are adequate and appropriate given the relative risks applicable to the property, the cost of coverage and industry practice. Certain losses, such as those due to terrorism, windstorms, floods or seismic activity, may be insured subject to certain limitations, including large deductibles or co-payments and policy limits. Although we have obtained coverage for certain acts of terrorism, with policy specifications and insured limits that we consider commercially reasonable given the cost and availability of such coverage, we cannot be certain that we will be able to renew coverage on comparable terms or collect under such policies. In addition, there are other types of losses, such as those from riots, bio-terrorism or acts of war, that are not generally insured in our industry because it is not economically feasible to do so. We may incur material losses in excess of insurance proceeds and we may not be able to continue to obtain insurance at commercially reasonable rates. If we experience a loss that is uninsured or that exceeds our insured limits with respect to one or more of our properties, then we could lose the capital invested in the damaged properties, as well as the anticipated future revenue from those properties and, if there is recourse debt, then we would remain obligated for any mortgage debt or other financial obligations related to the properties. Moreover, as the general partner of the operating partnership, we generally will be liable for all of the operating partnership's unsatisfied recourse obligations, including any obligations incurred by the operating partnership as the general partner of co-investment joint ventures. Any such losses could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock.

A number of our properties are located in areas that are known to be subject to earthquake activity. U.S. properties located in active seismic areas include properties in the San Francisco Bay Area, Los Angeles, and Seattle. Our largest concentration of such properties is in California where, on an owned and managed basis, as of December 31, 2006, we had 267 industrial buildings, aggregating approximately 25.5 million square feet and representing 25.3% of our industrial operating properties based on aggregate square footage and 25.4% based on industrial annualized base rent, on an owned and managed basis. International properties located in active seismic areas include Tokyo and Osaka, Japan and Mexico City, Mexico. We carry earthquake insurance on all of our properties located in areas historically subject to seismic activity, subject to coverage limitations and deductibles that we believe are commercially reasonable. We evaluate our earthquake insurance coverage annually in light of current industry practice through an analysis prepared by outside consultants.

A number of our properties are located in areas that are known to be subject to hurricane and/or flood risk. We carry hurricane and flood hazard insurance on all of our properties located in areas historically subject to such activity, subject to coverage limitations and deductibles that we believe are commercially reasonable. We evaluate our insurance coverage annually in light of current industry practice through an analysis prepared by outside consultants. In 2005, various properties that we own or lease in New Orleans, Louisiana and South Florida suffered damage as a result of Hurricanes Katrina and Wilma. Although we expect that our insurance will cover losses

arising from this damage in excess of the deductibles paid by us and do not believe that such losses would have a material adverse effect on our business, assets or results from operations, we cannot assure you that we will be reimbursed for all losses incurred.

We are subject to risks and liabilities in connection with properties owned through joint ventures, limited liability companies and partnerships.

As of December 31, 2006, we owned approximately 64.3 million square feet of our properties through several joint ventures, limited liability companies or partnerships with third parties. Our organizational documents do not limit the amount of available funds that we may invest in partnerships, limited liability companies or joint ventures and we intend to continue to develop and acquire properties through joint ventures, limited liability companies and partnerships with other persons or entities when warranted by the circumstances. Such partners may share certain approval rights over major decisions. Partnership, limited liability company or joint venture investments involve certain risks, including:

- if our partners, co-members or joint venturers go bankrupt, then we and any other remaining general partners, members or joint venturers would generally remain liable for the partnership's, limited liability company's or joint venture's liabilities;
- if our partners fail to fund their share of any required capital contributions, then we may be required to contribute such capital;
- our partners, co-members or joint venturers might have economic or other business interests or goals that are inconsistent with our business interests or goals that would affect our ability to operate the property;
- our partners, co-members or joint venturers may have the power to act contrary to our instructions, requests, policies or objectives, including our current policy with respect to maintaining our qualification as a real estate investment trust;
- the joint venture, limited liability and partnership agreements often restrict the transfer of a joint venture's, member's or partner's interest or may otherwise restrict our ability to sell the interest when we desire or on advantageous terms;
- our relationships with our partners, co-members or joint ventures are contractual in nature and may be terminated or dissolved under the terms of the agreements, and in such event, we may not continue to own or operate the interests or assets underlying such relationship or may need to purchase such interests or assets at an above-market price to continue ownership;
- disputes between us and our partners, co-members or joint venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and directors from focusing their time and effort on our business and result in subjecting the properties owned by the applicable partnership, limited liability company, or joint venture to additional risk; and
- we may in certain circumstances be liable for the actions of our partners, co-members or joint venturers.

We generally seek to maintain sufficient control of our partnerships, limited liability companies and joint ventures to permit us to achieve our business objectives, however, we may not be able to do so, and the occurrence of one or more of the events described above could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock.

We may be unable to complete divestitures on advantageous terms or contribute properties.

We intend to continue to divest ourselves of properties that do not meet our strategic objectives, provided that we can negotiate acceptable terms and conditions. Our ability to dispose of properties on advantageous terms depends on factors beyond our control, including competition from other sellers and the availability of attractive financing for potential buyers of our properties. If we are unable to dispose of properties on favorable terms or redeploy the proceeds of property divestitures in accordance with our investment strategy, then our financial

condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock could be adversely affected.

We also anticipate contributing or selling properties to funds and joint ventures. If the funds are unable to raise additional capital on favorable terms after currently available capital is depleted or if the value of such properties are appraised at less than the cost of such properties, then such contributions or sales could be delayed or prevented, adversely affecting our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock. For example, although we have acquired land for development and made capital commitments in Japan and Mexico, we cannot be assured that we ultimately will be able to contribute such properties to funds or joint ventures as we have planned.

Contingent or unknown liabilities could adversely affect our financial condition.

We have acquired and may in the future acquire properties subject to liabilities and without any recourse, or with only limited recourse, with respect to unknown liabilities. As a result, if a liability were asserted against us based upon ownership of any of these entities or properties, then we might have to pay substantial sums to settle it, which could adversely affect our cash flow. Contingent or unknown liabilities with respect to entities or properties acquired might include:

- liabilities for environmental conditions;
- accrued but unpaid liabilities incurred in the ordinary course of business;
- tax liabilities; and
- claims for indemnification by the general partners, officers and directors and others indemnified by the former owners of the properties.

We are dependent on external sources of capital.

In order to qualify as a real estate investment trust, we are required each year to distribute to our stockholders at least 90% of our real estate investment trust taxable income (determined without regard to the dividends-paid deduction and by excluding any net capital gain) and are taxed on our income to the extent it is not fully distributed. Consequently, we may not be able to fund all future capital needs, including acquisition and development activities, from cash retained from operations and must rely on third-party sources of capital. Further, in order to maintain our real estate investment trust status and avoid the payment of income and excise taxes, we may need to borrow funds on a short-term basis to meet the real estate investment trust distribution requirements even if the then-prevailing market conditions are not favorable for these borrowings. These short-term borrowing needs could result from differences in timing between the actual receipt of cash and inclusion of income for federal income tax purposes, or the effect of non-deductible capital expenditures, the creation of reserves or required debt or amortization payments. Our ability to access private debt and equity capital on favorable terms or at all is dependent upon a number of factors, including general market conditions, the market's perception of our growth potential, our current and potential future earnings and cash distributions and the market price of our capital stock.

Debt Financing Risks

We could incur more debt, increasing our debt service.

It is our policy to incur debt, either directly or through our subsidiaries, only if it will not cause our share of total debt-to-our share of total market capitalization ratio to exceed approximately 45%. Our definition of "our share of total market capitalization" is our share of total debt plus preferred equity liquidation preferences plus market equity. See footnote 1 to the Capitalization Ratios table contained in Part II, Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operation — Liquidity and Capital Resources" for our definitions of "market equity" and "our share of total debt." The aggregate amount of indebtedness that we may incur under our policy increases directly with an increase in the market price per share of our capital stock. Further, our management could alter or eliminate this policy without stockholder approval. If we change this policy, then we

could become more highly leveraged, resulting in an increase in debt service that could adversely affect the cash available for distribution to our stockholders.

We face risks associated with the use of debt to fund acquisitions and developments, including refinancing risk.

As of December 31, 2006, we had total debt outstanding of $3.4 billion. We guarantee the operating partnership's obligations with respect to the senior debt securities referenced in our financial statements. We are subject to risks normally associated with debt financing, including the risk that our cash flow will be insufficient to meet required payments of principal and interest. We anticipate that we will repay only a small portion of the principal of our debt prior to maturity. Accordingly, we will likely need to refinance at least a portion of our outstanding debt as it matures. There is a risk that we may not be able to refinance existing debt or that the terms of any refinancing will not be as favorable as the terms of our existing debt. If we are unable to refinance or extend principal payments due at maturity or pay them with proceeds of other capital transactions, then we expect that our cash flow will not be sufficient in all years to pay dividends to our stockholders and to repay all such maturing debt. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the reluctance of lenders to make commercial real estate loans) result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase.

In addition, if we mortgage one or more of our properties to secure payment of indebtedness and we are unable to meet mortgage payments, then the property could be foreclosed upon or transferred to the mortgagee with a consequent loss of income and asset value. A foreclosure on one or more of our properties could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock.

Covenants in our debt agreements could adversely affect our financial condition.

The terms of our credit agreements and other indebtedness require that we comply with a number of financial and other covenants, such as maintaining debt service coverage and leverage ratios and maintaining insurance coverage. These covenants may limit flexibility in our operations, and our failure to comply with these covenants could cause a default under the applicable debt agreement even if we have satisfied our payment obligations. As of December 31, 2006, we had certain non-recourse, secured loans, which are cross-collateralized by multiple properties. If we default on any of these loans, we may then be required to repay such indebtedness, together with applicable prepayment charges, to avoid foreclosure on all the cross-collateralized properties within the applicable pool. Foreclosure on our properties, or our inability to refinance our loans on favorable terms, could adversely impact our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock. In addition, our credit facilities and senior debt securities contain certain cross-default provisions, which are triggered in the event that our other material indebtedness is in default. These cross-default provisions may require us to repay or restructure the credit facilities and the senior debt securities in addition to any mortgage or other debt that is in default, which could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock.

Failure to hedge effectively against interest rates may adversely affect results of operations.

We seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements, such as interest rate cap agreements and interest rate swap agreements. These agreements involve risks, such as the risk that the counterparties may fail to honor their obligations under these arrangements, that these arrangements may not be effective in reducing our exposure to interest rate changes and that a court could rule that such agreements are not legally enforceable. Hedging may reduce overall returns on our investments. Failure to hedge effectively against interest rate changes may materially adversely affect our results of operations.

Conflicts of Interest Risks

Some of our directors and executive officers are involved in other real estate activities and investments and, therefore, may have conflicts of interest with us.

From time to time, certain of our executive officers and directors may own interests in other real-estate related businesses and investments, including de minimis holdings of the equity securities of public and private real estate companies. Our executive officers' involvement in other real estate-related activities could divert their attention from our day-to-day operations. Our executive officers have entered into non-competition agreements with us pursuant to which they have agreed not to engage in any activities, directly or indirectly, in respect of commercial real estate, and not to make any investment in respect of any industrial or retail real estate, other than through ownership of not more than 5% of the outstanding shares of a public company engaged in such activities or through certain specified investments. State law may limit our ability to enforce these agreements. We will not acquire any properties from our executive officers, directors or their affiliates unless the transaction is approved by a majority of the disinterested and independent (as defined by the rules of the New York Stock Exchange) members of our board of directors with respect to that transaction.

Our role as general partner of the operating partnership may conflict with the interests of our stockholders.

As the general partner of the operating partnership, we have fiduciary obligations to the operating partnership's limited partners, the discharge of which may conflict with the interests of our stockholders. In addition, those persons holding limited partnership units will have the right to vote as a class on certain amendments to the operating partnership's partnership agreement and individually to approve certain amendments that would adversely affect their rights. The limited partners may exercise these voting rights in a manner that conflicts with the interests of our stockholders. In addition, under the terms of the operating partnership's partnership agreement, holders of limited partnership units will have certain approval rights with respect to certain transactions that affect all stockholders but which they may not exercise in a manner that reflects the interests of all stockholders.

Risks Associated with Government Regulations

The costs of compliance with environmental laws and regulations and any related potential liability could exceed our budgets for these items.

Under various environmental laws, ordinances and regulations, a current or previous owner or operator of real estate may be liable for the costs of investigation, removal or remediation of certain hazardous or toxic substances or petroleum products at, on, under or in its property. The costs of removal or remediation of such substances could be substantial. These laws typically impose liability and clean-up responsibility without regard to whether the owner or operator knew of or caused the presence of the contaminants. Even if more than one person may have been responsible for the contamination, each person covered by the environmental laws may be held responsible for all of the clean-up costs incurred. In addition, third parties may sue the owner or operator of a site for damages based on personal injury, property damage or other costs, including investigation and clean-up costs, resulting from the environmental contamination.

Environmental laws in some countries, including the U.S., also require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, adequately inform or train those who may come into contact with asbestos and undertake special precautions, including removal or other abatement, in the event that asbestos is disturbed during building renovation or demolition. These laws may impose fines and penalties on building owners or operators who fail to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos. Some of our properties may contain asbestos-containing building materials.

In addition, some of our properties are leased or have been leased, in part, to owners and operators of businesses that use, store or otherwise handle petroleum products or other hazardous or toxic substances, creating a potential for the release of such hazardous or toxic substances. Further, certain of our properties are on, adjacent to or near other properties that have contained or currently contain petroleum products or other hazardous or toxic

substances, or upon which others have engaged, are engaged or may engage in activities that may release such hazardous or toxic substances. From time to time, we may acquire properties, or interests in properties, with known adverse environmental conditions where we believe that the environmental liabilities associated with these conditions are quantifiable and that the acquisition will yield a superior risk-adjusted return. In such an instance, we underwrite the costs of environmental investigation, clean-up and monitoring into the acquisition cost and obtain appropriate environmental insurance for the property. Further, in connection with certain divested properties, we have agreed to remain responsible for, and to bear the cost of, remediating or monitoring certain environmental conditions on the properties.

At the time of acquisition, we subject all of our properties to a Phase I or similar environmental assessments by independent environmental consultants and we may have additional Phase II testing performed upon the consultant's recommendation. These environmental assessments have not revealed, and we are not aware of, any environmental liability that we believe would have a material adverse effect on our financial condition or results of operations taken as a whole. Nonetheless, it is possible that the assessments did not reveal all environmental liabilities and that there are material environmental liabilities unknown to us, or that known environmental conditions may give rise to liabilities that are greater than we anticipated. Further, our properties' current environmental condition may be affected by customers, the condition of land, operations in the vicinity of the properties (such as releases from underground storage tanks) or by unrelated third parties. If the costs of compliance with existing or future environmental laws and regulations exceed our budgets for these items, then our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock could be adversely affected.

Compliance or failure to comply with the Americans with Disabilities Act and other similar regulations could result in substantial costs.

Under the Americans with Disabilities Act, places of public accommodation must meet certain federal requirements related to access and use by disabled persons. Noncompliance could result in the imposition of fines by the federal government or the award of damages to private litigants. If we are required to make unanticipated expenditures to comply with the Americans with Disabilities Act, including removing access barriers, then our cash flow and the amounts available for dividends to our stockholders may be adversely affected. Our properties are also subject to various federal, state and local regulatory requirements, such as state and local fire and life-safety requirements. We could incur fines or private damage awards if we fail to comply with these requirements. While we believe that our properties are currently in material compliance with these regulatory requirements, the requirements may change or new requirements may be imposed that could require significant unanticipated expenditures by us that will affect our cash flow and results of operations.

Federal Income Tax Risks

Our failure to qualify as a real estate investment trust would have serious adverse consequences to our stockholders.

We elected to be taxed as a real estate investment trust under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") commencing with our taxable year ended December 31, 1997. We currently intend to operate so as to qualify as a real estate investment trust under the Internal Revenue Code and believe that our current organization and method of operation comply with the rules and regulations promulgated under the Internal Revenue Code to enable us to continue to qualify as a real estate investment trust. However, it is possible that we have been organized or have operated in a manner that would not allow us to qualify as a real estate investment trust, or that our future operations could cause us to fail to qualify. Qualification as a real estate investment trust requires us to satisfy numerous requirements (some on an annual and others on a quarterly basis) established under highly technical and complex Internal Revenue Code provisions for which there are only limited judicial and administrative interpretations, and involves the determination of various factual matters and circumstances not entirely within our control. For example, in order to qualify as a real estate investment trust, we must derive at least 95% of our gross income in any year from qualifying sources. In addition, we must pay dividends to stockholders aggregating annually at least 90% of our real estate investment trust taxable income (determined without regard to the dividends paid deduction and by excluding capital gains) and must satisfy

specified asset tests on a quarterly basis. These provisions and the applicable Treasury regulations are more complicated in our case because we hold our assets through the operating partnership. Legislation, new regulations, administrative interpretations or court decisions could significantly change the tax laws with respect to qualification as a real estate investment trust or the federal income tax consequences of such qualification. However, we are not aware of any pending tax legislation that would adversely affect our ability to qualify as a real estate investment trust.

If we fail to qualify as a real estate investment trust in any taxable year, then we will be required to pay federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates. Unless we are entitled to relief under certain statutory provisions, we would be disqualified from treatment as a real estate investment trust for the four taxable years following the year in which we lost qualification. If we lose our real estate investment trust status, then our net earnings available for investment or distribution to stockholders would be significantly reduced for each of the years involved. In addition, we would no longer be required to make distributions to our stockholders.

Certain property transfers may generate prohibited transaction income, resulting in a penalty tax on gain attributable to the transaction.

From time to time, we may transfer or otherwise dispose of some of our properties, including the contribution of properties to our joint venture funds. Under the Internal Revenue Code, any gain resulting from transfers of properties that we hold as inventory or primarily for sale to customers in the ordinary course of business would be treated as income from a prohibited transaction subject to a 100% penalty tax. Since we acquire properties for investment purposes, we do not believe that our occasional transfers or disposals of property or our contributions of properties into our joint venture funds are properly treated as prohibited transactions. However, whether property is held for investment purposes is a question of fact that depends on all the facts and circumstances surrounding the particular transaction. The Internal Revenue Service may contend that certain transfers or disposals of properties by us or contributions of properties into our joint venture funds are prohibited transactions. While we believe that the Internal Revenue Service would not prevail in any such dispute, if the Internal Revenue Service were to argue successfully that a transfer or disposition or contribution of property constituted a prohibited transaction, then we would be required to pay a 100% penalty tax on any gain allocable to us from the prohibited transaction. In addition, income from a prohibited transaction might adversely affect our ability to satisfy the income tests for qualification as a real estate investment trust for federal income tax purposes.

Risks Associated With Our Dependence on Key Personnel

We depend on the efforts of our executive officers and other key employees. From time to time, our personnel and their roles may change. While we believe that we could find suitable employees to meet our personnel needs, the loss of key personnel, any change in their roles, or the limitation of their availability could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock. We do not have employment agreements with any of our executive officers.

Because our compensation packages include equity-based incentives, pressure on our stock price or limitations on our ability to award such incentives could affect our ability to offer competitive compensation packages to our executives and key employees. If we are unable to continue to attract and retain our executive officers, or if compensation costs required to attract and retain key employees become more expensive, our performance and competitive position could be materially adversely affected.

Risks Associated with Our Disclosure Controls and Procedures and Internal Control over Financial Reporting

Our business could be adversely impacted if we have deficiencies in our disclosure controls and procedures or internal control over financial reporting.

The design and effectiveness of our disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations. While management will continue to review the effectiveness of our disclosure controls and procedures and internal control over financial reporting,

there can be no guarantee that our internal control over financial reporting will be effective in accomplishing all control objectives all of the time. Deficiencies, including any material weakness, in our internal control over financial reporting which may occur in the future could result in misstatements of our results of operations, restatements of our financial statements, a decline in our stock price, or otherwise materially adversely affect our business, reputation, results of operations, financial condition or liquidity.

Risks Associated with Ownership of Our Stock

Limitations in our charter and bylaws could prevent a change in control.

Certain provisions of our charter and bylaws may delay, defer or prevent a change in control or other transaction that could provide the holders of our common stock with the opportunity to realize a premium over the then-prevailing market price for the common stock. To maintain our qualification as a real estate investment trust for federal income tax purposes, not more than 50% in value of our outstanding stock may be owned, actually or constructively, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) during the last half of a taxable year after the first taxable year for which a real estate investment trust election is made. Furthermore, our common stock must be held by a minimum of 100 persons for at least 335 days of a 12-month taxable year (or a proportionate part of a short tax year). In addition, if we, or an owner of 10% or more of our stock, actually or constructively owns 10% or more of one of our customers (or a customer of any partnership in which we are a partner), then the rent received by us (either directly or through any such partnership) from that customer will not be qualifying income for purposes of the real estate investment trust gross income tests of the Internal Revenue Code. To help us maintain our qualification as a real estate investment trust for federal income tax purposes, we prohibit the ownership, actually or by virtue of the constructive ownership provisions of the Internal Revenue Code, by any single person, of more than 9.8% (by value or number of shares, whichever is more restrictive) of the issued and outstanding shares of each of our common stock, series L preferred stock, series M preferred stock, series O preferred stock, and series P preferred stock. We also prohibit the ownership, actually or constructively, of any shares of our series D, I, J and K preferred stock by any single person so that no such person, taking into account all of our stock so owned by such person, including any common stock or other series of preferred stock, may own in excess of 9.8% of our issued and outstanding capital stock. We refer to this limitation as the “ownership limit.” Shares acquired or held in violation of the ownership limit will be transferred to a trust for the benefit of a designated charitable beneficiary. Any person who acquires shares in violation of the ownership limit will not be entitled to any dividends on the shares or be entitled to vote the shares or receive any proceeds from the subsequent sale of the shares in excess of the lesser of the price paid for the shares or the amount realized from the sale. A transfer of shares in violation of the above limits may be void under certain circumstances. The ownership limit may have the effect of delaying, deferring or preventing a change in control and, therefore, could adversely affect our stockholders’ ability to realize a premium over the then-prevailing market price for the shares of our common stock in connection with such transaction.

Our charter authorizes us to issue additional shares of common and preferred stock and to establish the preferences, rights and other terms of any series or class of preferred stock that we issue. Although our board of directors has no intention to do so at the present time, it could establish a series or class of preferred stock that could have the effect of delaying, deferring or preventing a transaction, including a change in control, that might involve a premium price for the common stock or otherwise be in the best interests of our stockholders.

Our charter and bylaws and Maryland law also contain other provisions that may impede various actions by stockholders without approval of our board of directors, which in turn may delay, defer or prevent a transaction, including a change in control. Those provisions in our charter and bylaws include:

- directors may be removed only for cause and only upon a two-thirds vote of stockholders;
- our board can fix the number of directors within set limits (which limits are subject to change by our board), and fill vacant directorships upon the vote of a majority of the remaining directors, even though less than a quorum, or in the case of a vacancy resulting from an increase in the size of the board, a majority of the entire board;

- stockholders must give advance notice to nominate directors or propose business for consideration at a stockholders’ meeting; and
- the request of the holders of 50% or more of our common stock is necessary for stockholders to call a special meeting.

Those provisions provided for under Maryland law include:

- a two-thirds vote of stockholders is required to amend our charter; and
- stockholders may only act by written consent with the unanimous approval of all stockholders entitled to vote on the matter in question.

In addition, our board could elect to adopt, without stockholder approval, certain other provisions under Maryland law that may impede a change in control.

The market value of our stock could be substantially affected by various factors.

As with other publicly traded securities, the trading price of our stock will depend on many factors that are not within our control and may change from time to time, including:

- the extent of investor interest in us;
- the market for similar securities issued by real estate investment trusts;
- the general reputation of real estate investment trusts and the attractiveness of their equity securities in comparison to other equity securities (including securities issued by other real estate-based companies);
- general stock and bond market conditions, including changes in interest rates on fixed income securities, that may lead prospective purchasers of our stock to demand a higher annual yield from future dividends;
- terrorist activity may adversely affect the markets in which our securities trade, possibly increasing market volatility and causing the further erosion of business and consumer confidence and spending;
- general economic conditions; and
- our financial condition, performance and prospects.

Other factors such as governmental regulatory action and changes in tax laws could also have a significant impact on the future trading price of our stock.

If we issue additional securities, then the investment of existing stockholders will be diluted.

As a real estate investment trust, we are dependent on external sources of capital and may issue common or preferred stock or debt securities to fund our future capital needs. We have authority to issue shares of common stock or other equity or debt securities, and to cause the operating partnership or AMB Property II, L.P., to issue limited partnership units, in exchange for property or otherwise. Existing stockholders have no preemptive right to acquire any additional securities issued by the operating partnership, AMB Property II, L.P., or us and any issuance of additional equity securities may adversely effect the market price of our stock and could result in dilution of an existing stockholder’s investment.

Earnings, cash dividends, asset value and market interest rates affect the price of our stock.

As a real estate investment trust, the market value of our equity securities, in general, is based primarily upon the market’s perception of our growth potential and our current and potential future earnings and cash dividends. Our equity securities’ market value is based secondarily upon the market value of our underlying real estate assets. For this reason, shares of our stock may trade at prices that are higher or lower than our net asset value per share. To the extent that we retain operating cash flow for investment purposes, working capital reserves, or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of our stock. Our failure to meet the market’s expectations with regard to future earnings and cash dividends likely would adversely affect the market price of our stock. Further, the distribution yield on the stock (as

a percentage of the price of the stock) relative to market interest rates may also influence the price of our stock. An increase in market interest rates might lead prospective purchasers of our stock to expect a higher distribution yield, which would adversely affect our stock's market price. Additionally, if the market price of our stock declines significantly, then we might breach certain covenants with respect to our debt obligations, which could adversely affect our liquidity and ability to make future acquisitions and our ability to pay dividends to our stockholders.

We could change our investment and financing policies without a vote of stockholders.

Subject to our current investment policy to maintain our qualification as a real estate investment trust (unless a change is approved by our board of directors under certain circumstances), our board of directors determines our investment and financing policies, our growth strategy and our debt, capitalization, distribution and operating policies. Our board of directors may revise or amend these strategies and policies at any time without a vote of stockholders. Any such changes may not serve the interests of all stockholders and could adversely affect our financial condition or results of operations, including our ability to pay dividends to our stockholders.

Shares available for future sale could adversely affect the market price of our common stock.

The operating partnership and AMB Property II, L.P. had 4,709,056 common limited partnership units issued and outstanding as of December 31, 2006, which may be exchanged generally one year after their issuance on a one-for-one basis into shares of our common stock. In the future, the operating partnership or AMB Property II, L.P. may issue additional limited partnership units, and we may issue shares of common stock, in connection with the acquisition of properties or in private placements. These shares of common stock and the shares of common stock issuable upon exchange of limited partnership units may be sold in the public securities markets over time, pursuant to registration rights that we have granted, or may grant in connection with future issuances, or pursuant to Rule 144. In addition, common stock issued under our stock option and incentive plans may also be sold in the market pursuant to registration statements that we have filed or pursuant to Rule 144. As of December 31, 2006, under our stock option and incentive plans, we had 3,230,106 shares of common stock reserved and available for future issuance, had outstanding options to purchase 6,843,025 shares of common stock (of which 5,404,361 are vested and exercisable) and had 611,549 unvested restricted shares of common stock outstanding. Future sales of a substantial number of shares of our common stock in the market or the perception that such sales might occur could adversely affect the market price of our common stock. Further, the existence of the operating partnership's limited partnership units and the shares of our common stock reserved for issuance upon exchange of limited partnership units and the exercise of options, and registration rights referred to above, may adversely affect the terms upon which we are able to obtain additional capital through the sale of equity securities.

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

INDUSTRIAL PROPERTIES

As of December 31, 2006, we owned and managed 964 industrial buildings aggregating approximately 100.7 million rentable square feet (on a consolidated basis, we had 820 industrial buildings aggregating approximately 80.3 million rentable square feet), excluding development and renovation projects and recently completed development projects available for sale or contribution, located in 34 markets throughout the United States and in China, France, Germany, Japan, Mexico and the Netherlands. Our industrial properties were 96.1% leased to 2,633 customers, the largest of which accounted for no more than 3.1% of our annualized base rent from our industrial properties. See Part IV, Item 15: Note 16 of "Notes to Consolidated Financial Statements" for segment information related to our operations.

Property Characteristics. Our industrial properties, which consist primarily of warehouse distribution facilities suitable for single or multiple customers, are typically comprised of multiple buildings.

The following table identifies types and characteristics of our industrial buildings and each type's percentage, based on square footage, of our total owned and managed operating portfolio, which we define as properties in which we have at least a 10% ownership interest, for which we are the property or asset manager, and which we intend to hold for the long-term.

Building Type	Description	December 31, 2006	December 31, 2005(1)
Warehouse	Customers typically 15,000-75,000 square feet, single or multi-customer	48.4%	44.2%
Bulk Warehouse	Customers typically over 75,000 square feet, single or multi-customer	38.3%	40.0%
Flex Industrial	Includes assembly or research & development, single or multi-customer	4.5%	5.9%
Light Industrial	Smaller customers, 15,000 square feet or less, higher office finish	3.5%	4.6%
Trans-Shipment	Unique configurations for truck terminals and cross-docking	1.5%	1.7%
Air Cargo	On-tarmac or airport land for transfer of air cargo goods	3.2%	3.1%
Office	Single or multi-customer, used strictly for office	0.6%	0.5%
		100.0%	100.0%

(1) The information for 2005 is presented on a consolidated basis while the information for 2006 is presented on an owned and managed basis. Management believes that the difference in comparability between 2006 and 2005 is not significant.

Lease Terms. Our industrial properties are typically subject to lease on a "triple net basis," in which customers pay their proportionate share of real estate taxes, insurance and operating costs, or are subject to leases on a "modified gross basis," in which customers pay expenses over certain threshold levels. In addition, most of our leases include fixed rental increases or Consumer Price Index-based rental increases. Lease terms typically range from three to ten years, with a weighted average of six years, excluding renewal options. However, the majority of our industrial leases do not include renewal options.

Overview of Major Target Markets. Our industrial properties are typically located near major airports, key interstate highways and seaports in major U.S. metropolitan areas, which currently comprise Atlanta, Chicago, Dallas, Los Angeles, Miami, Northern New Jersey/New York City, the San Francisco Bay Area, and Seattle. Our other U.S. target markets include Austin, Baltimore/Washington D.C., Boston, Houston, Minneapolis and Orlando. Our non-U.S. industrial properties are located in major distribution markets, including Amsterdam, Frankfurt, Guadalajara, Hamburg, Lyon, Mexico City, Osaka, Paris, Queretaro, Shanghai, Singapore, Tokyo and Toronto.

Within these metropolitan areas, our industrial properties are generally concentrated in locations with limited new construction opportunities within established, relatively large submarkets, which we believe should provide a higher rate of occupancy and rent growth than properties located elsewhere. These in-fill locations are typically near major airports, seaports or convenient to major highways and rail lines, and are proximate to large and diverse labor pools. There is typically broad demand for industrial space in these centrally located submarkets due to a diverse mix of industries and types of industrial uses, including warehouse distribution, light assembly and manufacturing. We generally avoid locations at the periphery of metropolitan areas where there are fewer constraints to the supply of additional industrial properties.

Owned and Managed Market Operating Statistics(1)

As of December 31, 2006, we held investments in operating properties in 34 markets in our owned and managed operating portfolio throughout the United States and in China, France, Germany, Japan, Mexico and the Netherlands. The following table represents properties in which we have at least a 10% ownership interest, for which we are the property or asset manager, and which we intend to hold for the long-term:

	Atlanta	Chicago	Dallas	Los Angeles(2)	Miami	No. New Jersey/ New York	San Francisco Bay Area	Seattle	U.S. On-Tarmac(3)	Total U.S. Hub and Gateway Markets	Total Other Markets	Total/ Weighted Average
Number of buildings(8)	47	112	53	148	53	133	116	59	34	755	209	964
Rentable square feet(8)	4,622,651	11,321,419	4,843,064	14,858,376	5,678,594	10,538,097	10,499,059	7,430,006	2,681,328	72,472,594	28,230,321	100,702,915
% of total rentable square feet	4.6%	11.2%	4.8%	14.8%	5.6%	10.5%	10.4%	7.4%	2.7%	72.0%	28.0%	100.0%
Occupancy percentage	92.7%	95.1%	97.8%	95.8%	97.9%	98.7%	97.4%	96.0%	96.3%	96.5%	95.0%	96.1%
Annualized base rent (000's)	$ 19,016	$ 56,603	$ 22,387	$ 92,562	$ 42,148	$ 75,719	$ 70,466	$ 34,913	$ 46,402	$ 460,216	$ 186,948	$ 647,164
% of total annualized base rent	2.9%	8.7%	3.5%	14.3%	6.5%	11.7%	10.9%	5.4%	7.2%	71.1%	28.9%	100.0%
Number of leases	163	229	258	394	259	381	344	230	233	2,491	785	3,276
Annualized base rent per square foot	$ 4.44	$ 5.26	$ 4.73	$ 6.50	$ 7.58	$ 7.28	$ 6.89	$ 4.89	$ 17.96	$ 6.59	$ 6.97	$ 6.69
Lease expirations as a % of ABR:(4)												
2007	15.8%	26.3%	17.1%	9.4%	22.5%	10.8%	13.7%	18.9%	16.0%	15.6%	10.9%	14.3%
2008	21.4%	15.2%	15.1%	19.1%	11.1%	13.2%	16.7%	13.2%	13.8%	15.5%	9.6%	13.8%
2009	24.2%	13.9%	17.2%	13.7%	16.3%	15.3%	22.8%	21.2%	6.5%	16.2%	11.8%	15.0%
Weighted average lease terms:												
Original	5.2 years	4.8 years	5.6 years	5.9 years	5.6 years	6.9 years	5.6 years	6.0 years	8.6 years	5.8 years	6.6 years	6.1 years
Remaining	2.5 years	2.6 years	3.3 years	3.3 years	3.4 years	3.8 years	2.4 years	2.8 years	4.6 years	3.1 years	4.0 years	3.3 years
Tenant retention:												
Quarter	57.1%	84.7%	37.1%	83.6%	83.7%	66.6%	54.2%	45.5%	84.5%	71.9%	55.4%	68.9%
Year-to-date	66.9%	69.7%	47.6%	78.5%	77.0%	75.6%	71.2%	76.2%	90.8%	73.4%	61.3%	70.9%
Rent increases on renewals and rollovers:												
Quarter	(4.1)%	3.9%	(3.6)%	13.9%	10.2%	11.2%	(21.0)%	13.5%	4.9%	4.4%	2.2%	4.1%
Same space square feet leased	233,627	557,402	200,241	990,934	155,519	305,275	317,314	155,385	85,242	3,000,939	580,710	3,581,649
Year-to-date	(8.3)%	(5.4)%	(5.5)%	7.5%	5.2%	3.4%	(13.2)%	4.1%	4.1%	(0.4)%	1.6%	(0.1)%
Same space square feet leased	862,757	2,270,278	777,789	2,842,876	1,083,300	2,175,615	1,505,411	1,080,155	418,545	13,016,726	3,186,854	16,203,580
Same store cash basis NOI % change:(5)												
Quarter	(3.5)%	0.0%	12.3%	(1.4)%	15.6%	(7.5)%	6.5%	(1.1)%	1.9%	0.7%	3.5%	1.3%
Year-to-date	(0.3)%	2.3%	2.4%	2.6%	16.8%	(1.2)%	2.1%	0.0%	3.5%	2.5%	2.7%	2.6%
Square feet owned in same store pool(6)	3,611,600	8,479,166	3,515,471	12,162,203	4,681,107	8,817,823	9,835,672	6,119,008	2,564,083	59,786,133	17,505,733	77,291,866
Our pro rata share of square feet(7)	2,355,377	9,032,175	2,856,821	11,289,385	4,480,180	5,571,416	7,849,682	3,880,944	1,494,569	48,810,549	19,677,264	68,487,813

(1) Our owned and managed portfolio excludes development and renovation projects and recently completed development projects available for sale or contribution.

(2) We also own a 19.9 acre land parcel, which is leased to a parking lot operator in the Los Angeles market immediately adjacent to the Los Angeles International Airport.

(3) Includes domestic on-tarmac air cargo facilities at 14 airports.

(4) Annualized base rent, or ABR, is calculated as monthly base rent (cash basis) per the terms of the lease, as of December 31, 2006, multiplied by 12.

(5) See Part II Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operations — Supplemental Earnings Measures" for a discussion of why management believes same store cash basis 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 excludes properties purchased and developments stabilized after December 31, 2004. Stabilized properties are generally defined as properties that are 90% leased or properties for which we have held a certificate of occupancy or where building has been substantially complete for at least 12 months.

(7) Calculated as our pro rata share of square feet on owned and managed operating properties as well as non-managed operating properties.

(8) On a consolidated basis, we have 820 industrial buildings, totaling approximately 80.3 million square feet.

Owned and Managed Operating Portfolio Overview(1)

As of December 31, 2006, our 964 industrial buildings were diversified across 34 markets throughout the United States and in China, France, Germany, Japan, Mexico and the Netherlands. The average age of our industrial properties is approximately 23 years (since the property was built or substantially renovated). The following table represents our owned and managed properties which we define as properties in which we have at least a 10% ownership interest, for which we are the asset or property manager, and which we intend to hold for the long-term.

	Number of Buildings(5)	Rentable Square Feet(5)	% of Total Rentable Square Feet	Occupancy Percentage	Annualized Base Rent (000's)(3)	% of Total Annualized Base Rent	Number of Leases	Annualized Base Rent per Square Foot
U.S. Hub and Gateway Markets	755	72,472,594	72.0%	96.5%	$ 460,216	71.1%	2,491	$ 6.59
U.S. Other Target Markets(2)								
Austin	9	1,758,369	1.7	95.9	9,964	1.5	33	5.91
Baltimore/Washington DC	39	3,046,324	3.0	99.6	20,580	3.2	147	6.78
Boston	39	5,188,593	5.2	92.5	31,452	4.9	101	6.55
Houston	7	1,236,401	1.2	83.5	7,145	1.1	60	6.92
Minneapolis	31	3,886,858	3.9	96.2	17,216	2.7	138	4.61
Orlando	16	1,424,748	1.4	99.8	6,719	1.0	77	4.72
Subtotal/Weighted Average	141	16,541,293	16.4%	95.0%	$ 93,076	14.4%	556	5.92
U.S. Non-Target Markets								
Columbus	1	240,000	0.2	100.0	552	0.1	4	2.30
New Orleans	5	410,849	0.4	100.0	2,107	0.3	52	5.13
Subtotal/Weighted Average	6	650,849	0.6%	100.0%	$ 2,659	0.4%	56	4.09
Non U.S. Target Markets(4)								
North America								
Guadalajara, Mexico	6	933,542	0.9	100.0	5,061	0.8	20	5.42
Mexico City, Mexico	6	1,803,973	1.8	95.1	10,481	1.6	18	6.11
Queretaro, Mexico	1	95,949	0.1	100.0	482	0.1	1	5.02
Europe								
Amsterdam, Netherlands	7	964,039	0.8	100.0	8,377	1.3	7	8.69
Frankfurt, Germany	1	166,917	0.2	100.0	2,669	0.4	1	15.99
Hamburg, Germany	7	959,214	1.0	98.9	7,931	1.2	21	8.36
Lyon, France	1	262,491	0.3	100.0	1,758	0.3	2	6.70
Paris, France	20	1,885,532	1.9	96.2	15,179	2.3	51	8.37
Asia								
Osaka, Japan	1	965,155	1.0	90.3	7,546	1.2	13	8.66
Shanghai, China	1	151,749	0.2	100.0	550	0.1	2	3.62
Tokyo, Japan	11	2,849,618	2.8	88.8	31,179	4.8	37	12.32
Subtotal/Weighted Average	62	11,038,179	11.0%	94.7%	$ 91,213	14.1%	173	$ 8.72
Total Other Markets	209	28,230,321	28.0	95.0	186,948	28.9	785	6.97
Total/Weighted Average	964	100,702,915	100.0%	96.1%	$ 647,164	100.0%	3,276	6.69

(1) Our owned and managed operating portfolio excludes development and renovation projects and recently completed development projects available for sale or contribution.

(2) Effective as of December 31, 2006, Houston and Orlando have been added to our U.S. target markets.

(3) Annualized base rent is calculated as monthly base rent (cash basis) per the terms of the lease, as of December 31, 2006, multiplied by 12.

(4) Annualized base rent for leases denominated in foreign currencies is translated using the currency exchange rate at December 31, 2006.

(5) On a consolidated basis, we have 820 industrial buildings, totaling approximately 80.3 million rentable square feet.

Lease Expirations(1)

The following table summarizes the lease expirations for our owned and managed operating properties for leases in place as of December 31, 2006, without giving effect to the exercise of renewal options or termination rights, if any, at or prior to the scheduled expirations:

	Square Feet	Annualized Base Rent (000's)(2)	% of Annualized Base Rent
2007	15,946,335	$ 96,962	14.3%
2008	14,987,948	93,720	13.8%
2009	15,580,437	101,672	15.0%
2010	13,056,478	96,569	14.2%
2011	13,193,485	97,473	14.3%
2012	7,813,704	66,080	9.7%
2013	3,379,973	26,803	3.9%
2014	5,326,305	41,105	6.0%
2015	2,706,554	20,209	3.0%
2016 and beyond	4,925,182	39,118	5.8%
Total	96,916,401	$ 679,711	100.0%

(1) Schedule includes leases that expire on or after December 31, 2006. Schedule includes owned and managed operating properties which we define as properties in which we have at least a 10% ownership interest, for which we are the property or asset manager, and which we intend to hold for the long-term.

(2) Calculated as monthly base rent at expiration multiplied by 12. Non-U.S. dollar projects are converted to U.S. dollars based on the forward exchange rate at expiration. Amounts represent 100% of the annualized base rent of the owned and managed operating properties.

Customer Information(1)

Largest Property Customers. As of December 31, 2006, our 25 largest property customers by annualized base rent, on an owned and managed basis, are set forth in the table below:

Customer Name(2)	Number of Leases	Aggregate Rentable Square Feet	Percentage of Aggregate Leased Square Feet(3)	Annualized Base Rent (000's)(4)	Percentage of Aggregate Annualized Base Rent(5)
United States Government(6)(7)	47	1,407,748	1.5%	$ 20,295	3.1%
Deutsche Post World Net (DHL)(6)	41	1,977,650	2.0%	17,791	2.7%
FedEx Corporation(6)	30	1,361,619	1.4%	14,455	2.2%
Nippon Express	12	967,039	1.0%	9,636	1.5%
Sagawa Express	7	726,235	0.8%	9,008	1.4%
Harmonic Inc.	4	285,480	0.3%	8,907	1.4%
BAX Global Inc/Schenker/Deutsche Bahn(6)	16	711,117	0.7%	7,067	1.1%
La Poste	2	854,427	0.9%	6,332	1.0%
City and County of San Francisco	1	559,605	0.6%	5,714	0.9%
Panalpina, Inc.	7	870,156	0.9%	5,585	0.9%
Expeditors International	8	1,003,939	1.0%	4,836	0.7%
Worldwide Flight Services(6)	14	327,622	0.3%	4,694	0.7%
Eagle Global Logistics, L.P.	10	758,121	0.8%	4,424	0.7%
Forward Air Corporation	9	547,544	0.6%	4,290	0.7%
FMI International	3	764,343	0.8%	4,240	0.7%
UPS	15	559,994	0.6%	3,911	0.6%
United Air Lines Inc.(6)	6	191,085	0.2%	3,408	0.5%
World Logi K.K	10	343,883	0.4%	3,178	0.5%
Ahold NV	6	693,280	0.7%	2,970	0.5%
Elmhult Limited Partnership	5	760,253	0.8%	2,686	0.4%
Virco Manufacturing Corporation	1	559,000	0.6%	2,566	0.4%
UTi United States Inc.	11	314,029	0.3%	2,494	0.4%
Menzies Aviation(6)	4	183,867	0.2%	2,323	0.4%
Integrated Airline Services(6)	4	198,262	0.2%	2,284	0.4%
Kintetsu World Express	7	180,027	0.2%	2,278	0.4%
Total		17,106,325	17.8%	$ 155,372	24.2%

(1) Schedule includes owned and managed operating properties which we define as properties in which we have at least a 10% ownership interest, for which we are the property or asset manager, and which we intend to hold for the long-term.

(2) Customer(s) may be a subsidiary of or an entity affiliated with the named customer. We also own a 19.9 acre land parcel, adjacent to the Los Angeles International Airport which is leased to a parking lot operator with an annualized base rent of $7.5 million, which is not included.

(3) Computed as aggregate leased square feet divided by the aggregate leased square feet of operating properties.

(4) Annualized base rent is calculated as monthly base rent (cash basis) per the terms of the lease, as of December 31, 2006, multiplied by 12.

(5) Computed as aggregate annualized base rent divided by the aggregate annualized base rent of operating properties.

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

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

OWNED AND MANAGED OPERATING AND LEASING STATISTICS

Owned and Managed Operating and Leasing Statistics(1)

The following table summarizes key operating and leasing statistics for all of our owned and managed operating properties as of and for the years ended December 31, 2006, 2005 and 2004:

Operating Portfolio	2006	2005(2)	2004(2)
Square feet owned(3)(6)	100,702,915	87,772,104	90,278,803
Occupancy percentage(6)	96.1%	95.8%	94.8%
Weighted average lease terms:			
Original	6.1 years	6.1 years	6.1 years
Remaining	3.3 years	3.3 years	3.3 years
Tenant retention	70.9%	64.2%	66.8%
Same Space Leasing Activity(4):			
Rent increases (decreases) on renewals and rollovers	(0.1)%	(9.7)%	(13.2)%
Same space square footage commencing (millions)	16.2	13.6	17.5
Second Generation Leasing Activity(5):			
Tenant improvements and leasing commissions per sq. ft.:			
Retained	$ 1.41	$ 1.60	$ 1.73
Re-tenanted	3.19	3.03	2.70
Weighted average	$ 2.20	$ 2.34	$ 2.27
Square footage commencing (millions)	19.1	18.5	22.5

(1) Schedule includes owned and managed operating properties which we define as properties in which we have at least a 10% ownership interest, for which we are the property or asset manager, and which we intend to hold for the long-term. This excludes development and renovation projects and recently completed development projects available for sale or contribution.

(2) The information for 2005 and 2004 is presented on a consolidated basis while the information for 2006 is presented on an owned and managed basis. Management believes that the difference in comparability between 2006, 2005 and 2004, is not significant.

(3) In addition to owned square feet as of December 31, 2006, we managed, but did not have an ownership interest in, approximately 0.2 million additional square feet of properties. As of December 31, 2006, one of our subsidiaries also managed approximately 1.1 million additional square feet of properties representing the IAT portfolio on behalf of the IAT Air Cargo Facilities Income Fund. As of December 31, 2006, we also had investments in 7.4 million square feet of operating properties through our investments in non-managed unconsolidated joint ventures.

(4) Consists of second generation leases renewing or re-tenanting with current and prior lease terms greater than one year.

(5) Second generation tenant improvements and leasing commissions per square foot are the total cost of tenant improvements, leasing 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.

(6) On a consolidated basis, we had approximately 80.3 million rentable square feet with an occupancy rate of 97.0% at December 31, 2006.

Owned and Managed Same Store Operating Statistics(1)

The following table summarizes key operating and leasing statistics for our owned and managed same store operating properties as of and for the years ended December 31, 2006, 2005 and 2004:

Same Store Pool(2)	2006	2005(3)	2004(3)
Square feet in same store pool(4)	77,291,866	72,452,609	74,516,427
% of total industrial square feet	76.8%	82.5%	82.5%
Occupancy percentage(4)	97.0%	95.6%	95.3%
Weighted average lease terms:			
Original	6.0 years	5.9 years	6.0 years
Remaining	3.0 years	3.0 years	3.1 years
Tenant retention	72.5%	63.7%	66.4%
Rent increases (decreases) on renewals and rollovers	(0.4)%	(9.8)%	(14.7)%
Square feet leased (millions)	15.7	13.0	16.2
Growth % increase (decrease) (including straight-line rents):			
Revenues(5)	2.1%	(0.7)%	(0.7)%
Expenses(5)	3.5%	(0.2)%	(0.5)%
Net operating income(5)	1.6%	(0.8)%	(0.8)%
Growth % increase (decrease) (excluding straight-line rents):			
Revenues(5)	2.8%	0.0%	(0.8)%
Expenses(5)	3.5%	(0.2)%	(0.5)%
Net operating income(5)(6)	2.6%	0.1%	(0.9)%

(1) Schedule includes owned and managed operating properties which we define as properties in which we have at least a 10% ownership interest, for which we are the property or asset manager, and which we intend to hold for the long-term. This excludes development and renovation projects and recently completed development projects available for sale or contribution.

(2) Same store properties are those properties that we owned during both the current and prior year reporting periods, excluding development properties prior to being stabilized (generally defined as properties that are 90% leased or properties for which we have held a certificate of occupancy or where building has been substantially complete for at least 12 months).

(3) The information for 2005 and 2004 is presented on a consolidated basis while the information for 2006 is presented on an owned and managed basis. Management believes that the difference in comparability between 2006, 2005 and 2004, is not significant.

(4) On a consolidated basis, we had approximately 71.2 million square feet with an occupancy rate of 96.9% at December 31, 2006.

(5) On a consolidated basis, the percentage change was 2.1%, 4.7% and 1.2%, respectively, for revenues, expenses and NOI (including straight-line rents) and 2.4%, 4.7% and 1.6%, respectively, for the revenues, expenses, and NOI (excluding straight line rents).

(6) See Part II, Item 7: “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Supplemental Earnings Measures” for a discussion of same store net operating income and a reconciliation of same store net operating income and net income.

DEVELOPMENT PROPERTIES

Development Pipeline

The following table sets forth the properties owned by us as of December 31, 2006, which were undergoing development, renovation or expansion. We cannot assure you that any of these projects will be completed on schedule or within budgeted amounts.

Industrial Development and Renovation Deliveries

Projects	Market	Developer	Estimated Stabilization(6)	Estimated Square Feet at Stabilization(6)	Estimated Total Investment(1) (000's)	Our Ownership Percentage
2007 Deliveries						
1. Beacon Lakes Village — Phase 1 Bldg E1	Miami	Flagler	Q1	52,668	$ 6,100	50%
2. AMB Annagem Distribution Centre	Toronto, Canada	AMB	Q1	198,169	13,800	100%
3. AMB Des Plaines Logistics Center	Chicago	AMB	Q1	126,053	18,600	100%
4. AMB DFW Logistics Center 1	Dallas	AMB	Q1	113,640	5,900	100%
5. AMB Turnberry Distribution VI(7)	Chicago	AMB	Q1	179,400	10,600	20%
6. Beacon Lakes — Bldg 6	Miami	Flagler	Q1	206,464	13,300	79%
7. AMB Fokker Logistics Center 2A	Amsterdam, Netherlands	Delta Group	Q2	118,166	15,900	100%
8. AMB Riverfront Distribution Center — Bldg B	Seattle	AMB	Q2	388,000	22,800	100%
9. AMB Forest Park Freight Terminal	Atlanta	AMB	Q2	142,000	11,200	100%
10. AMB Gonesse Distribution Center	Paris, France	GEPRIM	Q2	598,161	55,400	100%
11. AMB Douglassingel Distribution Center	Amsterdam, Netherlands	Austin	Q3	148,714	22,800	100%
12. AMB Port of Hamburg 1	Hamburg, Germany	BUSS Ports + Logistics	Q3	414,701	36,800	94%
13. AMB Pearson Logistics Centre 1 — Bldg 200	Toronto, Canada	AMB	Q3	205,518	16,800	100%
14. AMB Tres Rios Industrial Park — Bldg 3	Mexico City, Mexico	G. Accion	Q3	628,784	34,900	98%
15. AMB Tres Rios Industrial Park — Bldg 4	Mexico City, Mexico	G. Accion	Q3	315,156	17,800	98%
16. AMB Arrayanes — Bldg 2	Guadalajara, Mexico	G. Accion	Q4	473,720	17,800	90%
17. AMB Aurora Industrial(4)	Minneapolis	AMB	Q4	125,200	7,100	100%
18. AMB Milton 401 Business Park — Bldg 2	Toronto, Canada	AMB	Q4	281,358	21,700	100%
19. AMB Sagamihara Distribution Center	Tokyo, Japan	AMB	Q4	543,056	87,100	100%
20. AMB Pearson Logistics Centre 1 — Bldg 100	Toronto, Canada	AMB	Q4	446,338	31,700	100%
21. AMB Dublin(3)	San Francisco Bay Area	AMB	Q4	—	13,600	100%
22. AMB Hathaway(3)	San Francisco Bay Area	AMB	Q4	—	16,500	100%
23. AMB Valley Distribution Center	Seattle	AMB	Q4	749,970	43,600	100%
24. AMB Redlands — Parcel 2	Los Angeles	AMB	Q4	1,313,470	57,200	100%
25. Platinum Triangle Land — Phase 1(3)	Los Angeles	AMB	Q4	—	15,400	100%
26. AMB Fokker Logistics Center 3	Amsterdam, Netherlands	Delta Group	Q4	324,725	44,900	50%
27. AMB Isle d'Abeau Logistics Park Bldg C	Lyon, France	GEPRIM	Q4	277,817	21,800	100%
28. AMB Torrance Matrix	Los Angeles	AMB	Q4	161,785	28,000	100%
Total 2007 Deliveries				8,533,033	$ 709,100	94%
Leased or Under Contract For Sale/Funded-to-date				34%	$ 516,800(2)	
Weighted Average Estimated Yield(5)					8.0%	

Projects	Market	Developer	Estimated Stabilization(6)	Estimated Square Feet at Stabilization(6)	Estimated Total Investment(1) (000's)	Our Ownership Percentage
2008 Deliveries						
29. AMB Steel Road	Los Angeles	AMB	Q1	161,000	$ 10,400	100%
30. Beacon Lakes Bldg 7	Miami	Flagler	Q1	193,090	14,400	79%
31. AMB Amagasaki Distribution Center 2	Osaka, Japan	AMB	Q2	981,679	105,900	100%
32. Agave — Bldg 5	Mexico City, Mexico	G. Accion	Q2	103,204	7,100	98%
33. AMB Le Grand Roissy Distribution — Mitry	Paris, France	SIRIUS	Q2	37,954	4,600	100%
34. AMB Shinkiba Distribution Center	Tokyo, Japan	AMB	Q2	328,764	90,000	100%
35. AMB Theodore Park Logistics Center	Dusseldorf, Germany	Delta Group	Q2	140,566	17,000	100%
36. AMB Narita Distribution Center 1 — Bldg C	Tokyo, Japan	AMB	Q2	348,891	43,500	100%
37. AMB Barajas Logistics Park	Madrid, Spain	AMB	Q2	427,133	39,500	80%
38 AMB Funabashi Distribution Center 5	Tokyo, Japan	AMB	Q2	469,254	57,500	100%
39. AMB Palmetto Distribution Center	Orlando	AMB	Q2	406,400	20,800	100%
40. Platinum Triangle Land — Phase 2(3)	Los Angeles	AMB	Q2	—	30,100	100%
41. AMB Franklin Commerce Center	New Jersey	AMB	Q3	366,896	26,700	100%
42. AMB Pompano Center of Commerce — Phase 1	Miami	AMB	Q3	218,835	21,400	100%
43. AMB Lijnden Logistics Court 1	Amsterdam, Netherlands	Keystone Vasgoed	Q3	96,520	16,800	100%
44. AMB Nanko Naka Distribution Center	Osaka, Japan	AMB	Q3	402,313	48,700	100%
45. AMB Siziano Business Park — Bldg 1	Milan, Italy	Redilco	Q4	436,916	34,000	50%
Total 2008 Deliveries				5,119,415	$ 588,400	95%
Leased or Under Contract For Sale/Funded-to-date				7%	$ 297,700(2)	
Weighted Average Estimated Yield(5)					7.1%	
Total Scheduled Deliveries				13,652,448	$ 1,297,500	
Leased or Under Contract For Sale/Funded-to-date				24%	$ 814,500(2)	
Weighted Average Estimated Yield(5)					7.6%	

(1) Represents total estimated cost of development, renovation or expansion, including initial acquisition costs, prepaid ground leases and associated carry costs. Estimated total investments are based on current forecasts and are subject to change. Non-U.S. dollar investments are translated to U.S. dollars using the exchange rate at December 31, 2006.

(2) Our pro rata share of amounts funded to date for 2007 and 2008 deliveries was $489.0 million and $288.5, respectively, for a total of $777.5 million.

(3) Represents a value-added conversion project.

(4) Represents a renovation project.

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

(6) Stabilization is generally defined as properties that are 90% leased or properties for which we have held a certificate of occupancy or where building has been substantially complete for at least twelve months.

(7) Represents projects in unconsolidated joint ventures.

The following table sets forth completed development projects that we intend to either sell or contribute to co-investment funds as of December 31, 2006:

Completed Development Projects Available for Sale or Contribution(1)

Projects(1)	Market	Estimated Square Feet at Completion	Estimated Total Investment (000's)(2)	Our Ownership Percentage
1. Agave — Bldg 4	Mexico City, Mexico	217,514	$ 14,200	98%
2. AMB BRU Air Cargo Center	Brussels, Belgium	102,655	12,900	100%
3. AMB Fengxian Logistics Center — Bldgs 2, 4 & 6(3)	Shanghai, China	1,040,633	41,500	60%
4. AMB Fokker Logistics Center 1	Amsterdam, Netherlands	236,203	30,300	100%
5. AMB Jiuting Distribution Center 2	Shanghai, China	187,866	7,300	100%
6. AMB Layline Distribution Center(3)	Los Angeles	298,000	30,200	100%
7. AMB Milton 401 Business Park — Bldg 1	Toronto, Canada	375,241	21,100	100%
8. Frankfurt Logistics Center 556 — Phase II	Frankfurt, Germany	105,723	15,800	100%
9. Highway 17 — 55 Madison Street(3)	New Jersey	150,446	12,900	100%
10. Singapore Airport Logistics Center — Bldg 2(4)	Singapore City, Singapore	250,758	13,000	50%
Total Available for Sale or Contribution		2,965,039	$ 199,200	88%

(1) Represents projects where development activities have been completed and which we intend to sell or contribute within two years of construction completion.

(2) Represents total estimated cost of development, renovation or expansion, including initial acquisition costs, prepaid ground leases and associated carry costs. The estimates are based on current estimates and forecasts and are subject to change. Non-U.S. Dollar investments are translated to U.S. Dollar using the exchange rate at December 31, 2006.

(3) Renovation projects represent 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).

(4) Represents a project in an unconsolidated joint venture.

Properties held through Joint Ventures, Limited Liability Companies and Partnerships

Consolidated Joint Ventures:

As of December 31, 2006, we held interests in joint ventures, limited liability companies and partnerships with institutional investors and other third parties, which we consolidate in our financial statements. Such investments are consolidated because we own a majority interest or, as general partner, exercise significant control over major operating decisions such as acquisition or disposition decisions, approval of budgets, selection of property managers and changes in financing. Under the agreements governing the joint ventures, we and the other party to the joint venture may be required to make additional capital contributions and, subject to certain limitations, the joint ventures may incur additional debt. Such agreements also impose certain restrictions on the transfer of joint venture interests by us or the other party to the joint venture and typically provide certain rights to us or the other party to the joint venture to sell our or their interest in the joint venture to the joint venture or to the other joint-venture partner on terms specified in the agreement. In addition, under certain circumstances, many of the joint

ventures include buy/sell provisions. See Part IV, Item 15: Note 9 of the "Notes to Consolidated Financial Statements" for additional details.

The tables that follow summarize our consolidated joint ventures as of December 31, 2006:

Consolidated Co-Investment Joint Ventures
(dollars in thousands)

Joint Ventures	Our Ownership Percentage	Number of Buildings	Square Feet(1)	Gross Book Value(2)	Property Debt	Other Debt	JV Partners' Share of Debt(3)
Co-Investment Operating Joint Ventures:							
AMB Erie(4)	50%	3	821,712	$ 52,942	$ 20,605	$ —	$ 10,303
AMB Partners II(5)	20%	118	9,913,375	678,796	323,532	65,000	311,470
AMB-SGP(6)	50%	74	8,287,424	444,990	235,480	—	117,449
AMB Institutional Alliance Fund II(7)	20%	70	8,007,103	515,334	243,263	—	192,058
AMB-AMS(8)	39%	33	2,172,137	153,563	78,904	—	48,420
Total Co-Investment Operating Joint Ventures	30%	298	29,201,751	1,845,625	901,784	65,000	679,700
Co-Investment Development Joint Ventures:							
AMB Partners II(5)	20%	n/a	n/a	342	—	—	—
AMB Institutional Alliance Fund II(7)	20%	n/a	n/a	4,200	—	—	—
Total Co-Investment Development Joint Ventures	20%	—	—	4,542	—	—	—
Total Co-Investment Consolidated Joint Ventures	30%	298	29,201,751	$ 1,850,167	$ 901,784	$ 65,000	$ 679,700

(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 as of December 31, 2006. Development book values include uncommitted land.

(3) JV Partners' Share of Debt is defined as total debt less our share of total debt. See footnote 1 to the Capitalization Ratios table contained in Part II, Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" for a discussion of why we believe our share of total debt is a useful supplemental measure for our management and investors, of ways to use this measure when assessing our financial performance, the limitations of the measure as a measurement tool, and for a reconciliation of our share of total debt to total consolidated debt, a GAAP financial measure.

(4) AMB/Erie, L.P. is a co-investment partnership formed in 1998 with the Erie Insurance Company and certain related entities.

(5) AMB Partners II, L.P. is a co-investment partnership formed in 2001 with the City and County of San Francisco Employees' Retirement System.

(6) AMB-SGP, L.P. is a co-investment partnership formed in 2001 with Industrial JV Pte. Ltd., a subsidiary of GIC Real Estate Pte. Ltd., the real estate investment subsidiary of the Government of Singapore Investment Corporation.

(7) AMB Institutional Alliance Fund II, L.P. is a co-investment partnership formed in 2001 with institutional investors, which invest through a private real estate investment trust.

(8) AMB-AMS, L.P. is a co-investment partnership formed in 2004 with three Dutch pension funds.

Other Consolidated Joint Ventures
(dollars in thousands)

Properties	Market	Our Ownership Percentage	Number of Buildings	Square Feet	Gross Book Value(1)	Property Debt	Other Debt	JV Partners' Share of Debt(2)
Other Industrial Operating Joint Ventures	Various	92%	32	2,982,313	$ 258,374	$ 60,435	$ —	$ 4,419
Other Industrial Development Joint Ventures	Various	81%	16	3,930,930	320,942	63,171	98	28,095
Total Other Industrial Consolidated Joint Ventures		86%	48	6,913,243	$ 579,316	$ 123,606	$ 98	$ 32,514

(1) Represents the book value of the property (before accumulated depreciation) owned by the joint venture entity and excludes net other assets as of December 31, 2006. Development book values include uncommitted land.

(2) JV Partners' Share of Debt is defined as total debt less our share of total debt. See footnote 1 to the Capitalization Ratios table contained in Part II, Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operation — Liquidity and Capital Resources" for a discussion of why we believe our share of total debt is a useful supplemental measure for our management and investors, of ways to use this measure when assessing our financial performance, the limitations of the measure as a measurement tool, and for a reconciliation of our share of total debt to total consolidated debt, a GAAP financial measure.

Unconsolidated Joint Ventures:

As of December 31, 2006, we held interests in 14 equity investment joint ventures that are not consolidated in our financial statements. Effective October 1, 2006, we deconsolidated AMB Institutional Alliance Fund III, L.P. on a prospective basis. The management and control over significant aspects of these investments are held by the third-party joint-venture partners and we are not the primary beneficiary for the investments that meet the variable-interest entity consolidation criteria under FASB Interpretation No. 46®, *Consolidation of Variable Interest Entities.*

The tables that follow summarize our unconsolidated joint ventures as of December 31, 2006:

Unconsolidated Joint Ventures
(dollars in thousands)

Unconsolidated Joint Ventures	Our Ownership Percentage	Number of Buildings	Square Feet(1)	Gross Book Value	Property Debt	Other Debt	Our Net Equity Investment	Our Share of Debt(2)
Co-Investment Operating Joint Ventures:								
1. AMB-SGP Mexico, LLC(3)	20%	12	2,737,515	$ 165,381	$ 95,000	$ 11,700	$ 7,601	$ 20,912
2. AMB Japan Fund I, L.P.(4)	20%	12	3,814,773	602,397	368,086	82,184	31,811	90,004
3. AMB Institutional Alliance Fund III, L.P.(5)	23%	119	13,784,406	1,313,858	615,500	60,000	136,971	160,280
Total Co-Investment Joint Ventures	22%	143	20,336,694	2,081,636	1,078,586	153,884	176,383	271,196
Co-Investment Development Joint Ventures:								
1. AMB Institutional Alliance Fund III, L.P.(5)	23%	1	179,400	9,636	—	—	—	—
2. AMB DFS Fund I, LLC(6)	15%	—	—	78,450	—	—	11,700	—
Other Industrial Operating Joint Ventures	53%	48	7,684,931(7)	295,036	184,423	—	47,955	89,262
Total Unconsolidated Joint Ventures	28%	192	28,201,025	$ 2,464,758	$ 1,263,009	$ 153,884	$ 236,038	$ 360,458

(1) For development properties, this represents estimated square feet at completion of development for committed phases of development and renovation projects.

(2) See footnote 1 to the Capitalization Ratios table contained in Part II, Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operation — Liquidity and Capital Resources" for a discussion

of why we believe our share of total debt is a useful supplemental measure for our management and investors, of ways to use this measure when assessing our financial performance, the limitations of the measure as a measurement tool, and for a reconciliation of our share of total debt to total consolidated debt, a GAAP financial measure.

(3) AMB-SGP Mexico, LLC is an unconsolidated co-investment joint venture 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 us and the co-investment partnership and its subsidiaries.

(4) AMB Japan Fund I, L.P. is a co-investment partnership formed in 2005 with 13 institutional investors as limited partners.

(5) 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 real estate investment trust. Prior to October 1, 2006, the Company accounted for AMB Institutional Alliance Fund III, L.P. as a consolidated joint venture.

(6) 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.

(7) Includes investments in 7.4 million square feet of operating properties through the Company's investments in unconsolidated joint ventures that it does not manage which it excludes from its owned and managed portfolio. Our owned and managed operating portfolio includes properties in which we have at least a 10% ownership interest, for which we are the property or asset manager, and which we intend to hold for the long-term.

Mortgage and Loan Receivables and Other Investments:

The tables that follow summarize our mortgage investments and other investments as of December 31, 2006:

Mortgage Investments and Other Investments
(dollars in thousands)

Mortgage and Loan Receivables	Market	Maturity	Mortgage Receivable(2)	Rate
1. AMB Pier One, LLC(1)	San Francisco Bay	May 2026	$ 12,686	13.0%
2. G. Accion	Various	March 2010	6,061	10.0%
			$ 18,747	

Other Investments	Market	Property Type	Net Investment	Our Ownership Percentage	Our Share of Debt(5)
1. Park One Land Parcel	Los Angeles	Parking Lot	$ 75,498	100%	$ —
2. G. Accion(3)	Various	Various	38,343	39%	2,965
3. IAT Air Cargo Facilities Income Fund(4)	Canada	Industrial	2,644	5%	—
			$ 116,485		$ 2,965

(1) AMB has an 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.

(2) We hold inter-company loans that we eliminate in the consolidation process.

(3) We also have a 39% unconsolidated equity interest in G. Accion, S.A. de C.V. (G. Accion), a Mexican real estate company. G. Accion provides management and development services for industrial, retail, residential and office properties in Mexico.

(4) We also have an approximate 5% equity interest in IAT Air Cargo Facilities Income Fund, a public Canadian real estate income trust.

(5) See footnote 1 to the Capitalization Ratios table contained in Part II, Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operation — Liquidity and Capital Resources" for a discussion of why we believe our share of total debt is a useful supplemental measure for our management and investors, of ways to use this measure when assessing our financial performance, the limitations of the measure as a measurement tool, and for a reconciliation of our share of total debt to total consolidated debt, a GAAP financial measure.

Secured Debt

As of December 31, 2006, we had $1.4 billion of secured indebtedness, net of unamortized premiums, secured by deeds of trust or mortgages. As of December 31, 2006, the total gross consolidated investment value of those properties securing the debt was $2.6 billion. Of the $1.4 billion of secured indebtedness, $1.0 billion was consolidated joint venture debt secured by properties with a gross investment value of $1.9 billion. For additional details, see Part II, Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" and Part IV, Item 15: Note 6 of "Notes to Consolidated Financial Statements" included in this report. We believe that as of December 31, 2006, the fair value of the properties securing the respective obligations in each case exceeded the principal amount of the outstanding obligations.

Item 3. ***Legal Proceedings***

As of December 31, 2006, there were no pending legal proceedings to which we were a party or of which any of our properties was the subject, the adverse determination of which we anticipate would have a material adverse effect upon our financial condition, results of operations and cash flows.

Item 4. ***Submission of Matters to a Vote of Security Holders***

None.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our common stock began trading on the New York Stock Exchange on November 21, 1997 under the symbol "AMB." As of February 20, 2007, there were approximately 471 holders of record of our common stock (excluding shares held through The Depository Trust Company, as nominee). Set forth below are the high and low sales prices per share of our common stock, as reported on the NYSE composite tape, and the distribution per share paid or payable by us during the period from January 1, 2005 through December 31, 2006:

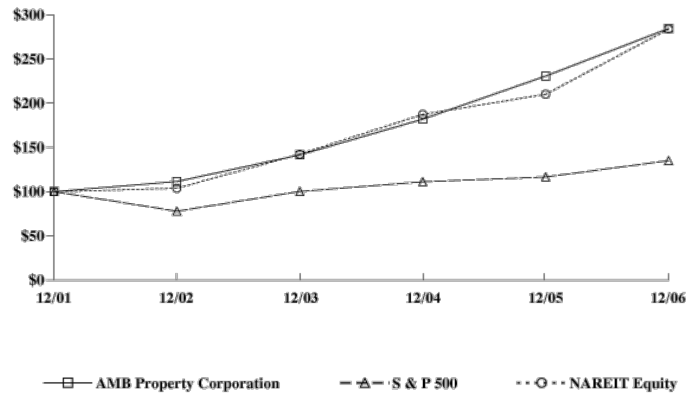
Year	High	Low	Dividend
2005			
1st Quarter	$ 41.45	$ 36.52	$ 0.440
2nd Quarter	44.00	36.38	0.440
3rd Quarter	46.46	41.85	0.440
4th Quarter	50.25	40.92	0.440
2006			
1st Quarter	$ 56.53	$ 48.89	$ 0.460
2nd Quarter	54.25	46.26	0.460
3rd Quarter	58.65	50.05	0.460
4th Quarter	63.02	54.49	0.460

The payment of dividends and other distributions by us is at the discretion of our board of directors and depends on numerous factors, including our cash flow, financial condition and capital requirements, real estate investment trust provisions of the Internal Revenue Code and other factors.

Stock Performance Graph

The following line graph compares the change in our cumulative total stockholder return on shares of our common stock from December 31, 2001 to December 31, 2006, to the cumulative total return of the Standard & Poor’s 500 Stock Index and the NAREIT Equity REIT Total Return Index from December 31, 2001 to December 31, 2006. The graph assumes an initial investment of $100 in the common stock of AMB Property Corporation and each of the indices on December 31, 2000 and, as required by the U.S. Securities and Exchange Commission, the reinvestment of all distributions. The return shown on the graph is not necessarily indicative of future performance.

COMPARISON OF 5 YEAR CUMULATIVE RETURN
Among AMB Property Corporation, The S&P 500 Index
And The NAREIT Equity Index



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Item 6. ***Selected Financial Data***

SELECTED COMPANY FINANCIAL AND OTHER DATA(1)

The following table sets forth selected consolidated historical financial and other data for AMB Property Corporation on a historical basis as of and for the years ended December 31:

Note: Effective October 1, 2006, the Company deconsolidated AMB Institutional Alliance Fund III, L.P. on a prospective basis. See footnote 4 below for further discussion of the comparability of selected financial and other data.

	2006(5)	2005	2004	2003	2002
	(Dollars in thousands, except per share amounts)				
Operating Data					
Total revenues	$ 729,896	$ 660,875	$ 576,395	$ 501,323	$ 480,473
Income before minority interests, discontinued operations and cumulative effect of change in accounting principle	234,785	205,086	114,446	111,560	115,405
Income from continuing operations before cumulative effect of change in accounting principle	171,930	130,309	61,583	54,118	70,228
Income from discontinued operations	51,949	127,498	63,888	75,010	50,891
Net income before cumulative effect of change in accounting principle	223,879	257,807	125,471	129,128	121,119
Net income	224,072	257,807	125,471	129,128	121,119
Net income available to common stockholders	209,420	250,419	118,340	116,716	113,035
Income from continuing operations per common share:					
Basic(2)	1.80	1.46	0.66	0.52	0.75
Diluted(2)	1.73	1.40	0.64	0.50	0.73
Income from discontinued operations per common share:					
Basic(2)	0.59	1.52	0.78	0.92	0.61
Diluted(2)	0.57	1.45	0.75	0.91	0.60
Net income available to common stockholders per common share:					
Basic(2)	2.39	2.98	1.44	1.44	1.36
Diluted(2)	2.30	2.85	1.39	1.41	1.33
Dividends declared per common share	1.84	1.76	1.70	1.66	1.64
Other Data					
Funds from operations(3)	$ 297,912	$ 254,363	$ 207,314	$ 186,666	$ 215,194
Funds from operations per common share and unit:					
Basic	3.24	2.87	2.39	2.17	2.44
Diluted	3.12	2.75	2.30	2.13	2.40
Cash flows provided by (used in):					
Operating activities	335,855	295,815	297,349	269,808	297,723

	2006(5)	2005	2004	2003	2002
	(Dollars in thousands, except per share amounts)				
Investing activities	(880,560)	(60,407)	(731,402)	(346,275)	(253,312)
Financing activities	483,621	(101,856)	409,705	112,022	(28,150)
Balance Sheet Data					
Investments in real estate at cost	$ 6,575,733	$ 6,798,294	$ 6,526,144	$ 5,491,707	$ 4,922,782
Total assets	6,713,512	6,802,739	6,386,943	5,409,559	4,983,629
Total consolidated debt	3,437,415	3,401,561	3,257,191	2,574,257	2,235,361
Our share of total debt(4)	3,088,624	2,601,878	2,395,046	1,954,314	1,691,737
Stockholders' equity	2,166,657	1,916,299	1,671,140	1,657,137	1,676,079

(1) Certain items in the consolidated financial statements for prior periods have been reclassified to conform with current classifications with no effect on net income or stockholders' equity.

(2) Basic and diluted net income per weighted average share equals the net income available to common stockholders divided by 87,710,500 and 91,106,893 shares, respectively, for 2006; 84,048,936 and 87,873,399 shares, respectively, for 2005; 82,133,627 and 85,368,626 shares, respectively, for 2004; 81,096,062 and 82,852,528 shares, respectively, for 2003; 83,310,885 and 84,795,987 shares, respectively, for 2002.

(3) See Part II, Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operations — Supplemental Earnings Measures — FFO," for a discussion of why we believe FFO is a useful supplemental measure of operating performance, of ways in which investors might use FFO when assessing our financial performance, and of FFO's limitations as a measurement tool.

(4) Our share of total debt is the pro rata portion of the total debt based on our percentage of equity interest in each of the consolidated ventures holding the debt. We believe that our share of total debt is a meaningful supplemental measure, which enables both management and investors to analyze our leverage and to compare our leverage to that of other companies. In addition, it allows for a more meaningful comparison of our debt to that of other companies that do not consolidate their joint ventures. Our share of total debt is not intended to reflect our actual liability should there be a default under any or all of such loans or a liquidation of the joint ventures. For a reconciliation of our share of total debt to total consolidated debt, a GAAP financial measure, please see the table of debt maturities and capitalization in Part II, Item 7: "Management Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Capital Resources."

(5) Effective October 1, 2006, we deconsolidated AMB Institutional Alliance Fund III, L.P. on a prospective basis, due to the re-evaluation of the accounting for our investment in the fund in light of changes to the partnership agreement regarding the general partner's rights effective October 1, 2006. As a result, the financial measures for the years 2006, 2005, 2004, 2003 and 2002, included in our operating data, other data and balance sheet data above are not comparable.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

GENERAL

You should read the following discussion and analysis of our consolidated financial condition and results of operations in conjunction with the notes to consolidated financial statements.

We commenced operations as a fully integrated real estate company effective with the completion of our initial public offering on November 26, 1997, and elected to be taxed as a real estate investment trust under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, with our initial tax return for the year ended December 31, 1997. AMB Property Corporation and AMB Property, L.P. were formed shortly before the consummation of our initial public offering.

Management's Overview

The primary source of our revenue and earnings is rent received from customers under long-term (generally three to ten years) operating leases at our properties, including reimbursements from customers for certain operating costs, and from partnership distributions and fees from our private capital business. We also produce earnings from the disposition of operating assets that no longer fit our strategy, from the disposition of projects in our development-for-sale program and from the contributions of properties to our co-investment joint ventures. Our long-term growth is driven by our ability to maintain and increase occupancy rates or increase rental rates at our properties, and by our ability to continue to acquire and develop new properties.

National industrial markets continued to improve during 2006 when compared with market conditions in 2005. According to Torto Wheaton Research, availability dropped 10 basis points in the fourth quarter of 2006 to 9.4%, and availability for the year dropped 50 basis points. We believe the strongest industrial markets in the U.S. are the coastal gateway markets tied to global trade, including Los Angeles, our largest market, Miami, the San Francisco Bay Area and Seattle, and to a lesser degree Northern New Jersey/New York (with the exception of the Exit 8A submarket). While we believe that the broader Chicago market is showing signs of stabilization, certain submarkets, like the O'Hare submarket, are relatively strong. We believe Dallas continues to recover, and Atlanta continues to suffer from a large increase in supply. We believe the operating environment in our U.S. on-tarmac business remains good with improving cargo volumes and essentially no new supply.

Investor demand for industrial property (as supported by our observation of strong national sales volumes and declining acquisition capitalization rates) has remained consistently strong over the past several years. We believe we capitalized on this demand for industrial property by accelerating the repositioning of our portfolio, through the disposition of non-core properties, which was effectively completed in 2006 with our exit from the Charlotte and Memphis markets. We plan to continue selling selected assets on an opportunistic basis or that no longer fit our strategic investment objectives, but we believe we have substantially achieved our repositioning goals.

Occupancy levels in our portfolio continue to outperform the national industrial market, as determined by Torto Wheaton Research, by pricing lease renewals and new leases with sensitivity to local market conditions. During the prior periods of decreasing or stabilizing rental rates, we strove to sign leases with shorter terms to prevent locking in lower rent levels for long periods and to be prepared to sign new, longer-term leases during periods of growing rental rates. When we sign leases of shorter duration, we attempt to limit overall leasing costs and capital expenditures by offering different grades of tenant improvement packages, appropriate to the lease term. In our stronger markets, we are increasing rents as opposed to occupancy.

The table below summarizes key operating and leasing statistics for our owned and managed operating properties for the years ended December 31, 2006 and 2005:

Owned and Managed Property Data(1)	U.S. Hub and Gateway Markets(2)	Total Other Markets(3)	Total/Weighted Average
For the year ended December 31, 2006:			
% of total rentable square feet	72.0%	28.0%	100.0%
Occupancy percentage at year end	96.5%	95.0%	96.1%
Same space square footage leased	13,016,726	3,186,854	16,203,580
Rent (decreases) increases on renewals and rollovers(4)	(0.4)%	1.6%	(0.1)%
For the year ended December 31, 2005:(5)			
% of total rentable square feet	74.9%	25.1%	100.0%
Occupancy percentage at year end	96.2%	94.6%	95.8%
Same space square footage leased	11,032,482	2,574,944	13,607,426
Rent decreases on renewals and rollovers	(10.8)%	(4.3)%	(9.7)%

(1) Schedule includes owned and managed operating properties which we define as properties in which we have at least a 10% ownership interest, for which we are the property or asset manager, and which we intend to hold for the long-term.

(2) Our U.S. hub and gateway markets include on-tarmac and Atlanta, Chicago, Dallas, Los Angeles, Miami, Northern New Jersey/New York City, San Francisco Bay Area, and Seattle.

(3) Our total markets include other U.S. target markets, other non-target markets, and non-U.S. target markets.

(4) On a consolidated basis, rent increases on renewals and rollovers were 4.4% and 3.0%, respectively, for U.S. hub and gateway markets and total other markets.

(5) The information for 2005 is presented on a consolidated basis while the information for 2006 is presented on an owned and managed basis. Management believes that the difference in comparability between the information for 2006 and 2005 is not significant.

At December 31, 2006, our operating portfolio's occupancy rate was 96.1%, on an owned and managed basis (97.0% on a consolidated basis), an increase from both the prior quarter and December 31, 2005. Rental rates on lease renewals and rollovers in our portfolio increased 4.1% in the fourth quarter of 2006 and decreased 0.1% for the full year. Cash basis same store net operating income (rental revenues less property operating expenses and real estate taxes for properties included in the same store pool, which is set annually and excludes properties purchased or developments stabilized after December 31, 2004) grew by 1.3% in the fourth quarter of 2006 and 2.6% for the full-year 2006, on an owned and managed basis. Excluding lease termination fees, same store net operating income grew 3.0% and 3.2% in the quarter and for the full year (decreased 0.5% and increased 1.6%, respectively, on a consolidated basis), respectively, on an owned and managed basis. See Part II, Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operations — Supplemental Earnings Measures" for a discussion of same store net operating income and a reconciliation of same store net operating income and net income. We currently expect that same store growth in our operating portfolio, excluding lease termination fees, will be about 3% to 4% for 2007, on an owned and managed basis. Market rents continue to rebound from their lows and in many of our hub and gateway markets are back to or above their prior peak levels of 2001.

We believe that industrial market rents in the San Francisco Bay Area are improving. While market rents in the San Francisco Bay Area were up 10% to 15% in 2006, rents still have not yet fully recovered to normal levels. Rents on lease renewals and rollovers in the San Francisco Bay Area declined 21.0% in the fourth quarter of 2006 and 13.2% for the full-year 2006, on an owned and managed basis. Without the effect of the San Francisco Bay Area, rents on renewals and rollovers for the full-year 2006 would have been 2.0%, on an owned and managed basis, which we believe reflects the generally positive trends in U.S. industrial space availability.

We expect development to be a significant driver of our earnings growth as we expand our land and development pipeline, and contribute completed development projects into our co-investment program and recognize development profits. We believe that development, renovation and expansion of well-located, high-

quality industrial properties should generally continue to provide us with attractive investment opportunities at a higher rate of return than we may obtain from the purchase of existing properties. We believe that our development opportunities in Mexico, Japan and China are particularly attractive given the current lack of supply of modern industrial distribution facilities in the major metropolitan markets of these countries. Prior to our global expansion, our development pipeline was $106.8 million at the end of 2002. As a result of our global expansion and increased development capabilities, we have increased our development pipeline to approximately $1.3 billion at December 31, 2006. In addition to our committed development pipeline, we hold a total of 1,735 acres for future development or sale, of which 92% is in North America. We believe these 1,735 acres of land could support approximately 30.5 million square feet of future development.

Going forward, we believe that our co-investment program with private-capital investors will continue to serve as a significant source of revenues and capital for new investments. Through these co-investment joint ventures, we typically earn acquisition fees, asset management fees and priority distributions, as well as promoted interests and incentive distributions based on the performance of the co-investment joint ventures; however, we cannot assure you that we will continue to do so. Through contribution of development properties to our co-investment joint ventures, we expect to recognize value creation from our development pipeline. As of December 31, 2006, we owned approximately 64.3 million square feet of our properties (51.6% of the total operating and development portfolio) through our consolidated and unconsolidated co-investment joint ventures. We may make additional investments through these co-investment joint ventures or new joint ventures in the future and presently plan to do so.

By the end of 2010, we expect to have approximately 50% of our owned and managed operating portfolio invested in non-U.S. markets (based on owned and managed annualized base rent). As of December 31, 2006, our non-U.S. operating properties comprised 14.1% of our owned and managed operating portfolio (based on annualized base rent) and 7.4% of our consolidated operating portfolio (based on annualized base rent). Our North American target countries outside of the United States currently comprise Canada and Mexico. Our European target countries currently comprise Belgium, France, Germany, Italy, the Netherlands, Spain and the United Kingdom. Our Asian target countries currently comprise China, India, Japan, Singapore and South Korea. We expect to add additional target countries outside the United States in the future.

To maintain our qualification as a real estate investment trust, we must pay dividends to our stockholders aggregating annually at least 90% of our taxable income. As a result, we cannot rely on retained earnings to fund our on-going operations to the same extent that other corporations that are not real estate investment trusts can. We must continue to raise capital in both the debt and equity markets to fund our working capital needs, acquisitions and developments. See “Liquidity and Capital Resources” for a complete discussion of the sources of our capital.

Summary of Key Transactions in 2006

During the year ended December 31, 2006, we completed the following significant capital deployment and other transactions:

- Acquired, on an owned and managed basis, 106 buildings in North America and Europe, aggregating approximately 9.8 million square feet, for $834.2 million;
- Committed to 30 development projects in North America, Asia and Europe totaling 10.4 million square feet with an estimated total investment of approximately $914.3 million;
- Acquired 835 acres of land for development in North America and Asia for approximately $293.2 million;
- Sold five land parcels and six development projects totaling approximately 1.3 million square feet for an aggregate sale price of $86.6 million;
- Contributed four completed development projects for $486.2 million to AMB Japan Fund I, L.P., two completed development projects for $56.4 million to AMB-SGP Mexico, LLC, three completed development projects for $64.8 million to AMB Institutional Alliance Fund III, L.P. and one land parcel for $77.5 million to AMB DFS Fund I, LLC, all of which entities are unconsolidated co-investment joint ventures. As a result of these contributions, we recognized an aggregate after-tax gain of $94.1 million,

representing the portion of our interest in the contributed properties acquired by the third-party co-investors for cash;

- Divested ourselves of 73 industrial buildings aggregating approximately 6.4 million square feet, for an aggregate price of approximately $335.1 million, including 34 industrial buildings that were sold by two of our unconsolidated joint ventures; and
- Acquired the 50% interest in AMB BlackPine that we did not previously own;
- Received an incentive distribution of $19.8 million from AMB Partners II, L.P.; and
- Deconsolidated AMB Institutional Alliance Fund III, L.P., on a prospective basis, as of October 1, 2006.

See Part IV, Item 15: Notes 3 and 4 of the "Notes to Consolidated Financial Statements" for a more detailed discussion of our acquisition, development and disposition activity.

During the year ended December 31, 2006, we completed the following significant capital markets and other financing transactions:

- Obtained long-term secured debt financings for our co-investment joint ventures of $141.6 million with a weighted average interest rate of 6.1%;
- Assumed $29.9 million of debt for our co-investment joint ventures at a weighted average interest rate of 6.0%;
- Obtained $177.7 million of new debt (using exchange rates in effect at applicable quarter end dates) with a weighted average interest rate of 4.2% for international acquisitions;
- Obtained a $65.0 million floating rate unsecured revolving credit facility for one of our co-investment joint ventures;
- Entered into a third amended and restated credit agreement for a $250.0 million unsecured multi-currency revolving credit facility which replaced an existing $100.0 million unsecured multi-currency revolving credit facility;
- Repurchased all of AMB Property II, L.P.'s outstanding 7.75% Series E Cumulative Redeemable Preferred Limited Partnership Units for an aggregate cost of $10.9 million, including accrued and unpaid distributions;
- Repurchased all of AMB Property II, L.P.'s outstanding 7.95% Series F Cumulative Redeemable Preferred Limited Partnership Units for an aggregate cost of $10.0 million, including accrued and unpaid distributions;
- Repurchased all of AMB Property II, L.P.'s outstanding 8.125% Series H Cumulative Redeemable Preferred Limited Partnership Units for an aggregate cost of $42.8 million, including accrued and unpaid distributions;
- Purchased all of AMB Property II, L.P.'s outstanding 5.00% Series N Cumulative Redeemable Preferred Limited Partnership Units for an aggregate cost of $36.6 million, including accrued and unpaid distributions;
- Completed the early renewal and increase of our senior unsecured revolving line of credit in the amount of $550.0 million, an increase of $50.0 million;
- Entered into an amended and restated revolving credit agreement for a 45.0 billion Yen (approximately $377.9 million U.S. dollars, using the exchange rate at December 31, 2006) unsecured revolving credit facility that replaced an existing 35.0 billion Yen (approximately $293.9 million U.S. dollars, using the exchange rate at December 31, 2006) unsecured revolving credit facility;
- Raised approximately $48.1 million in net proceeds from the issuance and sale of $50.0 million of our 6.85% Series P Cumulative Redeemable Preferred Stock;
- Issued $175.0 million aggregate principal amount of fixed rate senior unsecured notes under the operating partnership's 2006 medium-term note program which mature on August 15, 2013 and bear interest at a rate of 5.90% per annum; and

- Entered into a 228.0 million Euro (approximately $300.9 million U.S. dollars, using the exchange rate at December 31, 2006) revolving credit facility agreement, which provides for loans on a secured and unsecured basis.

See Part IV, Item 15: Notes 6, 9 and 11 of the "Notes to Consolidated Financial Statements" for a more detailed discussion of our capital markets transactions.

Critical Accounting Policies

Our discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and contingencies as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We evaluate our assumptions and estimates on an on-going basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

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. We also regularly review the impact of above or below-market leases, in-place leases and lease origination costs for all new acquisitions, and record 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 our 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, we re-evaluated the carrying value of our investments and recorded impairment charges of $6.3 million during the year ended December 31, 2006 on certain of our investments.

Revenue Recognition. We record rental revenue from operating leases on a straight-line basis over the term of the leases and maintain an allowance for estimated losses that may result from the inability of our customers to make required payments. If customers fail to make contractual lease payments that are greater than our allowance for doubtful accounts, security deposits and letters of credit, then we may have to recognize additional doubtful account charges in future periods. We monitor the liquidity and creditworthiness of our customers on an on-going basis by reviewing their financial condition periodically as appropriate. Each period we review our outstanding accounts receivable, including straight-line rents, for doubtful accounts and provide allowances as needed. We also record lease termination fees when a customer has executed a definitive termination agreement with us and the payment of the termination fee is not subject to any conditions that must be met or waived before the fee is due to us. If a customer remains in the leased space following the execution of a definitive termination agreement, the applicable termination fees are deferred and recognized over the term of such customer's occupancy.

Property Dispositions. We report real estate dispositions in three separate categories on our consolidated statements of operations. First, when we divest a portion of our interests in real estate entities or properties, gains from the sale represent the interests acquired by third-party investors for cash and are included in gains from disposition of real estate interests in the statement of operations. Second, we dispose of value-added conversion projects and build-to-suit and speculative development projects for which we have not generated material operating income prior to sale. The gain or loss recognized from the disposition of these projects is reported net of estimated taxes, when applicable, and are included in development profits, net of taxes, in the statement of operations. Lastly,

Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets,* requires us to separately report as discontinued operations the historical operating results attributable to operating properties sold 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 our previously reported consolidated financial position, net income or cash flows. In all cases, gains and losses are recognized using the full accrual method of accounting. Gains relating 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.

Joint Ventures. We hold interests in both consolidated and unconsolidated joint ventures. We determine 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 Certain Rights* or FASB Interpretation No. 46R, *Consolidation of Variable Interest Entities* "FIN 46". Based on the guidance set forth in EITF 04-5, we consolidate certain joint venture investments because we exercise 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 we are not the primary beneficiaries, we do not consolidate the joint venture for financial reporting purposes. For joint ventures under EITF 04-5, where we do not exercise significant control over major operating and management decisions, but where we exercise significant influence, we use the equity method of accounting and do not consolidate the joint venture for financial reporting purposes.

Real Estate Investment Trust. As a real estate investment trust, we generally will not be subject to corporate level federal income taxes in the U.S. if we meet minimum distribution, income, asset and shareholder tests. However, some of our subsidiaries may be subject to federal and state taxes. In addition, foreign entities may also be subject to the taxes of the host country. An income tax allocation is required to be estimated on our taxable income arising from our taxable real estate investment trust subsidiaries and international entities. A deferred tax component could arise based upon the differences in GAAP versus tax income for items such as depreciation and gain recognition. However, we believe deferred tax is an immaterial component of our consolidated balance sheet.

CONSOLIDATED RESULTS OF OPERATIONS

Effective October 1, 2006, we deconsolidated AMB Institutional Alliance Fund III, L.P., on a prospective basis, due to the re-evaluation of the accounting for our investment in the fund in light of changes to the partnership agreement regarding the general partner's rights effective October 1, 2006. As a result, our results of operations presented below are not comparable between years presented.

The analysis below includes changes attributable to same store growth, acquisitions, development activity and divestitures. Same store properties are those that we owned during both the current and prior year reporting periods, excluding development properties stabilized after December 31, 2004 (generally defined as properties that are 90% leased or properties for which we have held a certificate of occupancy or where building has been substantially complete for at least 12 months).

As of December 31, 2006, same store industrial properties consisted of properties aggregating approximately 71.2 million square feet. The properties acquired during 2006 consisted of 73 buildings, aggregating approximately 6.6 million square feet. The properties acquired during 2005 consisted of 41 buildings, aggregating approximately 6.9 million square feet. During 2006, property divestitures and contributions consisted of 50 buildings, aggregating approximately 7.5 million square feet. In 2005, property divestitures and contributions consisted of 150 buildings, aggregating approximately 10.6 million square feet. Our future financial condition and results of operations, including rental revenues, may be impacted by the acquisition of additional properties and dispositions. Our future revenues and expenses may vary materially from historical results.

For the Years ended December 31, 2006 and 2005 (dollars in millions)

Revenues	2006	2005	$ Change	% Change
Rental revenues				
U.S. industrial:				
Same store	$ 514.9	$ 501.5	$ 13.4	2.7%
2006 acquisitions	4.4	—	4.4	—%
2005 acquisitions	19.4	11.4	8.0	70.2%
Development	8.3	7.4	0.9	12.2%
Other industrial	74.3	63.6	10.7	16.8%
Non U.S. industrial	62.5	33.1	29.4	88.8%
Total rental revenues	683.8	617.0	66.8	10.8%
Private capital income	46.1	43.9	2.2	5.0%
Total revenues	$ 729.9	$ 660.9	$ 69.0	10.4%

U.S. industrial same store revenues increased $13.4 million from the prior year despite the decrease of $12.8 million in same store revenues due to the deconsolidation of AMB Institutional Alliance Fund III, L.P., effective October 1, 2006, attributable primarily to improved occupancy and increased rental rates in various markets. The properties acquired during 2005 consisted of 41 buildings, aggregating approximately 6.9 million square feet. The properties acquired during 2006 consisted of 73 buildings, aggregating approximately 6.6 million square feet. Other industrial revenues include rental revenues from properties that have been contributed to an unconsolidated joint venture, and accordingly are not classified as discontinued operations in our consolidated financial statements, and development projects that have reached certain levels of operation and are not yet part of the same store operating pool of properties. Non-U.S. industrial revenues increased approximately $29.4 million from the prior year due primarily to the stabilization of three properties in Japan and the continued acquisition of properties in France, Germany and Mexico. The increase in private capital income was primarily due to increased asset management and acquisition fees from additional assets held in co-investment joint ventures, which were partially offset by a decrease in incentive distributions of approximately $3.9 million. During 2006, we received

incentive distributions of $22.5 million, of which $19.8 million was from AMB Partners II, L.P., as compared to incentive distribution of $26.4 million for the sale of AMB Institutional Alliance Fund I, L.P., during 2005.

Costs and Expenses	2006	2005	$ Change	% Change
Property operating costs:				
Rental expenses	$ 100.8	$ 78.4	$ 22.4	28.6%
Real estate taxes	75.0	80.5	(5.5)	(6.8)%
Total property operating costs	$ 175.8	$ 158.9	$ 16.9	10.6%
Property operating costs U.S. industrial:				
Same store	$ 139.0	$ 132.5	$ 6.5	4.9%
2006 acquisitions	1.1	—	1.1	—%
2005 acquisitions	4.4	2.5	1.9	76.0%
Development	2.8	2.5	0.3	12.0%
Other industrial	16.3	15.2	1.1	7.2%
Non U.S. industrial	12.2	6.2	6.0	96.8%
Total property operating costs	175.8	158.9	16.9	10.6%
Depreciation and amortization	177.8	161.7	16.1	10.0%
Impairment losses	6.3	—	6.3	—%
General and administrative	104.3	71.6	32.7	45.7%
Other expenses	2.6	5.0	(2.4)	(48.0)%
Fund costs	2.1	1.5	0.6	40.0%
Total costs and expenses	$ 468.9	$ 398.7	$ 70.2	17.6%

Same store properties' operating expenses increased $6.5 million from the prior year, despite the decrease of $2.5 million in same store operating expenses due to the deconsolidation of AMB Institutional Alliance Fund III, L.P., effective October 1, 2006, due primarily to increased insurance costs, utility expenses, repair and maintenance expenses, and other non-reimbursable expenses. The 2005 acquisitions consisted of 41 buildings, aggregating approximately 6.9 million square feet. The 2006 acquisitions consisted of 73 buildings, aggregating approximately 6.6 million square feet. Other industrial expenses include expenses from divested properties that have been contributed to an unconsolidated joint venture, and accordingly are not classified as discontinued operations in our consolidated financial statements, and development properties that have reached certain levels of operation and are not yet part of the same store operating pool of properties. Non-U.S. industrial revenues increased approximately $6.0 million from the prior year due primarily to the stabilization of three properties in Japan and the continued acquisition of properties in France, Germany and Mexico. The increase in depreciation and amortization expense was due to the increase in our net investment in real estate. The 2006 impairment loss was taken on several non-core assets as a result of leasing activities and changes in the economic environment and the holding period of certain assets. The increase in general and administrative expenses was primarily due to increased stock-based compensation expense as a result of higher values assigned to option and stock awards and executive departures, additional staffing and expenses for our international expansion, and the acquisition of AMB Blackpine. Other expenses decreased approximately $2.4 million from the prior year due primarily to a decrease in losses associated with our deferred compensation plan and a decrease in certain deal costs. Fund costs represent general and administrative costs paid to third parties associated with our co-investment joint ventures.

Other Income and (Expenses)	2006	2005	$ Change	% Change
Equity in earnings of unconsolidated joint ventures, net	$ 23.2	$ 10.8	$ 12.4	114.8%
Other income	9.4	5.6	3.8	67.9%
Gains from dispositions of real estate interests, net	—	19.1	(19.1)	(100.0)%
Development profits, net of taxes	106.4	54.8	51.6	94.2%
Interest expense, including amortization	(165.2)	(147.3)	17.9	12.2%
Total other income and (expenses), net	$ (26.2)	$ (57.0)	$ (30.8)	(54.0)%

The $12.4 million increase in equity in earnings of unconsolidated joint ventures was primarily due to gains of $17.5 million from the disposition of real estate by our unconsolidated co-investment joint ventures during 2006 as opposed to $5.5 million of such gains during 2005 and, effective October 1, 2006, the deconsolidation of AMB Institutional Alliance Fund III, L.P., which resulted in an increase of approximately $5.1 million. These increases were partially offset by an increase in expenses by our unconsolidated joint ventures. The increase in other income was primarily due to increased bank interest income and an increase in property management income due to the expansion of our property management business. The 2005 gains from disposition of real estate interests resulted primarily from our contribution of $106.9 million (using the exchange rate in effect at contribution) in operating properties to our then newly formed unconsolidated co-investment joint venture, AMB Japan Fund I, L.P. Development profits represent gains from the sale of development projects and land as part of our development-for-sale program. The increase in development profits was due to increased disposition and contribution volume during 2006. During 2006, we 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, we 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 2006, we also contributed a total of ten 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, three projects totaling approximately 0.6 million square feet were contributed into AMB Institutional Alliance Fund III, L.P., and one land parcel into AMB DFS Fund I, LLC. As a result of these contributions, we recognized an aggregate after-tax gain of $94.1 million, representing the portion of our interest in the contributed property acquired by the third-party investors for cash. During 2005, we 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, we received final proceeds of $7.8 million from a land sale that occurred in 2004. During 2005, we also contributed one completed development project into an unconsolidated joint venture, AMB-SGP Mexico, LLC, and recognized an after-tax gain of $1.9 million representing the portion of our interest in the contributed property acquired by the third-party co-investor for cash. The increase in interest expense, including amortization, was due primarily to increased borrowings on unsecured credit facilities and other debt.

Discontinued Operations	2006	2005	$ Change	% Change
Income attributable to discontinued operations, net of minority interests	$ 9.3	$ 13.9	$ (4.6)	(33.1)%
Gains from dispositions of real estate, net of minority interests	42.6	113.6	(71.0)	(62.5)%
Total discontinued operations	$ 51.9	$ 127.5	$ (75.6)	(59.3)%

During 2006, we divested ourselves of 39 industrial buildings, aggregating approximately 3.5 million square feet, for an aggregate price of approximately $175.3 million, with a resulting net gain of approximately $42.6 million. During 2005, we divested ourselves 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 Institutional Alliance Fund I, L.P., for $618.5 million. The multi-investor fund owned 100 buildings totaling approximately 5.8 million square feet. We

received cash and a distribution of an on-tarmac property, AMB DFW Air Cargo Center I, in exchange for our 21% interest in the fund.

Preferred Stock	2006	2005	$ Change	% Change
Preferred stock dividends	$ (13.6)	$ (7.4)	$ 6.2	83.8%
Preferred unit redemption issuance costs	(1.1)	—	1.1	—%
Total preferred stock dividends	$ (14.7)	$ (7.4)	$ 7.3	98.6%

In December 2005, we issued 3,000,000 shares of 7.0% Series O Cumulative Redeemable Preferred Stock. In August 2006, we issued 2,000,000 shares of 6.85% Series P Cumulative Redeemable Preferred Stock. The increase in preferred stock dividends is due to the newly issued shares. In addition, during the year ended December 31, 2006, AMB Property II, L.P., one of our subsidiaries, repurchased all 840,000 of its outstanding 8.125% Series H Cumulative Redeemable Preferred Limited Partnership Units, all 220,440 of its outstanding 7.75% Series E Cumulative Redeemable Preferred Limited Partnership Units, all 201,139 of its outstanding 7.95% Series F Cumulative Redeemable Preferred Limited Partnership Units and all 729,582 of its outstanding 5.00% Series N Cumulative Redeemable Preferred Limited Partnership Units. As a result, we recognized a decrease in income available to common stockholders of $1.1 million for the original issuance costs, net of discount on repurchase.

For the Years ended December 31, 2005 and 2004 (dollars in millions)

Revenues	2005	2004	$ Change	% Change
Rental revenues				
U.S. industrial:				
Same store	$ 501.5	$ 489.9	$ 11.6	2.4%
2005 acquisitions	11.4	3.2	8.2	256.3%
Development	7.4	8.6	(1.2)	(14.0)%
Other industrial	63.6	34.6	29.0	83.8%
Non U.S. industrial	33.1	27.2	5.9	21.7%
Total rental revenues	617.0	563.5	53.5	9.5%
Private capital income	43.9	12.9	31.0	240.3%
Total revenues	$ 660.9	$ 576.4	$ 84.5	14.7%

U.S. industrial same store revenues increased $11.6 million from 2004 to 2005 on a year-to-date basis attributable primarily to improved occupancy and increased rental rates in various markets. The properties acquired during 2004 consisted of 64 buildings, aggregating approximately 7.6 million square feet. The properties acquired during 2005 consisted of 41 buildings, aggregating approximately 6.9 million square feet. Other industrial revenues include rental revenues from properties that have been contributed to an unconsolidated joint venture, and accordingly are not classified as discontinued operations in our consolidated financial statements, and development projects that have reached certain levels of operation and are not yet part of the same store operating pool of properties. In 2004 and 2005, we continued to acquire properties in China, France, Germany, Japan, Mexico and the Netherlands, resulting in increased international industrial revenues. The increase in private capital income was primarily due to increased asset management fees from additional assets held in co-investment joint ventures and incentive distributions for 2005 of $26.4 million for the sale of AMB Institutional Alliance Fund I, asset

management priority distributions from AMB Japan Fund I, L.P., and acquisition fees from AMB Institutional Alliance Fund III, L.P.

Costs and Expenses	2005	2004	$ Change	% Change
Property operating costs:				
Rental expenses	$ 78.4	$ 80.8	$ (2.4)	(3.0)%
Real estate taxes	80.5	63.3	17.2	27.2%
Total property operating costs	$ 158.9	$ 144.1	$ 14.8	10.3%
Property operating costs				
U.S. industrial:				
Same store	$ 132.5	$ 128.7	$ 3.8	3.0%
2005 acquisitions	2.5	0.9	1.6	177.8%
Development	2.5	2.1	0.4	19.0%
Other industrial	15.2	7.8	7.4	94.9%
Non U.S. industrial	6.2	4.6	1.6	34.8%
Total property operating costs	158.9	144.1	14.8	10.3%
Depreciation and amortization	161.7	136.6	25.1	18.4%
General and administrative	71.6	57.2	14.4	25.2%
Other expenses	5.0	2.6	2.4	92.3%
Fund costs	1.5	1.7	(0.2)	(11.8)%
Total costs and expenses	$ 398.7	$ 342.2	$ 56.5	16.5%

Same store properties' operating expenses increased $3.8 million from 2004 to 2005 on a year-to-date basis due primarily to increased insurance costs, utility expenses, repair and maintenance expenses, and other non-reimbursable expenses. The 2004 acquisitions consisted of 64 buildings, aggregating approximately 7.6 million square feet. The 2005 acquisitions consisted of 41 buildings, aggregating approximately 6.9 million square feet. Other industrial expenses include expenses from divested properties that have been contributed to an unconsolidated joint venture, and accordingly are not classified as discontinued operations in our consolidated financial statements, and development properties that have reached certain levels of operation and are not yet part of the same store operating pool of properties. In 2004 and 2005, we continued to acquire properties in China, France, Germany, Japan, Mexico and the Netherlands, resulting in increased international industrial property operating costs. The increase in depreciation and amortization expense was due to the increase in our net investment in real estate during the year. The increase in general and administrative expenses was primarily due to additional staffing and expenses for new initiatives, including our international and development expansions and the expansion of satellite offices. Other expenses increased approximately $2.4 million from the prior year due primarily to greater losses on our non-qualified deferred compensation plan in 2005 and an increase in certain deal costs. Fund costs represent general and administrative costs paid to third parties associated with our co-investment joint ventures.

Other Income and (Expenses)	2005	2004	$ Change	% Change
Equity in earnings of unconsolidated joint ventures, net	$ 10.8	$ 3.8	$ 7.0	184.2%
Other income	5.6	4.7	0.9	19.1%
Gains from dispositions of real estate interests	19.1	5.2	13.9	267.3%
Development profits, net of taxes	54.8	8.5	46.3	544.7%
Interest expense, including amortization	(147.3)	(141.9)	5.4	3.8%
Total other income and (expenses), net	$ (57.0)	$ (119.7)	$ (62.7)	(52.4)%

The $7.0 million increase in equity in earnings of unconsolidated joint ventures was primarily due to a gain of $5.4 million from the disposition of real estate by one of our unconsolidated co-investment joint ventures during the

second quarter of 2005. The increase in other income was primarily due to increased bank interest income. The 2005 gains from disposition of real estate interests resulted primarily from our contribution of $106.9 million (using exchange rate in effect at contribution) in operating properties to our newly formed unconsolidated co-investment joint venture, AMB Japan Fund I, L.P. The 2004 gains from disposition of real estate interests resulted from our contribution of $71.5 million in operating properties to our unconsolidated co-investment joint venture, AMB-SGP Mexico, LLC. Development profits represent gains from the sale of development projects and land as part of our development-for-sale program. The increase in development profits was due to increased volume in 2005. During 2005, we 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, we received final proceeds of $7.8 million from a land sale that occurred in 2004. During 2005, we also contributed one completed development project into an unconsolidated joint venture, AMB-SGP Mexico, LLC, and recognized an after-tax gain of $1.9 million representing the portion of our interest in the contributed property acquired by the third-party co-investor for cash. During 2004, we 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. During 2004, we also contributed one completed development project into a newly formed unconsolidated joint venture, AMB-SGP Mexico, LLC, and recognized an after-tax gain of $2.0 million representing the portion of our interest in the contributed property acquired by the third-party co-investor for cash.

Discontinued Operations	2005	2004	$ Change	% Change
Income attributable to discontinued operations, net of minority interests	$ 13.9	$ 21.9	$ (8.0)	(36.5)%
Gains from dispositions of real estate, net of minority interests	113.6	42.0	71.6	170.5%
Total discontinued operations	$ 127.5	$ 63.9	$ 63.6	99.5%

During 2005, we divested ourselves of 142 industrial buildings and one retail center, aggregating approximately 9.3 million square feet, for an aggregate price of approximately $926.6 million, with a resulting net gain of approximately $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. We received cash and a distribution of an on-tarmac property, AMB DFW Air Cargo Center I, in exchange for our 21% interest in the fund. During 2004, we divested ourselves 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.

Preferred Stock	2005	2004	$ Change	% Change
Preferred stock dividends	$ (7.4)	$ (7.1)	$ 0.3	4.2%
Total preferred stock	$ (7.4)	$ (7.1)	$ 0.3	4.2%

In December 2005, we issued 3,000,000 shares of 7.0% Series O Cumulative Redeemable Preferred Stock. The increase in preferred stock dividends is due to the newly issued shares.

LIQUIDITY AND CAPITAL RESOURCES

Balance Sheet Strategy. In general, we use unsecured lines of credit, unsecured notes, preferred stock and common equity (issued by us and/or the operating partnership and its subsidiaries) to capitalize our 100%-owned assets. Over time, we plan to retire non-recourse, secured debt encumbering our 100%-owned assets and replace that debt with unsecured notes. In managing our co-investment joint ventures, in general, we use non-recourse, secured debt to capitalize our co-investment joint ventures.

We currently expect that our principal sources of working capital and funding for acquisitions, development, expansion and renovation of properties will include:

- retained earnings and cash flow from operations;

- private capital from co-investment partners;
- net proceeds from contribution of properties and completed development projects to our co-investment joint ventures;
- borrowings under our unsecured credit facilities;
- other forms of secured or unsecured financing;
- proceeds from equity (common and preferred) or debt securities offerings;
- proceeds from limited partnership unit offerings (including issuances of limited partnership units by our subsidiaries); and
- net proceeds from divestitures of properties.

We currently expect that our principal funding requirements will include:

- working capital;
- development, expansion and renovation of properties;
- acquisitions, including our global expansion;
- debt service; and
- dividends and distributions on outstanding common and preferred stock and limited partnership units.

Cash flows. As of December 31, 2006, cash provided by operating activities was $335.9 million as compared to $295.8 million for the same period in 2005. This change is primarily due to increases in rental rates, partially offset by an increase in general and administrative expenses primarily due to additional staffing and expenses for new initiatives, including our international and development expansions and increased occupancy costs related to the expansion of regional offices. Cash used for investing activities was $880.6 million for the year ended December 31, 2006, as compared to cash used for investing activities of $60.4 million for the same period in 2005. This change is primarily due to an increase in funds used for property acquisitions and capital expenditures, and a decrease in proceeds from property divestitures (mainly due to the divesture of AMB Institutional Alliance Fund I, L.P., portfolio in 2005), offset by less funds used for additions to interests in unconsolidated joint ventures and an increase in capital distributions received from unconsolidated joint ventures. Cash provided by financing activities was $483.6 million for the year ended December 31, 2006, as compared to cash used in financing activities of $101.9 million for the same period in 2005. This change is due primarily to an increase in borrowings, net of repayments, issuance of common stock upon the exercise of options and issuances of preferred stock, offset by the cost of the repurchase of preferred units for the year ended December 31, 2006.

We believe that our sources of working capital, specifically our cash flow from operations, borrowings available under our unsecured credit facilities and our ability to access private and public debt and equity capital, are adequate for us to meet our liquidity requirements for the foreseeable future. The unavailability of capital could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock.

Capital Resources

Property Divestitures. During 2006, we divested ourselves 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.

Development Sales. During 2006, we 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, we 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.

Development Contributions. During 2006, we contributed a total of nine completed development projects and one land parcel 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, we recognized an aggregate after-tax gain of $94.1 million, representing the portion of our 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.

Properties Held for Contribution. As of December 31, 2006, we 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 our current ownership interest from approximately 100% to an expected range of 15-50%.

Properties Held for Divestiture. As of December 31, 2006, we held for divestiture four industrial projects, which are not in our core markets, do not meet our current strategic objectives or which we have included as part of our development-for-sale program. The divestitures of the properties are subject to negotiation of acceptable terms and other customary conditions. As of December 31, 2006, the net carrying value of the properties held for divestiture was $20.9 million. Expected net sales proceeds exceed the net carrying value of the properties.

Co-investment Joint Ventures. Through the operating partnership, we enter into co-investment joint ventures with institutional investors. These co-investment joint ventures are managed by our private capital group and provide us with an additional source of capital to fund certain acquisitions, development projects and renovation projects, as well as private capital income. We generally consolidate these joint ventures for financial reporting purposes because they are not variable interest entities and because we are the sole managing general partner and control all major operating decisions. However, in certain cases, our co-investment joint ventures are unconsolidated because we do not control all major operating decisions and the general partners do not have significant rights under EITF 04-5.

Third-party equity interests in the joint ventures are reflected as minority interests in the consolidated financial statements. As of December 31, 2006, we owned approximately 64.3 million square feet of our properties (51.6% of the total operating and development portfolio) through our consolidated and unconsolidated joint ventures. We may make additional investments through these joint ventures or new joint ventures in the future and presently plan to do so. Our consolidated co-investment joint ventures at December 31, 2006 (dollars in thousands):

Consolidated Co-Investment Joint Venture	Joint Venture Partner	Our Approximate Ownership Percentage	Original Planned Capitalization(1)
AMB/Erie, L.P.	Erie Insurance Company and affiliates	50%	$ 200,000
AMB Partners II, L.P.	City and County of San Francisco Employees’ Retirement System	20%	$ 580,000
AMB-SGP, L.P.	Industrial JV Pte. Ltd.(2)	50%	$ 420,000
AMB Institutional Alliance Fund II, L.P.	AMB Institutional Alliance REIT II, Inc.(3)	20%	$ 490,000
AMB-AMS, L.P.(4)	PMT, SPW and TNO(5)	39%	$ 228,000

(1) Planned capitalization includes anticipated debt and both partners’ expected equity contributions.

(2) A subsidiary of GIC Real Estate Pte. Ltd., the real estate investment subsidiary of the Government of Singapore Investment Corporation.

(3) Comprised of 14 institutional investors as stockholders and one third-party limited partner as of December 31, 2006.

(4) AMB-AMS, L.P. is a co-investment partnership with three Dutch pension funds.

(5) PMT is Stichting Pensioenfonds Metaal en Techniek, SPW is Stichting Pensioenfonds voor de Woningcorporaties and TNO is Stichting Pensioenfonds TNO.

Our unconsolidated joint ventures at December 31, 2006 (dollars in thousands):

Unconsolidated Co-Investment Joint Venture	Joint Venture Partner	Our Approximate Ownership Percentage		Original Planned Capitalization(1)
AMB-SGP Mexico, LLC	Industrial (Mexico) JV Pte. Ltd.(2)	20%	$	715,000
AMB Japan Fund I, L.P.	Institutional investors(3)	20%	$	2,100,000(4)
AMB Institutional Alliance Fund III, L.P.(5)	AMB Institutional Alliance REIT III, Inc.	23%	$	1,323,000(6)
AMB DFS Fund I, LLC(7)	Strategic Realty Ventures, LLC	15%	$	500,000

(1) Planned capitalization includes anticipated debt and both partners' expected equity contributions.

(2) A subsidiary of GIC Real Estate Pte. Ltd., the real estate investment subsidiary of the Government of Singapore Investment Corporation.

(3) Comprised of 13 institutional investors as of December 31, 2006.

(4) AMB Japan Fund I, L.P. is a yen-denominated fund. U.S. dollar amounts are converted at the December 31, 2006 exchange rate.

(5) AMB Institutional Alliance Fund III, L.P. is an open-ended co-investment partnership formed in 2004 with institutional investors, which invests through a private real estate investment trust. Prior to October 1, 2006, the Company accounted for AMB Institutional Alliance Fund III, L.P. as a consolidated joint venture.

(6) The planned gross capitalization and investment capacity of AMB Institutional Alliance Fund III, L.P. as an open-end fund, is not limited. The planned gross capitalization represents the gross book value of real estate assets as of the most recent quarter end.

(7) 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.

We also have 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 our office space in the San Francisco Bay Area. The investment is not consolidated because we do not exercise control over major operating decisions such as approval of budgets, selection of property managers, investment activity and changes in financing. We have 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, we also had an approximate 39.0% 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, one of our subsidiaries 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 is included in other assets on the consolidated balance sheets.

Common and Preferred Equity. We have authorized for issuance 100,000,000 shares of preferred stock, of which the following series were designated as of December 31, 2006: 1,595,337 shares of series D 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.

On November 1, 2006, AMB Property II, L.P., issued 1,130,835 of its class B common limited partnership units in connection with a property acquisition.

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, we reclassified all of our 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, we reclassified all of our 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 840,000 shares of 8.125% Series H Cumulative Redeemable Preferred Stock as preferred stock.

On September 24, 2004, AMB Property II, L.P., a partnership in which Texas AMB I, LLC, a Delaware limited liability company and our 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 5.00% 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 the 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.

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, we 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 us 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. We contributed the net proceeds of approximately $48.1 million to the operating partnership, and in exchange, the operating partnership issued to us 2,000,000 6.85% Series P Cumulative Redeemable Preferred Units.

On December 13, 2005, we 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 us 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. We contributed the net proceeds of approximately $72.3 million to the operating partnership, and in exchange, the operating partnership issued to us 3,000,000 7.00% Series O Cumulative Redeemable Preferred Units.

On November 25, 2003, we 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 us 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. We contributed the net proceeds of approximately $55.4 million to the operating partnership, and in exchange, the operating partnership issued to us 2,300,000 6.75% Series M Cumulative Redeemable Preferred Units.

On June 23, 2003, we 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 us 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. We contributed the net proceeds of

approximately $48.0 million to the operating partnership, and in exchange, the operating partnership issued to us 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 us on July 28, 2003. We, 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, our board of directors approved a new two-year common stock repurchase program for the repurchase of up to $200.0 million of our common stock. We did not repurchase or retire any shares of our common stock during the year ended December 31, 2006.

Debt. In order to maintain financial flexibility and facilitate the deployment of capital through market cycles, we presently intend to operate with an our share of total debt-to-our share of total market capitalization ratio of approximately 45% or less. As of December 31, 2006, our share of total debt-to-our share of total market capitalization ratio was 34.2%. (See footnote 1 to the Capitalization Ratios table below for our definitions of "our share of total market capitalization," "market equity" and "our share of total debt.") However, we typically finance our co-investment joint ventures with secured debt at a loan-to-value ratio of 50-65% per our joint venture agreements. Additionally, we currently intend to manage our capitalization in order to maintain an investment grade rating on our senior unsecured debt. Regardless of these policies, however, our organizational documents do not limit the amount of indebtedness that we may incur. Accordingly, our management could alter or eliminate these policies without stockholder approval or circumstances could arise that could render us unable to comply with these policies.

As of December 31, 2006, the aggregate principal amount of our secured debt was $1.4 billion, excluding unamortized debt premiums of $6.3 million. Of the $1.4 billion of secured debt, $1.0 billion is secured by properties in our joint ventures. The secured debt is generally non-recourse and bears interest at rates varying from 2.9% to 10.4% per annum (with a weighted average rate of 6.2%) and final maturity dates ranging from February 2007 to January 2025. As of December 31, 2006, $1.0 billion of the secured debt obligations bear interest at fixed rates with a weighted average interest rate of 6.1%, while the remaining $386.1 million bear 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 a weighted 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 cancellation of $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.

We guarantee the operating partnership's obligations with respect to its senior debt securities. If we are unable to refinance or extend principal payments due at maturity or pay them with proceeds from other capital transactions, then our cash flow may be insufficient to pay dividends to our stockholders in all years and to repay debt upon maturity. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the reluctance of lenders to make commercial real estate loans) result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. This increased interest expense would adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock.

Credit Facilities. On June 1, 2006, the operating partnership entered into a third amended and restated $550.0 million unsecured revolving credit agreement that replaced its then-existing $500.0 million credit facility, which was to mature on June 1, 2007. We are 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 its unsecured 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 U.S. dollars.

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. We, along with the operating partnership, guarantee 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.

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. We, along with the operating partnership, guarantee the obligations for such subsidiaries and other entities controlled by us 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 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.

Mortgages Receivable. Through a wholly owned subsidiary, we hold a mortgage loan receivable on AMB Pier One, LLC, an unconsolidated joint venture. The note bears interest at 13.0% and matures in May 2026. As of December 31, 2006, the outstanding balance on the note was $12.7 million. We also hold a loan receivable on G. Accion, an unconsolidated joint venture totaling $6.1 million with an interest rate of 10.0%. The loan matures in March 2010.

The tables below summarize our debt maturities and capitalization and reconcile our share of total debt to total consolidated debt as of December 31, 2006 (dollars in thousands):

	Debt					
	Our Secured Debt(1)	Joint Venture Debt	Unsecured Senior Debt Securities	Other Debt	Credit Facilities(2)	Total Debt
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(5)	—	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
Subtotal	368,332	1,020,678	1,112,491	88,154	852,033	3,441,688
Unamortized premiums	1,632	4,712	(10,617)	—	—	(4,273)
Total consolidated debt	369,964	1,025,390	1,101,874	88,154	852,033	3,437,415
Our share of unconsolidated joint venture debt(3)	—	330,813	—	32,610	—	363,423
Total debt	369,964	1,356,203	1,101,874	120,764	852,033	3,800,838
Joint venture partners' share of consolidated joint venture debt	—	(660,193)	—	(52,021)	—	(712,214)
Our share of total debt(4)	$ 369,964	$ 696,010	$ 1,101,874	$ 68,743	$ 852,033	$ 3,088,624
Weighted average interest rate	5.6%	6.5%	6.2%	6.6%	3.1%	5.5%
Weighted average maturity (in years)	6.6	4.5	4.8	5.3	3.3	4.6

(1) Our secured debt and joint venture debt include debt related to European assets in the amount of $331.3 million translated to U.S. dollars using the exchange rate in effect on December 31, 2006.

(2) Includes $418.5 million, $321.0 million and $112.5 million in Euro, Yen and Canadian dollar based borrowings, respectively, translated to U.S. dollars using the exchange rates in effect on December 31, 2006.

(3) The weighted average interest and maturity for the unconsolidated joint venture debt were 4.4% and 5.8 years, respectively.

(4) Our share of total debt is the pro rata portion of the total debt based on our percentage of equity interest in each of the consolidated or unconsolidated joint ventures holding the debt. We believe that our share of total debt is a meaningful supplemental measure, which enables both management and investors to analyze our leverage and to compare our leverage to that of other companies. In addition, it allows for a more meaningful comparison of our debt to that of other companies that do not consolidate their joint ventures. Our share of total debt is not intended to reflect our actual liability should there be a default under any or all of such loans or a liquidation of the joint ventures. The above table reconciles our share of total debt to total consolidated debt, a GAAP financial measure.

(5) Maturity includes $65.0 million balance outstanding on a $65.0 million non-recourse credit facility obtained by AMB Partners II, L.P.

Market Equity as of December 31, 2006

Security	Shares/Units Outstanding	Market Price	Market Value
Common stock	89,662,435	$ 58.61	$ 5,255,115
Common limited partnership units(1)	4,709,056	$ 58.61	275,998
Total	94,371,491		$ 5,531,113

(1) Includes 1,258,713 class B common limited partnership units issued by AMB Property II, L.P. as of December 31, 2006.

Preferred Stock and Units

Security	Dividend Rate	Liquidation Preference	Redemption Date
Series D preferred units	7.75%	$ 79,767	May 2004
Series I preferred units	8.00%	25,500	March 2006
Series J preferred units	7.95%	40,000	September 2006
Series K preferred units	7.95%	40,000	April 2007
Series L preferred stock	6.50%	50,000	June 2008
Series M preferred stock	6.75%	57,500	November 2008
Series O preferred stock	7.00%	75,000	December 2010
Series P preferred stock	6.85%	50,000	August 2011
Weighted average/total	7.27%	$ 417,767	

Capitalization Ratios as of December 31, 2006

Total debt-to-total market capitalization(1)	39.0%
Our share of total debt-to-our share of total market capitalization(1)	34.2%
Total debt plus preferred-to-total market capitalization(1)	43.3%
Our share of total debt plus preferred-to-our share of total market capitalization(1)	38.8%
Our share of total debt-to-our share of total book capitalization(1)	55.8%

(1) Our definition of “total market capitalization” is total debt plus preferred equity liquidation preferences plus market equity. Our definition of “our share of total market capitalization” is our share of total debt plus preferred equity liquidation preferences plus market equity. Our definition of “market equity” is the total number of outstanding shares of our common stock and common limited partnership units multiplied by the closing price per share of our common stock as of December 31, 2006. Our definition of “preferred” is preferred equity liquidation preferences. Our share of total book capitalization is defined as our share of total debt plus minority interests to preferred unitholders and limited partnership unitholders plus stockholders’ equity. Our share of total debt is the pro rata portion of the total debt based on our percentage of equity interest in each of the consolidated or unconsolidated ventures holding the debt. We believe that our share of total debt is a meaningful supplemental measure, which enables both management and investors to analyze our leverage and to compare our leverage to that of other companies. In addition, it allows for a more meaningful comparison of our debt to that of other companies that do not consolidate their joint ventures. Our share of total debt is not intended to reflect our actual liability should there be a default under any or all of such loans or a liquidation of the joint ventures. For a reconciliation of our share of total debt to total consolidated debt, a GAAP financial measure, please see the table of debt maturities and capitalization above.

Liquidity

As of December 31, 2006, we had $174.8 million in cash and cash equivalents and $314.2 million of additional available borrowings under our credit facilities. As of December 31, 2006, we had $21.1 million in restricted cash.

Our board of directors declared a regular cash dividend for the quarter ended December 31, 2006 of $0.46 per share of common stock, and the operating partnership announced its intention to pay a regular cash distribution for the quarter ended December 31, 2006 of $0.46 per common unit. The dividends and distributions were payable on January 5, 2007 to stockholders and unitholders of record on December 22, 2006. The series L, M, O and P preferred stock dividends were payable on January 16, 2007 to stockholders of record on January 5, 2007. The series J and K preferred unit quarterly distributions were payable on January 16, 2007. The series D and I preferred unit quarterly distributions were paid on December 25, 2006. The following table sets forth the dividends and distributions paid or payable per share or unit for the years ended December 31, 2006, 2005 and 2004:

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.

The anticipated size of our distributions, using only cash from operations, will not allow us to retire all of our debt as it comes due. Therefore, we intend to also repay maturing debt with net proceeds from future debt or equity financings, as well as property divestitures. However, we may not be able to obtain future financings on favorable terms or at all. Our inability to obtain future financings on favorable terms or at all would adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock.

Capital Commitments

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

Development Pipeline. As of December 31, 2006, we had 45 industrial projects in our development pipeline, which will total approximately 13.7 million square feet, and will have an aggregate estimated investment of $1.3 billion upon completion. We have an additional ten development projects available for sale or contribution totaling approximately 3.0 million square feet, with an aggregate estimated investment of $199.2 million. One of these ten projects totaling $13.0 million and approximately 0.2 million square feet is held in an unconsolidated joint venture. As of December 31, 2006, we and our joint venture partners had funded an aggregate of $814.5 million and needed to fund an estimated additional $481.0 million in order to complete our development pipeline which includes projects expected to be completed through the fourth quarter of 2008. In addition, during the year ended December 31, 2006, we acquired 835 acres of land for industrial warehouse development in North America and Asia for approximately $293.2 million.

Acquisitions. During 2006, we 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), of which we acquired 70 buildings through one of our unconsolidated co-investment joint ventures. We generally fund our acquisitions through private capital contributions, borrowings under our credit facilities, cash, debt issuances and net proceeds from property divestitures.

Lease Commitments. We have entered into operating ground leases on certain land parcels, primarily on-tarmac facilities and office space with remaining lease terms from one to 55 years. These buildings and improvements are 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	$ 379,146

Co-investment Joint Ventures. Through the operating partnership, we enter into co-investment joint ventures with institutional investors. These co-investment joint ventures are managed by our private capital group and provide us with an additional source of capital to fund acquisitions, development projects and renovation projects, as well as private capital income. As of December 31, 2006, we had investments in co-investment joint ventures with a gross book value of $1.9 billion, which are consolidated for financial reporting purposes, and net equity investments in four unconsolidated co-investment joint ventures of $236.0 million and a gross book value of $2.5 billion. As of December 31, 2006, we may make additional capital contributions to current and planned co-investment joint ventures of up to $168.2 million (using the exchange rates at December 31, 2006) pursuant to the terms of the joint venture agreements. From time to time, we may raise additional equity commitments for AMB Institutional Alliance Fund III, L.P., an open-ended unconsolidated co-investment joint venture formed in 2004 with institutional investors, which invests through a private real estate investment trust. This would increase our obligation to make additional capital commitments. Pursuant to the terms of the partnership agreement of this fund, we are obligated to contribute 20% of the total equity commitments to the fund until such time our total equity commitment is greater than $150.0 million, at which time, our obligation is reduced to 10% of the total equity commitments. We expect to fund these contributions with cash from operations, borrowings under our credit facilities, debt or equity issuances or net proceeds from property divestitures, which could adversely effect our cash flow.

Captive Insurance Company. In December 2001, we 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 our third-party policies. The captive insurance company is one element of our overall risk management program. We capitalized Arcata in accordance with the applicable regulatory requirements. Arcata established annual premiums based on projections derived from the past loss experience of our properties. Annually,

we engage 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, we believe that we have more comprehensive insurance coverage at an overall lower cost than would otherwise be available in the market.

Potential Contingent and Unknown Liabilities. Contingent and unknown liabilities may include the following:

- liabilities for environmental conditions;
- claims of customers, vendors or other persons dealing with our predecessors prior to our formation or acquisition transactions that had not been asserted prior to our formation or acquisition transactions;
- accrued but unpaid liabilities incurred in the ordinary course of business;
- tax liabilities; and
- claims for indemnification by the officers and directors of our predecessors and others indemnified by these entities.

Overview of Contractual Obligations

The following table summarizes our debt, interest and lease payments due by period as of December 31, 2006 (dollars in thousands):

Contractual Obligations	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	Total
Debt	$ 213,869	$ 592,085	$ 1,593,035	$ 1,042,699	$ 3,441,688
Debt interest payments	13,861	38,126	74,416	58,775	185,178
Operating lease commitments	21,636	43,692	41,335	272,483	379,146
Construction commitments	31,713	57,042	—	—	88,755
Total	$ 281,079	$ 730,945	$ 1,708,786	$ 1,373,957	$ 4,094,767

OFF-BALANCE SHEET ARRANGEMENTS

Standby Letters of Credit. As of December 31, 2006, we had provided approximately $22.1 million in letters of credit, of which $11.7 million was 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**,** we had outstanding guarantees in the aggregate amount of $48.2 million in connection with certain acquisitions. As of December 31, 2006, we guaranteed $26.8 million and $83.2 million on outstanding loans on two of our consolidated joint ventures and two of our unconsolidated joint ventures, respectively. In addition, as of December 31, 2006, we guaranteed $87.3 million on outstanding property debt related to one of our unconsolidated joint ventures.

Performance and Surety Bonds. As of December 31, 2006, we had outstanding performance and surety bonds in an aggregate amount of $11.4 million. These bonds were issued in connection with certain of our 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, we may be obligated to make payments to certain of our joint venture partners

pursuant to the terms and provisions of their contractual agreements with us. From time to time in the normal course of our business, we enter into various contracts with third parties that may obligate us to make payments, pay promotes, or perform other obligations upon the occurrence of certain events.

SUPPLEMENTAL EARNINGS MEASURES

FFO. We believe that net income, as defined by GAAP, is the most appropriate earnings measure. However, we consider funds from operations, or FFO, as defined by the National Association of Real Estate Investment Trusts (NAREIT), to be a useful supplemental measure of our 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 our pro rata share of FFO of consolidated and unconsolidated joint ventures. Further, we do not adjust FFO to eliminate the effects of non-recurring charges. We believe that FFO, as defined by NAREIT, is a meaningful supplemental measure of our 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. We believe 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. We consider FFO to be a useful measure for reviewing our 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 our liquidity or operating performance. FFO also does not consider the costs associated with capital expenditures related to our real estate assets nor is FFO necessarily indicative of cash available to fund our future cash requirements. Further, our 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 we do.

The following table reflects the calculation of FFO reconciled from net income for the years ended December 31 (dollars in thousands):

	2006	2005	2004	2003	2002
Net income(1)	$ 224,072	$ 257,807	$ 125,471	$ 129,128	$ 121,119
Gains from dispositions of real estate, net of minority interests(2)	(42,635)	(132,652)	(47,224)	(50,325)	(19,383)
Real estate, related depreciation and amortization:					
Total depreciation and amortization	177,824	161,732	136,610	111,879	103,550
Discontinued operations' depreciation	2,153	18,572	30,740	30,458	32,953
Non-real estate depreciation	(4,546)	(3,388)	(871)	(720)	(712)
Ground lease amortization	—	—	—	—	(2,301)
Adjustments to derive FFO from consolidated joint ventures:					
Joint venture partners' minority interests (Net income)	37,975	36,401	29,360	22,276	16,529

	2006	2005	2004	2003	2002
Limited partnership unitholders' minority interests (Net income)	2,805	3,411	2,384	2,117	3,303
Limited partnership unitholders' minority interests (Development profits)	4,948	2,262	435	344	57
Discontinued operations' minority interests (Net income)	31	8,769	13,964	15,214	16,597
FFO attributable to minority interests	(82,861)	(100,275)	(80,192)	(65,603)	(52,051)
Adjustments to derive FFO from unconsolidated joint ventures:					
Our share of net income	(23,240)	(10,770)	(3,781)	(5,445)	(5,674)
Our share of FFO	16,038	14,441	7,549	9,755	9,291
Our share of development profits, net of taxes	—	5,441	—	—	—
Preferred stock dividends	(13,582)	(7,388)	(7,131)	(6,999)	(8,496)
Preferred stock and unit redemption discount (issuance costs)	(1,070)	—	—	(5,413)	412
Funds from operations	$ 297,912	$ 254,363	$ 207,314	$ 186,666	$ 215,194
Basic FFO per common share and unit	$ 3.24	$ 2.87	$ 2.39	$ 2.17	$ 2.44
Diluted FFO per common share and unit	$ 3.12	$ 2.75	$ 2.30	$ 2.13	$ 2.40
Weighted average common shares and units:					
Basic	92,047,678	88,684,262	86,885,250	85,859,899	88,204,208
Diluted	95,444,072	92,508,725	90,120,250	87,616,365	89,689,310

(1) Includes gains from undepreciated land sales of $5.6 million, $25.0 million, $3.7 million and $1.2 million for 2006, 2005, 2004 and 2003, respectively.

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

SS NOI. We believe that net income, as defined by GAAP, is the most appropriate earnings measure. However, we consider same store net operating income, or SS NOI, to be a useful supplemental measure of our operating performance. For properties that are considered part of the same store pool, see Part I, Item 2: "Properties — Industrial Properties — Owned and Managed Market Operating Statistics", Note 6, and "Owned and Managed Operating and Leasing Statistics — Owned and Managed Same Store Operating Statistics", Note 2. In deriving SS NOI, we define NOI as rental revenues (as calculated in accordance with GAAP), including reimbursements, less straight-line rents, property operating expenses and real estate taxes. We exclude straight-line rents in calculating SS NOI because we believe it provides a better measure of actual cash basis rental growth for a year-over-year comparison. In addition, we believe that SS NOI helps the investing public compare the operating performance of a company's real estate as compared to other companies.

While SS NOI 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 our liquidity or operating performance. SS NOI also does not reflect general and administrative expense, interest expenses, depreciation and amortization costs, capital expenditures and leasing costs, or trends in development and construction activities that could materially impact our results from operations. Further, our computation of SS NOI may not be comparable to that of other real estate companies, as they may use different methodologies for calculating SS NOI.

The following table reconciles SS NOI from net income for the years ended December 31 (dollars in thousands):

	2006	2005	2004
Net income	$ 224,072	$ 257,807	$ 125,471
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
Total other income and expenses	26,178	57,044	119,727
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 Operating Income (NOI)	507,970	458,004	419,364
Less non same store NOI	(116,030)	(70,782)	(19,990)
Less non-cash adjustments(1)	(8,426)	(9,861)	(8,249)
Cash basis same store NOI	$ 383,514	$ 377,361	$ 391,125

(1) Non-cash adjustments include straight line rents and amortization of lease intangibles for the same store pool only.

Item 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

Market risk is the risk of loss from adverse changes in market prices, interest rates and international exchange rates. Our future earnings and cash flows are dependent upon prevailing market rates. Accordingly, we manage our market risk by matching projected cash inflows from operating, investing and financing activities with projected cash outflows for debt service, acquisitions, capital expenditures, distributions to stockholders and unitholders, and other cash requirements. The majority of our outstanding debt has fixed interest rates, which minimize the risk of fluctuating interest rates. Our exposure to market risk includes interest rate fluctuations in connection with our credit facilities and other variable rate borrowings and our ability to incur more debt without stockholder approval, thereby increasing our debt service obligations, which could adversely affect our cash flows. As of December 31, 2006, we had three outstanding interest rate swaps with an aggregate notional amount of $38.1 million (in U.S. dollars). See "Financial Instruments" below.

The table below summarizes the market risks associated with our fixed and variable rate debt outstanding before net unamortized debt discounts of $4.3 million as of December 31, 2006 (dollars in thousands):

	2007	2008	2009	2010	2011	Thereafter	Total
Fixed rate debt(1)	$ 155,384	$ 368,141	$ 152,151	$ 430,676	$ 288,835	$ 768,320	$ 2,163,507
Average interest rate	6.7%	7.1%	4.7%	6.4%	6.8%	5.9%	6.3%
Variable rate debt(2)	$ 58,485	$ 22,604	$ 49,189	$ 854,543	$ 18,981	$ 274,379	$ 1,278,181
Average interest rate	5.9%	6.6%	6.8%	3.1%	3.8%	4.9%	3.8%
Interest Payments	$ 13,861	$ 27,630	$ 10,496	$ 54,054	$ 20,362	$ 58,775	$ 185,178

(1) Represents 62.9% of all outstanding debt.

(2) Represents 37.1% of all outstanding debt.

If market rates of interest on our variable rate debt increased or decreased by 10%, then the increase or decrease in interest expense on the variable rate debt would be $4.9 million (net of swaps) annually. As of December 31,

2006, the book value and the estimated fair value of our total consolidated debt (both secured and unsecured) was $3.4 and $3.5 billion, respectively, based on our estimate of current market interest rates.

As of December 31, 2006 and 2005, variable rate debt comprised 37.1% and 24.5%, respectively, of all our outstanding debt. Variable rate debt was $1.3 billion and $831.7 million, respectively, as of December 31, 2006 and 2005. The increase is primarily due to higher outstanding balances on our credit facilities. This increase in our outstanding variable rate debt increases our risk associated with unfavorable interest rate fluctuations.

Financial Instruments. We record all derivatives on the balance sheet at fair value as an asset or liability, with an offset to accumulated other comprehensive income or income. For revenues or expenses denominated in non-functional currencies, we may use derivative financial instruments to manage foreign currency exchange rate risk. Our 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).

The following table summarizes our financial instruments as of December 31, 2006 (in thousands):

	Maturity Dates				
Related Derivatives (in thousands)	**December 8, 2008**	**June 8, 2010**	**November 1, 2014**	**Notional Amount**	**Fair Value**
Interest Rate Swaps:					
Plain Interest Rate Swap, Europe					
Notional Amount (U.S. dollars)	$ 9,655			$ 9,655	
Receive Floating(%)	3MEURIBOR				
Pay Fixed Rate(%)	3.72%				
Fair Market Value					$ 54
Plain Interest Rate Swap, USD					
Notional Amount (U.S. dollars)		$ 25,000		25,000	
Receive Floating(%)		3MLIBOR			
Pay Fixed Rate(%)		5.17%			
Fair Market Value					(130)
Plain Interest Rate Swap, Europe					
Notional Amount (U.S. dollars)			$ 3,471	3,471	
Receive Floating(%)			3MEURIBOR		
Pay Fixed Rate(%)			4.26%		
Fair Market Value					(45)
Total				$ 38,126	$ (121)

International Operations. Our exposure to market risk also includes foreign currency exchange rate risk. The U.S. dollar is the functional currency for our subsidiaries operating in the United States and Mexico. The functional currency for our subsidiaries operating outside the United States is generally the local currency of the country in which the entity is located, mitigating the effect of foreign exchange gains and losses. Our 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. We translate income statement accounts using the average exchange rate for the period and significant nonrecurring transactions using the rate on the transaction date. The losses resulting from the translation are included in accumulated other comprehensive income as a separate component of stockholders' equity and totaled $0.2 million for year ended December 31, 2006.

Our 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. For the year ended December 31, 2006, losses from remeasurement and the sale of four foreign exchange agreements included in our results of operations totaled $0.8 million.

We also record 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.

Item 8. ***Financial Statements and Supplementary Data***

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

Item 9. ***Changes in and Disagreements With Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Disclosure Controls and Procedures and Changes to Internal Control over Financial Reporting

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended, we carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures that were in effect as of the end of the year covered by this report. Our chief executive officer and chief financial officer each concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of December 31, 2006.

No changes were made in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the chief executive officer and chief financial officer and effected by our board of directors, management and other personnel, 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, and includes those policies and procedures that:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions involving our assets;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our consolidated financial statements.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance, and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Our management has used the framework set forth in the report entitled "Internal Control — Integrated Framework" published by the Committee of Sponsoring Organizations of the Treadway Commission to evaluate the effectiveness of our internal control over financial reporting. Based on our evaluation under the framework in "Internal Control — Integrated Framework," our management has concluded that our internal control over financial reporting was effective as of December 31, 2006.

Our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2006 has been audited by our independent registered public accounting firm, PricewaterhouseCoopers LLP, as stated in their report which appears herein.

Respectfully,

Hamid R. Moghadam, Chairman of the Board, President and Chief Executive Officer
Michael A. Coke, Executive Vice President and Chief Financial Officer

Item 9B. ***Other Information***

None.

PART III

Items 10, 11, 12, 13 and 14.

The information required by Items 10 through 14 will be contained in a definitive proxy statement for our Annual Meeting of Stockholders, which we anticipate will be filed no later than 120 days after the end of our fiscal year pursuant to Regulation 14A and accordingly these items have been omitted in accordance with General Instruction G(3) to Form 10-K.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a)(1) and (2) **Financial Statements and Schedule:**

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

	Page
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

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).

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).

Exhibit Number	Description
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.
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.
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).

Exhibit Number	Description
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).
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).

Exhibit Number	Description
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).

Exhibit Number	Description
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.
23.1	Consent of PricewaterhouseCoopers LLP.
24.1	Powers of Attorney (included in Part IV of this annual report).
31.1	Rule 13a-14(a)/15d-14(a) Certifications dated February 23, 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.

* Management contract or compensatory plan or arrangement

(b) **Financial Statement Schedule:**

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

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 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: February 23, 2007

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned officers and directors of AMB Property Corporation, hereby severally constitute Hamid R. Moghadam, Michael A. Coke and Tamra D. Browne, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Form 10-K filed herewith and any and all amendments to said Form 10-K, and generally to do all such things in our names and in our capacities as officers and directors to enable AMB Property Corporation to comply with the provisions of the Securities Exchange Act of 1934, and all requirements of the U.S. Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said Form 10-K and any and all amendments thereto.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of AMB Property Corporation and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Hamid R. Moghadam Hamid R. Moghadam	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	February 23, 2007
/s/ Afsaneh M. Beschloss Afsaneh M. Beschloss	Director	February 23, 2007
/s/ T. Robert Burke T. Robert Burke	Director	February 23, 2007
/s/ David A. Cole David A. Cole	Director	February 23, 2007
/s/ Lydia H. Kennard Lydia H. Kennard	Director	February 23, 2007
/s/ J. Michael Losh J. Michael Losh	Director	February 23, 2007
/s/ Frederick W. Reid Frederick W. Reid	Director	February 23, 2007

Name	Title	Date
/s/ Jeffrey L. Skelton Jeffrey L. Skelton	Director	February 23, 2007
/s/ Thomas W. Tusher Thomas W. Tusher	Director	February 23, 2007
/s/ Michael A. Coke Michael A. Coke	Chief Financial Officer and Executive Vice President (Duly Authorized Officer and Principal Financial Officer)	February 23, 2007
/s/ Nina A. Tran Nina A. Tran	Chief Accounting Officer and Senior Vice President (Duly Authorized Officer and Principal Accounting Officer)	February 23, 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, 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

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	$ 6,713,512	$ 6,802,739
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	$ 6,713,512	$ 6,802,739

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	729,896	660,875	576,395
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	(468,933)	(398,745)	(342,222)
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	(26,178)	(57,044)	(119,727)
Income before minority interests, discontinued operations and cumulative effect of change in accounting principle	234,785	205,086	114,446
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	(62,855)	(74,777)	(52,863)
Income from continuing operations before cumulative effect of change in accounting principle	171,930	130,309	61,583
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	51,949	127,498	63,888
Net income before cumulative effect of change in accounting principle	223,879	257,807	125,471
Cumulative effect of change in accounting principle	193	—	—
Net income	224,072	257,807	125,471
Preferred stock dividends	(13,582)	(7,388)	(7,131)
Preferred stock and unit redemption issuance costs	(1,070)	—	—
Net income available to common stockholders	$ 209,420	$ 250,419	$ 118,340
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	$ 2.39	$ 2.98	$ 1.44
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	$ 2.30	$ 2.85	$ 1.39
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING			
Basic	87,710,500	84,048,936	82,133,627
Diluted	91,106,893	87,873,399	85,368,626

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	—	
Unrealized loss on securities and derivatives	—	—	—	—	—	(2,058)	
Currency translation adjustment	—	—	—	—	—	(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	—	
Unrealized gain on securities and derivatives	—	—	—	—	—	421	
Currency translation adjustment	—	—	—	—	—	(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	—	
Unrealized gain on securities and derivatives	—	—	—	—	—	825	
Currency translation adjustment	—	—	—	—	—	(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.

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,

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

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):

Depreciation and Amortization Expense	Estimated Lives	2006	2005	2004
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*

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

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

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

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

$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.

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.

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):

	2006	2005	2004
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	$ 9,314	$ 13,945	$ 21,883

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):

	2006	2005
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):

Mortgage and Loan Receivables	Market	Maturity	2006	2005	Rate
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			$ 18,747	$ 21,621	

6. Debt

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

	2006	2005
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	$ 3,437,415	$ 3,401,561

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

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.

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	$ 368,332	$ 1,020,678	$ 1,112,491	$ 88,154	$ 852,033	$ 3,441,688

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	$ 2,048,350

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.

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	$ 1.38	100.0%	$ 2.19	100.0%	$ 1.69	100.0%

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.

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/Erie, L.P.	Erie 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	—	—
			$ 1,850,167	$ 2,531,684	$ 901,784	$ 1,301,827	$ 65,000	$ —

(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.

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

	2006	2005
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):

	2006	2005	2004
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.

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 Investments:									
G. Accion(5)	9,536	158,733	14,881	45,380	1,610	111,743	18,294	(51,399)	21,532
Total Unconsolidated Joint Ventures	$ 2,346,047	$ 2,643,346	$ 1,431,774	$ 1,599,644	$ 54,352	$ 989,350	$ 169,423	$ (32,259)	$ 76,433

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 Investments:									
G. Accion(5)	116,549	249,193	91,730	126,456	832	121,905	49,605	(33,977)	1,750
Total Unconsolidated Joint 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 Joint Ventures	$ 380,209	$ 429,244	$ 267,284	$ 306,454	$ 51,739	$ 71,050	$ 38,112	$ 6,762	$ 7,468

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(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.

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 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 7795% 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 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.

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 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	7,210
Granted	1,253	34.88	
Exercised	(1,233)	22.45	
Forfeited	(85)	29.43	
Outstanding as of December 31, 2004	10,221	25.40	7,841
Granted	1,086	38.94	
Exercised	(2,033)	24.24	
Forfeited	(126)	35.32	
Outstanding as of December 31, 2005	9,148	27.14	7,237
Granted	874	51.89	
Exercised	(3,081)	24.16	
Forfeited	(98)	42.18	
Outstanding as of December 31, 2006	6,843	$ 31.42	5,404
Remaining average contractual life	6.0 years		
Fair value of options granted during the year	$ 8.54		

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	Currently Exercisable 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
	6,843			5,404	

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	1,439	$ 43.54

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.

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

Unvested Shares	Shares	Weighted Average Grant Date Fair Value
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	612	$ 45.43

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.

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	$ 209,420	$ 250,419	$ 118,340
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	91,106,893	87,873,399	85,368,626
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	$ 2.39	$ 2.98	$ 1.44
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	$ 2.30	$ 2.85	$ 1.39

(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.

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	$ 379,146

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.

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.

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):

	Quarter (unaudited)(1)				
2006	March 31	June 30	September 30	December 31	Year
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

(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) March 31	June 30	September 30	December 31	Year
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

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.

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	$ 224,072	$ 257,807	$ 125,471

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	3,926,153	4,316,012
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	$ 6,713,512	$ 6,802,739

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.

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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)									
Atlanta													
Airport Plaza	3	GA	IND	$ 4,275	$ 1,811	$ 5,093	$ 974	$ 1,811	$ 6,067	$ 7,878	$ 785	2003	5-40
Airport South Business Park	8	GA	IND	16,086	9,200	16,436	14,476	9,200	30,912	40,112	5,341	2001	5-40
Atlanta South Business Park	9	GA	IND	—	8,047	24,180	4,348	8,047	28,528	36,575	7,728	1997	5-40
AMB Garden City Industrial	1	GA	IND	—	441	2,604	147	462	2,730	3,192	213	2004	5-40
South Ridge at Hartsfield	1	GA	IND	3,828	2,096	4,008	1,130	2,096	5,138	7,234	872	2001	5-40
Southfield/KRDC Industrial SG	13	GA	IND	32,177	13,578	35,730	8,591	13,578	44,321	57,899	7,672	1997	5-40
Southside Distribution Center	1	GA	IND	1,064	766	2,480	105	766	2,585	3,351	385	2001	5-40
Sylvan Industrial	1	GA	IND	—	1,946	5,905	724	1,946	6,629	8,575	1,407	1999	5-40
Chicago													
Addison Business Center	1	IL	IND	—	1,060	3,228	389	1,060	3,617	4,677	742	2000	5-40
Alsip Industrial	1	IL	IND	—	1,200	3,744	737	1,200	4,481	5,681	1,013	1998	5-40
Belden Avenue SGP	3	IL	IND	9,486	5,393	13,655	1,176	5,487	14,737	20,224	3,345	2001	5-40
Bensenville Ind Park	13	IL	IND	—	20,799	62,438	23,187	20,799	85,625	106,424	25,407	1993	5-40
Bridgeview Industrial	1	IL	IND	—	1,332	3,996	561	1,332	4,557	5,889	1,136	1995	5-40
Chancellory Park	8	IL	IND	35,838	24,491	31,848	1,725	24,491	33,573	58,064	1,106	2002	5-40
Chicago Industrial Portfolio	1	IL	IND	—	762	2,285	749	762	3,034	3,796	787	1992	5-40
Chicago Ridge Freight Terminal	1	IL	IND	—	3,705	3,576	206	3,705	3,782	7,487	567	2001	5.40
AMB District Industrial	1	IL	IND	—	703	1,338	173	703	1,511	2,214	191	2004	5-40
Elk Grove Village SG	10	IL	IND	15,948	7,059	21,739	5,095	7,059	26,834	33,893	5,928	2001	5-40
Executive Drive	1	IL	IND	—	1,399	4,236	1,599	1,399	5,835	7,234	1,727	1997	5-40
AMB Golf Distribution	1	IL	IND	13,922	7,740	16,749	823	7,740	17,572	25,312	1,207	2005	5-40
Hamilton Parkway	1	IL	IND	—	1,554	4,408	563	1,554	4,971	6,525	1,254	1995	5-40
Hintz Building	1	IL	IND	—	420	1,259	402	420	1,661	2,081	428	1998	5-40
Itasca Industrial Portfolio	5	IL	IND	—	3,830	11,537	2,958	3,830	14,495	18,325	4,703	1994	5-40
AMB Kehoe Industrial	1	IL	IND	—	2,000	3,006	—	2,000	3,006	5,006	39	2006	5-40
Melrose Park Distribution Ctr	1	IL	IND	—	2,936	9,190	2,398	2,936	11,588	14,524	3,892	1995	5-40
NDP — Chicago	3	IL	IND	—	1,496	4,487	1,271	1,496	5,758	7,254	1,744	1998	5-40
AMB Nicholas Logistics Center	1	IL	IND	—	4,681	5,811	1,883	4,681	7,694	12,375	798	2001	5-40
AMB O'Hare	14	IL	IND	8,987	2,924	8,995	3,002	2,924	11,997	14,921	2,511	2001	5-40
O'Hare Industrial Portfolio	12	IL	IND	—	5,497	20,238	1,806	5,497	22,044	27,541	5,963	1996	5-40
Poplar Gateway Truck Terminal	1	IL	IND	—	4,551	3,152	806	4,551	3,958	8,509	371	2002	5-40
AMB Port O'Hare	2	IL	IND	5,739	4,913	5,761	1,300	4,913	7,061	11,974	1,567	2001	5-40
AMB Sivert Distribution	1	IL	IND	—	857	1,377	744	857	2,121	2,978	260	2004	5-40
Stone Distribution Center	1	IL	IND	2,781	2,242	3,266	801	2,242	4,067	6,309	463	2003	5-40
AMB Territorial Industrial	1	IL	IND	—	954	3,451	5	954	3,456	4,410	53	2006	5-40
Thorndale Distribution	1	IL	IND	5,252	4,130	4,216	531	4,130	4,747	8,877	731	2002	5-40

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					Initial Cost to Company		Costs Capitalized	Gross Amount Carried at 12/31/06					
Property	No of Bldgs	Location	Type	Encumbrances(3)	Land	Building & Improvements	Subsequent to Acquisition	Land	Building & Improvements	Total Costs(1)(2)	Accumulated Depreciation(4)	Year of Construction/ Acquisition	Depreciable Life (Years)
				(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
Valwood 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	3,365	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 Bus Ctr 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	1,751	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

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					(In thousands, except number of buildings)								
Pioneer-Alburtis	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
Slauson Dist. Ctr. AMBPTNII	8	CA	IND	24,706	7,806	23,552	6,163	7,806	29,715	37,521	5,307	2000	5-40
Spinnaker 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 AFdII	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
Dellamor	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	35,522	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

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					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 ALFII	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
Porete 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
Teterboro Meadowlands 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-Tarmac													
AMB BWI Cargo Center E	1	MD	IND	—	—	6,367	200	—	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
Albrae Business Center	1	CA	IND	7,331	6,299	6,227	1,189	6,299	7,416	13,715	1,222	2001	5-40

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						(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	5,333	8,126	1,697	5,333	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
Milmont 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 PrtII	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	5	CA	IND	—	5,282	15,887	4,806	5,282	20,693	25,975	5,633	1992	5-40
Seattle													
Black River	1	WA	IND	3,197	1,845	3,559	534	1,845	4,093	5,938	778	2001	5-40

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					Land	Building & Improvements		Land	Building & Improvements	Total Costs(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	20,511	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 Sumner 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 Capronilaan	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
Koolhovenlaan 1&2	2	The Netherlands	IND	10,256	4,371	7,412	506	4,551	7,738	12,289	459	2005	4-40
AMB Isle 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 Signac 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

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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)									
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 Storland 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 Jiuting 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 1 95, LTD	4	TX	IND	—	10,968	14,554	2,677	10,968	17,231	28,199	1,346	1995	5-40
MET 4/12, 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	1,267	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	3,032	—	9,772	9,772	3,455	1999	5-40
Patuxent 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 (KYDJ)	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

					Initial Cost to Company		Costs Capitalized	Gross Amount Carried at 12/31/06					
Property	No of Bldgs	Location	Type	Encumbrances(3)	Land	Building & Improvements	Subsequent to Acquisition	Land	Building & Improvements	Total Costs(1)(2)	Accumulated Depreciation(4)	Year of Construction/ Acquisition	Depreciable Life (Years)
							(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			$ 1,302,921	$ 1,347,480	$ 3,266,466	$ 775,651	$ 1,351,123	$ 4,038,474	$ 5,389,597	$ 789,693		

(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	$ 5,292,079
	Construction in process	1,186,136	997,506	199,628
	Total investments in properties	$ 6,575,733	$ 6,798,294	$ 5,491,707
(2)	Aggregate cost for federal income tax purposes of investments in real estate	$ 6,297,448	$ 6,468,360	$ 6,263,171
(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	$ 1,395,354	$ 1,912,526	$ 1,892,524
(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	$ 789,693	$ 697,388	$ 615,646
(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	$ 6,575,733	$ 6,798,294	$ 6,526,144
	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	$ 789,693	$ 697,388	$ 615,646

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).

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).

Exhibit Number	Description
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).

Exhibit Number	Description
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.
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.
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).

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).

Exhibit Number	Description
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).

Exhibit Number	Description
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.
23.1	Consent of PricewaterhouseCoopers LLP.
24.1	Powers of Attorney (included in Part IV of this annual report).
31.1	Rule 13a-14 (a)/15d-14 (a) Certifications dated February 23, 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.

* Management contract or compensatory plan or arrangement

Exhibit 4.33

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT, dated as of May 5, 1999 (this "Agreement"), is entered into by and among AMB Property Corporation, a Maryland corporation (the "Company"), AMB Property II, L.P., a Delaware limited partnership (the "Subsidiary Operating Partnership"), and the unit holders whose names are set forth on the signature pages hereto (each, a "Unit Holder" and collectively, the "Unit Holders").

RECITALS

WHEREAS, in connection with the offering of 7.75% Series D Cumulative Redeemable Preferred Units of the Subsidiary Operating Partnership (the "Units"), J.P. Morgan Mosaic Fund, LLC, a Delaware limited liability company (the "Contributor"), desires to contribute to the Subsidiary Operating Partnership cash in return for the Units on the terms and conditions set forth in the Contribution Agreement, dated May 5, 1999 (the "Contribution Agreement"), by and among the Company, the Subsidiary Operating Partnership, AMB Property, L.P., a Delaware limited partnership (the "OP Parent"), AMB Property Holding Corporation, a Maryland corporation (the "General Partner"), and the Contributor;

WHEREAS, the Unit Holders will receive the Units in exchange for cash to the Contributor;

WHEREAS, pursuant to the Partnership Agreement (as defined below), the Units owned by the Unit Holders will be redeemable for cash or exchangeable for shares of the Company's 7.75% Series D Cumulative Redeemable Preferred Stock (the "Preferred Stock") upon the terms and subject to the conditions contained therein; and

WHEREAS, in order to induce the Contributor to enter into the Contribution Agreement, the Company and the Subsidiary Operating Partnership have agreed to provide registration rights set forth herein to the Contributor and any subsequent holder or holders of the Units.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 Definitions. In addition to the definitions set forth above, the following terms, as used herein, have the following meanings:

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition,

"control" when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" has the meaning given to such term in the preamble hereto.

"Articles of Incorporation" means the Articles of Incorporation of the Company as filed with the Secretary of State of the State of Maryland on November 24, 1997, as the same may be amended, modified or restated from time to time.

"Articles Supplementary" means the Articles Supplementary of the Company, filed with the Maryland State Department of Assessments and Taxation on May 5, 1999, designating the Preferred Stock.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York or San Francisco, California are authorized by law to close.

"Code" means the Internal Revenue Code of 1986, as amended from time to time or any successor statute thereto, as interpreted by the applicable regulations thereunder.

"Commission" means the Securities and Exchange Commission.

"Company" has the meaning set forth in the preamble to this Agreement.

"Contribution Agreement" means the Contribution Agreement, dated May 5, 1999, by and among the Company, the Subsidiary Operating Partnership, the OP Parent, the General Partner and the Contributor.

"Contributor" means J.P. Morgan Mosaic Fund, LLC, a Delaware limited liability company.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Exchangeable Units" means Units which may be redeemable for cash pursuant to Section 17.5 of the Partnership Agreement or exchangeable for Preferred Stock or redeemable for cash pursuant to Section 17.8 of the Partnership Agreement (without regard to any limitations on the exercise of such exchange right as a result of the Ownership Limit Provisions, as defined below).

"General Partner" means AMB Property Holding Corporation, a Maryland corporation, or its successors as general partner of the Subsidiary Operating Partnership.

"Holder" means any Person who is the record or beneficial owner of any Registrable

Security or any assignee or transferee of such Registrable Security (including assignments or transfers of Registrable Securities to such assignees or transferees as a result of the foreclosure on any loans secured by such Registrable Securities) unless such Registrable Security is acquired in a public distribution pursuant to a registration statement under the Securities Act or pursuant to transactions exempt from registration under the Securities Act, in each such case where securities sold in such transaction may be resold without subsequent registration under the Securities Act.

"Incapacitated" shall have the meaning set forth in the Partnership Agreement.

"Ownership Limit Provisions" mean the various provisions of the Articles Supplementary set forth in Section 7 of Article Third thereof restricting the ownership of Preferred Stock by certain Persons to specified percentages of the outstanding Preferred Stock.

"Partnership Agreement" means the Fourth Amended and Restated Agreement of Limited Partnership of the Subsidiary Operating Partnership, dated as of May 5, 1999, as the same may be amended, modified or restated from time to time.

"Person" means an individual or a corporation, partnership, limited liability company, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Preferred Stock" means the Company's 7.75% Series D Cumulative Redeemable Preferred Stock.

"Registrable Securities" means shares of Preferred Stock of the Company at any time owned, either of record or beneficially, by any Holder issued upon exchange of Exchangeable Units until (i) a registration statement covering such securities has been declared effective by the Commission and such shares have been sold or transferred pursuant to such effective registration statement, (ii) such shares are sold under circumstances in which all of the applicable conditions of Rule 144 are met or under which such shares may be sold pursuant to Rule 144(k) under the Securities Act or (iii) such shares have been otherwise transferred in a transaction that would constitute a sale thereof under the Securities Act, the Company has delivered a new certificate or other evidence of ownership for such shares not bearing the Securities Act restricted stock legend and such shares may be resold without subsequent registration under the Securities Act.

"Rule 144" means Rule 144 promulgated under the Securities Act, as such rule may be amended from time to time, or any similar rule (other than Rule 144A) or regulation hereafter adopted by the Commission providing for offers and sales of securities made in compliance therewith resulting in offers and sales by subsequent holders that are not affiliates of the Company of such securities being free of the registration and prospectus delivery requirements of the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended.

"Selling Holder" means a Holder who is selling Registrable Securities pursuant to a registration statement under the Securities Act pursuant to this Agreement.

"Underwriter" means a securities dealer who purchases any Registrable Securities as principal and not as part of such dealer's market-making activities.

" Units" means 7.75% Series D Cumulative Redeemable Preferred Units of the Subsidiary Operating Partnership.

ARTICLE II
REGISTRATION RIGHTS

SECTION 2.1 Shelf Registration. The Company shall prepare and file with the Commission a "shelf" registration statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the resale of the Registrable Securities by the Holders for an offering to be made on a continuous or delayed basis pursuant to Rule 415 under the Securities Act (the "Shelf Registration Statement") as soon as practicable but in any event not later than 60 days after the date the Units are exchanged for shares of Preferred Stock and shall use its best efforts to cause the Shelf Registration Statement to be declared effective within 120 days after the date of such exchange. The Company shall use its best efforts to keep such Shelf Registration Statement continuously effective until the earliest of (A) 24 months following the effective date of the Shelf Registration Statement, (B) such time as all of the Registrable Securities have been sold pursuant to the Shelf Registration Statement or Rule 144 and (C) the date on which the Registrable Securities may be sold without volume restrictions in accordance with Rule 144.

SECTION 2.2 Registration Procedures; Filings; Information. In connection with any Shelf Registration Statement, the Company will use its best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof as quickly as practicable, and in connection therewith:

(a) The Company will, if requested, prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to each Selling Holder and each Underwriter, if any, of the Registrable Securities covered by such registration statement or prospectus copies of such registration statement or prospectus or any amendment or supplement thereto as proposed to be filed, and thereafter furnish to such Selling Holder and Underwriter, if any, one conformed copy of such registration statement, each amendment thereof and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein; *provided,* that each such exhibit need only be provided once), and such number of copies of the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Selling Holder or Underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Selling Holder.

(b) After the filing of the registration statement, the Company will promptly notify each Selling Holder of Registrable Securities covered by such registration statement of any stop

order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(c) The Company will use its best efforts to (i) register or qualify the Registrable Securities under such other state securities or blue sky laws of such jurisdictions in the United States (where an exemption is not available) as any Selling Holder or managing Underwriter or Underwriters, if any, reasonably (in light of such Selling Holder's intended plan of distribution) requests and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Selling Holder to consummate the disposition of the Registrable Securities owned by such Selling Holder; *provided* that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (c), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction.

(d) The Company will promptly notify each Selling Holder of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances then existing, not misleading and promptly make available to each Selling Holder a reasonable number of copies of any such supplement or amendment.

(e) The Company will enter into customary agreements (including an underwriting agreement, if any, in customary form) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities.

(f) The Company will make available for inspection by any Selling Holder of such Registrable Securities, any Underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other professional retained by any such Selling Holder or Underwriter (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement. Records which the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each Selling Holder of such Registrable Securities agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company or its

Affiliates or otherwise disclosed by it unless and until such is made generally available to the public. Each Selling Holder of such Registrable Securities further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(g) The Company will otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make available to its securityholders, as soon as reasonably practicable, an earnings statement covering a period of twelve (12) months, beginning within three (3) months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder (or any successor rule or regulation hereafter adopted by the Commission).

(h) The Company will use its best efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(i) The Company will use its best efforts to obtain CUSIP numbers for the Preferred Stock not later than the effective date of the Shelf Registration Statement.

The Company may require, as a condition precedent to the obligations of the Company under the Agreement, each Selling Holder of Registrable Securities to promptly furnish in writing to the Company such information regarding such Selling Holder, the Registrable Securities held by it and the intended method of distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration.

Each Selling Holder agrees that, upon receipt of any notice from the Company of, or such Selling Holder obtains knowledge of, the happening of any event of the kind described in Section 2.2(d) hereof, such Selling Holder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement and prospectus covering such Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 2.2(d) hereof, and, if so directed by the Company, such Selling Holder will deliver to the Company all copies, other than permanent file copies then in such Selling Holder's possession, of the most recent prospectus and each amendment thereof and supplement thereto covering such Registrable Securities at the time of receipt of such notice. Each Selling Holder of Registrable Securities agrees that it will immediately notify the Company at any time when a prospectus relating to the registration of such Registrable Securities is required to be delivered under the Securities Act of the happening of an event known to such Selling Holder as a result of which information previously furnished by such Selling Holder to the Company in writing for inclusion in such prospectus contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. In the event the Company

shall give such notice, the Company shall extend the period during which such registration statement shall be maintained effective (including the period referred to in Section 2.1 hereof) by the number of days during the period from and including the date of the giving of notice pursuant toSection 2.2(d) hereof to the date when the Company shall make available to the Selling Holders of Registrable Securities covered by such registration statement a prospectus supplemented or amended to conform with the requirements of Section 2.2(d) hereof.

SECTION 2.3 Registration Expenses. In connection with any registration statement required to be filed hereunder, the Company shall pay the following registration expenses incurred in connection with the registration hereunder (the "Registration Expenses"): (i) all registration and filing fees, (ii) fees and expenses of compliance with state securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities on each securities exchange on which similar securities issued by the Company are then listed, (vi) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company, (vii) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration; and (viii) the reasonable fees and expenses of one counsel (who shall be reasonably acceptable to the Company) for the Selling Holders. Except as expressly set forth in the preceding sentence, the Company shall have no obligation to pay any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities, or any out-of-pocket expenses of the Holders (or the agents who manage their accounts) or any transfer taxes relating to the registration or sale of the Registrable Securities.

SECTION 2.4 Indemnification by the Company. The Company agrees to indemnify and hold harmless each Selling Holder of Registrable Securities, its officers, directors and agents, and each Person, if any, who controls such Selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission of material fact so made in reliance upon and in conformity with information furnished in writing to the Company by such Selling Holder or on such Selling Holder's behalf expressly for inclusion therein. The Company also agrees to indemnify any Underwriters of the Registrable Securities, their officers and directors and each Person who controls such Underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Selling Holders provided in this Section 2.4, *provided* that the foregoing indemnity with respect to any

preliminary prospectus shall not inure to the benefit of any Underwriter of the Registrable Securities from whom the person asserting any such losses, claims, damages or liabilities purchased the Registrable Securities which are the subject thereof if such person did not receive a copy of the prospectus (or the prospectus as supplemented) at or prior to the confirmation of the sale of such Registrable Securities to such person in any case where such delivery is required by the Securities Act and the untrue statement or omission of a material fact contained in such preliminary prospectus was corrected in the prospectus (or the prospectus as supplemented).

SECTION 2.5 Indemnification by Holders of Registrable Securities. Each Selling Holder agrees, severally but not jointly, to indemnify and hold harmless the Company, its officers, directors and agents and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with respect to information relating to such Selling Holder furnished in writing by such Selling Holder or on such Selling Holder's behalf expressly for use in any registration statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto, or any preliminary prospectus. In case any action or proceeding shall be brought against the Company or its officers, directors or agents or any such controlling person, in respect of which indemnity may be sought against such Selling Holder, such Selling Holder shall have the rights and duties given to the Company, and the Company or its officers, directors or agents or such controlling person shall have the rights and duties given to such Selling Holder, by Section 2.4 hereof. Each Selling Holder also agrees to indemnify and hold harmless the Underwriters of the Registrable Securities, their officers and directors and each Person who controls such Underwriters within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act on substantially the same basis as that of the indemnification of the Company provided in this Section 2.5.

SECTION 2.6 Conduct of Indemnification Proceedings. In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Sections 2.4 or 2.5 hereof, such person (an "Indemnified Party") shall promptly notify the person against whom such indemnity may be sought (an "Indemnifying Party") in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel, (ii) the Indemnifying Party has not employed counsel to assume the defense of such proceeding within a reasonable time after receiving notice of the commencement of the proceeding, or (iii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm

of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by (i) in the case of Persons indemnified pursuant to Section 2.4 hereof, by the Selling Holders which owned a majority of the Registrable Securities sold under the applicable registration statement and (ii) in the case of Persons indemnified pursuant to Section 2.5 hereof, the Company. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested an Indemnifying Party to reimburse the Indemnified Party for fees and expenses of counsel as contemplated by the third sentence of this paragraph, the Indemnifying Party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than thirty (30) Business Days after receipt by such Indemnifying Party of the aforesaid request and (ii) such Indemnifying Party shall not have reimbursed the Indemnified Party in accordance with such request prior to the date of such settlement. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding.

SECTION 2.7 Contribution. If the indemnification provided for in Sections 2.4 or 2.5 hereof is unavailable to an Indemnified Party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (i) as between the Company and the Selling Holders on the one hand and the Underwriters on the other, in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other from the offering of the securities, or if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits but also the relative fault of the Company and the Selling Holders on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations and (ii) as between the Company on the one hand and each Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of each Selling Holder in connection with such statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Holders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and the Selling Holders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth

in the table on the cover page of the prospectus. The relative fault of the Company and the Selling Holders on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Holders or by the Underwriters. The relative fault of the Company on the one hand and of each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or such Selling Holder, and the Company's and the Selling Holder's relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Selling Holders agree that it would not be just and equitable if contribution pursuant to thisSection 2.7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in Sections 2.4 and 2.5 hereof shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.7, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no Selling Holder shall be required to contribute any amount in excess of the amount by which the total price at which the securities of such Selling Holder were offered to the public exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Selling Holders' obligations to contribute pursuant to this Section 2.7 are several in the proportion that the proceeds of the offering received by such Selling Holder bears to the total proceeds of the offering received by all the Selling Holders and not joint.

SECTION 2.8 Participation in Underwritten Registrations. No Person may participate in any underwritten registration hereunder unless such Person (a) agrees to sell such Person's securities on the basis provided in the applicable underwriting arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents in customary form and reasonably required under the terms of such underwriting arrangements and these registration rights provided for in this Article II.

SECTION 2.9 Rule 144. The Company covenants that it will file any reports required to be filed by it under the Securities Act and the Exchange Act and that it will take such further

action as any Holder may reasonably request, all to the extent required from time to time to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 or (b) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

SECTION 2.10 Holdback Agreements.

(a) If the Company determines in its good faith judgment that the filing of the Shelf Registration Statement or the use of any related prospectus would require the disclosure of non-public material information that the Company has a bona fide business purpose for preserving as confidential or the disclosure of which would impede the Company's ability to consummate a material action, and that the Company is not otherwise required by applicable securities laws or regulations to disclose, upon written notice of such determination by the Company, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement shall be suspended until the earlier of (i) the date upon which the Company notifies the Holders in writing that suspension of such rights for the grounds set forth in this Section 2.10(a) is no longer necessary and (ii) 120 days. The Company agrees to grant to the Holders any rights granted after the date of this Agreement to holders of shares of another class or series of the Company's preferred stock which limit the Company's ability to suspend the rights of such holders under the registration rights agreement applicable to such shares which are more favorable than the rights granted to the Holders pursuant to this Section 2.10(a). The Company agrees to give such notice as promptly as practicable following the date that such suspension of rights is no longer necessary.

(b) If all reports required to be filed by the Company pursuant to the Exchange Act have not been filed by the required date without regard to any extension, or if the consummation of any business combination by the Company has occurred or is probable for purposes of Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X, upon written notice thereof by the Company to the Holders, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement shall be suspended until the date on which the Company has filed such reports or obtained and filed the financial information required by Rule 3-05, Rule 3-14 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement, and the Company shall notify the Holders as promptly as practicable when such suspension is no longer required.

ARTICLE III
MISCELLANEOUS

SECTION 3.1 Remedies. In addition to being entitled to exercise all rights provided herein and granted by law, including recovery of damages, the Holders shall be entitled to

specific performance of the rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

SECTION 3.2 Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given without the prior written consent of the Company and the Holders or any such Holder's representative if any such Holder is Incapacitated. No failure or delay by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon any breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

SECTION 3.3 Notices. All notices and other communications in connection with this Agreement shall be made in writing by hand delivery, registered first-class mail, telex, telecopier, or air courier guaranteeing overnight delivery:

(1) if to any Unit Holder:

J.P. Morgan Mosaic Fund, LLC
c/o J.P. Morgan Private Investments Inc.
345 Park Avenue
New York, NY 10154-1002
Attn: Andrew Craighead
Facsimile Number: (212) 464-1116

(2) if to the Company, initially at 505 Montgomery Street, San Francisco, California 94111 (Attention: President and Chief Executive Officer), or to such other address as the Company may hereafter specify in writing.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; when received if deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

SECTION 3.4 Successors and Assigns. Except as expressly provided in this Agreement, the rights and obligations of the Holders under this Agreement shall not be assignable by any Holder to any Person that is not a Holder. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

SECTION 3.5 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Each party shall become bound by this Agreement immediately upon affixing

its signature hereto. Counterparts hereof containing facsimile copy signatures shall have the same force and effect as original signed counterparts.

SECTION 3.6 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of California without regard to the choice of law provisions thereof.

SECTION 3.7 Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

SECTION 3.8 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

SECTION 3.9 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

SECTION 3.10 No Third Party Beneficiaries. Nothing express or implied herein is intended or shall be construed to confer upon any person or entity, other than the parties hereto and their respective successors and assigns, any rights, remedies or other benefits under or by reason of this Agreement.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

AMB PROPERTY CORPORATION,
a Maryland corporation

By: /s/ John T. Roberts, Jr.
John T. Roberts, Jr.
Senior Vice President and Director of Markets

AMB PROPERTY II, L.P.,
a Delaware liability partnership

By: AMB Property Holding Corporation,
its General Partner

By: /s/ John T. Roberts, Jr.
John T. Roberts, Jr.
Senior Vice President and Director of Markets

UNIT HOLDERS

J.P. MORGAN MOSAIC FUND, LLC

By: J.P. MORGAN PRIVATE INVESTMENTS INC., as manager of J.P. Morgan Mosaic Fund, LLC

By: /s/ Andrew E. Craighead
Name: Andrew E. Craighead
Title: Vice President

EXHIBIT 4.34

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT, dated as of November 1, 2006, is entered into by and among AMB Property Corporation, a Maryland corporation (the "Company"), AMB Property II, L.P., a Delaware limited partnership (the "Partnership"), J.A. Green Development Corp., a New York corporation (the "JA Green") and JAGI, Inc., a Delaware corporation ("JAGI") (JA Green and JAGI are hereinafter each referred to as a "Unit Holder" and collectively referred to as the "Unit Holders").

RECITALS

WHEREAS, the Company, the Partnership and the Unit Holders as the parties which hold ownership interests in certain industrial/warehouse/office properties (collectively, the "Property") will engage in certain transactions whereby the Unit Holders will contribute to the Partnership its interests in the Property;

WHEREAS, the Unit Holders will receive cash and units of limited partnership interests ("Units") in the Partnership in exchange for its interests in the Property;

WHEREAS, pursuant to the Partnership Agreement (as defined below), Units owned by the Unit Holders will be redeemable for cash or exchangeable for shares of the Company's common stock, par value $.01 per share (the "Common Stock"), upon the terms and subject to the conditions contained therein; and

WHEREAS, the Unit Holders are willing to sell/contribute its interests in the Property in consideration of receiving certain registration rights provided for in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 Definitions. In addition to the definitions set forth above, the following terms, as used herein, have the following meanings:

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, "control" when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" means this Registration Rights Agreement, as it may be amended, supplemented or restated from time to time.

“Articles of Incorporation” means the Articles of Incorporation of the Company as filed with the Secretary of State of the State of Maryland on November 24, 1997, as the same may be amended, modified or restated from time to time.

“Business Day” means any day except a Saturday, Sunday or other day on which commercial banks in New York, New York or San Francisco, California are authorized by law to close.

“Code” means the Internal Revenue Code of 1986, as amended from time to time or any successor statute thereto, as interpreted by the applicable regulations thereunder.

“Commission” means the Securities and Exchange Commission.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Exchangeable Units” means Units which may be redeemable for cash or exchangeable for Common Stock pursuant to Section 23.4 of the Partnership Agreement (without regard to any limitations on the exercise of such exchange right as a result of the Ownership Limit Provisions, as defined below).

“Holder” means any Unit Holder who is the record or beneficial owner of any Registrable Security or any assignee or transferee of such Registrable Security (including assignments or transfers of Registrable Securities to such assignees or transferees as a result of the foreclosure on any loans secured by such Registrable Securities) unless such Registrable Security is acquired in a public distribution pursuant to a registration statement under the Securities Act or pursuant to transactions exempt from registration under the Securities Act, in each such case where securities sold in such action may be publicly resold without subsequent registration under the Securities Act.

“Incapacitated” shall have the meaning set forth in the Partnership Agreement.

“Ownership Limit Provisions” mean the various provisions of the Articles of Incorporation set forth in Article IV thereof restricting the ownership of Common Stock by certain Persons to specified percentages of the outstanding Common Stock.

“Partnership Agreement” means the Thirteenth Amended And Restated Agreement of Limited Partnership of the Partnership, as such agreement may be amended, modified or restated from time to time.

“Person” means an individual or a corporation, partnership, limited liability company, association, trust, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Registrable Securities” means shares of Common Stock of the Company at any time owned, either of record or beneficially, by any Holder issued or issuable upon exchange of Exchangeable Units until (i) a registration statement covering such securities has been declared effective by the Commission and such shares have been sold or transferred pursuant to such effective registration statement, (ii) such shares are sold under circumstances in which all of the

applicable conditions of Rule 144 are met or under which such shares may be sold pursuant to Rule 144(k) under the Securities Act or (iii) such shares have been otherwise transferred in a transaction that would constitute a sale thereof under the Securities Act, the Company has delivered a new certificate or other evidence of ownership for such shares not bearing the Securities Act restricted stock legend and such shares may be resold without subsequent registration under the Securities Act. If as a result of any reclassification, stock dividends or stock splits or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or other transaction or event, any capital stock, evidence of indebtedness, warrants, options, rights or other securities of the Company (collectively "Other Securities") are issued or transferred to a Holder as a result of such Holder holding Registrable Securities held by the Holder, references herein to Registrable Securities shall be deemed to include such Other Securities.

"Rule 144" means Rule 144 under the Securities Act, as amended from time to time (or any successor statute).

"Securities Act" means the Securities Act of 1933, as amended.

"Selling Holder" means a Holder who is selling Registrable Securities pursuant to a registration statement under the Securities Act pursuant to this Agreement.

ARTICLE II
REGISTRATION RIGHTS

SECTION 2.1 Shelf Registration. The Company shall prepare and file, and use its reasonable efforts to cause to become effective, (i) on or as soon as practicable after the first anniversary of the date the Units are issued (the "Issue Date") a "shelf" registration statement with respect to shares of Common Stock issuable upon the exchange of Exchangeable Units covering the issuance by the Company and the resale thereof by the Holders on an appropriate form for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (the "Initial Shelf Registration Statement") and (ii) on or prior to the date (if any) that such Initial Shelf Registration Statement or any Subsequent Registration Statement (as defined below) may no longer be used for offers or sales of the Registrable Securities, a new "shelf" registration statement with respect to the shares of Common Stock issuable upon the exchange of then outstanding Exchangeable Units covering the issuance by the Company and the resale thereof by the Holders on an appropriate form for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (each, a "Subsequent Shelf Registration," and collectively with the Initial Shelf Registration Statement, the "Shelf Registration Statement"), and shall use its reasonable best efforts to keep such Shelf Registration Statement continuously effective for an aggregate period ending when all Registrable Securities covered by the Initial Shelf Registration Statement have been issued and resold.

SECTION 2.2 Registration Procedures; Filings; Information. In connection with any Shelf Registration Statement under Section 2.1 hereof, the Company will use its best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof as quickly as practicable, and in connection therewith:

(a) The Company will as expeditiously as possible prepare and file with the Commission a registration statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the issuance and resale of the Registrable Securities to be registered thereunder in accordance with the intended methods of distribution thereof, and use its reasonable best efforts to cause such filed registration statement to become and remain effective as provided in Section 2.1 hereof.

(b) The Company will, if requested, prior to filing a registration statement or prospectus or any amendment or supplement thereto, furnish to each Selling Holder of the Registrable Securities covered by such registration statement or prospectus copies of such registration statement or prospectus or any amendment or supplement thereto as proposed to be filed, and thereafter furnish to such Selling Holder one conformed copy of such registration statement, each amendment thereof and supplement thereto (in each case including all exhibits thereto and documents incorporated by reference therein; provided, that each such exhibit need only be provided once), and such number of copies of the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Selling Holder may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Selling Holder.

(c) After the filing of the registration statement, the Company will promptly notify each Selling Holder of Registrable Securities covered by such registration statement of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered.

(d) The Company will use its reasonable best efforts to (i) register or qualify the Registrable Securities under such other securities or blue sky laws of such jurisdictions in the United States (where an exemption is not available) as any Selling Holder reasonably (in light of such Selling Holder's intended plan of distribution) requests and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company and do any and all other acts and things that may be reasonably necessary or advisable to enable such Selling Holder to consummate the disposition of the Registrable Securities owned by such Selling Holder; provided that the Company will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (d), (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction.

(e) The Company will promptly notify each Selling Holder of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the occurrence of an event requiring the preparation of a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or

omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances then existing, not misleading and promptly make available to each Selling Holder a reasonable number of copies of any such supplement or amendment. The Company will prepare and file with the Commission such amendments (including post-effective amendments) to the Shelf Registration Statement and such supplements to the prospectus as may be necessary to keep such Shelf Registration Statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Shelf Registration Statement until such time as all of such securities have been disposed of in accordance with the intended methods of disposition.

(f) The Company will make available for inspection by any Selling Holder of such Registrable Securities and any attorney, accountant or other professional retained by any such Selling Holder (collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement. Records which the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each Selling Holder of such Registrable Securities agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of the Company or its Affiliates or otherwise disclosed by it unless and until such is made generally available to the public. Each Selling Holder of such Registrable Securities further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential.

(g) The Company will otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Commission, and make available to its securityholders, as soon as reasonably practicable, an earnings statement covering a period of twelve (12) months, beginning within three (3) months after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder (or any successor rule or regulation hereafter adopted by the Commission).

(h) The Company will use its reasonable best efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(i) The Company will not be required to enter in an underwriting or other similar agreement with respect to the disposition of Registrable Securities.

The Company may require, as a condition precedent to the obligations of the Company under the Agreement, each Selling Holder of Registrable Securities to promptly furnish in writing to the Company such information regarding such Selling Holder, the Registrable Securities held by it and the intended methods of distribution of the Registrable Securities as the Company may from time to time reasonably request and such other information as may be legally required in connection with such registration.

Each Selling Holder agrees that, upon receipt of any notice from the Company of, or such Selling Holder obtains knowledge of, the happening of any event of the kind described in Section 2.2(e) hereof, such Selling Holder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement and prospectus covering such Registrable Securities until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 2.2(e) hereof, and, if so directed by the Company, such Selling Holder will deliver to the Company all copies, other than permanent file copies then in such Selling Holder's possession, of the most recent prospectus and each amendment thereof and supplement thereto covering such Registrable Securities at the time of receipt of such notice. Each Selling Holder of Registrable Securities agrees that it will immediately notify the Company at any time when a prospectus relating to the registration of such Registrable Securities is required to be delivered under the Securities Act of the happening of an event known to such Selling Holder as a result of which information previously furnished by such Selling Holder to the Company in writing for inclusion in such prospectus contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

SECTION 2.3 Registration Expenses. In connection with any registration statement required to be filed hereunder, the Company shall pay the following registration expenses incurred in connection with the registration hereunder (the "Registration Expenses"): (i) all registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) printing expenses, (iv) internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), (v) the fees and expenses incurred in connection with the listing of the Registrable Securities on each securities exchange on which similar securities issued by the Company are then listed, (vi) reasonable fees and disbursements of counsel for the Company and customary fees and expenses for independent certified public accountants retained by the Company and, (vii) the reasonable fees and expenses of any special experts retained by the Company in connection with such registration. The Company shall have no obligation to pay any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities, or any out-of-pocket expenses of the Holders (or the agents who manage their accounts) or any transfer taxes relating to the registration or sale of the Registrable Securities.

SECTION 2.4 Indemnification by the Company. The Company agrees to indemnify and hold harmless each Selling Holder, its officers, directors and agents, and each Person, if any, who controls such Selling Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus relating to the Registrable Securities (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by any omission or alleged omission to state therein a

material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information furnished in writing to the Company by such Selling Holder or on such Selling Holder's behalf expressly for inclusion therein.

SECTION 2.5 Indemnification by Holders of Registrable Securities. Each Selling Holder agrees, severally but not jointly, to indemnify and hold harmless the Company, its officers, directors and agents and each Person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Selling Holder, but only with respect to information relating to such Selling Holder furnished in writing by such Selling Holder or on such Selling Holder's behalf expressly for use in any registration statement or prospectus relating to the Registrable Securities, or any amendment or supplement thereto, or any preliminary prospectus. In case any action or proceeding shall be brought against the Company or its officers, directors or agents or any such controlling person, in respect of which indemnity may be sought against such Selling Holder, such Selling Holder shall have the rights and duties given to the Company, and the Company or its officers, directors or agents or such controlling person shall have the rights and duties given to such Selling Holder, by Section 2.4 hereof. The liability of the Selling Holder pursuant to this Section 2.5 may, in no event, exceed the total price of the sales of Registrable Securities giving rise to the indemnification obligation of such Selling Holder.

SECTION 2.6 Conduct of Indemnification Proceedings. In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Sections 2.4 or 2.5 hereof, such person (an "Indemnified Party") shall promptly notify the person against whom such indemnity may be sought (an "Indemnifying Party") in writing and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party, and shall assume the payment of all fees and expenses. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel, (ii) the Indemnifying Party has not employed counsel to assume the defense of such proceeding within a reasonable time after receiving notice of the commencement of the proceeding, or (iii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) at any time for all such Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Indemnified Parties, such firm shall be designated in writing by (i) in the case of Persons indemnified pursuant to Section 2.4 hereof, by the gelling Holders which owned a majority of the Registrable Securities sold under the applicable registration statement and (ii) in the case of Persons indemnified pursuant to Section 2.5 hereof, the Company. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent,

but if settled with such consent, or if there be a final judgment for the plaintiff, the Indemnifying Party shall indemnify and hold harmless such Indemnified Parties from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested an Indemnifying Party to reimburse the Indemnified Party for fees and expenses of counsel as contemplated by the third sentence of this paragraph, the Indemnifying Party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than thirty (30) Business Days after receipt by such Indemnifying Party of the aforesaid request and (ii) such Indemnifying Party shall not have reimbursed the Indemnified Party in accordance with such request prior to the date of such settlement. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such proceeding.

SECTION 2.7 Contribution. If the indemnification provided for in Sections 2.4 or 2.5 hereof is unavailable to an Indemnified Party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each such Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities as between the Company on the one hand and each Selling Holder on the other, in such proportion as is appropriate to reflect the relative fault of the Company and of each Selling Holder in connection with such statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of each Selling Holder on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or such Selling Holder, and the Company’s and the Selling Holder’s relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Selling Holders agree that it would not be just and equitable if contribution pursuant to this Section 2.7 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in Sections 2.4 and 2.5 hereof shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.7, no Selling Holder shall be required to contribute any amount in excess of the amount by which the total price at which the securities of such Selling Holder to the public exceeds the amount of any damages which such Selling Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Selling Holder’s obligations to contribute pursuant to this Section 2.7 are several in the proportion that the proceeds of the offering received by such Selling Holder bears to the total proceeds of the offering received by all the Selling Holders and not joint.

SECTION 2.8 Rule 144. The Company covenants that it will file any reports required to be filed by it under the Securities Act and the Exchange Act and that it will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144, or (b) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

SECTION 2.9 Holdback Agreements.

(a) If the Company determines in its good faith judgment that the filing of the Shelf Registration Statement under Section 2.1 hereof or the use of any related prospectus would require the disclosure of non-public material information that the Company has a bona fide business purpose for preserving as confidential or the disclosure of which would impede the Company's ability to consummate a material transaction, and that the Company is not otherwise required by applicable securities laws or regulations to disclose, upon written notice of such determination by the Company, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement shall be suspended until the earlier of (i) the date upon which the Company notifies the Holders in writing that suspension of such rights for the grounds set forth in this Section 2.10(b) is no longer necessary and (ii) 90 calendar days ("Delay Period"). The Company agrees to give such notice as promptly as practicable following the date that such suspension of rights is no longer necessary. The Company shall not be entitled to exercise a Delay Period for more than 90 calendar days in the aggregate in any 12-month period.

(b) If all reports required to be filed by the Company pursuant to the Exchange Act have not been filed by the required date after giving effect to any extension, or if the consummation of any business combination by the Company has occurred or is probable for purposes of Rule 3-05 or Article 11 of Regulation S-X under the Exchange Act, upon written notice thereof by the Company to the Holders, the rights of the Holders to offer, sell or distribute any Registrable Securities pursuant to the Shelf Registration Statement or to require the Company to take action with respect to the registration or sale of any Registrable Securities pursuant to the Shelf Registration Statement shall be suspended until the date on which the Company has filed such reports or obtained and filed the financial information required by Rule 3-05 or Article 11 of Regulation S-X to be included or incorporated by reference, as applicable, in the Shelf Registration Statement, and the Company shall notify the Holders as promptly as practicable when such suspension is no longer required.

ARTICLE III
TRANSFER RESTRICTIONS

SECTION 3.1 Transfer of Common Stock. Each Unit Holder agrees that in no event will it transfer, sell, assign, pledge, hypothecate or otherwise dispose of (each, a "Transfer") any Registrable Securities other than pursuant to an effective registration statement or, if requested by the Company, at the expense of such Unit Holder or its designee, such Unit Holder shall furnish to the Company an opinion of counsel and such other information, reasonably satisfactory to the Company to the effect that such Transfer may be consummated without registration under the Securities Act.

SECTION 3.2 Legend.

(a) Unless Registrable Securities are issued pursuant to an effective registration statement, all Registrable Securities shall bear legends in substantially the following form:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") AND, THEREFORE, MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, OR (B) IF THE CORPORATION HAS BEEN FURNISHED WITH A SATISFACTORY OPINION OF COUNSEL FROM THE HOLDER OF THE SHARES REPRESENTED HEREBY, OR OTHER EVIDENCE SATISFACTORY TO THE CORPORATION, THAT SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION IS EXEMPT FROM REGISTRATION UNDER THE ACT AND STATE SECURITIES LAWS.

(b) Any certificates for Registrable Securities shall also bear any other legend required by any applicable state securities law and a legend regarding the ownership limitations set forth in the Company's Articles of Incorporation, as amended.

(c) In addition, the Company shall make a notation regarding the applicable restrictions on transfer of Registrable Securities in its stock records, and any such Registrable Securities shall be transferred on the records of the Company only if transferred or sold in compliance with the provisions of this Agreement.

ARTICLE IV
MISCELLANEOUS

SECTION 4.1 Remedies. In addition to being entitled to exercise all rights provided herein and granted by law, including recovery of damages, the Holders shall be entitled to specific performance of the rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

SECTION 4.2 Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given without the prior written consent of the Company and the Holders or any such Holder's representative if any such Holder is Incapacitated. No failure or delay by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon any breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

SECTION 4.3 Notices. All notices and other communications in connection with this Agreement shall be made in writing by hand delivery, registered first-class mail, telex, telecopier, or air courier guaranteeing overnight delivery:

(1) if to any Unit Holder, initially to c/o J.A. Green Development Corp., 756 Port America Place, Suite 800, Grapevine, Texas 76051 (Attention: General Counsel, or to such other address and to such other Persons as the Unit Holders may hereafter specify in writing; and

(2) if to the Company, initially at Pier 1, Bay 1, San Francisco, California 94111 (Attention: General Counsel), or to such other address as the Company may hereafter specify in writing.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; when received if deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and on the next Business Day, if timely delivered to an air courier guaranteeing overnight delivery.

SECTION 4.4 Successors and Assigns. Except as expressly provided in this Agreement, the rights and obligations of the Holders under this Agreement shall not be assignable by any Holder to any Person that is not a Holder. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

SECTION 4.5 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Each party shall become bound by this Agreement immediately upon affixing its signature hereto. Counterparts hereof containing facsimile copy signatures shall have the same force and effect as original signed counterparts.

SECTION 4.6 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to the choice of law provisions thereof.

SECTION 4.7 Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

SECTION 4.8 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Registrable Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

SECTION 4.9 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

SECTION 4.10 No Third Party Beneficiaries. Nothing express or implied herein is intended or shall be construed to confer upon any person or entity, other than the parties hereto and their respective successors and assigns, any rights, remedies or other benefits under or by reason of this Agreement.

SECTION 4.11 Survival. The indemnification provided for under this Agreement will (i) remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party, (ii) survive the transfer of securities and (iii) survive the termination of this Agreement.

SECTION 4.12 Authority. Each party represents to the other that this Agreement has been duly authorized, executed and delivered by such party, is, assuming the due authorization, execution and delivery of this Agreement by the other parties hereto, a legal, valid and binding obligation of such party enforceable against such party in accordance with such party's respective terms except as such enforceability may be subject to the effects of bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors and of general principles of equity, and does not violate any provision of such parties' organizational documents or any material agreement or judicial order to which such party is subject.

INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

AMB PROPERTY CORPORATION,
a Maryland corporation

By: /s/John T. Meyer
Its: Senior Vice President

AMB PROPERTY II, L.P,
a Delaware limited partnership

By Texas AMB I, LLC,
a Delaware limited liability company

By: AMB Property Holding Corporation,
a Maryland corporation
its managing member

By: /s/John T. Meyer
Name: John T. Meyer
Its: Senior Vice President

J.A. GREEN DEVELOPMENT CORP.,
a New York corporation

By: /s/ Daniel Green
Daniel Green
President

JAGI, INC.,
a Delaware corporation

By: /s/ Daniel Green
Daniel Green
President

Exhibit 21.1

SUBSIDIARIES OF REGISTRANT

Name of Subsidiary	Jurisdiction of Organization And Type of Entity
AMB Property, L.P.	Delaware limited partnership
AMB Property II, L.P.	Delaware limited partnership

EXHIBIT 23.1

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 and 333-135210) and Forms S-8 (Nos. 333-42015, 333-78779, 333-90042 and 333-100214) 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, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
San Francisco, California
February 23, 2007

EXHIBIT 31.1

CERTIFICATIONS

I, Hamid R. Moghadam, certify that:

(1) I have reviewed this annual report on Form 10-K 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 officers 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 officers 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.

Date: February 23 , 2007

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

I, Michael A. Coke, certify that:

(1) I have reviewed this annual report on Form 10-K 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 officers 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 officers 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.

Date: February 23, 2007

By: /s/ Michael A. Coke
Michael A. Coke
Chief Financial Officer and
Executive Vice President

EXHIBIT 32.1

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 Annual Report on Form 10-K 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.

Date: February 23, 2007

/s/ HAMID R. MOGHADAM
Hamid R. Moghadam
Chairman of the Board, President and
Chief Executive Officer

/s/ Michael A. Coke
Michael A. Coke
Chief Financial Officer and
Executive Vice President

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.