SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (date of earliest event reported): January 13, 2004

AMB PROPERTY CORPORATION

(Exact name of registrant as specified in its charter)

Maryland	001-13545	94-3281941
(State or other jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

Pier 1, Bay 1, San Francisco, California 94111

(Address of principal executive offices) (Zip Code)

415-394-9000

(Registrants' telephone number, including area code)

n/a

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

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ITEM 5 OTHER EVENTS.

On January 13, 2004, we reported fourth quarter and full year 2003 earnings per share (EPS) of $0.32 and $1.47, respectively.

Fourth quarter 2003 EPS decreased 25.6% from EPS of $0.43 in the same period of 2002. EPS for fourth quarter 2003 included $0.04 per share in net gains on disposition of real estate while the same period in the prior year included $0.16 per share in net gains. Full year 2003 EPS increased 7.3% from EPS of $1.37 in the same period of 2002.

Occupancy in our industrial operating portfolio increased 110 basis points over the prior quarter reaching 93.1% at December 31, 2003, compared with 92.0% at September 30, 2003 and 94.6% at December 31, 2002. Cash-basis same store net operating income decreased 14.5% in the quarter and decreased 5.6% for the full year, primarily reflecting the impact of lower occupancy and rental rate levels from the same period last year. Tenant retention in our operating portfolio increased from the prior quarter to 70.4% in the fourth quarter and totaled 65.3% for the full year 2003. Rents on renewal and rollover of leases decreased by 15.7% during the quarter and 10.1% for the year.

Investment Activity

During the fourth quarter, we acquired twelve properties for a total investment of $345 million, and completed $28 million in non-core and opportunistic dispositions. For the full year, acquisitions totaled $534 million; dispositions, including both direct sales and contributions of assets, totaled $366 million.

We completed and stabilized seven industrial development projects during the fourth quarter in the U.S., Mexico and France, comprising 821,000 square feet, for a total investment of $56 million. We began six new development and redevelopment projects during the quarter, representing 1.8 million square feet at an estimated total investment of $80 million. Our industrial development and renovation pipeline now stands at 16 projects in North America, Europe and Asia, totaling an estimated five million square feet with deliveries slated through 2006. Total investment in the development pipeline is estimated at $233 million, of which 39% has been funded and 34% is preleased.

Other investment activity for the year included the repurchase of 812,900 shares of our common stock for a total investment of $21 million, at a weighted average purchase price of $26.10 per share. In December 2003, our Board of Directors adopted a new two-year common stock repurchase program authorizing the acquisition of up to $200 million of our common shares. Since our IPO, we have repurchased more than six million shares of common stock for a total investment of $151 million, at a weighted average purchase price of $24.05 per share.

Financing Activities

During the quarter, AMB Property, L.P. redeemed at par all of its 8 5/8% Series B Cumulative Redeemable Preferred Limited Partnership Units and we issued $58 million of 6 3/4% Series M Cumulative Redeemable Preferred Stock. As a result of this and other refinancing activity during 2003, we reduced the weighted average coupon on our outstanding preferred stock and units by 64 basis points.

AMB Property, L.P. issued $75 million of unsecured notes under its medium term note program during the quarter with a 5.53% coupon and ten-year term. Additionally, AMB Property, L.P. issued $50 million of floating-rate notes with a three-year term at 40 basis points over three-month LIBOR — 20 basis points below AMB Property, L.P.'s marginal borrowing rate of LIBOR plus 60 basis points on its $500 million line of credit.

Promotions and Addition of Company Officers

We announced four officer promotions effective January 1, 2004. A. Brent Elkins and Ellen F. Hall are now vice presidents of international transactions. Brent and Ellen are focused on our investments in Japan and Europe, respectively. Jonathan M. Hill and Christos F. Kombouras have been promoted to vice presidents, regional managers. Jon is responsible for our assets in the San Francisco East Bay; Chris is an asset manager with our Midwest team.

We further announced that two new vice presidents have joined the our U.S. development group reporting to Eugene F. Reilly, our executive vice president of North American development. Jay R. Cornforth is responsible for East Coast development and James McGill runs our Midwest development. Jay and Jim will work out of our Boston and Chicago offices, respectively.

Supplemental Earnings Measure

We report funds from operations per fully diluted share and unit (FFOPS) in accordance with the standards established by NAREIT. Fourth quarter 2003 FFOPS was $0.59, compared with $0.61 in the same period of 2002. FFOPS for the full year ended December 31, 2003 was $2.13, compared with $2.40 for the same period in 2002. Effective January 1, 2003, to comply with NAREIT's definition of FFO, we no longer add back impairment losses when calculating FFOPS. For comparative purposes, FFOPS for the fourth quarter and full year 2002 have been adjusted by $0.03 in each period to reflect impairment losses.

In the footnotes to the following financial statements, we provide a discussion of why management believes FFO is a useful supplemental measure of operating performance, of ways in which investors might use FFO when assessing our financial performance, and of FFO's limitations as a measurement tool.

A reconciliation from net income to funds from operations is provided in the following tables.

CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	As of				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Assets					
Investments in real estate:					
Total investments in properties	$ 5,491,707	$ 5,094,573	$5,016,014	$ 4,869,741	$ 4,925,982
Accumulated depreciation	(474,452)	(442,755)	(412,990)	(382,900)	(362,540)
Net investments in properties	5,017,255	4,651,818	4,603,024	4,486,841	4,563,442
Investment in unconsolidated joint ventures	52,009	56,159	68,566	67,754	64,428
Properties held for divestiture, net	11,751	20,467	73,000	59,742	107,871
Net investments in real estate	5,081,015	4,728,444	4,744,590	4,614,337	4,735,741
Cash and cash equivalents	156,663	152,432	91,161	149,908	117,214
Mortgage receivable	43,145	13,066	13,097	13,112	13,133
Accounts receivable, net	88,452	80,927	83,116	76,056	74,207
Other assets	51,391	70,208	44,300	51,909	52,199
Total assets	$ 5,420,666	$ 5,045,077	$4,976,264	$ 4,905,322	$ 4,992,494
Liabilities and Stockholders' Equity					
Secured debt	$ 1,363,890	$ 1,312,105	$1,215,135	$ 1,250,528	$ 1,284,675
Unsecured senior debt securities	925,000	800,000	800,000	800,000	800,000
Unsecured debt	9,628	9,772	9,909	10,050	10,186
Alliance Fund II credit facility	—	—	—	51,500	45,500
Unsecured credit facility	275,739	91,335	19,420	17,464	95,000
Accounts payable and other liabilities	187,095	179,558	167,621	188,050	181,716
Total liabilities	2,761,352	2,392,770	2,212,085	2,317,592	2,417,077
Minority interests:					
Joint venture partners	659,487	644,413	640,095	497,760	488,524
Preferred unitholders	241,899	305,197	308,369	308,369	308,369
Limited partnership unitholders	91,029	88,553	93,209	94,500	94,374
Total minority interests	992,415	1,038,163	1,041,673	900,629	891,267
Stockholders' equity:					
Common stock	1,563,526	1,565,923	1,578,087	1,591,107	1,588,156
Preferred stock	103,373	48,221	144,419	95,994	95,994
Total stockholders' equity	1,666,899	1,614,144	1,722,506	1,687,101	1,684,150
Total liabilities and stockholders' equity	$ 5,420,666	$ 5,045,077	$4,976,264	$ 4,905,322	$ 4,992,494

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

	For the Quarters Ended December 31,		For the Years Ended December 31,	
	2003	2002	2003	2002
Revenues				
Rental revenues	$ 158,491	$ 155,023	$ 601,700	$ 578,489
Private capital income [1]	5,493	2,725	13,337	11,193
Total revenues	163,984	157,748	615,037	589,682
Costs and expenses				
Property operating costs	(41,869)	(38,632)	(159,907)	(144,129)
Depreciation and amortization	(35,688)	(34,976)	(133,514)	(123,380)
Impairment losses	—	(2,846)	(5,251)	(2,846)
General and administrative	(12,542)	(13,000)	(47,729)	(47,207)
Total costs and expenses	(90,099)	(89,454)	(346,401)	(317,562)
Operating income	73,885	68,294	268,636	272,120
Other income and expenses				
Equity in earnings of unconsolidated joint ventures	1,223	1,231	5,445	5,674
Interest and other income	1,005	539	4,648	10,460
Gains from dispositions of real estate	—	—	7,429	2,480
Development profits, net of taxes	8,929	465	14,441	1,171
Interest, including amortization	(38,810)	(37,068)	(146,773)	(146,200)
Total other income and expenses	(27,653)	(34,833)	(114,810)	(126,415)
Income before minority interests and discontinued operations	46,232	33,461	153,826	145,705
Minority interests' share of income:				
Joint venture partners' share of operating income	(8,525)	(5,741)	(34,412)	(28,940)
Joint venture partners' share of development profits	(4,996)	(74)	(8,442)	(196)
Preferred unitholders	(5,534)	(6,379)	(24,607)	(25,149)
Limited partnership unitholders	(1,076)	(1,198)	(3,778)	(4,661)
Total minority interests share of income	(20,131)	(13,392)	(71,239)	(58,946)
Income from continuing operations	26,101	20,069	82,587	86,759
Discontinued operations:				
Income attributable to discontinued operations, net of minority interests	144	4,765	8,536	20,575
Gains from dispositions of real estate, net of minority interests	3,317	13,176	42,896	16,903
Total discontinued operations	3,461	17,941	51,432	37,478
Net income	29,562	38,010	134,019	124,237
Preferred stock dividends	(1,211)	(2,123)	(6,999)	(8,496)
Preferred stock and unit redemption discount/(issuance costs)	(1,742)	—	(5,413)	412
Net income available to common stockholders	$ 26,609	$ 35,887	$ 121,607	$ 116,153
Net income per common share (diluted)	$ 0.32	$ 0.43	$ 1.47	$ 1.37
Weighted average common shares (diluted)	83,667,798	83,648,772	82,852,528	84,795,987

1) In the quarter and year ended December 31, 2003, private capital income includes incentive distributions of $2.5 million earned from AMB Partners II.

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CONSOLIDATED STATEMENTS OF FUNDS FROM OPERATIONS (3)
(dollars in thousands, except share data)

	For the Quarters Ended December 31, 2003	For the Quarters Ended December 31, 2002	For the Years Ended December 31, 2003	For the Years Ended December 31, 2002
Net income	$ 29,562	$ 38,010	$ 134,019	$ 124,237
Gains from dispositions of real estate, net of minority interests	(3,317)	(13,176)	(50,325)	(19,383)
Real estate related depreciation and amortization:				
Total depreciation and amortization	35,688	34,976	133,514	123,380
Discontinued operations' depreciation	28	2,520	3,381	9,587
FF& E depreciation	(172)	(186)	(720)	(712)
Ground lease amortization(1)	—	(830)	—	(2,301)
Adjustments to derive FFO from consolidated JVs:				
Joint venture partners' minority interests (NI)	8,525	5,741	34,412	28,940
Limited partnership unitholders' minority interests (NI)	1,076	1,198	3,778	4,661
Limited partnership unitholders' minority interests (Development profits)	229	23	344	57
Discontinued operations' minority interests (NI)	43	661	1,968	3,246
FFO attributable to minority interests	(17,756)	(14,298)	(65,603)	(52,051)
Adjustments to derive FFO from unconsolidated JVs:				
AMB's share of net income	(1,223)	(1,231)	(5,445)	(5,674)
AMB's share of FFO	2,135	2,425	9,755	9,291
Preferred stock dividends	(1,211)	(2,123)	(6,999)	(8,496)
Preferred stock and unit redemption discount/(issuance costs)	(1,742)	—	(5,413)	412
Funds from operations	$ 51,865	$ 53,710	$ 186,666	$ 215,194
FFO per common share and unit (diluted)	$ 0.59	$ 0.61	$ 2.13	$ 2.40
FFO per common share and unit (excluding impairment losses and preferred stock redemption issuance costs) (2)	$ 0.61	$ 0.64	$ 2.25	$ 2.43
Weighted average common shares and units (diluted)	88,360,432	88,495,159	87,616,365	89,689,310

1) In the quarter ended June 30, 2003, and effective January 1, 2003, we discontinued our practice of deducting amortization of investments in leasehold interests from FFO as such an adjustment is not provided for in NAREIT's FFO definition. As a result, FFO for the periods presented has been adjusted to reflect the changes.

2) In the quarter ended September 30, 2003, we modified our FFO reporting to no longer add back impairment losses when computing FFO in accordance with NAREIT's FFO definition. Additionally, we adopted EITF D-42 and began including preferred stock and unit redemption discounts and issuance cost write-offs in FFO. As a result, FFO for the periods presented has been adjusted to reflect the changes.

3) We believe that net income, as defined by U.S. GAAP, is the most appropriate earnings measure. However, we consider funds from operations, or FFO, as defined by NAREIT, to be a useful supplemental measure of our operating performance. FFO is defined as net income, calculated in accordance with U.S. 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. In accordance with the NAREIT White Paper on FFO, we include in FFO the effects of straight-line rents. 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 U.S. 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 U.S. GAAP. We believe that the use of FFO, combined with the required U.S. 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 U.S. 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 investments 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.

ITEM 7 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits:

Exhibit Number	Description
99.1	AMB Property Corporation Press Release dated January 13, 2004.

ITEM 12 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On January 13, 2004, we issued a press release entitled "AMB Property Corporation Announces Fourth Quarter and Full Year 2003 Results," which sets forth our results of operations for the fourth quarter of 2003 and the full year 2003. A copy of the press release is attached hereto as Exhibit 99.1. This section and the attached exhibit are provided under Item 12 of Form 8-K and are furnished to, but not filed with, the Securities and Exchange Commission.

Forward Looking Statements

Some of the information included in this report contains forward-looking statements, such as statements pertaining to business strategy, future plans and future performance and operating results. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. The events or circumstances reflected in forward-looking statements might not occur. You can identify forward-looking statements by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "pro forma," "estimates" or "anticipates" or the negative of these words and phrases or similar words or phrases. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and we may not be able to realize them. We caution you not to place undue reliance on forward-looking statements, which reflect our analysis only and speak only as of the date of this report or the dates indicated in the statements. We assume no obligation to update or supplement forward-looking statements. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: defaults on or non-renewal of leases by tenants, increased interest rates and operating costs, our failure to obtain necessary outside financing, difficulties in identifying properties to acquire and in effecting acquisitions, our failure to successfully integrate acquired properties and operations, our failure to divest of properties we have contracted to sell or to timely reinvest proceeds from any divestitures, risks and uncertainties affecting property development and construction (including construction delays, cost overruns, our inability to obtain necessary permits and public opposition to these activities), our failure to qualify and maintain our status as a real estate investment trust, environmental uncertainties, risks related to natural disasters, financial market fluctuations, changes in real estate and zoning laws, risks related to doing business internationally and increases in real property tax rates. Our success also depends upon economic trends generally, including interest rates, income tax laws, governmental regulation, legislation, population changes and certain other matters discussed under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Business Risks” and elsewhere in our most recent annual report on Form 10-K and quarterly report on Form 10-Q.

SIGNATURES

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

AMB Property Corporation
(Registrant)

Date: January 14, 2004

By: /s/ Tamra Browne

Tamra Browne
Senior Vice President, General
Counsel and Secretary

EXHIBIT 99.1

FOR IMMEDIATE RELEASE

AMB PROPERTY CORPORATION ANNOUNCES FOURTH QUARTER AND FULL YEAR 2003 RESULTS

Occupancy Reflects Improving Operating Environment; Company Achieving Significant Traction with Global Expansion

SAN FRANCISCO, January 13, 2004 – AMB Property Corporation (NYSE: AMB), a leading owner and operator of industrial real estate, today reported fourth quarter and full year 2003 earnings per share (EPS) of $0.32 and $1.47, respectively. The results are a penny above the company's EPS guidance for both the quarter and full year.

Fourth quarter 2003 EPS decreased 25.6% from EPS of $0.43 in the same period of 2002. EPS for fourth quarter 2003 included $0.04 per share in net gains on disposition of real estate while the same period in the prior year included $0.16 per share in net gains. Full year 2003 EPS increased 7.3% from EPS of $1.37 in the same period of 2002.

Occupancy in the company's industrial operating portfolio increased 110 basis points over the prior quarter reaching 93.1% at December 31, 2003, compared with 92.0% at September 30, 2003 and 94.6% at December 31, 2002. Cash-basis same store net operating income decreased 14.5% in the quarter and decreased 5.6% for the full year, primarily reflecting the impact of lower occupancy and rental rate levels from the same period last year. Tenant retention in the company's operating portfolio increased from the prior quarter to 70.4% in the fourth quarter and totaled 65.3% for the full year 2003. Rents on renewal and rollover of leases decreased by 15.7% during the quarter and 10.1% for the year.

Hamid R. Moghadam, chairman and CEO, said, "Our fourth quarter occupancy reflects an improving operating environment and continues to demonstrate AMB's ability to outperform the national industrial real estate market. The fourth quarter marks the first time in three-and-a-half years that we have seen sequential quarterly gains in portfolio occupancy levels. Although several more quarters of such improvement will be required before rental rate growth begins, we find the prospects for continued improvement of industrial space demand encouraging. Business spending is strengthening and inventories are hovering at historic lows, which should drive growth in industrial space absorption as inventory restocking and industrial production accelerate."

Investment Activity

During the fourth quarter, AMB acquired twelve properties for a total investment of $345 million, and completed $28 million in non-core and opportunistic dispositions. For the full year, acquisitions totaled $534 million; dispositions, including both direct sales and contributions of assets, totaled $366 million.

AMB completed and stabilized seven industrial development projects during the fourth quarter in the U.S., Mexico and France, comprising 821,000 square feet, for a total investment of $56 million. The company began six new development and redevelopment projects during the quarter, representing 1.8 million square feet at an estimated total investment of $80 million. The company's industrial development and renovation pipeline now stands at 16 projects in North America, Europe and Asia, totaling an estimated five million square feet with deliveries slated through 2006. Total investment in the development pipeline is estimated at $233 million, of which 39% has been funded and 34% is preleased.

AMB's president, W. Blake Baird, commented, "Our fourth quarter acquisition and development activity significantly expanded our global network of air cargo and logistics facilities in the U.S., Europe, Japan and Mexico. Demand for industrial space from our customers appears to be accelerating, resulting in ahead-of-schedule preleasing in our development properties with four properties stabilizing earlier than planned this quarter. Our international platform now accounts for three percent of our business and is expected to grow to 15 percent over the next three to four years."

Other investment activity for the year included the repurchase of 812,900 shares of AMB's common stock for a total investment of $21 million, at a weighted average purchase price of $26.10 per share. In December 2003, the company's Board of Directors adopted a new two-year common stock repurchase program authorizing the acquisition of up to $200 million of the company's common shares. Since its IPO, the company has repurchased more than six million shares of common stock for a total investment of $151 million, at a weighted average purchase price of $24.05 per share.

Financing Activities

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The company issued $75 million of unsecured notes under its medium term note program during the quarter with a 5.53% coupon and ten-year term. Additionally, the company issued $50 million of floating-rate notes with a three-year term at 40 basis points over three-month LIBOR — 20 basis points below the company's marginal borrowing rate of LIBOR plus 60 basis points on its $500 million line of credit.

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Commenting on these promotions, Mr. Moghadam stated, "Each member of this group of talented and dedicated individuals has produced sustained and meaningful results for AMB. Our stockholders will benefit from their leadership and continued contributions as we pursue our mission of enduring excellence."

The company further announced that two new vice presidents have joined the company's U.S. development group reporting to Eugene F. Reilly, AMB's executive vice president of North American development. Jay R. Cornforth is responsible for East Coast development and James McGill runs the company's Midwest development. Jay and Jim will work out of AMB's Boston and Chicago offices, respectively.

Supplemental Earnings Measure

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In the footnotes to the attached financial statements, AMB provides a discussion of why management believes FFO is a useful supplemental measure of operating performance, of ways in which investors might use FFO when assessing the company's financial performance, and of FFO's limitations as a measurement tool.

A reconciliation from net income to funds from operations is provided in the attached tables and published in AMB's quarterly supplemental analyst package, available on the company's website at www.amb.com.

Conference Call and Supplemental Information

The company will host a conference call to discuss its fourth quarter 2003 results on January 14, 2004 at 8:00 AM PST/11:00 AM EST. Stockholders and interested parties may listen to a live broadcast of the conference call by dialing +1 719 457 2621 and using reservation code 695285 or by web cast through a link on the company's website at www.amb.com. If you are unable to listen to the live conference call, a telephone and web cast replay will be available after 12:00 PM PST on Wednesday, January 14, 2004. The telephone replay will be available until 12:00 PM PST on Friday, February 13, 2004 and can be accessed by dialing +1 719 457 0820 and using reservation code 695285. The web cast can be accessed through a link on the company's website at www.amb.com and will be available until 12:00 PM PST on Friday, February 13, 2004.

In addition, the company will post a summary of the guidance given on the call and a supplement detailing the components of net asset value to the Investor Information portion of its website on Friday, January 23, 2004 by 5:00 PM PST.

AMB Property Corporation is a leading owner and operator of industrial real estate, focused on major hub and gateway distribution markets throughout North America, Europe and Asia. As of December 31, 2003 AMB owned, managed and had renovation and development projects totaling 101.5 million square feet (9.4 million square meters) and 1,057 buildings in 36 markets within seven countries. AMB invests in industrial properties located predominantly in the infill submarkets of its targeted markets. The company's portfolio is comprised largely of High Throughput Distribution® facilities — industrial properties built for speed and located near airports, seaports and ground transportation systems.

AMB's press releases are available on the company website at www.amb.com or by contacting the Investor Relations department at +1 877 285 3111.

This document contains forward-looking statements about business strategy and future plans, which are made pursuant to the safe-harbor provisions of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements involve numerous risks and uncertainties and should not be relied upon as predictions of future events. The events or circumstances reflected in our forward-looking statements might not occur. We assume no obligation to update or supplement forward-looking statements. In particular, a number of factors could cause AMB's actual results to differ materially from those anticipated, including, among other things, changes in general economic conditions or in the real estate sector; non-renewal of leases by customers or renewal at lower than expected rent; a downturn in California's economy or real estate conditions; we experience losses in excess of our insurance coverage; difficulties in identifying properties to acquire and in effecting acquisitions on advantageous terms and the failure of acquisitions to perform as we expect; our failure to divest of properties on advantageous terms or to timely reinvest proceeds from any such divestitures; risks and uncertainties affecting property development and renovation (including construction delays, cost overruns, our inability to obtain necessary permits and financings); unknown liabilities acquired from our predecessors or in connections with acquired properties; risks of doing business internationally, including unfamiliarity with new markets and currency risks; risks associated with using debt to fund acquisitions and development, including refinancing risks; our failure to obtain necessary outside financing; changes in local, state and federal regulatory requirements; environmental uncertainties; and our failure to qualify and maintain our status as a real estate investment trust under the Internal Revenue Code of 1986. AMB's success also depends upon economic trends generally, various market conditions and fluctuations. For further information on these and other factors that could impact AMB and the statements contained herein, reference should be made to AMB's filings with the Securities and Exchange Commission, including AMB's quarterly report on Form 10-Q for the quarter ended September 30, 2003. The quarterly financial data contained herein is unaudited and the historical financial information is not necessarily indicative of future results.

AMB CONTACTS

Investors/Analysts		**Media**	
John P. Cummings		Lauren Barr	
Direct	415 733.9565	Direct	415 733.9477
Fax	415 477.2065	Fax	415 394.9001
Email	jcummings@amb.com	Email	lbarr@amb.com

CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	As of				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Assets					
Investments in real estate:					
Total investments in properties	$ 5,491,707	$ 5,094,573	$5,016,014	$ 4,869,741	$ 4,925,982
Accumulated depreciation	(474,452)	(442,755)	(412,990)	(382,900)	(362,540)
Net investments in properties	5,017,255	4,651,818	4,603,024	4,486,841	4,563,442
Investment in unconsolidated joint ventures	52,009	56,159	68,566	67,754	64,428
Properties held for divestiture, net	11,751	20,467	73,000	59,742	107,871
Net investments in real estate	5,081,015	4,728,444	4,744,590	4,614,337	4,735,741
Cash and cash equivalents	156,663	152,432	91,161	149,908	117,214
Mortgage receivable	43,145	13,066	13,097	13,112	13,133
Accounts receivable, net	88,452	80,927	83,116	76,056	74,207
Other assets	51,391	70,208	44,300	51,909	52,199
Total assets	$ 5,420,666	$ 5,045,077	$4,976,264	$ 4,905,322	$ 4,992,494
Liabilities and Stockholders' Equity					
Secured debt	$ 1,363,890	$ 1,312,105	$1,215,135	$ 1,250,528	$ 1,284,675
Unsecured senior debt securities	925,000	800,000	800,000	800,000	800,000
Unsecured debt	9,628	9,772	9,909	10,050	10,186
Alliance Fund II credit facility	—	—	—	51,500	45,500
Unsecured credit facility	275,739	91,335	19,420	17,464	95,000
Accounts payable and other liabilities	187,095	179,558	167,621	188,050	181,716
Total liabilities	2,761,352	2,392,770	2,212,085	2,317,592	2,417,077
Minority interests:					
Joint venture partners	659,487	644,413	640,095	497,760	488,524
Preferred unitholders	241,899	305,197	308,369	308,369	308,369
Limited partnership unitholders	91,029	88,553	93,209	94,500	94,374
Total minority interests	992,415	1,038,163	1,041,673	900,629	891,267
Stockholders' equity:					
Common stock	1,563,526	1,565,923	1,578,087	1,591,107	1,588,156
Preferred stock	103,373	48,221	144,419	95,994	95,994
Total stockholders' equity	1,666,899	1,614,144	1,722,506	1,687,101	1,684,150
Total liabilities and stockholders' equity	$ 5,420,666	$ 5,045,077	$4,976,264	$ 4,905,322	$ 4,992,494

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

	For the Quarters Ended December 31, 2003	For the Quarters Ended December 31, 2002	For the Years Ended December 31, 2003	For the Years Ended December 31, 2002
Revenues				
Rental revenues	$ 158,491	$ 155,023	$ 601,700	$ 578,489
Private capital income (1)	5,493	2,725	13,337	11,193
Total revenues	163,984	157,748	615,037	589,682
Costs and expenses				
Property operating costs	(41,869)	(38,632)	(159,907)	(144,129)
Depreciation and amortization	(35,688)	(34,976)	(133,514)	(123,380)
Impairment losses	—	(2,846)	(5,251)	(2,846)
General and administrative	(12,542)	(13,000)	(47,729)	(47,207)
Total costs and expenses	(90,099)	(89,454)	(346,401)	(317,562)
Operating income	73,885	68,294	268,636	272,120
Other income and expenses				
Equity in earnings of unconsolidated joint ventures	1,223	1,231	5,445	5,674
Interest and other income	1,005	539	4,648	10,460
Gains from dispositions of real estate	—	—	7,429	2,480
Development profits, net of taxes	8,929	465	14,441	1,171
Interest, including amortization	(38,810)	(37,068)	(146,773)	(146,200)
Total other income and expenses	(27,653)	(34,833)	(114,810)	(126,415)
Income before minority interests and discontinued operations	46,232	33,461	153,826	145,705
Minority interests' share of income:				
Joint venture partners' share of operating income	(8,525)	(5,741)	(34,412)	(28,940)
Joint venture partners' share of development profits	(4,996)	(74)	(8,442)	(196)
Preferred unitholders	(5,534)	(6,379)	(24,607)	(25,149)
Limited partnership unitholders	(1,076)	(1,198)	(3,778)	(4,661)
Total minority interests share of income	(20,131)	(13,392)	(71,239)	(58,946)
Income from continuing operations	26,101	20,069	82,587	86,759
Discontinued operations:				
Income attributable to discontinued operations, net of minority interests	144	4,765	8,536	20,575
Gains from dispositions of real estate, net of minority interests	3,317	13,176	42,896	16,903
Total discontinued operations	3,461	17,941	51,432	37,478
Net income	29,562	38,010	134,019	124,237
Preferred stock dividends	(1,211)	(2,123)	(6,999)	(8,496)
Preferred stock and unit redemption discount/(issuance costs)	(1,742)	—	(5,413)	412
Net income available to common stockholders	$ 26,609	$ 35,887	$ 121,607	$ 116,153
Net income per common share (diluted)	$ 0.32	$ 0.43	$ 1.47	$ 1.37
Weighted average common shares (diluted)	83,667,798	83,648,772	82,852,528	84,795,987

1) In the quarter and year ended December 31, 2003, private capital income includes incentive distributions of $2.5 million earned from AMB Partners II.

CONSOLIDATED STATEMENTS OF FUNDS FROM OPERATIONS (3)
(dollars in thousands, except share data)

	For the Quarters Ended December 31, 2003	For the Quarters Ended December 31, 2002	For the Years Ended December 31, 2003	For the Years Ended December 31, 2002
Net income	$ 29,562	$ 38,010	$ 134,019	$ 124,237
Gains from dispositions of real estate, net of minority interests	(3,317)	(13,176)	(50,325)	(19,383)
Real estate related depreciation and amortization:				
Total depreciation and amortization	35,688	34,976	133,514	123,380
Discontinued operations' depreciation	28	2,520	3,381	9,587
FF& E depreciation	(172)	(186)	(720)	(712)
Ground lease amortization(1)	—	(830)	—	(2,301)
Adjustments to derive FFO from consolidated JVs:				
Joint venture partners' minority interests (NI)	8,525	5,741	34,412	28,940
Limited partnership unitholders' minority interests (NI)	1,076	1,198	3,778	4,661
Limited partnership unitholders' minority interests (Development profits)	229	23	344	57
Discontinued operations' minority interests (NI)	43	661	1,968	3,246
FFO attributable to minority interests	(17,756)	(14,298)	(65,603)	(52,051)
Adjustments to derive FFO from unconsolidated JVs:				
AMB's share of net income	(1,223)	(1,231)	(5,445)	(5,674)
AMB's share of FFO	2,135	2,425	9,755	9,291
Preferred stock dividends	(1,211)	(2,123)	(6,999)	(8,496)
Preferred stock and unit redemption discount/(issuance costs)	(1,742)	—	(5,413)	412
Funds from operations	$ 51,865	$ 53,710	$ 186,666	$ 215,194
FFO per common share and unit (diluted)	$ 0.59	$ 0.61	$ 2.13	$ 2.40
FFO per common share and unit (excluding impairment losses and preferred stock redemption issuance costs) (2)	$ 0.61	$ 0.64	$ 2.25	$ 2.43
Weighted average common shares and units (diluted)	88,360,432	88,495,159	87,616,365	89,689,310

1) In the quarter ended June 30, 2003, and effective January 1, 2003, the Company discontinued its practice of deducting amortization of investments in leasehold interests from FFO as such an adjustment is not provided for in NAREIT's FFO definition. As a result, FFO for the periods presented has been adjusted to reflect the changes.

2) In the quarter ended September 30, 2003, the Company modified its FFO reporting to no longer add back impairment losses when computing FFO in accordance with NAREIT's FFO definition. Additionally, the Company adopted EITF D-42 and began including preferred stock and unit redemption discounts and issuance cost write-offs in FFO. As a result, FFO for the periods presented has been adjusted to reflect the changes.

3) The Company believes that net income, as defined by U.S. GAAP, is the most appropriate earnings measure. However, the Company considers funds from operations, or FFO, as defined by NAREIT, to be a useful supplemental measure of its operating performance. FFO is defined as net income, calculated in accordance with U.S. GAAP, less gains (or losses) from dispositions of real estate held for investment purposes and real estate-related depreciation, and adjustments to derive the Company's pro rata share of FFO of consolidated and unconsolidated joint ventures. In accordance with the NAREIT White Paper on FFO, the Company includes in FFO the effects of straight-line rents. Further, the Company does not adjust FFO to eliminate the effects of non-recurring charges. The Company believes that FFO, as defined by NAREIT, is a meaningful supplemental measure of its operating performance because historical cost accounting for real estate assets in accordance with U.S. 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 U.S. GAAP. The Company believes that the use of FFO, combined with the required U.S. GAAP presentations, has been beneficial in improving the understanding of operating results of real estate investment trusts among the investing public and making comparisons of operating results among such companies more meaningful. The Company considers FFO to be a useful measure for reviewing comparative operating and financial performance because, by excluding gains or losses related to sales of previously depreciated operating real estate assets and real estate depreciation and amortization, FFO can help the investing public compare the operating performance of a company's real estate between periods or as compared to other companies. While FFO is a relevant and widely used measure of operating performance of real estate investment trusts, it does not represent cash flow from operations or net income as defined by U.S. GAAP and should not be considered as an alternative to those measures in evaluating the Company's liquidity or operating performance. FFO also does not consider the costs associated with capital expenditures related to our real estate assets nor is FFO necessarily indicative of cash available to fund our future cash requirements. Further, the Company's computation of FFO may not be comparable to FFO reported by other real estate investments 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.