U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

Date of Report (date of earliest event reported): July 12, 2005

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)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION AND ITEM 7.01 REGULATION FD DISCLOSURE

On July 12, 2005, we disclosed a supplemental analyst package in connection with our earnings conference call for the second quarter of 2005. A copy of the supplemental analyst package is attached hereto as Exhibit 99.1. This section and the attached exhibit are provided under Items 2.02 and 7.01 of Form 8-K and are furnished to, but not filed with, the Securities and Exchange Commission.

Forward Looking Statements

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

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits:

Exhibit Number	Description
99.1	AMB Property Corporation Supplemental Analyst Package for Second Quarter 2005 Earnings Conference Call July 13, 2005

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: July 12, 2005

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

Exhibits

Exhibit Number	Description
99.1	AMB Property Corporation Supplemental Analyst Package for Second Quarter 2005 Earnings Conference Call July 13, 2005


AMB
AMB Property Corporation
Supplemental Analyst Package
2Q2005 Earnings Conference Call 7/13/2005
AMSTERDAM AIRPORT SCHIPHOL
AMB Fokker Logistics Center
AMB Schiphol Distribution Center
AMB Koolhovenlaan Distribution Center 1 & 2
AMB Capronilaan Logistics Center

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Cover: AMB Koolhovenlaan Distribution Centers 1 & 2 are two newly acquired buildings totaling 89,685 square feet (8,332 square meters) adjacent to Amsterdam Airport Schiphol. The buildings are fully leased to global consumer technology and medical supply companies. The Koolhovenlaan buildings increase AMB's customer offerings at Schiphol to 941,754 square feet (87,489 square meters) of existing facilities and properties under current development.

FINANCIAL HIGHLIGHTS

(dollars in thousands, except share data)

	Quarters Ended June 30,			Six Months Ended June 30,		
	2005	Change	2004	2005	Change	2004
Operating Data						
Revenues	$ 172,277	10.4%	$ 155,995	$ 342,967	10.0%	$ 311,897
Adjusted EBITDA [1]	128,549	9.1%	117,785	266,181	14.3%	232,893
Net income available to common stockholders	39,006	127.8%	17,123	83,990	163.1%	31,922
FFO [2]	50,622	3.7%	48,795	100,147	4.0%	96,285
Per diluted share and unit						
EPS	$ 0.45	125.0%	$ 0.20	$ 0.97	155.3%	$ 0.38
FFO [2]	0.55	0.0%	0.55	1.09	0.9%	1.08
Dividends per common share	0.440	3.5%	0.425	0.88	3.5%	0.85
Ratios						
Interest coverage [1]	3.0 x		2.9 x	3.1 x		2.9 x
Fixed charge coverage [1]	2.3 x		2.3 x	2.4 x		2.3 x
FFO payout	80%		77%	81%		79%

	As of		
	June 30, 2005	March 31, 2005	December 31, 2004
Capitalization			
AMB's share of total debt [3]	$ 2,573,040	$ 2,527,494	$ 2,395,046
Preferred equity	392,325	392,325	392,325
Market equity	3,862,441	3,338,920	3,554,108
Total capitalization	$ 6,827,806	$ 6,258,739	$ 6,341,479
Ratios			
AMB's share of total debt-to-AMB's share of total book capitalization [4]	55.4%	55.1%	54.0%
AMB's share of total debt-to-AMB's share of total market capitalization	37.7%	40.4%	37.8%
Total common shares and units outstanding	88,934,860	88,683,130	87,994,744

[1] See the footnotes to the Adjusted EBITDA and Coverage Ratios.
[2] See the footnotes to the Consolidated Statements of Funds from Operations.
[3] See Supplemental Financial Measures Disclosures for a discussion of why management believes the Company's share of total debt is a useful supplemental measure for its management and investors, of ways to use this measure when assessing the Company's financial performance, and the limitations of the measure as a measurement tool.
[4] See Reporting Definitions for definition of "AMB's share of total debt-to-AMB's share of total book capitalization."
[5] See Reporting Definitions for definition of "AMB's share of total debt-to-AMB's share of total market capitalization."

CONSOLIDATED BALANCE SHEETS

(dollars in thousands)

	As of		
	June 30, 2005	March 31, 2005	December 31, 2004
Assets			
Investments in real estate			
Total investments in properties	$ 6,680,432	$ 6,608,737	$ 6,526,144
Accumulated depreciation	(683,679)	(652,085)	(615,646)
Net investments in properties	5,996,753	5,956,652	5,910,498
Investments in unconsolidated joint ventures	121,000	105,127	55,166
Properties held for divestiture, net	75,472	49,455	87,340
Net investments in real estate	6,193,225	6,111,234	6,053,004
Cash and cash equivalents	169,471	215,068	146,593
Mortgages and loans receivable	21,682	21,710	13,738
Accounts receivable, net	173,360	135,768	109,028
Other assets	66,633	71,304	64,580
Total assets	$ 6,624,371	$ 6,555,084	$ 6,386,943
Liabilities and Stockholders' Equity			
Secured debt	$ 1,843,861	$ 1,915,702	$ 1,892,524
Unsecured senior debt securities	1,003,940	1,003,940	1,003,940
Unsecured debt	8,710	8,869	9,028
Unsecured credit facilities	549,397	422,616	351,699
Accounts payable and other liabilities	242,944	258,159	262,286
Total liabilities	3,648,852	3,609,286	3,519,477
Minority interests:			
Joint venture partners	906,527	884,188	828,622
Preferred unitholders	278,378	278,378	278,378
Limited partnership unitholders	89,601	89,377	89,326
Total minority interests	1,274,506	1,251,943	1,196,326
Stockholders' equity:			
Common stock	1,597,809	1,590,651	1,567,936
Preferred stock	103,204	103,204	103,204
Total stockholders' equity	1,701,013	1,693,855	1,671,140
Total liabilities and stockholders' equity	$ 6,624,371	$ 6,555,084	$ 6,386,943

CONSOLIDATED STATEMENTS OF OPERATIONS

(dollars in thousands, except share data)

	For the Quarters Ended June 30,		For the Six Months Ended June 30,	
	2006	2004	2006	2004
Revenues				
Rental revenues	$ 168,839	$ 153,073	$ 336,211	$ 306,546
Private capital income	3,438	2,922	6,756	5,351
Total revenues	172,277	155,995	342,967	311,897
Costs and expenses				
Property operating costs	(43,880)	(39,769)	(87,564)	(80,018)
Depreciation and amortization	(44,503)	(37,740)	(87,539)	(74,580)
General and administrative	(18,629)	(14,731)	(37,428)	(29,298)
Fund costs	(380)	(350)	(744)	(659)
Total costs and expenses	(107,392)	(92,590)	(213,275)	(184,555)
Operating income	64,885	63,405	129,692	127,342
Other income and expenses				
Equity in earnings of unconsolidated joint ventures	7,188	944	8,430	2,653
Other income and expenses, net	893	486	327	1,966
Gains from dispositions of real estate	17,622	-	18,923	-
Development profits, net of taxes	1,975	3,235	19,924	3,235
Interest expense, including amortization	(40,971)	(40,192)	(81,898)	(79,363)
Total other income and expenses	(13,293)	(35,527)	(34,294)	(71,509)
Income before minority interests and discontinued operations	51,592	27,878	95,398	55,833
Minority interests' share of income				
Joint venture partners' share of income	(10,860)	(9,260)	(22,144)	(17,846)
Joint venture partners' share of development profits	(284)	(749)	(10,120)	(749)
Preferred unitholders	(5,368)	(4,912)	(10,736)	(9,824)
Limited partnership unitholders	(739)	(471)	(1,066)	(1,161)
Total minority interests' share of income	(17,251)	(15,392)	(44,066)	(29,580)
Income from continuing operations	34,341	12,486	51,332	26,253
Discontinued operations:				
Income attributable to discontinued operations, net of minority	1,078	4,259	2,909	7,360
Gain from disposition of real estate, net of minority interests	5,370	2,161	33,315	1,875
Total discontinued operations	6,448	6,420	36,224	9,235
Net income	40,789	18,906	87,556	35,488
Preferred stock dividends	(1,783)	(1,783)	(3,566)	(3,566)
Net income available to common stockholders	$ 39,006	$ 17,123	$ 83,990	$ 31,922
Net income per common share (diluted)	$ 0.45	$ 0.20	$ 0.97	$ 0.38
Weighted average common shares (diluted)	87,076,011	84,535,762	86,845,858	84,765,719

CONSOLIDATED STATEMENTS OF FUNDS FROM OPERATIONS [(1)]

(dollars in thousands, except share data)

	For the Quarters Ended June 30, 2005	For the Quarters Ended June 30, 2004	For the Six Months Ended June 30, 2005	For the Six Months Ended June 30, 2004
Net income	$ 40,789	$ 18,906	$ 87,556	$ 35,488
Gain from disposition of real estate, net of minority interests	(22,992)	(2,161)	(52,238)	(1,875)
Depreciation and amortization:				
Total depreciation and amortization	44,503	37,740	87,539	74,580
Discontinued operations' depreciation	427	2,719	1,513	5,527
Non-real estate depreciation	(802)	(161)	(1,547)	(336)
Adjustments to derive FFO from consolidated JVs:				
Joint venture partners' minority interests (Net income)	10,860	9,260	22,144	17,846
Limited partnership unitholders' minority interests (Net income)	739	471	1,066	1,161
Limited partnership unitholders' minority interests (Development profits)	94	143	552	143
Discontinued operations' minority interests (Net income)	168	788	591	1,521
FFO attributable to minority interests	(24,103)	(18,118)	(47,690)	(35,979)
Adjustments to derive FFO from unconsolidated JVs:				
AMB's share of net income	(7,188)	(944)	(8,430)	(2,653)
AMB's share of FFO	4,469	1,935	7,216	4,428
AMB's share of development profits, net of taxes	5,441	-	5,441	-
Preferred stock dividends	(1,783)	(1,783)	(3,566)	(3,566)
Funds from operations	$ 50,622	$ 48,795	$ 100,147	$ 96,285
FFO per common share and unit (diluted)	$ 0.55	$ 0.55	$ 1.09	$ 1.08
Weighted average common shares and units (diluted)	91,795,834	89,288,954	91,566,987	89,520,249

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

ADJUSTED EBITDA [1] AND COVERAGE RATIOS

(dollars in thousands)

	For the Quarters Ended June 30,		For the Six Months Ended June 30,	
	2006	2004	2006	2004
Net income	$ 40,789	$ 18,906	$ 87,556	$ 35,488
Depreciation and amortization	44,503	37,740	87,539	74,580
Stock-based compensation amortization	2,604	2,919	6,944	5,476
Adjustments to derive adjusted EBITDA from unconsolidated JVs:				
AMB's share of net income	(7,188)	(944)	(8,430)	(2,653)
AMB's share of FFO [2]	4,409	1,935	7,216	4,428
AMB's share of interest expense	2,274	955	3,930	1,658
AMB's share of development profits, net of taxes	5,441	-	5,441	-
Interest expense, including amortization	40,971	40,192	81,898	79,363
Total minority interests' share of income	17,251	15,392	44,066	29,580
Total discontinued operations, including gains	(24,070)	(6,420)	(55,147)	(9,235)
Discontinued operations' adjusted EBITDA	1,446	7,110	5,162	14,208
Adjusted EBITDA	$ 128,540	$ 117,785	$ 266,181	$ 232,893
Interest				
Interest expense, including amortization - continuing operations	$ 40,971	$ 40,192	$ 81,898	$ 79,363
Interest expense, including amortization - discontinued operations	(227)	(656)	149	(200)
AMB's share of interest expense from unconsolidated JVs	2,274	955	3,930	1,658
Total interest	$ 43,018	$ 40,491	$ 85,983	$ 80,821
Interest coverage [3]	3.0 x	2.9 x	3.1 x	2.9 x
Fixed charge				
Interest expense, including amortization - continuing operations	$ 40,971	$ 40,192	$ 81,898	$ 79,363
Amortization of financing costs and debt premiums - continuing operations	(576)	(311)	(1,660)	(659)
Interest expense, including amortization - discontinued operations	(227)	(656)	149	(200)
Amortization of financing costs and debt premiums - discontinued operations	-	1,376	(11)	1,393
AMB's share of interest expense from unconsolidated JVs	2,274	955	3,930	1,658
Capitalized interest	6,813	3,435	13,741	5,929
Preferred unit distributions	5,368	4,912	10,736	9,824
Preferred stock dividends	1,783	1,783	3,566	3,566
Total fixed charge	$ 56,406	$ 51,686	$ 112,355	$ 100,874
Fixed charge coverage [4]	2.3 x	2.3 x	2.4 x	2.3 x

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

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

(3) See Reporting Definitions for interest coverage and Supplemental Financial Measures Disclosures for a discussion of why management believes interest coverage is a useful supplemental measure of liquidity.

(4) See Reporting Definitions for fixed charge coverage and Supplemental Financial Measures Disclosures for a discussion of why management believes fixed charge coverage is a useful supplemental measure of liquidity.

SUPPLEMENTAL CASH FLOW INFORMATION

(dollars in thousands)

	For the Quarters Ended June 30,		For the Six Months Ended June 30,	
	2005	2004	2005	2004
Supplemental information:				
Straight-line rents and amortization of lease intangibles	$ 4,864	$ 4,937	$ 9,361	$ 9,105
AMB's share of straight-line rents and amortization of lease intangibles	$ 3,277	$ 3,182	$ 5,700	$ 6,488
Gross lease termination fees	$ 51	$ 249	$ 1,282	$ 1,017
Net lease termination fees	$ 38	$ 176	$ 1,214	$ 813
AMB's share of net lease termination fees	$ 38	$ 180	$ 1,209	$ 566
AMB's share of unconsolidated JV's NOI [1]	$ 1,776	$ 2,760	$ 6,414	$ 5,815
JV Partners' share of cash basis NOI [1]	$ 37,298	$ 28,336	$ 74,073	$ 56,510
Discontinued operations' NOI - Held for Sale [1]	$ 1,196	$ 1,110	$ 2,233	$ 2,208
Discontinued operations' NOI - Sold [1]	$ 191	$ 5,995	$ 2,856	$ 11,948
Stock-based compensation amortization	$ 2,664	$ 2,919	$ 6,944	$ 5,476
Capitalized interest	$ 6,813	$ 3,435	$ 13,741	$ 5,929
Recurring capital expenditures:				
Tenant improvements	$ 5,200	$ 4,699	$ 10,483	$ 10,966
Lease commissions and other lease costs	4,609	5,991	10,178	12,572
Building improvements	6,922	4,086	11,327	6,888
Sub-total	16,731	14,776	31,988	30,426
JV Partners' share of capital expenditures	(4,432)	(2,656)	(7,719)	(7,614)
AMB's share of recurring capital expenditures	$ 12,299	$ 12,120	$ 24,269	$ 22,812

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

CONSOLIDATED INDUSTRIAL OPERATING AND LEASING STATISTICS

(dollars in thousands, except per square foot amounts)

Operating Portfolio [1]	Quarter	Year-to-Date
Square feet owned at June 30, 2005 [3]	90,989,071	90,989,071
Occupancy percentage at June 30, 2005	94.5%	94.5%
Weighted average lease terms:		
Original	6.2 years	6.2 years
Remaining	3.4 years	3.4 years
Tenant retention	56.0%	64.1%
Same Space Leasing Activity: [4]		
Rent increases (decreases) on renewals and rollovers	(14.6%)	(11.5%)
Same space square footage commencing (millions)	2.8	7.0
2nd Generation Leasing Activity:		
TIs and LCs per square foot:		
Retained	$ 1.85	$ 1.72
Re-tenanted	3.32	2.98
Weighted average	$ 2.68	$ 2.34
Square footage commencing (millions)	3.6	8.8

Same Store Pool [2]	Quarter	Year-to-Date
Square feet in same store pool at June 30, 2005	79,276,779	79,276,779
% of total industrial square feet	87.1%	87.1%
Occupancy percentage at period end:		
June 30, 2005	94.4%	94.4%
June 30, 2004	93.7%	93.7%
Tenant retention	55.8%	64.0%
Rent increases (decreases) on renewals and rollovers	(15.3%)	(11.4%)
Same space square footage commencing (millions)	2.8	7.0
Cash basis NOI % change: [5]		
Revenues	0.6%	0.3%
Expenses	(1.4%)	(0.2%)
NOI [5]	1.3%	0.5%
NOI without lease termination fees [5]	1.5%	0.4%

[1] Includes all consolidated industrial operating properties and excludes industrial development and renovation projects. Excludes retail and other properties' square feet of 474,368 with occupancy of 71.4% and annualized base rent of $3.8 million.
[2] The same store pool excludes properties purchased and developments stabilized after December 31, 2003. See Reporting Definitions.
[3] In addition to owned square feet as of June 30, 2005, the Company manages, through its subsidiary, AMB Capital Partners, 0.4 million additional square feet of industrial and other properties. The Company also has investments in 11.4 million square feet of operating industrial properties through its investments in unconsolidated joint ventures.
[4] Consists of second generation leases renewing or re-tenanting with current and prior lease terms greater than one year.
[5] See Supplemental Financial Measures Disclosures for a discussion of why management believes NOI is a useful supplemental measure for our management and investors, of ways to use this measure when assessing financial performance, and the limitations of the measure as a measurement tool.

CONSOLIDATED INDUSTRIAL MARKET OPERATING STATISTICS [1]

As of June 30, 2005

	Atlanta	Chicago	Dallas/ Ft Worth	Los Angeles [2]	No. New Jersey/ New York	San Francisco Bay Area	Miami	Seattle	U.S. On-Tarmac [3]	Total U.S. Hub and Gateway Markets	Total Other Markets	Total/ Weighted Average
Number of buildings	47	101	39	140	129	139	52	65	39	751	213	964
Rentable square feet	5,213,338	9,921,608	3,734,147	13,253,603	9,422,349	11,104,442	5,251,137	7,283,197	3,058,390	68,314,631	22,674,440	90,989,071
% of total rentable square feet	5.7%	10.9%	4.1%	14.6%	10.4%	12.2%	5.8%	8.0%	3.4%	75.1%	24.9%	100.0%
Occupancy percentage	88.1%	92.2%	96.3%	98.5%	95.0%	94.1%	93.4%	97.8%	93.7%	94.9%	93.3%	94.3%
Annualized base rent (000's)	$19,392	$42,996	$13,289	$81,139	$69,401	$68,888	$34,437	$37,211	$47,608	$415,381	$128,609	$543,990
% of total annualized base rent	3.6%	7.9%	2.4%	14.9%	12.8%	12.7%	6.3%	6.8%	8.8%	76.4%	23.6%	100.0%
Number of leases	169	197	124	394	410	409	243	276	250	2,472	822	3,294
Annualized base rent per square foot	$4.22	$4.70	$3.68	$6.21	$7.70	$6.39	$7.23	$5.22	$16.27	$6.41	$6.02	$6.33
Lease expirations as a % of ABR: [4]												
2005	7.7%	6.0%	11.9%	3.6%	5.2%	8.1%	8.9%	8.6%	10.4%	7.4%	6.0%	7.0%
2006	17.4%	24.4%	10.3%	19.9%	15.3%	10.4%	15.3%	18.1%	13.4%	16.3%	11.3%	15.2%
2007	12.9%	29.0%	14.0%	14.2%	13.7%	16.3%	20.7%	18.3%	6.0%	16.1%	13.2%	15.9%
Weighted average lease terms:												
Original	6.2 years	5.8 years	5.3 years	6.1 years	6.9 years	5.3 years	5.7 years	5.8 years	8.6 years	6.0 years	6.8 years	6.2 years
Remaining	3.3 years	2.2 years	3.4 years	3.3 years	3.8 years	3.0 years	3.3 years	3.0 years	4.8 years	3.2 years	3.9 years	3.4 years
Tenant retention:												
Quarter	74.4%	58.4%	0.0%	72.9%	28.2%	66.6%	45.4%	76.7%	76.1%	58.0%	52.1%	56.0%
Year-to-date	84.1%	62.6%	69.7%	66.0%	52.1%	70.2%	58.3%	59.4%	80.3%	65.2%	60.3%	64.1%
Rent increases on renewals and rollovers:												
Quarter	12.6%	(0.3%)	(30.2%)	2.4%	11.2%	(37.9%)	9.7%	(1.2%)	(0.1%)	(15.9%)	(9.3%)	(14.6%)
Same space SF leased	117,174	124,661	22,040	317,342	331,053	469,048	279,210	234,484	155,536	2,090,748	733,412	2,824,160
Year-to-date	3.3%	(5.7%)	(8.1%)	3.5%	9.2%	(30.1%)	2.9%	(0.8%)	0.0%	(12.7%)	(5.4%)	(11.5%)
Same space SF leased	328,964	463,454	355,024	1,773,046	448,928	1,085,117	559,413	347,213	190,243	5,753,382	1,275,567	7,028,949
Same store cash basis NOI % change: [5]												
Quarter	(0.9%)	(1.9%)	16.3%	3.1%	9.4%	(5.0%)	4.3%	9.0%	(11.0%)	1.9%	(0.8%)	1.3%
Year-to-date	(4.7%)	3.9%	9.1%	2.1%	9.1%	(5.1%)	0.6%	6.5%	(11.3%)	1.2%	(1.8%)	0.5%
Sq. feet owned in same store pool [6]	4,642,478	7,540,848	3,613,987	12,228,801	6,884,883	11,104,442	4,658,372	6,837,369	2,941,343	60,472,923	18,803,854	79,276,779
AMB's pro rata share of square feet [7]	2,701,633	8,673,610	2,729,939	10,192,113	5,542,363	8,333,828	4,188,613	3,837,320	2,383,508	48,607,149	18,842,025	67,449,174
Total market square footage [8]	6,297,750	14,358,087	4,663,144	18,284,321	11,023,470	11,320,305	6,215,199	7,461,182	-	79,743,856	33,846,223	113,590,079

(1) Includes all industrial consolidated operating properties and excludes industrial development and renovation projects.
(2) The Company also has a 19.9 acre parking lot with 2,720 parking spaces and 12 billboard signs in the Los Angeles market immediately adjacent to LAX.
(3) Includes domestic on-tarmac cargo facilities at 15 airports.
(4) See Reporting Definitions.
(5) See Supplemental Financial Measures Disclosures for a discussion of why management believes NOI is a useful supplemental measure for our management and investors, of ways to use this measure when assessing financial performance, and the limitations of the measure as a measurement tool.
(6) Same store pool excludes properties purchased or developments stabilized after December 31, 2003. See Reporting Definitions.
(7) Calculated as AMB's pro rata share of square feet on consolidated and unconsolidated operating properties.
(8) Total market square footage includes industrial and retail operating properties, development properties, unconsolidated properties (100% SF), properties managed for third parties and reallocation of On-Tarmac properties into metro markets.

CONSOLIDATED INDUSTRIAL PORTFOLIO OVERVIEW
As of June 30, 2005

	Number of Buildings	Rentable Square Feet	% of Total Rentable Square Feet	Occupancy Percentage	Annualized Base Rent (000's)	% of Total Annualized Base Rent	Number of Leases	Annualized Base Rent per Square Foot
Domestic Hub Markets	751	68,314,631	75.1 %	94.9 %	$ 415,381	76.4 %	2,472	$ 6.41
Other Markets								
Domestic Target Markets								
Austin	10	1,656,254	1.8	94.9	9,806	1.8	36	6.24
Baltimore/Washington DC	54	3,846,567	4.2	96.2	28,981	5.3	261	7.83
Boston	37	4,820,068	5.3	88.2	28,011	5.1	90	6.59
Minneapolis	29	3,676,598	4.0	96.3	15,269	2.8	147	4.31
Subtotal/Weighted Average	130	13,999,487	15.3	93.3	82,067	15.0	534	6.28
Domestic Non-Target Markets								
Charlotte	21	1,317,864	1.4	87.3	5,820	1.0	66	5.06
Columbus	1	240,000	0.3	100.0	672	0.1	4	2.80
Houston	1	410,000	0.5	100.0	2,531	0.5	1	6.17
Memphis	17	1,883,845	2.1	89.0	8,623	1.5	49	5.14
New Orleans	5	410,839	0.5	100.0	2,052	0.4	54	4.99
Newport News	1	60,215	0.1	76.8	583	0.1	2	12.61
Orlando	16	1,424,748	1.6	98.3	6,258	1.2	73	4.47
Portland	5	676,104	0.7	97.4	3,091	0.6	8	4.69
San Diego	5	276,167	0.3	91.4	1,997	0.4	20	7.91
Subtotal/Weighted Average	72	6,699,782	7.5	93.2	31,627	5.8	277	5.06
International Target Markets [1]								
Amsterdam, Netherlands	4	391,776	0.4	100.0	4,129	0.8	4	10.54
Frankfurt, Germany	1	166,917	0.2	100.0	2,023	0.4	1	12.12
Lyon, France	1	262,491	0.3	100.0	1,484	0.3	2	5.65
Mexico City, Mexico	1	131,924	0.1	0.0	-	0.0	-	-
Paris, France	4	1,022,063	1.1	100.0	7,279	1.3	4	7.12
Subtotal/Weighted Average	11	1,975,171	2.1	93.3	14,915	2.8	11	8.09
Total Other Markets	213	22,674,440	24.9	93.3	128,609	23.6	822	6.08
Total/Weighted Average	964	90,989,071	100.0 %	94.5 %	$ 543,990	100.0 %	3,294	$ 6.33

[1] Annualized base rent for leases denominated in foreign currencies is translated using the currency exchange rate at June 30, 2005

UNCONSOLIDATED INDUSTRIAL PORTFOLIO OVERVIEW
As of June 30, 2005

	Number of Buildings	Rentable Square Feet	Occupancy Percentage	Annualized Base Rent (000's)	% of Total Annualized Base Rent	Annualized Base Rent per Square Foot
Domestic Hub Markets						
Atlanta	7	407,028	71.9 %	$ 1,599	2.8 %	$ 5.46
Chicago	36	4,046,721	83.7	18,720	33.3	5.53
Los Angeles	8	2,432,452	100.0	10,327	18.4	4.25
No. New Jersey/New York City	1	212,335	100.0	828	1.5	3.90
Subtotal/Weighted Average	52	7,098,536	89.1	31,474	56.0	4.98
Domestic Target Markets	6	474,172	99.2	1,919	3.4	4.08
Domestic Non-Target Markets	9	1,232,799	94.3	3,759	6.7	3.23
International Target Markets [1]						
Guadalajara, Mexico	5	687,088	100.0	4,169	7.4	6.07
Mexico City, Mexico	4	960,534	99.2	4,414	7.8	4.63
Tokyo, Japan	6	915,401	100.0	10,512	18.7	11.48
Subtotal/Weighted Average	15	2,563,023	99.7	19,095	33.9	7.47
Total/Weighted Average	82	11,368,530	92.5 %	$ 56,247	100.0 %	$ 5.35

COMBINED INDUSTRIAL PORTFOLIO SUMMARY [2]

	Number of Buildings	Rentable Square Feet	Occupancy Percentage	Annualized Base Rent (000's)	% of Total Annualized Base Rent	Annualized Base Rent per Square Foot
Domestic Hub Markets	803	75,413,167	94.4 %	$ 446,855	74.4 %	$ 6.28
Domestic Target	136	14,473,659	93.5	83,986	14.0	6.21
Domestic Non-Target	81	7,932,581	93.4	35,386	5.9	4.78
International	26	4,538,194	96.9	34,010	5.7	7.73
Total/Weighted Average	1,046	102,357,601	94.3 %	$ 600,237	100.0 %	$ 6.22

(1) Annualized base rent for leases denominated in foreign currencies is translated using the currency exchange rate at June 30, 2005
(2) Includes all consolidated and unconsolidated industrial operating properties on a 100% basis

CONSOLIDATED INDUSTRIAL LEASE EXPIRATIONS [1]
As of June 30, 2005
(dollars in thousands)

	Square Feet	Annualized Base Rent [2]	% of Annualized Base Rent
2005	6,002,588	$ 40,609	7.0%
2006	14,272,333	87,496	15.2%
2007	15,138,248	91,820	15.9%
2008	13,696,037	83,919	14.6%
2009	11,283,843	68,574	11.9%
2010	9,529,987	70,970	12.3%
2011	4,195,051	32,551	5.6%
2012	3,978,061	35,202	6.1%
2013	1,322,155	14,372	2.5%
2014 and beyond	6,767,026	51,155	8.9%
Total	86,185,329	$ 576,668	100.0%

[1] Schedule includes in-place leases and leases with future commencement dates. Schedule also includes leases in month-to-month and hold-over status totaling 2.1 million square feet.
[2] Calculated as monthly rent at expiration multiplied by 12. Non-U.S. Dollar projects are converted to U.S. Dollars using the budgeted exchange rate at expiration.

TOP 25 CUSTOMERS
As of June 30, 2005

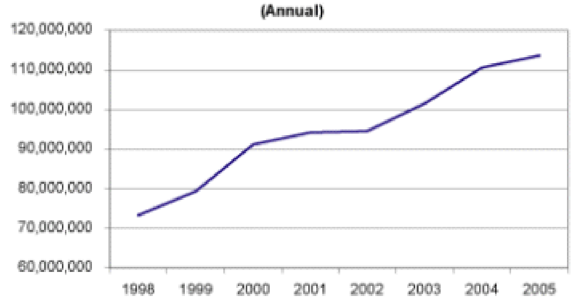
(dollars in thousands)

Customer Name [1]	Number of Leases	Aggregate Rentable Square Feet	Percentage of Aggregate Leased Square Feet [2]	Annualized Base Rent [3]	Percentage of Aggregate Annualized Base Rent [4]
United States Government [5][6]	50	930,779	1.0%	$ 18,299	3.3%
FedEx Corporation [5]	25	1,324,093	1.4%	13,575	2.5%
Deutsche Post World Net [5]	30	985,081	1.1%	8,197	1.5%
Harmonic Inc	4	285,480	0.3%	6,634	1.2%
Expeditors International	9	1,107,752	1.2%	5,648	1.0%
LaPoste	2	854,435	0.9%	5,543	1.0%
Worldwide Flight Services [5]	16	352,723	0.4%	4,566	0.8%
International Paper Company	7	525,893	0.6%	4,198	0.8%
Exel, Inc	11	460,169	0.5%	3,732	0.7%
UPS	14	541,953	0.6%	3,721	0.7%
Panalpina, Inc	7	572,935	0.6%	3,640	0.7%
Nippon Express USA	5	429,040	0.5%	3,361	0.6%
Forward Air Corporation	7	462,714	0.5%	3,344	0.6%
Ahold NV	7	680,565	0.7%	2,881	0.5%
BAX Global Inc [5]	8	187,514	0.2%	2,852	0.5%
Elmhult Limited Partnership	5	760,253	0.8%	2,686	0.5%
Aeroground Inc	6	201,367	0.3%	2,677	0.5%
Eagle Global Logistics, LP.	7	423,410	0.5%	2,599	0.5%
Virco Manufacturing Company	1	559,000	0.6%	2,566	0.5%
United Air Lines Inc [5]	5	118,825	0.1%	2,456	0.4%
County of Los Angeles [7]	10	148,410	0.2%	2,450	0.4%
Integrated Airline Services [5]	6	233,656	0.3%	2,230	0.4%
Applied Materials, Inc	1	290,557	0.3%	2,152	0.4%
Kintetsu World Express	5	167,027	0.2%	2,112	0.4%
NCS Pearson	2	280,076	0.3%	2,088	0.4%
Total		12,883,707	14.1%	$ 114,207	20.8%

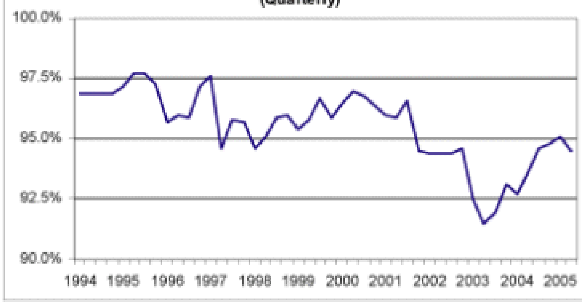
[1] Customer(s) may be a subsidiary of or an entity affiliated with the named customer. The Company also holds a lease at our Park One property adjacent to LAX with an ABR of $7,217, which is not included.
[2] Computed as aggregate leased square feet divided by the aggregate leased square feet of the industrial and retail properties.
[3] See Reporting Definitions.
[4] Computed as aggregate annualized base rent divided by the aggregate annualized base rent of the industrial, retail and other properties.
[5] Apron rental amounts (but not square footage) are included.
[6] United States Government includes the United States Postal Service (USPS), United States Customs, United States Department of Agriculture (USDA) and various other U.S. governmental agencies.
[7] County of Los Angeles includes Child Support Services Department, the Fire Department, the District Attorney, the Sheriff's Department and the City of Los Angeles.

CONSOLIDATED HISTORICAL INDUSTRIAL OPERATING AND LEASING STATISTICS

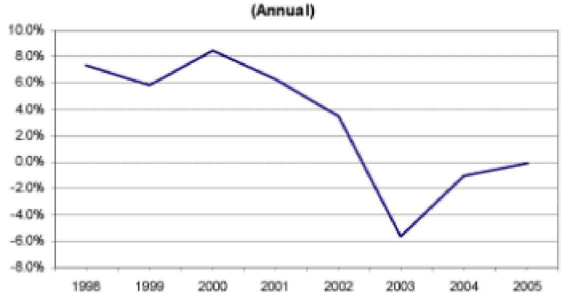
Total Market Square Footage (Annual)



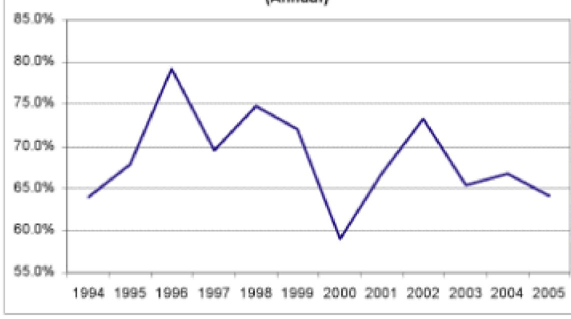
Occupancy Percentage (Quarterly)



Same Store NOI % Change (Annual)



Tenant Retention (Annual)



ACQUISITIONS
For the Quarter ended June 30, 2005
(dollars in thousands)

Property Name	Location	Number of Buildings	Square Feet	Month of Acquisition	Acquisition Cost	AMB's Ownership Percentage
Property Acquisitions						
AMB Alliance Fund III						
1. AMB Airlogistics Center	Atlanta, GA	3	456,580	June	$ 27,351	20%
2. AMB EnergyPark Distribution	St Paul, MN	1	250,000	June	13,363	20%
3. AMB Seaboard Industrial Park	Miami, FL	3	65,200	June	3,309	20%
Subtotal		7	771,780		44,023	
AMB Property Corporation						
4. AMB Kollenbergweg Distribution	Amsterdam, Netherlands	2	89,685	May	11,783	100%
5. AMB Starboard Distribution	Los Angeles, CA	1	559,000	June	38,652	100%
6. Sumner Landing North	Seattle, WA	1	427,628	June	26,978	100%
7. AMB L'Isle d'Abeau Logistics Park	Lyon, France	1	262,491	June	18,429	100%
Subtotal		5	1,338,804		95,842	
Total Second Quarter Property Acquisitions		12	2,110,584		$ 139,865 [1]	75%
Weighted Average Stabilized Cap Rate GAAP/Cash					7.1%/6.8%	
Total Year-to-Date Property Acquisitions		18	2,927,719		$ 217,674	62%
Weighted Average Stabilized Cap Rate GAAP/Cash					7.3%/6.9%	
Other Acquisitions						
None		n/a	n/a		n/a	n/a
Total Second Quarter Other Acquisitions		-	-		-	n/a
Total Year-to-Date Other Acquisitions		-	-		$ 46,109	43%
Total Year-to-Date Acquisitions					$ 263,783	59%

[1] Represents the total expected investment, including closing costs and estimated acquisition capital of $5.0 million

OPERATING PROPERTY DISPOSITIONS
For the Quarter ended June 30, 2005
(dollars in thousands)

Property Name	Location	Number of Buildings or Centers	Square Feet	Month of Disposition	Disposition Price	AMB's Ownership Percentage
1. 2 Hampshire	Foxboro, MA	1	114,023	April	$ 19,250	90%
2. 1387 Ardmore	Itasca, IL	1	24,722	June	1,768	100%
3. Sunrise 3	Sunrise, FL	1	150,807	June	9,600	100%
4. 1125 Isuzu Parkway	Grand Prairie, TX	1	45,412	June	2,599	50%
Total Second Quarter Dispositions		4	334,964		$ 33,217	90%
Weighted Average Stabilized Cash Cap Rate					8.1%	
Total Year-to-Date Dispositions		28	1,854,322		$ 175,270	75%
Weighted Average Stabilized Cash Cap Rate					7.8%	

CONTRIBUTIONS TO PRIVATE CAPITAL JOINT VENTURES
For the Quarter ended June 30, 2005
(dollars in thousands)

Property Contributions	Location	Number of Buildings	Square Feet	Contribution Value	AMB's Retained Ownership Percentage
AMB Japan Fund I					
1. Saitama Distribution Center	Tokyo, Japan	2	363,049		
2. Funabashi Distribution Center	Tokyo, Japan	4	552,352		
Total Japan Fund I Contributions		6	915,401	$ 106,900	20%
AMB-SGP Mexico					
3. Agave Bldg 1	Mexico City, Mexico	1	391,457	$ 23,600	20%
Total Second Quarter Property Contributions		7	1,306,858	$ 130,500	20%
Weighted Average Stabilized Cash Cap Rate				7.5%	
Total Year-to-Date Property Contributions		7	1,306,858	$ 130,500	20%
Weighted Average Stabilized Cash Cap Rate				7.5%	

NEW DEVELOPMENT & RENOVATION PROJECTS (1)
For the Quarter ended June 30, 2005

(dollars in thousands)

Projects	Location	Developer	Estimated Stabilization Date	Estimated Square Feet	Estimated Total Investment (1)	AMB's Ownership Percentage
1. AMB Redlands - Parcel 1	Redlands, CA	AMB	Q1 06	699,350	$ 24,800	100%
2. Beacon Lakes Village Phase I - Bldg 2E	Miami, FL	Codina	Q4 06	56,430	5,100	79%
3. Agave - Bldg 4	Mexico City, Mexico	G. Accion	Q4 06	217,514	13,300	98%
4. AMB Horizon Creek - Bldg. 400	Atlanta, GA	Seefried Properties	Q4 06	204,256	9,100	100%
5. AMB Milton 401 Business Park - Bldg#1	Toronto, Canada	AMB	Q4 06	373,245	17,600	100%
6. AMB Annagem Distribution Centre	Toronto, Canada	AMB	Q4 06	194,330	12,200	100%
Total Second Quarter New Projects				1,745,125	$ 82,100	98%
Weighted Average Estimated Stabilized GAAP Yield (2)(3)					8.6%	
Total Year-to-Date New Projects				2,562,403	$ 172,100	90%
Weighted Average Estimated Stabilized GAAP Yield (2)(3)					8.3%	

(1) Represents total estimated cost of renovation, expansion, or development, including initial acquisition costs, third party developer earnouts (if triggered by stabilization) and associated carry costs. The estimates are based on the Company's current estimates and forecasts and are subject to change. Non-U.S. Dollar investments are translated to U.S. Dollars using the exchange rate at June 30, 2005.
(2) Yields on international projects are on an after-tax basis.
(3) Yields exclude value-added conversion projects.

DEVELOPMENT & RENOVATION PROJECTS IN PROCESS [1]

As of June 30, 2005

(dollars in thousands)

Projects	Location	Developer	Estimated Stabilization	Estimated Square Feet at Stabilization		Estimated Total Investment [1]	AMB's Ownership Percentage
Remaining 2005 Deliveries							
1 Sterling Distribution 2 [4]	Chino, CA	Majestic Realty	Q3	490,000	$	17,300	40%
2 Interstate Crossdock [3]	Teterboro, NJ	AMB	Q3	616,992		50,800	100%
3 Beacon Lakes 9	Miami, FL	Codina	Q3	206,656		10,200	79%
4 Platinum Triangle Land [7]	Anaheim, CA	AMB	Q4	-		22,700	100%
5 Sterling Distribution 3 [4]	Chino, CA	Majestic Realty	Q4	390,000		13,900	40%
6 Spinnaker Logistics [3]	Redondo Beach, CA	IAC	Q4	279,431		28,900	39%
7 Encino Distribution Center [5]	Mexico City, Mexico	G Accion	Q4	571,267		31,000	98%
8 AMB West O'Hare Bldg 1	Elk Grove Village, IL	AMB	Q4	189,240		14,900	20%
9 AMB Amagasaki Distribution Center [5]	Osaka, Japan	AMB Blackpine	Q4	973,037		94,200	100%
10 Monarch Commerce Center - Bldg 2	Miramar, FL	AMB	Q4	32,151		2,300	100%
Total Remaining 2005 Deliveries				3,748,774	$	286,200	82%
Leased or Under Contract For Sale/Funded-to-date				87%	$	231,100 [2]	
Weighted Average Estimated Stabilized GAAP Yield [5][6]						8.8%	

Continued on next page

[1] Represents total estimated cost of renovation, expansion or development, including initial acquisition costs, third party developer earnouts (if triggered by stabilization) and associated carry costs. The estimates are based on the Company's current estimates and forecasts and are subject to change. Excludes 1,307 acres of land held for future development or sale representing a potential 21.2 million square feet totaling $240.2 million, including acquisition and carry costs. Non-US Dollar investments are translated to US Dollars using the exchange rate at June 30, 2005.

[2] AMB's share of amounts funded to date for 2005, 2006, 2007 and 2008 deliveries was $189.9 million, $307.8 million, $2.0 million and $8.1 million, respectively, for a total of $507.8 million.

[3] Represents a renovation project. See Reporting Definitions.

[4] Represents projects in unconsolidated joint ventures.

[5] Yields on international projects are on an after-tax basis.

[6] Yields exclude value-added conversion projects.

[7] Represents a value-added conversion project. See Reporting Definitions.

DEVELOPMENT & RENOVATION PROJECTS IN PROCESS [1]
As of June 30, 2005
(dollars in thousands)

Projects	Location	Developer	Estimated Stabilization	Estimated Square Feet at Stabilization	Estimated Total Investment [1]	AMB's Ownership Percentage
2006 Deliveries						
11 Dulles Commerce Center - Bldg 150	Dulles, VA	Seefried Properties	Q1	72,600	$ 5,800	20%
12 Monarch Commerce Center - Bldg 1	Miramar, FL	AMB	Q1	71,903	5,400	100%
13 AMB Layline Distribution Center [3]	Torrance, CA	AMB	Q1	298,000	29,000	100%
14 Nash Logistics Center	El Segundo, CA	IAC	Q1	75,000	12,000	50%
15 Narita Air Cargo 1 - Phase 1 Bldg A [5]	Tokyo, Japan	AMB Blackpine	Q1	108,005	11,500	100%
16 Narita Air Cargo 1 - Phase 1 Bldg B [5]	Tokyo, Japan	AMB Blackpine	Q1	576,842	61,200	100%
17 AMB Redlands - Parcel 1	Redlands, CA	AMB	Q1	699,350	24,800	100%
18 AMB West O'Hare Bldg 2	Elk Grove Village, IL	AMB	Q1	119,708	9,000	20%
19 Monarch Commerce Center - Bldg 3	Miramar, FL	AMB	Q1	37,447	2,700	100%
20 Highway 17 - 50 Broad Street [3]	Carlstadt, NJ	AMB	Q2	120,000	8,700	100%
21 Highway 17 - 55 Madison Street [3]	Carlstadt, NJ	AMB	Q2	150,446	11,900	100%
22 AMB Ohta Distribution Center [5]	Tokyo, Japan	AMB Blackpine	Q2	793,898	179,700	100%
23 Singapore Airport Logistics Center Bldg 2 [4][5]	Changi Airport, Singapore	Boustead Projects PTE	Q2	254,207	11,800	50%
24 Dulles Commerce Center - Bldg 200	Dulles, VA	Seefried Properties	Q2	97,232	7,300	20%
25 Pardee Distribution Center [3]	Carson, CA	AMB	Q3	250,000	17,300	20%
26 Northfield Bldg 700	Dallas, TX	Seefried Properties	Q3	108,640	6,100	20%
27 AMB Fokker Logistics Center 1 [5]	Amsterdam, Netherlands	Delta Group	Q3	236,749	27,600	100%
28 Beacon Lakes - Bldg 10	Miami, FL	Codina	Q3	192,476	11,300	79%
29 Beacon Lakes - Bldg 6	Miami, FL	Codina	Q3	206,494	11,500	79%
30 Beacon Lakes Village - Phase 1 Bldg 2E	Miami, FL	Codina	Q4	56,430	5,100	79%
31 AMB Annagem Distribution Center [5]	Toronto, Canada	AMB	Q4	194,330	12,200	100%
32 AMB Horizon Creek - Bldg 400	Atlanta, GA	Seefried Properties	Q4	204,256	9,100	100%
33 Agave - Bldg 4 [5]	Mexico City, Mexico	G. Acción	Q4	217,514	13,300	98%
34 AMB Milton 401 Business Park - Bldg 1 [5]	Toronto, Canada	AMB	Q4	373,246	17,600	100%
Total 2006 Deliveries				5,514,832	$ 511,900	89%
Leased or Under Contract For Sale/Funded-to-				24%	$ 344,500 [2]	
Weighted Average Estimated Stabilized GAAP Yield [5][6]					8.0%	

Continued on next page

[1] Represents total estimated cost of renovation, expansion or development, including initial acquisition costs, third party developer earnouts (if triggered by stabilization) and associated carry costs. The estimates are based on the Company's current estimates and forecasts and are subject to change. Excludes 1,307 acres of land held for future development or sale representing a potential 21.2 million square feet totaling $240.2 million, including acquisition and carry costs. Non-US Dollar investments are translated to US Dollars using the exchange rate at June 30, 2005.

[2] AMB's share of amounts funded to date for 2005, 2006, 2007 and 2008 deliveries was $139.9 million, $307.8 million, $20 million and $3.1 million, respectively, for a total of $507.8 million.

[3] Represents a renovation project. See Reporting Definitions.

[4] Represents projects in unconsolidated joint ventures.

[5] Yields on international projects are on an after-tax basis.

[6] Yields exclude value-added conversion projects.

[7] Represents a value-added conversion project. See Reporting Definitions.

DEVELOPMENT & RENOVATION PROJECTS IN PROCESS [1]
As of June 30, 2005
(dollars in thousands)

Projects	Location	Developer	Estimated Stabilization	Estimated Square Feet at Stabilization	Estimated Total Investment [1]	AMB's Ownership Percentage
2007 Deliveries						
35 AMB Barajas Logistics Park [4]	Madrid, Spain	Codina Torresbia	Q2	454,779	$ 30,600	80%
Total 2007 Deliveries				454,779	$ 30,600	80%
Leased or Under Contract For Sale/Funded-to-date				0%	$ 2,500 [2]	
Weighted Average Estimated Stabilized GAAP Yield [5][6]					9.2%	
2008 Deliveries						
36 AMB Pekker Logistics Center 3 [4]	Amsterdam, Netherlands	Delta Group	Q1	313,229	$ 39,600	50%
Total 2008 Deliveries				313,229	$ 39,600	50%
Leased or Under Contract For Sale/Funded-to-date				0%	$ 16,100 [2]	
Weighted Average Estimated Stabilized GAAP Yield [5][6]					8.4%	
Total Scheduled Deliveries [4]				10,031,614	$ 868,300	83%
Leased or Under Contract For Sale/Funded-to-date				46%	$ 594,200 [2]	
Weighted Average Estimated Stabilized GAAP Yield [5][6]					8.3%	

[1] Represents total estimated cost of renovation, expansion or development, including initial acquisition costs, third party developer earnouts (if triggered by stabilization) and associated carry costs. The estimates are based on the Company's current estimates and forecasts and are subject to change. Excludes 1,307 acres of land held for future development or sale representing a potential 21.2 million square feet, totaling $240.2 million, including acquisition and carry costs. Non-US Dollar investments are translated to US Dollars using the exchange rate at June 30, 2005.
[2] AMB's share of amounts funded to date for 2005, 2006, 2007 and 2008 deliveries was $189.9 million, $307.8 million, $2.0 million and $8.1 million, respectively, for a total of $507.8 million.
[3] Represents a renovation project. See Reporting Definitions.
[4] Represents projects in unconsolidated joint ventures.
[5] Yields on international projects are on an after-tax basis.
[6] Yields exclude value-added conversion projects.
[7] Represents a value-added conversion project.

DEVELOPMENT & RENOVATION PROJECTS [1]
STABILIZED, SOLD OR CONTRIBUTED
For the Quarter ended June 30, 2005

(dollars in thousands)

Projects Placed in Operations	Location	Developer	Square Feet	Total Investment [1]	AMB's Ownership Percentage
1. Patriot Distribution Center [2]	Mansfield, MA	National Development	429,897	$ 24,300	20%
2. Somerville Distribution Center [2]	Somerville, MA	Campanelli	195,357	19,000	20%
3. MIA Logistics Center	Miami, FL	AMB	145,855	10,200	20%
4. Airport South - Bldg 500	Atlanta, GA	Seefried Properties	116,280	5,600	20%
Total Second Quarter Placed in Operations			887,389	$ 59,100	20%
Leased/Weighted Average Stabilized GAAP Yield			100%	[illegible]	
Total Year-to-Date Placed in Operations			1,069,147	$ 75,900	33%
Leased/Weighted Average Stabilized GAAP Yield			100%	[illegible]	

Projects Sold or Contributed	Location	Sold or Contributed	Square Feet	Gross Price	AMB's Ownership Percentage	AMB's Recognized Share of Net Cash Gain
1. Central Business Park Bldg C	SF Bay Area	Sold	18,926	$ 2,082	100%	
2. Agave Bldg 1	Mexico City, Mexico	Contributed	391,457	23,600	98%	
3. Singapore Logistics Center Bldg 1	Changi Airport, Singapore	Sold	230,432	21,077	50%	
Total Second Quarter Sold or Contributed			640,815	$ 46,759	76%	$ 7,226
Total Year-to-Date Sold or Contributed			664,868	$ 89,626	71%	$ 15,796

(1) Represents total estimated cost of renovation, expansion, or development, including initial acquisition costs, third party developer earnouts (if triggered by stabilization) and associated carry costs. The estimates are based on the Company's current estimates and forecasts and are subject to change. Non-U.S. Dollar investments are translated to U.S. Dollars using the exchange rate at June 30, 2005.
(2) Represents a renovation project. See Reporting Definitions.

COMPLETED DEVELOPMENT PROJECTS AVAILABLE FOR SALE OR CONTRIBUTION
As of June 30, 2005
(dollars in thousands)

Projects[1]	Location	Developer	Estimated Square Feet at Completion	Estimated Total Investment[2]	AMB's Ownership Percentage
1. Wilsonville Phase II	Wilsonville, OR	Trammell Crow Company	249,625	$ 11,000	100%
2. O'Hare Industrial - 701 Hilltop Drive	Itasca, IL	Hamilton Partners	60,810	2,900	100%
3. Central Business Park Bldg A	SF Bay Area	Harvest Properties	12,144	1,200	100%
Total Available for Sale or Contribution			322,579	$ 15,100	100%
Funded-to-date				$ 14,500 [3]	

[1] Represents projects where development activities have been completed and which the Company intends to sell or contribute within two years of completion.
[2] Represents total estimated cost of renovation, expansion, or development, including initial acquisition costs, carry and partner interests (if triggered by stabilization). The estimates are based on the Company's current estimates and forecasts and are subject to change. Non-U.S. Dollar investments are translated to U.S. Dollars using the exchange rate at June 30, 2005.
[3] AMB's share of amounts funded to date was $14.5 million.

CAPITALIZATION SUMMARY
As of June 30, 2005

(dollars in thousands, except share price)

Year	AMB Secured Debt [1]	Joint Venture Debt [1]	Unsecured Senior Debt Securities	Unsecured Debt	Credit Facilities [2]	Total Debt
2005	$ 20,267	$ 30,230	$ 150,000	$ 330	$ -	$ 200,827
2006	80,648	76,319	75,000	696	-	232,663
2007	12,218	68,705	75,000	732	477,307	633,962
2008	40,424	190,322	175,000	810	72,090	478,906
2009	4,900	131,403	100,000	873	-	237,176
2010	70,717	150,448	75,000	941	-	297,106
2011	21,375	417,973	75,000	1,014	-	515,362
2012	146,796	178,427	-	1,093	-	326,316
2013	2,135	153,853	33,940 [3]	920	-	190,848
2014	12,051	3,777	-	616	-	16,444
Thereafter	6,350	33,358	225,000	664	-	265,372
Subtotal	418,101	1,413,055	1,003,940	8,710	549,397	3,393,203
Unamortized premiums	3,084	7,621	-	-	-	10,705
Total consolidated debt	421,185	1,420,676	1,003,940	8,710	549,397	3,403,908
AMB's share of unconsolidated JV Debt [4]	-	156,574	-	-	-	156,574
Total debt	421,185	1,577,250	1,003,940	8,710	549,397	3,560,482
JV partners' share of consolidated JV debt	-	(987,442)	-	-	-	(987,442)
AMB's share of total debt [7]	$ 421,185	$ 589,808	$ 1,003,940	$ 8,710	$ 549,397	$ 2,573,040
Weighted average interest rate	5.5%	6.3%	6.6%	7.5%	2.5%	5.6%
Weighted average maturity (in years)	5.2	5.6	5.1	9.5	2.1	4.9

Market Equity

Security	Shares	Price	Value
Common Stock	84,213,057	$ 43.43	$ 3,657,439
LP Units	4,719,323	43.43	204,962
Total	88,932,380		$ 3,862,401

Preferred Stock and Units [5]

Security	Dividend Rate	Liquidation Preference
Series D & E preferred units	7.75%	$ 90,789
Series F preferred units	7.95%	10,057
Series H preferred units	8.13%	42,000
Series I preferred units	8.00%	25,500
Series J preferred units	7.95%	40,000
Series K preferred units	7.95%	40,000
Series N preferred units [6]	5.00%	36,479
Series L preferred stock	6.50%	50,000
Series M preferred stock	6.75%	57,500
Weighted Average/Total	7.29%	$ 392,325

Capitalization Ratios

Total debt-to-total market capitalization [7]	45.6%
AMB's share of total debt-to-AMB's share of total market capitalization [7]	37.7%
Total debt plus preferred-to-total market capitalization [7]	50.6%
AMB's share of total debt plus preferred-to-AMB's share of total market capitalization [7]	43.4%

[1] AMB secured debt includes debt related to international assets in the amount of $226.8 million. Of this, $148.8 million is associated with assets located in Asia and the remaining $78.0 million is related to assets located in Europe.
[2] Represents three credit facilities with total capacity of approximately $810.4 million. Includes $126.0 million, $214.5 million, $38.8 million and $6.7 million in Euro, Yen, Canadian and Singapore dollar-based borrowings, respectively, translated to US Dollars using the foreign exchange rates at June 30, 2005.
[3] With certain exceptions, until November 10, 2005, the Company can require the purchaser to return these notes to the Company for cancellation for an obligation of equal dollar amount under a secured first mortgage loan.
[4] The weighted average interest and maturity for the unconsolidated JV debt were 5.0% and 4.6 years, respectively.
[5] Exchangeable under certain circumstances by the unitholder and redeemable at the option of the Company after a specified non-call period, generally five years from issuance.
[6] The Series N preferred units are putable at the option of the holder beginning June 1, 2005 and until January 15, 2006 at a price equal to $50 per unit, plus all accrued and unpaid distributions. Beginning September 25, 2006 and until September 25, 2009, the Series N preferred units are redeemable by the Company at a price equal to $49.75 per unit, plus all accrued and unpaid distributions.
[7] See Reporting Definitions for the Company's definitions of "total market capitalization," "AMB's share of total market capitalization," "market equity," and "preferred." See Supplemental Financial Measures Disclosures for a discussion of why management believes the Company's share of total debt is a useful supplemental measure for its management and investors, of ways to use this measure when assessing the Company's financial performance, and the limitations of the measure as a measurement tool.

CO-INVESTMENT CONSOLIDATED JOINT VENTURES
As of June 30, 2005

(dollars in thousands)

Joint Ventures	AMB's Ownership Percentage	Number of Buildings	Square Feet [1]	Gross Book Value [2]	Property Debt	JV Partners' Share of Debt [3]
Co-Investment Operating Joint Ventures:						
AMB Erie [4]	50%	15	1,921,432	$ 98,670	$ 41,040	$ 20,519
AMB Institutional Alliance Fund I [5]	21%	100	5,829,117	419,503	222,155	176,082
AMB Partners II [6]	20%	103	7,960,843	504,965	274,812	220,337
AMB-SGP [7]	50%	74	8,286,909	434,016	242,251	120,809
AMB Institutional Alliance Fund II [5]	20%	69	7,714,444	477,608	234,490	187,790
AMB-AMS [8]	39%	31	1,688,084	100,194	49,860	30,560
AMB Institutional Alliance Fund III [9]	20%	45	5,494,313	585,443	256,181	202,745
Total Co-Investment Operating Joint Ventures	27%	437	38,895,142	2,620,399	1,320,789	958,842
Co-Investment Development Joint Ventures:						
AMB Partners II [6]	20%	4	478,780	28,445	6,076	4,812
AMB Institutional Alliance Fund II [5]	20%	2	358,640	24,532	7,280	5,824
AMB-AMS [8]	39%	1	279,431	28,792	9,148	5,624
AMB Institutional Alliance Fund III [9]	20%	-	-	2,579	-	-
Total Co-Investment Development Joint Ventures	26%	7	1,116,851	84,348	22,504	16,260
Total Co-Investment Consolidated Joint Ventures	27%	444	40,011,993	$ 2,704,747	$1,343,293	$ 975,102

Co-Investment Joint Ventures	Cash NOI [10]	Net Income	FFO	Partners' Share of Cash NOI [10]	Partners' Share of Net Income	Partners' Share of FFO
For the quarter ended June 30, 2005	$ 49,957	$ 14,552	$ 31,584	$ 36,876	$ 8,373	$ 23,244
For the six months ended June 30, 2005	$ 98,757	$ 73,200	$ 77,436	$ 73,085	$ 42,128	$ 55,757

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

OTHER CONSOLIDATED JOINT VENTURES
As of June 30, 2005
(dollars in thousands)

Properties	Market	AMB's Ownership Percentage	Square Feet	Gross Book Value [1]	Property Debt	JV Partners' Share of Debt [2]
Other Industrial Operating Joint Ventures	Various	92%	2,301,361	$ 205,797	$ 47,408	$ 2,370
Other Industrial Development Joint Ventures	Various	81%	2,342,561	128,933	23,266	9,099
Total Other Industrial Consolidated Joint Ventures		88%	4,643,922	$ 334,730	$ 70,674	$ 11,469
Total Retail Consolidated Joint Ventures	Atlanta	90%	125,222	$ 22,291	$ 8,709	$ 871

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

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

UNCONSOLIDATED JOINT VENTURES, MORTGAGE INVESTMENTS AND OTHER INVESTMENTS
As of June 30, 2005

(dollars in thousands)

Unconsolidated Joint Ventures	Market	Alliance Partner	Square Feet	AMB's Net Equity Investment	AMB's Ownership Percentage	AMB's Share of Debt [1]
Co-Investment Joint Ventures						
1 AMB-SGP Mexico [2]	Various, Mexico	N/A	1,647,622	$ 15,808	20%	$ 3,152
2 AMB Japan Fund I [3]	Various, Japan	N/A	915,401	11,474	20%	10,873
Total Co-Investment Joint Ventures			2,563,023	$ 27,282	20%	$ 14,025
Other Industrial Operating Joint Ventures			8,805,507	$ 40,171	52%	$ 85,391
Other Industrial Development Joint Ventures [4]			1,209,267	7,120	49%	16,721
Total Unconsolidated Joint Ventures			12,577,797	$ 74,573	44%	$ 116,137

Mortgage and Loan Investments	Market	Maturity	Mortgage Receivable [6]	Rate
1 Pier 1 [5]	SF Bay Area	May 2026	$ 12,882	13.0%
2 G.Accion	Various	November 2006	8,800	12.0%
			$ 21,682	

Other Investments	Market	Property Type	Net Investment	AMB's Ownership Percentage	AMB's Share of Debt [1]
1 Park One	Los Angeles	Parking Lot	$ 75,497	100%	$ -
2 G.Accion [7]	Various	Various	46,427	39%	38,437
			$ 121,924		$ 38,437

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

[2] AMB-SGP Mexico is a co-investment partnership formed in 2004 with GIC Real Estate Pte Ltd, the real estate investment subsidiary of the Government of Singapore Investment Corporation. Includes $14.3 million of shareholder loans outstanding at June 30, 2005 between the Company and the co-investment partnership.

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

[4] Square feet for development alliance joint ventures represents estimated square feet at completion of development project.

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

[6] The Company holds inter-company loans that it eliminates in consolidation.

[7] The Company has a 43% 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.

REPORTING DEFINITIONS

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

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

AMB's share of total debt-to-AMB's share of total market capitalization is calculated using the following definitions: AMB's share of total debt is the pro rata portion of the total debt based on the Company's percentage of equity interest in each of the consolidated or unconsolidated ventures holding the debt. The Company's definition of "total market capitalization" is total debt plus preferred equity liquidation preferences plus market equity. The Company's definition of "AMB's share of total market capitalization" is the Company's share of total debt plus preferred equity liquidation preferences plus market equity. The Company's definition of "market equity" is the total number of outstanding shares of the Company's common stock and common limited partnership units multiplied by the closing price per share of its common stock as of June 30, 2005.

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

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

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

Development and renovation GAAP yields are calculated from estimated annual NOI following occupancy stabilization (including straight-line rents) divided by the estimated total investment, including Development Alliance Partner® amounts (if triggered by stabilization) and associated carrying costs.

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

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

Market equity is defined by the Company as the total number of outstanding shares of the Company's common stock and common limited partnership units multiplied by the closing price per share of its common stock as of June 30, 2005.

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

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

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

Renovation projects 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).

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

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

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

Same store properties include all properties that were owned as of the end of both the current and prior year reporting periods and excludes development properties for both the current and prior reporting periods. The same store pool is set annually and excludes properties purchased and developments stabilized after December 31, 2003. Same store pool includes Park One parking lot in Los Angeles, California.

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

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

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

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

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

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

SUPPLEMENTAL FINANCIAL MEASURES DISCLOSURES

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

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

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

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

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

Net Operating Income ("NOI"). Net operating income is defined as rental revenue, including reimbursements, less property operating expenses, which excludes depreciation, amortization, general and administrative expenses and interest expense. The Company considers NOI to be an appropriate supplemental performance measure because NOI reflects the operating performance of the real estate portfolio. However, NOI should not be viewed as an alternative measure of financial performance since it does not reflect general and administrative expenses, interest expense, depreciation and amortization costs, capital expenditures and leasing costs, or trends in development and construction activities that could materially impact results from operations. Further, NOI may not be comparable to that of other real estate investment trusts, as they may use different methodologies for calculating NOI.

AMB PROPERTY CORPORATION

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