

## **AMB Property Corporation and GIC Real Estate Pte Ltd Form a \$700 Million Joint Venture for Investment in Mexico's Key Distribution Markets**

**New venture to acquire distribution facilities in Mexico City, Guadalajara and Monterrey**

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SAN FRANCISCO

AMB Property Corporation , a global developer and owner of industrial real estate, and GIC Real Estate Inc., today announced the formation of AMB-SGP Mexico, LLC, a joint venture that will invest in distribution facilities in targeted markets in Mexico. GIC Real Estate Inc. is an affiliate of GIC Real Estate Pte Ltd (GIC RE), the real estate investment arm of the Government of Singapore Investment Corporation (GIC) which manages the foreign reserves of Singapore.

The primary investment focus of the Venture is to purchase stabilized industrial distribution properties upon completion of development by AMB and its local market partner, G. Accion. AMB-SGP Mexico's investment strategy will also include acquisition of operating assets from third parties.

"Over the last 21 years, AMB has built a solid track record of investing and managing private capital in U.S. markets," said Hamid R. Moghadam, AMB's chairman and CEO. "AMB-SGP Mexico is our first Fund outside of the U.S. and we are particularly gratified that GIC RE, a large, respected global investor in diverse property sectors, is participating with us in this important expansion of our private capital business." AMB currently operates approximately \$2.6 billion in assets owned through private capital joint ventures. When fully invested, AMB-SGP Mexico is projected to add approximately \$700 million to assets in AMB's co-investment joint ventures.

Dr. Seek Ngee Huat, president of GIC RE, said, "Our capital allocation to Mexico's emerging industrial market is driven by Mexico's growing trade with the U.S., its large consumer population and the strong demand for new distribution facilities from multinational companies. GIC RE's positive joint venture experience with AMB in the U.S., combined with AMB's demonstrated ability to source and operate property in Mexico, makes them the right partner for our industrial investment goals in Mexico."

John T. Roberts, Jr., president of AMB Capital Partners, added, "AMB and GIC RE formed their first co-investment venture in 2001 and together own 8.6 million square feet of U.S. distribution facilities; we are very pleased to extend this relationship to our global business. AMB's development experience and pipeline in Mexico will provide attractive acquisition opportunities for AMB-SGP Mexico."

Total equity committed to AMB-SGP Mexico by GIC RE is \$200 million; AMB will contribute \$50 million in equity to the Venture, representing a co- investment level of approximately 20%. The Venture is expected to operate with a targeted leverage ratio of 65% of the aggregate gross value of the Venture's assets. AMB, as manager, will receive fees on future third-party acquisitions and for asset and portfolio management services, as well as incentive distributions at the end of each seven-year term.

At closing, AMB-SGP Mexico owned three properties comprising eight buildings totaling 1.3 million

square feet in Mexico City and Guadalajara. AMB has developed or acquired these assets during the past two years.

## ABOUT GIC RE

GIC RE is a pre-eminent global real estate investment manager. The company manages a multi-billion dollar portfolio of direct and indirect property investments worldwide. GIC RE is the real estate investment arm of Government of Singapore Investment Corporation (GIC) that manages the foreign reserves of Singapore.

## ABOUT AMB Property Corporation

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, 2004 AMB owned, managed and had renovation and development projects totaling 110.7 million square feet (10.3 million square meters) and 1,108 buildings in 38 markets within eight countries. AMB invests in properties located predominantly in the infill submarkets of its targeted markets. The company's portfolio is comprised of High Throughput Distribution(R) facilities -- industrial properties built for speed and located near airports, seaports and ground transportation systems.

Some of the information included in this report contains forward-looking statements, such as those related to anticipated levels of committed capital, markets targeted for future investment, and the ability to source or complete future developments, 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 most recent annual report for the year ended December 31, 2003 in Amendment No. 2 on Form 10-K/A.

SOURCE: AMB Property Corporation

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