

AMB Property Corporation Announces First Quarter 2002 Results Performance Highlights:

PRNewswire

- Earnings per share (EPS) for the first quarter was \$0.33, reflecting a 34.0% decrease from the first quarter 2001 EPS of \$0.50, which had included gains on property dispositions and contributions of \$0.20 per share
- Operating earnings per share (Operating EPS), which excludes extraordinary items and gains and losses on property dispositions and contributions, for the first quarter was \$0.34, a 13.3% increase over the first quarter 2001 Operating EPS of \$0.30, which had included impairment charges of \$0.05 per share
- Same store net operating income increased 2.0%; industrial occupancy declined slightly from 94.5% at December 31, 2001 to 94.4% at March 31, 2002

SAN FRANCISCO, April 8 [/PRNewswire-FirstCall/](#) -- AMB Property Corporation , a nationwide owner and operator of industrial real estate, today reported its first quarter 2002 results. The company's industrial portfolio, concentrated in 8 hub and gateway distribution markets, maintained strong occupancy and same store net operating income growth, with occupancy at 94.4% and same store net operating income growth of 2.0% for the quarter. 74.4% of tenants in the industrial portfolio were retained during the quarter, with total weighted average rental increases of 3.0% on renewals and rollovers.

Commenting on the company's first quarter performance and outlook, chairman and CEO Hamid R. Moghadam noted, "Our continued strong performance in a difficult operating environment reflects the high quality of our real estate portfolio, robust demand in the infill markets where we have strategically chosen to invest and effective management of our operations. Based on this strong foundation, we anticipate increased leasing activity from our customers, leading to improved occupancy in the second half of this year, with growth in rents to follow."

Investment Activity

During the first quarter, AMB acquired 8 industrial buildings for a total investment of \$35.0 million and disposed of 2 properties for a cumulative price of \$38.5 million, including \$36.0 million for one of the Company's few remaining retail centers. AMB President W. Blake Baird stated, "Since early 1999, AMB has disposed of 34 retail assets for \$907 million and is redeploying that capital into industrial assets in supply-constrained markets, creating a more focused operating portfolio. The transaction environment has begun to improve and we have significant capital capacity to further take advantage of anticipated market opportunities."

AMB formed a strategic alliance with G. Accion, Mexico's leading publicly held real estate company, to develop, acquire and operate industrial properties in Mexico. AMB and G. Accion will initially target the Mexico City, Guadalajara and Monterrey markets, which are growing areas where customers have the greatest need for industrial facilities.

"As in the U.S., our international customer-driven expansion is based on partnering with the best local entrepreneurial operators. Together with G. Accion we can give our existing and targeted customers the ability to launch or expand their operations in Mexico," said Baird. "We expect to begin investing capital with G. Accion in Mexico later this year," he added.

Corporate Governance Recognition

In March 2002, AMB was awarded an honorable mention for best corporate governance at the seventh annual Investor Relations Magazine US Awards; the company was the first REIT to be nominated in the history of IR Magazine's awards. Moghadam commented, "Since its inception, AMB has adhered to a policy which elects directors annually and uses equity as the primary compensation for Board members. Our industry leading corporate governance prohibits the repricing of stock options and does not employ any 'poison pill' protections. We take our commitment to stockholder value seriously and are honored to be recognized for it." An independent research firm, Erdos & Morgan, polled more than 1,800 US Portfolio managers, security analysts and retail investors to determine the nominees and winners.

Supplemental Reporting Measure

AMB reports Funds from Operations per fully diluted share and unit (FFOPS) in accordance with the standards established by NAREIT, the real estate investment trust industry group, as a supplemental earnings measure. AMB reported first quarter 2002 FFOPS of \$0.62, representing an 8.8% increase over first quarter 2001 FFO of \$0.57. First quarter 2001 FFOPS included a \$4.7 million write-down, or \$0.05 per share.

Conference Call Information

AMB will host its first quarter 2002 conference call tomorrow, April 9, 2002 at 11:00 AM PDT/ 2:00 PM EDT. Stockholders and interested parties may listen to a live broadcast of the call by dialing 719-457-2626 and using reservation code 691458. The conference call can also be accessed through the Internet on AMB's website at <http://www.amb.com/>. Internet users are encouraged to visit the website at least fifteen minutes early to register, download and install any necessary audio software. For those who are not able to listen to the live broadcast, replays will be available until April 30, 2002 on the company's website shortly after the call and via telephone by dialing 719-457-0820 with reservation code 691458.

AMB Property Corporation is a leading owner and operator of industrial real estate nationwide. As of March 31, 2002 AMB owned, managed and had renovation and development projects totaling 94.6 million square feet and 1,023 buildings in 26 metropolitan markets. AMB targets industrial properties located near airports, seaports and ground transportation systems. The company's portfolio is comprised of High Throughput Distribution(R) facilities -- industrial properties built for speed and benefiting from barriers to entry due to their infill locations and proximity to large customer bases.

AMB's press releases are available on the company website at <http://www.amb.com/> or by contacting the Investor Relations department toll-free at 877-285-3111.

This press release contains forward-looking statements about business strategy, future leasing activities, acquisition opportunities 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. In particular, a number of factors could cause AMB's actual results to differ materially from those anticipated, including, among other things, defaults on or non-renewal of leases by tenants, increased interest rates and operating costs, AMB's failure to obtain necessary outside financing, difficulties in identifying properties to acquire and in effecting acquisitions, AMB's failure to successfully integrate acquired properties and operations, AMB's failure to timely reinvest proceeds from any such dispositions, risks and uncertainties affecting property development and construction (including construction delays, cost overruns, AMB's inability to obtain necessary permits and public opposition to these activities), AMB's failure to qualify and maintain its status as a real estate investment trust under the Internal Revenue Code, environmental uncertainties, risks related to natural disasters, financial market fluctuations, changes in real estate and zoning laws, risks of doing business internationally and increases in real property tax rates. AMB's success also depends upon economic trends generally, including interest rates, income tax laws, governmental regulation, legislation and population changes. 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-K for the year ended December 31, 2001.

Consolidated Balance Sheets (dollars in thousands)

	As of	
	March 31, 2002	December 31, 2001
Assets		
Investments in real estate:		
Total investments in properties	\$4,566,951	\$4,530,711
Accumulated depreciation	(289,701)	(265,653)
Net investments in properties	4,277,250	4,265,058
Investment in unconsolidated joint ventures	71,137	71,097
Properties held for divestiture, net	139,370	157,174
Net investments in real estate	4,487,757	4,493,329
Cash and cash equivalents	99,492	81,732
Mortgage receivables	87,214	87,214
Accounts receivable, net	75,399	70,794
Other assets	31,261	27,824

Total assets	\$4,781,123	\$4,760,893
Liabilities and Stockholders' Equity		
Secured debt	\$1,229,433	\$1,220,164
Unsecured senior debt securities	800,000	780,000
Unsecured credit facility	--	12,000
Alliance Fund II credit facility	116,000	123,500
Other liabilities	155,568	138,601
Total liabilities	2,301,001	2,274,265
Minority interests:		
Preferred units	275,987	275,987
Minority interests	455,428	458,299
Total minority interests	731,415	734,286
Stockholders' equity:		
Common stock	1,652,607	1,656,242
Preferred stock	96,100	96,100
Total stockholders' equity	1,748,707	1,752,342
Total liabilities and stockholders' equity	\$4,781,123	\$4,760,893

Consolidated Statements of Operations
(dollars in thousands, except share data)

	For the Quarters Ended	
	March 31, 2002	2001
Revenues		
Rental revenues(A)	\$152,241	\$135,801
Equity in earnings of unconsolidated joint ventures	1,483	1,474
Investment management income		2,588
Interest and other income	2,850	5,139
Total revenues	159,162	144,834
Expenses		
Property operating	37,069	32,920
Interest, including amortization(B)	35,851	31,552
Depreciation and amortization	29,675	26,854
General, administrative, and other	9,945	8,183
Loss on investments in other companies	--	4,655
Total expenses	112,540	104,164
Income before minority interests and gains (losses)	46,622	40,670
Minority interests' share of income:		
Preferred units	(5,857)	(6,858)
Minority interests	(9,766)	(6,139)
Total minority interests	(15,623)	(12,997)
Gains (losses) from disposition of		
real estate, net of minority interests	(288)	16,767
Net income before extraordinary items	30,711	44,440
Extraordinary items (early debt extinguishments)	(216)	--
Net income	30,495	44,440
Preferred stock dividends	(2,125)	(2,125)
Net income available to common stockholders	\$28,370	\$42,315
Net income per common share:		
Basic	\$0.34	\$0.50
Diluted	\$0.33	\$0.50
Weighted average common shares:		
Basic	83,319,047	83,895,993
Diluted	84,781,872	84,720,917

(A) Includes straight-line rents of \$3,961 and \$1,325 for the quarters ended March 31, 2002 and 2001, respectively.

(B) Net of capitalized interest of \$1,791 and \$3,782 for the quarters ended March 31, 2002 and 2001, respectively.

Consolidated Statements of Funds from Operations
(dollars in thousands, except share data)

For the Quarters Ended
March 31,
2002 2001

Income before minority interests and gains (losses)	\$46,622	\$40,670
Real estate related depreciation and amortization:		
Total depreciation and amortization	29,675	26,854
FF& E depreciation and ground lease amortization(A)	(674)	(481)
FFO attributable to minority interests(B)	(12,844)	(7,187)
Adjustments to derive FFO from unconsolidated JV's:(C)		
Company's share of net income	(1,483)	(1,474)
Company's share of FFO	2,129	2,120
Preferred stock dividends	(2,125)	(2,125)
Preferred units distributions	(5,857)	(6,858)
Funds from operations	\$55,443	\$51,519
FFO per common share and unit:		
Basic	\$0.63	\$0.57
Diluted	\$0.62	\$0.57

Weighted average common shares and units:		
Basic	88,262,128	89,669,950
Diluted	89,724,953	90,494,874

- (A) Ground lease amortization represents the amortization of the Company's investments in ground leased properties, for which the Company does not have a purchase option.
- (B) Represents FFO attributable to minority interests in consolidated joint ventures whose interests are not exchangeable into common stock. The minority interest's share of cash basis NOI for the quarters ended March 31, 2002 and 2001, was \$19,375 and \$9,946, respectively.
- (C) AMB's share of NOI for the quarters ended March 31, 2002 and 2001, was \$2,644 and \$2,818, respectively.

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SOURCE: AMB Property Corporation

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