

## **AMB Property Corporation Agrees to Purchase International Airport Centers' Portfolio**

**AMB to Acquire 3.4 Million Square Feet of Near-Airport Air Freight Facilities At Seven U.S. Airports for a Total Acquisition Cost of \$481 Million**

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AMB Property Corporation, a leading owner and operator of industrial real estate, today announced that it has entered into a definitive agreement with privately held International Airport Centers (IAC) to acquire a 3.4 million square foot portfolio of 37 airfreight buildings located adjacent to seven international airports in the U.S. for approximately \$481 million, including \$119 million of assumed debt.

The first tranche, comprised of 25 buildings, closed today for approximately \$167 million and includes buildings in Los Angeles, Seattle, Miami and Charlotte. The balance of the portfolio is currently expected to close in additional tranches totaling approximately \$130 million by year-end 2003 and \$184 million by the third quarter of 2004 as construction and certain other customary closing conditions, including consents, are met. Approximately \$63 million of the remaining 2003 closings will be purchased by an existing 80/20 AMB co-investment venture. The remaining purchase price is expected to be financed by newly issued long-term debt and proceeds from property dispositions. The portfolio will be acquired at a stabilized cash capitalization rate of approximately 7.3%.

"The IAC portfolio acquisition embodies AMB's strategy to focus on markets and customers tied to global trade," said Hamid R. Moghadam, AMB's chairman and chief executive officer. "Seventy percent of the portfolio's total square footage and more than 80% of its income is generated from facilities adjacent to AMB's target airports of Los Angeles International, John F. Kennedy International, Sea-Tac International, Logan Airport, and Miami International. All of the buildings are located in supply-constrained submarkets within an approximate 1.5-mile radius of their respective international airports and most were built or renovated within the last five years. These modern facilities exemplify High Throughput Distribution(R) and will enable us to better serve our freight forwarding and logistics customers by providing immediate proximity to cargo-centric airports."

As is typical of airport-adjacent facilities, the average office finish of the portfolio is approximately 30%. The portfolio's square footage is distributed as follows:

| Airport Market  | Square Footage | Number of Buildings |
|-----------------|----------------|---------------------|
| Los Angeles/LAX | 816,862        | 11                  |
| Charlotte/CLT   | 588,028        | 11                  |
| New York/JFK    | 526,935        | 4                   |
| Seattle/SEA     | 514,432        | 8                   |
| Houston/IAH     | 410,000        | 1                   |
| Boston/BOS      | 376,267        | 1                   |
| Miami/MIA       | 147,182        | 1                   |
| Total           | 3,379,706      | 37                  |

Among the over 200 customers in the portfolio are many AMB target customers, including such leaders in freight forwarding and global logistics as Aeroground, BAX Global, Deutsche Post World Net, EGL Eagle Global Logistics, Exel, Expeditors, FedEx, Forward Air, Hankyu International Transport, Kintetsu World Express, Kuehne & Nagel, Nippon Express USA, and Panalpina.

"In addition to this strategic real estate acquisition, AMB and IAC will form a new company -- AMB International Airport Centers -- in which we will be 50/50 partners engaged in the development and management of near-airport facilities in our target markets of Los Angeles, New York, San Francisco, Seattle, Boston and Newark," said W. Blake Baird, AMB's president. "IAC's near-airport development expertise is outstanding, and together we expect to create both superior product for our customers and superior returns for our investors."

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 June 30, 2003 AMB owned, managed and had renovation and development projects totaling 96.5 million square feet (9.0 million square meters) and 1,005 buildings in 30 markets. AMB invests in industrial properties located predominantly in the infill submarkets of its targeted markets. The company's portfolio is comprised largely of High Throughput Distribution(R) facilities -- industrial properties built for speed and located near airports, seaports and ground transportation systems.

AMB's press releases are available on the company website at [www.amb.com](http://www.amb.com) or by contacting the Investor Relations department at 1-877-285-3111.

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

SOURCE: AMB Property Corporation

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