

AMB Property Corporation's Global Expansion Moves Forward with New Distribution Facilities in Europe, Japan and Accelerated Leasing in Mexico

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SAN FRANCISCO

AMB Property Corporation, a leading owner and operator of industrial real estate, today said it has expanded its global network of air cargo and logistics facilities with 1.3 million square feet of properties in Paris, Frankfurt, Madrid and Tokyo. When complete, the new acquisitions and developments are expected to total \$108.4 million.

"Global trade growth is spurring strong demand for well-designed distribution facilities at major transportation hubs worldwide," said Hamid R. Moghadam, AMB's chairman and chief executive officer. "Our customers -- who are the leading players in global trade -- require modern, well-located facilities to quickly and cost-efficiently move high-value, time-sensitive goods to market."

Moghadam said that AMB targets Paris' Charles de Gaulle, Frankfurt's International and Madrid's Barajas airports because they are among the busiest airports for cargo in Europe. He added that Tokyo, including Narita International, is targeted for two reasons: its critical location in distribution networks serving Asia, and the opportunity to introduce supply chain efficiencies through facility consolidation. AMB specializes in what it terms High Throughput Distribution(R) facilities -- cargo and logistics centers which are built for speed and located near major transportation hubs.

The acquisitions and developments announced today are:

Paris. AMB has purchased the newly constructed Bourget Distribution Center, a 354,000-square-foot Class A warehouse with direct access from the A-1 motorway to both central Paris and Charles de Gaulle International Airport (CDG). The property is 100% leased to La Poste, France's largest and Europe's second largest postal company. Bourget Distribution Center, acquired for \$30.3 million, includes land for more than 100,000 square feet of expansion and represents AMB's third acquisition in the CDG submarket.

Frankfurt. AMB enters Europe's number one cargo airport market by volume with the \$19.7 million purchase of FRA Logistics Center at Frankfurt International Airport. The 164,000-square-foot distribution building is located in Cargo City South, the zone reserved for airlines and their freight-forwarding and cargo-handling partners. Concurrent with its purchase, AMB has signed a lease for the entire property with SFS, the European division of Worldwide Flight Services, a leading provider of ramp, passenger, cargo and technical services at major airports globally. Worldwide Flight Services is an existing customer of AMB at five airport locations. The property has 60,000 square feet of expansion potential.

Madrid. AMB and its joint venture partners, Codina Group and Torimbia, have been awarded the exclusive right to develop 449,000 square feet in buildings immediately adjacent to Madrid's Barajas Airport. The project site is located across the street from the eastern perimeter of the airport's cargo zone and will provide customers with outstanding distribution access to one of Europe's top ten cargo airports. Construction is scheduled to begin in the second quarter of 2004 and is expected to total \$22.5 million.

Tokyo. AMB has purchased Saitama Distribution Center, comprised of two multistory warehouses totaling 363,000 square feet. Located five minutes from the Kanetsu Expressway in Tokorozawa, metropolitan Tokyo, the facilities provide exceptional distribution access throughout greater Tokyo and inland destinations in northern Japan. The buildings, acquired for \$35.9 million, are 100% leased to Japanese subsidiaries of the multinational manufacturing and distribution companies Pioneer Shared Services, Honda Express and Bridgestone Sports.

The acquisition complements the company's previously announced development at Tokyo's Narita International Airport. AMB and its local market partner, AMB BlackPine, expect to begin construction by the second quarter of 2004 on the first of four phases of AMB Narita Air Cargo Center. When completed, the Narita project, at over 1.4 million square feet, is expected to be Japan's largest dedicated air cargo logistics park and will provide tenants with access to the airport's main cargo gate within 10 minutes' drive time. Expected total investment in the project is \$150 million.

Mexico City Development Update

The company's developments in Mexico City have leased at a more rapid pace than previously projected. AMB and its local market partner, G.Accion, have completed construction on Mesquite Buildings I and II, totaling 345,000 square feet, and have fully leased Building II, three quarters ahead of plan. The 66,000 square foot

facility has been leased to Pactiv Corporation, a global leader in specialty packaging products.

AMB and G.Accion are currently constructing two additional buildings, totaling 620,000 square feet in Mexico City's San Martin Obispo Industrial Park. The 224,000-square-foot first building, Agave 3, is now 100% preleased to multinational food products company, Kraft Foods Inc., one year ahead of projected leasing stabilization.

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 September 30, 2003 AMB owned, managed and had renovation and development projects totaling 96.9 million square feet (9.0 million square meters) and 1,004 buildings in 32 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.

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 September 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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