

AMB Property Corporation Forms 247 Billion Yen (US\$2.23 Billion) Fund to Invest in Japan's Key Distribution Markets

New venture will focus on distribution facilities in Tokyo, Osaka and Nagoya

PRNewswire-FirstCall
SAN FRANCISCO

AMB Property Corporation, a leading global developer and owner of industrial real estate, today announced the formation of AMB Japan Fund I, L.P., a yen-denominated fund that will invest in distribution facilities near high volume airports, highway systems and seaports in Japan's major metropolitan areas.

Thirteen institutional investors have committed 49.5 billion yen (US\$446 million) for an 80% equity interest in the Fund. When combined with AMB's co-investment of 20% and a targeted leverage ratio of 75%, the Fund is expected to have investment capacity of approximately 247 billion yen (US\$2.23 billion).

Hamid R. Moghadam, AMB's chairman and CEO said, "We expanded our operating platform to Japan in 2003 and have built the local development, acquisition and operating infrastructure to provide global customers with highly functional and well-located distribution facilities. The significant size and investor quality of AMB Japan Fund I reflects the opportunities we see to support customers' needs for modern logistics space in Japan's largest distribution markets."

The Fund's investment focus is to purchase stabilized industrial distribution properties, including those developed by AMB with its Tokyo-based partner, AMB BlackPine. At closing, the Fund owned six distribution facilities in Tokyo comprising approximately 915,400 square feet (85,040 square meters) that had previously been acquired by AMB. AMB's current development pipeline in Japan includes an additional 2.5 million square feet (230,000 square meters) in Tokyo and Osaka that is expected to be contributed to the Fund upon stabilization.

John T. Roberts, Jr., president of AMB Capital Partners, commented, "The co-investment model is an excellent vehicle for private capital investors looking to build a quality industrial portfolio with a proven partner. Working with a global operator like AMB, investors gain access to a series of benefits, including alignment of interests with a recognized market leader and efficient access to quality real estate investments and customers in target markets."

AMB will be compensated for asset and portfolio management services, will earn fees on future third-party acquisitions, and receive potential incentive distributions at the end of the Fund's eight year term. The Fund will be managed from AMB's Asian headquarters in Singapore.

AMB Property Corporation. Local partner to global trade.(TM)

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 March 31, 2005, the company's most recent reporting period, AMB owned, managed and had renovation and development projects totaling 110.3 million square feet (10.3 million square meters) and 1,085 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.

AMB's press releases are available on the company website at www.amb.com or by contacting the Investor Relations department at 1-877-285-3111.

Some of the information included in this report contains forward-looking statements, such as those related to the Fund's anticipated investment capacity, the expected leverage of the Fund, AMB's ability to source or complete future development and contribute such stabilized properties to the Fund within the investment period, the ability of AMB to earn incentive payouts for performance, and the investment period and term of the Fund, 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 on Form 10-K for the year ended December 31, 2004.

SOURCE: AMB Property Corporation

CONTACT: Lauren L. Barr, Vice President, Corporate Communications, +1-415-733-9477, Fax +1-415-477-2177 or lbarr@amb.com, or Rachel E. McKosky, Marketing & Media Relations Manager, +1-415-733-9532, Fax +1-415-477-2063 or rmckosky@amb.com, both of AMB Property Corporation

Web site: <http://www.amb.com/>

<http://prologis.mediaroom.com/2005-06-30-AMB-Property-Corporation-Forms-247-Billion-Yen-US-2-23-Billion-Fund-to-Invest-in-Japans-Key-Distribution-Markets>