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AMB Property Corporation(R) Provides Update for the First Quarter 2009

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SAN FRANCISCO

AMB Property Corporation(R) , a leading global owner, operator and developer of industrial real estate, today provided updates on its year-to-date disposition, contribution and financing activities as well as an update on its 2009 guidance. The company also reported that it will incur non-cash charges related to the valuation of its development program during the first quarter of 2009.

Gain & Disposition Activities

Year-to-date, the company has completed contributions and sales totaling approximately $277 million, with gains of $51 million. This includes:

-- The contribution of one asset to its AMB Japan Fund I and the sale of four development properties and a land parcel for an aggregate sales price of approximately $234 million, a gain of approximately $32 million and a development margin of approximately 22.3 percent.
-- The company also closed the sale of three properties consisting of 11 industrial buildings from its operating portfolio for an aggregate sales price of approximately $43 million, a gain of approximately $19 million and a stabilized capitalization rate of approximately 8.6 percent.

The company has other assets in its operating and development portfolios that are currently under contract for sale or scheduled for contribution in 2009, subject to certain conditions, for an aggregate sales price of approximately $164 million. The company also has approximately $281 million of operating and development properties for sale that are currently under non-binding letters of intent. Additionally, the company is currently marketing $1.1 billion of properties for sale. The company currently expects to selectively sell only a portion of these properties based on the company's assessment of pricing and capital requirements.

Capital Markets

The company has repaid, refinanced or extended approximately $737 million in financings year-to-date, including:

-- Exercising the option for a one-year extension for the maturity of a $325 million term loan while maintaining current pricing;
-- Securing two- to four-year extensions on $68 million in secured debt;
-- Repaying a $132 million Japan subscription line for Japan Fund I and $100 million in unsecured bonds at maturity; and
-- Exercising a one-year extension option for an approximately $112 million, Yen-denominated construction loan in Japan. The extension is expected to be effective as of March 31, 2009, subject to certain conditions.

The company currently expects, as of March 31, 2009, to have approximately the same capacity consisting of consolidated cash and cash equivalents and availability on its lines of credit as it did at year end, December 31, 2008.

Impairment Charges

The company is in the process of completing its quarterly review of its land holdings and development assets in preparation of reporting its first quarter 2009 financial results. For the first quarter of 2009, the company currently estimates that it will recognize a non-cash impairment charge of approximately $165 million to $185 million. A non-cash impairment charge is recognized when the book value of a property exceeds its fair market value, based on its intended holding period. This charge represents a preliminary estimate and was not previously included in the company's earnings guidance for 2009. The estimated impairment charge is primarily attributed to changes in both leasing assumptions and increases in projected capitalization rates.

Guidance Update

On January 29, 2009, the company announced funds from operations ("FFO") per share guidance of $1.80 to $1.90 for full-year 2009 which was related to real estate operations and private capital revenues and excluded the recognition of gains related to development activities and non-cash impairment charges. The company currently expects full-year 2009 growth in cash basis same store net operating income before lease termination fees and without the effect of foreign currency exchange to be a decrease of 3.0 percent to 4.5 percent and full-year average occupancy to be 90.5 percent to 91.5 percent based upon further deterioration in the U.S. and global economy as well as occupancy and net operating trends year-to-date. The company also expects its general and administrative savings to be greater than its previous forecast. The company maintains its full-year 2009 FFO guidance, without the recognition of gains from development activities or non-cash impairment charges, of $1.80 to $1.90 per share.

Supplemental Earnings Measures & Disclosures

The company believes that net income, as defined by U.S. GAAP, is the most appropriate earnings measure. However, the company considers funds from operations, or FFO, FFO per share and unit, or FFOPS, and FFO, excluding non-cash impairment charges and gains from development activities, (together with FFO and FFOPS, the "FFO Measures,") to be useful supplemental measures of its operating performance. The company defines FFOPS as FFO per fully diluted weighted average share of the company's common stock and operating partnership units. The company calculates FFO as net income, calculated in accordance with U.S. GAAP, less gains (or losses) from dispositions of real estate held for investment purposes and real estate-related depreciation, and adjustments to derive the company's pro rata share of FFO of consolidated and unconsolidated joint ventures.

The company includes the gains from development, including those from value-added conversion projects, before depreciation recapture, as a component of FFO. The company believes that value-added conversion dispositions are in substance land sales and as such should be included in FFO, consistent with the real estate investment trust industry's long standing practice to include gains on the sale of land in FFO. However, the company's interpretation of FFO or FFOPS may not be consistent with the views of others in the real estate investment trust industry, who may consider it to be a divergence from the NAREIT definition, and may not be comparable to FFO or FFOPS reported by other real estate investment trusts that interpret the current NAREIT definition differently than the company does. In connection with the formation of a joint venture, the company may warehouse assets that are acquired with the intent to contribute these assets to the newly formed venture. Some of the properties held for contribution may, under certain circumstances, be required to be depreciated under U.S. GAAP. If this circumstance arises, the company intends to include in its calculation of FFO gains or losses related to the contribution of previously depreciated real estate to joint ventures. Although such a change, if instituted, will be a departure from the current NAREIT definition, the company believes such calculation of FFO will better reflect the value created as a result of the contributions. To date, the company has not included gains or losses from the contribution of previously depreciated warehoused assets in FFO.

In addition to presenting FFO as described above, the company presents FFO, excluding non-cash impairment charges and gains from development activities. The company calculates FFO, excluding non-cash impairment charges and gains from development activities, as FFO less non-cash impairment charges and adjustments to derive the company's share of non-cash impairment charges from consolidated and unconsolidated joint ventures and deducts its share of development gains. To the extent that the book value of a land parcel or development asset exceeded the fair market value of a property, based on its intended holding period, a non-cash impairment charge was recognized for the shortfall. The impairment charges were principally a result of increases in estimated capitalization rates and deterioration in market conditions that adversely impacted values. Although difficult to predict, these charges may be recurring given the uncertainty of the current economic climate and its adverse effects on the real estate markets. While not infrequent or unusual in nature, these charges are subject to market fluctuations that can have inconsistent effects on the company's results of operations. The economics underlying these charges reflect market conditions in the short-term but can obscure the value of the company's long-term investment decisions and strategies. Management believes FFO, excluding non-cash impairment charges and gains from development activities, is significant and useful to both it and its investors because it more appropriately reflects the value and strength of the company's business model and its potential performance isolated from the volatility of the current economic environment. However, in addition to the limitations of FFO Measures generally discussed below, FFO, excluding impairment charges, does not present a comprehensive measure of the company's financial condition and operating performance. This measure is a modification of the NAREIT definition of FFO and should not be considered a replacement of FFO as the company defines it or used as an alternative to net income or cash as defined by U.S. GAAP.

The company believes that the FFO Measures are meaningful supplemental measures of its operating performance because historical cost accounting for real estate assets in accordance with U.S. GAAP implicitly assumes that the value of real estate assets diminishes predictably over time, as reflected through depreciation and amortization expenses. However, since real estate values have historically risen or fallen with market and other conditions, many industry investors and analysts have considered presentation of operating results for

real estate companies that use historical cost accounting to be insufficient. Thus, the FFO Measures are supplemental measures of operating performance for real estate investment trusts that exclude historical cost depreciation and amortization, among other items, from net income, as defined by U.S. GAAP. The company believes that the use of the FFO Measures, combined with the required U.S. GAAP presentations, has been beneficial in improving the understanding of operating results of real estate investment trusts among the investing public and making comparisons of operating results among such companies more meaningful. The company considers the FFO Measures to be useful measures for reviewing comparative operating and financial performance because, by excluding gains or losses related to sales of previously depreciated operating real estate assets and real estate depreciation and amortization, the FFO Measures can help the investing public compare the operating performance of a company's real estate between periods or as compared to other companies. While FFO and FFOPS are relevant and widely used measures of operating performance of real estate investment trusts, the FFO Measures do not represent cash flow from operations or net income as defined by U.S. GAAP and should not be considered as alternatives to those measures in evaluating the company's liquidity or operating performance. The FFO Measures also do not consider the costs associated with capital expenditures related to the company's real estate assets nor are the FFO Measures necessarily indicative of cash available to fund the company's future cash requirements. Management compensates for the limitations of the FFO Measures by providing investors with financial statements prepared according to U.S. GAAP, along with this detailed discussion of the FFO Measures and a reconciliation of the FFO Measures to net income, a U.S. GAAP measurement.

The following table reconciles projected FFO per share and projected FFO, excluding non-cash impairment charges and development gains, from projected net income per share for the year ended December 31, 2009:

	2009	
	Low	High
Projected net (loss) income	$(0.99)	$(0.89)
AMB's share of projected depreciation and amortization	1.63	1.63
AMB's share of projected gains on disposition of operating properties recognized to date	(0.19)	(0.19)
Impact of additional dilutive securities, other, rounding	(0.05)	(0.05)
Projected Funds From Operations (FFO)	$0.40	$0.50
AMB's share of non-cash impairment charges	1.72	1.72
AMB's share of development gains recognized to date	(0.32)	(0.32)
Projected FFO, excluding non-cash impairment charges and development gains(1)	$1.80	$1.90

Amounts are expressed per share, except FFO and FFO, excluding non-cash impairment charges and development gains, which are expressed per share and unit.

(1) As development gains are difficult to predict in the current economic environment, management believes projected FFO, excluding the company's share of development gains, is the more appropriate and useful measure to reflect its assessment of the company's projected operating performance.

The company believes that net income, as defined by GAAP, is the most appropriate earnings measure. However, the company considers cash-basis same store net operating income ("SS NOI") to be a useful supplemental measure of its operating performance. Properties that are considered part of the same store pool include all properties that were owned as of the end of both the current and prior year reporting periods and exclude development properties for both the current and prior reporting periods. The same store pool is set annually and excludes properties purchased and developments stabilized during the current and prior reporting periods. In deriving SS NOI, the company defines NOI as rental revenues, including reimbursements, less property operating expenses, both of which are calculated in accordance with GAAP. Property operating expenses exclude depreciation, amortization, general and administrative expenses and interest expense. The company defines SS NOI to also exclude straight-line rents and amortization of lease intangibles. The company considers SS NOI to be an appropriate and useful supplemental performance measure because it reflects the operating performance of the real estate portfolio excluding effects of non-cash adjustments and provides a better measure of actual cash basis rental growth for a year-over-year comparison. In addition, the company believes that SS NOI helps the investing public compare the company's operating performance with that of

other companies. While SS NOI is a relevant and widely used measure of operating performance of real estate investment trusts, it does not represent cash flow from operations or net income as defined by GAAP and should not be considered as an alternative to those measures in evaluating the company's liquidity or operating performance. SS NOI also does not reflect general and administrative expenses, interest expense, depreciation and amortization costs, capital expenditures and leasing costs, or trends in development and construction activities that could materially impact its results from operations. Further, the company's computation of SS NOI may not be comparable to that of other real estate companies, as they may use different methodologies for calculating SS NOI. The following table reconciles projected net income to projected cash basis SS NOI for the years ended December 31, 2008 and 2009 (dollars in thousands):

	2009	2008
Net (loss) income	$(76,103)	$(49,310)
Private capital revenues	(29,891)	(68,470)
Expenses	270,270	314,725
Restructuring charges	-	12,306
Real estate impairment losses	175,000	193,918
Total other income and expenses	62,205	17,070
Total minority interests' share of income	11,760	41,636
Net Operating Income (NOI)	$413,241	$461,875
Less non same store NOI	(60,030)	(95,486)
Less non-cash adjustments(1)	794	456
Cash basis same store NOI	$354,005	$366,845

(1) Non-cash adjustments include straight-line rents and amortization of lease intangibles for the same store pool only.

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

AMB Property Corporation(R) is a leading owner, operator and developer of industrial real estate, focused on major hub and gateway distribution markets in the Americas, Europe and Asia. As of December 31, 2008, AMB owned, or had investments in, on a consolidated basis or through unconsolidated joint ventures, properties and development projects expected to total approximately 160 million square feet (14.9 million square meters) in 49 markets within 15 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 press release and the presentations to be held in connection therewith contains forward-looking statements, such as those related to our consolidated cash and cash equivalents and availability on our lines of credit, the consummation of contributions or asset sales marketed, under contract or LOI, estimated first quarter 2009 results (including impairment charges, gains, private capital and operating results), our plans to retire, extend and refinance debt, our projected funds from operations, same store and/or cash net operating income, occupancy and other financial and operational guidance, capitalization rates, future balance sheet capacity, and ability to maintain credit extensions, 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 press release 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 or renewal at lower than expected rent or failure to lease at all or on favorable terms, decreases in real estate values and impairment losses, increased interest rates and operating costs or greater than expected capital expenditures, our failure to obtain, renew or extend necessary financing, re-financing risks, risks related to our obligations in the event of certain defaults

under co-investment ventures and other debt, risks related to debt and equity security financings (including dilution risk), 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, our failure to contribute properties to our co-investment ventures, risks and uncertainties affecting property development, value-added conversions, redevelopment 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, risks related to our tax structuring, failure to maintain our current credit agency ratings or to comply with our debt covenants, environmental uncertainties, risks related to natural disasters, financial market fluctuations, changes in general economic conditions, global trade or in the real estate sector, inflation risks, changes in real estate and zoning laws, a continued or prolonged downturn in the U.S., California or global economy, risks related to doing business internationally and global expansion, risks of opening offices globally, risks of changing personnel and roles, losses in excess of our insurance coverage, unknown liabilities acquired in connection with acquired properties or otherwise 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 "Risk Factors" and elsewhere in our annual report on Form 10-K for the year ended December 31, 2008.

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