AMB PROPERTY CORPORATION

AAPA/MARAD/NAWE Terminal Training Program

October 16th, 2007

Anthony Chiarello

Senior Vice President, Customer Development

AMB Property Corporation – Overview

- **Strategy** – Create long-term value through focused investment in facilities that support high-value, trade-based distribution globally
- **Global Platform** – 137 million square foot platform serving 2,800 customers in 44 markets in 13 countries[(1)]
- **Assets Under Management –** $13.1 billion; with 3rd party committed capacity, platform increases to $15.5 billion[(2)]
- **Private Capital Franchise –** Supporting global expansion through current co-investment funds in U.S., Mexico, Japan and Europe. Canada Fund expected to close in the second half of 2007

(1) As of June 30, 2007

(2) AUM comprises Total Market Cap, AMB's Share of Debt, Preferred Equity and Co-Investors Share of Fair Market Value of Fund Real Estate as of June 30, 2007

By Sea, Air and Land

High growth, high barriers-to-entry markets tied to global trade

SEAPORTS

- **Global Driver** – Necessary to have a major seaport presence in Europe, Asia and North America, to target the top seaports globally
- **Rising Demand** – Larger vessels, fast turn-around times and increases in volume create new demand at terminals

AMB Amagasaki Distribution Center 1 & 2 in Osaka

AIRPORTS

- **Specialized Presence** – On-tarmac, on-airport and airport-adjacent real estate
- **Location Driven Demand** – Core real estate operations are optimized to serve the airline, air express carrier, logistics, freight forwarding and shipping industries

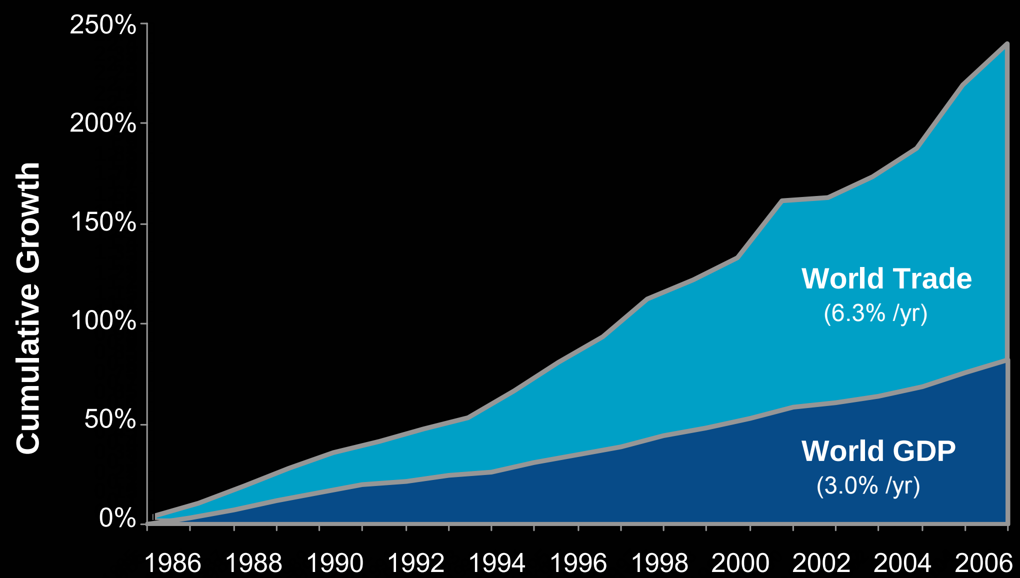
AMB CDG Cargo Center in Paris

INFILL

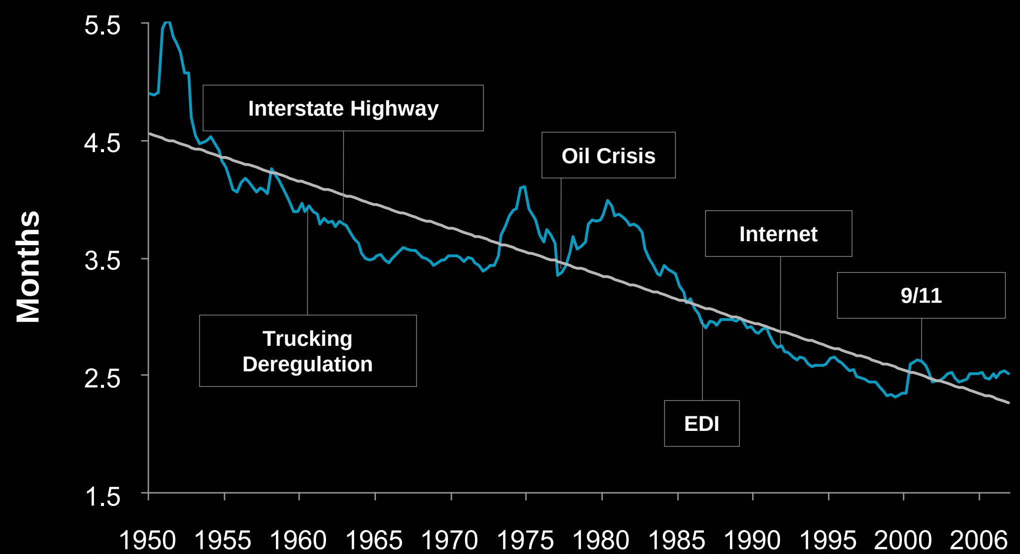
- **Major Metropolitan Markets** – Population density, proximity to customers, diverse labor pools. Markets have barriers-to-entry
- **Development** – Brownfield and redevelopment opportunities; municipalities increasingly supportive of “green” development practices

View of South San Francisco market near SFO airport

Long-Term Global Trends



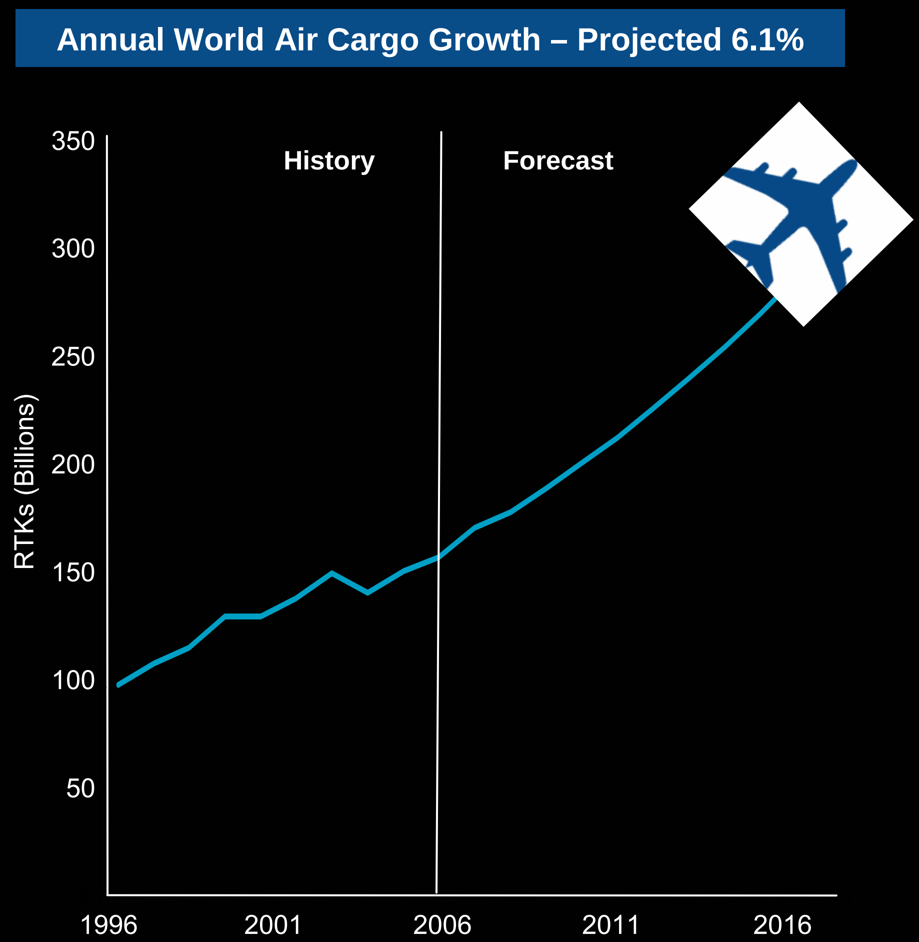
- World Trade far outpacing World GDP by 3x



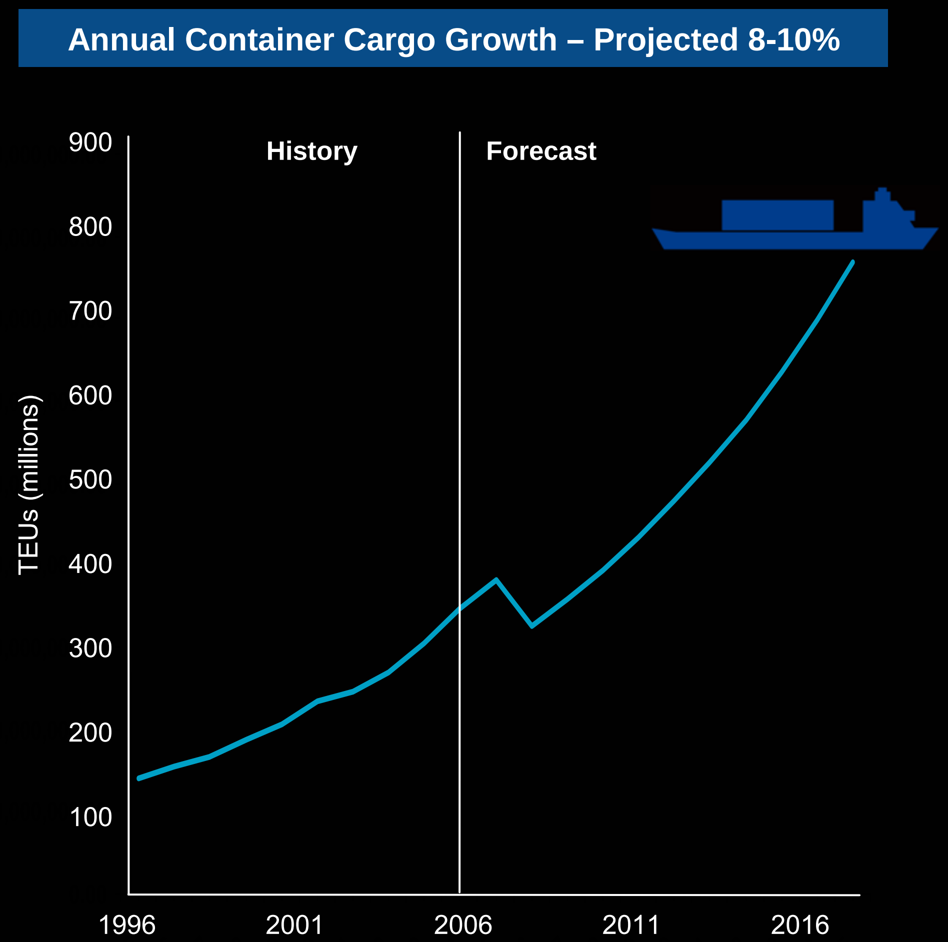
- Declining ratio of inventory to final sales fueled by technology and deregulation
- Acceleration of inventories and growth in global trade spur demand for facilities located at ports and airports

Graph 1 Source: World Trade Organization and AMB Property Corporation
Graph 2 Source: Bureau of Economic Analysis. Data through March 31, 2007.

Macro Drivers and Trends



RTKs = revenue tonne kilometers   Source: Boeing World Air Cargo Forecast 2006/2007



TEUs= twenty feet equivalent units   Source: Containerisation International

Sourcing Patterns Unlikely to Change

Table 1: Projected Labor Costs Per Hour (US$)

	2004	2005	2006	2007	2008
China	1.0	1.2	1.4	1.6	1.8
India*	0.9	1.1	1.2	1.3	1.5
US	22.9	23.6	24.5	25.2	26
Eastern Europe					
Czech Republic	7.6	8.6	10.1	12.0	12.6
Hungary	6.8	7.5	8.0	9.4	9.9
Poland	6.0	7.1	7.8	8.7	9.0
Russia	1.3	1.7	2.1	2.4	2.7
Slovakia	5.2	6.0	6.7	8.0	8.3
Latin America					
Brazil	3.5	4.7	5.5	5.4	5.5
Mexico	1.9	2.0	2.1	2.1	2.1

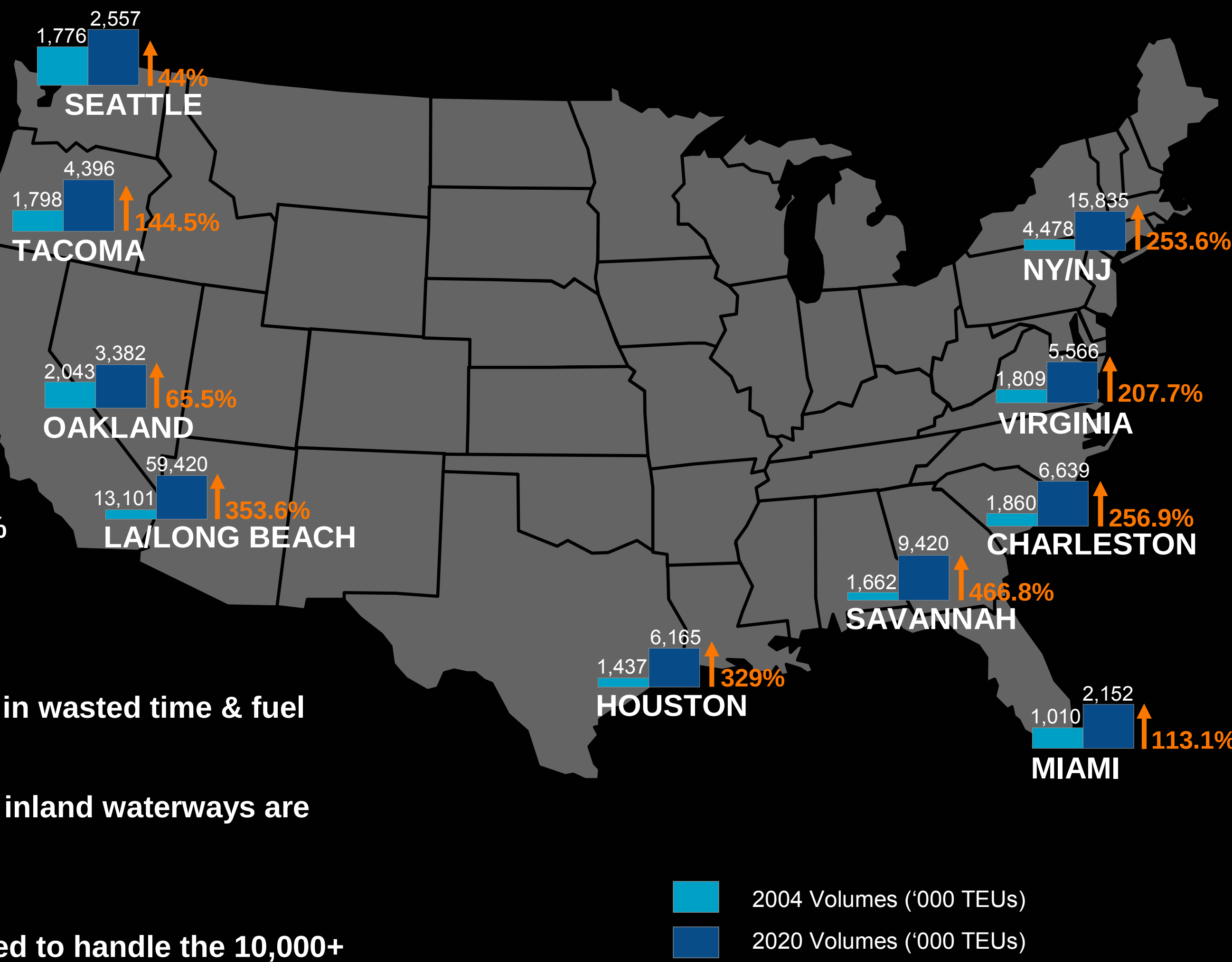
Table 2: Productivity Growth (%)

	2004	2005	2006	2007	2008
China	9	9	8.6	7.3	7
India*	6.1	6.1	4.9	5	4.6
US	2.8	1.4	1.4	1.3	2.0
Eastern Europe					
Czech Republic	4	4.5	4.7	4.5	4.1
Hungary	5.2	4.1	4	3.7	4.1
Poland	3.9	1	3.2	3.4	3.1
Russia	5	5.2	5.2	5.2	4.6
Slovakia	5.1	3.9	3.9	4	4.5
Latin America					
Brazil	1.7	-1.4	1.4	1.4	1.2
Mexico	2.3	1.2	1.7	1.5	1.3

Note: *Converted to US$ based on exchange rates provided by EIU
Source: EIU, GRD Analysis

Infrastructures – North America

- Container imports are expected to double by 2020
- Rail freight tonnage is expected to increase by 50% by 2020
- World air cargo is expected to more than triple over the next 20 years.
- From 1970 to 2003, vehicle travel on highways rose by 161% but road mileage only increased by 6%
- Congestion costs US$ 63 billion in wasted time & fuel
- Half of the nation’s 257 locks on inland waterways are functionally obsolete
- Most ports have not been dredged to handle the 10,000+ TEU jumbo containerships being built

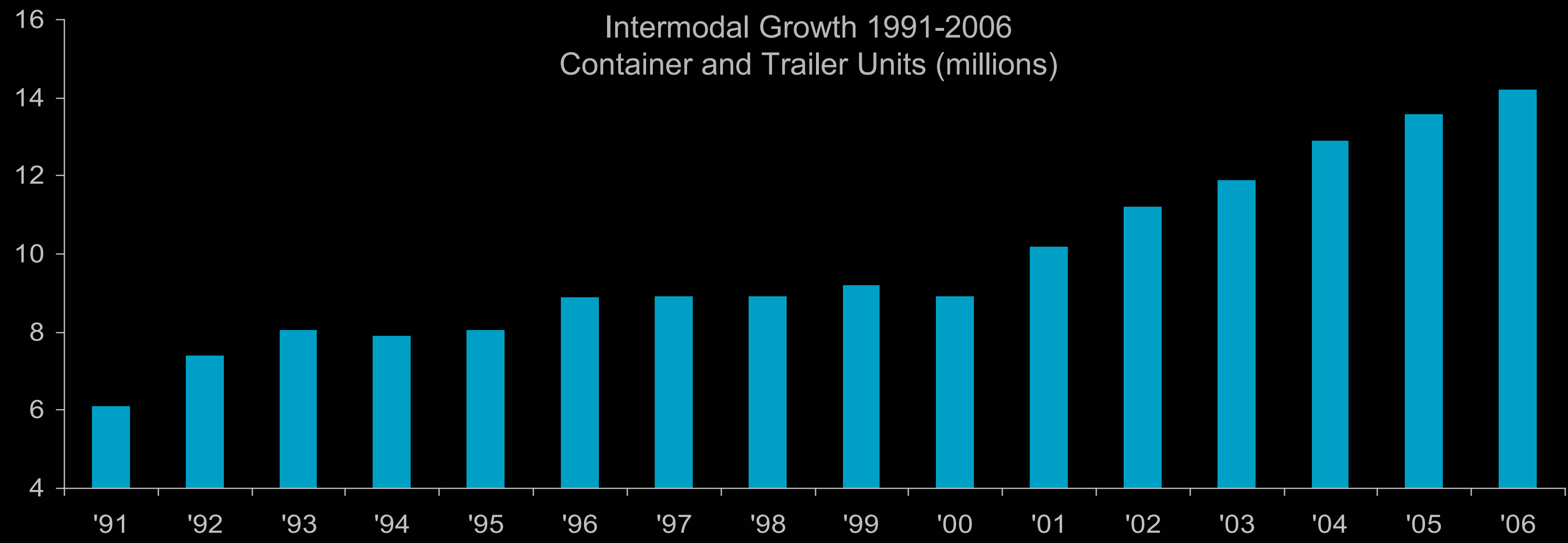


Containerized Trade

- Global containerized trade growth will continue to outstrip growth in World GDP
  - Demand in US & EU for Asian goods will fuel trade growth
  - Strong Intra-Asia trade among China, India, ASEAN countries will also contribute to trade growth
- Most in the industry hold the view that 2007 is likely the bottom of current cycle
- Analyst, research firms and ocean carriers forecast a narrowing supply-demand gap 2007 – 2010
- Supply of containerships will be affected by demand in other shipping sectors in 2009 in particular, limiting growth

Rail Growth in North America

U.S. Intermodal traffic has nearly doubled over the past 15 years. Trend expected to continue



Annual Intermodal Volume Figures, 2002-2006

Rail Intermodal Activity	2002	2003	2004	2005	2006
Containers	8,588,822	9,472,518	10,283,491	11,057,610	11,801,146
Trailers	2,345,508	2,424,407	2,639,545	2,584,262	2,432,928
Total Rail Intermodal Volume	11,191,142	11,903,121	12,923,036	13,641,872	14,234,074

Source: IANA's Intermodal Market Trends & Statistics Report

Air Trade

- Air volume is expected to triple in the next 20 years
  - Greatest growth in markets linked to Asia
- Areas in and around international and major gateway airports will continue to grow
- Over the next 20 years, the world freighter fleet will nearly double to 3,500+ airplanes
- Wide body freighters will dominate the future fleet growing from 27% in 2005 to 34% in 2025

Source: Boeing World Air Cargo Forecast 2006-2007

Infrastructures Issues – Viewpoint

Challenges negatively impacting ‘flow’ today will become greater over time

- Seaports: Pressure on ocean ports will continue as volume increases
- Airports: Significant migration to secondary airports is not expected
- Rail: The US will need to spend at least $250 billion over the next 20 years to catch up with development needs. As investment fails to keep pace with volume growth, velocity will continue to slip
- Highway: Highway congestion will hamper distribution to major metropolitan areas across the US
- It remains to be seen whether actions being taken to stimulate capital investment will increase the pace of development in infrastructure rapidly enough to support trade growth

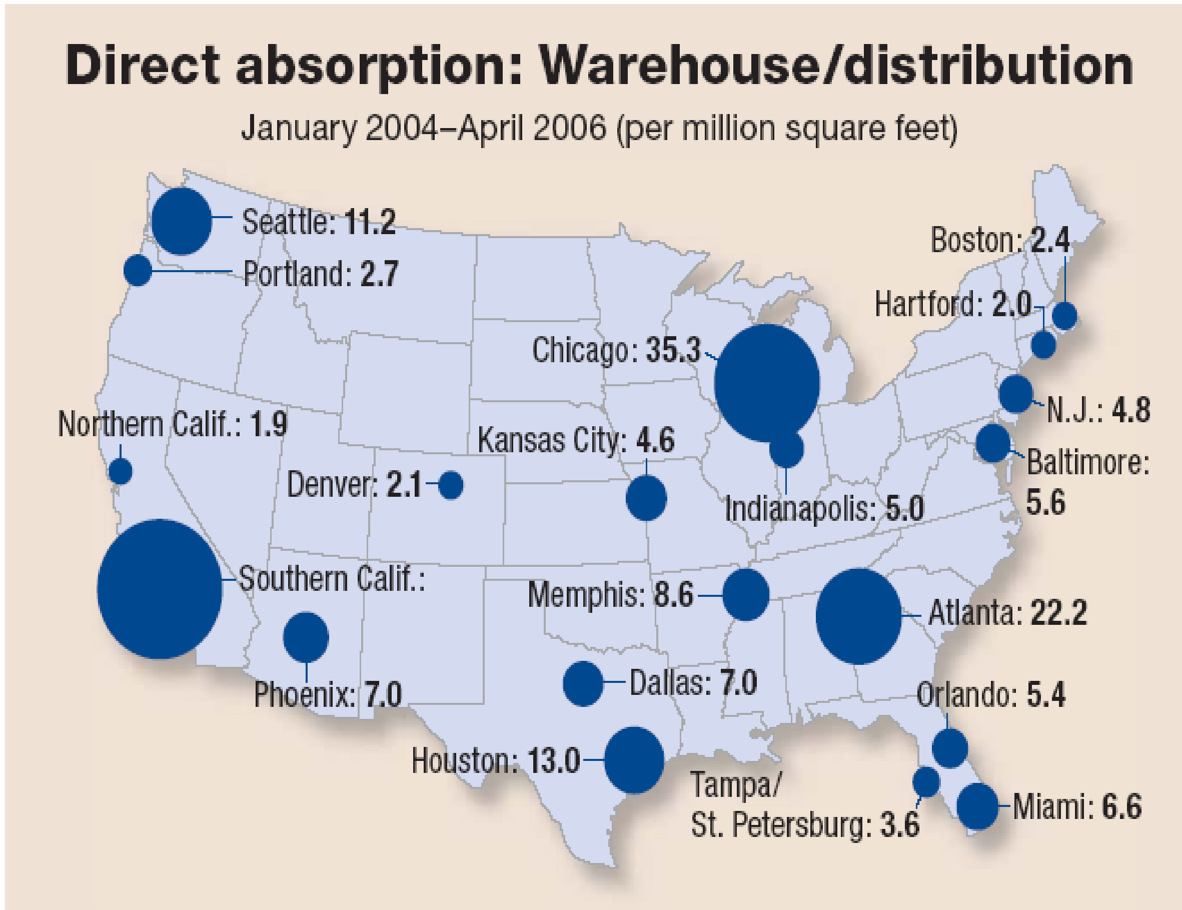
A Fundamental Shift is Required

- Supply chain thinking of shippers/consignees will have to change dramatically
- New products and services providing greater certainty of delivery in spite of the growing effects of congestion will be required
- Public/Private partnerships will become the norm in development and funding of new infrastructure
- Environmental regulations will drive R&D to develop new equipment and operating modes that are more environmentally friendly
- The U.S. government — administrative and congressional level — must view transportation infrastructure as critical to the nation's economic well being

Align Distribution with Upstream Capabilities

Domestic Distribution Changes

Distribution Centers located to take advantage of multiple gateways will be required to alleviate congestion



Source: Cushman & Wakefield, *Industrial White Paper*, June 2006: "New Age of Trade

Supply Chain Redesign Example 1

National Department Store Chain

- Challenge
  - FOB volume increasing and sourcing areas diversifying
  - Supply chain costs were rising
  - Productivity in domestic distribution network declined
- Solution
  - Streamline origin operations through origin consolidation and cargo management program
  - Exit many of the company-owned distribution centers
  - Outsource domestic distribution through crossdock programs on West and East Coasts
- Results
  - Vendor compliance exceeded defined standards
  - On-time performance increased significantly for in-store deliveries
  - Reduce distribution network costs for investments and operations

Supply Chain Redesign Example 2

Global Beverage Brand Importer

- Challenge
  - Import volume increasing
  - Dwell time on-dock increasing
  - Declining product quality
  - Loss of market share
- Solution
  - Drayage program developed with warehouse & distribution providers to pull ocean containers from terminal before free-time expiration
  - First-in-First-Out (FIFO) tracking system implemented in warehouse providers’ facilities
- Results
  - Significant reduction of demurrage charges paid to ocean carriers
  - Product quality improved and returns from distributors reduced
  - Market share increased in the U.S.

AMB

Supply Chain Redesign Example 3

National Footwear Distributor

- Challenge
  - Acquisitions and licensing agreements expand product portfolio
  - Increase in FOB volume and sourcing locations
  - Multiple handling of products within distribution network causing significant rise in supply chain costs
- Solution
  - Allocation of product at origin to the store/customer level to by-pass distribution centers
  - Holding inventory at a 3rd party warehouse for direct to customer shipments via parcel and less-than-container-load providers
- Results
  - By-pass operation significantly reduced the number of touch points, lowering handling costs
  - Direct to store/customer shipments reduced transportation costs

Concluding Thoughts

- EDC's (Export Distribution Centers) will continue to be developed at origin points, in many various configurations
  - Value Added Services of providers will drive these variations
- IDC's (Import Distribution Centers) will continue to be developed in and around major import hubs
  - Size will vary but expected in the 500K SF – 750K SF range
- Transloading is here to stay. Configurations will vary but narrow/long configurations with significant trailer parking (5 slots/door minimum) will be required
- Inland transload facilities, on or in close proximity to major Intermodal hubs, will continue to be developed to support the higher volume importers

AMB

Concluding Thoughts - Continued

- East Coast hubs will see significant growth over the next 1-3 years
- Mexico/Canada alternatives will become more viable, but with limited short term capacity
- Facility location and design is directly tied to product type and client specific supply chain networks. One size does not fit all!
- Multi-story development is a better use of land and has been proven in Asia. U.S. multi-story sites will come as land values continue to grow and supply becomes more constrained

Port of Tokyo
AMB Ohta Distribution Center ~ 790,000 SF

AMB PROPERTY CORPORATION®
Local partner to global trade.™

This document contains forward-looking statements such as the size, completion and total investment in development projects 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. 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. For further information on 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 annual report on Form 10-K for the year ended December 31, 2006.