

## **AMB Property Corporation Completes First Equity Raise of \$136.5 Million for AMB Institutional Alliance Fund III**

PRNewswire-FirstCall  
SAN FRANCISCO

AMB Property Corporation, a leading global developer and owner of industrial real estate, announced the closing of the first equity raise for AMB Institutional Alliance Fund III. AMB believes the Fund is the publicly traded REIT industry's first open-end commingled fund.

Twelve pension funds, foundations and private investors have invested in a private REIT that is now a limited partner in Alliance Fund III. The Fund's investment activities will focus on acquisition of U.S. industrial facilities near key passenger and cargo airports, seaports and highway systems in major metropolitan markets.

The open-end features of the Fund allow new and existing investors to purchase shares in the Fund at net asset value. Further, the Fund's open-end structure allows investors to redeem all or a portion of their investment on a quarterly basis, at any time following the second anniversary of the Fund's initial closing, subject to cash availability.

"The ability to raise, invest and produce a 21-year track record of successful results on private capital is a hallmark of AMB's business," said Hamid R. Moghadam, AMB's chairman and CEO. "Alliance Fund III is the eighth fund we have formed and invested in with private capital investors since our IPO in 1997. The funds enable us to expand our operating platform and increase returns on invested capital while keeping our common equity scarce."

John T. Roberts, Jr., president of AMB Capital Partners added, "The Alliance Fund III portfolio will consist of distribution facilities that embody AMB's investment strategy focused on markets and customers tied to global trade." Alliance Fund III owns nine properties comprising 32 buildings which total 2.9 million square feet near seven U.S. airports including, Los Angeles International, John F. Kennedy International, Sea-Tac International, Boston Logan International and Miami International. AMB acquired and pre-specified the initial assets for the Fund as part of its earlier acquisition of the International Airport Centers portfolio.

The current capitalization of Alliance Fund III is approximately \$425 million. Total equity committed to the Fund by the initial group of private investors is \$136.5 million. AMB's initial equity contribution to the Fund is approximately \$34 million, representing a co-investment level of approximately 20%. The Fund is expected to operate with a targeted leverage ratio of 60% of the aggregate gross value of the Fund's assets; currently, the Fund has total debt of approximately \$254 million in existing long-term secured debt and committed financings.

As general partner in the Fund, and consistent with its existing co-investment fund structures, AMB will receive acquisition fees on future acquisitions and priority distributions for asset and portfolio management services. Every three years, AMB has the ability to receive additional incentive distributions if it exceeds certain internal rate of return benchmarks.

The securities discussed herein have not been registered under the Securities Act of 1933 or the securities laws of any state and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the Securities Act and any applicable state securities laws. This announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein.

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 September 30, 2004 AMB owned, managed and had renovation and development projects totaling 109.1 million square feet (10.1 million square meters) and 1,106 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](http://www.amb.com) or by contacting the Investor Relations department at +1 877 285 3111.

This document contains forward-looking statements such as targeted leverage ratios, anticipated transaction activity and goals regarding investment strategies and results 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. 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, 2003.

SOURCE: AMB Property Corporation

CONTACT: Lauren L. Barr, Vice President, Corporate Communications of AMB Property Corporation, +1-415-733-9477, or fax, +1-415-477-2177, or lbarr@amb.com

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

---

<http://prologis.mediaroom.com/2004-10-27-AMB-Property-Corporation-Completes-First-Equity-Raise-of-136-5-Million-for-AMB-Institutional-Alliance-Fund-III>