

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 8-K

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CURRENT REPORT

Pursuant to Section 13 or 15(d) of The  
Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):  
February 19, 2013

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**American Assets Trust, Inc.**

(Exact name of registrant as specified in its charter)

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Maryland  
(State or other jurisdiction  
of incorporation)

11455 El Camino Real, Suite 200  
San Diego, California 92130  
(Address of principal executive offices)

001-35030  
(Commission  
File No.)

27-3338708  
(I.R.S. Employer  
Identification No.)

92130  
(Zip Code)

(858) 350-2600

Registrant's telephone number, including area code:

**Not Applicable**

(Former name or former address, if changed since last report.)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425).
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

On February 19, 2013, American Assets Trust, Inc. (the “Company”) issued a press release regarding its financial results for the quarter and fiscal year ending December 31, 2012. Also on February 19, 2013, the Company made available on its website at [www.americanassetstrust.com](http://www.americanassetstrust.com) certain supplemental information concerning the Company’s financial results and operations for the quarter and fiscal year ending December 31, 2012. Copies of the press release and supplemental information are attached hereto as Exhibits 99.1 and 99.2, respectively.

Exhibits 99.1 and 99.2, are being furnished pursuant to Item 2.02 and shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**Item 7.01 Regulation FD Disclosure.**

As discussed in Item 2.02 above, the Company issued a press release regarding its financial results for the quarter and fiscal year ending December 31, 2012 and made available on its website certain supplemental information relating thereto.

The information being furnished pursuant to Item 7.01 and shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

The following exhibits are filed herewith:

<u>Exhibit Number</u>	<u>Exhibit Description</u>
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99.1**	Press release issued by American Assets Trust, Inc. on February 19, 2013.
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99.2**	American Assets Trust, Inc. Supplemental Information for the period ended December 31, 2012.
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\*\* Furnished herewith

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

American Assets Trust, Inc.

By:     /s/ Robert F. Barton    

Robert F. Barton  
Executive Vice President, CFO

February 19, 2013

## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Description</u>
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- |      |  |
|------|--|
| 99.1 | Press release issued by American Assets Trust, Inc. on February 19, 2013.                    |
| 99.2 | American Assets Trust, Inc. Supplemental Information for the period ended December 31, 2012. |



## American Assets Trust, Inc. Reports Fourth Quarter and Year-End 2012 Financial Results Company Release - 2/19/13

SAN DIEGO - American Assets Trust, Inc. (NYSE: AAT) (the "Company") today reported financial results for its fourth quarter and year-end December 31, 2012.

### Financial Results and Recent Developments

- Funds From Operations increased 36% and 29% to \$0.38 and \$1.35 per diluted share/unit for the three months and year ended December 31, 2012, respectively, compared to the same periods for the year ended December 31, 2011
- Increasing 2013 annual guidance to a range of \$1.38 to \$1.46 with a midpoint of \$1.42 of FFO per diluted share from our initial midpoint guidance of \$1.40 of FFO per diluted share
- Net income available to common stockholders of \$28.6 million and \$34.9 million for the three months and year ended December 31, 2012, respectively, or \$0.73 and \$0.90 per diluted share, respectively
- Same-store GAAP NOI growth increased 13.0% and 5.8% for the three months and year ended December 31, 2012, respectively, compared to the same periods for the year ended December 31, 2011
- \$21 million acquisition of Geary Marketplace, a newly constructed, approximately 35,000 square foot, 100% leased, grocery-anchored shopping center in Walnut Creek, California, a high barrier to entry submarket in the San Francisco Bay Area
- Sale of 160 King Street in San Francisco, California for approximately \$94 million, resulting in a gain on sale of \$36.7 million or approximately a 36% return on the initial acquisition price
- \$111 million 10-year interest-only mortgage loan secured by City Center Bellevue with a fixed rate of 3.98% closed on October 10, 2012

During the fourth quarter of 2012, the Company generated funds from operations ("FFO") for common stockholders and unitholders of \$21.7 million, or \$0.38 per diluted share/unit compared to \$16.3 million or \$0.28 per diluted share/unit for the quarter ended December 31, 2011. For the year ended December 31, 2012, the Company generated FFO for common stockholders and unitholders of \$77.5 million, or \$1.35 per diluted share/unit compared to \$57.3 million or \$1.05 per diluted share/unit for the year ended December 31, 2011. Unitholders refers to holders of units of our operating partnership. The increase in FFO from the prior year was largely due to additional operating income from our 2011 and 2012 office acquisitions, primarily First & Main, Lloyd District Portfolio and City Center Bellevue.

Net income attributable to common stockholders was \$28.6 million, or \$0.73 per basic and diluted share, for the three months ended December 31, 2012 compared to \$0.3 million, or \$0.01 per basic and diluted share, for the three months ended December 31, 2011. For the year ended December 31, 2012, net income attributable to common stockholders was \$34.9 million, or \$0.90 per basic and diluted share compared to net income attributable to common stockholders of \$2.9 million, or \$0.08 per basic and diluted share, for the year ended December 31, 2011. The increase in net income attributable to common stockholders was largely due to the gain on sale of 160 King Street during the fourth quarter of 2012.

FFO is a non-GAAP supplemental earnings measure which the Company considers meaningful in measuring its operating performance. A reconciliation of FFO to net income is attached to this press release.

## Portfolio Results

The portfolio leased status as of the end of the indicated quarter was as follows:

	December 31, 2012	September 30, 2012	December 31, 2011
<b>Total Portfolio</b>			
Retail	97.0%	96.9%	95.0%
Office	93.3%	93.7%	93.9%
Multifamily	94.7%	96.2%	91.8%
Mixed-Use:			
Retail	95.5%	97.4%	99.2%
Hotel	88.9%	90.2%	88.4%
<b>Same-Store Portfolio</b>			
Retail	96.9%	96.9%	94.8%
Office	93.3%	93.8%	96.6%
Multifamily	94.7%	96.2%	91.8%
Mixed-Use:			
Retail	95.5%	97.4%	—
Hotel	88.9%	90.2%	—

During the fourth quarter of 2012, the Company signed 29 leases for approximately 128,600 square feet of retail and office space, as well as 171 multifamily apartment leases. Renewals accounted for 100.0% of the comparable retail leases, 85.7% of the comparable office leases and 61.4% of the residential leases.

### Retail and Office

On a comparable space basis (i.e., leases for which there was a former tenant) during the fourth quarter of 2012, our retail and office leasing spreads are shown below:

Q4 2012	Number of Leases Signed	Comparable Leased Sq. Ft.	Average Cash Basis % Change Over Prior Rent	Average Contractual Rent Per Sq. Ft.	Prior Average Contractual Rent Per Sq. Ft.	GAAP Straight-Line Basis % Change Over Prior Rent
Retail	13	33,000	4.6%	\$33.32	\$31.86	12.3%
Office	14	93,000	16.0%	\$39.76	\$34.28	16.1%

### Multifamily

At December 31, 2012, the average monthly base rent per leased unit was \$1,399 compared to an average monthly base rent per leased unit of \$1,370 at September 30, 2012 and \$1,404 at December 31, 2011.

### Same-Store Operating Income

For the three months and year ended December 31, 2012, same-store property operating income increased approximately 13.0% and 5.8%, respectively, on a GAAP basis, compared to the corresponding periods in 2011. The same-store property operating income by segment was as follows (in thousands):

	Three Months Ended <sup>(1)</sup>			Year Ended <sup>(2)</sup>		
	December 31,		Change	December 31,		Change
	2012	2011		2012	2011	
Retail	\$ 17,827	\$ 14,512	22.8 %	\$ 60,105	\$ 56,038	7.3 %
Office	12,005	11,824	1.5	24,918	24,045	3.6
Multifamily	2,418	2,129	13.6	8,938	8,743	2.2
Mixed-Use	4,371	3,946	10.8	—	—	—
	<u>\$ 36,621</u>	<u>\$ 32,411</u>	<u>13.0 %</u>	<u>\$ 93,961</u>	<u>\$ 88,826</u>	<u>5.8 %</u>

(1) Same-store portfolio excludes One Beach Street, City Center Bellevue, Geary Marketplace and land held for development. Valencia Corporate Center and 160 King Street are excluded from same-store portfolio, as they are classified as discontinued operations for all periods presented.

(2) Same-store portfolio excludes Solana Beach Towne Centre, Solana Beach Corporate Centre, Waikiki Beach Walk entities, First & Main, Lloyd District Portfolio, One Beach Street, City Center Bellevue, Geary Marketplace and land held for development. Valencia Corporate Center and 160 King Street are excluded from same-store portfolio, as they are classified as discontinued operations for all periods presented.

The increase in same-store retail net operating income is primarily due to an increase in rental revenue attributed to an increase in average percentage leased and higher average straight line rent for leases signed in 2012. Additionally, there was a decrease in retail rental expenses specifically related to an allowance recorded for an outstanding deferred rent receivable from Kmart in 2011.

Same-store office property operating income increased due to higher average straight line rent for leases signed in 2012.

Same-store multifamily property operating income increased for the year ended December 31, 2012 compared to the corresponding period in 2011 due to an increase in average percentage leased throughout 2012 and a decrease in operating expenses.

### Acquisitions and Dispositions

On December 4, 2012, the Company sold 160 King Street, an office property located in San Francisco, California, for approximately \$93.8 million and recognized a gain on sale of approximately \$36.7 million during the fourth quarter of 2012. The sale was completed in connection with the reverse tax deferred exchange structured for the acquisition of City Center Bellevue pursuant to the provisions of Section 1031 of the Internal Revenue Code of 1986, as amended, and applicable state revenue and taxation code sections.

On December 19, 2012, we acquired Geary Marketplace in Walnut Creek, California, one of the San Francisco Bay Area's most desirable submarkets. Geary Marketplace is a newly constructed, approximately 35,000 square foot, 100% leased, grocery anchored shopping center. The property sits within easy walking distance (just 1/5 of a mile via the I-680 overpass) to the Pleasant Hill BART station and Contra Costa Centre - one of the United States' top Transit Oriented Developments. Contra Costa Centre is home to over 2.4 million square feet of Class A office/commercial space, two full-service hotels and nearly 2,700 multi-family residential units. In total there are over 9,300 households within one mile of the property. The high barriers to entry for new developments in the area and the population's strong household incomes ensure a high probability of tenant retention for this well located, convenience based center. The purchase price was approximately \$21.0 million, excluding closing costs of approximately \$0.02 million.

### Balance Sheet and Liquidity

At December 31, 2012, the Company had gross real estate assets of \$1.9 billion and liquidity of \$268.8 million, comprised of cash and cash equivalents of \$42.5 million and approximately \$226.3 million of availability on its line of credit.

### **Dividends**

The Company declared dividends on its shares of common stock of \$0.21 per share for the fourth quarter of 2012. The dividends were declared on October 30, 2012 to holders of record on December 14, 2012 and were paid on December 28, 2012. Total dividends paid on shares of the Company's common stock for the year ended December 31, 2012 were \$0.84 per share.

In addition, the Company has declared a dividend on its common stock of \$0.21 per share for the quarter ending March 31, 2013. The dividend will be paid on March 29, 2013 to stockholders of record on March 15, 2013.

### **2013 Guidance**

The Company increased full year 2013 FFO per diluted share to a range of \$1.38 to \$1.46 per share with a midpoint of \$1.42 of FFO per diluted share from its initial 2013 guidance of \$1.35 to \$1.44 with a midpoint of \$1.40. The Company's guidance excludes any impact from future acquisitions, dispositions, equity issuances or repurchases, debt financings or repayments. The Company will discuss key assumptions regarding the increase in guidance tomorrow on the conference call.

The foregoing estimates are forward-looking and reflect management's view of current and future market conditions, including certain assumptions with respect to leasing activity, rental rates, occupancy levels, interest rates and the amount and timing of acquisition and development activities. The Company's actual results may differ materially from these estimates.

### **Conference Call**

The Company will hold a conference call to discuss the results for the fourth quarter and year end 2012 on Wednesday, February 20, 2013 at 8:00 a.m. Pacific Time ("PT"). To participate in the event by telephone, please dial 1-866-825-3308 and use the pass code 68217226. A telephonic replay of the conference call will be available beginning at 10:00 a.m. PT on Wednesday, February 20, 2013 through Wednesday, February 27, 2013. To access the replay, dial 1-888-286-8010 and use the pass code 27279353. A live on-demand audio webcast of the conference call will be available on the Company's website at [www.americanassetstrust.com](http://www.americanassetstrust.com). A replay of the call will also be available on the Company's website.

### **Supplemental Information**

Supplemental financial information regarding the Company's fourth quarter 2012 results may be found in the "Investor Relations" section of the Company's website at [www.americanassetstrust.com](http://www.americanassetstrust.com). This supplemental information provides additional detail on items such as property occupancy, financial performance by property and debt maturity schedules.

**Financial Information**  
**American Assets Trust, Inc.**  
**Consolidated Balance Sheets**  
**(In Thousands, Except Share Data)**

	December 31, 2012	December 31, 2011
<b>Assets</b>		
Real estate, at cost		
Operating real estate	\$ 1,891,549	\$ 1,600,643
Construction in progress	32,183	3,495
Held for development	14,944	24,675
	1,938,676	1,628,813
Accumulated depreciation	(270,494)	(224,867)
Net real estate	1,668,182	1,403,946
Cash and cash equivalents	42,479	112,723
Restricted cash	7,421	8,978
Marketable securities	—	28,235
Accounts receivable, net	6,440	6,810
Deferred rent receivables, net	29,395	22,344
Prepaid expenses and other assets	73,670	74,424
Assets of discontinued operations	—	51,821
Total assets	\$ 1,827,587	\$ 1,709,281
<b>Liabilities and equity</b>		
Liabilities:		
Secured notes payable	\$ 1,044,682	\$ 912,067
Accounts payable and accrued expenses	29,509	24,805
Security deposits payable	4,856	4,091
Other liabilities and deferred credits	62,811	55,579
Liabilities of discontinued operations	—	33,011
Total liabilities	1,141,858	1,029,553
Commitments and contingencies		
Equity:		
American Assets Trust, Inc. stockholders' equity		
Common stock \$0.01 par value, 490,000,000 shares authorized, 39,664,212 and 39,283,796 shares outstanding at December 31, 2012 and December 31, 2011, respectively	397	393
Additional paid-in capital	663,589	653,645
Accumulated dividends in excess of net income	(25,625)	(28,007)
Total American Assets Trust, Inc. stockholders' equity	638,361	626,031
Noncontrolling interests	47,368	53,697
Total equity	685,729	679,728
Total liabilities and equity	\$ 1,827,587	\$ 1,709,281

**American Assets Trust, Inc.**  
**Consolidated Statements of Income**  
(In Thousands, Except Shares and Per Share Data)

	Three Months Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011
<b>Revenue:</b>				
Rental income	\$ 60,191	\$ 51,458	\$ 225,249	\$ 194,168
Other property income	2,929	2,380	10,217	8,617
Total revenue	63,120	53,838	235,466	202,785
<b>Expenses:</b>				
Rental expenses	17,287	16,723	64,089	58,133
Real estate taxes	4,947	4,549	22,025	18,746
General and administrative	4,063	3,091	15,593	13,627
Depreciation and amortization	16,576	15,293	61,853	55,936
Total operating expenses	42,873	39,656	163,560	146,442
<b>Operating income</b>	20,247	14,182	71,906	56,343
Interest expense	(15,152)	(14,236)	(57,328)	(54,580)
Early extinguishment of debt	—	—	—	(25,867)
Loan transfer and consent fees	—	—	—	(8,808)
Gain on acquisition	—	—	—	46,371
Other income (expense), net	(273)	614	(629)	212
<b>Income from continuing operations</b>	4,822	560	13,949	13,671
<b>Discontinued operations</b>				
Income from discontinued operations	279	95	932	1,672
Gain on sale of real estate property	36,720	—	36,720	3,981
Results from discontinued operations	36,999	95	37,652	5,653
<b>Net income</b>	41,821	655	51,601	19,324
Net income attributable to restricted shares	(133)	(132)	(529)	(482)
Net loss attributable to Predecessor's noncontrolling interests in consolidated real estate entities	—	—	—	2,458
Net (income) loss attributable to Predecessor's controlled owners' equity	—	—	—	(16,995)
Net income attributable to unitholders in the Operating Partnership	(13,111)	(179)	(16,133)	(1,388)
<b>Net income attributable to American Assets Trust, Inc. stockholders</b>	\$ 28,577	\$ 344	\$ 34,939	\$ 2,917
Basic net income (loss) from continuing operations attributable to common stockholders per share	\$ 0.08	\$ 0.01	\$ 0.24	\$ (0.02)
Basic net income from discontinued operations attributable to common stockholders per share	0.65	—	0.66	0.10
Basic net income attributable to common stockholders per share	\$ 0.73	\$ 0.01	\$ 0.90	\$ 0.08
Weighted average shares of common stock outstanding - basic	38,952,816	38,655,084	38,736,113	36,748,806
Diluted net income (loss) from continuing operations attributable to common stockholders per share	\$ 0.08	\$ 0.01	\$ 0.24	\$ (0.02)
Diluted net income from discontinued operations attributable to common stockholders per share	0.65	—	0.66	0.10
Diluted net income attributable to common stockholders per share	\$ 0.73	\$ 0.01	\$ 0.90	\$ 0.08
Weighted average shares of common stock outstanding - diluted	57,054,425	57,051,173	57,053,909	54,219,807
Dividends declared per common share	\$ 0.21	\$ 0.21	\$ 0.84	\$ 0.80

## Reconciliation of Net Income to Funds From Operations

The Company's FFO attributable to common stockholders and operating partnership unitholders and a reconciliation to net income is as follows (in thousands except shares and per share data):

	Three Months Ended December 31, 2012	Year Ended December 31, 2012
<b>Funds From Operations (FFO)</b>		
Net income	\$ 41,821	\$ 51,601
Depreciation and amortization of real estate assets <sup>(1)</sup>	16,656	63,011
Gain on sale of real estate	(36,720)	(36,720)
FFO, as defined by NAREIT	\$ 21,757	\$ 77,892
Less: Nonforfeitable dividends on incentive stock awards	(88)	(354)
FFO attributable to common stock and units	\$ 21,669	\$ 77,538
FFO per diluted share/unit	\$ 0.38	\$ 1.35
Weighted average number of common shares and units, diluted	57,266,950	57,262,767

(1) The year ended December 31, 2012 includes depreciation and amortization on 160 King Street, which was sold on December 4, 2012. The year ended December 31, 2011 includes depreciation and amortization on 160 King Street and Valencia Corporate Center, which was sold on August 30, 2011. 160 King Street and Valencia Corporate Center are classified as discontinued operations.

Reported results are preliminary and not final until the filing of the Company's Form 10-K with the Securities and Exchange Commission and, therefore, remain subject to adjustment.

## Use of Non-GAAP Information

The Company calculates FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT. FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, impairment losses, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures.

FFO is a supplemental non-GAAP financial measure. Management uses FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring the Company's operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from property dispositions, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. The Company also believes that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the Company's operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the Company's properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of the Company's properties, all of which have real economic effects and could materially impact the Company's results from operations, the utility of FFO as a measure of the Company's performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as the Company does, and, accordingly, the Company's FFO may not be comparable to such other REITs' FFO. Accordingly, FFO should be considered only as a supplement to net income as a measure of the Company's performance. FFO should not be used as a measure of the Company's liquidity, nor is it indicative of funds available to fund the Company's cash needs, including the Company's ability to pay dividends or service indebtedness. FFO also should not be used as a supplement to or substitute for cash flow from operating activities computed in accordance with GAAP.

**About American Assets Trust, Inc.**

American Assets Trust, Inc. (the "Company") is a full service, vertically integrated and self-administered real estate investment trust, or REIT, headquartered in San Diego, California. For over 40 years, the Company has been acquiring, improving, developing and managing premier retail, office and residential properties throughout the United States in some of the nation's most dynamic, high-barrier-to-entry markets primarily in Southern California, Northern California, Oregon, Washington and Hawaii. The Company's retail portfolio comprises approximately 3.1 million rentable square feet, and its office portfolio comprises approximately 2.6 million square feet. In addition, the Company owns one mixed-use property (including approximately 97,000 rentable square feet of retail space and a 369-room all-suite hotel) and over 900 multifamily units. In 2011, the Company was formed to succeed to the real estate business of American Assets, Inc., a privately held corporation founded in 1967 and, as such, has significant experience, long-standing relationships and extensive knowledge of its core markets, submarkets and asset classes. For additional information, please visit [www.americanassetstrust.com](http://www.americanassetstrust.com).

**Forward Looking Statements**

This press release may contain forward-looking statements within the meaning of the federal securities laws, which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. While forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, they are not guarantees of future performance. For a further discussion of these and other factors that could cause the Company's future results to differ materially from any forward-looking statements, see the section entitled "Risk Factors" in the Company's most recent annual report on Form 10-K, and other risks described in documents subsequently filed by the Company from time to time with the Securities and Exchange Commission. The Company disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes.

**Source: American Assets Trust, Inc.**

**Investor and Media Contact:**

American Assets Trust  
Robert F. Barton  
Executive Vice President and Chief Financial Officer  
858-350-2607

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# FOURTH QUARTER 2012

## Supplemental Information

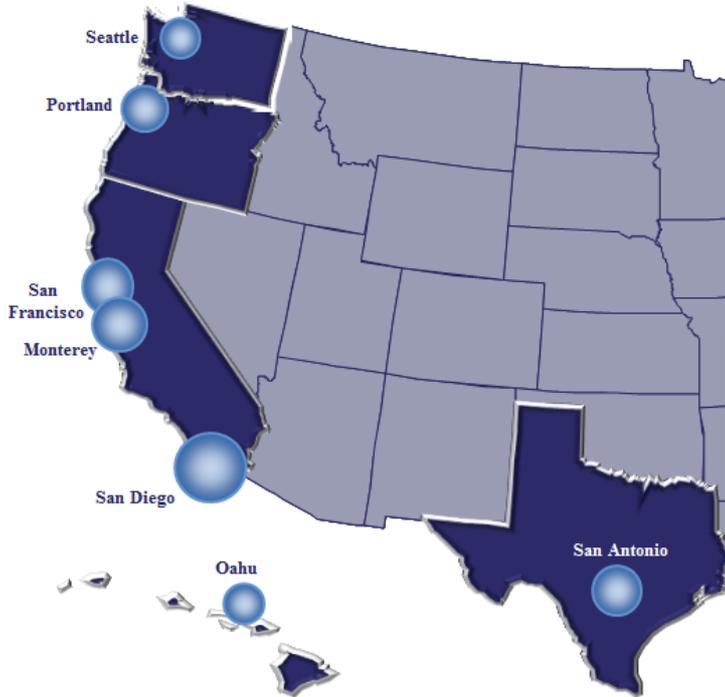
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Investor and Media Contact  
American Assets Trust  
Robert F. Barton  
Executive Vice President and Chief Financial Officer  
858-350-2607

AMERICAN  
ASSETS  
TRUST 

American Asset Trust, Inc.'s Portfolio is concentrated in high-barrier-to-entry markets  
with favorable supply/demand characteristics



Market	Retail	Office	Multifamily	Mixed-Use	
	Square Feet	Square Feet	Units	Square Feet	Suites
San Diego	1,217,923	668,869	922 <sup>(1)</sup>	—	—
San Francisco	35,156	519,548	—	—	—
Oahu	549,494	—	—	96,707	369
Monterey	676,571	—	—	—	—
San Antonio	589,501	—	—	—	—
Portland	—	966,642	—	—	—
Seattle	—	490,508	—	—	—
<b>Total</b>	<b>3,068,645</b>	<b>2,645,567</b>	<b>922</b>	<b>96,707</b>	<b>369</b>

	Square Feet	%
<b>Retail</b>	<b>3.1 million</b>	<b>54%</b>
<b>Office</b>	<b>2.6 million</b>	<b>46%</b>
<b>Totals</b>	<b>5.7 million</b>	

Note: Circled areas represent all markets in which American Assets Trust, Inc. (the "Company") currently owns and operates its real estate assets. Size of circle denotes approximation of square feet / units.

Data is as of December 31, 2012.

(1) Includes 122 RV spaces.

**FOURTH QUARTER 2012 SUPPLEMENTAL INFORMATION**

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This Supplemental Information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act). Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). 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: adverse economic or real estate developments in our markets; our failure to generate sufficient cash flows to service our outstanding indebtedness; defaults on, early terminations of or non-renewal of leases by tenants, including significant tenants; difficulties in identifying properties to acquire and completing acquisitions; difficulties in completing dispositions; our failure to successfully operate acquired properties and operations; our inability to develop or redevelop our properties due to market conditions; fluctuations in interest rates and increased operating costs; risks related to joint venture arrangements; our failure to obtain necessary outside financing; on-going litigation; general economic conditions; financial market fluctuations; risks that affect the general retail, office, multifamily and mixed-use environment; the competitive environment in which we operate; decreased rental rates or increased vacancy rates; conflicts of interests with our officers or directors; lack or insufficient amounts of insurance; environmental uncertainties and risks related to adverse weather conditions and natural disasters; other factors affecting the real estate industry generally; limitations imposed on our business and our ability to satisfy complex rules in order for us to continue to qualify as a REIT for U.S. federal income tax purposes; and changes in governmental regulations or interpretations thereof, such as real estate and zoning laws and increases in real property tax rates and taxation of REITs.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, or new information, data or methods, future events or other changes. For a further discussion of these and other factors that could impact our future results, refer to our most recent Annual Report on Form 10-K and other risks described in documents subsequently filed by us from time to time with the Securities and Exchange Commission.

# FINANCIAL HIGHLIGHTS

# CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except shares and per share data)

	<u>December 31, 2012</u>	<u>December 31, 2011</u>
<b>ASSETS</b>		
Real estate, at cost		
Operating real estate	\$ 1,891,549	\$ 1,600,643
Construction in progress	32,183	3,495
Held for development	14,944	24,675
	<u>1,938,676</u>	<u>1,628,813</u>
Accumulated depreciation	(270,494)	(224,867)
Net real estate	1,668,182	1,403,946
Cash and cash equivalents	42,479	112,723
Restricted cash	7,421	8,978
Marketable securities	—	28,235
Accounts receivable, net	6,440	6,810
Deferred rent	29,395	22,344
Other assets, net	73,670	74,424
Assets of discontinued operations	—	51,821
<b>TOTAL ASSETS</b>	<u>\$ 1,827,587</u>	<u>\$ 1,709,281</u>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES:</b>		
Secured notes payable	\$ 1,044,682	\$ 912,067
Accounts payable and accrued expenses	29,509	24,805
Security deposits payable	4,856	4,091
Other liabilities and deferred credits	62,811	55,579
Liabilities of discontinued operations	—	33,011
Total liabilities	<u>1,141,858</u>	<u>1,029,553</u>
Commitments and contingencies		
<b>EQUITY:</b>		
American Assets Trust, Inc. stockholders' equity		
Common stock \$0.01 par value, 490,000,000 shares authorized, 39,664,212 and 39,283,796 shares outstanding at December 31, 2012 and December 31, 2011, respectively	397	393
Additional paid in capital	663,589	653,645
Accumulated dividends in excess of net income	(25,625)	(28,007)
Total American Assets Trust, Inc. stockholders' equity	<u>638,361</u>	<u>626,031</u>
Noncontrolling interests	47,368	53,697
Total equity	<u>685,729</u>	<u>679,728</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 1,827,587</u>	<u>\$ 1,709,281</u>

# CONSOLIDATED STATEMENTS OF INCOME

(Amounts in thousands, except shares and per share data)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2012	2011	2012	2011
<b>REVENUE:</b>				
Rental income	\$ 60,191	\$ 51,458	\$ 225,249	\$ 194,168
Other property income	2,929	2,380	10,217	8,617
Total revenue	63,120	53,838	235,466	202,785
<b>EXPENSES:</b>				
Rental expenses	17,287	16,723	64,089	58,133
Real estate taxes	4,947	4,549	22,025	18,746
General and administrative	4,063	3,091	15,593	13,627
Depreciation and amortization	16,576	15,293	61,853	55,936
Total operating expenses	42,873	39,656	163,560	146,442
<b>OPERATING INCOME</b>	20,247	14,182	71,906	56,343
Interest expense	(15,152)	(14,236)	(57,328)	(54,580)
Early extinguishment of debt	—	—	—	(25,867)
Loan transfer and consent fees	—	—	—	(8,808)
Gain on acquisition	—	—	—	46,371
Other income (expense), net	(273)	614	(629)	212
<b>INCOME FROM CONTINUING OPERATIONS</b>	4,822	560	13,949	13,671
<b>DISCONTINUED OPERATIONS</b>				
Income from discontinued operations	279	95	932	1,672
Gain on sale of real estate property	36,720	—	36,720	3,981
Results from discontinued operations	36,999	95	37,652	5,653
<b>NET INCOME</b>	41,821	655	51,601	19,324
Net income attributable to restricted shares	(133)	(132)	(529)	(482)
Net loss attributable to Predecessor's noncontrolling interests in consolidated real estate entities	—	—	—	2,458
Net income attributable to Predecessor's controlled owners' equity	—	—	—	(16,995)
Net income attributable to unitholders in the Operating Partnership	(13,111)	(179)	(16,133)	(1,388)
<b>NET INCOME ATTRIBUTABLE TO AMERICAN ASSETS TRUST, INC.</b>				
<b>STOCKHOLDERS</b>	\$ 28,577	\$ 344	\$ 34,939	\$ 2,917
Basic net income (loss) from continuing operations attributable to common stockholders per share	\$ 0.08	\$ 0.01	\$ 0.24	\$ (0.02)
Basic net income from discontinued operations attributable to common stockholders per share	0.65	—	0.66	0.10
Basic net income attributable to common stockholders per share	\$ 0.73	\$ 0.01	\$ 0.90	\$ 0.08
Weighted average shares of common stock outstanding - basic	38,952,816	38,655,084	38,736,113	36,748,806
Diluted net income (loss) from continuing operations attributable to common stockholders per share	\$ 0.08	\$ 0.01	\$ 0.24	\$ (0.02)
Diluted net income (loss) from discontinued operations attributable to common stockholders per share	0.65	—	0.66	0.10
Diluted net income attributable to common stockholders per share	\$ 0.73	\$ 0.01	\$ 0.90	\$ 0.08
Weighted average shares of common stock outstanding - diluted	57,054,425	57,051,173	57,053,909	54,219,807

# FUNDS FROM OPERATIONS, FFO AS ADJUSTED & FUNDS AVAILABLE FOR DISTRIBUTION

(Amounts in thousands, except share and per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2012	2011	2012	2011
<b>Funds from Operations (FFO) <sup>(1)</sup></b>				
Net income	\$ 41,821	\$ 655	\$ 51,601	\$ 19,324
Depreciation and amortization of real estate assets <sup>(2)</sup>	16,656	15,723	63,011	58,543
Depreciation and amortization on unconsolidated real estate joint ventures (pro rata)	—	—	—	688
Gain on sale of real estate	(36,720)	—	(36,720)	(3,981)
FFO, as defined by NAREIT	21,757	16,378	77,892	74,574
Less: FFO attributable to Predecessor's controlled and noncontrolled owners' equity	—	—	—	(16,973)
Less: Nonforfeitable dividends on incentive stock awards	(88)	(89)	(354)	(316)
FFO attributable to common stock and common units	\$ 21,669	\$ 16,289	\$ 77,538	\$ 57,285
FFO per diluted share/unit	\$ 0.38	\$ 0.28	\$ 1.35	\$ 1.05
Weighted average number of common shares and common units, diluted <sup>(3)</sup>	57,266,950	57,258,935	57,262,767	54,417,123
<b>FFO As Adjusted <sup>(1)</sup></b>				
FFO	\$ 21,757	\$ 16,378	\$ 77,892	\$ 74,574
Early extinguishment of debt	—	—	—	25,867
Loan transfer and consent fees	—	—	—	9,019
Gain on acquisition of controlling interests <sup>(4)</sup>	—	—	—	(46,371)
FFO As Adjusted	21,757	16,378	77,892	63,089
Less: FFO As Adjusted attributable to Predecessor's controlled and noncontrolled owners' equity	—	—	—	(2,462)
Less: Nonforfeitable dividends on incentive stock awards	(88)	(89)	(354)	(316)
FFO As Adjusted attributable to common stock and units	\$ 21,669	\$ 16,289	\$ 77,538	\$ 60,311
FFO As Adjusted per diluted share/unit	\$ 0.38	\$ 0.28	\$ 1.35	\$ 1.11
Weighted average number of common shares and units, diluted <sup>(3)</sup>	57,266,950	57,258,935	57,262,767	54,417,123
<b>Dividends</b>				
Dividends declared and paid	\$ 12,114	\$ 12,113	\$ 48,452	\$ 46,123
Dividends declared and paid per share/unit	\$ 0.21	\$ 0.21	\$ 0.84	\$ 0.80

# FUNDS FROM OPERATIONS, FFO AS ADJUSTED & FUNDS AVAILABLE FOR DISTRIBUTION (CONTINUED)

(Amounts in thousands, except share and per share data)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2012	2011	2012	2011
<b>Funds Available for Distribution (FAD) <sup>(1)</sup></b>				
FFO As Adjusted	\$ 21,757	\$ 16,378	\$ 77,892	\$ 63,089
Adjustments:				
Tenant improvements, leasing commissions and maintenance capital expenditures <sup>(5)</sup>	(8,040)	(4,674)	(30,898)	(11,199)
Net effect of straight-line rents <sup>(6)</sup>	(2,125)	(694)	(7,580)	(3,778)
Amortization of net above (below) market rents <sup>(7)</sup>	(254)	506	237	1,117
Net effect of other lease intangibles <sup>(8)</sup>	71	(482)	268	584
Amortization of debt issuance costs and debt fair value adjustment	983	1,018	3,911	3,883
Non-cash compensation expense	724	713	2,852	2,615
Unrealized (gains) losses on marketable securities	—	(128)	538	(125)
Loss on sale of marketable securities	—	—	121	—
Nonforfeitable dividends on incentive stock awards	(88)	(89)	(354)	(316)
Adjustments related to discontinued operations	(303)	(199)	(1,313)	(544)
FAD	\$ 12,725	\$ 12,349	\$ 45,674	\$ 55,326
<b>Summary of Capital Expenditures</b>				
Tenant improvements and leasing commissions <sup>(5)</sup>	\$ 5,804	\$ 2,753	\$ 24,032	\$ 6,635
Maintenance capital expenditures	2,236	1,921	6,866	4,564
	\$ 8,040	\$ 4,674	\$ 30,898	\$ 11,199

Notes:

- (1) See Glossary of Terms.
- (2) The year ended December 31, 2012 includes depreciation and amortization on 160 King Street, which was sold on December 4, 2012. The year ended December 31, 2011 includes depreciation and amortization on 160 King Street and Valencia Corporate Center, which was sold on August 30, 2011. 160 King Street and Valencia Corporate Center are classified as discontinued operations.
- (3) For the years ended December 31, 2012 and 2011, the weighted average common shares and common units used to compute FFO and FFO As Adjusted per diluted share/unit include operating partnership common units and unvested restricted stock awards that are subject to time vesting. The shares/units used to compute FFO and FFO As Adjusted per diluted share/unit include additional shares/units which were excluded from the computation of diluted EPS, as they were anti-dilutive for the periods presented.
- (4) Represents the gain recognized upon acquisition of the outside ownership interests in the Solana Beach Centre entities and the Waikiki Beach Walk entities on January 19, 2011, in which we previously held a noncontrolling interest.
- (5) Includes \$6.1 million of tenant improvements related to salesforce.com, which was identified during the IPO as a Use of Proceeds.
- (6) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.
- (7) Represents the adjustment related to the acquisition of buildings with above (below) market rents.
- (8) Represents adjustments related to amortization of lease incentives paid to tenants and amortization of lease intangibles and straight-line rent expense for our leases of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

*(Unaudited, amounts in thousands, except share and per share data)*

	<b>2013 Guidance Range <sup>(1)</sup></b>	
<b>Funds from Operations (FFO)</b>		
Net income	\$ 15,220	\$ 20,054
Depreciation and amortization of real estate assets	64,040	64,040
FFO, as defined by NAREIT	79,260	84,094
Less: Nonforfeitable dividends on incentive stock awards	(352)	(352)
FFO attributable to common stock and units	\$ 78,908	\$ 83,742
Weighted average number of common shares and units, diluted	57,270,283	57,270,283
FFO per diluted share	\$ 1.38	\$ 1.46

Notes:

(1) The Company's guidance excludes any impact from future acquisitions, dispositions, equity issuances or repurchases, debt financings or repayments.

These estimates are forward-looking and reflect management's view of current and future market conditions, including certain assumptions with respect to leasing activity, rental rates, occupancy levels, interest rates and the amount and timing of acquisition and development activities. Our actual results may differ materially from these estimates.

# SAME-STORE PORTFOLIO NET OPERATING INCOME (NOI)

(Amounts in thousands)

	Three Months Ended December 31, 2012				
	Retail	Office	Multifamily	Mixed-Use	Total
<b>Real estate rental revenue</b>					
Same-store portfolio	\$ 24,104	\$ 16,881	\$ 3,895	\$ 12,471	\$ 57,351
Non-same store portfolio <sup>(1)</sup>	50	5,719	—	—	5,769
<b>Total</b>	<b>24,154</b>	<b>22,600</b>	<b>3,895</b>	<b>12,471</b>	<b>63,120</b>
<b>Real estate expenses</b>					
Same-store portfolio	6,277	4,876	1,477	8,100	20,730
Non-same store portfolio <sup>(1)</sup>	30	1,474	—	—	1,504
<b>Total</b>	<b>6,307</b>	<b>6,350</b>	<b>1,477</b>	<b>8,100</b>	<b>22,234</b>
<b>Net Operating Income (NOI), GAAP basis</b>					
Same-store portfolio	17,827	12,005	2,418	4,371	36,621
Non-same store portfolio <sup>(1)</sup>	20	4,245	—	—	4,265
<b>Total</b>	<b>\$ 17,847</b>	<b>\$ 16,250</b>	<b>\$ 2,418</b>	<b>\$ 4,371</b>	<b>\$ 40,886</b>
<b>Same-store portfolio NOI, GAAP basis</b>	<b>\$ 17,827</b>	<b>\$ 12,005</b>	<b>\$ 2,418</b>	<b>\$ 4,371</b>	<b>\$ 36,621</b>
Net effect of straight-line rents <sup>(2)</sup>	44	(519)	—	(92)	(567)
Amortization of net above (below) market rents <sup>(3)</sup>	(195)	198	—	226	229
Net effect of other lease intangibles <sup>(4)</sup>	—	85	—	(14)	71
<b>Same-store portfolio NOI, cash basis</b>	<b>\$ 17,676</b>	<b>\$ 11,769</b>	<b>\$ 2,418</b>	<b>\$ 4,491</b>	<b>\$ 36,354</b>

Notes:

- (1) Same-store portfolio and non-same store portfolio are determined based on properties held on December 31, 2012 and December 31, 2011. See Glossary of Terms.
- (2) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.
- (3) Represents the adjustment related to the acquisition of buildings with above (below) market rents.
- (4) Represents adjustments related to amortization of lease incentives paid to tenants and amortization of lease intangibles and straight-line rent expense for our lease of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

# SAME-STORE PORTFOLIO NET OPERATING INCOME (NOI)

(Amounts in thousands)

	Year Ended December 31, 2012				
	Retail	Office	Multifamily	Mixed-Use	Total
<b>Real estate rental revenue</b>					
Same-store portfolio	\$ 82,955	\$ 36,000	\$ 14,852	\$ —	\$ 133,807
Non-same store portfolio <sup>(1)</sup>	9,036	42,101	—	50,522	101,659
Total	91,991	78,101	14,852	50,522	235,466
<b>Real estate expenses</b>					
Same-store portfolio	22,850	11,082	5,914	—	39,846
Non-same store portfolio <sup>(1)</sup>	2,105	12,698	—	31,465	46,268
Total	24,955	23,780	5,914	31,465	86,114
<b>Net Operating Income (NOI), GAAP basis</b>					
Same-store portfolio	60,105	24,918	8,938	—	93,961
Non-same store portfolio <sup>(1)</sup>	6,931	29,403	—	19,057	55,391
Total	\$ 67,036	\$ 54,321	\$ 8,938	\$ 19,057	\$ 149,352
Same-store portfolio NOI, GAAP basis	\$ 60,105	\$ 24,918	\$ 8,938	\$ —	\$ 93,961
Net effect of straight-line rents <sup>(2)</sup>	(715)	(2,976)	—	—	(3,691)
Amortization of net above (below) market rents <sup>(3)</sup>	225	(9)	—	—	216
Net effect of other lease intangibles <sup>(4)</sup>	—	327	—	—	327
Same-store portfolio NOI, cash basis	\$ 59,615	\$ 22,260	\$ 8,938	\$ —	\$ 90,813

Notes:

- (1) Same-store portfolio and non-same store portfolio are determined based on properties held on December 31, 2012 and December 31, 2011. See Glossary of Terms.
- (2) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.
- (3) Represents the adjustment related to the acquisition of buildings with above (below) market rents.
- (4) Represents adjustments related to amortization of lease incentives paid to tenants and amortization of lease intangibles and straight-line rent expense for our lease of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

# SAME-STORE PORTFOLIO NOI COMPARISON

(Amounts in thousands)

	Three Months Ended December 31,			Year Ended December 31,		
	2012	2011	Change	2012	2011	Change
<b>Cash Basis:</b>						
Retail	\$ 17,676	\$ 15,526	13.8%	\$ 59,615	\$ 57,424	3.8%
Office	11,769	9,719	21.1	22,260	22,138	0.6
Multifamily	2,418	2,129	13.6	8,938	8,743	2.2
Mixed-Use	4,491	4,136	8.6	—	—	—
	<u>\$ 36,354</u>	<u>\$ 31,510</u>	<u>15.4%</u>	<u>\$ 90,813</u>	<u>\$ 88,305</u>	<u>2.8%</u>
<b>GAAP Basis:</b>						
Retail	\$ 17,827	\$ 14,512	22.8%	\$ 60,105	\$ 56,038	7.3%
Office	12,005	11,824	1.5	24,918	24,044	3.6
Multifamily	2,418	2,129	13.6	8,938	8,743	2.2
Mixed-Use	4,371	3,946	10.8	—	—	—
	<u>\$ 36,621</u>	<u>\$ 32,411</u>	<u>13.0%</u>	<u>\$ 93,961</u>	<u>\$ 88,825</u>	<u>5.8%</u>

# NOI BY REGION

(Amounts in thousands)

	Three Months Ended December 31, 2012				
	Retail	Office	Multifamily	Mixed-Use	Total
<b>Southern California</b>					
NOI, GAAP basis <sup>(1)</sup>	\$ 7,147	\$ 4,510	\$ 2,418	\$ —	\$ 14,075
Net effect of straight-line rents <sup>(2)</sup>	(109)	(137)	—	—	(246)
Amortization of net above (below) market rents <sup>(3)</sup>	(220)	48	—	—	(172)
Net effect of other lease intangibles	—	104	—	—	104
NOI, cash basis	6,818	4,525	2,418	—	13,761
<b>Northern California</b>					
NOI, GAAP basis <sup>(1)</sup>	2,705	4,068	—	—	6,773
Net effect of straight-line rents <sup>(2)</sup>	(2)	(489)	—	—	(491)
Amortization of net above (below) market rents <sup>(3)</sup>	(67)	(67)	—	—	(134)
Net effect of other lease intangibles <sup>(4)</sup>	—	(19)	—	—	(19)
NOI, cash basis	2,636	3,493	—	—	6,129
<b>Hawaii</b>					
NOI, GAAP basis <sup>(1)</sup>	4,695	—	—	4,371	9,066
Net effect of straight-line rents <sup>(2)</sup>	152	—	—	(92)	60
Amortization of net above (below) market rents <sup>(3)</sup>	174	—	—	226	400
Net effect of other lease intangibles <sup>(4)</sup>	—	—	—	(14)	(14)
NOI, cash basis	5,021	—	—	4,491	9,512
<b>Oregon</b>					
NOI, GAAP basis <sup>(1)</sup>	—	4,156	—	—	4,156
Net effect of straight-line rents <sup>(2)</sup>	—	(50)	—	—	(50)
Amortization of net above (below) market rents <sup>(3)</sup>	—	151	—	—	151
Net effect of other lease intangibles <sup>(4)</sup>	—	—	—	—	—
NOI, cash basis	—	4,257	—	—	4,257
<b>Texas</b>					
NOI, GAAP basis <sup>(1)</sup>	3,300	—	—	—	3,300
Net effect of straight-line rents <sup>(2)</sup>	1	—	—	—	1
Amortization of net above (below) market rents <sup>(3)</sup>	(82)	—	—	—	(82)
NOI, cash basis	3,219	—	—	—	3,219
<b>Washington</b>					
NOI, GAAP basis <sup>(1)</sup>	—	3,516	—	—	3,516
Net effect of straight-line rents <sup>(2)</sup>	—	(1,399)	—	—	(1,399)
Amortization of net above (below) market rents <sup>(3)</sup>	—	(417)	—	—	(417)
NOI, cash basis	—	1,700	—	—	1,700
<b>Total</b>					
NOI, GAAP basis <sup>(1)</sup>	17,847	16,250	2,418	4,371	40,886
Net effect of straight-line rents <sup>(2)</sup>	42	(2,075)	—	(92)	(2,125)
Amortization of net above (below) market rents <sup>(3)</sup>	(195)	(285)	—	226	(254)
Net effect of other lease intangibles <sup>(4)</sup>	—	85	—	(14)	71
NOI, cash basis	\$ 17,694	\$ 13,975	\$ 2,418	\$ 4,491	\$ 38,578

Notes:

(1) See Glossary of Terms.

(2) Represents the straight-line rent income recognized during the period offset by cash received during the period and the provision for bad debts recorded for deferred rent receivable balances.

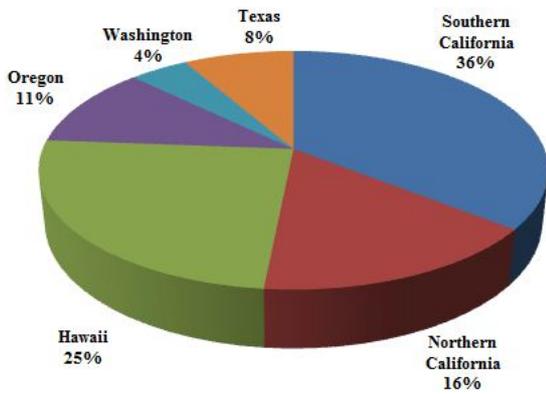
(3) Represents the adjustment related to the acquisition of buildings with above (below) market rents.

(4) Represents adjustments related to amortization of lease incentives paid to tenants and amortization of lease intangibles and straight-line rent expense for our leases of the Annex at The Landmark at One Market and retail space at Waikiki Beach Walk - Retail.

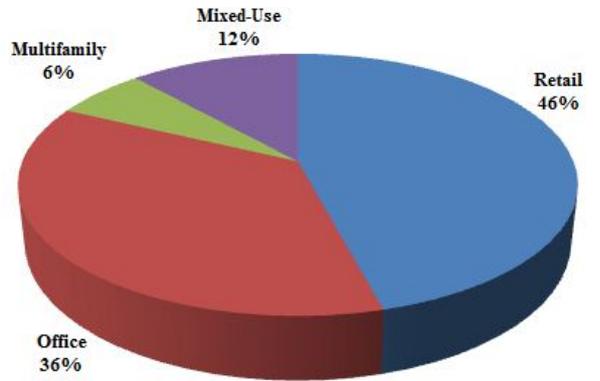
Three Months Ended December 31, 2012

**Portfolio Cash NOI Breakdown**

**Portfolio Diversification by Geographic Region**

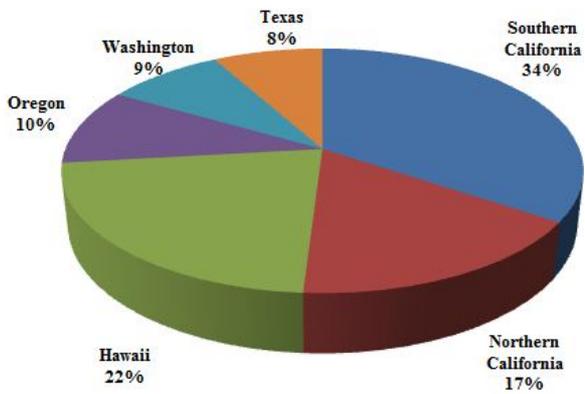


**Portfolio Diversification by Segment**

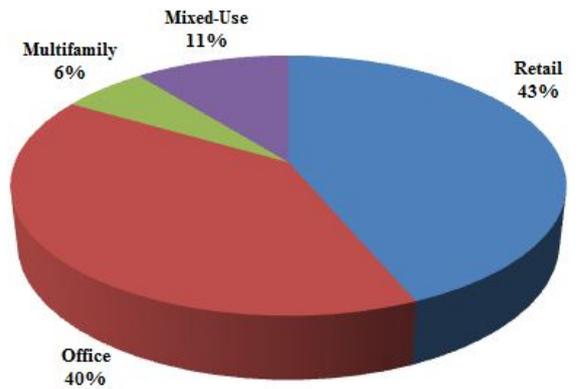


**Portfolio GAAP NOI Breakdown**

**Portfolio Diversification by Geographic Region**



**Portfolio Diversification by Segment**



# PROPERTY REVENUE AND OPERATING EXPENSES

(Amounts in thousands)

Property	Three Months Ended December 31, 2012			
	Base Rent <sup>(1)</sup>	Additional Property Income <sup>(2)</sup>	Billed Expense Reimbursements <sup>(3)</sup>	Property Operating Expenses <sup>(4)</sup>
<b>Retail Portfolio</b>				
Carmel Country Plaza	\$ 857	\$ 19	\$ 183	\$ (201)
Carmel Mountain Plaza	2,532	43	697	(846)
South Bay Marketplace	538	25	239	(205)
Rancho Carmel Plaza	191	109	47	(80)
Lomas Santa Fe Plaza	1,306	32	302	(356)
Solana Beach Towne Centre	1,395	42	471	(477)
Del Monte Center	2,212	515	981	(1,114)
Geary Marketplace <sup>(5)</sup>	48	—	—	(2)
The Shops at Kalakaua	393	20	30	(66)
Waialele Center	4,403	469	1,081	(1,311)
Alamo Quarry Market	3,208	284	1,385	(1,658)
<b>Subtotal Retail Portfolio</b>	<b>\$ 17,083</b>	<b>\$ 1,558</b>	<b>\$ 5,416</b>	<b>\$ (6,316)</b>
<b>Office Portfolio</b>				
Torrey Reserve Campus <sup>(6)</sup>	\$ 3,818	\$ 160	\$ 187	\$ (787)
Solana Beach Corporate Centre	1,694	1	37	(391)
The Landmark at One Market	4,742	21	157	(1,880)
One Beach Street	698	—	11	(256)
First & Main	2,756	117	29	(529)
Lloyd District Portfolio	2,852	267	110	(1,319)
City Center Bellevue <sup>(7)</sup>	3,391	494	108	(1,213)
<b>Subtotal Office Portfolio</b>	<b>\$ 19,951</b>	<b>\$ 1,060</b>	<b>\$ 639</b>	<b>\$ (6,375)</b>
<b>Multifamily Portfolio</b>				
Loma Palisades	\$ 2,490	\$ 171	\$ —	\$ (962)
Imperial Beach Gardens	652	48	—	(264)
Mariner's Point	296	22	—	(127)
Santa Fe Park RV Resort	195	17	—	(124)
<b>Subtotal Multifamily Portfolio</b>	<b>\$ 3,633</b>	<b>\$ 258</b>	<b>\$ —</b>	<b>\$ (1,477)</b>

# PROPERTY REVENUE AND OPERATING EXPENSES (CONTINUED)

(Amounts in thousands)

Property	Three Months Ended December 31, 2012			
	Base Rent <sup>(1)</sup>	Additional Property Income <sup>(2)</sup>	Billed Expense Reimbursements <sup>(3)</sup>	Property Operating Expenses <sup>(4)</sup>
<b>Mixed-Use Portfolio</b>				
Waikiki Beach Walk - Retail	\$ 2,361	\$ 1,147	\$ 896	\$ (1,647)
Waikiki Beach Walk - Embassy Suites™	7,588	597	—	(6,451)
<b>Subtotal Mixed-Use Portfolio</b>	<b>\$ 9,949</b>	<b>\$ 1,744</b>	<b>\$ 896</b>	<b>\$ (8,098)</b>
<b>Total</b>	<b>\$ 50,616</b>	<b>\$ 4,620</b>	<b>\$ 6,951</b>	<b>\$ (22,266)</b>

Notes:

- (1) Base rent for our retail and office portfolio and the retail portion of our mixed-use portfolio represents base rent for the three months ended December 31, 2012 (before abatements) and excludes the impact of straight-line rent and above (below) market rent adjustments. Total abatements for our retail and office portfolio were approximately \$19 and \$1,351, respectively, for the three months ended December 31, 2012. There were no abatements for the retail portion of our mixed-use portfolio for the three months ended December 31, 2012. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses. Multifamily portfolio base rent represents base rent (including parking, before abatements) less vacancy allowance and employee rent credits and includes additional rents (additional rents include insufficient notice penalties, month-to-month charges and pet rent). Total abatements for our multifamily portfolio were insignificant for the three months ended December 31, 2012. For Waikiki Beach Walk - Embassy Suites™, base rent is equal to the actual room revenue for the three months ended December 31, 2012.
- (2) Represents additional property-related income for the three months ended December 31, 2012, which includes: (i) percentage rent, (ii) other rent (such as storage rent, license fees and association fees) and (iii) other property income (such as late fees, default fees, lease termination fees, parking revenue, the reimbursement of general excise taxes, laundry income and food and beverage sales).
- (3) Represents billed tenant expense reimbursements for the three months ended December 31, 2012.
- (4) Represents property operating expenses for the three months ended December 31, 2012. Property operating expenses includes all rental expenses, except non-cash rent expense and the provision for bad debt recorded for deferred rent receivables.
- (5) Includes revenue and expenses since the acquisition of Geary Marketplace for the period from December 19, 2012 to December 31, 2012.
- (6) Base rent shown includes amounts related to American Assets Trust, L.P.'s lease at ICW Plaza. This intercompany rent is eliminated in the consolidated statement of operations. The base rent was \$134 and abatements were \$134 for the three months ended December 31, 2012.
- (7) Includes revenue and expenses since the acquisition of City Center Bellevue for the period from August 21, 2012 to December 31, 2012.

# SEGMENT CAPITAL EXPENDITURES

(Amounts in thousands)

Three Months Ended December 31, 2012

Segment	Tenant Improvements and Leasing Commissions	Maintenance Capital Expenditures	Total Tenant Improvements, Leasing Commissions and Maintenance Capital Expenditures	Redevelopment and Expansions	New Development	Total Capital Expenditures
Retail Portfolio	\$ 1,893	\$ 565	\$ 2,458	\$ —	\$ 19	\$ 2,477
Office Portfolio	3,896	1,030	4,926	1,608	74	6,608
Multifamily Portfolio	—	182	182	—	—	182
Mixed-Use Portfolio	15	459	474	—	—	474
<b>Total</b>	<b>\$ 5,804</b>	<b>\$ 2,236</b>	<b>\$ 8,040</b>	<b>\$ 1,608</b>	<b>\$ 93</b>	<b>\$ 9,741</b>

Year Ended December 31, 2012

Segment	Tenant Improvements and Leasing Commissions	Maintenance Capital Expenditures	Total Tenant Improvements, Leasing Commissions and Maintenance Capital Expenditures	Redevelopment and Expansions	New Development	Total Capital Expenditures
Retail Portfolio	\$ 10,114	\$ 1,962	\$ 12,076	\$ 1,905	\$ 230	\$ 14,211
Office Portfolio	13,882	3,249	17,131	1,993	3,012	22,136
Multifamily Portfolio	—	964	964	—	—	964
Mixed-Use Portfolio	36	691	727	—	—	727
<b>Total</b>	<b>\$ 24,032</b>	<b>\$ 6,866</b>	<b>\$ 30,898</b>	<b>\$ 3,898</b>	<b>\$ 3,242</b>	<b>\$ 38,038</b>

# SUMMARY OF OUTSTANDING DEBT

(Amounts in thousands)

Debt	Amount Outstanding at December 31, 2012	Interest Rate	Annual Debt Service	Maturity Date	Balance at Maturity
Alamo Quarry Market <sup>(1)(2)</sup>	\$ 93,942	5.67%	\$ 7,567	January 8, 2014	\$ 91,717
Waialele Center <sup>(4)</sup>	140,700	5.15	7,360	November 1, 2014	140,700
The Shops at Kalakaua <sup>(4)</sup>	19,000	5.45	1,053	May 1, 2015	19,000
The Landmark at One Market <sup>(2)(4)</sup>	133,000	5.61	7,558	July 5, 2015	133,000
Del Monte Center <sup>(4)</sup>	82,300	4.93	4,121	July 8, 2015	82,300
First & Main <sup>(4)</sup>	84,500	3.97	3,397	July 1, 2016	84,500
Imperial Beach Gardens <sup>(4)</sup>	20,000	6.16	1,250	September 1, 2016	20,000
Mariner's Point <sup>(4)</sup>	7,700	6.09	476	September 1, 2016	7,700
South Bay Marketplace <sup>(4)</sup>	23,000	5.48	1,281	February 10, 2017	23,000
Waikiki Beach Walk - Retail <sup>(4)</sup>	130,310	5.39	7,020	July 1, 2017	130,310
Solana Beach Corporate Centre III-IV <sup>(5)</sup>	37,204	6.39	2,798	August 1, 2017	35,136
Loma Palisades <sup>(4)</sup>	73,744	6.09	4,553	July 1, 2018	73,744
One Beach Street <sup>(4)</sup>	21,900	3.94	875	April 1, 2019	21,900
Torrey Reserve - North Court <sup>(1)</sup>	21,659	7.22	1,836	June 1, 2019	19,443
Torrey Reserve - VCI, VCII, VCIII <sup>(1)</sup>	7,294	6.36	560	June 1, 2020	6,439
Solana Beach Corporate Centre I-II <sup>(1)</sup>	11,637	5.91	855	June 1, 2020	10,169
Solana Beach Towne Centre <sup>(1)</sup>	38,790	5.91	2,849	June 1, 2020	33,898
City Center Bellevue <sup>(4)</sup>	111,000	3.98	4,479	November 1, 2022	111,000
<b>Total / Weighted Average</b>	<b>\$ 1,057,680</b>	<b>5.26%</b>	<b>\$ 59,888</b>		<b>\$ 1,043,956</b>
Unamortized fair value adjustment	(12,998)				
<b>Secured Notes Payable</b>	<b>\$ 1,044,682</b>				
<b>Fixed Rate Debt Ratio of Secured Notes Payable</b>					
Fixed rate debt	100%				

Notes:

- (1) Principal payments based on a 30-year amortization schedule.
- (2) Maturity date is the earlier of the loan maturity date under the loan agreement, or the "Anticipated Repayment Date" as specifically defined in the loan agreement, which is the date after which substantial economic penalties apply if the loan has not been paid off.
- (3) Principal payments based on a 20-year amortization schedule.
- (4) Interest only.
- (5) Loan was interest only through August 2012. Beginning in September 2012, principal payments are based on a 30-year amortization schedule. Annual debt service is for the period October 1, 2012 through September 30, 2013.

(Amounts in thousands, except per share data)

Market data	December 31, 2012
Common shares outstanding	39,664
Common units outstanding	18,024
Common shares and common units outstanding	57,688
Market price per common share	\$ 27.93
Equity market capitalization	\$ 1,611,226
Total debt	\$ 1,057,680
Total market capitalization	\$ 2,668,906
Less: Cash on hand	\$ (42,479)
Total enterprise value	\$ 2,626,427
Total assets, gross	\$ 2,098,081
Total debt/Total capitalization	39.6%
Total debt/Total enterprise value	40.3%
Net debt/Total enterprise value <sup>(1)</sup>	38.7%
Total debt/Total assets, gross	50.4%
Total debt/EBITDA <sup>(2)(3)</sup>	7.0x
Net debt/EBITDA <sup>(2)(3)</sup>	6.7x
Interest coverage ratio <sup>(4)</sup>	2.5x
Fixed charge coverage ratio <sup>(4)</sup>	2.5x

**Debt Maturity Schedule**



Weighted Average Fixed Interest Rate 5.36% 5.36% 4.51% 5.59% 6.09% 5.48% 5.97% - 3.98%

Notes:

- (1) Net debt is equal to total debt less cash on hand.
- (2) See Glossary of Terms for discussion of EBITDA.
- (3) As used here, EBITDA represents the actual for the three months ended December 31, 2012 annualized.
- (4) Calculated as EBITDA divided by interest on borrowed funds, including capitalized interest and excluding debt fair value adjustments and loan fee amortization.

## SUMMARY OF REDEVELOPMENT OPPORTUNITIES

Our portfolio has numerous potential opportunities to create future shareholder value. These opportunities could be subject to government approvals, lender consents, tenant consents, market conditions, availability of debt and/or equity financing, etc. Many of these opportunities are in their preliminary stages and may not ultimately come to fruition. This schedule will update as we modify various assumptions and markets conditions change. Square footages and units set forth below are estimates only and ultimately may differ materially from actual square footages and units.

### In-Process Development Projects

Property	Property Type	Location	Estimated Start Date	Estimated Completion Date	Estimated Stabilization Date <sup>(1)</sup>	Estimated Rentable Square Feet	Cost Incurred to Date <sup>(2)</sup>	Total Estimated Investment <sup>(2)</sup>	Estimated Stabilized Yield <sup>(3)</sup>
Torrey Reserve III & IV	Office	San Diego, CA	2012	2014	2015	81,500	\$ 6,413,000	\$ 34,100,000	8.6%
Carmel Mountain Plaza	Retail	San Diego, CA	2012	2013	2013	10,000	\$ 495,000	\$ 800,000	37.5%

### Development/Redevelopment Pipeline

Property	Property Type	Location	Estimated Square Footage <sup>(4)</sup>	Multifamily Units
Solana Beach Corporate Centre (Building 5)	Retail	Solana Beach, CA	10,000	N/A
Lomas Santa Fe Plaza	Retail	Solana Beach, CA	45,000	N/A
Sorrento Pointe	Office	San Diego, CA	88,000	N/A
Lloyd District Portfolio <sup>(5)</sup>	Mixed Use	Portland, OR	53,000	637
Solana Beach - Highway 101	Mixed Use	Solana Beach, CA	48,000	36

Notes:

- (1) Based on management's estimation of stabilized occupancy (95%).
- (2) Excludes allocated land costs and capitalized interest costs capitalized in accordance with Accounting Standards Codification ("ASC") 835-20-50-1.
- (3) Calculated as return on invested capital when project has reached stabilized occupancy, and excludes allocated land costs and interest cost capitalized in accordance with ASC 838-20-50-1.
- (4) Represents commercial portion of development opportunity for Lloyd District Portfolio and Solana Beach - Highway 101.
- (5) Development plans began during the second quarter of 2012.

# PORTFOLIO DATA

As of December 31, 2012

Retail and Office Portfolios

Property	Location	Year Built/ Renovated	Number of Buildings	Net		Annualized Base Rent per Leased Square Foot (4)	Retail Anchor Tenant(s) (5)	Other Principal Retail Tenants (6)
				Rentable Square Feet (1)	Percentage Leased (2)			
<b>Retail Properties</b>								
Carmel Country Plaza	San Diego, CA	1991	9	78,098	100.0%	\$ 3,418,273	\$43.77	Sharp Healthcare, San Diego County Credit Union
Carmel Mountain Plaza (7)	San Diego, CA	1994	13	520,228	92.1	10,333,487	21.57	Sears
South Bay Marketplace (7)	San Diego, CA	1997	9	132,877	100.0	2,150,465	16.18	Ross Dress for Less, Grocery Outlet
Rancho Carmel Plaza	San Diego, CA	1993	3	30,421	89.3	765,496	28.18	Oggi's Pizza & Brewing Co., Sprint PCS Assets
Lomas Santa Fe Plaza	Solana Beach, CA	1972/1997	9	209,569	94.8	5,265,448	26.50	Vons, Ross Dress for Less
Solana Beach Towne Centre	Solana Beach, CA	1973/2000/2004	12	246,730	99.4	5,652,581	23.05	Dixieline Probuild, Marshalls
Del Monte Center (7)	Monterey, CA	1967/1984/2006	16	676,571	98.9	9,192,149	13.74	Macy's, KLA Monterrey
Geary Marketplace	Walnut Creek, CA	2012	3	35,156	100.0	1,068,883	30.40	Sprouts Farmer Market, Freebirds Wild Burrito
The Shops at Kalakaua	Honolulu, HI	1971/2006	3	11,671	100.0	1,569,640	134.49	Whalers General Store, Diesel U.S.A. Inc.
Waiale Center	Waipahu, HI	1993/2008	9	537,823	94.8	17,616,476	34.55	Lowe's, Kmart, Sports Authority, Foodland Super Market
Alamo Quarry Market (7)	San Antonio, TX	1997/1999	16	589,501	99.9	12,895,221	21.90	Regal Cinemas
<b>Subtotal/Weighted Average Retail Portfolio</b>			<b>102</b>	<b>3,068,645</b>	<b>97.0%</b>	<b>\$ 69,928,119</b>	<b>\$23.49</b>	
<b>Office Properties</b>								
Torrey Reserve Campus	San Diego, CA	1996-2000	9	456,850	93.1%	\$ 15,431,733	\$36.28	
Solana Beach Corporate Centre	Solana Beach, CA	1982/2005	4	212,019	93.5	6,752,284	34.06	
The Landmark at One Market (8)	San Francisco, CA	1917/2000	1	421,934	100.0	18,966,745	44.95	
One Beach Street	San Francisco, CA	1924/1972/1987/1992	1	97,614	100.0	2,794,437	28.63	
First & Main	Portland, OR	2010	1	361,229	98.8	11,150,871	31.24	
Lloyd District Portfolio	Portland, OR	1940-2011	6	605,413	85.3	11,462,073	22.20	
City Center Bellevue	Bellevue, WA	1987	1	490,508	92.1	13,595,919	30.10	
<b>Subtotal/Weighted Average Office Portfolio</b>			<b>23</b>	<b>2,645,567</b>	<b>93.3%</b>	<b>\$ 80,154,062</b>	<b>\$32.47</b>	
<b>Total/Weighted Average Retail and Office Portfolio</b>			<b>125</b>	<b>5,714,212</b>	<b>95.3%</b>	<b>\$ 150,082,181</b>	<b>\$27.56</b>	

As of December 31, 2012

Property	Location	Year Built/ Renovated	Number		Percentage Leased <sup>(2)</sup>	Annualized Base Rent <sup>(3)</sup>	Average
			of Buildings	Units			Monthly Base Rent per Leased Unit <sup>(4)</sup>
Loma Palisades	San Diego, CA	1958/2001-2008	80	548	97.4%	\$ 9,932,424	\$ 1,551
Imperial Beach Gardens	Imperial Beach, CA	1959/2008- present	26	160	98.8	2,619,372	\$ 1,381
Mariner's Point	Imperial Beach, CA	1986	8	88	100.0	1,189,188	\$ 1,126
Santa Fe Park RV Resort <sup>(9)</sup>	San Diego, CA	1971/2007-2008	1	126	74.0	913,200	\$ 816
<b>Total/Weighted Average Multifamily Portfolio</b>			<b>115</b>	<b>922</b>	<b>94.7%</b>	<b>\$ 14,654,184</b>	<b>\$ 1,399</b>

Mixed-Use Portfolio

Retail Portion	Location	Year Built/ Renovated	Net		Percentage Leased <sup>(2)</sup>	Annualized Base Rent <sup>(3)</sup>	Annualized Base Rent per Leased Square Foot <sup>(4)</sup>	Retail	Other Principal Retail Tenants
			Number of Buildings	Net Rentable Square Feet <sup>(1)</sup>				Anchor Tenant(s) <sup>(5)</sup>	<sup>(6)</sup>
Waikiki Beach Walk - Retail	Honolulu, HI	2006	3	96,707	95.5%	\$ 9,977,318	\$ 108.03		Yardhouse, Ruth's Chris

Hotel Portion	Location	Year Built/ Renovated	Number		Average Occupancy <sup>(10)</sup>	Average Daily Rate <sup>(10)</sup>	Annualized
			of Buildings	Units			Revenue per Available Room <sup>(10)</sup>
Waikiki Beach Walk - Embassy Suites™	Honolulu, HI	2008	2	369	84.3%	\$ 265.13	\$ 223.50

Notes:

- The net rentable square feet for each of our retail properties and the retail portion of our mixed-use property is the sum of (1) the square footages of existing leases, plus (2) for available space, the field-verified square footage. The net rentable square feet for each of our office properties is the sum of (1) the square footages of existing leases, plus (2) for available space, management's estimate of net rentable square feet based, in part, on past leases. The net rentable square feet included in such office leases is generally determined consistently with the Building Owners and Managers Association, or BOMA, 1996 measurement guidelines.
- Percentage leased for each of our retail and office properties and the retail portion of the mixed-use property includes square footage under leases as of December 31, 2012, including leases which may not have commenced as of December 31, 2012. Percentage leased for our multifamily properties includes total units rented as of December 31, 2012.
- Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012, by 12. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.
- Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage under lease as of December 31, 2012. Annualized base rent per leased unit is calculated by dividing annualized base rent, by units under lease as of December 31, 2012.
- Retail anchor tenants are defined as retail tenants leasing 50,000 square feet or more.
- Other principal retail tenants are defined as the two tenants leasing the most square footage, excluding anchor tenants.
- Net rentable square feet at certain of our retail properties includes pad sites leased pursuant to the ground leases in the following table:

Property	Number of Ground Leases	Square Footage Leased Pursuant to Ground Leases	Aggregate Annualized Base Rent
Carmel Mountain Plaza	6	127,112	\$ 1,020,900
South Bay Marketplace	1	2,824	\$ 91,320
Del Monte Center	2	295,100	\$ 201,291
Alamo Quarry Market	4	31,994	\$ 459,075

- This property contains 421,934 net rentable square feet consisting of The Landmark at One Market (377,714 net rentable square feet) as well as a separate long-term leasehold interest in approximately 44,220 net rentable square feet of space located in an adjacent six-story leasehold known as the Annex. We currently lease the Annex from an affiliate of the Paramount Group pursuant to a long-term master lease effective through June 30, 2016, which we have the option to extend until 2026 pursuant to two five-year extension options.
- The Santa Fe Park RV Resort is subject to seasonal variation, with higher rates of occupancy occurring during the summer months. During the 12 months ended December 31, 2012, the highest average monthly occupancy rate for this property was 92%, occurring in July 2012. The number of units at the Santa Fe Park RV Resort includes 122 RV spaces and four apartments.
- Average occupancy represents the percentage of available units that were sold during the three months ended December 31, 2012, and is calculated by dividing the number of units sold by the product of the total number of units and the total number of days in the period. Average daily rate represents the average rate paid for the units sold and is calculated by dividing the total room revenue (i.e., excluding food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services) for the three months ended December 31, 2012, by the number of units sold. Revenue per available room, or RevPAR, represents the total unit revenue per total available units for the three months ended December 31, 2012 and is calculated by multiplying average occupancy by the average daily rate. RevPAR does not include food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services.

# RETAIL LEASING SUMMARY

As of December 31, 2012

## Total Lease Summary - Comparable <sup>(1)</sup>

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Prior Rent Per Sq. Ft. <sup>(3)</sup>	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2012	13	100%	33,269	\$33.32	\$31.86	\$ 48,639	4.6 %	12.3 %	3.7	\$ 61,650	\$1.85
3rd Quarter 2012	15	100%	56,673	\$25.90	\$25.04	\$ 48,868	3.4 %	8.4 %	4.9	\$ 111,000	\$1.96
2nd Quarter 2012	15	100%	96,932	\$32.25	\$31.13	\$ 95,543	3.6 %	5.8 %	5.0	\$ 996,157	\$11.75
1st Quarter 2012	13	100%	27,115	\$43.83	\$46.10	\$ (61,374)	(4.9)%	4.0 %	5.6	\$ 293,673	\$10.83
Total 12 months	56	100%	213,989	\$32.20	\$31.53	\$ 131,676	2.0 %	13.2 %	4.8	\$ 1,462,480	\$7.50

## New Lease Summary - Comparable <sup>(1)</sup>

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Prior Rent Per Sq. Ft. <sup>(3)</sup>	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2012	—	—	—	—	—	\$ —	—	—	—	\$ —	—
3rd Quarter 2012	1	7%	1,392	\$42.00	\$56.75	\$ (20,532)	(26.0)%	(26.0)%	4.2	\$ —	—
2nd Quarter 2012	2	13%	20,545	\$42.25	\$30.59	\$ 98,174	38.1 %	42.5 %	9.5	\$ 976,884	\$47.55
1st Quarter 2012	3	23%	4,906	\$36.98	\$38.31	\$ (6,541)	(3.5)%	(6.2)%	7.1	\$ 223,548	\$45.57
Total 12 months	6	11%	26,843	\$41.27	\$33.36	\$ 71,101	7.9 %	85.9 %	8.8	\$ 1,200,432	\$44.72

## Renewal Lease Summary - Comparable <sup>(1)(5)</sup>

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Prior Rent Per Sq. Ft. <sup>(3)</sup>	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2012	13	100%	33,269	\$33.32	\$31.86	\$ 48,639	4.6 %	12.3 %	3.7	\$ 61,650	\$1.85
3rd Quarter 2012	14	93%	55,281	\$25.50	\$24.24	\$ 69,400	5.2 %	10.5 %	4.9	\$ 111,000	\$2.01
2nd Quarter 2012	13	87%	76,387	\$31.15	\$31.18	\$ (2,631)	(0.1)%	1.9 %	4.5	\$ 19,273	\$0.25
1st Quarter 2012	10	77%	22,209	\$45.35	\$47.82	\$ (54,833)	(5.2)%	6.0 %	5.2	\$ 70,125	\$3.16
Total 12 months	50	89%	187,146	\$31.55	\$31.23	\$ 60,575	1.0 %	6.5 %	4.6	\$ 262,048	\$1.40

## Total Lease Summary - Comparable and Non-Comparable

Quarter	Number of Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2012	13	33,269	\$33.32	3.7	\$ 61,650	\$1.85
3rd Quarter 2012	19	78,236	\$25.10	5.0	\$ 939,550	\$12.01
2nd Quarter 2012	19	134,567	\$32.16	6.4	\$ 2,738,277	\$20.35
1st Quarter 2012	16	31,896	\$41.65	5.3	\$ 319,483	\$10.02
Total 12 months	67	277,968	\$31.40	5.6	\$ 4,058,960	\$14.60

- Notes:
- (1) Comparable leases represent those leases signed on spaces for which there was a previous lease.
  - (2) Contractual rent represents contractual minimum rent under the new lease for the first twelve months of the term.
  - (3) Prior rent represents the minimum rent paid under the previous lease in the final twelve months of the term.
  - (4) Weighted average is calculated on the basis of square footage.
  - (5) Excludes renewals at fixed contractual rates specified in the lease.

# OFFICE LEASING SUMMARY

As of December  
31, 2012

## Total Lease Summary - Comparable <sup>(1)</sup>

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Prior Rent Per Sq. Ft. <sup>(3)</sup>	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2012	14	100%	93,022	\$39.76	\$34.28	\$ 509,561	16.0 %	16.1 %	3.3	\$ 82,927	\$0.89
3rd Quarter 2012	15	100%	71,469	\$29.88	\$28.71	\$ 83,359	4.1 %	11.7 %	3.2	\$ 339,270	\$4.75
2nd Quarter 2012	10	100%	70,231	\$44.88	\$34.59	\$ 722,907	29.8 %	49.4 %	5.5	\$ 339,141	\$4.83
1st Quarter 2012	13	100%	52,132	\$30.26	\$34.69	\$ (231,039)	(12.8)%	(2.6)%	4.2	\$ 710,939	\$13.64
<b>Total 12 months</b>	<b>52</b>	<b>100%</b>	<b>286,854</b>	<b>\$36.83</b>	<b>\$33.04</b>	<b>\$ 1,084,788</b>	<b>11.4 %</b>	<b>19.9 %</b>	<b>4.0</b>	<b>\$ 1,472,277</b>	<b>\$5.13</b>

## New Lease Summary - Comparable <sup>(1)</sup>

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Prior Rent Per Sq. Ft. <sup>(3)</sup>	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2012	2	14%	10,096	\$30.03	\$34.67	\$ (46,826)	(13.4)%	(18.0)%	1.9	\$ —	—
3rd Quarter 2012	3	20%	4,427	\$34.44	\$37.42	\$ (13,172)	(8.0)%	(1.4)%	3.6	\$ 17,592	\$3.97
2nd Quarter 2012	5	50%	39,469	\$51.69	\$33.05	\$ 735,528	56.4 %	69.6 %	6.4	\$ 274,361	\$6.95
1st Quarter 2012	6	46%	12,283	\$35.51	\$34.74	\$ 9,473	2.2 %	20.1 %	4.1	\$ 293,958	\$23.93
<b>Total 12 months</b>	<b>16</b>	<b>31%</b>	<b>66,275</b>	<b>\$44.24</b>	<b>\$33.90</b>	<b>\$ 685,003</b>	<b>30.5 %</b>	<b>42.6 %</b>	<b>5.1</b>	<b>\$ 585,911</b>	<b>\$8.84</b>

## Renewal Lease Summary - Comparable <sup>(1)(5)</sup>

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Prior Rent Per Sq. Ft. <sup>(3)</sup>	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2012	12	86%	82,926	\$40.95	\$34.24	\$ 556,387	19.6 %	20.3 %	3.5	\$ 82,927	\$1.00
3rd Quarter 2012	12	80%	67,042	\$29.58	\$28.14	\$ 96,531	5.1 %	12.9 %	3.2	\$ 321,678	\$4.80
2nd Quarter 2012	5	50%	30,762	\$36.15	\$36.56	\$ (12,621)	(1.1)%	19.7 %	4.4	\$ 64,780	\$2.11
1st Quarter 2012	7	54%	39,849	\$28.64	\$34.67	\$ (240,512)	(17.4)%	(9.0)%	4.2	\$ 416,981	\$10.46
<b>Total 12 months</b>	<b>36</b>	<b>69%</b>	<b>220,579</b>	<b>\$34.60</b>	<b>\$32.79</b>	<b>\$ 399,785</b>	<b>5.5 %</b>	<b>12.5 %</b>	<b>3.7</b>	<b>\$ 886,366</b>	<b>\$4.02</b>

## Total Lease Summary - Comparable and Non-Comparable

Quarter	Number of Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. <sup>(2)</sup>	Weighted Average Lease Term <sup>(4)</sup>	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
4th Quarter 2012	16	95,263	\$39.66	3.3	\$ 82,927	\$0.87
3rd Quarter 2012	23	94,803	\$30.08	3.4	\$ 698,008	\$7.36
2nd Quarter 2012	13	82,830	\$41.48	5.9	\$ 1,202,425	\$14.52
1st Quarter 2012	16	63,969	\$29.02	4.0	\$ 907,761	\$14.19
<b>Total 12 months</b>	<b>68</b>	<b>336,865</b>	<b>\$35.39</b>	<b>4.1</b>	<b>\$ 2,891,121</b>	<b>\$8.58</b>

- Notes:
- (1) Comparable leases represent those leases signed on spaces for which there was a previous lease.
  - (2) Contractual rent represents contractual minimum rent under the new lease for the first twelve months of the term.
  - (3) Prior rent represents the minimum rent paid under the previous lease in the final twelve months of the term.
  - (4) Weighted average is calculated on the basis of square footage.
  - (5) Excludes renewals at fixed contractual rates specified in the lease.

# MULTIFAMILY LEASING SUMMARY

As of December 31, 2012

## Lease Summary - Loma Palisades

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2012	534	97.4%	\$9,932,424	\$1,551
3rd Quarter 2012	548	100.0%	\$9,951,864	\$1,513
2nd Quarter 2012	541	98.7%	\$9,419,424	\$1,451
1st Quarter 2012	489	89.2%	\$9,419,892	\$1,606

## Lease Summary - Imperial Beach Garden

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2012	158	98.8%	\$2,619,372	\$1,381
3rd Quarter 2012	158	98.8%	\$2,596,812	\$1,369
2nd Quarter 2012	159	99.4%	\$2,555,880	\$1,339
1st Quarter 2012	143	89.4%	\$2,388,684	\$1,392

## Lease Summary - Mariner's Point

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2012	88	100.0%	\$1,189,188	\$1,126
3rd Quarter 2012	88	100.0%	\$1,158,144	\$1,097
2nd Quarter 2012	86	97.7%	\$1,101,828	\$1,068
1st Quarter 2012	85	96.6%	\$1,063,440	\$1,042

## Lease Summary - Santa Fe Park RV Resort

Quarter	Number of Leased Units	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2012	93	74.0%	\$913,200	\$816
3rd Quarter 2012	93	73.8%	\$873,204	\$783
2nd Quarter 2012	115	97.0%	\$1,022,496	\$743
1st Quarter 2012	98	78.0%	\$727,224	\$617

## Total Multifamily Lease Summary

Quarter	Number of Leased Unit	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Average Monthly Base Rent per Leased Unit <sup>(3)</sup>
4th Quarter 2012	873	94.7%	\$14,654,184	\$1,399
3rd Quarter 2012	887	96.2%	\$14,580,024	\$1,370
2nd Quarter 2012	901	97.7%	\$14,099,628	\$1,304
1st Quarter 2012	815	88.4%	\$13,599,240	\$1,390

Notes:

- (1) Percentage leased for our multifamily properties includes total units rented as of each respective quarter end date.
- (2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) as of each respective quarter end date.
- (3) Annualized base rent per leased unit is calculated by dividing annualized base rent, by units under lease as of each respective quarter end date.

As of December 31, 2012

## Lease Summary - Retail Portion

Quarter	Number of Leased Square Feet	Percentage leased <sup>(1)</sup>	Annualized Base Rent <sup>(2)</sup>	Annualized base Rent per Leased Square Foot <sup>(3)</sup>
4th Quarter 2012	92,333	95.5%	\$9,977,318	\$108
3rd Quarter 2012	94,025	97.4%	\$9,208,893	\$98
2nd Quarter 2012	90,699	93.9%	\$9,494,329	\$105
1st Quarter 2012	95,423	98.8%	\$9,592,426	\$101

## Lease Summary - Hotel Portion

Quarter	Number of Leased Units	Average Occupancy <sup>(4)</sup>	Average Daily Rate <sup>(4)</sup>	Annualized Revenue per Available Room <sup>(4)</sup>
4th Quarter 2012	328	84.3%	\$265	\$224
3rd Quarter 2012	333	89.7%	\$293	\$263
2nd Quarter 2012	334	88.7%	\$250	\$222
1st Quarter 2012	341	92.2%	\$248	\$228

Notes:

- (1) Percentage leased for mixed-use property includes square footage under leases as of December 31, 2012, including leases which may not have commenced as of December 31, 2012.
- (2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012, by 12. In the case of triple net or modified gross leases, annualized base rent does not include tenant reimbursements for real estate taxes, insurance, common area or other operating expenses.
- (3) Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage under lease as of December 31, 2012.
- (4) Average occupancy represents the percentage of available units that were sold during the three months ended December 31, 2012, and is calculated by dividing the number of units sold by the product of the total number of units and the total number of days in the period. Average daily rate represents the average rate paid for the units sold and is calculated by dividing the total room revenue (i.e., excluding food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services) for each respective quarter period by the number of units sold. Revenue per available room, or RevPAR, represents the total unit revenue per total available units for each respective quarter period and is calculated by multiplying average occupancy by the average daily rate. RevPAR does not include food and beverage revenues or other hotel operations revenues such as telephone, parking and other guest services.

# LEASE EXPIRATIONS

As of December 31,  
2012

Assumes no exercise of lease options

Year	Office				Retail				Mixed-Use (Retail Portion Only)				Total		
	Expiring	% of	% of	Annualized	Expiring	% of	% of	Annualized	Expiring	% of	% of	Annualized	Expiring	% of	Annualized
		Sq. Ft.	Office	Total		Base Rent	Sq. Ft.	Retail		Total	Base Rent	Sq. Ft.		Mixed-Use	Total
Month to Month	35,557	1.3%	0.6%	\$6.82	19,274	0.6%	0.3%	\$30.30	5,105	5.3%	0.1%	\$15.49	59,936	1.0%	\$15.11
2013	189,760	7.2	3.3	\$30.65	319,639 <sup>(2)</sup>	10.4	5.5	\$26.98	8,048	8.3	0.1	\$120.80	517,447	8.9	\$29.79
2014	227,965	8.6	3.9	\$30.18	406,347	13.2	7.0	\$28.98	2,438	2.5	—	\$227.99	636,750	11.0	\$30.17
2015	389,307	14.7	6.7	\$31.18	240,152	7.8	4.1	\$25.92	11,607	12.0	0.2	\$219.27	641,066	11.0	\$32.61
2016	250,823 <sup>(3)</sup>	9.5	4.3	\$29.56	186,468	6.1	3.2	\$34.29	12,402	12.8	0.2	\$146.97	449,693	7.7	\$34.76
2017	308,855 <sup>(4)</sup>	11.7	5.3	\$39.87	327,463	10.7	5.6	\$24.71	7,407 <sup>(5)</sup>	7.7	0.1	\$156.42	643,725	11.1	\$33.50
2018	187,428	7.1	3.2	\$34.44	930,231	30.3	16.0	\$16.78	4,673	4.8	0.1	\$142.23	1,122,332	19.3	\$20.25
2019	245,469	9.3	4.2	\$38.97	78,364 <sup>(7)</sup>	2.6	1.3	\$28.63	11,690	12.1	0.2	\$53.16	335,523	5.8	\$37.05
2020	243,114 <sup>(8)</sup>	9.2	4.2	\$39.23	118,506	3.9	2.0	\$8.87	17,843	18.5	0.3	\$44.82	379,463	6.5	\$30.02
2021	198,313	7.5	3.4	\$35.10	42,990	1.4	0.7	\$39.26	—	—	—	—	241,303	4.2	\$35.84
2022	9,364	0.4	0.2	\$20.00	143,655	4.7	2.5	\$30.07	10,617	11.0	0.2	\$71.39	163,636	2.8	\$32.18
Thereafter	103,450	3.8	1.8	\$25.49	156,032	5.1	2.7	\$21.31	—	—	—	—	259,482	4.5	\$22.98
Signed Leases Not Commenced	78,794	3.0	1.4	—	6,488	0.2	0.1	—	503	0.5	—	—	85,785	1.5	—
Available	177,368	6.7	3.1	—	93,036	3.0	1.6	—	4,374	4.5	0.1	—	274,778	4.7	—
<b>Total</b>	<b>2,645,567</b>	<b>100.0%</b>	<b>45.6%</b>	<b>\$30.30</b>	<b>3,068,645</b>	<b>100.0%</b>	<b>52.6%</b>	<b>\$22.79</b>	<b>96,707</b>	<b>100.0%</b>	<b>1.6%</b>	<b>\$103.17</b>	<b>5,810,919</b>	<b>100.0%</b>	<b>\$27.54</b>

Assumes all lease options are exercised

Year	Office				Retail				Mixed-Use (Retail Portion Only)				Total		
	Expiring	% of	% of	Annualized	Expiring	% of	% of	Annualized	Expiring	% of	% of	Annualized	Expiring	% of	Annualized
		Sq. Ft.	Office	Total		Base Rent	Sq. Ft.	Retail		Total	Base Rent	Sq. Ft.		Mixed-Use	Total
Month to Month	35,557	1.3%	0.6%	\$6.82	19,274	0.6%	0.3%	\$30.30	5,105	5.3%	0.1%	\$15.49	59,936	1.0%	\$15.11
2013	139,015	5.3	2.4	\$30.46	128,841	4.2	2.2	\$34.77	8,048	8.3	0.1	\$120.80	275,904	4.7	\$35.11
2014	57,609	2.2	1.0	\$31.10	166,573	5.4	2.9	\$30.92	2,438	2.5	—	\$227.99	226,620	3.9	\$33.09
2015	166,110	6.3	2.9	\$34.36	56,632	1.9	1.0	\$34.79	5,393	5.6	0.1	\$181.55	228,135	3.9	\$37.95
2016	199,017	7.5	3.4	\$28.17	57,418	1.9	1.0	\$29.32	8,374	8.7	0.1	\$160.13	264,809	4.6	\$32.59
2017	51,303	1.9	0.9	\$32.13	101,182	3.3	1.7	\$31.31	6,367	6.6	0.1	\$153.15	158,852	2.7	\$36.46
2018	58,884	2.2	1.0	\$32.50	156,254	5.1	2.7	\$21.62	4,673	4.8	0.1	\$142.23	219,811	3.8	\$27.10
2019	116,098	4.4	2.0	\$31.85	136,241	4.4	2.3	\$24.68	—	—	—	—	252,339	4.3	\$27.98
2020	203,360	7.7	3.5	\$28.15	211,242	6.9	3.6	\$20.97	1,951	2.0	—	\$135.66	416,553	7.2	\$25.01
2021	44,276	1.7	0.8	\$31.85	54,991	1.8	0.9	\$46.19	10,242	10.6	0.2	\$199.93	109,509	1.9	\$54.77
2022	339,696	12.8	5.8	\$32.33	83,663	2.7	1.4	\$34.69	10,617	11.0	0.2	\$71.39	433,976	7.5	\$33.74
Thereafter	978,480 <sup>(6)</sup>	37.0	16.8	\$38.01	1,796,810 <sup>(7)</sup>	58.6	30.9	\$20.19	28,622	29.6	0.5	\$46.82	2,803,912	48.3	\$26.68
Signed Leases Not Commenced	78,794	3.0	1.4	—	6,488	0.2	0.1	—	503	0.5	—	—	85,785	1.5	—
Available	177,368	6.7	3.1	—	93,036	3.0	1.6	—	4,374	4.5	0.1	—	274,778	4.7	—
<b>Total</b>	<b>2,645,567</b>	<b>100.0%</b>	<b>45.6%</b>	<b>\$30.30</b>	<b>3,068,645</b>	<b>100.0%</b>	<b>52.6%</b>	<b>\$22.79</b>	<b>96,707</b>	<b>100.0%</b>	<b>1.6%</b>	<b>\$103.17</b>	<b>5,810,919</b>	<b>100.0%</b>	<b>\$27.54</b>

### As of December 31, 2012

Notes:

- (1) Annualized base rent per leased square foot is calculated by dividing (i) annualized base rent for leases expiring during the applicable period, by (ii) square footage under such expiring leases. Annualized base rent is calculated by multiplying (i) base rental payments (defined as cash base rents (before abatements)) for the month ended December 31, 2012 for the leases expiring during the applicable period, by (ii) 12.
- (2) The expirations include 1,900 square feet currently leased by Yankee Candle at Alamo Quarry Market, for which Lucchese Boot Company has signed an agreement to lease such space upon Yankee Candle's lease termination from January 31, 2013 through May 31, 2013.
- (3) The expirations include 2,823 square feet currently leased by Windermere Services, Inc. at Lloyd District Portfolio, for which Pinnacle Capital has signed an agreement to lease such space upon Windermere Services, Inc.'s lease termination from March, 31 2013 through March 31, 2016.
- (4) The expirations include 2,220 square feet currently leased by Northwest Media at City Center Bellevue, for which PAH Investments, LLC has signed an agreement to lease such space upon Northwest Media's lease termination from January 31, 2013 through February 28, 2016.
- (5) The expirations include 503 square feet currently leased by Kaiwa at Waikiki Beach Walk - Retail, for which Natur Hawii has signed an agreement to lease such space upon Kaiwa's lease termination from December 31, 2012 through December 31, 2017.
- (6) The expirations include 45,795 square feet currently leased by Microsoft Corporation at The Landmark at One Market, for which Autodesk, Inc. has signed an agreement to lease such space upon Microsoft's lease termination from December 31, 2012 through December 31, 2017, with an option to extend the lease through December 31, 2023.
- (7) The expirations include 966 square feet currently leased by Quarry Nails at Alamo Quarry Market, for which Whole Earth Provision Co. has signed an agreement to lease such space upon Quarry Nails' lease termination from March 31, 2013 through January 21, 2019, with an option to extend the lease through January 31, 2029.
- (8) The expirations include 27,226 square feet currently leased by Simpson Gumpertz & Heger at The Landmark at One Market, for which salesforce.com has signed an agreement to lease such space upon Simpson Gumpertz & Heger's lease termination from October 31, 2013 through April 30, 2020, with an option to extend the lease through April 30, 2030.

Type	At December 31, 2012			At December 31, 2011		
	Size	Leased <sup>(1)</sup>	Leased %	Size	Leased <sup>(1)</sup>	Leased %
<b>Overall Portfolio Statistics</b>						
Retail Properties (square feet)	3,068,645	2,975,609	97.0%	3,031,339	2,878,832	95.0%
Office Properties (square feet) <sup>(3)</sup>	2,645,567	2,468,199	93.3%	2,061,742	1,936,678	93.9%
Multifamily Properties (units)	922	873	94.7%	922	846	91.8%
Mixed-Use Properties (square feet)	96,707	92,333	95.5%	96,569	95,783	99.2%
Mixed-Use Properties (units)	369	328 <sup>(4)</sup>	88.9%	369	326.196 <sup>(4)</sup>	88.4%
<b>Same-Store<sup>(2)</sup> Statistics</b>						
Retail Properties (square feet)	3,033,489	2,940,453	96.9%	2,784,609 <sup>(5)</sup>	2,638,754	94.8%
Office Properties (square feet)	2,057,445	1,918,897	93.3%	878,735 <sup>(6)</sup>	848,555	96.6%
Multifamily Properties (units)	922	873	94.7%	922	846	91.8%
Mixed-Use Properties (square feet)	96,707	92,333	95.5%	— <sup>(7)</sup>	—	—%
Mixed-Use Properties (units)	369	328 <sup>(4)</sup>	88.9%	— <sup>(7)</sup>	—	—%

Notes:

- (1) Leased square feet includes square feet under lease as of each date, including leases which may not have commenced as of that date. Leased units for our multifamily properties include total units rented as of that date.
- (2) See Glossary of Terms.
- (3) Excludes 160 King Street, which was sold on December 4, 2012.
- (4) Represents average occupancy for the years ended December 31, 2012 and December 31, 2011.
- (5) Excludes Solana Beach Towne Centre, as the controlling interest in this entity was acquired on January 19, 2011.
- (6) Excludes Solana Beach Corporate Centre, as the controlling interest in this entity was acquired on January 19, 2011, First & Main, as it was acquired on March 11, 2011, Lloyd District Portfolio, as it was acquired on July 1, 2011, One Beach Street, as it was acquired on January 24, 2012 and City Center Bellevue, as it was acquired on August 21, 2012.
- (7) Excludes the Waikiki Beach Walk property, as the controlling interest in this entity was acquired on January 19, 2011.

As of December 31, 2012

Tenant	Property(ies)	Lease Expiration	Total Leased Square Feet	Rentable Square Feet as a Percentage of Total Retail	Rentable Square Feet as a Percentage of Total	Annualized Base Rent	Annualized Base Rent as a Percentage of Total Retail	Annualized Base Rent as a Percentage of Total
1 Lowe's	Waikele Center	5/31/2018	155,000	5.1%	2.7%	\$ 4,221,786	6.0%	2.6%
2 Kmart	Waikele Center	6/30/2018	119,590	3.9	2.1	3,826,880	5.5	2.4
3 Foodland Super Market	Waikele Center	1/25/2014	50,000	1.6	0.9	2,430,981	3.5	1.5
4 Sports Authority	Carmel Mountain Plaza, Waikele Center	11/30/2013 7/18/2018	90,722	3.0	1.6	2,076,602	3.0	1.3
5 Nordstrom Rack	Carmel Mountain Plaza, Alamo Quarry Market	9/30/2022 10/31/2022	69,047	2.3	1.2	1,990,316	2.8	1.2
6 Sprouts Farmers Market	Solana Beach Towne Centre, Carmel Mountain Plaza, Geary Marketplace	6/30/2014 3/31/2025 9/30/2032	71,431	2.3	1.2	1,763,776	2.5	1.1
7 Ross Dress for Less	Lomas Santa Fe Plaza, Carmel Mountain Plaza, South Bay Marketplace	1/31/2013 1/31/2014 1/31/2018	81,125	2.6	1.4	1,595,826	2.3	1.0
8 Old Navy	South Bay Marketplace, Waikele Center, Alamo Quarry Market	4/30/2016 7/31/2016 9/30/2017	59,780	1.9	1.0	*	*	*
9 Officemax	Waikele Center, Alamo Quarry Market	1/31/2014 9/30/2017	47,962	1.6	0.8	1,176,511	1.7	0.7
10 Marshalls	Solana Beach Towne Centre, Carmel Mountain Plaza	1/13/2015 1/31/2019	68,055	2.2	1.2	1,106,146	1.6	0.7
<b>Top 10 Retail Tenants Total</b>			<b>812,712</b>	<b>26.5%</b>	<b>14.1%</b>	<b>\$20,188,824</b>	<b>28.9%</b>	<b>12.5%</b>

\* Data withheld at tenant's request.

As of December 31, 2012

Tenant	Property(ies)	Lease Expiration	Total Leased Square Feet	Rentable Square Feet as a Percentage of Total Office	Rentable Square Feet as a Percentage of Total	Annualized Base Rent	Annualized Base Rent as a Percentage of Total Office	Annualized Base Rent as a Percentage of Total
1 salesforce.com	The Landmark at One Market	6/30/2019 4/30/2020 5/31/2021	226,892	8.6%	3.9%	\$10,624,175	13.3%	6.6%
2 Veterans Benefits Administration	First & Main	8/31/2020	93,572	3.5	1.6	3,006,453	3.8	1.9
3 Autodesk, Inc.	The Landmark at One Market	12/31/2015 12/31/2017	68,869	2.6	1.2	2,984,838	3.7	1.9
4 Microsoft Corporation	The Landmark at One Market	12/31/2012	45,795	1.7	0.8	2,976,675	3.7	1.9
5 Treasury Tax Administration	First & Main	8/31/2015	70,660	2.7	1.2	2,583,330	3.2	1.6
6 Insurance Company of the West	Torrey Reserve Campus	12/31/2016	81,040	3.1	1.4	2,449,631	3.1	1.5
7 Treasury Call Center	First & Main	8/31/2020	63,648	2.4	1.1	2,184,302	2.7	1.4
8 Caradigm USA LLC	City Center Bellevue	8/14/2017	68,956	2.6	1.2	2,103,158	2.6	1.3
9 Alliant International University	One Beach Street	10/31/2019	64,161	2.4	1.1	1,775,176	2.2	1.1
10 Portland Energy Conservation	First & Main	1/31/2021	73,422	2.8	1.3	1,588,118	2.0	1.0
<b>Top 10 Office Tenants Total</b>			<b>857,015</b>	<b>32.4%</b>	<b>14.8%</b>	<b>\$32,275,856</b>	<b>40.3%</b>	<b>20.2%</b>

# APPENDIX

**Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA):** EBITDA is a non-GAAP measure that means net income or loss plus depreciation and amortization, net interest expense, income taxes, gain or loss on sale of real estate and impairments of real estate, if any. EBITDA is presented because it approximates a key performance measure in our debt covenants, but it should not be considered an alternative measure of operating results or cash flow from operations as determined in accordance with GAAP. The reconciliation of net income to EBITDA for the three months and year ended December 31, 2012 and 2011 is as follows:

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2012	2011	2012	2011
Net income	\$ 41,821	\$ 655	\$ 51,601	\$ 19,324
Depreciation and amortization (including discontinued operations)	16,656	15,723	63,011	58,543
Interest expense (including discontinued operations)	15,521	14,696	59,043	56,552
Interest income	(7)	(535)	(336)	(1,621)
Income tax expense	460	(82)	1,016	831
Gain on sale of real estate	(36,720)	—	(36,720)	(3,981)
<b>EBITDA</b>	<b>\$ 37,731</b>	<b>\$ 30,457</b>	<b>\$ 137,615</b>	<b>\$ 129,648</b>

**Adjusted EBITDA:** Adjusted EBITDA is a non-GAAP measure that begins with EBITDA and includes adjustments for certain items that we believe are not representative of ongoing operating performance. We use Adjusted EBITDA as a supplemental performance measure because losses from early extinguishment of debt, loan transfer and consent fees and gains on acquisitions of controlling interests create significant earnings volatility which in turn results in less comparability between reporting periods and less predictability regarding future earnings potential. The adjustments noted resulted from our initial public offering and formation transactions.

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2012	2011	2012	2011
EBITDA	\$ 37,731	\$ 30,457	\$ 137,615	\$ 129,648
Early extinguishment of debt	—	—	—	25,867
Loan transfer and consent fees	—	—	—	8,808
Gain on acquisition	—	—	—	(46,371)
<b>Adjusted EBITDA</b>	<b>\$ 37,731</b>	<b>\$ 30,457</b>	<b>\$ 137,615</b>	<b>\$ 117,952</b>

**Funds From Operations (FFO):** FFO is a supplemental measure of real estate companies' operating performances. The National Association of Real Estate Investment Trusts (NAREIT) defines FFO as follows: net income, computed in accordance with GAAP plus depreciation and amortization of real estate assets and excluding extraordinary items, gains and losses on sale of real estate and impairment losses. NAREIT developed FFO as a relative measure of performance and liquidity of an equity REIT in order to recognize that the value of income-producing real estate historically has not depreciated on the basis determined under GAAP. However, FFO does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income); should not be considered an alternative to net income as an indication of our performance; and is not necessarily indicative of cash flow as a measure of liquidity or ability to pay dividends. We consider FFO a meaningful, additional measure of operating performance primarily because it excludes the assumption that the value of real estate assets diminishes predictably over time, and because industry analysts have accepted it as a performance measure. Comparison of our presentation of FFO to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs.

**Funds From Operations As Adjusted (FFO As Adjusted):** FFO As Adjusted is a supplemental measure of real estate companies' operating performances. We use FFO As Adjusted as a supplemental performance measure because losses from early extinguishment of debt, loan transfer and consent fees and gains on acquisitions of controlling interests create significant earnings volatility which in turn results in less comparability between reporting periods and less predictability regarding future earnings potential. The adjustments noted resulted from our initial public offering and formation transactions. However, other REITs may use different methodologies for defining adjustments and, accordingly, our FFO As Adjusted may not be comparable to other REITs.

**Funds Available for Distribution (FAD):** FAD is a supplemental measure of our liquidity. We compute FAD by subtracting from FFO As Adjusted tenant improvements, leasing commissions and maintenance capital expenditures, eliminating the net effect of straight-line rents, amortization of above (below) market rents for acquisition properties, the effects of other lease intangibles, adding noncash amortization of deferred financing costs and debt fair value adjustments, adding noncash compensation expense, and adding (subtracting) unrealized losses (gains) on marketable securities. FAD provides an additional perspective on our ability to fund cash needs and make distributions by adjusting FFO for the impact of certain cash and noncash items, as well as adjusting FFO for recurring capital expenditures and leasing costs. However, other REITs may use different methodologies for calculating FAD and, accordingly, our FAD may not be comparable to other REITs.

**Net Operating Income (NOI):** We define NOI as operating revenues (rental income, tenant reimbursements, lease termination fees, ground lease rental income and other property income) less property and related expenses (property expenses, ground lease expense, property marketing costs, real estate taxes and insurance). NOI excludes general and administrative expenses, interest expense, depreciation and amortization, acquisition-related expense, other nonproperty income and losses, gains and losses from property dispositions, extraordinary items, tenant improvements and leasing commissions. Other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to other REITs. Since NOI excludes general and administrative expenses, interest expense, depreciation and amortization, acquisition-related expenses, other nonproperty income and losses, gains and losses from property dispositions, and extraordinary items, it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating commercial real estate and the impact to operations from trends in occupancy rates, rental rates, and operating costs, providing a perspective on operations not immediately apparent from net income. However, NOI should not be viewed as an alternative measure of our financial performance since it does not reflect general and administrative expenses, interest expense, depreciation and amortization costs, other nonproperty income and losses, the level of capital expenditures and leasing costs necessary to maintain the operating performance of the properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact our results from operations.

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2012	2011	2012	2011
Reconciliation of NOI to net income				
Total NOI	\$ 40,886	\$ 32,566	\$ 149,352	\$ 125,906
General and administrative	(4,063)	(3,091)	(15,593)	(13,627)
Depreciation and amortization	(16,576)	(15,293)	(61,853)	(55,936)
Interest expense	(15,152)	(14,236)	(57,328)	(54,580)
Early extinguishment of debt	—	—	—	(25,867)
Loan transfer and consent fees	—	—	—	(8,808)
Gain on acquisition	—	—	—	46,371
Other income (expense), net	(273)	614	(629)	212
<b>Income from continuing operations</b>	<b>4,822</b>	<b>560</b>	<b>13,949</b>	<b>13,671</b>
<b>Discontinued operations</b>				
Income from discontinued operations	279	95	932	1,672
Gain on sale of real estate property	36,720	—	36,720	3,981
Results from discontinued operations	36,999	95	37,652	5,653
<b>Net income</b>	<b>41,821</b>	<b>655</b>	<b>51,601</b>	<b>19,324</b>
Net income attributable to restricted shares	(133)	(132)	(529)	(482)
Net loss attributable to Predecessor's noncontrolling interests in consolidated real estate entities	—	—	—	2,458
Net income attributable to Predecessor's controlled owners' equity	—	—	—	(16,995)
Net loss attributable to unitholders in the Operating Partnership	(13,111)	(179)	(16,133)	(1,388)
<b>Net income attributable to American Assets Trust, Inc. stockholders</b>	<b>\$ 28,577</b>	<b>\$ 344</b>	<b>\$ 34,939</b>	<b>\$ 2,917</b>

**Overall Portfolio:** Includes all operating properties owned by us as of December 31, 2012.

**Same-Store Portfolio and Non-Same Store Portfolio:** Information provided on a same-store basis is provided for only those properties that were owned and operated for the entirety of both periods being compared and excludes properties that were redeveloped, expanded or under development and properties purchased or sold at any time during the periods being compared. The following table shows the properties included in the same-store and non-same store portfolio for the comparative periods presented.

	Comparison of Three Months Ended		Comparison of Year Ended	
	December 31, 2012 to 2011		December 31, 2012 to 2011	
	Same-Store	Non-Same Store	Same-Store	Non-Same Store
<b>Retail Properties</b>				
Carmel Country Plaza	X		X	
Carmel Mountain Plaza	X		X	
South Bay Marketplace	X		X	
Rancho Carmel Plaza	X		X	
Lomas Santa Fe Plaza	X		X	
Solana Beach Towne Centre	X			X
Del Monte Center	X		X	
Geary Marketplace		X		X
The Shops at Kalakaua	X		X	
Waialele Center	X		X	
Alamo Quarry Market	X		X	
<b>Office Properties</b>				
Torrey Reserve Campus	X		X	
Solana Beach Corporate Centre	X			X
The Landmark at One Market	X		X	
One Beach Street		X		X
First & Main	X			X
Lloyd District Portfolio	X			X
City Center Bellevue		X		X
<b>Multifamily Properties</b>				
Loma Palisades	X		X	
Imperial Beach Gardens	X		X	
Mariner's Point	X		X	
Santa Fe Park RV Resort	X		X	
<b>Mixed-Use Properties</b>				
Waikiki Beach Walk - Retail	X			X
Waikiki Beach Walk - Embassy Suites™	X			X
<b>Development Properties</b>				
Sorrento Pointe - Land		X		X
Torrey Reserve - Land		X		X
Solana Beach Corporate Centre - Land		X		X
Solana Beach - Highway 101 - Land		X		X
Lloyd District Portfolio - Land		X		X

**Tenant Improvements and Incentives:** Represents not only the total dollars committed for the improvement (fit-out) of a space as it relates to a specific lease but may also include base building costs (i.e. expansion, escalators, new entrances, etc.) which are required to make the space leasable. Incentives include amounts paid to tenants as an inducement to sign a lease that do not represent building improvements.