

**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):  
July 30, 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 July 30, 2013, American Assets Trust, Inc. (the "Company") issued a press release regarding its financial results for the quarter ending June 30, 2013. Also on July 30, 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 ending June 30, 2013. 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 ending June 30, 2013 and made available on its website certain supplement 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:

**Exhibit Number**    **Exhibit Description**

99.1\*\*            Press release issued by American Assets Trust, Inc. on July 30, 2013.

99.2\*\*            American Assets Trust, Inc. Supplemental Information for the period ended June 30, 2013.

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\*\* Furnished herewith



## 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 July 30, 2013.                    |
| 99.2 | American Assets Trust, Inc. Supplemental Information for the period ended June 30, 2013. |



## American Assets Trust, Inc. Reports Second Quarter 2013 Financial Results

**FFO per share increases 23% year-over-year for the three months ended June 30, 2013**

**Same-store cash NOI increases 10.0% year-over-year for the three months ended June 30, 2013**

**Lloyd District Portfolio redevelopment and Sorrento Pointe development approved by regulatory authorities**

**SAN DIEGO, California - 7/30/2013** - American Assets Trust, Inc. (NYSE: AAT) (the "Company") today reported financial results for its second quarter ended June 30, 2013.

### Financial Results and Recent Developments

- Funds From Operations increased 23% and 21% to \$0.37 and \$0.75 per diluted share/unit for the three and six months ended June 30, 2013, respectively, compared to the same periods in 2012
- Increasing 2013 annual guidance to a range of \$1.47 to \$1.50 of FFO per diluted share, a 2% increase over the prior midpoint
- Net income available to common stockholders of \$3.1 million and \$6.3 million for the three and six months ended June 30, 2013, respectively, or \$0.08 and \$0.16 per diluted share, respectively
- Same-store cash NOI retail, office, multifamily and mixed-use growth increased 10.5%, 4.8%, 31.6% and 12.2%, respectively, for the three months ended June 30, 2013 compared to the same period in 2012
- Same-store cash NOI increased 10.0% and 9.3%, respectively, for the three and six months ended June 30, 2013, compared to the same periods in 2012
- Lloyd District Portfolio mixed-use development, approximately 47,000 square feet of retail, 657 multifamily units and over 1,200 subterranean parking stalls, approved for development
- Sorrento Pointe office development in San Diego, approximately 88,000 square feet, approved for development
- Multifamily average monthly base rent increases 7.4% at June 30, 2013 compared to June 30, 2012
- Embassy Suites—Waikiki Beach Walk™ increased Revenue per Available Room by 10% and 13% for the three and six months ended June 30, 2013, respectively, compared to the same periods in 2012

During the second quarter of 2013, the Company generated funds from operations ("FFO") for common stockholders and unitholders of \$21.4 million, or \$0.37 per diluted share/unit, compared to \$17.2 million or \$0.30 per diluted share/unit for the quarter ended June 30, 2012. For the six months ended June 30, 2013, the Company generated FFO for common stockholders and unitholders of \$43.2 million, or \$0.75 per diluted share/unit, compared to \$35.2 million or \$0.62 per diluted share/unit for the six months ended June 30, 2012. Unitholders refers to holders of units of our operating partnership. The increase in FFO from the corresponding period in 2012 was largely due to additional operating income from acquisitions in the second half of 2012, City Center Bellevue and Geary Marketplace.

Net income attributable to common stockholders was \$3.1 million, or \$0.08 per basic and diluted share, for the three months ended June 30, 2013 compared to \$1.7 million, or \$0.04 per basic and diluted share, for the three months ended June 30, 2012. For the six months ended June 30, 2013, net income attributable to common stockholders was \$6.3 million, or \$0.16 per basic and diluted share, compared to net income attributable to common stockholder of \$3.5 million, or \$0.08 per basic and diluted share, for the six months ended June 30, 2012. The increase in net income attributable to common stockholders was largely due to additional operating income from acquisitions in the second half of 2012, as noted above.

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:

	June 30, 2013	March 31, 2013	June 30, 2012
<b>Total Portfolio</b>			
Retail	96.6%	96.1%	96.2%
Office	92.9%	93.8%	94.7%
Multifamily	97.7%	94.3%	97.7%
Mixed-Use:			
Retail	93.8%	95.5%	93.9%
Hotel	88.6%	89.6%	90.4%
<b>Same-Store Portfolio</b>			
Retail	96.5%	96.0%	96.2%
Office	92.9%	93.6%	96.5%
Multifamily	97.7%	94.3%	97.7%
Mixed-Use:			
Retail	93.8%	95.5%	93.9%
Hotel	88.6%	89.6%	90.4%

During the second quarter of 2013, the Company signed 33 leases for approximately 143,500 square feet of retail and office space, as well as 281 multifamily apartment leases. Renewals accounted for 81.8% of the comparable retail leases, 58.3% of the comparable office leases and 54.1% of the residential leases.

### Retail and Office

On a comparable space basis (i.e., leases for which there was a former tenant) during the second quarter of 2013, our retail and office leasing spreads are shown below:

Q2 2013	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	11	39,000	8.9%	\$30.60	\$28.09	17.6%
Office	12	59,000	(3.8)%	\$30.99	\$32.23	5.4%

### Multifamily

At June 30, 2013, the average monthly base rent per leased unit was \$1,400 compared to an average monthly base rent per leased unit of \$1,304 at June 30, 2012. At June 30, 2013 and 2012, the average percentage leased for multifamily units was 97.7%.

### Same-Store Operating Income

For the three and six months ended June 30, 2013, same-store property operating income increased approximately 10.0% and 9.3%, respectively, on a cash basis and 4.6% and 4.8%, respectively, on a GAAP basis compared to the corresponding periods in 2012. The same-store property operating income by segment was as follows (in thousands):

	Three Months Ended <sup>(1)</sup>			Six Months Ended <sup>(2)</sup>		
	June 30,		Change	June 30,		Change
	2013	2012		2013	2012	
<b>Cash Basis:</b>						
Retail	\$ 17,234	\$ 15,597	10.5 %	\$ 34,119	\$ 31,454	8.5 %
Office	11,730	11,194	4.8	22,315	20,893	6.8
Multifamily	2,558	1,944	31.6	4,991	4,172	19.6
Mixed-Use	5,064	4,514	12.2	10,635	9,438	12.7
	<u>\$ 36,586</u>	<u>\$ 33,249</u>	<u>10.0 %</u>	<u>\$ 72,060</u>	<u>\$ 65,957</u>	<u>9.3 %</u>
<b>GAAP Basis:</b>						
Retail	\$ 17,146	\$ 16,366	4.8 %	\$ 34,048	\$ 32,344	5.3 %
Office	11,930	12,135	(1.7)	22,576	22,914	(1.5)
Multifamily	2,558	1,944	31.6	4,991	4,172	19.6
Mixed-Use	4,829	4,411	9.5	10,321	9,239	11.7
	<u>\$ 36,463</u>	<u>\$ 34,856</u>	<u>4.6 %</u>	<u>\$ 71,936</u>	<u>\$ 68,669</u>	<u>4.8 %</u>

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

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

Retail property operating income increased for the three and six months ended June 30, 2013 compared to the corresponding periods in 2012 primarily due to an increase in the percentage leased and additional cost reimbursements primarily at Carmel Mountain Plaza, Alamo Quarry Market and Waialele Center. On a cash basis, the increase in property operating income is attributed to our Nordstrom Rack leases at Carmel Mountain Plaza and Alamo Quarry Market, which began rent payments during the third quarter of 2012.

Office property operating income increased on a cash basis for the three and six months ended June 30, 2013 compared to the corresponding periods in 2012 primarily due to an increase in rental revenue at The Landmark at One Market. Office property operating income on a GAAP basis slightly decreased during the second quarter of 2013 primarily due to a decrease in the percentage leased for the office properties.

Multifamily property operating income increased for the three and six months ended June 30, 2013 compared to the corresponding periods in 2012 primarily due to an increase in average monthly base rent per leased unit and decrease in real estate taxes related to supplemental property for fiscal year 2011 that were taxes paid during 2012.

Mixed-use property operating income increased for the three and six months ended June 30, 2013 compared to the corresponding periods in 2012 primarily due to higher revenue per available room of \$244 and \$255 for the three and six months ended June 30, 2013, respectively, compared to \$222 and \$225 for the three and six months ended June 30, 2012, respectively.

## **Development**

The redevelopment opportunity at the Lloyd District Portfolio was approved by regulatory authorities during the third quarter of 2013 with ground breaking anticipated in September 2013, pending obtaining all permits and satisfaction of regulatory conditions. The redevelopment includes upgrading the existing 238,000 square feet office tower (Lloyd 700), the addition of approximately 47,000 square feet of retail space, 657 multi-family units and approximately 1,200 subterranean parking stalls. The redevelopment will be LEED certified and contain state of the art green features.

Sorrento Pointe was approved for development by regulatory authorities during the second quarter of 2013 with ground breaking anticipated for the September 2014, pending obtaining all permit and satisfaction of regulatory conditions. Development plans include two LEED Silver certified Class A office buildings with structured parking.

These redevelopment and development opportunities are subject to market conditions and may not ultimately come to fruition.

## **Balance Sheet and Liquidity**

At June 30, 2013, the Company had gross real estate assets of \$2.0 billion and liquidity of \$291.1 million, comprised of cash and cash equivalents of \$63.3 million and \$227.8 million of availability on its line of credit.

On May 6, 2013, we entered into an ATM equity program with four sales agents in which we may from time to time offer and sell shares of our common stock having an aggregate offering price of up to \$150.0 million. The sales of shares of our common stock made through the ATM equity program are made in "at the market" offerings as defined in Rule 415 of the Securities Act of 1933, as amended. As of June 30, 2013, we issued 718,714 shares of common stock at a weighted average price per share of \$35.09 for gross cash proceeds of \$25.2 million. We intend to use the net proceeds to fund our development or redevelopment activities, repay amounts outstanding from time to time under our revolving credit facility or other debt financing obligations, fund potential acquisition opportunities and/or for general corporate purposes. As of June 30, 2013, we had the capacity to issue up to an additional \$124.8 million in shares of common stock under our ATM equity program. Actual future sales will depend on a variety of factors including, but not limited to, market conditions, the trading price of our common stock and our capital needs. We have no obligation to sell the remaining shares available for sale under the ATM equity program.

## **Dividends**

The Company declared dividends on its shares of common stock of \$0.21 per share for the second quarter of 2013. The dividends were declared on April 25, 2013 to holders of record on June 14, 2013 and were paid on June 28, 2013.

In addition, the Company has declared a dividend on its common stock of \$0.21 per share for the quarter ending September 30, 2013. The dividend will be paid on September 27, 2013 to stockholders of record on September 13, 2013.

## **2013 Guidance**

The Company increased full year 2013 FFO per diluted share to a range of \$1.47 to \$1.50 per share from the prior range of \$1.42 to \$1.49 per share. 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 second quarter 2013 on Wednesday, July 31, 2013 at 8:00 a.m. Pacific Time ("PT"). To participate in the event by telephone, please dial 1-877-474-9502 and use the pass code 11845190. A telephonic replay of the conference call will be available beginning at 10:00 a.m. PT on Wednesday, July 31, 2013 through Wednesday, August 14, 2013. To access the replay, dial 1-888-286-8010 and use the pass code 63328532. A live on-demand audio webcast of the conference call will be available on the Company's website at [www.americanassettrust.com](http://www.americanassettrust.com). A replay of the call will also be available on the Company's website.

**Supplemental Information**

Supplemental financial information regarding the Company's second quarter 2013 results may be found in the "Investor Relations" section of the Company's website at [www.americanassettrust.com](http://www.americanassettrust.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)**

	June 30, 2013	December 31, 2012
<b>Assets</b>	(unaudited)	
Real estate, at cost		
Operating real estate	\$ 1,899,074	\$ 1,891,549
Construction in progress	49,378	32,183
Held for development	8,964	14,944
	1,957,416	1,938,676
Accumulated depreciation	(295,461)	(270,494)
Net real estate	1,661,955	1,668,182
Cash and cash equivalents	63,340	42,479
Restricted cash	9,206	7,421
Accounts receivable, net	7,338	6,440
Deferred rent receivables, net	30,918	29,395
Prepaid expenses and other assets	64,002	73,670
Total assets	\$ 1,836,759	\$ 1,827,587
<b>Liabilities and equity</b>		
Liabilities:		
Secured notes payable	\$ 1,044,299	\$ 1,044,682
Accounts payable and accrued expenses	31,285	29,509
Security deposits payable	5,093	4,856
Other liabilities and deferred credits	59,558	62,811
Total liabilities	1,140,235	1,141,858
Commitments and contingencies		
Equity:		
American Assets Trust, Inc. stockholders' equity		
Common stock \$0.01 par value, 490,000,000 shares authorized, 40,445,578 and 39,664,212 shares outstanding at June 30, 2013 (unaudited) and December 31, 2012, respectively	405	397
Additional paid-in capital	690,507	663,589
Accumulated dividends in excess of net income	(35,868)	(25,625)
Total American Assets Trust, Inc. stockholders' equity	655,044	638,361
Noncontrolling interests	41,480	47,368
Total equity	696,524	685,729
Total liabilities and equity	\$ 1,836,759	\$ 1,827,587

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
<b>Revenue:</b>				
Rental income	\$ 59,705	\$ 53,740	\$ 118,927	\$ 106,748
Other property income	3,209	2,391	6,167	4,832
Total revenue	62,914	56,131	125,094	111,580
<b>Expenses:</b>				
Rental expenses	16,686	15,506	32,972	30,324
Real estate taxes	5,476	5,743	10,276	10,984
General and administrative	4,426	3,911	8,627	7,636
Depreciation and amortization	16,953	14,329	33,966	29,183
Total operating expenses	43,541	39,489	85,841	78,127
<b>Operating income</b>	<b>19,373</b>	<b>16,642</b>	<b>39,253</b>	<b>33,453</b>
Interest expense	(14,744)	(14,028)	(29,480)	(27,929)
Other income (expense), net	(65)	(217)	(344)	(363)
<b>Income from continuing operations</b>	<b>4,564</b>	<b>2,397</b>	<b>9,429</b>	<b>5,161</b>
<b>Discontinued operations</b>				
Results from discontinued operations	—	227	—	334
<b>Net income</b>	<b>4,564</b>	<b>2,624</b>	<b>9,429</b>	<b>5,495</b>
Net income attributable to restricted shares	(133)	(131)	(265)	(263)
Net income attributable to unitholders in the Operating Partnership	(1,354)	(804)	(2,849)	(1,687)
<b>Net income attributable to American Assets Trust, Inc. stockholders</b>	<b>\$ 3,077</b>	<b>\$ 1,689</b>	<b>\$ 6,315</b>	<b>\$ 3,545</b>
Basic net income from continuing operations attributable to common stockholders per share	\$ 0.08	\$ 0.04	\$ 0.16	\$ 0.08
Basic net income from discontinued operations attributable to common stockholders per share	—	—	—	0.01
Basic net income attributable to common stockholders per share	\$ 0.08	\$ 0.04	\$ 0.16	\$ 0.09
Weighted average shares of common stock outstanding - basic	39,460,086	38,659,155	39,247,729	38,658,162
Diluted net income from continuing operations attributable to common stockholders per share	\$ 0.08	\$ 0.04	\$ 0.16	\$ 0.08
Diluted net income from discontinued operations attributable to common stockholders per share	—	—	—	0.01
Diluted net income attributable to common stockholders per share	\$ 0.08	\$ 0.04	\$ 0.16	\$ 0.09
Weighted average shares of common stock outstanding - diluted	57,429,837	57,055,244	57,244,174	57,054,509
Dividends declared per common share	\$ 0.21	\$ 0.21	\$ 0.42	\$ 0.42

### Reconciliation of Net Income to Funds From Operations

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

	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013
<b>Funds From Operations (FFO)</b>		
Net income	\$ 4,564	\$ 9,429
Depreciation and amortization of real estate assets	16,953	33,966
FFO, as defined by NAREIT	\$ 21,517	\$ 43,395
Less: Nonforfeitable dividends on incentive stock awards	(88)	(176)
FFO attributable to common stock and units	\$ 21,429	\$ 43,219
FFO per diluted share/unit	\$ 0.37	\$ 0.75
Weighted average number of common shares and units, diluted	57,640,176	57,454,594

Reported results are preliminary and not final until the filing of the Company's Form 10-Q 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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# SECOND QUARTER 2013

## Supplemental Information

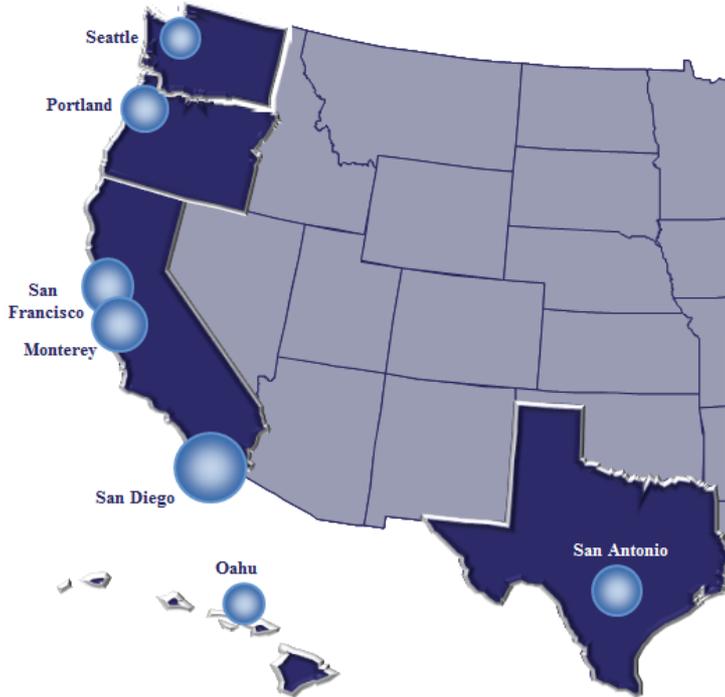
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Investor and Media Contact  
American Assets Trust  
Robert F. Barton  
Executive Vice President and Chief Financial Officer  
858-350-2607

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

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 June 30, 2013.

(1) Includes 122 RV spaces.

	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>	

**SECOND QUARTER 2013 SUPPLEMENTAL INFORMATION****1. FINANCIAL HIGHLIGHTS**

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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>June 30, 2013</u> (unaudited)	<u>December 31, 2012</u> (audited)
<b>ASSETS</b>		
Real estate, at cost		
Operating real estate	\$ 1,899,074	\$ 1,891,549
Construction in progress	49,378	32,183
Held for development	8,964	14,944
	<u>1,957,416</u>	<u>1,938,676</u>
Accumulated depreciation	(295,461)	(270,494)
Net real estate	1,661,955	1,668,182
Cash and cash equivalents	63,340	42,479
Restricted cash	9,206	7,421
Accounts receivable, net	7,338	6,440
Deferred rent	30,918	29,395
Other assets, net	64,002	73,670
<b>TOTAL ASSETS</b>	<u>\$ 1,836,759</u>	<u>\$ 1,827,587</u>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES:</b>		
Secured notes payable	\$ 1,044,299	\$ 1,044,682
Accounts payable and accrued expenses	31,285	29,509
Security deposits payable	5,093	4,856
Other liabilities and deferred credits	59,558	62,811
Total liabilities	<u>1,140,235</u>	<u>1,141,858</u>
Commitments and contingencies		
<b>EQUITY:</b>		
American Assets Trust, Inc. stockholders' equity		
Common stock \$0.01 par value, 490,000,000 shares authorized, 40,445,578 and 39,664,212 shares outstanding at June 30, 2013 (unaudited) and December 31, 2012, respectively	405	397
Additional paid in capital	690,507	663,589
Accumulated dividends in excess of net income	(35,868)	(25,625)
Total American Assets Trust, Inc. stockholders' equity	<u>655,044</u>	<u>638,361</u>
Noncontrolling interests	41,480	47,368
Total equity	<u>696,524</u>	<u>685,729</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 1,836,759</u>	<u>\$ 1,827,587</u>

# CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
<b>REVENUE:</b>				
Rental income	\$ 59,705	\$ 53,740	\$ 118,927	\$ 106,748
Other property income	3,209	2,391	6,167	4,832
Total revenue	62,914	56,131	125,094	111,580
<b>EXPENSES:</b>				
Rental expenses	16,686	15,506	32,972	30,324
Real estate taxes	5,476	5,743	10,276	10,984
General and administrative	4,426	3,911	8,627	7,636
Depreciation and amortization	16,953	14,329	33,966	29,183
Total operating expenses	43,541	39,489	85,841	78,127
<b>OPERATING INCOME</b>	<b>19,373</b>	<b>16,642</b>	<b>39,253</b>	<b>33,453</b>
Interest expense	(14,744)	(14,028)	(29,480)	(27,929)
Other income (expense), net	(65)	(217)	(344)	(363)
<b>INCOME FROM CONTINUING OPERATIONS</b>	<b>4,564</b>	<b>2,397</b>	<b>9,429</b>	<b>5,161</b>
<b>DISCONTINUED OPERATIONS</b>				
Results from discontinued operations	—	227	—	334
<b>NET INCOME</b>	<b>4,564</b>	<b>2,624</b>	<b>9,429</b>	<b>5,495</b>
Net income attributable to restricted shares	(133)	(131)	(265)	(263)
Net income attributable to unitholders in the Operating Partnership	(1,354)	(804)	(2,849)	(1,687)
<b>NET INCOME ATTRIBUTABLE TO AMERICAN ASSETS TRUST, INC.</b>	<b>\$ 3,077</b>	<b>\$ 1,689</b>	<b>\$ 6,315</b>	<b>\$ 3,545</b>
<b>STOCKHOLDERS</b>				
Basic net income from continuing operations attributable to common stockholders per share	\$ 0.08	\$ 0.04	\$ 0.16	\$ 0.08
Basic net income from discontinued operations attributable to common stockholders per share	—	—	—	0.01
Basic net income attributable to common stockholders per share	\$ 0.08	\$ 0.04	\$ 0.16	\$ 0.09
Weighted average shares of common stock outstanding - basic	39,460,086	38,659,155	39,247,729	38,658,162
Diluted net income from continuing operations attributable to common stockholders per share	\$ 0.08	\$ 0.04	\$ 0.16	\$ 0.08
Diluted net income from discontinued operations attributable to common stockholders per share	—	—	—	0.01
Diluted net income attributable to common stockholders per share	\$ 0.08	\$ 0.04	\$ 0.16	\$ 0.09
Weighted average shares of common stock outstanding - diluted	57,429,837	57,055,244	57,244,174	57,054,509

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
<b>Funds from Operations (FFO)</b> <sup>(1)</sup>				
Net income	\$ 4,564	\$ 2,624	\$ 9,429	\$ 5,495
Depreciation and amortization of real estate assets <sup>(2)</sup>	16,953	14,671	33,966	29,924
FFO, as defined by NAREIT	21,517	17,295	43,395	35,419
Less: Nonforfeitable dividends on incentive stock awards	(88)	(88)	(176)	(177)
FFO attributable to common stock and common units	\$ 21,429	\$ 17,207	\$ 43,219	\$ 35,242
FFO per diluted share/unit	\$ 0.37	\$ 0.30	\$ 0.75	\$ 0.62
Weighted average number of common shares and common units, diluted <sup>(3)</sup>	57,640,176	57,260,406	57,454,594	57,259,671
<b>Funds Available for Distribution (FAD)</b>				
	\$ 17,683	\$ 11,974	\$ 35,841	\$ 26,054
<b>Dividends</b>				
Dividends declared and paid	\$ 12,266	\$ 12,113	\$ 24,380	\$ 24,226
Dividends declared and paid per share/unit	\$ 0.21	\$ 0.21	\$ 0.42	\$ 0.42

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
<b>Funds Available for Distribution (FAD) <sup>(1)</sup></b>				
FFO As Adjusted	\$ 21,517	\$ 17,295	\$ 43,395	\$ 35,419
Adjustments (includes discontinued operations for 160 King Street):				
Tenant improvements, leasing commissions and maintenance capital expenditures	(4,656)	(5,332)	(8,707)	(9,859)
Net effect of straight-line rents <sup>(4)</sup>	(623)	(2,200)	(1,413)	(4,187)
Amortization of net above (below) market rents <sup>(5)</sup>	(220)	190	(727)	711
Net effect of other lease intangibles <sup>(6)</sup>	53	69	110	138
Amortization of debt issuance costs and debt fair value adjustment	983	1,005	1,966	1,979
Non-cash compensation expense	717	707	1,393	1,406
Unrealized (gains) losses on marketable securities	—	328	—	624
Nonforfeitable dividends on incentive stock awards	(88)	(88)	(176)	(177)
FAD	\$ 17,683	\$ 11,974	\$ 35,841	\$ 26,054
<b>Summary of Capital Expenditures</b>				
Tenant improvements and leasing commissions	\$ 2,338	\$ 3,657	\$ 5,280	\$ 6,658
Maintenance capital expenditures	2,318	1,675	3,427	3,201
	\$ 4,656	\$ 5,332	\$ 8,707	\$ 9,859

Notes:

(1) See Glossary of Terms.

(2) The three and six months ended June 30, 2012 includes depreciation and amortization on 160 King Street, which was sold on December 4, 2012. 160 King Street is classified as a discontinued operation.

(3) For the three and six months ended June 30, 2013 and 2012, 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 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.

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

(6) 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	\$ 18,598	\$ 19,866
Depreciation and amortization of real estate assets	66,639	66,639
FFO, as defined by NAREIT	85,237	86,505
Less: Nonforfeitable dividends on incentive stock awards	(353)	(353)
FFO attributable to common stock and units	\$ 84,884	\$ 86,152
Weighted average number of common shares and units, diluted	57,617,116	57,617,116
FFO per diluted share, updated	\$ 1.47	\$ 1.50
FFO per diluted share, prior period	\$ 1.42	\$ 1.49

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)

(Unaudited, amounts in thousands)

	Three Months Ended June 30, 2013				
	Retail	Office	Multifamily	Mixed-Use	Total
<b>Real estate rental revenue</b>					
Same-store portfolio	\$ 23,017	\$ 17,454	\$ 3,974	\$ 12,931	\$ 57,376
Non-same store portfolio <sup>(1)</sup>	480	5,058	—	—	5,538
Total	23,497	22,512	3,974	12,931	62,914
<b>Real estate expenses</b>					
Same-store portfolio	5,871	5,524	1,416	8,102	20,913
Non-same store portfolio <sup>(1)</sup>	189	1,060	—	—	1,249
Total	6,060	6,584	1,416	8,102	22,162
<b>Net Operating Income (NOI), GAAP basis</b>					
Same-store portfolio	17,146	11,930	2,558	4,829	36,463
Non-same store portfolio <sup>(1)</sup>	291	3,998	—	—	4,289
Total	\$ 17,437	\$ 15,928	\$ 2,558	\$ 4,829	\$ 40,752
Same-store portfolio NOI, GAAP basis	\$ 17,146	\$ 11,930	\$ 2,558	\$ 4,829	\$ 36,463
Net effect of straight-line rents <sup>(2)</sup>	259	(327)	—	(34)	(102)
Amortization of net above (below) market rents <sup>(3)</sup>	(171)	54	—	289	172
Net effect of other lease intangibles <sup>(4)</sup>	—	73	—	(20)	53
Same-store portfolio NOI, cash basis	\$ 17,234	\$ 11,730	\$ 2,558	\$ 5,064	\$ 36,586

Notes:

- (1) Same-store portfolio and non-same store portfolio are determined based on properties held on June 30, 2013 and 2012. 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

(Unaudited, amounts in thousands)

	Six Months Ended June 30, 2013				
	Retail	Office	Multifamily	Mixed-Use	Total
<b>Real estate rental revenue</b>					
Same-store portfolio	\$ 44,701	\$ 32,915	\$ 7,849	\$ 26,660	\$ 112,125
Non-same store portfolio <sup>(1)</sup>	950	12,019	—	—	12,969
Total	45,651	44,934	7,849	26,660	125,094
<b>Real estate expenses</b>					
Same-store portfolio	10,653	10,339	2,858	16,339	40,189
Non-same store portfolio <sup>(1)</sup>	378	2,681	—	—	3,059
Total	11,031	13,020	2,858	16,339	43,248
<b>Net Operating Income (NOI), GAAP basis</b>					
Same-store portfolio	34,048	22,576	4,991	10,321	71,936
Non-same store portfolio <sup>(1)</sup>	572	9,338	—	—	9,910
Total	\$ 34,620	\$ 31,914	\$ 4,991	\$ 10,321	\$ 81,846
Same-store portfolio NOI, GAAP basis	\$ 34,048	\$ 22,576	\$ 4,991	\$ 10,321	\$ 71,936
Net effect of straight-line rents <sup>(2)</sup>	426	(469)	—	(107)	(150)
Amortization of net above (below) market rents <sup>(3)</sup>	(355)	58	—	461	164
Net effect of other lease intangibles <sup>(4)</sup>	—	150	—	(40)	110
Same-store portfolio NOI, cash basis	\$ 34,119	\$ 22,315	\$ 4,991	\$ 10,635	\$ 72,060

Notes:

- (1) Same-store portfolio and non-same store portfolio are determined based on properties held on June 30, 2013 and 2012. 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

(Unaudited, amounts in thousands)

	Three Months Ended			Six Months Ended		
	June 30,			June 30,		
	2013	2012	Change	2013	2012	Change
<b>Cash Basis:</b>						
Retail	\$ 17,234	\$ 15,597	10.5 %	\$ 34,119	\$ 31,454	8.5 %
Office	11,730	11,194	4.8	22,315	20,893	6.8
Multifamily	2,558	1,944	31.6	4,991	4,172	19.6
Mixed-Use	5,064	4,514	12.2	10,635	9,438	12.7
	<u>\$ 36,586</u>	<u>\$ 33,249</u>	<u>10.0 %</u>	<u>\$ 72,060</u>	<u>\$ 65,957</u>	<u>9.3 %</u>
<b>GAAP Basis:</b>						
Retail	\$ 17,146	\$ 16,366	4.8 %	\$ 34,048	\$ 32,344	5.3 %
Office	11,930	12,135	(1.7)	22,576	22,914	(1.5)
Multifamily	2,558	1,944	31.6	4,991	4,172	19.6
Mixed-Use	4,829	4,411	9.5	10,321	9,239	11.7
	<u>\$ 36,463</u>	<u>\$ 34,856</u>	<u>4.6 %</u>	<u>\$ 71,936</u>	<u>\$ 68,669</u>	<u>4.8 %</u>

(Unaudited, amounts in thousands)

	Three Months Ended June 30, 2013				
	Retail	Office	Multifamily	Mixed-Use	Total
<b>Southern California</b>					
NOI, GAAP basis <sup>(1)</sup>	\$ 6,896	\$ 3,773	\$ 2,558	\$ —	\$ 13,227
Net effect of straight-line rents <sup>(2)</sup>	(57)	228	—	—	171
Amortization of net above (below) market rents <sup>(3)</sup>	(220)	69	—	—	(151)
Net effect of other lease intangibles <sup>(4)</sup>	—	92	—	—	92
NOI, cash basis	6,619	4,162	2,558	—	13,339
<b>Northern California</b>					
NOI, GAAP basis <sup>(1)</sup>	2,640	4,140	—	—	6,780
Net effect of straight-line rents <sup>(2)</sup>	(34)	(466)	—	—	(500)
Amortization of net above (below) market rents <sup>(3)</sup>	(78)	(224)	—	—	(302)
Net effect of other lease intangibles <sup>(4)</sup>	—	(19)	—	—	(19)
NOI, cash basis	2,528	3,431	—	—	5,959
<b>Hawaii</b>					
NOI, GAAP basis <sup>(1)</sup>	4,472	—	—	4,829	9,301
Net effect of straight-line rents <sup>(2)</sup>	267	—	—	(34)	233
Amortization of net above (below) market rents <sup>(3)</sup>	180	—	—	289	469
Net effect of other lease intangibles <sup>(4)</sup>	—	—	—	(20)	(20)
NOI, cash basis	4,919	—	—	5,064	9,983
<b>Oregon</b>					
NOI, GAAP basis <sup>(1)</sup>	—	4,028	—	—	4,028
Net effect of straight-line rents <sup>(2)</sup>	—	(89)	—	—	(89)
Amortization of net above (below) market rents <sup>(3)</sup>	—	209	—	—	209
NOI, cash basis	—	4,148	—	—	4,148
<b>Texas</b>					
NOI, GAAP basis <sup>(1)</sup>	3,429	—	—	—	3,429
Net effect of straight-line rents <sup>(2)</sup>	44	—	—	—	44
Amortization of net above (below) market rents <sup>(3)</sup>	(64)	—	—	—	(64)
NOI, cash basis	3,409	—	—	—	3,409
<b>Washington</b>					
NOI, GAAP basis <sup>(1)</sup>	—	3,987	—	—	3,987
Net effect of straight-line rents <sup>(2)</sup>	—	(482)	—	—	(482)
Amortization of net above (below) market rents <sup>(3)</sup>	—	(381)	—	—	(381)
NOI, cash basis	—	3,124	—	—	3,124
<b>Total</b>					
NOI, GAAP basis <sup>(1)</sup>	17,437	15,928	2,558	4,829	40,752
Net effect of straight-line rents <sup>(2)</sup>	220	(809)	—	(34)	(623)
Amortization of net above (below) market rents <sup>(3)</sup>	(182)	(327)	—	289	(220)
Net effect of other lease intangibles <sup>(4)</sup>	—	73	—	(20)	53
NOI, cash basis	\$ 17,475	\$ 14,865	\$ 2,558	\$ 5,064	\$ 39,962

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.

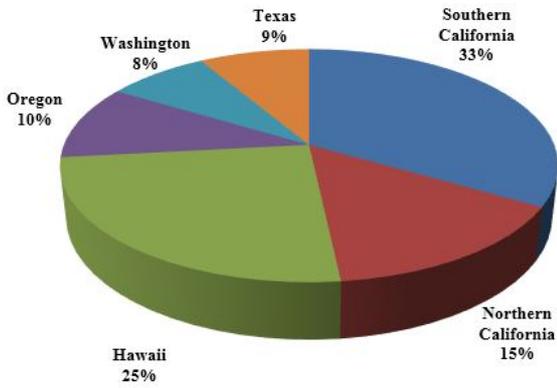
(3) Represents the adjustment related to the acquisition of buildings with above (below) market rents.

(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.

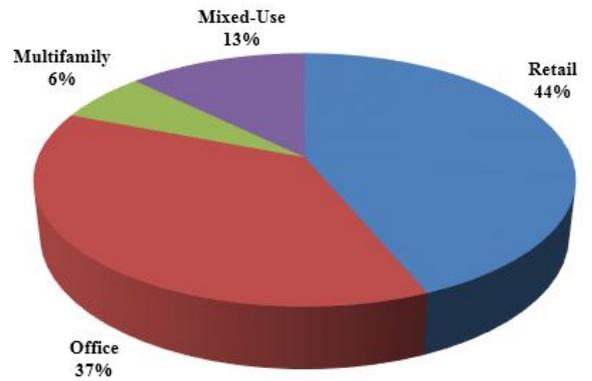
Three Months Ended June 30, 2013

Portfolio NOI, Cash Basis Breakdown

Portfolio Diversification by Geographic Region

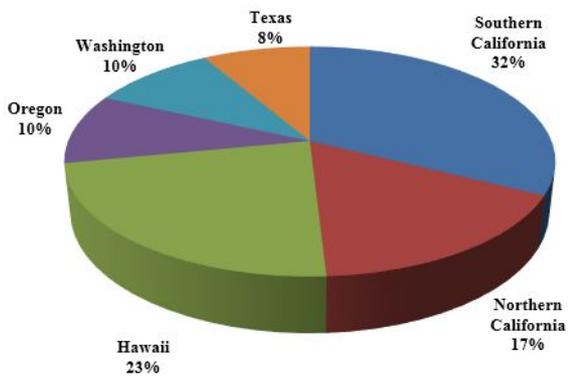


Portfolio Diversification by Segment

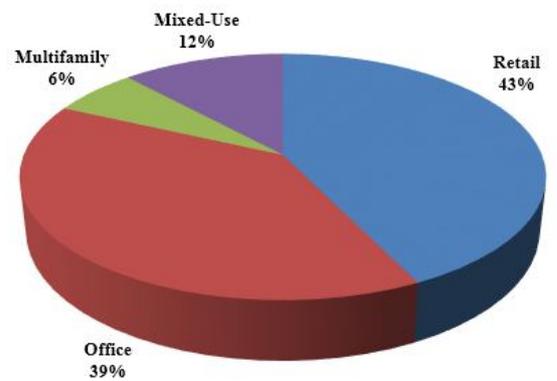


Portfolio NOI, GAAP Basis Breakdown

Portfolio Diversification by Geographic Region



Portfolio Diversification by Segment



# PROPERTY REVENUE AND OPERATING EXPENSES

(Unaudited, amounts in thousands)

Property	Three Months Ended June 30, 2013			
	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	\$ 821	\$ 19	\$ 176	\$ (170)
Carmel Mountain Plaza	2,558	42	686	(790)
South Bay Marketplace	552	15	182	(155)
Rancho Carmel Plaza	200	13	59	(74)
Lomas Santa Fe Plaza	1,117	9	239	(313)
Solana Beach Towne Centre	1,409	37	466	(450)
Del Monte Center	2,166	275	866	(1,038)
Geary Marketplace	285	—	131	(157)
The Shops at Kalakaua	395	20	40	(67)
Waikale Center	4,518	346	1,014	(1,347)
Alamo Quarry Market	3,286	78	1,549	(1,469)
<b>Subtotal Retail Portfolio</b>	<b>\$ 17,307</b>	<b>\$ 854</b>	<b>\$ 5,408</b>	<b>\$ (6,030)</b>
<b>Office Portfolio</b>				
Torrey Reserve Campus <sup>(5)</sup>	\$ 3,856	\$ 79	\$ 168	\$ (889)
Solana Beach Corporate Centre	1,551	2	27	(426)
The Landmark at One Market	4,606	24	230	(1,960)
One Beach Street	680	(1)	111	(259)
First & Main	2,800	142	155	(748)
Lloyd District Portfolio	2,781	277	97	(1,280)
City Center Bellevue	3,558	746	135	(1,050)
<b>Subtotal Office Portfolio</b>	<b>\$ 19,832</b>	<b>\$ 1,269</b>	<b>\$ 923</b>	<b>\$ (6,612)</b>
<b>Multifamily Portfolio</b>				
Loma Palisades	\$ 2,487	\$ 187	\$ —	\$ (918)
Imperial Beach Gardens	673	57	—	(239)
Mariner's Point	298	26	—	(127)
Santa Fe Park RV Resort	230	17	—	(132)
<b>Subtotal Multifamily Portfolio</b>	<b>\$ 3,688</b>	<b>\$ 287</b>	<b>\$ —</b>	<b>\$ (1,416)</b>

## PROPERTY REVENUE AND OPERATING EXPENSES (CONTINUED)

(Unaudited, amounts in thousands)

Property	Three Months Ended June 30, 2013			
	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	\$ 2,499	\$ 955	\$ 911	\$ (1,670)
Waikiki Beach Walk - Embassy Suites™	8,179	630	—	(6,440)
<b>Subtotal Mixed-Use Portfolio</b>	<b>\$ 10,678</b>	<b>\$ 1,585</b>	<b>\$ 911</b>	<b>\$ (8,110)</b>
<b>Total</b>	<b>\$ 51,505</b>	<b>\$ 3,995</b>	<b>\$ 7,242</b>	<b>\$ (22,168)</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 June 30, 2013 (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 \$46 and \$558, respectively, for the three months ended June 30, 2013. There were no abatements for the retail portion of our mixed-use portfolio for the three months ended June 30, 2013. 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 June 30, 2013. For Waikiki Beach Walk - Embassy Suites™, base rent is equal to the actual room revenue for the three months ended June 30, 2013.
- (2) Represents additional property-related income for the three months ended June 30, 2013, 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 June 30, 2013.
- (4) Represents property operating expenses for the three months ended June 30, 2013. Property operating expenses includes all rental expenses, except non-cash rent expense and the provision for bad debt recorded for deferred rent receivables.
- (5) 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 \$165 and abatements were \$165 for the three months ended June 30, 2013.

# SEGMENT CAPITAL EXPENDITURES

(Unaudited, amounts in thousands)

Three Months Ended June 30, 2013

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	\$ 343	\$ 178	\$ 521	\$ 10	\$ 49	\$ 580
Office Portfolio	1,941	1,905	3,846	4,562	3,031	11,439
Multifamily Portfolio	—	206	206	—	—	206
Mixed-Use Portfolio	54	29	83	—	—	83
<b>Total</b>	<b>\$ 2,338</b>	<b>\$ 2,318</b>	<b>\$ 4,656</b>	<b>\$ 4,572</b>	<b>\$ 3,080</b>	<b>\$ 12,308</b>

Six Months Ended June 30, 2013

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	\$ 2,220	\$ 243	\$ 2,463	\$ 11	\$ 53	\$ 2,527
Office Portfolio	2,961	2,563	5,524	8,246	5,531	19,301
Multifamily Portfolio	—	349	349	—	—	349
Mixed-Use Portfolio	99	272	371	—	—	371
<b>Total</b>	<b>\$ 5,280</b>	<b>\$ 3,427</b>	<b>\$ 8,707</b>	<b>\$ 8,257</b>	<b>\$ 5,584</b>	<b>\$ 22,548</b>

# SUMMARY OF OUTSTANDING DEBT

(Unaudited, amounts in thousands)

Debt	Amount Outstanding at June 30, 2013	Interest Rate	Annual Debt Service	Maturity Date	Balance at Maturity
Alamo Quarry Market <sup>(1)(2)</sup>	\$ 92,838	5.67%	\$ 95,948	January 8, 2014	\$ 91,717
Waialele Center <sup>(3)</sup>	140,700	5.15	7,360	November 1, 2014	140,700
The Shops at Kalakaua <sup>(3)</sup>	19,000	5.45	1,053	May 1, 2015	19,000
The Landmark at One Market <sup>(2)(3)</sup>	133,000	5.61	7,558	July 5, 2015	133,000
Del Monte Center <sup>(3)</sup>	82,300	4.93	4,121	July 8, 2015	82,300
First & Main <sup>(3)</sup>	84,500	3.97	3,397	July 1, 2016	84,500
Imperial Beach Gardens <sup>(3)</sup>	20,000	6.16	1,250	September 1, 2016	20,000
Mariner's Point <sup>(3)</sup>	7,700	6.09	476	September 1, 2016	7,700
South Bay Marketplace <sup>(3)</sup>	23,000	5.48	1,281	February 10, 2017	23,000
Waikiki Beach Walk - Retail <sup>(3)</sup>	130,310	5.39	7,020	July 1, 2017	130,310
Solana Beach Corporate Centre III-IV <sup>(4)</sup>	37,004	6.39	2,798	August 1, 2017	35,136
Loma Palisades <sup>(3)</sup>	73,744	6.09	4,553	July 1, 2018	73,744
One Beach Street <sup>(3)</sup>	21,900	3.94	875	April 1, 2019	21,900
Torrey Reserve - North Court <sup>(1)</sup>	21,521	7.22	1,836	June 1, 2019	19,443
Torrey Reserve - VCI, VCII, VCIII <sup>(1)</sup>	7,247	6.36	560	June 1, 2020	6,439
Solana Beach Corporate Centre I-II <sup>(1)</sup>	11,556	5.91	855	June 1, 2020	10,169
Solana Beach Towne Centre <sup>(1)</sup>	38,520	5.91	2,849	June 1, 2020	33,898
City Center Bellevue <sup>(3)</sup>	111,000	3.98	4,479	November 1, 2022	111,000
<b>Total / Weighted Average</b>	<b>\$ 1,055,840</b>	<b>5.26%</b>	<b>\$ 148,269</b>		<b>\$ 1,043,956</b>
Unamortized fair value adjustment	(11,541)				
<b>Secured Notes Payable</b>	<b>\$ 1,044,299</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) Interest only.

(4) 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.

## MARKET CAPITALIZATION

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

Market data	June 30, 2013
Common shares outstanding	40,446
Common units outstanding	17,962
Common shares and common units outstanding	58,408
Market price per common share	\$ 30.86
Equity market capitalization	\$ 1,802,471
Total debt	\$ 1,055,840
Total market capitalization	\$ 2,858,311
Less: Cash on hand	\$ (63,340)
Total enterprise value	\$ 2,794,971
Total assets, gross	\$ 2,132,220
Total debt/Total capitalization	36.9%
Total debt/Total enterprise value	37.8%
Net debt/Total enterprise value <sup>(1)</sup>	35.5%
Total debt/Total assets, gross	49.5%
Total debt/EBITDA <sup>(2)(3)</sup>	7.3x
Net debt/EBITDA <sup>(1)(2)(3)</sup>	6.8x
Net debt/Total assets, gross <sup>(1)</sup>	0.5x
Interest coverage ratio <sup>(4)</sup>	2.5x
Fixed charge coverage ratio <sup>(4)</sup>	2.5x

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 June 30, 2013 annualized.

(4) Calculated as EBITDA divided by interest on borrowed funds, including capitalized interest and excluding debt fair value adjustments and loan fee amortization.

**Debt Maturity Schedule**



# 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.

<b>In-Process Development Projects</b>											
Property	Location	Estimated Start Date	Estimated Completion Date	Estimated Stabilization Date <sup>(1)</sup>	Estimated Rentable Square Feet	Multifamily Units	Project Costs (in thousands) <sup>(2)</sup>				Estimated Stabilized Yield <sup>(3)</sup>
							Three Months Ended June 30, 2013	Six Months Ended June 30, 2013	Cost Incurred to Date	Total Estimated Investment	
<b>Office Property:</b>											
Torrey Reserve III & IV	San Diego, CA	2012	2014	2015	81,500	N/A	\$3,658	\$7,860	\$14,273	\$34,100	8.60%
<b>Mixed Use Property:</b>											
Lloyd District Portfolio	Portland, OR	2013	2015	2017	47,000	657	\$1,756	\$4,529	\$7,697	\$191,828	6.25% - 7.25%

<b>Development/Redevelopment Pipeline</b>				
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 <sup>(5)</sup>	Office	San Diego, CA	88,000	N/A
Solana Beach - Highway 101	Mixed Use	Solana Beach, CA	48,000	36

- Notes:
- (1) Based on management's estimation of stabilized occupancy (95%).
  - (2) Project costs exclude allocated land costs and 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 Solana Beach - Highway 101.
  - (5) Development plans began during the second quarter of 2013.

# PORTFOLIO DATA

As of June 30, 2013

Retail and Office Portfolios

Property	Location	Year Built/ Renovated	Number of Buildings	Net Rentable		Annualized Base Rent per Leased Square Foot (4)	Retail Anchor Tenant(s) (5)	Other Principal Retail Tenants (6)
				Square Feet (1)	Percentage Leased (2)			
<b>Retail Properties</b>								
Carmel Country Plaza	San Diego, CA	1991	9	78,098	93.3%	\$ 3,255,816	\$44.68	Sharp Healthcare, San Diego County Credit Union
Carmel Mountain Plaza (7)	San Diego, CA	1994	13	520,228	91.9	10,209,262	21.35	Sears Sports Authority, Nordstrom Rack
South Bay Marketplace (7)	San Diego, CA	1997	9	132,877	100.0	2,217,786	16.69	Ross Dress for Less, Grocery Outlet
Rancho Carmel Plaza	San Diego, CA	1993	3	30,421	89.3	800,661	29.47	Oggi's Pizza & Brewing Co., Sprint PCS Assets
Lomas Santa Fe Plaza	Solana Beach, CA	1972/1997	9	209,569	82.9	4,588,380	26.41	Vons, We-R-Fabrics
Solana Beach Towne Centre	Solana Beach, CA	1973/2000/2004	12	246,730	99.4	5,643,342	23.01	Dixieline Probuild, Marshalls
Del Monte Center (7)	Monterey, CA	1967/1984/2006	16	676,571	99.5	9,244,375	13.73	Macy's, KLA Monterrey Century Theatres, Macy's Furniture Gallery
Geary Marketplace	Walnut Creek, CA	2012	3	35,156	100.0	1,140,883	32.45	Sprouts Farmer Market, Freebirds Wild Burrito
The Shops at Kalakaua	Honolulu, HI	1971/2006	3	11,671	100.0	1,585,276	135.83	Whalers General Store, Diesel U.S.A. Inc.
Waialele Center	Waipahu, HI	1993/2008	9	537,823	98.3	17,779,464	33.63	Lowe's, Kmart, Sports Authority, Foodland Super Market Old Navy, Officemax
Alamo Quarry Market (7)	San Antonio, TX	1997/1999	16	589,501	99.2	13,140,637	22.47	Regal Cinemas Bed Bath & Beyond, Whole Foods Market
<b>Subtotal/Weighted Average Retail Portfolio</b>			<b>102</b>	<b>3,068,645</b>	<b>96.6%</b>	<b>\$ 69,605,882</b>	<b>\$23.48</b>	
<b>Office Properties</b>								
Torrey Reserve Campus	San Diego, CA	1996-2000	9	456,850	91.5%	\$ 16,205,679	\$38.77	
Solana Beach Corporate Centre	Solana Beach, CA	1982/2005	4	212,019	93.2	6,306,882	31.92	
The Landmark at One Market (8)	San Francisco, CA	1917/2000	1	421,934	100.0	18,594,583	44.07	
One Beach Street	San Francisco, CA	1924/1972/1987/1992	1	97,614	84.2	2,583,285	31.43	
First & Main	Portland, OR	2010	1	361,229	100.0	11,198,581	31.00	
Lloyd District Portfolio	Portland, OR	1940-2011	6	605,413	86.1	11,158,305	21.41	
City Center Bellevue	Bellevue, WA	1987	1	490,508	92.7	14,395,960	31.66	
<b>Subtotal/Weighted Average Office Portfolio</b>			<b>23</b>	<b>2,645,567</b>	<b>92.9%</b>	<b>\$ 80,443,275</b>	<b>\$32.73</b>	
<b>Total/Weighted Average Retail and Office Portfolio</b>			<b>125</b>	<b>5,714,212</b>	<b>94.9%</b>	<b>\$ 150,049,157</b>	<b>\$27.67</b>	

As of June 30, 2013

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	98.2%	\$ 10,058,160	\$ 1,558
Imperial Beach Gardens	Imperial Beach, CA	1959/2008-present	26	160	100.0	2,725,968	\$ 1,420
Mariner's Point	Imperial Beach, CA	1986	8	88	100.0	1,198,860	\$ 1,135
Santa Fe Park RV Resort <sup>(9)</sup>	San Diego, CA	1971/2007-2008	1	126	91.3	1,153,548	\$ 836
<b>Total/Weighted Average Multifamily Portfolio</b>			<b>115</b>	<b>922</b>	<b>97.7%</b>	<b>\$ 15,136,536</b>	<b>\$ 1,400</b>

Mixed-Use Portfolio

Retail Portion	Location	Year Built/ Renovated	Number		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
			of Buildings	Feet <sup>(1)</sup>				Anchor Tenant(s) <sup>(5)</sup>	<sup>(6)</sup>
Waikiki Beach Walk - Retail	Honolulu, HI	2006	3	96,707	93.8%	\$ 9,898,572	\$ 109.12		Yard House, Roy's

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	87.6%	\$ 277.90	\$ 243.44

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 June 30, 2013, including leases which may not have commenced as of June 30, 2013. Percentage leased for our multifamily properties includes total units rented as of June 30, 2013.
- Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended June 30, 2013, 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 June 30, 2013. Annualized base rent per leased unit is calculated by dividing annualized base rent, by units under lease as of June 30, 2013.
- 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 June 30, 2013, 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 June 30, 2013, 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 June 30, 2013, 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 June 30, 2013 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 June 30, 2013

### 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.
2nd Quarter 2013	11	100%	38,960	\$30.60	\$28.09	\$ 97,872	8.9 %	17.6 %	5.5	\$ 54,358	\$1.40
1st Quarter 2013	11	100%	19,639	\$38.83	\$36.50	\$ 45,691	6.4 %	9.8 %	3.7	\$ 47,500	\$2.42
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
Total 12 months	50	100%	148,541	\$30.50	\$28.88	\$ 241,070	5.6 %	11.9 %	4.6	\$ 274,508	\$1.85

### 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.
2nd Quarter 2013	2	18%	3,275	\$31.75	\$26.72	\$ 16,470	18.8 %	20.1 %	5.3	\$ 32,750	\$10.00
1st Quarter 2013	2	18%	2,686	\$36.84	\$35.60	\$ 3,322	3.5 %	(1.3)%	2.9	\$ 15,000	\$5.58
4th Quarter 2012	—	—	—	—	—	\$ —	—	—	—	\$ —	—
3rd Quarter 2012	1	7%	1,392	\$42.00	\$56.75	\$ (20,532)	(26.0)%	(26.0)%	4.2	\$ —	—
Total 12 months	5	10%	7,353	\$35.55	\$35.65	\$ (740)	(0.3)%	(1.7)%	4.2	\$ 47,750	\$6.49

### 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.
2nd Quarter 2013	9	82%	35,685	\$30.49	\$28.21	\$ 81,402	8.1 %	17.4 %	5.5	\$ 21,608	\$0.61
1st Quarter 2013	9	82%	16,953	\$39.14	\$36.64	\$ 42,369	6.8 %	11.6 %	3.9	\$ 32,500	\$1.92
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
Total 12 months	45	90%	141,188	\$30.24	\$28.53	\$ 241,810	6.0 %	12.8 %	4.6	\$ 226,758	\$1.61

### 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.
2nd Quarter 2013	16	73,385	\$22.18	7.1	\$ 350,858	\$4.78
1st Quarter 2013	14	23,944	\$38.72	4.0	\$ 137,500	\$5.74
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
Total 12 months	62	208,834	\$26.95	5.4	\$ 1,489,558	\$7.13

- 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 June 30, 2013

## 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.
2nd Quarter 2013	12	100%	59,028	\$30.99	\$32.23	\$ (72,922)	(3.8)%	5.4 %	6.7	\$ 1,486,752	\$25.19
1st Quarter 2013	14	100%	73,838	\$34.90	\$33.53	\$ 101,256	4.1 %	16.7 %	4.7	\$ 885,649	\$11.99
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
Total 12 months	55	100%	297,357	\$34.44	\$32.35	\$ 621,254	6.5 %	13.2 %	4.3	\$ 2,794,598	\$9.40

## 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.
2nd Quarter 2013	5	42%	38,462	\$27.43	\$29.83	\$ (92,602)	(8.1)%	6.0 %	8.7	\$ 1,343,691	\$34.94
1st Quarter 2013	6	43%	24,972	\$33.74	\$35.87	\$ (53,113)	(5.9)%	11.8 %	7.3	\$ 257,069	\$10.29
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
Total 12 months	16	29%	77,957	\$30.19	\$32.82	\$ (205,713)	(8.0)%	4.3 %	7.1	\$ 1,618,352	\$20.76

## 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.
2nd Quarter 2013	7	58%	20,566	\$37.66	\$36.70	\$ 19,680	2.6 %	4.5 %	2.9	\$ 143,061	\$6.96
1st Quarter 2013	8	57%	48,866	\$35.49	\$32.33	\$ 154,369	9.8 %	19.6 %	3.4	\$ 628,580	\$12.86
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
Total 12 months	39	71%	219,400	\$35.95	\$32.18	\$ 826,967	11.7 %	16.5 %	3.3	\$ 1,176,246	\$5.36

## 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.
2nd Quarter 2013	17	70,070	\$31.56	6.6	\$ 1,756,251	\$25.06
1st Quarter 2013	18	111,596	\$30.73	6.0	\$ 2,298,525	\$20.60
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
Total 12 months	74	371,732	\$33.01	4.8	\$ 4,835,711	\$13.01

- 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 June 30, 2013

## 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>
2nd Quarter 2013	538	98.2%	\$10,058,160	\$1,558
1st Quarter 2013	526	96.0%	\$9,772,104	\$1,548
4th Quarter 2012	534	97.4%	\$9,932,424	\$1,551
3rd Quarter 2012	548	100.0%	\$9,951,864	\$1,513

## Lease Summary - Imperial Beach Gardens

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>
2nd Quarter 2013	160	100.0%	\$2,725,968	\$1,420
1st Quarter 2013	156	97.5%	\$2,637,432	\$1,409
4th Quarter 2012	158	98.8%	\$2,619,372	\$1,381
3rd Quarter 2012	158	98.8%	\$2,596,812	\$1,369

## 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>
2nd Quarter 2013	88	100.0%	\$1,198,860	\$1,135
1st Quarter 2013	86	97.7%	\$1,168,932	\$1,133
4th Quarter 2012	88	100.0%	\$1,189,188	\$1,126
3rd Quarter 2012	88	100.0%	\$1,158,144	\$1,097

## 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>
2nd Quarter 2013	115	91.3%	\$1,153,548	\$836
1st Quarter 2013	101	80.0%	\$858,144	\$709
4th Quarter 2012	93	74.0%	\$913,200	\$816
3rd Quarter 2012	93	73.8%	\$873,204	\$783

## Total Multifamily Lease Summary

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>
2nd Quarter 2013	901	97.7%	\$15,136,536	\$1,400
1st Quarter 2013	869	94.3%	\$14,436,612	\$1,384
4th Quarter 2012	873	94.7%	\$14,654,184	\$1,399
3rd Quarter 2012	887	96.2%	\$14,580,024	\$1,370

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 June 30, 2013

## 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>
2nd Quarter 2013	90,664	93.8%	\$9,898,572	\$109
1st Quarter 2013	92,333	95.5%	\$10,309,910	\$112
4th Quarter 2012	92,333	95.5%	\$9,977,318	\$108
3rd Quarter 2012	94,025	97.4%	\$9,208,893	\$98

## 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>
2nd Quarter 2013	323	87.6%	\$278	\$244
1st Quarter 2013	331	89.6%	\$297	\$266
4th Quarter 2012	328	84.3%	\$265	\$224
3rd Quarter 2012	333	89.7%	\$293	\$263

Notes:

- (1) Percentage leased for mixed-use property includes square footage under leases as of June 30, 2013, including leases which may not have commenced as of June 30, 2013.
- (2) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended June 30, 2013, 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 June 30, 2013.
- (4) Average occupancy represents the percentage of available units that were sold during the three months ended June 30, 2013, 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 June 30, 2013

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	Total	Annualized
		Sq. Ft.	Office	Total		Base Rent	Sq. Ft.	Retail		Total	Base Rent	Sq. Ft.		Mixed-Use	Total
Month to Month	25,823	1.0%	0.4%	\$3.88	11,596	0.4%	0.2%	\$24.07	4,944	5.1%	0.1%	\$18.66	42,363	0.7%	\$11.13
2013	160,486	6.1	2.8	\$37.36	101,984	3.3	1.7	\$29.78	3,364	3.5	0.1	\$148.66	265,834	4.6	\$35.86
2014	185,704	7.0	3.2	\$39.67	376,801	12.3	6.5	\$29.86	2,438	2.5	—	\$211.48	564,943	9.7	\$33.87
2015	319,803 <sup>(2)</sup>	12.1	5.5	\$31.14	248,245	8.1	4.3	\$26.05	11,085	11.5	0.2	\$221.09	579,133	10.0	\$32.60
2016	261,887	9.9	4.5	\$29.64	196,292	6.4	3.4	\$34.29	13,030	13.5	0.2	\$131.47	471,209	8.1	\$34.39
2017	357,110	13.5	6.1	\$34.13	322,142	10.5	5.5	\$25.72	7,407	7.7	0.1	\$145.13	686,659	11.8	\$31.38
2018	206,293	7.8	3.5	\$36.48	1,049,395	34.2	18.0	\$18.46	5,716	5.9	0.1	\$135.66	1,261,404	21.7	\$21.94
2019	264,877	10.0	4.5	\$39.40	139,040	4.5	2.4	\$24.67	14,220	14.7	0.3	\$77.92	418,137	7.2	\$35.81
2020	243,114 <sup>(3)</sup>	9.2	4.2	\$36.93	120,188	3.9	2.1	\$9.62	17,843	18.4	0.3	\$44.96	381,145	6.6	\$28.69
2021	198,313	7.5	3.4	\$36.38	41,769	1.4	0.7	\$39.79	—	—	—	—	240,082	4.1	\$36.97
2022	9,364	0.3	0.2	\$20.00	143,655	4.7	2.5	\$30.07	10,617	11.0	0.2	\$81.57	163,636	2.8	\$32.84
Thereafter	108,445	4.1	1.9	\$25.16	160,897	5.2	2.8	\$22.00	—	—	—	—	269,342	4.6	\$23.27
Signed Leases Not Commenced	115,377	4.4	2.0	—	51,507	1.7	0.9	—	—	—	—	—	166,884	2.9	—
Available	188,971	7.1	3.3	—	105,134	3.4	1.8	—	6,043	6.2	0.1	—	300,148	5.2	—
<b>Total</b>	<b>2,645,567</b>	<b>100.0%</b>	<b>45.5%</b>	<b>\$30.41</b>	<b>3,068,645</b>	<b>100.0%</b>	<b>52.8%</b>	<b>\$22.66</b>	<b>96,707</b>	<b>100.0%</b>	<b>1.7%</b>	<b>\$102.36</b>	<b>5,810,919</b>	<b>100.0%</b>	<b>\$27.51</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	Total	Annualized
		Sq. Ft.	Office	Total		Base Rent	Sq. Ft.	Retail		Total	Base Rent	Sq. Ft.		Mixed-Use	Total
Month to Month	25,823	1.0%	0.4%	\$3.88	11,596	0.4%	0.2%	\$24.07	4,944	5.1%	0.1%	\$18.66	42,363	0.7%	\$11.13
2013	156,471	5.9	2.7	\$31.41	54,898	1.8	0.9	\$37.57	3,364	3.5	0.1	\$148.66	214,733	3.7	\$34.82
2014	89,920	3.4	1.5	\$50.66	132,511	4.3	2.3	\$37.69	2,008	2.1	—	\$228.51	224,439	3.9	\$44.59
2015	90,399	3.4	1.6	\$34.61	56,645	1.8	1.0	\$34.85	4,871	5.0	0.1	\$181.66	151,915	2.6	\$39.41
2016	204,906	7.7	3.5	\$28.01	59,327	1.9	1.0	\$29.53	9,432	9.8	0.2	\$135.07	273,665	4.7	\$32.03
2017	48,991 <sup>(2)</sup>	1.9	0.8	\$36.05	89,761	2.9	1.5	\$34.53	6,367	6.6	0.1	\$140.03	145,119	2.5	\$39.67
2018	96,764	3.7	1.7	\$33.07	85,334	2.8	1.5	\$29.18	5,716	5.9	0.1	\$135.66	187,814	3.2	\$34.42
2019	113,842	4.3	2.0	\$31.42	134,291	4.4	2.3	\$24.58	2,530	2.6	—	\$185.40	250,663	4.3	\$29.31
2020	198,365	7.5	3.4	\$28.52	214,004	7.0	3.7	\$21.48	1,951	2.0	—	\$136.90	414,320	7.1	\$25.39
2021	67,779	2.6	1.2	\$35.08	55,666	1.8	1.0	\$46.98	10,242	10.6	0.2	\$201.31	133,687	2.3	\$52.77
2022	332,070	12.5	5.7	\$34.78	82,063	2.7	1.4	\$35.16	10,617	11.0	0.2	\$81.57	424,750	7.3	\$36.03
Thereafter	915,889 <sup>(3)</sup>	34.6	15.7	\$36.99	1,935,908	63.1	33.3	\$20.40	28,622	29.6	0.5	\$47.43	2,880,419	49.6	\$25.94
Signed Leases Not Commenced	115,377	4.4	2.0	—	51,507	1.7	0.9	—	—	—	—	—	166,884	2.9	—
Available	188,971	7.1	3.3	—	105,134	3.4	1.8	—	6,043	6.2	0.1	—	300,148	5.2	—
<b>Total</b>	<b>2,645,567</b>	<b>100.0%</b>	<b>45.5%</b>	<b>\$30.41</b>	<b>3,068,645</b>	<b>100.0%</b>	<b>52.8%</b>	<b>\$22.66</b>	<b>96,707</b>	<b>100.0%</b>	<b>1.7%</b>	<b>\$102.36</b>	<b>5,810,919</b>	<b>100.0%</b>	<b>\$27.51</b>

### As of June 30, 2013

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 June 30, 2013 for the leases expiring during the applicable period, by (ii) 12.
- (2) The expirations include 1,720 square feet currently leased by Aeromech Engineering, Inc. at Solana Beach Corporate Centre, for which Merlin Ramco, Inc. has signed an agreement to lease such space upon Aeromech Engineering, Inc.'s lease termination from July 31, 2013 through December 31, 2015, with an option to extend the lease through December 31, 2017.
- (3) 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 options to extend the lease through April 30, 2030.

Type	At June 30, 2013			At June 30, 2012		
	Size	Leased <sup>(1)</sup>	Leased %	Size	Leased <sup>(1)</sup>	Leased %
<b>Overall Portfolio <sup>(2)</sup> Statistics</b>						
Retail Properties (square feet)	3,068,645	2,963,511	96.6%	3,032,500	2,917,972	96.2%
Office Properties (square feet)	2,645,567	2,456,596	92.9%	2,159,356	2,045,908	94.7%
Multifamily Properties (units)	922	901	97.7%	922	901	97.7%
Mixed-Use Properties (square feet)	96,707	90,664	93.8%	96,569	90,699	93.9%
Mixed-Use Properties (units)	369	327 <sup>(3)</sup>	88.6%	369	334 <sup>(3)</sup>	90.4%
<b>Same-Store<sup>(2)</sup> Statistics</b>						
Retail Properties (square feet)	3,033,489	2,928,355	96.5%	3,032,500	2,917,972	96.2%
Office Properties (square feet)	2,155,059	2,002,044	92.9%	1,451,661	1,401,090	96.5%
Multifamily Properties (units)	922	901	97.7%	922	901	97.7%
Mixed-Use Properties (square feet)	96,707	90,664	93.8%	96,569	90,699	93.9%
Mixed-Use Properties (units)	369	327 <sup>(3)</sup>	88.6%	369	334 <sup>(3)</sup>	90.4%

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) Represents average occupancy for the six months ended June 30, 2013 and 2012.

## TOP TENANTS - RETAIL

As of June 30, 2013

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%	\$ 4,307,153	6.2%	2.7%
2 Kmart	Waikele Center	6/30/2018	119,590	3.9	2.1	4,185,650	6.0	2.6
3 Foodland Super Market	Waikele Center	1/25/2014	50,000	1.6	0.9	2,528,220	3.6	1.6
4 Sports Authority	Carmel Mountain Plaza, Waikele Center	11/30/2018 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	2.9	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 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	*	*	*
8 Vons	Lomas Santa Fe Plaza	12/31/2017	49,895	1.6	0.9	1,216,700	1.7	0.8
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 Regal Cinemas	Alamo Quarry Market	3/31/2018	72,447	2.4	1.2	1,122,929	1.6	0.7
<b>Top 10 Retail Tenants Total</b>			<b>785,874</b>	<b>25.7%</b>	<b>13.6%</b>	<b>\$20,367,857</b>	<b>29.2%</b>	<b>12.7%</b>

\* Data withheld at tenant's request.

## TOP TENANTS - OFFICE

As of June 30, 2013

Tenant	Property	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%	\$10,928,547	13.6%	6.8%
2 Autodesk, Inc.	The Landmark at One Market	12/31/2015 12/31/2017	114,664	4.3	2.0	5,274,941	6.6	3.3
3 Veterans Benefits Administration	First & Main	8/31/2020	93,572	3.5	1.6	3,006,453	3.7	1.9
4 Treasury Tax Administration	First & Main	9/30/2013	70,660	2.7	1.2	2,583,330	3.2	1.6
5 Insurance Company of the West	Torrey Reserve Campus	12/31/2016	81,040	3.1	1.4	2,523,121	3.1	1.6
6 Treasury Call Center	First & Main	8/31/2020	63,648	2.4	1.1	2,184,302	2.7	1.4
7 Caradigm USA LLC	City Center Bellevue	8/14/2017	68,956	2.6	1.2	2,103,158	2.6	1.3
8 HDR Engineering, Inc.	City Center Bellevue	12/31/2017	54,290	2.1	0.9	1,932,828	2.4	1.2
9 Alliant International University	One Beach Street	10/31/2019	64,161	2.4	1.1	1,786,072	2.2	1.1
10 Portland Energy Conservation	First & Main	1/31/2021	73,422	2.8	1.3	1,635,827	2.0	1.0
<b>Top 10 Office Tenants Total</b>			<b>911,305</b>	<b>34.5%</b>	<b>15.7%</b>	<b>\$33,958,579</b>	<b>42.1%</b>	<b>21.2%</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 and six months ended June 30, 2013 and 2012 is as follows:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Net income	\$ 4,564	\$ 2,624	\$ 9,429	\$ 5,495
Depreciation and amortization (including discontinued operations)	16,953	14,671	33,966	29,924
Interest expense (including discontinued operations)	14,744	14,476	29,480	28,832
Interest income	(26)	(65)	(34)	(152)
Income tax expense	91	282	388	500
EBITDA	\$ 36,326	\$ 31,988	\$ 73,229	\$ 64,599

**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.

Reconciliation of NOI to net income	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Total NOI	\$ 40,752	\$ 34,882	\$ 81,846	\$ 70,272
General and administrative	(4,426)	(3,911)	(8,627)	(7,636)
Depreciation and amortization	(16,953)	(14,329)	(33,966)	(29,183)
Interest expense	(14,744)	(14,028)	(29,480)	(27,929)
Other income (expense), net	(65)	(217)	(344)	(363)
<b>Income from continuing operations</b>	<b>4,564</b>	<b>2,397</b>	<b>9,429</b>	<b>5,161</b>
<b>Discontinued operations</b>				
Results from discontinued operations	—	227	—	334
<b>Net income</b>	<b>4,564</b>	<b>2,624</b>	<b>9,429</b>	<b>5,495</b>
Net income attributable to restricted shares	(133)	(131)	(265)	(263)
Net loss attributable to unitholders in the Operating Partnership	(1,354)	(804)	(2,849)	(1,687)
<b>Net income attributable to American Assets Trust, Inc. stockholders</b>	<b>\$ 3,077</b>	<b>\$ 1,689</b>	<b>\$ 6,315</b>	<b>\$ 3,545</b>

**Overall Portfolio:** Includes all operating properties owned by us as of June 30, 2013.

**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 Six Months Ended	
	June 30, 2013 to 2012		June 30, 2013 to 2012	
	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.