
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported):
August 9, 2011

American Assets Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-35030
(Commission
File No.)

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

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

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.)

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))
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Item 2.02 Results of Operations and Financial Condition.

On August 9, 2011, American Assets Trust, Inc. (the "Company") issued a press release regarding its financial results for the period ended June 30, 2011. Also on August 9, 2011, the Company made available on its website at www.americanassetstrust.com certain supplemental information concerning the Company's financial results and operations for the period ended June 30, 2011. 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 period ended June 30, 2011 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.

- (a) Financial statements of business acquired: None
- (b) Pro forma financial information: None
- (c) Shell company transactions: None
- (d) Exhibits:

The following exhibits are furnished with this Current Report on Form 8-K:

<u>Exhibit Number</u>	<u>Exhibit Description</u>
99.1**	Press release issued by American Assets Trust, Inc. on August 9, 2011.
99.2**	American Assets Trust, Inc. Supplemental Information for the period ended June 30, 2011.

** **Furnished herewith**

SIGNATURES

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

American Assets Trust, Inc.

By: /s/ Robert F. Barton

Robert F. Barton

Executive Vice President, CFO

August 9, 2011

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Description</u>
99.1	Press release issued by American Assets Trust, Inc. on August 9, 2011.
99.2	American Assets Trust, Inc. Supplemental Information for the period ended June 30, 2011.



American Assets Trust, Inc. Reports Second Quarter 2011 Financial Results

Company Release – 8/9/11

SAN DIEGO –American Assets Trust, Inc. (NYSE: AAT) (the “Company”) today reported financial results for its second quarter ended June 30, 2011.

Financial Results

- **Funds From Operations as adjusted of \$0.26 and \$0.53 per diluted share/unit for the three and six months ended June 30, 2011, respectively**
- **\$84.5 million interest-only mortgage loan secured by First & Main with a fixed rate of 3.965% closed on June 1, 2011**

During the second quarter of 2011, the Company generated funds from operations as adjusted (“FFO as adjusted”) for common stockholders and unitholders of \$14.6 million or \$0.26 per diluted share/unit. For the six months ended June 30, 2011, the Company generated FFO as adjusted for common stockholders and unitholders of \$27.4 million or \$0.53 per diluted share/unit. FFO as adjusted includes adjustments to FFO for both nonoperational items and items directly related to the Company’s initial public offering (“IPO”) on January 19, 2011.

Net income attributable to common stockholders was \$0.2 million or \$0.01 per basic and diluted share for the three months ended June 30, 2011. For the six months ended June 30, 2011, net loss attributable to common stockholders was \$(0.5) million or \$(0.01) per basic and diluted share. FFO for common stockholders was \$24.4 million or \$0.47 per diluted share/unit for the period January 19, 2011 to June 30, 2011. FFO for common stockholders for the three months ended June 30, 2011, was the same as FFO as adjusted for common stockholders and unitholders of \$14.6 million.

FFO and FFO as adjusted are non-GAAP supplemental earnings measures which the Company considers meaningful in measuring its operating performance. Reconciliations of FFO and FFO as adjusted to net income are attached to this press release.

Portfolio Results

For the second quarter 2011, same-store property operating income decreased approximately 1% on a GAAP basis compared to the second quarter 2010. The results were negatively impacted by additional accruals for property tax expense. These accruals represent the anticipated supplemental billings by the taxing authorities based on the expected reassessment of our California properties in connection with the IPO. The additional annual expense, net of revenue for amounts expected to be passed-through to

tenants, is estimated to be \$1.4 million for 2011 for the entire portfolio. During the three months ended June 30, 2011, the net expense recorded on a same-store basis was approximately \$0.1 million, \$0.2 million and \$0.3 million for the retail, office and multifamily segments, respectively, which represents the net expense for the period from IPO through June 30, 2011.

The same-store property operating income by segment, including the additional property tax expense discussed above, was as follows (in thousands):

	Three Months Ended June 30,			Six Months Ended June 30		
	2011	2010	Change	2011	2010	Change
Retail	\$14,509	\$14,146	2.6%	\$29,084	\$28,242	3.0%
Office	4,520	4,822	(6.3)	9,270	9,192	0.8
Multifamily	2,066	2,411	(14.3)	4,198	4,891	(14.2)
Mixed-Use	—	—	—	—	—	—
	<u>\$21,095</u>	<u>\$21,379</u>	<u>(1.3)%</u>	<u>\$42,552</u>	<u>\$42,325</u>	<u>0.5%</u>

Same-store property operating income does not include income from First & Main, which was acquired in March 2011, or from Solana Beach Town Centre, Solana Beach Corporate Centre and Waikiki Beach Walk as these properties represented noncontrolled properties that were not consolidated at June 30, 2010. Additionally, The Landmark at One Market is not included in same-store property operating income because a controlling interest in the property was not acquired until June 30, 2010 and was not included in the Company's income for the three and six months ended June 30, 2010.

The same-store property operating income by segment, excluding the additional property tax expense discussed above, was as follows (in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2011	2010	Change	2011	2010	Change
Retail	\$14,550	\$14,146	2.9%	\$29,125	\$28,242	3.1%
Office	4,736	4,822	(1.8)	9,486	9,192	3.2
Multifamily	2,326	2,411	(3.5)	4,458	4,891	(8.9)
Mixed-Use	—	—	—	—	—	—
	<u>\$21,612</u>	<u>\$21,379</u>	<u>1.1%</u>	<u>\$43,069</u>	<u>\$42,325</u>	<u>1.8%</u>

Same-store retail property operating income increased for the three and six months ended June 30, 2011 reflecting the impact of increased average percentage leased, which more than offset increased property tax expenses. Our same-store office portfolio experienced lower rental rates and increased operating expenses, offset by increases in the average percentage leased for the three months ended June 30, 2011, compared to the prior year period. For the six months ended June 30, 2011, the same-store office portfolio experienced an increase in the average percentage leased, which more than offset the lower rental rates and increased operating expenses. Same-store multifamily property operating income decreased for the three and six months ended June 30, 2011, due to increased property taxes, additional rent abatements given and more marketing and maintenance expenses to attract new tenants, which ultimately led to significant increases in occupancy during the quarter and at quarter end.

The overall portfolio (including the non-same store properties) leased status as of the end of the indicated quarter was as follows:

	June 30, 2011	March 31, 2011	June 30, 2010
Retail	94.0%	94.3%	96.6%
Office	93.2%	93.4%	92.8%
Mixed Use:			
Retail	97.6%	97.8%	96.5%
Hotel	89.5%	88.2%	88.5%
Multifamily	97.7%	92.1%	93.2%

During the second quarter of 2011, the Company signed 26 leases for approximately 125,000 square feet of retail and office space and 246 multifamily apartment leases. Renewals accounted for 67% of the comparable retail leases, 50% of the comparable office leases and 41% of the residential leases.

Retail

On a comparable space basis (i.e., leases for which there was a former tenant), the Company leased 20,260 square feet of retail space at an average cash-basis contractual rent decrease of 2% during the second quarter 2011. The average contractual rent on this comparable space for the first year of the new leases is \$35.89 per square foot, compared to an average contractual rent of \$36.61 per square foot for the last year of the prior leases. On a GAAP basis (including the impact of straight-line rents), average rent per square foot for the comparable retail space increased 4% for the second quarter 2011.

Office

On a comparable space basis, the Company leased 81,360 square feet of office space at an average cash-basis contractual rent decrease of 14% during the second quarter 2011. The average contractual rent on this comparable space for the first year of the new leases is \$39.25 per square foot, compared to an average contractual rent of \$45.54 per square foot for the last year of the prior leases. On a GAAP basis, average rent per square foot for the comparable office space decreased 1% for the second quarter 2011.

During the second quarter, a wholly owned subsidiary of the Company signed an agreement with Ancestry.com to lease 56,963 square feet of space at 160 King Street that is currently leased by DLA Piper, whose lease expires on February 28, 2012. The Ancestry.com lease has an initial term commencing on or about May 1, 2012 and expiring on or about April 30, 2019, with two five-year options to extend the lease (if properly exercised) through April 30, 2029. The base rent for the first year of the lease will be approximately \$1.2 million, net of six months of rent abatements.

Multifamily

At June 30, 2011, the average monthly base rent per leased unit was \$1,407 compared to an average monthly base rent per leased unit of \$1,318 at March 31, 2011 and \$1,358 at June 30, 2010.

Financings

On June 1, 2011, a wholly owned subsidiary of the Company closed a five-year, \$84.5 million non-recourse mortgage loan secured by First & Main, an approximately 360,000 square foot, 16-story LEED Platinum certified office building located at 100 SW Main Street in Portland, Oregon. PNC Bank, National Association provided the financing, which carries a fixed interest rate per annum of 3.965% and is interest only. Proceeds of the loan were used for general corporate purposes, including working capital and future acquisitions.

Acquisitions

During the second quarter of 2011, the Company entered into an agreement to purchase the Lloyd District Portfolio, consisting of approximately 600,000 rentable square feet on more than 16 acres located in the Lloyd District of Portland, Oregon. The Lloyd District Portfolio is comprised of six office buildings within four contiguous blocks, including (i) a condominium interest in the 20-story Lloyd Tower, (ii) the 16-story Lloyd 700 Building and (iii) four low-rise landmark buildings within Oregon Square. Approximately 92% of the Lloyd District Portfolio's rentable square feet are leased. Major tenants include Integra Telecom Holdings, Inc., Knowledge Learning Corp., PacifiCorp, the Tri-County Metropolitan Transportation District of Oregon and the Columbia River Inter-Tribal Fish Commission.

The Company completed the acquisition on July 1, 2011 for a purchase price of approximately \$91.6 million. Funds required to close the acquisition were provided from the net proceeds of the Company's IPO and were deposited into escrow on June 30, 2011.

Balance Sheet and Liquidity

At June 30, 2011, the Company had gross real estate assets of \$1.6 billion and liquidity of \$373.9 million comprised of cash and cash equivalents of \$92.5 million, marketable securities of \$31.4 million and \$250 million of availability on its line of credit. The foregoing amounts do not include the \$91.6 million held in escrow for the acquisition of the Lloyd District Portfolio as of June 30, 2011.

Dividends

The Company declared dividends on its shares of common stock of \$0.21 per share for the second quarter of 2011. The dividends were declared on June 2, 2011 to holders of record on June 15, 2011 and were paid on June 30, 2011. Total dividends paid on shares of the Company's common stock for the period from and including January 19, 2011 to June 30, 2011 were \$0.38.

Additionally, the Company's Board of Directors has declared a dividend on its common stock of \$0.21 per share for the quarterly period ending September 30, 2011. The dividend will be paid on September 30, 2011 to stockholders of record on September 15, 2011.

Conference Call

The Company will hold a conference call to discuss the results for the second quarter 2011 on Wednesday, August 10, 2011 at 10:00 a.m. Pacific Daylight Time ("PDT"). To participate in the event by telephone, please dial 1-866-314-4865 and use the pass code 14460422. A telephonic replay of the conference call will be available beginning at 1:00 p.m. PDT on Wednesday, August 10, 2011 through Wednesday, August 24, 2011. To access the replay, dial 1-888-286-8010 and use the pass code 94414814. A live on-demand audio webcast of the conference call will be available on the Company's website at www.americanassetstrust.com. A replay of the call will also be available on the Company's website.

Supplemental Information

Supplemental financial information regarding the Company's second quarter 2011 results may be found in the "Investor Relations" section of the Company's website at www.americanassetstrust.com. This supplemental information provides additional detail on items such as property occupancy, financial performance by property and debt maturity schedules.

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

	<u>June 30, 2011</u> (unaudited)	<u>December 31, 2010</u>
Assets		
Real estate, at cost		
Operating real estate	\$1,633,287	\$ 1,156,091
Construction in progress	1,144	925
Held for development	8,756	8,081
	<u>1,643,187</u>	<u>1,165,097</u>
Accumulated depreciation	(240,603)	(221,997)
Net real estate	1,402,584	943,100
Cash and cash equivalents	92,535	41,953
Restricted cash	8,077	4,729
Marketable securities	31,445	—
Accounts receivable, net	4,944	1,573
Deferred rent receivables, net	21,665	20,051
Notes receivable from affiliate	—	21,769
Investment in real estate joint ventures	—	39,816
Prepaid expenses and other assets	69,915	44,366
Purchase deposit	91,600	—
Total assets	<u>\$1,722,765</u>	<u>\$ 1,117,357</u>
Liabilities and equity		
Liabilities:		
Secured notes payable	\$ 944,279	\$ 851,547
Unsecured notes payable	—	38,013
Notes payable to affiliates	—	5,266
Accounts payable and accrued expenses	20,007	11,644
Security deposits payable	4,302	2,648
Other liabilities and deferred credits	56,922	39,058
Distributions in excess of earnings on real estate joint ventures	—	14,060
Total liabilities	<u>1,025,510</u>	<u>962,236</u>
Commitments and contingencies		
Equity:		
Owners' equity	—	121,874
American Assets Trust, Inc. stockholders' equity		
Common stock \$0.01 par value, 490,000,000 authorized, 39,281,839 outstanding at June 30, 2011	393	—
Additional paid-in capital	652,220	—
Accumulated deficit	(15,168)	—
Total American Assets Trust, Inc. stockholders' equity	637,445	—
Noncontrolling interests		
Owners in consolidated real estate entities	—	33,247
Unitholders in the Operating Partnership	59,810	—
	<u>59,810</u>	<u>33,247</u>
Total equity	697,255	155,121
Total liabilities and equity	<u>\$1,722,765</u>	<u>\$ 1,117,357</u>

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenue:				
Rental income	\$ 49,794	\$ 28,414	\$ 95,913	\$ 56,509
Other property income	2,485	873	4,402	1,710
Total revenue	<u>52,279</u>	<u>29,287</u>	<u>100,315</u>	<u>58,219</u>
Expenses:				
Rental expenses	14,572	4,870	27,039	9,864
Real estate taxes	5,617	2,992	9,666	5,948
General and administrative	3,825	1,821	7,064	3,408
Depreciation and amortization	14,277	7,509	26,767	14,739
Total operating expenses	<u>38,291</u>	<u>17,192</u>	<u>70,536</u>	<u>33,959</u>
Operating income	<u>13,988</u>	<u>12,095</u>	<u>29,779</u>	<u>24,260</u>
Interest expense	(14,063)	(10,624)	(27,142)	(21,278)
Early extinguishment of debt	—	—	(25,867)	—
Loan transfer and consent fees	—	—	(9,019)	—
Gain on acquisition	—	4,297	46,371	4,297
Other income (expense), net	530	71	(71)	(916)
Net income	<u>455</u>	<u>5,839</u>	<u>14,051</u>	<u>6,363</u>
Net income attributable to restricted shares	(132)	—	(218)	—
Net loss attributable to Predecessor's noncontrolling interests in consolidated real estate entities	—	469	2,458	899
Net income attributable to Predecessor's controlled owners' equity	—	(6,308)	(16,995)	(7,262)
Net (income) loss attributable to unitholders in the Operating Partnership	(104)	—	225	—
Net income (loss) attributable to American Assets Trust, Inc. stockholders	<u>\$ 219</u>	<u>\$ —</u>	<u>\$ (479)</u>	<u>\$ —</u>
Net income (loss) attributable to common stockholders per share - basic	<u>\$ 0.01</u>		<u>\$ (0.01)</u>	
Net income (loss) attributable to common stockholders per share - diluted	<u>\$ 0.01</u>		<u>\$ (0.01)</u>	
Weighted average shares of common stock outstanding - basic	<u>38,655,084</u>		<u>34,810,932</u>	
Weighted average shares of common stock outstanding - diluted	<u>57,051,173</u>		<u>34,810,932</u>	
Dividends declared per common share	<u>\$ 0.21</u>		<u>\$ 0.38</u>	

Reconciliation of Net Income to Funds From Operations and Funds From Operations As Adjusted

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

	Three Months Ended June 30, 2011	Six Months Ended June 30, 2011
Funds from Operations (FFO)		
Net income	\$ 455	\$ 14,051
Depreciation and amortization of real estate assets	14,277	26,767
Depreciation and amortization on unconsolidated real estate joint ventures (pro rata)	—	688
FFO, as defined by NAREIT	<u>14,732</u>	<u>41,506</u>
Less: FFO attributable to Predecessor's controlled and noncontrolled owners' equity	—	(16,973)
Less: Nonforfeitable dividends on incentive stock awards	(89)	(139)
FFO attributable to common stock and units	<u>\$ 14,643</u>	<u>\$ 24,394</u>
FFO per diluted share/unit	<u>\$ 0.26</u>	<u>\$ 0.47</u>
Weighted average number of common shares and units, diluted	<u>57,258,886</u>	<u>51,528,587</u>
FFO As Adjusted		
FFO	\$ 14,732	\$ 41,506
Early extinguishment of debt	—	25,867
Loan transfer and consent fees	—	9,019
Gain on acquisition of controlling interests	—	(46,371)
FFO as adjusted	<u>14,732</u>	<u>30,021</u>
Less: FFO as adjusted attributable to Predecessor's controlled and noncontrolled owners' equity	—	(2,462)
Less: Nonforfeitable dividends on incentive stock awards	(89)	(139)
FFO as adjusted attributable to common stock and units	<u>\$ 14,643</u>	<u>\$ 27,420</u>
FFO as adjusted per diluted share/unit	<u>\$ 0.26</u>	<u>\$ 0.53</u>
Weighted average number of common shares and units, diluted	<u>57,258,886</u>	<u>51,528,587</u>

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

Use of Non-GAAP Information

We calculate 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, real estate related depreciation and amortization (excluding amortization of deferred financing costs) and after adjustments for unconsolidated partnerships and joint ventures. We also present FFO as adjusted, which represents FFO adjusted for certain identified items.

FFO and FFO as adjusted are supplemental non-GAAP financial measures. Management uses FFO and FFO as adjusted as supplemental performance measures because it believes that FFO and FFO as adjusted are beneficial to investors as a starting point in measuring our 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. We also believe that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially impact our results from operations, the utility of FFO as a measure of our performance is limited. In addition, other equity REITs may not calculate FFO in accordance with the NAREIT definition as we do, and, accordingly, our FFO may not be comparable to such other REITs' FFO. FFO as adjusted reflects certain additional adjustments for items that management believes do not reflect the operational performance of our properties. Accordingly, FFO and FFO as adjusted should be considered only as supplements to net income as measures of our performance. FFO and FFO as adjusted should not be used as measures of our liquidity, nor are they indicative of funds available to fund our cash needs, including our ability to pay dividends or service indebtedness. FFO and FFO as adjusted 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. is a full service, vertically integrated and self-administered real estate investment trust, or REIT, that owns, operates, acquires and develops high quality retail and office properties in attractive, high-barrier-to-entry markets primarily in Southern California, Northern California, Hawaii and Oregon. 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. The Company's retail portfolio comprises approximately 3.0 million rentable square feet, and its office portfolio comprises approximately 2.4 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. The Company intends to elect to be treated as a real estate investment trust, or REIT, for U.S. federal income tax purposes, commencing with the taxable year ending December 31, 2011. For additional information, visit 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 annual report on Form 10-K filed

on March 30, 2011, 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

SECOND QUARTER 2011

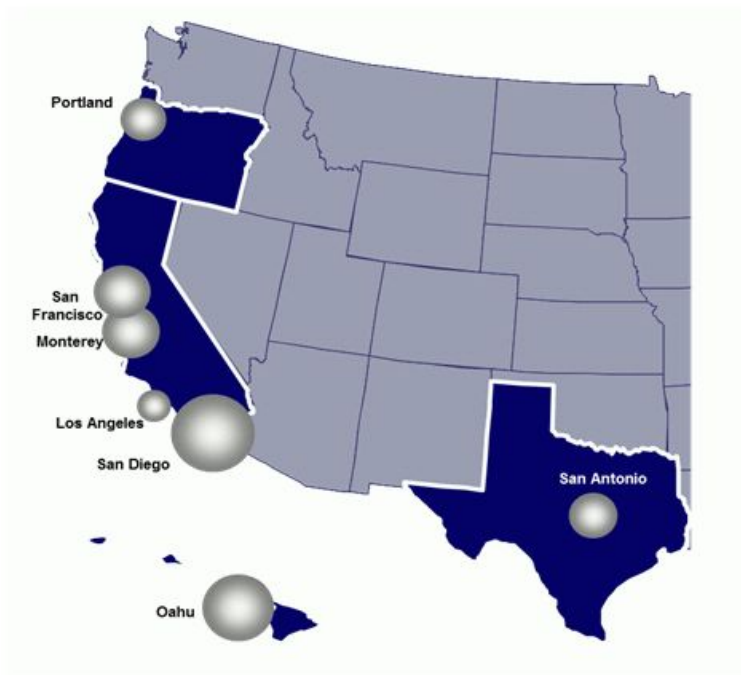
Supplemental Information



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



**AAT's portfolio is concentrated in high-barrier-to-entry markets
with favorable supply/demand characteristics**



Note: Circled areas represent all markets in which the Company currently owns and operates its real estate assets. Circle size denotes square feet / units.

(1) Includes 122 RV spaces.

(2) On July 1, 2011, the Company completed the acquisition of the Lloyd District Portfolio, which added an additional office property consisting of approximately 600,000 rentable square feet in Portland, Oregon. Such acquisition is not reflected in the map above.

Market	Property Type	No. of Properties	Square Feet/Units
San Diego	Retail	6	1,217,634
	Office	2	668,772
	Multifamily	4	922 units ⁽¹⁾
San Francisco	Office	2	589,920
Oahu	Retail	2	549,695
	Mixed-Use	1	96,569 (retail)/369 suites
Monterey	Retail	1	674,224
Los Angeles	Office	1	194,268
San Antonio	Retail	1	589,479
Portland	Office	1	363,763 ⁽²⁾

	Square Feet	%
Retail	3.0 million	63%
Office	1.8 million	37%
Totals	4.8 million	

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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; our failure to successfully operate acquired properties and operations; 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 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 Annual Report on Form 10-K filed 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 share data)

	June 30, 2011	December 31, 2010
Assets		
Real estate, at cost		
Operating real estate	\$ 1,633,287	\$ 1,156,091
Construction in progress	1,144	925
Held for development	8,756	8,081
	<u>1,643,187</u>	<u>1,165,097</u>
Accumulated depreciation	(240,603)	(221,997)
Net real estate	<u>1,402,584</u>	<u>943,100</u>
Cash and cash equivalents	92,535	41,953
Restricted cash	8,077	4,729
Marketable securities	31,445	-
Accounts receivable, net	4,944	1,573
Deferred rent receivables, net	21,665	20,051
Notes receivable from affiliate	-	21,769
Investment in real estate joint ventures	-	39,816
Prepaid expenses and other assets	69,915	44,366
Purchase deposit	91,600	-
Total assets	<u>\$ 1,722,765</u>	<u>\$ 1,117,357</u>

CONSOLIDATED BALANCE SHEETS (CONTINUED)



(Amounts in thousands, except share data)

	June 30, 2011	December 31, 2010
Liabilities and equity		
Liabilities:		
Secured notes payable	\$ 944,279	\$ 851,547
Unsecured notes payable	-	38,013
Notes payable to affiliates	-	5,266
Accounts payable and accrued expenses	20,007	11,644
Security deposits payable	4,302	2,648
Other liabilities and deferred credits	56,922	39,058
Distributions in excess of earnings on real estate joint ventures	-	14,060
Total liabilities	1,025,510	962,236
Commitments and contingencies		
Equity:		
Owners' equity	-	121,874
American Assets Trust, Inc. stockholders' equity		
Common stock \$0.01 par value, 490,000,000 authorized, 39,281,839 outstanding at June 30, 2011	393	-
Additional paid-in capital	652,220	-
Accumulated deficit	(15,168)	-
Total American Assets Trust, Inc. stockholders' equity	637,445	-
Noncontrolling interests		
Owners in consolidated real estate entities	-	33,247
Unitholders in the Operating Partnership	59,810	-
	59,810	33,247
Total equity	697,255	155,121
Total liabilities and equity	\$ 1,722,765	\$ 1,117,357

CONSOLIDATED STATEMENTS OF OPERATIONS



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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenue:				
Rental income	\$ 49,794	\$ 28,414	\$ 95,913	\$ 56,509
Other property income	2,485	873	4,402	1,710
Total revenue	52,279	29,287	100,315	58,219
Expenses:				
Rental expenses	14,572	4,870	27,039	9,864
Real estate taxes	5,617	2,992	9,666	5,948
General and administrative	3,825	1,821	7,064	3,408
Depreciation and amortization	14,277	7,509	26,767	14,739
Total operating expenses	38,291	17,192	70,536	33,959
Operating income	13,988	12,095	29,779	24,260
Interest expense	(14,063)	(10,624)	(27,142)	(21,278)
Early extinguishment of debt	-	-	(25,867)	-
Loan transfer and consent fees	-	-	(9,019)	-
Gain on acquisition	-	4,297	46,371	4,297
Other income (expense), net	530	71	(71)	(916)
Net income	455	5,839	14,051	6,363
Net income attributable to restricted shares	(132)	-	(218)	-
Net loss attributable to Predecessor's noncontrolling interests in consolidated real estate entities	-	469	2,458	899
Net income attributable to Predecessor's controlled owners' equity	-	(6,308)	(16,995)	(7,262)
Net (income) loss attributable to unitholders in the Operating Partnership	(104)	-	225	-
Net income (loss) attributable to American Assets Trust, Inc. stockholders	\$ 219	\$ -	\$ (479)	\$ -
Net income (loss) attributable to common stockholders per share - basic	\$ 0.01		\$ (0.01)	
Net income (loss) attributable to common stockholders per share - diluted	\$ 0.01		\$ (0.01)	
Weighted average shares of common stock outstanding - basic	38,655,084		34,810,932	
Weighted average shares of common stock outstanding - diluted	57,051,173		34,810,932	
Dividends declared per common share	\$ 0.21		\$ 0.38	

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

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

	Three Months Ended June 30, 2011	Six Months Ended June 30, 2011
Funds from Operations (FFO) ⁽¹⁾		
Net income	\$ 455	\$ 14,051
Depreciation and amortization of real estate assets	14,277	26,767
Depreciation and amortization on unconsolidated real estate joint ventures (pro rata)	-	688
FFO	14,732	41,506
Less: FFO attributable to Predecessor's controlled and noncontrolled owners' equity	-	(16,973)
Less: Nonforfeitable dividends on incentive stock awards	(89)	(139)
FFO attributable to common stock and units	\$ 14,643	\$ 24,394
FFO per diluted share/unit	\$ 0.26	\$ 0.47
Weighted average number of common shares and units, diluted ⁽²⁾	57,258,886	51,528,587
FFO As Adjusted ⁽¹⁾		
FFO	\$ 14,732	\$ 41,506
Early extinguishment of debt	-	25,867
Loan transfer and consent fees	-	9,019
Gain on acquisition of controlling interests ⁽³⁾	-	(46,371)
FFO as adjusted	14,732	30,021
Less: FFO as adjusted attributable to Predecessor's controlled and noncontrolled owners' equity	-	(2,462)
Less: Nonforfeitable dividends on incentive stock awards	(89)	(139)
FFO as adjusted attributable to common stock and units	\$ 14,643	\$ 27,420
FFO as adjusted per diluted share/unit ⁽⁷⁾	\$ 0.26	\$ 0.53
Weighted average number of common shares and units, diluted ⁽²⁾	57,258,886	51,528,587
Dividends		
Dividends declared and paid	\$ 12,114	\$ 21,898
Dividends declared and paid per share/unit	\$ 0.21	\$ 0.38

FUNDS FROM OPERATIONS & FUNDS AVAILABLE FOR DISTRIBUTION (CONTINUED)



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

	Three Months Ended June 30, 2011	Six Months Ended June 30, 2011
Funds Available for Distribution (FAD)⁽¹⁾		
FFO as adjusted	\$ 14,732	\$ 30,021
Adjustments:		
Tenant improvements, leasing commissions and maintenance capital expenditures	(2,046)	(3,491)
Net effect of straight-line rents ⁽⁴⁾	(1,111)	(1,465)
Amortization of net above (below) market rents ⁽⁵⁾	386	781
Net effect of other lease intangibles ⁽⁶⁾	266	536
Amortization of debt issuance costs and debt fair value adjustment	1,030	1,895
Non-cash compensation expense	699	1,190
Unrealized gains on marketable securities	(318)	(53)
Nonforfeitable dividends on incentive stock awards	(89)	(139)
FAD	\$ 13,549	\$ 29,275
Summary of Capital Expenditures		
Tenant improvements and leasing commissions	\$ 1,684	\$ 2,832
Maintenance capital expenditures	362	659
	\$ 2,046	\$ 3,491

Notes:

- (1) See Glossary of Terms.
- (2) For the three and six months ended June 30, 2011, the weighted average common shares and units used to compute FFO and FFO as adjusted per diluted share/unit include operating partnership 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. For the six months ended June 30, 2011, the weighted average shares and units outstanding have been weighted for the full six months, not the date of our initial public offering.
- (3) Represents the gain recognized upon acquisition of the outside ownership interests in the Solana Beach Centre entities and the Waikiki Beach Walk entities on January 19, 2011, in which we previously held a noncontrolling interest.
- (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.
- (7) Computations of per share amounts are made independently for the three and six months ended June 30, 2011. Therefore, the sum of per share amounts from the three months ended June 30 and March 31, 2011 may not agree with the per share amounts for the six months ended June 30, 2011.

SAME-STORE PORTFOLIO NET OPERATING INCOME (NOI)

(Amounts in thousands)

	Three Months Ended June 30, 2011				
	Retail	Office	Multifamily	Mixed-Use	Total
Real estate rental revenue					
Same-store portfolio	\$ 20,086	\$ 6,750	\$ 3,492	\$ -	\$ 30,328
Non-same store portfolio ⁽¹⁾	1,991	8,598	-	11,362	21,951
Total	22,077	15,348	3,492	11,362	52,279
Real estate expenses					
Same-store portfolio	5,577	2,230	1,426	-	9,233
Non-same store portfolio ⁽¹⁾	430	3,295	-	7,231	10,956
Total	6,007	5,525	1,426	7,231	20,189
Net Operating Income (NOI), GAAP basis					
Same-store portfolio	14,509	4,520	2,066	-	21,095
Non-same store portfolio ⁽¹⁾	1,561	5,303	-	4,131	10,995
Total	\$ 16,070	\$ 9,823	\$ 2,066	\$ 4,131	\$ 32,090
Same-store portfolio NOI, GAAP basis	\$ 14,509	\$ 4,520	\$ 2,066	\$ -	\$ 21,095
Net effect of straight-line rents ⁽²⁾	165	29	-	-	194
Amortization of net above (below) market rents ⁽³⁾	(175)	343	-	-	168
Net effect of other lease intangibles ⁽⁴⁾	-	92	-	-	92
Same-store portfolio NOI, cash basis	\$ 14,499	\$ 4,984	\$ 2,066	\$ -	\$ 21,549

Notes:

- (1) Same-store portfolio and non-same store portfolio are determined based on properties held on June 30, 2011 and 2010. 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.

SAME-STORE PORTFOLIO NET OPERATING INCOME (NOI)



(Amounts in thousands)

Six Months Ended June 30, 2011

	Retail	Office	Multifamily	Mixed-Use	Total
Real estate rental revenue					
Same-store portfolio	\$ 39,865	\$ 13,203	\$ 6,785	\$ -	\$ 59,853
Non-same store portfolio (1)	3,564	16,561	-	20,337	40,462
Total	43,429	29,764	6,785	20,337	100,315
Real estate expenses					
Same-store portfolio	10,781	3,933	2,587	-	17,301
Non-same store portfolio (1)	671	5,649	-	13,084	19,404
Total	11,452	9,582	2,587	13,084	36,705
Net Operating Income (NOI), GAAP basis					
Same-store portfolio	29,084	9,270	4,198	-	42,552
Non-same store portfolio (1)	2,893	10,912	-	7,253	21,058
Total	\$ 31,977	\$ 20,182	\$ 4,198	\$ 7,253	\$ 63,610
Same-store portfolio NOI, GAAP basis	\$ 29,084	\$ 9,270	\$ 4,198	\$ -	\$ 42,552
Net effect of straight-line rents (2)	311	(148)	-	-	163
Amortization of net above (below) market rents (3)	(357)	686	-	-	329
Net effect of other lease intangibles (4)	-	185	-	-	185
Same-store portfolio NOI, cash basis	\$ 29,038	\$ 9,993	\$ 4,198	\$ -	\$ 43,229

Notes:

- (1) Same-store portfolio and non-same store portfolio are determined based on properties held on June 30, 2011 and 2010. 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.

SAME-STORE PORTFOLIO NOI COMPARISON

(Amounts in thousands)

	Three Months Ended June 30,		Change
	2011	2010	
Cash Basis:			
Retail	\$ 14,499	\$ 14,189	2.2 %
Office	4,984	5,095	(2.2)
Multifamily	2,066	2,410	(14.3)
Mixed-Use	-	-	-
	<u>\$ 21,549</u>	<u>\$ 21,694</u>	<u>(0.7) %</u>
GAAP Basis:			
Retail	\$ 14,509	\$ 14,146	2.6 %
Office	4,520	4,822	(6.3)
Multifamily	2,066	2,411	(14.3)
Mixed-Use	-	-	-
	<u>\$ 21,095</u>	<u>\$ 21,379</u>	<u>(1.3) %</u>
	Six Months Ended June 30,		Change
	2011	2010	
Cash Basis:			
Retail	\$ 29,038	\$ 28,165	3.1 %
Office	9,993	9,708	2.9
Multifamily	4,198	4,891	(14.2)
Mixed-Use	-	-	-
	<u>\$ 43,229</u>	<u>\$ 42,764</u>	<u>1.1 %</u>
GAAP Basis:			
Retail	\$ 29,084	\$ 28,242	3.0 %
Office	9,270	9,192	0.8
Multifamily	4,198	4,891	(14.2)
Mixed-Use	-	-	-
	<u>\$ 42,552</u>	<u>\$ 42,325</u>	<u>0.5 %</u>

NOI BY REGION

Three Months Ended June 30, 2011

(Amounts in thousands)

	Retail	Office	Multifamily	Mixed-Use	Total
Southern California					
NOI, GAAP basis ⁽¹⁾	\$ 6,517	\$ 4,521	\$ 2,066	\$ -	\$ 13,104
Net effect of straight-line rents ⁽²⁾	(85)	(71)	-	-	(156)
Amortization of net above (below) market rents ⁽³⁾	(140)	122	-	-	(18)
Net effect of other lease intangibles ⁽⁴⁾	-	92	-	-	92
NOI, cash basis	6,292	4,664	2,066	-	13,022
Northern California					
NOI, GAAP basis ⁽¹⁾	2,210	3,457	-	-	5,667
Net effect of straight-line rents ⁽²⁾	(50)	(652)	-	-	(702)
Amortization of net above (below) market rents ⁽³⁾	(67)	399	-	-	332
Net effect of other lease intangibles ⁽⁴⁾	-	184	-	-	184
NOI, cash basis	2,093	3,388	-	-	5,481
Hawaii					
NOI, GAAP basis ⁽¹⁾	4,462	-	-	4,131	8,593
Net effect of straight-line rents ⁽²⁾	126	-	-	(114)	12
Amortization of net above (below) market rents ⁽³⁾	(68)	-	-	220	152
Net effect of other lease intangibles ⁽⁴⁾	-	-	-	(10)	(10)
NOI, cash basis	4,520	-	-	4,227	8,747
Oregon					
NOI, GAAP basis ⁽¹⁾	-	1,845	-	-	1,845
Net effect of straight-line rents ⁽²⁾	-	(344)	-	-	(344)
Amortization of net above (below) market rents ⁽³⁾	-	(22)	-	-	(22)
Net effect of other lease intangibles ⁽⁴⁾	-	-	-	-	-
NOI, cash basis	-	1,479	-	-	1,479
Texas					
NOI, GAAP basis ⁽¹⁾	2,881	-	-	-	2,881
Net effect of straight-line rents ⁽²⁾	79	-	-	-	79
Amortization of net above (below) market rents ⁽³⁾	(58)	-	-	-	(58)
Net effect of other lease intangibles ⁽⁴⁾	-	-	-	-	-
NOI, cash basis	2,902	-	-	-	2,902
Total					
NOI, GAAP basis ⁽¹⁾	16,070	9,823	2,066	4,131	32,090
Net effect of straight-line rents ⁽²⁾	70	(1,067)	-	(114)	(1,111)
Amortization of net above (below) market rents ⁽³⁾	(333)	499	-	220	386
Net effect of other lease intangibles ⁽⁴⁾	-	276	-	(10)	266
NOI, cash basis	\$ 15,807	\$ 9,531	\$ 2,066	\$ 4,227	\$ 31,631

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.

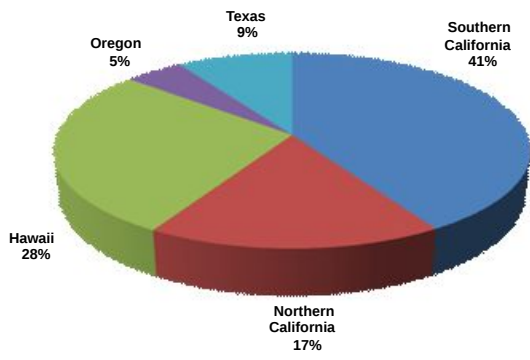
(3) Represents the adjustment related to the acquisition of buildings with above (below) market rents.

(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.

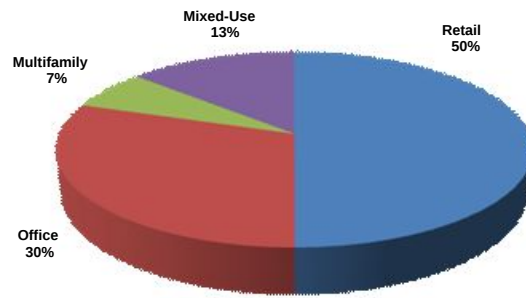
NOI BREAKDOWN

Portfolio Cash NOI Breakdown

Portfolio Diversification by Geographic Region

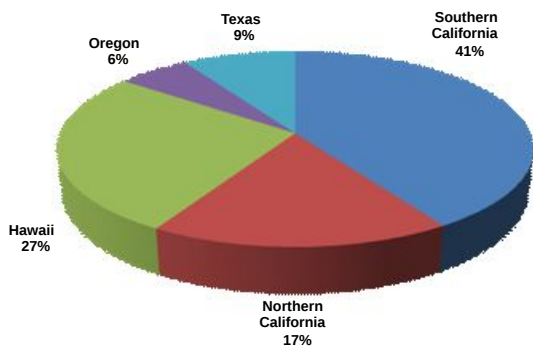


Portfolio Diversification by Segment

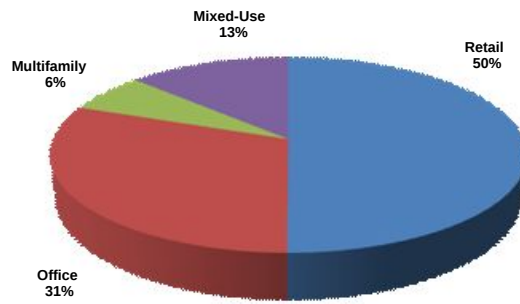


Portfolio GAAP NOI Breakdown

Portfolio Diversification by Geographic Region



Portfolio Diversification by Segment



PROPERTY REVENUE AND OPERATING EXPENSES

(Amounts in thousands)

Property	Six Months Ended June 30, 2011			
	Base Rent ⁽¹⁾	Additional Property Income ⁽²⁾	Billed Expense Reimbursements ⁽³⁾	Property Operating Expenses ⁽⁴⁾
Retail Portfolio				
Carmel Country Plaza	\$ 1,744	\$ 42	\$ 384	\$ (361)
Carmel Mountain Plaza	4,429	113	1,278	(1,433)
South Bay Marketplace	1,024	23	316	(374)
Rancho Carmel Plaza	360	36	97	(120)
Lomas Santa Fe Plaza	2,592	76	514	(650)
Solana Beach Towne Centre ⁽⁵⁾	2,656	36	732	(698)
Del Monte Center	4,088	423 ⁽⁸⁾	1,695	(2,059)
The Shops at Kalakaua	769	40	79	(134)
Waialele Center	8,401	628	2,075	(2,756)
Alamo Quarry Market	5,944	124	2,565	(2,891)
Subtotal Retail Portfolio	\$ 32,007	\$ 1,541	\$ 9,735	\$ (11,476)
Office Portfolio				
Torrey Reserve Campus	\$ 7,378 ⁽⁷⁾	\$ 295 ⁽⁹⁾	\$ 252	\$ (1,814)
Solana Beach Corporate Centre ⁽⁵⁾	3,043	15	61	(756)
Valencia Corporate Center	2,239	1	19	(755)
160 King Street	2,722	663	522	(1,205)
The Landmark at One Market	9,820	123 ⁽¹⁰⁾	449	(3,566)
First & Main ⁽⁶⁾	3,233	54	-	(984)
Subtotal Office Portfolio	\$ 28,435	\$ 1,151	\$ 1,303	\$ (9,080)
Multifamily Portfolio				
Loma Palisades	\$ 4,784	\$ 334	\$ -	\$ (1,763)
Imperial Beach Gardens	1,189	83	-	(402)
Mariner's Point	551	50	-	(208)
Santa Fe Park RV Resort	372	30	-	(214)
Subtotal Multifamily Portfolio	\$ 6,896	\$ 497	\$ -	\$ (2,587)

PROPERTY REVENUE AND OPERATING EXPENSES (CONTINUED)

(Amounts in thousands)

Property	Six Months Ended June 30, 2011			
	Base Rent ⁽¹⁾	Additional Property Income ⁽²⁾	Billed Expense Reimbursements ⁽³⁾	Property Operating Expenses ⁽⁴⁾
Mixed-Use Portfolio				
Waikiki Beach Walk - Retail ⁽⁵⁾	\$ 4,644	\$ 1,622	\$ 1,766	\$ (3,186)
Waikiki Beach Walk - Embassy Suites™ ⁽⁵⁾	13,644	1,028	-	(11,264)
Subtotal Mixed-Use Portfolio	\$ 18,288	\$ 2,650	\$ 1,766	\$ (14,450)
Total	\$ 85,626	\$ 5,839	\$ 12,804	\$ (37,593)

Notes:

- (1) Base rent for our retail and office portfolio and the retail portion of our mixed-use portfolio represents base rent for the six months ended June 30, 2011 (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 \$43 and \$1,304, respectively, for the six months ended June 30, 2011. There were no abatements for the retail portion of our mixed-use portfolio for the six months ended June 30, 2011. 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 \$608 for the six months ended June 30, 2011. For Waikiki Beach Walk - Embassy Suites™, base rent is equal to the actual room revenue for the six months ended June 30, 2011.
- (2) Represents additional property-related income for the six months ended June 30, 2011, 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 relating to the six months ended June 30, 2011. Includes accrued amount to be billed of approximately \$356 for Macy's cost reimbursements at Del Monte Center.
- (4) Represents property operating expenses for the six months ended June 30, 2011. Property operating expenses includes all rental expenses, except non-cash rent expense and the provision for bad debt recorded for deferred rent receivables.
- (5) Although we did not obtain a controlling interest in Solana Beach Towne Centre, Solana Beach Corporate Centre and Waikiki Beach Walk until January 19, 2011, property revenue and operating expenses have been shown for the full six month period ending June 30, 2011.
- (6) Represents property revenue and operating expenses from March 11, 2011 (acquisition) through June 30, 2011.
- (7) Base rent shown includes amounts related to American Assets Trust, Inc.'s lease at ICW Plaza. This intercompany rent is eliminated in the consolidated statement of operations. The base rent was \$174 and abatements were \$174 for the six months ended June 30, 2011.
- (8) Includes approximately \$96 of lease termination fees.
- (9) Includes approximately \$122 of lease termination fees.
- (10) Includes approximately \$88 of lease termination fees.

SEGMENT CAPITAL EXPENDITURES

(Amounts in thousands)

Three Months Ended June 30, 2011

Segment	Tenant Improvements and Leasing Commissions	Maintenance Capital Expenditures	Total Tenant Improvements, Leasing Commissions and Maintenance Expenditures			New Development	Total Capital Expenditures
			Redevelopment and Expansions				
Retail Portfolio	\$ 280	\$ 203	\$ 483	\$ 12	\$ -	\$ 495	
Office Portfolio	1,404	41	1,445	-	87	1,532	
Multifamily Portfolio	-	83	83	-	-	83	
Mixed-Use Portfolio	-	35	35	-	-	35	
Total	\$ 1,684	\$ 362	\$ 2,046	\$ 12	\$ 87	\$ 2,145	

Six Months Ended June 30, 2011

Segment	Tenant Improvements and Leasing Commissions	Maintenance Capital Expenditures	Total Tenant Improvements, Leasing Commissions and Maintenance Expenditures			New Development	Total Capital Expenditures
			Redevelopment and Expansions				
Retail Portfolio	\$ 658	\$ 277	\$ 935	\$ 12	\$ -	\$ 947	
Office Portfolio	2,174	115	2,289	-	182	2,471	
Multifamily Portfolio	-	137	137	-	-	137	
Mixed-Use Portfolio	-	130	130	-	-	130	
Total	\$ 2,832	\$ 659	\$ 3,491	\$ 12	\$ 182	\$ 3,685	

SUMMARY OF OUTSTANDING DEBT

(Amounts in thousands)

Debt	Amount Outstanding at June 30, 2011	Interest Rate	Annual Debt Service	Maturity Date	Balance at Maturity
Alamo Quarry Market ⁽¹⁾⁽²⁾	\$ 97,026	5.67 %	\$ 7,567	January 8, 2014	\$ 91,717
160 King Street ⁽³⁾	32,182	5.68	3,350	May 1, 2014	27,513
Waialeale Center ⁽⁴⁾	140,700	5.15	7,360	November 1, 2014	140,700
The Shops at Kalakaua ⁽⁴⁾	19,000	5.45	1,053	May 1, 2015	19,000
The Landmark at One Market ⁽²⁾⁽⁴⁾	133,000	5.61	7,558	July 5, 2015	133,000
Del Monte Center ⁽⁴⁾	82,300	4.93	4,121	July 8, 2015	82,300
First & Main ⁽⁴⁾	84,500	3.97	3,397	July 1, 2016	84,500
Imperial Beach Gardens ⁽⁴⁾	20,000	6.16	1,250	September 1, 2016	20,000
Mariner's Point ⁽⁴⁾	7,700	6.09	476	September 1, 2016	7,700
South Bay Marketplace ⁽⁴⁾	23,000	5.48	1,281	February 10, 2017	23,000
Waikiki Beach Walk - Retail ⁽⁴⁾	130,310	5.39	7,020	July 1, 2017	130,310
Solana Beach Corporate Centre III-IV ⁽⁵⁾	37,330	6.39	2,418	August 1, 2017	35,136
Loma Palisades ⁽⁴⁾	73,744	6.09	4,553	July 1, 2018	73,744
Torrey Reserve - North Court ⁽¹⁾	22,046	7.22	1,836	June 1, 2019	19,443
Torrey Reserve - VCI, VCII, VCIII ⁽¹⁾	7,421	6.36	560	June 1, 2020	6,439
Solana Beach Corporate Centre I-II ⁽¹⁾	11,860	5.91	855	June 1, 2020	10,169
Solana Beach Towne Centre ⁽¹⁾	39,533	5.91	2,849	June 1, 2020	33,898
Total / Weighted Average	\$ 961,652	5.45 %	\$ 57,504		\$ 938,569
Unamortized fair value adjustment	(17,373)				
Debt Balance	\$ 944,279				

Fixed Rate Debt Ratio

Fixed rate debt	100%
Variable rate debt	-

Notes:

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

MARKET CAPITALIZATION

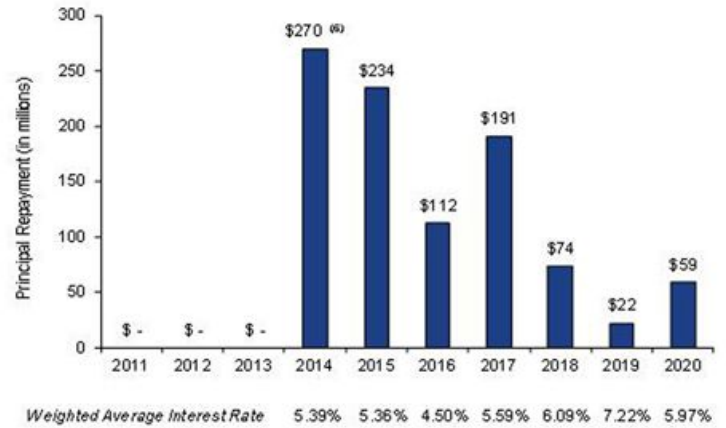
(Amounts in thousands, except per share data)

June 30, 2011

Market data

Common shares outstanding	39,282
Units outstanding	18,396
Common shares and units outstanding	57,678
Market price per common share	\$ 22.45
Equity market capitalization	\$ 1,294,869
Total debt	\$ 961,652
Total market capitalization	\$ 2,256,521
Less: Cash on hand	\$ (123,980) ⁽¹⁾
Total enterprise value	\$ 2,132,541
Total assets, gross	\$ 1,963,368
Total debt/Total capitalization	42.6%
Total debt/Total enterprise value	45.1%
Net debt/Total enterprise value ⁽²⁾	39.3%
Total debt/Total assets, gross	49.0%
Total debt/Adjusted EBITDA ⁽³⁾⁽⁴⁾	8.6x
Net debt/ Adjusted EBITDA ⁽³⁾⁽⁴⁾	7.5x
Interest coverage ratio ⁽⁵⁾	2.2x
Fixed charge coverage ratio ⁽⁵⁾	2.2x

Debt Maturity Schedule



(1) The cash balance includes marketable trading securities of \$31.4 million.

(2) Net debt is equal to total debt less cash on hand.

(3) See Glossary of Terms for discussion of Adjusted EBITDA.

(4) As used here, Adjusted EBITDA represents the actual for the six months ended June 30, 2011 annualized. Adjusted EBITDA related to the Solana Beach Centre entities, the Waikiki Beach Walk entities, and First & Main is only included from acquisition through June 30, 2011.

(5) Calculated as Adjusted EBITDA divided by interest expense, excluding amortization of debt issuance costs and debt fair value adjustments.

(6) The revolving line of credit, which has a capacity of \$250 million, matures in 2014, but at June 30, 2011, it has no outstanding balance and is not included herein.

SUMMARY OF REDEVELOPMENT OPPORTUNITIES

(Dollar amounts in thousands)

Potential Future Development/Redevelopment Pipeline

Property	Location	Opportunity	Estimated Construction Cost	Cost to Date
Solana Beach Corporate Centre (Building 5)	Solana Beach, CA	Construction of a new 10,300 square foot building and structured parking for retail/restaurant use oriented toward the Solana Beach Towne Centre.	\$ 5,800	\$ -
Lomas Santa Fe Plaza Expansion	Solana Beach, CA	Expansion of 30,700 square feet and the renovation of 14,787 square feet for a combined project of 45,487 square feet, plus structured parking.	17,000	-
Torrey Reserve Phase III	San Diego, CA	Construction of three additional commercial buildings (retail, restaurant, office and medical) for a total of 41,692 square feet, and a 34,603 square foot underground parking structure.	17,200	-
Torrey Reserve Phase IV	San Diego, CA	Construction of two 20,000 square foot commercial buildings (restaurant and office) for a total of 40,000 square feet atop subterranean parking.	17,000	-
Sorrento Pointe	San Diego, CA	Construction of two class "A" office buildings for a total of 79,053 square feet with subterranean parking.	30,300	-
Solana Beach Towne Centre II	Solana Beach, CA	Complete the facade improvements to the Solana Beach Towne Centre.	1,000	12
Total			<u>\$ 88,300</u>	<u>\$ 12</u>

Note: The Lloyd District Portfolio development pipeline is not included as the property was not acquired until July 1, 2011.

PORTFOLIO DATA

PROPERTY REPORT



As of June 30, 2011

Same - Store Retail and Office Portfolios

Property	Location	Year Built/ Renovated	Number of Buildings	Net Rentable Square Feet ⁽¹⁾	Percentage Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Annualized Base Rent per Leased Square Foot ⁽⁴⁾	Retail Anchor Tenant(s) ⁽⁵⁾	Other Principal Retail Tenants ⁽⁶⁾
Retail Properties									
Carmel Country Plaza	San Diego, CA	1991	9	77,813	100.0 %	\$ 3,515,846	\$ 45.18		Sharp Healthcare, Frazee Industries Inc.
Carmel Mountain Plaza ⁽⁷⁾	San Diego, CA	1994	13	520,228	82.9	8,686,016	20.14	Sears	Sports Authority, Reading Cinemas
South Bay Marketplace ⁽⁷⁾	San Diego, CA	1997	9	132,873	100.0	2,067,796	15.56		Office Depot Inc., Ross Dress for Less
Rancho Carmel Plaza	San Diego, CA	1993	3	30,421	74.5	713,589	31.47		Oggi's Pizza & Brewing Co., Sprint PCS Assets
Lomas Santa Fe Plaza	Solana Beach, CA	1972/1997	9	209,569	97.6	5,257,257	25.71		Vons, Ross Dress for Less
Del Monte Center ⁽⁷⁾	Monterey, CA	1967/1984/2006	16	674,224	97.2	8,789,864	13.41	Macy's, KLA Monterey	Century Theatres, Macy's Furniture Gallery
The Shops at Kalakaua	Honolulu, HI	1971/2006	3	11,671	100.0	1,535,028	131.52		Whalers General Store, Diesel U.S.A. Inc.
Waikale Center	Waipahu, HI	1993/2008	9	538,024	90.9	17,014,540	34.81	Lowe's, Kmart, Sports Authority, Foodland Super Market	Old Navy, Officemax
Alamo Quarry Market ⁽⁷⁾	San Antonio, TX	1997/1999	16	589,479	98.9	11,808,839	20.26	Regal Cinemas	Bed Bath & Beyond, Whole Foods Market
Subtotal/Weighted Average Retail Portfolio			87	2,784,302	93.7 %	\$ 59,388,775	\$ 22.77		
Office Properties									
Torrey Reserve Campus	San Diego, CA	1996-2000	9	456,801	93.1 %	\$ 14,795,889	\$ 34.78		
Valencia Corporate Center	Santa Clarita, CA	1999-2007	3	194,268	80.9	4,493,083	28.58		
160 King Street	San Francisco, CA	2002	1	167,986	95.2	5,467,207	34.18		
Subtotal/Weighted Average Office Portfolio			13	819,055	90.7 %	\$ 24,756,179	\$ 33.34		
Total/Weighted Average Retail and Office Portfolio			100	3,603,357	93.0 %	\$ 84,144,954	\$ 25.11		

Same - Store Multifamily Portfolio

Property	Location	Year Built/ Renovated	Number of Buildings	Units	Percentage Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Average Monthly Base Rent per Leased Unit ⁽⁴⁾
Loma Palisades	San Diego, CA	1958/2001-2008	80	548	100.0 %	\$ 10,392,072	\$ 1,580
Imperial Beach Gardens	Imperial Beach, CA	1959/2008-present	26	160	96.9	2,674,296	1,437
Mariner's Point	Imperial Beach, CA	1986	8	88	98.9	1,173,900	1,124
Santa Fe Park RV Resort ⁽⁸⁾	San Diego, CA	1971/2007-2008	1	126	88.0	968,388	728
Total/Weighted Average Multifamily Portfolio			115	922	97.7 %	\$ 15,208,656	\$ 1,407

Non - Same Store Retail and Office Portfolios

Property	Location	Year Built/ Renovated	Number of Buildings	Net Rentable Square Feet ⁽¹⁾	Percentage Leased ⁽²⁾	Annualized Base Rent ⁽³⁾	Annualized Base Rent per Leased Square Foot ⁽⁴⁾	Retail Anchor Tenant(s) ⁽⁵⁾	Other Principal Retail Tenants ⁽⁶⁾
Retail Property									
Solana Beach Towne Centre	Solana Beach, CA	1973/2000/2004	12	246,730	97.7 %	\$ 5,306,176	\$ 22.01		Dixieline Probuild, Marshalls
Office Properties									
Solana Beach Corporate Centre	Solana Beach, CA	1982/2005	4	211,971	84.1	\$ 5,691,424	\$ 31.94		
The Landmark at One Market ⁽⁹⁾	San Francisco, CA	1917/2000	1	421,934	100.0	18,289,232	43.35		
First & Main	Portland, OR	2010	1	363,763	96.5	10,548,509	30.04		
Subtotal/Weighted Average Office Portfolio			6	997,668	95.4 %	\$ 34,529,165	\$ 36.30		
Total/Weighted Average Retail and Office Portfolio			18	1,244,398	95.8 %	\$ 39,835,341	\$ 33.41		

PROPERTY REPORT (CONTINUED)



As of June 30, 2011

Non - Same Store Mixed-Use Portfolio

<u>Retail Portion</u>	<u>Location</u>	<u>Year Built/ Renovated</u>	<u>Number of Buildings</u>	<u>Net Rentable Square Feet ⁽¹⁾</u>	<u>Percentage Leased ⁽²⁾</u>	<u>Annualized Base Rent ⁽³⁾</u>	<u>Annualized Base Rent per Leased Square Foot ⁽⁴⁾</u>	<u>Retail Anchor Tenant(s) ⁽⁵⁾</u>	<u>Other Principal Retail Tenants ⁽⁶⁾</u>
Waikiki Beach Walk - Retail	Honolulu, HI	2006	3	96,569	97.6 %	\$ 9,388,624	\$ 99.57		Yardhouse, Ruths Chris

<u>Hotel Portion</u>	<u>Location</u>	<u>Year Built/ Renovated</u>	<u>Number of Buildings</u>	<u>Units</u>	<u>Average Occupancy ⁽¹⁰⁾</u>	<u>Average Daily Rate ⁽¹⁰⁾</u>	<u>Annualized Revenue per Available Room ⁽¹⁰⁾</u>
Waikiki Beach Walk - Embassy Suites™	Honolulu, HI	2008	2	369	87.3 %	\$ 233.94	\$ 204.23

Notes:

- (1) 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.
- (2) 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, 2011, including leases which may not have commenced as of June 30, 2011. Percentage leased for our multifamily properties includes total units rented as of June 30, 2011.
- (3) Annualized base rent is calculated by multiplying base rental payments (defined as cash base rents (before abatements)) for the month ended June 30, 2011, 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.
- (4) Annualized base rent per leased square foot is calculated by dividing annualized base rent, by square footage under lease as of June 30, 2011. Annualized base rent per leased unit is calculated by dividing annualized base rent, by units under lease as of June 30, 2011.
- (5) Retail anchor tenants are defined as retail tenants leasing 50,000 square feet or more.
- (6) Other principal retail tenants are defined as the two tenants leasing the most square footage, excluding anchor tenants.
- (7) Net rentable square feet at certain of our retail properties includes pad sites leased pursuant to the ground leases in the following table:

<u>Property</u>	<u>Number of Ground Leases</u>	<u>Square Footage Leased Pursuant to Ground Leases</u>	<u>Aggregate Annualized Base Rent</u>
Carmel Mountain Plaza	6	127,112	\$ 1,020,900
South Bay Marketplace	1	2,824	\$ 81,540
Del Monte Center	2	295,100	\$ 201,291
Alamo Quarry Market	4	31,994	\$ 428,250
- (8) 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, 2011, the highest average monthly occupancy rate for this property was 98.0%, occurring in July 2010, and the lowest average monthly occupancy rate for this property was 60.0%, occurring in November 2010. The number of units at the Santa Fe Park RV Resort includes 122 RV spaces and four apartments.
- (9) 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 2031 pursuant to three five-year extension options.
- (10) Average occupancy represents the percentage of available units that were sold during the 6-month period ended June 30, 2011, 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 6-month period ended June 30, 2011, by the number of units sold. Revenue per available room, or RevPAR, represents the total unit revenue per total available units for the 6-month period ended June 30, 2011 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, 2011

Total Lease Summary - Comparable ⁽¹⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2011	12	100 %	20,260	\$ 35.89	\$ 36.61	\$ (14,534)	(2.0) %	4.2 %	5.0	\$ 72,000	\$ 3.55
1st Quarter 2011	11	100	29,165	26.14	27.04	(26,428)	(3.4)	8.9	2.7	16,800	0.58
Total 6 months	23	100 %	49,425	\$ 30.14	\$ 30.97	\$ (40,962)	(2.7) %	6.6 %	3.6	\$ 88,800	\$ 1.80

New Lease Summary - Comparable ⁽¹⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2011	4	33 %	7,912	\$ 30.58	\$ 30.82	\$ (1,918)	(0.8) %	4.9 %	6.8	\$ 72,000	\$ 9.10
1st Quarter 2011	1	9	1,200	48.00	51.92	(4,700)	(7.5)	2.2	5.0	-	-
Total 6 months	5	22 %	9,112	\$ 32.87	\$ 33.60	\$ (6,618)	(2.2) %	4.4 %	6.5	\$ 72,000	\$ 7.90

Renewal Lease Summary - Comparable ⁽¹⁾⁽⁵⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2011	8	67 %	12,348	\$ 39.30	\$ 40.32	\$ (12,616)	(2.5) %	3.8 %	3.8	\$ -	\$ -
1st Quarter 2011	10	91	27,965	25.20	25.98	(21,728)	(3.0)	9.5	2.6	16,800	0.60
Total 6 months	18	78 %	40,313	\$ 29.52	\$ 30.37	\$ (34,344)	(2.8) %	7.1 %	3.0	\$ 16,800	\$ 0.42

Total Lease Summary - Comparable and Non-Comparable

Quarter	Number of Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2011	17	30,212	\$ 33.27	6.2	\$ 472,535	\$ 15.64
1st Quarter 2011	12	31,389	26.20	2.7	36,800	1.17
Total 6 months	29	61,601	\$ 29.67	4.4	\$ 509,335	\$ 8.27

- (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, 2011

Total Lease Summary - Comparable ⁽¹⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2011	6	100 %	81,360	\$ 39.25	\$ 45.54	\$ (512,187)	(13.8) %	(0.9) %	5.8	\$ 231,839	\$ 2.85
1st Quarter 2011	10	100	31,298	32.88	37.54	(145,946)	(12.4)	(2.3)	2.5	57,520	1.84
Total 6 months	16	100 %	112,658	\$ 37.48	\$ 43.32	\$ (658,133)	(13.5) %	(1.2) %	4.9	\$ 289,359	\$ 2.57

New Lease Summary - Comparable ⁽¹⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2011	3	50 %	68,085	\$ 40.69	\$ 46.47	\$ (393,958)	(12.5) %	1.1 %	6.5	\$ 212,691	\$ 3.12
1st Quarter 2011	2	20	5,066	33.90	42.78	(44,982)	(20.8)	(14.0)	4.2	5,938	1.17
Total 6 months	5	31 %	73,151	\$ 40.22	\$ 46.22	\$ (438,940)	(13.0) %	0.1 %	6.4	\$ 218,629	\$ 2.99

Renewal Lease Summary - Comparable ⁽¹⁾⁽⁵⁾

Quarter	Number of Leases Signed	% of Comparable Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Prior Rent Per Sq. Ft. ⁽³⁾	Annual Change in Rent	Cash Basis % Change Over Prior Rent	Straight-Line Basis % Change Over Prior Rent	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2011	3	50 %	13,275	\$ 31.86	\$ 40.76	\$ (118,229)	(21.8) %	(12.8) %	1.7	\$ 19,149	\$ 1.44
1st Quarter 2011	8	80	26,232	32.68	36.53	(100,964)	(10.5)	0.5	2.2	51,582	1.97
Total 6 months	11	69 %	39,507	\$ 32.40	\$ 37.95	\$ (219,193)	(14.6) %	(4.3) %	2.0	\$ 70,731	\$ 1.79

Total Lease Summary - Comparable and Non-Comparable

Quarter	Number of Leases Signed	Net Rentable Square Feet Signed	Contractual Rent Per Sq. Ft. ⁽²⁾	Weighted Average Lease Term ⁽⁴⁾	Tenant Improvements & Incentives	Tenant Improvements & Incentives Per Sq. Ft.
2nd Quarter 2011	9	94,851	\$ 38.25	5.8	\$ 711,785	\$ 7.50
1st Quarter 2011	14	43,502	32.44	2.7	141,420	3.25
Total 6 months	23	138,353	\$ 36.42	4.8	\$ 853,205	\$ 6.17

(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.

LEASE EXPIRATIONS

As of June 30, 2011

Assumes no exercise of lease options

Year	Office				Retail				Mixed-Use (Retail Portion Only)				Total		
	Expiring Sq. Ft.	% of Office Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Retail Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Mixed-Use Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾
Month to Month	21,028	1.2 %	0.4 %	\$ 12.17	11,129	0.4 %	0.2 %	\$ 23.76	7,615	7.9 %	0.2 %	\$ 40.76	39,772	0.8 %	\$ 20.89
2011	39,287	2.2	0.8	28.90	55,920	1.8	1.1	31.69	360	0.4	0.0	194.88	95,567	1.9	31.16
2012	154,530	8.5	3.1	33.10	329,256	10.9	6.7	24.05	6,184	6.4	0.1	163.76	489,970	9.9	28.67
2013	188,542	10.4	3.8	33.55	519,415	17.1	10.5	24.17	7,065	7.3	0.1	145.95	715,022	14.5	27.84
2014	90,514	5.0	1.8	34.69	427,246	14.1	8.6	26.03	1,959	2.0	0.0	116.83	519,719	10.5	27.88
2015	207,619	11.4	4.2	37.39	221,132	7.3	4.5	25.37	12,697	13.1	0.3	153.03	441,448	8.9	34.70
2016	151,668	8.3	3.1	29.72	122,640 ⁽⁴⁾⁽⁵⁾	4.0	2.5	37.21	10,191	10.6	0.2	171.11	284,499	5.8	38.01
2017	120,901 ⁽²⁾	6.7	2.4	38.74	111,249	3.7	2.3	25.00	4,628	4.8	0.1	134.78	236,778	4.8	34.16
2018	36,226	2.0	0.7	45.50	737,758	24.3	14.9	15.51	4,673	4.8	0.1	139.02	778,657	15.7	17.64
2019	225,679 ⁽³⁾	12.4	4.6	44.25	70,197	2.3	1.4	26.80	11,690	12.1	0.2	51.73	307,566	6.2	40.55
2020	225,108	12.4	4.6	35.12	118,506	3.9	2.4	8.79	17,843	18.5	0.4	41.30	361,457	7.3	26.79
Thereafter	208,215	11.4	4.2	32.74	120,381	4.1	2.4	25.71	9,382	9.7	0.2	46.20	337,978	6.9	30.61
Signed Leases	38,437	2.1	0.8	-	19,537	0.6	0.4	-	-	-	-	-	57,974	1.2	-
Not Commenced															
Available	108,969	6.0	2.2	-	166,666	5.5	3.4	-	2,282	2.4	0.0	-	277,917	5.6	-
Total	1,816,723	100.0 %	36.7 %	\$ 32.63	3,031,032	100.0 %	61.3 %	\$ 21.13	96,569	100.0 %	1.9 %	\$ 97.22	4,944,324	100.0 %	\$ 26.84

Assumes all lease options are exercised

Year	Office				Retail				Mixed-Use (Retail Portion Only)				Total		
	Expiring Sq. Ft.	% of Office Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Retail Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Mixed-Use Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾	Expiring Sq. Ft.	% of Total Sq. Ft.	Annualized Base Rent Per Sq. Ft. ⁽¹⁾
Month to Month	21,028	1.2 %	0.4 %	\$ 12.17	11,129	0.4 %	0.2 %	\$ 23.76	7,615	7.9 %	0.2 %	\$ 40.76	39,772	0.8 %	\$ 20.89
2011	28,549	1.6	0.6	25.14	47,522	1.6	1.0	30.59	360	0.4	0.0	194.88	76,431	1.5	29.33
2012	87,482	4.8	1.8	35.87	111,839	3.7	2.3	29.77	6,184	6.4	0.1	163.76	205,505	4.2	36.40
2013	87,648	4.8	1.8	36.00	104,912	3.5	2.1	36.19	7,065	7.3	0.1	145.95	199,625	4.0	39.99
2014	19,184	1.1	0.4	32.81	179,978	5.9	3.6	35.58	1,959	2.0	0.0	116.83	201,121	4.1	36.11
2015	107,157	5.9	2.2	36.64	44,830	1.5	0.9	39.24	12,697	13.1	0.3	153.03	164,684	3.3	46.32
2016	133,920	7.4	2.7	29.50	66,344 ⁽⁴⁾	2.2	1.3	33.32	10,191	10.6	0.2	171.11	210,455	4.3	37.56
2017	74,500	4.1	1.5	29.71	84,432	2.8	1.7	30.71	4,628	4.8	0.1	134.78	163,560	3.3	33.20
2018	96,210	5.3	1.9	31.49	186,879	6.2	3.8	23.38	4,673	4.8	0.1	139.02	287,762	5.8	27.97
2019	55,454	3.1	1.1	35.58	142,792	4.7	2.9	22.08	11,690	12.1	0.2	51.73	209,936	4.2	27.29
2020	88,652	4.9	1.8	33.24	299,889	9.9	6.1	15.58	17,843	18.5	0.4	41.30	406,384	8.2	20.56
Thereafter	869,533 ⁽²⁾⁽³⁾	47.7	17.6	38.35	1,564,283 ⁽⁵⁾	51.5	31.6	19.20	9,382	9.7	0.2	46.20	2,443,198	49.5	26.12
Signed Leases	38,437	2.1	0.8	-	19,537	0.6	0.4	-	-	-	-	-	57,974	1.2	-
Not Commenced															
Available	108,969	6.0	2.2	-	166,666	5.5	3.4	-	2,282	2.4	0.0	-	277,917	5.6	-
Total	1,816,723	100.0 %	36.8 %	\$ 32.63	3,031,032	100.0 %	61.3 %	\$ 21.13	96,569	100.0 %	1.9 %	\$ 97.22	4,944,324	100.0 %	\$ 26.84

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, 2011 for the leases expiring during the applicable period, by (ii) 12.
- (2) The expirations include 45,795 square feet currently leased by Microsoft at The Landmark at One Market, for which Autodesk has signed an agreement to lease the space upon Microsoft's lease termination from December 31, 2012 through December 31, 2017 with an option to extend the lease through December 31, 2024.
- (3) The expirations include 56,963 square feet currently leased by DLA Piper at 160 King Street with a lease termination of February 28, 2012, for which Ancestry.com has signed an agreement to lease the space upon lease termination from May 1, 2012 through April 30, 2019 with an option to extend the lease through April 30, 2029.
- (4) The expirations include 1,200 square feet leased by San Diego Wireless through October 31, 2011 at Carmel Mountain Plaza, for which T-Mobile has signed an agreement to lease the space from November 1, 2011 through October 31, 2016.
- (5) The expirations include 2,024 square feet leased by Ocean Breeze Realty through June 30, 2011 at Lomas Santa Fe Plaza , for which JP Morgan has signed an agreement to lease the space from July 18, 2011 through September 30, 2016 with an option to extend the lease through September 30, 2026.

PORTFOLIO LEASED STATISTICS

Type	At June 30, 2011			At June 30, 2010		
	Size	Leased ⁽¹⁾	Leased %	Size	Leased ⁽¹⁾	Leased %
Overall Portfolio Statistics						
Retail Properties (square feet)	3,031,032	2,849,270	94.0%	2,704,243	2,605,819	96.4%
Office Properties (square feet)	1,816,723	1,693,833	93.2%	1,240,989	1,159,627	93.4%
Multifamily Properties (units)	922	901	97.7%	922	859	93.2%
Mixed-Used Properties (square feet)	96,569	94,287	97.6%	-	-	-
Mixed-Used Properties (units)	369	322 ⁽⁶⁾	87.3%	-	-	-
Same-Store ⁽²⁾ Statistics						
Retail Properties (square feet)	2,704,302 ⁽³⁾	2,608,205	96.4%	2,704,243	2,605,819	96.4%
Office Properties (square feet)	1,240,989 ⁽⁴⁾	1,164,533	93.8%	1,240,989 ⁽⁷⁾	1,159,627	93.4%
Multifamily Properties (units)	922	901	97.7%	922	859	93.2%
Mixed-Used Properties (square feet)	- ⁽⁵⁾	-	-	-	-	-
Mixed-Used Properties (units)	- ⁽⁵⁾	-	-	-	-	-

Notes:

(1) Leased square feet includes square feet under lease as of each date, including leases which may not have commenced as of that date. Leased units for our multifamily properties include total units rented as of that date.

(2) See Glossary of Terms.

(3) Excludes Solana Beach Towne Centre as the controlling interest in this entity was acquired on January 19, 2011. Also excludes 80,000 square building at Carmel Mountain Plaza acquired on November 10, 2010.

(4) Excludes Solana Beach Corporate Centre as the controlling interest in this entity was acquired on January 19, 2011. First & Main is excluded as it was acquired on March 11, 2011.

(5) Excludes the Waikiki Beach Walk property as the controlling interest in this entity was acquired on January 19, 2011.

(6) Represents average occupancy for the six months ended June 30, 2011.

(7) Includes The Landmark at One Market as the controlling interest in this entity was acquired on June 30, 2010.

TOP TENANTS - RETAIL

As of June 30, 2011

Tenant	Property(ies)	Lease Expiration	Total Leased Square Feet	Rentable Square Feet as a Percentage of Retail	Rentable Square Feet as a Percentage of Total Retail and Office	Annualized Base Rent	Annualized Base Rent as a Percentage of Retail	Annualized Base Rent as a Percentage of Total
1 Lowe's	Waikele Center	5/31/18	155,000	5.4 %	3.4 %	\$ 4,059,585	6.3 %	3.5 %
2 Kmart	Waikele Center	6/30/18	119,590	4.2	2.6	3,826,880	6.0	3.3
3 Foodland Super Market	Waikele Center	1/25/14	50,000	1.8	1.1	2,337,481	3.7	2.0
4 Sports Authority	Carmel Mountain Plaza, Waikele Center	11/30/13 7/18/13	90,722	3.2	2.0	2,076,602	3.2	1.8
5 Ross Dress for Less	South Bay Marketplace, Lomas Santa Fe Plaza, Carmel Mountain Plaza	1/31/13 1/31/14	81,125	2.8	1.8	1,595,826	2.5	1.4
6 Officemax	Alamo Quarry Market, Waikele Center	11/30/12 1/31/14	47,962	1.7	1.1	1,164,761	1.8	1.0
7 Old Navy	Waikele Center, Alamo Quarry Market, South Bay Marketplace	7/31/12 9/30/12 4/30/13	59,780	2.1	*	*	*	*
8 Marshalls	Solana Beach Towne Centre, Carmel Mountain Plaza	1/13/15 1/31/19	68,055	2.4	1.5	1,106,146	1.7	0.9
9 Vons	Lomas Santa Fe Plaza	12/31/17	49,895	1.8	1.1	1,058,000	1.7	0.9
10 Sprouts Farmers Market	Solana Beach Towne Centre, Carmel Mountain Plaza	6/30/14 3/31/25	45,959	1.6	1.0	1,037,824	1.6	0.9
Top 10 Retail Tenants Total			768,088	27.0 %	15.6 %	\$ 18,263,105	28.5 %	15.7 %

* Data withheld at tenant's request.

TOP TENANTS - OFFICE

As of June 30, 2011

Tenant	Property(ies)	Lease Expiration	Total Leased Square Feet	Rentable Square Feet as a Percentage of Office	Rentable Square Feet as a Percentage of Total Retail and	Annualized Base Rent	Annualized Base Rent as a Percentage of Office	Annualized Base Rent as a Percentage of Total
1 salesforce.com	The Landmark at One Market	6/30/19 4/30/20	226,892	13.3 %	5.0 %	\$ 10,189,050	19.3 %	8.7 %
2 Insurance Company Of The West	Torrey Reserve Campus, Valencia Corporate Center	12/31/16 6/30/19	147,196	8.7	3.2	4,426,695	8.4	3.8
3 DLA Piper	160 King Street	2/28/12	69,656	4.1	1.5	3,251,422	6.2	2.8
4 Veterans Benefits Administrations	First & Main	8/31/20	93,572	5.5	2.1	3,006,453	5.7	2.6
5 Microsoft	The Landmark at One Market	12/31/12	45,795	2.7	1.0	2,930,880	5.5	2.5
6 Autodesk	The Landmark at One Market	12/31/15 12/31/17	68,869	4.0	1.5	2,847,100	5.4	2.4
7 Treasury Tax Administration	First & Main	8/31/15	70,660	4.2	1.6	2,583,330	4.9	2.2
8 Treasury Call Center	First & Main	8/31/20	63,648	3.7	1.4	2,184,302	4.1	1.9
9 California Bank & Trust	Torrey Reserve Campus	5/31/2019 10/31/2019	29,985	1.8	0.7	1,349,934	2.6	1.2
10 McDermott Will & Emery	Torrey Reserve Campus	11/30/18	25,044	1.5	0.6	1,271,636	2.4	1.1
Top 10 Office Tenants Total			841,317	49.5 %	18.6 %	\$ 34,040,802	64.5 %	29.2 %

APPENDIX

GLOSSARY OF TERMS

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, 2011 is as follows:

	Three Months Ended June 30, 2011	Six Months Ended June 30, 2011
Net income	\$ 455	\$ 14,051
Depreciation and amortization	14,277	26,767
Interest expense	14,063	27,142
Interest income	(786)	(697)
Income tax expense	129	380
EBITDA	\$ 28,138	\$ 67,643

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

	Three Months Ended June 30, 2011	Six Months Ended June 30, 2011
EBITDA	\$ 28,138	\$ 67,643
Early extinguishment of debt	-	25,867
Loan transfer and consent fees	-	9,019
Gain on acquisition	-	(46,371)
Adjusted EBITDA	\$ 28,138	\$ 56,158

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 and gains and losses on sale of real estate. 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 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.

GLOSSARY OF TERMS (CONTINUED)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Reconciliation of NOI to Net Income				
Total NOI	\$ 32,090	\$ 21,425	\$ 63,610	\$ 42,407
General and administrative	(3,825)	(1,821)	(7,064)	(3,408)
Depreciation and amortization	(14,277)	(7,509)	(26,767)	(14,739)
Interest expense	(14,063)	(10,624)	(27,142)	(21,278)
Early extinguishment of debt	-	-	(25,867)	-
Loan transfer and consent fees	-	-	(9,019)	-
Gain on acquisition	-	4,297	46,371	4,297
Other income (expense), net	530	71	(71)	(916)
Net income	<u>455</u>	<u>5,839</u>	<u>14,051</u>	<u>6,363</u>
Net income attributable to restricted shares	(132)	-	(218)	-
Net loss attributable to Predecessor's noncontrolling interests in consolidated real estate entities	-	469	2,458	899
Net income attributable to Predecessor's controlled owners' equity	-	(6,308)	(16,995)	(7,262)
Net (income) loss attributable to unitholders in the Operating Partnership	(104)	-	225	-
Net income (loss) attributable to American Assets Trust, Inc. stockholders	<u>\$ 219</u>	<u>\$ -</u>	<u>\$ (479)</u>	<u>\$ -</u>

GLOSSARY OF TERMS (CONTINUED)

Overall Portfolio: Includes all operating properties owned by us as of June 30, 2011.

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 Q2 2011 to Q2 2010	
	Same-Store	Non-Same Store
<u>Retail Properties</u>		
Carmel Country Plaza	X	
Carmel Mountain	X	
South Bay Marketplace	X	
Rancho Carmel Plaza	X	
Lomas Santa Fe Plaza	X	
Solana Beach Towne Centre		X
Del Monte Center	X	
The Shops at Kalakaua	X	
Waialele Center	X	
Alamo Quarry Market	X	
<u>Office Properties</u>		
Torrey Reserve	X	
Solana Beach Corporate Centre		X
Valencia Corporate Center	X	
160 King Street	X	
The Landmark at One Market		X
First & Main		X
<u>Multifamily Properties</u>		
Loma Palisades	X	
Imperial Beach Gardens	X	
Mariner's Point	X	
Santa Fe Park RV Resort	X	
<u>Mixed-Use Properties</u>		
Waikiki Beach Walk - Retail		X
Waikiki Beach Walk - Embassy Suites™		X
<u>Development Properties</u>		
Sorrento Pointe - Land		X
Torrey Reserve - Land		X
Solana Beach - Land		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 or new entrances) 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.