

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

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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 7, 2007

Commission File Number

0-28378

AmREIT

-----  
(Exact name of registrant as specified in its charter)

TEXAS

76-0410050

-----  
(State or other jurisdiction  
of Incorporation or  
organization)

-----  
(IRS Employer  
Identification No.)

8 Greenway Plaza, Suite 1000,  
Houston, Texas 77046

713-850-1400

-----  
(Address of principal executive  
offices)

-----  
(Registrant's telephone  
number)

[N/A]

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

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Item 2.02. Results of Operations and Financial Condition

On August 7, 2007, the Company issued a press release announcing its financial results for the second quarter and six months ended June 30, 2007. A copy of the press release issued by the Company is attached hereto as Exhibit 99.1. Attached as Exhibit 99.2 is the Supplemental Financial Information which accompanies this press release.

The Company's press release announcing its financial results for its second quarter and six months ended June 30, 2007, contains non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with United States generally accepted accounting principles, or GAAP. Pursuant to the requirements of Regulation G, the Company has provided quantitative reconciliations within

the press release of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

The press release attached to this Form 8-K as Exhibit 99.1 shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liabilities of that section.

Item 9.01. Financial Statement and Exhibits

Exhibits. The following exhibits are furnished as part of this current report on Form 8-K:

99.1 Press release dated August 7, 2007

99.2 Supplemental Financial Information

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SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AmREIT

By: /s/ Chad C. Braun

-----  
Chad C. Braun, Chief Financial Officer

Dated: August 7, 2007

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FOR IMMEDIATE RELEASE

FOR INFORMATION CONTACT:  
Chad C. Braun (cbraun@amreit.com)  
AmREIT, (713) 850-1400

AmREIT REPORTS SECOND QUARTER RESULTS

HOUSTON, August 7, 2007 - AmREIT (AMEX:AMY), a Houston-based real estate development and operating company that has elected to be taxed as a real estate investment trust, today announced financial results for the second quarter ended June 30, 2007.

Second Quarter and Year-to-Date Highlights:

Corporate

- o Funds from Operations available to class A common shareholders (FFO) for the second quarter 2007 were \$380,000, or \$0.06 per share, which exceeded the top end of our second quarter guidance and compared with second quarter 2006 FFO of \$516,000, or \$0.08 per share;
- o Net loss available to Class A common shareholders for the second quarter 2007 was \$1.6 million, or (\$0.25) per share, compared with a net loss of \$1.7 million, or (\$0.26) per share, for the same period in 2006;
- o Operating revenues for the second quarter 2007 were \$11.5 million compared with \$13.3 million for the same period in 2006 due to the timing of acquisition fees and other transactional revenue. Revenues from the property portfolio and asset management fees increased by 4.6% to \$8.6 million for the quarter as compared to \$8.2 million for the same period in 2006;
- o FFO for the six months ended June 30, 2007 were \$638,000, or \$0.10 per share compared with FFO for the comparable six months in 2006 of \$913,000, or \$0.14 per share;
- o Net loss available to Class A common shareholders for the six months ended June 30, 2007 was \$3.3 million, or (\$0.52) per share, compared with a net loss of \$3.5 million, or (\$0.55) per share, for the same period in 2006;
- o Operating revenues for the six months ended June 30, 2007 were \$22.7 million compared with \$24.6 million for the same period in 2006. Revenues from the property portfolio and asset management fees increased by 10.8% to \$16.4 million year to date as compared to \$14.8 million for the same period in 2006;
- o Total distributions paid to all classes of common shareholders exceeded total FFO available to all classes of common shareholders by \$388,000 for the second quarter 2007 compared with \$246,000 for the same period in 2006, and \$890,000 for the six months ended June 30, 2007 compared with \$608,000 for the same period in 2006. On an annual basis, total FFO has historically exceeded total dividends paid, and for 2005 and 2006, FFO exceeded total dividends by \$1.1 million and \$1.6 million, respectively. Consistent with guidance and prior years, management expects the bulk of 2007 FFO to be earned in the second half of the year;
- o The Board of Trust Managers declared a quarterly dividend of \$0.1242 per class A common share for the third quarter 2007, which will be paid in three monthly installments;
- o The Board of Trust Managers approved a \$5 million class A common share repurchase program on June 22, 2007;
- o FFO estimates for the third quarter 2007 are \$0.17 to \$0.24 per class A share, and management reiterates its annual FFO guidance of \$0.78 to \$0.82 per class A share;

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AmREIT Reports Second Quarter Results

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Portfolio

- o Portfolio occupancy as of June 30, 2007 is 98.1%, an increase of 1.60% compared to December 31, 2006 occupancy of 96.5%;
- o New leases signed at average annual rentals of \$33.33 per foot and renewal leases signed at 12.4% increases over the expiring rental rates; and

- o Cap rates continue to tighten for high quality retail assets, resulting in strengthened net asset valuations yet limited acquisition opportunities near term.

#### Asset Advisory

- o Equity under management increased from \$121 million as of December 31, 2006 to \$144 million as of June 30, 2007, compared to \$85 million as of June 30, 2006; and
- o Total real estate assets owned by the merchant development funds in the Company's asset advisory business were \$282 million at June 30, 2007, compared with \$149 million a year ago.

Commenting on the financial results for the quarter, Chad C. Braun, AmREIT's Chief Financial Officer, noted, "The better-than-expected FFO growth in the second quarter was led by contributions from our two sources of recurring income - the portfolio of Irreplaceable Corners and a growing base of assets under management. The portfolio experienced strong leasing activity as well as continued improvement in occupancy and property operating margins, while the advisory/sponsorship business benefited from additional capital raised over the last six months. Our guidance for the year remains unchanged as we anticipate a solid base of recurring income to match up with the usual ramp in transactional activity during the second half of the year."

H. Kerr Taylor, Chairman and Chief Executive Officer of AmREIT, added, "Within the investment climate in the shopping center industry, we still see a wealth of institutional activity creating competition for quality assets like those we own. This trend continues to cut two ways. First it increases the value of our Irreplaceable Corner portfolio. Second, it inhibits our ability to grow the portfolio and our transactional business through acquisitions at the pace we would prefer. We continue to make strides in gaining critical mass in our advisory/sponsorship business and anticipate increased revenues from this group beginning in 2008."

#### Portfolio of Irreplaceable Corners

As of June 30, 2007, AmREIT owned 50 properties, with approximately 91% of its rental income coming from properties located in major Texas metropolitan areas.

The portfolio generated \$8.2 million in total revenue during the second quarter of 2007, up 2.5% compared with \$8.0 million generated for the same period in 2006. The increase in revenue is a result of increased rents resulting from increases in leasing activity, increased renewal leasing rates and the Woodlands ground lease properties acquired during the first quarter. After expenses and allocation of dividends paid on the Company's non-traded shares, the segment reported a GAAP net loss of \$1.1 million, or (\$0.18) per class A common share and FFO totaling approximately \$847,000, or \$0.13 per Class A common share, for the quarter.

#### Real Estate Development and Operations

AmREIT's real estate development and operating business generated \$1.4 million in revenue during the second quarter, a decrease compared with the \$3.9 million generated in the second quarter of 2006. The decrease in revenue generated from the real estate group is a result of the timing of transactional activity. Consistent with prior years, we anticipate the bulk of this year's real estate transactional revenue to fall in the second half of the year.

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Expenses associated with this line of business for the second quarter were approximately \$1.9 million (including direct construction costs of \$868,000), resulting in a net loss of \$488,000 or (\$0.08) per class A common share. This business is transactional in nature, and the timing of these transactional revenue sources from quarter to quarter is difficult to predict, however, a majority of the expenses and personnel costs associated with this business are recurring throughout the year.

AmREIT's pipeline of development and re-development opportunities for third parties and for its asset advisory group includes approximately 500,000 square feet under various stages of development. Together, this represents over \$125 million in active development and re-development projects. Of this pipeline, 125,000 square feet is scheduled for completion in 2007.

#### Asset Advisory Business

As of June 30, 2007, AmREIT had a combined \$144 million in equity capital under management in its five actively managed income and growth funds. For the quarter, this group generated total revenues of \$1.8 million, with \$1.5 million related to securities commissions earned on sales of units in the merchant development funds.

For the quarter, expenses associated with this line of business were approximately \$1.7 million, including \$1.2 million in securities commission expense. After expenses and allocation of dividends paid on the Company's non-traded shares, the asset advisory group reported GAAP net income of \$6,000 and FFO totaling approximately \$25,000.

AmREIT updates earnings guidance on a quarterly basis and will update its annual guidance as well as give guidance for the upcoming quarter.

Conference Call AmREIT will hold its quarterly conference call to discuss second quarter 2007 results Wednesday, August 8, at 10:00 a.m. Central Time (11:00 a.m. Eastern Time). Interested parties are encouraged to access the live webcast by visiting the investor relations page of AmREIT's website at [www.amreit.com](http://www.amreit.com). The dial-in number for the call is 1-800-817-2743. A replay of the call will be available through August 15, 2007, by dialing 1-888-203-1112 (conference ID number 2430791).

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#### Supplemental Financial Information

Further details regarding AmREIT's results of operations, properties, and tenants can be accessed at the Company's web site at [www.amreit.com](http://www.amreit.com).

#### About AmREIT

AmREIT (AMEX:AMY) is a growing real estate company that has delivered results to its investors for 22 years. Its mission is to build a real estate business with complementary operations that reduce AmREIT's overall sensitivity to changing market cycles - a company with strong earnings potential from multiple sources. This mission has led AmREIT into three distinct businesses. First, as a real estate development and operating company, it constructs, develops, acquires, disposes of, brokers, leases and manages properties for shareholders as well as for its asset advisory group and third parties. Second, AmREIT has an asset advisory group which raises private capital for and generates fees from merchant development partnership funds. Third, AmREIT owns a portfolio of "Irreplaceable Corners(TM)" - premier retail properties in high-traffic, highly populated areas - which are held for long-term value and provide a steady stream of rental income. As of June 30, 2007, AmREIT has over 500,000 square feet of retail centers in various stages of re-development, development or in the pipeline for both our advisory group and for third parties. As of June 30, 2007, total assets were \$333 million and the asset advisory group managed an additional \$282 million in total assets.

In addition to historical information, this press release contains forward-looking statements under the federal securities law. These statements are based on current expectations, estimates and projections about the industry and markets in which AmREIT operates, management's beliefs and assumptions made by management. Past performance is not indicative of future returns. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict.

For more information, call Chad Braun, Chief Financial Officer of AmREIT, at (713) 850-1400. AmREIT is online at [Tuwww.amreit.comUT](http://Tuwww.amreit.comUT).

(Tables to Follow)

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Operating Results - (Unaudited)  
(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Revenues:				
Rental income from operating leases	\$ 7,733	\$ 7,487	\$ 14,815	\$ 13,460
Earned income from direct financing leases	508	508	1,015	1,015
Real estate fee income	160	--	854	751
Real estate fee income - related party	349	910	1,062	1,677
Construction revenues	695	319	792	940
Construction revenues - related party	219	2,623	1,095	3,796
Securities commission income - related party	1,484	1,227	2,477	2,618
Asset management fee income - related party	312	186	596	344
Total revenues	11,460	13,260	22,706	24,601
Expenses:				
General and administrative	1,911	2,254	4,120	4,136
Property expense	2,037	2,162	3,767	3,184
Construction expense	868	2,609	1,729	4,284
Legal and professional	479	288	774	597
Real estate commissions	26	--	447	540
Securities commissions	1,245	1,089	2,074	2,346
Depreciation and amortization	1,958	2,391	3,898	4,573
Total expenses	8,524	10,793	16,809	19,660
Operating income	2,936	2,467	5,897	4,941
Other income (expense):				
Interest and other income - related party	256	232	500	467
Income from merchant development funds and other affiliates	(15)	208	(27)	306
Federal income tax benefit for taxable REIT subsidiary	302	184	501	269
Interest expense	(2,351)	(2,090)	(4,708)	(3,833)
Minority interest in income of consolidated joint ventures	(27)	(27)	(63)	(58)
Income before discontinued operations	1,101	974	2,100	2,092
Income from discontinued operations	--	272	4	241
Gain on sale of real estate acquired for resale	--	7	--	12
Net income	1,101	1,253	2,104	2,345
Distributions paid to Class B, C and D shareholders	(2,711)	(2,914)	(5,416)	(5,820)
Net loss available to class A shareholders	\$ (1,610)	\$ (1,661)	\$ (3,312)	\$ (3,475)

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(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Reconciliation of Net Income before discontinued operations to Funds From Operations ("FFO"):				
Income before discontinued operations	\$ 1,101	\$ 974	\$ 2,100	\$ 2,092
Income from discontinued operations	--	279	4	253
Depreciation - from operations	1,961	2,425	3,900	4,589
Depreciation - from discontinued operations	10	6	14	16
Adjustments for non-consolidated affiliates	19	39	36	69
Gain on sale of real estate held for investment	--	(293)	--	(286)
Class B, C and D distributions	(2,711)	(2,914)	(5,416)	(5,820)
FFO available to Class A shares	\$ 380	\$ 516	\$ 638	\$ 913
Basic and Diluted Per Class A Share Data:				
Loss before discontinued operations	\$ (0.25)	\$ (0.30)	\$ (0.52)	\$ (0.59)
Income from discontinued operations	\$ 0.00	\$ 0.04	\$ 0.00	\$ 0.04
Net loss	\$ (0.25)	\$ (0.26)	\$ (0.52)	\$ (0.55)
FFO	\$ 0.06	\$ 0.08	\$ 0.10	\$ 0.14
Distributions per Class A share	\$ 0.12	\$ 0.12	\$ 0.24	\$ 0.24

Distributions per Class B, C and D share	\$	0.52	\$	0.52	\$	1.04	\$	1.04
--	----	------	----	------	----	------	----	------

Share Data:  
Weighted average Class A common shares used to compute net income per share, basic and diluted

	6,411,026	6,347,818	6,365,896	6,339,390
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#### Market Capitalization Table

Common Shares Outstanding (06/30/07)	Number of Shares	Price	Market Equity
Class A, net of treasury shares	6,424,565	\$ 8.75	56,214,944
Class B	1,038,871	\$ 8.75	9,090,121
Class C (priced at par value)	4,150,471	\$ 10.00	41,504,710
Class D (priced at par value)	11,060,390	\$ 10.00	110,603,900
Total	22,674,297		217,413,675

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#### Balance Sheet Highlights (in thousands)

	(Unaudited) June 30, 2007	December 31, 2006
Real estate investments before accumulated depreciation	\$282,356	\$274,534
Real estate held for investment, net	269,232	263,906
Net investment in direct financing leases	19,181	19,204
Real estate held for resale, net	1,763	--
Total assets	332,992	328,430
Notes payable	157,545	144,453
Total liabilities	167,120	158,243
Minority interest	1,162	1,137
Total shareholders' equity	164,710	169,050

#### Non-GAAP Financial Disclosure

This press release contains certain non-GAAP financial measures that management believes are useful in evaluating an equity REIT's performance. AmREIT's definitions and calculations of non-GAAP financial measures may differ from those used by other equity REITs, and therefore may not be comparable. The non-GAAP financial measures should not be considered as an alternative to net income as an indication of our operating results, or to net cash provided by operating activities as a measure of our liquidity.

AmREIT considers FFO to be an appropriate measure of the operating performance of an equity REIT. The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as net income computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains or losses from sales of property, plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. AmREIT calculates its FFO in accordance with this definition. Management considers FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions and excluding depreciation, FFO is a helpful tool that can assist in the comparison of the operating performance of a company's real estate between periods, or as compared to different companies. FFO is not defined by GAAP and should not be considered as an alternative to net income as an indication of our operating performance or to net cash provided by operating activities as a measure of our liquidity. FFO as disclosed by other REITs may

not be comparable to AmREIT's calculation.

Projected FFO is calculated in a method consistent with historical FFO, and AmREIT considers projected FFO to be an appropriate supplemental measure when compared with projected EPS. A reconciliation of the projected FFO to projected EPS per share is provided below:

	Projected 2007 Range		Historical 12/31/06
	High	Low	
Net (loss)/income available to Class A shareholders	(\$0.57)	(\$0.61)	\$ (0.62)
Depreciation and amortization	1.39	1.39	1.40
Adjustment for non-consolidated affiliates	-	-	0.02
Less gain on sale of real estate	(0.00)	(0.00)	(0.05)
	-----	-----	-----
FFO available to Class A shareholders	\$ 0.82	\$ 0.78	\$0.75

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Supplemental Financial Information  
June 30, 2007  
(Unaudited)

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This Supplemental Financial Information package contains historical information of the Company and is intended to supplement the Company's Quarterly Report on Form 10-Q for the three and six months ended June 30, 2007. All financial information in this Supplemental Financial Information package is shown in thousands, except for per share data and share information.

Certain information contained in this Supplemental Financial Information package includes certain forward-looking statements reflecting AmREIT's expectations in the near term that involve a number of risks and uncertainties; however, many factors may materially affect the actual results, including demand for our properties, changes in rental and occupancy rates, changes in property operating costs, interest rate fluctuations, and changes in local and general economic conditions. Accordingly, there is no assurance that AmREIT's expectations will be realized.

#### Corporate Profile:

AmREIT (AMEX: AMY) is a growing real estate company focused on the development, acquisition, construction, disposition, brokerage, leasing and management of shopping centers in major metropolitan markets throughout the Southwest and Southeast. The company deploys its broad range of real estate development and operating expertise to grow two distinct businesses within AmREIT. The first is a 1.1 million square foot portfolio of "Irreplaceable Corners TM" - Premier retail properties in high traffic, densely populated areas. The second is an advisory and sponsorship business that had a total of \$280 million in assets under management as of June 30, 2007. Founded in 1985, AmREIT is a fully integrated equity real estate investment trust that has been public since 2002.

Corporate Office:

8 Greenway Plaza, Suite 1000  
Houston, Texas 77046  
(800) 888-4400 (713) 850-0498 (fax) www.amreit.com

Stock Exchange:

American Stock Exchange - AMY

Consolidated Balance Sheets:

	June 30, 2007	December 31, 2006
	(unaudited)	
ASSETS		
Real estate investments at cost:		
Land	\$ 133,249	\$ 124,751
Buildings	139,378	140,487
Tenant improvements	9,729	9,296
	-----	-----
	282,356	274,534
Less accumulated depreciation and amortization	(13,124)	(10,628)
	-----	-----
	269,232	263,906
Real estate held for sale, net	1,763	--
Net investment in direct financing leases held for investment	19,181	19,204
Intangible lease cost, net	14,548	16,016
Investment in merchant development funds and other affiliates	3,253	2,651
	-----	-----
Net real estate investments	307,977	301,777
Cash and cash equivalents	4,356	3,415
Tenant receivables, net	3,974	4,330
Accounts receivable, net	1,447	1,772
Accounts receivable - related party	1,787	1,665
Notes receivable - related party	6,776	10,104
Deferred costs	2,303	2,045
Other assets	4,372	3,322
	-----	-----
TOTAL ASSETS	\$ 332,992	\$ 328,430
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Notes payable	\$ 157,545	\$ 144,453
Accounts payable and other liabilities	5,220	9,162
Security deposits	679	668
	-----	-----
TOTAL LIABILITIES	167,120	158,243
	-----	-----
Minority interest	1,162	1,137
Shareholders' equity:		
Preferred shares, \$.01 par value, 10,000,000 shares authorized, none issued	--	--
Class A Common shares, \$.01 par value, 50,000,000 shares authorized, 6,591,259 and 6,549,950 shares issued, respectively	66	65
Class B Common shares, \$.01 par value, 3,000,000 shares authorized, 1,038,871 and 1,080,180 shares issued, respectively	10	11
Class C Common shares, \$.01 par value, 4,400,000 shares authorized, 4,150,471 and 4,145,531 shares issued, respectively	42	41
Class D Common shares, \$.01 par value, 17,000,000 shares authorized, 11,060,390 and 11,039,803 shares issued, respectively	111	110
Capital in excess of par value	194,337	194,696
Accumulated distributions in excess of earnings	(28,643)	(23,749)
Cost of treasury shares, 166,694 and 292,238 Class A shares, respectively	(1,213)	(2,124)
	-----	-----
TOTAL SHAREHOLDERS' EQUITY	164,710	169,050
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 332,992	\$ 328,430
	=====	=====

Consolidated Statements of Operations:

Quarter ended June 30,	Year to date June 30,
-----	-----

	2007	2006	2007	2006
	-----	-----	-----	-----
Revenues:				
Rental income from operating leases	\$ 7,733	\$ 7,487	\$ 14,815	\$ 13,460
Earned income from direct financing leases	508	508	1,015	1,015
Real estate fee income	160	--	854	751
Real estate fee income - related party	349	910	1,062	1,677
Construction revenues	695	319	792	940
Construction revenues - related party	219	2,623	1,095	3,796
Securities commission income - related party	1,484	1,227	2,477	2,618
Asset management fee income - related party	312	186	596	344
	-----	-----	-----	-----
Total revenues	11,460	13,260	22,706	24,601
	-----	-----	-----	-----
Expenses:				
General and administrative	1,911	2,254	4,120	4,136
Property expense	2,037	2,162	3,767	3,184
Construction costs	868	2,609	1,729	4,284
Legal and professional	479	288	774	597
Real estate commissions	26	--	447	540
Securities commissions	1,245	1,089	2,074	2,346
Depreciation and amortization	1,958	2,391	3,898	4,573
	-----	-----	-----	-----
Total expenses	8,524	10,793	16,809	19,660
	-----	-----	-----	-----
Operating income	2,936	2,467	5,897	4,941
Other income (expense):				
Interest and other income - related party	256	232	500	467
(Loss) income from merchant development funds and other affiliates	(15)	208	(27)	306
Federal income tax benefit for taxable REIT subsidiary	302	184	501	269
Interest expense	(2,351)	(2,090)	(4,708)	(3,833)
Minority interest in income of consolidated joint ventures	(27)	(27)	(63)	(58)
	-----	-----	-----	-----
Income before discontinued operations	1,101	974	2,100	2,092
Income from discontinued operations, net of taxes	--	272	4	241
Gain on sales of real estate acquired for resale, net of taxes	--	7	--	12
	-----	-----	-----	-----
Income from discontinued operations	--	279	4	253
	-----	-----	-----	-----
Net income	1,101	1,253	2,104	2,345
Distributions paid to class B, C and D shareholders	(2,711)	(2,914)	(5,416)	(5,820)
	-----	-----	-----	-----
Net loss available to class A shareholders	\$ (1,610)	\$ (1,661)	\$ (3,312)	\$ (3,475)
	=====	=====	=====	=====
Net loss per class A common share - basic and diluted				
Loss before discontinued operations	\$ (0.25)	\$ (0.31)	\$ (0.52)	\$ (0.59)
Income from discontinued operations	--	0.04	--	0.04
	-----	-----	-----	-----
Net loss	\$ (0.25)	\$ (0.26)	\$ (0.52)	\$ (0.54)
	=====	=====	=====	=====
Weighted average class A common shares used to compute net loss per share, basic and diluted	6,411	6,348	6,366	6,339
	=====	=====	=====	=====

## Segmented Statements of Operations:

For the three months ended June 30, 2007	Asset Advisory				
	Portfolio	Real Estate Operations	Securities	Merchant Development Funds	Total
	-----	-----	-----	-----	-----
Rental income	\$ 8,241	\$ --	\$ --	\$ --	\$ 8,241
Securities commission income	--	--	1,484	--	1,484
Real estate fee income	--	509	--	--	509
Construction revenues	--	914	--	--	914
Asset management fee income	--	--	--	312	312
	-----	-----	-----	-----	-----
Total revenue	8,241	1,423	1,484	312	11,460
General and administrative	283	1,236	366	26	1,911
Property expense	2,001	36	--	--	2,037
Construction costs	--	868	--	--	868
Legal and professional	346	83	50	--	479
Real estate commissions	--	26	--	--	26
Securities commissions	--	--	1,245	--	1,245
Depreciation and amortization	1,958	--	--	--	1,958
	-----	-----	-----	-----	-----
Total expenses	4,588	2,249	1,661	26	8,524
Interest expense	(2,203)	(139)	(9)	--	(2,351)
Other income/ (expense)	63	473	(17)	(3)	516
Income from discontinued operations	(5)	5	--	--	--
	-----	-----	-----	-----	-----
Net income (loss)	\$ 1,508	\$ (487)	\$ (203)	\$ 283	\$ 1,101
	-----	-----	-----	-----	-----

For the three months ended June 30, 2006	Asset Advisory				
	Portfolio	Real Estate Operations	Securities	Merchant Development Funds	Total
Rental income	\$ 7,995	\$ --	\$ --	\$ --	\$ 7,995
Securities commission income	--	--	1,227	--	1,227
Real estate fee income	--	910	--	--	910
Construction revenues	--	2,942	--	--	2,942
Asset management fee income	--	--	--	186	186
Total revenue	7,995	3,852	1,227	186	13,260
General and administrative	215	1,365	612	62	2,254
Property expense	2,141	21	--	--	2,162
Construction costs	--	2,609	--	--	2,609
Legal and professional	235	39	14	--	288
Real estate commissions	--	--	--	--	--
Securities commissions	--	--	1,089	--	1,089
Depreciation and amortization	2,391	--	--	--	2,391
Total expenses	4,982	4,034	1,715	62	10,793
Interest expense	(1,815)	(250)	(25)	--	(2,090)
Other income/ (expense)	198	89	145	165	597
Income from discontinued operations	299	(20)	--	--	279
Net income (loss)	\$ 1,695	\$ (363)	\$ (368)	\$ 289	\$ 1,253

For the six months ended June 30, 2007	Asset Advisory				
	Portfolio	Real Estate Operations	Securities	Merchant Development Funds	Total
Rental income	\$ 15,830	\$ --	\$ --	\$ --	\$ 15,830
Securities commission income	--	--	2,477	--	2,477
Real estate fee income	--	1,916	--	--	1,916
Construction revenues	--	1,887	--	--	1,887
Asset management fee income	--	--	--	596	596
Total revenue	15,830	3,803	2,477	596	22,706
General and administrative	710	2,467	851	92	4,120
Property expense	3,694	73	--	--	3,767
Construction costs	--	1,729	--	--	1,729
Legal and professional	582	130	62	--	774
Real estate commissions	--	447	--	--	447
Securities commissions	--	--	2,074	--	2,074
Depreciation and amortization	3,898	--	--	--	3,898
Total expenses	8,884	4,846	2,987	92	16,809
Interest expense	(4,433)	(264)	(11)	--	(4,708)
Other income/ (expense)	286	630	96	(101)	911
Income from discontinued operations	(5)	9	--	--	4
Net income (loss)	\$ 2,794	\$ (668)	\$ (425)	\$ 403	\$ 2,104

For the six months ended June 30, 2006	Asset Advisory				
	Portfolio	Real Estate Operations	Securities	Merchant Development Funds	Total
Rental income	\$ 14,475	\$ --	\$ --	\$ --	\$ 14,475
Securities commission income	--	--	2,618	--	2,618
Real estate fee income	--	2,428	--	--	2,428

Construction revenues	--	4,736	--	--	4,736
Asset management fee income	--	--	--	344	344
Total revenue	14,475	7,164	2,618	344	24,601
General and administrative	588	2,366	1,102	80	4,136
Property expense	3,147	37	--	--	3,184
Construction costs	--	4,284	--	--	4,284
Legal and professional	478	95	24	--	597
Real estate commissions	--	540	--	--	540
Securities commissions	--	--	2,346	--	2,346
Depreciation and amortization	4,573	--	--	--	4,573
Total expenses	8,786	7,322	3,472	80	19,660
Interest expense	(3,558)	(250)	(25)	--	(3,833)
Other income/ (expense)	508	152	137	187	984
Income from discontinued operations	273	(20)	--	--	253
Net income (loss)	\$ 2,912	\$ (276)	\$ (742)	\$ 451	\$ 2,345

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### AmREIT Summary of Operating Results

	Three Months Ended June 30,		Six Months Ended June 30,	
Funds From Operations:	2007	2006	2007	2006
Income - before discontinued operations	\$ 1,101	\$ 974	\$ 2,100	\$ 2,092
Income - from discontinued operations	--	279	4	253
Plus depreciation of real estate assets - from operations	1,961	2,425	3,900	4,589
Plus depreciation of real estate assets - from discontinued operations	10	6	14	16
Adjustments for nonconsolidated affiliates	19	39	36	69
Less gain on sale of real estate acquired for investment	--	(293)	--	(286)
Less class B, C & D distributions	(2,711)	(2,914)	(5,416)	(5,820)
Total Funds From Operations available to class A shareholders	\$ 380	\$ 516	\$ 638	\$ 913
Weighted Average Class A Shares Outstanding	6,411	6,348	6,366	6,733
Funds from Operations per Class A Share	\$ 0.06	\$ 0.08	\$ 0.10	\$ 0.14
Dividends:				
Class A Common share dividends per share	\$ 0.12	\$ 0.12	\$ 0.24	\$ 0.24
Class B Common share dividends per share (1)	\$ 0.19	\$ 0.19	\$ 0.38	\$ 0.38
Class C Common share dividends per share (2)	\$ 0.17	\$ 0.17	\$ 0.34	\$ 0.34
Class D Common share dividends per share (3)	\$ 0.16	\$ 0.16	\$ 0.32	\$ 0.32

- (1) The class B common shares receive a cumulative preferred dividend, fixed at 8%, payable quarterly. The shares are currently convertible on a one-for-one basis into our class A common shares, and are callable by the Company on a one for one basis, or \$10.18 in cash at the holders option.
- (2) The class C common shares receive a preferred dividend, fixed at 7%, payable monthly. The shares are convertible into our class A common shares based on 110% of invested capital (i.e. \$1,000 in class C common shares will convert into \$1,100 in class A common shares) after the seventh anniversary of issuance (beginning in 2010). We have the right to force conversion of the class C common shares into Class A common shares on a one-for-one basis or to redeem the shares at a cash redemption price of \$11.00 per share at the holder's option.
- (3) The class D common shares receive a fixed 6.5% annual dividend, payable monthly. The shares are convertible into our class A common shares based on 107.7% of invested capital (i.e. \$1,000 in class C common shares will convert into \$1,077 in class A common shares) after the seventh anniversary of issuance (beginning in 2011). The class D common shares became callable by the Company beginning in July 2005, based on the same conversion formula, prorated for the time the shares were outstanding

(107.7% of invested capital).

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Rental and Earned Income:				
Base minimum rent	\$ 5,397	\$ 5,439	\$ 10,631	\$ 9,685
Earned income from direct financing leases	508	508	1,015	1,015
Straight line rent	163	91	310	115
Over/Under market rent	50	33	81	35
Percentage rent	38	38	25	174
Tenant reimbursements	1,932	1,886	3,615	2,850
Lease termination fees	153	--	153	601
Total Rental and Earned Income	\$ 8,241	\$ 7,995	\$ 15,830	\$ 14,475

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Real Estate Operating Revenue:				
Development and construction management fees				
Merchant development funds and affiliates	\$ 45	\$ 112	\$ 453	\$ 276
Unrelated third parties	92	--	158	--
Leasing and brokerage commissions				
Merchant development funds and affiliates	95	718	193	1,219
Unrelated third parties	68	--	696	751
Property management fees				
Merchant development funds and affiliates	209	80	416	182
Unrelated third parties	--	--	--	--
Total Real Estate Operating Revenue	\$ 509	\$ 910	\$ 1,916	\$ 2,428
Percent attributable to merchant development funds and affiliates	69%	100%	55%	69%
Percent attributable to unrelated third parties	31%	0%	45%	31%

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Discontinued Operations:	Quarter		YTD	
	2007	2006	2007	2006
Rental revenue and earned income from DFL	\$ 44	\$ 24	\$ 68	\$ 52
Gain on sale of real estate held for investment	--	293	--	286
Gain on sale of real estate held for resale	--	7	--	12
Total revenues	44	324	68	350
Property expense	(7)	(112)	--	(114)
Other general and administrative	(6)	16	(6)	1
Federal income tax expense	(2)	15	(4)	13
Legal and professional	(3)	(2)	(5)	(13)
Depreciation and amortization	(11)	(6)	(14)	(16)
Minority interest	(6)	44	(12)	39
Interest expense	(9)	--	(23)	(7)
Total expenses	(44)	(45)	(64)	(97)
Income (loss) from discontinued operations	--	279	4	253
Basic and diluted income from discontinued operations per class A common share	\$ --	\$ 0.04	\$ --	\$ 0.04

	Three Months Ended June 30,		Six Months Ended June 30,	
Interest Expense:	2007	2006	2007	2006
Interest paid - floating rate	\$ 72	\$ 249	\$ 429	\$ 287
Interest paid - fixed rate	2,267	1,838	4,258	3,542
Loan cost amortization	71	61	138	119
Out-of-market debt amortization	(59)	(58)	(117)	(115)
Total Interest Expense	\$ 2,351	\$ 2,090	\$ 4,708	\$ 3,833

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AmREIT  
Summary Balance Sheet Information

	June 30, 2007	December 31, 2006
Class A Common Share Data:		
Closing market price	\$ 8.75	\$ 8.33
Dividend yield	5.71%	6.00%
90-day average trading volume	12,719	16,474
Total Capitalization:		
Debt	\$ 157,545	\$ 144,453
Class A common shares at market	56,215	52,127
Class B common shares as converted	9,090	8,998
Class C common shares as converted	45,655	45,601
Class D common shares as converted	119,120	118,899
Total Capitalization	\$ 387,626	\$ 370,078
Debt to Total Capitalization	40.6%	39.0%

Portfolio Net Asset Value:		
Annual Property NOI	\$ 24,060	~
Average Property Cap Rate (1)	6.25%	6.65%
Property Gross Value	384,960	361,804
Notes Receivable	6,776	6,776
Cash, Receivables, Other	20,410	20,410
Total Asset Value	412,146	388,990
Notes Payable	(153,479)	(153,479)
Security Deposits & A/P	(5,899)	(5,899)
Total Liabilities	(159,378)	(159,378)
Minority Interest (2)	(2,992)	(2,992)
Total Net Asset Value (NAV)	249,776	226,620
NAV - Non Traded Shares (3)	170,497	170,497
NAV - class A common shares (3)	79,279	56,123
NAV - Per Class A common (3)	\$ 12.34	\$ 8.74

(1) We have widened the upper end of our Average Property Cap Rate range from 6.50% to 6.65% as a result of the current volatile market conditions.  
(2) Includes the portion of the net asset value that is owned by third parties or management, such as management's ownership interest in AAA CTL.  
(3) NAV and NAV per share represent only the portfolio value and other liquid assets. We have not valued the asset advisory business or any of our general partner back end interests in the above analysis.

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AmREIT  
Debt Information

Description	Amount Outstanding 06-30-2007	Amount Outstanding 12-31-2006	Interest Rate	Annual Debt Service	Maturity Date
Credit Facility (1)	\$ 5,856	\$ 11,929	7.19%	\$ 421	11/4/2007
2007 Maturities	\$ 5,856	\$ 11,929			
MacArthur Park	\$ 13,410	\$ 13,410	6.17%	\$ 827	12/1/2008
2008 Maturities	\$ 13,410	\$ 13,410			
Sugarland IHOP	\$ 1,133	\$ 1,155	8.25%	\$ 138	3/1/2011
Sugar Land Plaza	2,272	2,286	7.60%	203	11/1/2011
2011 Maturities	\$ 3,405	\$ 3,441			
Albuquerque IHOP	\$ 659	\$ 670	7.82%	\$ 75	4/24/2012
Baton Rouge IHOP	1,088	1,107	7.82%	124	4/24/2012
Beaverton IHOP	772	785	7.82%	88	4/16/2012
Charlottesville IHOP	548	558	7.82%	62	4/24/2012
El Paso #1934 IHOP	662	673	7.82%	75	4/16/2012
Rochester IHOP	828	842	7.82%	94	4/16/2012
Shawnee IHOP	653	665	7.82%	74	4/18/2012
5115 Buffalo Spdwy	2,715	2,731	7.58%	241	5/11/2012
Salem IHOP	542	551	7.82%	61	5/17/2012
Springfield IHOP	899	915	7.82%	102	6/21/2012
Roanoke IHOP	624	635	7.89%	71	7/26/2012
Centerville IHOP	1,091	1,110	7.89%	124	7/26/2012
Memphis #4462 IHOP	1,180	1,199	7.89%	134	7/19/2012
Alexandria IHOP	630	640	7.89%	71	7/19/2012
El Paso #1938 IHOP	788	802	7.89%	89	8/23/2012
La Verne IHOP	657	668	7.89%	74	8/23/2012
Memphis #4482 IHOP	685	696	7.89%	77	8/23/2012
Parker IHOP	737	749	7.89%	83	8/23/2012
2012 Maturities	\$ 15,758	\$ 15,996			
Cinco Ranch	\$ 8,229	\$ 8,298	5.60%	\$ 601	7/10/2013
Plaza in the Park	17,392	17,538	5.60%	1,270	7/10/2013
2013 Maturities	\$ 25,621	\$ 25,836			

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Description	Amount Outstanding 06-30-2007	Amount Outstanding 12-31-2006	Interest Rate	Annual Debt Service	Maturity Date
Uptown Park	\$ 49,000	\$ 49,000	5.37%	\$ 2,631	6/1/2015



2015 Maturities	\$ 49,000	\$ 49,000			
Southbank - Riverwalk	\$ 20,000	\$ --	5.91%	\$ 1,182	6/1/2016
2016 Maturities	\$ 20,000	\$ --			
Bakery Square	\$ 3,838	\$ 3,967	8.00%	\$ 571	2/10/2017
Uptown Plaza Dallas	\$ 19,900	\$ --	5.64%	\$ 783	4/1/2017
2017 Maturities	\$ 23,738	\$ 3,967			
Total Maturities (2)	\$ 156,788	\$ 143,579			

(1) Our revolving credit facility is a variable-rate debt instrument, and its outstanding balance fluctuates throughout the year based on our liquidity needs. Annual Debt Service on this debt instrument assumes that the amount outstanding and the interest rate as of June 30, 2007 remain constant through maturity.

(2) Total maturities above are \$757 thousand and \$874 thousand less than total debt as reported in our consolidated financial statements as of June 30, 2007 and December 31, 2006, respectively, due to the premium recorded on above-market debt assumed in conjunction with certain of our property acquisitions.

#### Fixed vs. Variable Rate Debt:

	June 30, 2007	% of Total	December 31, 2006	% of Total
Variable rate	\$ 5,856	3.7%	\$ 11,929	8.3%
Fixed rate	151,689	96.3%	132,524	91.7%
	\$ 157,545	100.0%	\$ 144,453	100.0%

#### AmREIT Property & Tenant Information

Multi-Tenant Shopping Centers	Major Tenants	City
Uptown Park - Phase I and II	Ann Taylor, McCormick & Schmick's	Houston
Southbank - Riverwalk	Hard Rock Cafe	San Antonio
MacArthur Park and Pad Sites	Kroger	Irving
Plaza in the Park	Kroger	Houston
Cinco Ranch	Kroger	Houston
Bakery Square	Walgreens & Bank of America	Houston
Uptown Plaza	CVS/pharmacy	Houston
Woodlands Plaza	FedEx/Kinkos & Rug Gallery	The Woodlands
Sugarland Plaza	Mattress Giant	Sugarland
Terrace Shops	Starbucks	Houston
584 N. Germantown Pkwy (Baptist Memorial Medical Plaza)	Auto Zone & Baptist Memorial	Memphis
Courtyard on Post Oak	Verizon Wireless	Houston
Uptown Plaza - Dallas	Grotto, Century Bank, Pei Wei	Dallas
Multi-Tenant Shopping Centers Total		

Multi-Tenant Shopping Centers	State	Date Acquired	GLA	Annualized Based Rent as of June 30, 2007	% Leased
-------------------------------	-------	------------------	-----	--	-------------

Uptown Park - Phase I and II	TX	6/1/2005	169,110	\$4,946,926	98%
Southbank - Riverwalk	TX	9/30/2005	46,673	1,511,552	100%
MacArthur Park and Pad Sites	TX	12/04 & 12/05	237,381	3,827,651	95%
Plaza in the Park	TX	7/1/2004	144,062	2,596,122	98%
Cinco Ranch	TX	7/1/2004	97,297	1,228,515	99%
Bakery Square	TX	7/21/2004	34,614	852,138	100%
Uptown Plaza	TX	12/10/2003	28,000	1,236,646	100%
Woodlands Plaza	TX	6/3/1998	20,018	373,317	100%
Sugarland Plaza	TX	7/1/1998	16,750	349,612	100%
Terrace Shops	TX	12/15/2003	16,395	440,628	100%
584 N. Germantown Pkwy (Baptist Memorial Medical Plaza)	TN	7/23/2002	15,000	194,026	75%
Courtyard on Post Oak	TX	6/15/2004	13,597	477,361	100%
Uptown Plaza - Dallas	TX	3/30/2006	33,840	1,619,902	100%
			-----		
Multi-Tenant Shopping Centers Total			872,737	19,654,396	

Single Tenant (Ground Leases)	City	State	Date Acquired	GLA	Annualized Base Rent as of June 30, 2007	% Leased
-----						
CVS Corporation	Houston	TX	1/10/2003	13,824	\$ 327,167	100%
Darden Restaurants	Peachtree City	GA	12/18/1998	6,867	79,366	100%
Carlson Restaurants	Hanover	MD	9/16/2003	6,802	141,674	100%
Citibank	San Antonio	TX	12/17/2004	4,439	159,979	100%
Washington Mutual	Houston	TX	12/11/1996	3,685	98,155	100%
Washington Mutual	The Woodlands	TX	9/23/1996	3,685	63,996	100%
Woodlands Ring Road - Ground Leases	The Woodlands	TX	2/1/2007	66,349	667,341	100%
			-----			
Single Tenant (Ground Leases) Total				105,651	1,537,678	

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Single Tenant (Fee Simple)	City	State	Date Acquired	GLA	Annualized Base Rent as of June 30, 2007	% Leased
-----						
Golden Corral	Houston	TX	7/23/2002	12,000	182,994	100%
Golden Corral	Humble	TX	7/23/2002	12,000	181,688	100%
Carlson Restaurants	Houston	TX	7/23/2005	8,500	200,000	100%
#1483 IHOP Corporation	Sugarland	TX	9/22/1999	4,020	189,660	100%
#1737 IHOP Corporation (5)	Centerville	UT	7/25/2002	4,020	163,380	100%
#4462 IHOP Corporation (5)	Memphis	TN	8/23/2002	4,020	179,376	100%
#5318 IHOP Corporation	Topeka	KS	9/30/1999	4,020	158,892	100%
AFC, Inc.	Atlanta	GA	7/23/2002	2,583	119,279	100%
Sunbelt Rental (1)	Champaign	IL	5/23/2007	--	Note (1)	Note (1)
Advance Auto (1) (2) (3) (4)	Various	Various	Various	14,000	Note (1)	Note (1)
			-----			
Single Tenant (Fee Simple) Total				65,163	1,375,269	

Single Tenant (Leasehold)	City	State	Date Acquired	GLA	Annualized Base Rent as of June 30, 2007	% Leased
-----						
IHOP Corporation (5)	Various	Various	Various	60,300	\$ 1,555,800	100%
			-----			
Company Total GLA % Leased			1,103,851	\$ 24,123,143	98%	

- (1) Under Development (GLA represents proposed leaseable square footage).
- (2) Held for Sale
- (3) Held in joint venture of which we are the managing 50% owner.
- (4) Advance Auto properties are located in MO and IL. Each of the properties has a proposed GLA of 7,000 square feet.

- (5) IHOP properties are located in NM, LA, OR, VA, TX, CA, TN, CO, VA, NY, OR, KS, UT and MO. Each of the properties has a GLA of 4,020 square feet. These properties are held by a consolidated subsidiary, 79.0% of which is owned by AmREIT, 19.6% of which is owned by AmREIT Income & Growth Fund, one of our affiliated merchant development funds, and 1.4% of which is owned by unaffiliated third parties. We have assigned to management approximately 50% of our back-end participation interest in this entity as part of our long-term incentive compensation program. Accordingly, approximately half of the future net cash flows from such participation interest are owned by management

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Top Tenants by revenue concentration for the six months ended June 30, 2007:

Tenant	Rental Income	% of Total Operating Revenue
Kroger	\$ 1,696	7.47%
IHOP Corporation	1,124	4.95%
CVS/Pharmacy	562	2.48%
Landry's	524	2.31%
Linens 'N Things	437	1.92%
Hard Rock Cafe International	340	1.50%
Cosniac Restaurant Group	296	1.30%
Champps Entertainment, Inc.	277	1.22%
Barnes & Noble	267	1.18%
Starbucks	250	1.10%
Total	\$ 5,773	25.42%

Leasing Activity for the quarter ended June 30, 2007:

	# of leases	Total sq. ft.	Rent per sq. ft.		% Change
			New Rent	Old Rent	
New leases	6	12,035	\$ 33.23	N/A	N/A
Activity on Existing Leases:					
Lease renewals	5	19,928	\$ 22.70	\$ 20.19	12.43%
Non-renewals	0	--	N/A	--	N/A
Expired/Cancelled leases	1	1,633	N/A	\$ 30.00	N/A

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Lease Expirations by Year:

Expiration Year	Number of Leases Expiring	Square Footage	Percent Of Total
2007	6	7,865	0.63%
2008	22	67,553	5.44%
2009	34	94,717	7.63%
2010	33	130,074	24.55%
2011	51	191,675	15.44%
2012	17	59,118	4.76%
2013	8	34,363	2.77%
2014	7	27,220	2.19%
2015	2	7,251	0.58%
2016	11	53,168	4.28%
2017	6	45,873	3.70%
2019	1	4,020	0.32%
2020	4	75,991	6.12%
2021	3	89,676	7.22%
2022	1	4,020	0.32%

2023	1	63,373	5.11%
2024	3	21,864	1.76%
2025	7	45,597	3.67%
2026	4	16,080	1.30%
2027	3	12,060	0.97%
2056	1	15,120	1.22%
<hr/>			
Totals	225	1,066,678	100.00%