

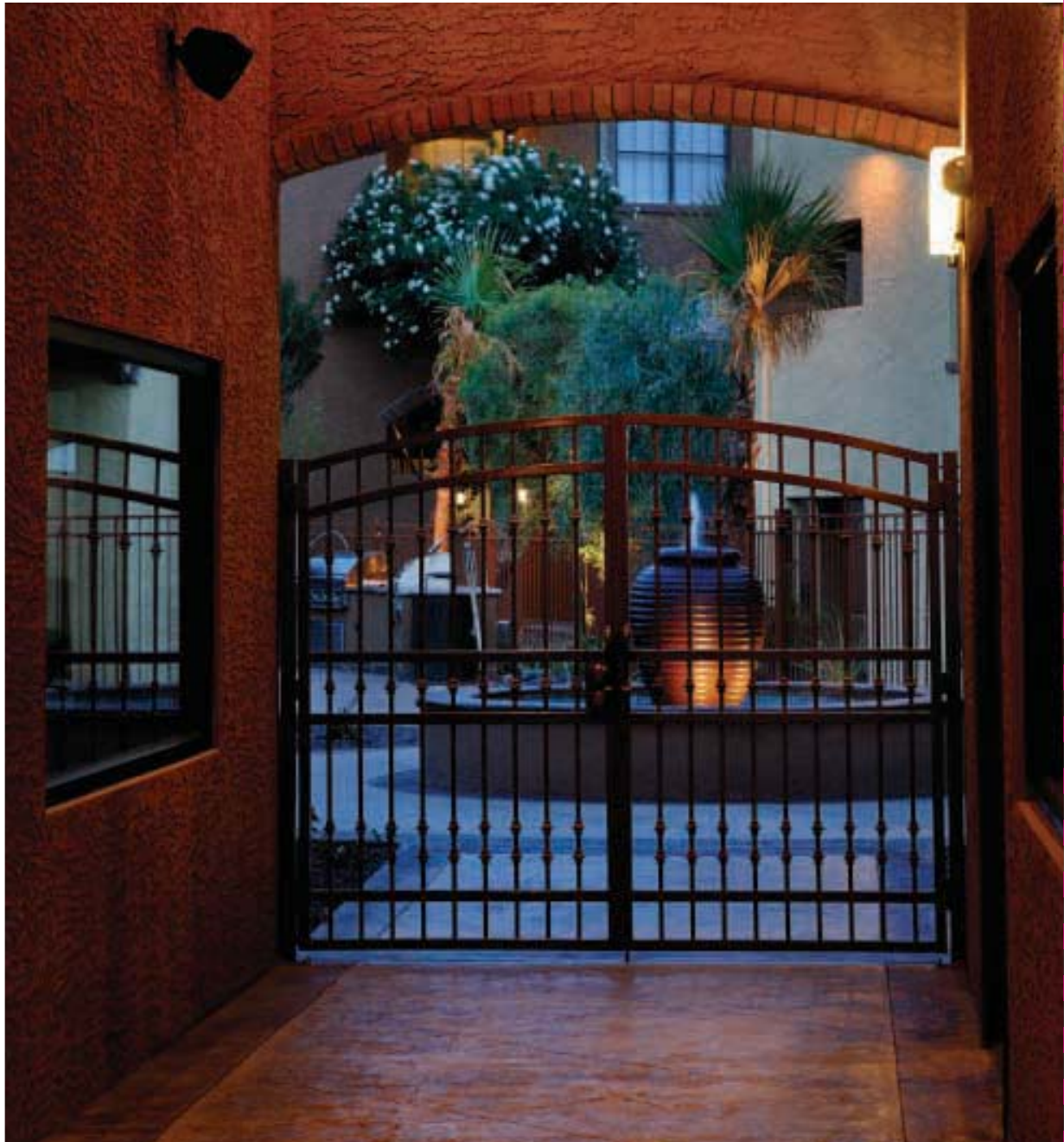


CREATING VALUE

AIMCO 2007 ANNUAL REPORT

Apartment Investment and Management Company

Aimco is a real estate investment trust headquartered in Denver, Colorado that owns and operates a geographically diversified portfolio of apartment communities through 19 regional operating centers. Aimco, through its subsidiaries and affiliates, is the largest owner and operator of apartment communities in the United States with 1,169 properties, including 203,040 apartment units, and serves approximately 750,000 residents each year. Aimco's properties are located in 46 states, the District of Columbia and Puerto Rico. Aimco common shares are traded on the New York Stock Exchange under the ticker symbol AIV and are included in the S&P 500.



CREATING VALUE



Chairman and CEO Terry Considine, center, and Aimco's senior leadership team.

Creating value – for our shareholders, for our residents, and for our team members – is at the heart of Aimco's mission. For our shareholders, we strive to attain this standard by achieving a prudent balance between maximizing strategic, short-term opportunities and charting a course for long-term growth. For our residents, we work each day to deliver operational excellence by

providing quality apartment homes managed by a team dedicated to superior service. For our team members, Aimco promotes a collaborative, performance-driven environment, recruiting and retaining men and women whose talents help our company innovate, execute and excel. Building on a solid foundation of progress, Aimco is positioned to create value in the years ahead.

To consistently provide quality apartment homes in a respectful environment delivered by a team of people who care

— Aimco's Mission

DEAR FELLOW SHAREHOLDERS,

I have looked forward to writing you about our mutual enterprise. I have much good news and a few serious concerns.

The good news is that the Aimco business is flourishing. The many metrics on which we rely show increased customer satisfaction. Other measures show the increased engagement and satisfaction of the Aimco team. Our properties are in good shape, in part because during the past year we have invested a total of approximately \$550 million in capital to upgrade them.

Our balance sheet is in good shape with more than \$675 million of 'dry powder' in cash and available credit at year end.

These improvements translated into improved financial results in 2007 and support the 5% dividend increase implicit in the special dividend paid in January. We begin 2008 with high occupancies and good prospects as tighter home lending standards shift residential demand away from home ownership and towards apartment and other rental housing.

My most serious concerns are two: the prospects for the national economy and the disparity between the Aimco share price and the private value of Aimco assets.

Economic growth has slowed due to past homebuilding excesses and also due to the credit abuses grouped together as the "sub-prime" problem. If a recession results, apartment demand will be affected: during the last recession in 2001-03, apartment incomes declined by 11.5%. We are preparing for such a contingency by emphasizing occupancy levels and cost controls at our properties ... and by guarding corporate liquidity. The 38% decline in the Aimco share price during 2007 is also worrisome ...

as well as painful to all Aimco investors including me and my family. Some pundits interpret the volatility and decline in REIT prices as the harbinger of recession. Their view reinforces my concerns for the economy. Others foresee a re-pricing of investment real estate as an asset "bubble" deflates. I agree in part: it's why Aimco has been a net seller of properties for the past few years. All said, the disparity between today's share price and today's Aimco asset values seems too large. For this reason, Aimco has been a steady buyer of its own shares – 15% of its total outstanding stock over the past 24 months. We expect to buy more during 2008 and I, paid entirely in Aimco equity and with a substantial percent of my family wealth invested in Aimco shares, am delighted with the prospect of "eating my own cooking."

I am delighted too by the men and women with whom I work each day. Jeff Adler, our Chief Property Operations Officer, has built a systematic and data driven property management system with increasing effectiveness and reliability. For the past few years, Jeff and his senior colleagues, Tony D'Alto, Mike Karsner, Jeff Kimes, Peter Kompaniez, Tom Seeger, and Rob Walker have led the Aimco team to sustained out performance of their local markets.

"We begin 2008 with high occupancies and good prospects"



The Palazzo, Los Angeles, CA, one of three communities included in Aimco's joint venture with IP Morgan.

Aimco's 2007 redevelopment production is equivalent to building 16, 300-unit communities



Scottsdale Gateway, Tempe, AZ

Near year end, Jeff Adler promoted Tony D'Alto to head the tactical execution of property operations so that Jeff could focus more on such strategic matters as consumer research, market segmentation and rent premiums.

Over the past two and a half years, Tim Beaudin, our Chief Development Officer, has recruited a cadre of development talent and built a redevelopment program that is highly accretive and at a scale comparable to the largest multifamily developers in America. Key lieutenants such as John Bezzant, Chris Bishop, Andy Cretal, Gary Holt, Tony Ianuale, Dan Matula, Paul Springthorpe and Betsy Weingarten have brought energy and discipline to the task of renovating annually properties worth more than one billion dollars.

Miles Cortez, after a brilliant record as General Counsel, has been promoted to Chief Administrative Officer where he and I work together to make our enterprise more efficient and effective. It is to Miles's credit that we were able to fill his position from within by promoting Lisa Cohn, a first rate legal talent and possessed of solid judgment and great personal skills. She is management's face to the Board and will be a good leader of our legal team.

Tom Herzog, our Chief Financial Officer, has been a transformational force due to his unrelenting efforts to improve Aimco efficiency, especially in the allocation of precious capital. His team, led by Patti Fielding, Treasurer and head of Capital Markets, Scott Fordham, Chief Accounting Officer, and Ernie Freedman, a mid-year recruit to head Financial Planning and Analysis, have provided both abundant financial resources notwithstanding the turbulent financial markets and also a most welcome clarity to Aimco planning and decision making.

Jim Purvis, head of Human Resources, has built a team over the past few years that has recruited talent, built a bench for succession at key positions, provided training, and engaged the Aimco team. Thank you, Jim!

During the past few years, David Robertson, with Harry Alcock and Lance Graber as key lieutenants, has led a team of senior leaders in an ongoing review of our investment strategy. Craig Zeutzus has focused on market selection considering local economic,

demographic and regulatory factors, as well as market cycles for investment pricing and returns. Based on his work, we have made decisions about where to focus and where to exit investments to enhance portfolio performance. Tom Herzog has focused on improving our understanding of expected risk adjusted returns from our several investment segments: core properties; redevelopment; and tax credit assisted redevelopment. He also has emphasized the importance of correct allocation of our substantial capital spending.

Boulder Creek, Boulder, CO



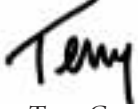
David himself has focused on the relative merits of different funding strategies. For example, he is leading an expansion of our asset management businesses as can be seen in our joint venture with JP Morgan to hold three Los Angeles properties.

Of course, there are many other important contributors to Aimco's success whom I would thank by name if space permitted. I am proud to be their teammate.

I am grateful too to my colleagues on the Aimco Board of Directors: lead director Lanny Martin, along with Jim Bailey, Dick Ellwood, Tom Keltner, Bob Miller, Dusty Rhodes and Mike Stein. They are men of judgment, personal integrity, and business success. Each is independent of management and each serves on all board committees. They know our business well and are paid largely in Aimco equity. Their advice, enthusiasm and friendship are much appreciated.

Our Annual Meeting will be April 28. I look forward to seeing you there.

Sincerely,



Terry Considine
Chairman/CEO

Royal Crest
Estates,
Nashua, NH

Greenspoint, Phoenix, AZ



EXCEPTIONAL OPERATIONS AND SERVICE

The success of our company lies in the strength of our operations and our ability to meet the needs of our residents. In 2007, Aimco implemented several initiatives to improve operational excellence and enhance customer service. By integrating affordable and conventional property operations, Aimco has capitalized on the expertise and experience of both teams and strives to exceed the expectations of our residents.

Aimco has expanded its Customer Contact Center to improve responsiveness to potential residents. Whether they're searching for an apartment at noon or at midnight, our representatives are at-the-ready to help callers find the perfect apartment home, schedule appointments or lease on line. In 2007, the Contact Center team fielded more than one million leasing inquiries through 850,000 inbound phone calls and more than 163,000 web-based requests.



To improve the customer experience, Aimco teamed with the Disney Institute in 2007. Through this relationship with Disney, known for its delivery of superb customer experiences, we designed a resident-focused training program known as Moments that Matter, a moniker that defines the importance and effect of every customer interaction. These new approaches are emphasized in the Aimco philosophy and culture.

One of the best ways to create and maintain a positive experience for residents is through consistent delivery of operational excellence.



At each community, whether home to business executives, young working professionals or senior citizens, the quality of our day-to-day service is Aimco's top priority. During 2007, the apartment management industry recognized Aimco's operational excellence with numerous awards; for example, Aimco was awarded the 2007 Communities of Quality Program Award given by the National Affordable Housing



Management Association (NAHMA). This top national honor was awarded to Aimco in recognition of having the most properties distinguished as a "Community of Quality." More than 60 Aimco communities were designated a "Community of Quality" based on high marks for exceptional operations and outstanding customer service.



ENHANCING THE VALUE OF OUR PORTFOLIO

Aimco creates value by operating a geographically diversified portfolio, acquiring new properties with high land values and improving our investment properties through operational excellence, new entitlements and redevelopment. We evaluate and select markets based on local economic factors such as job growth, population trends and expected incremental returns on our capital investments. In 2007, Aimco invested \$455 million in acquisitions and another \$42.8 million in purchases of limited partnership interests. Aimco's joint venture agreement with JP Morgan for the Palazzo properties in Los Angeles reflects Aimco's strategic objectives of attracting investment capital from blue chip partners, and rebalancing geographic allocation of Aimco capital while maintaining operational scale in key target markets.

Aimco Capital President and CEO David Robertson, right, with Executive Vice President Harry Alcock, left, and Executive Vice President Lance Graber, center.



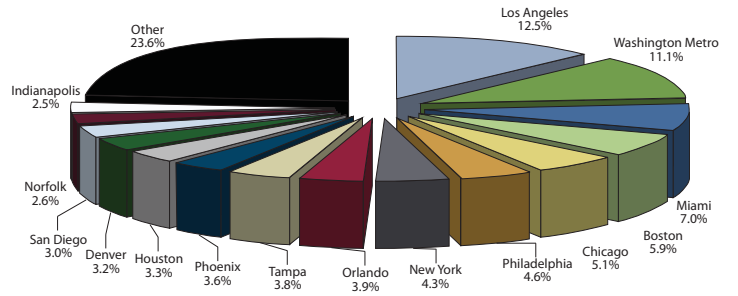
In 2007, Aimco's asset management and transactions income grew by more than 40 percent



The Glen at Forestlake, Daytona Beach, FL



Conventional Portfolio Gross Asset Value



Aimco's 2007 acquisitions included the Adam Clayton Powell property in New York City.

\$455 million in new acquisitions



Hudson Harbour, Poughkeepsie, NY

VALUE-ADDED REDEVELOPMENT

Aimco's redevelopment team maximizes the potential of older apartment communities in premiere locations. Our business model includes acquiring properties with high land value and redeveloping aging buildings – making them competitive in the market while improving value. In 2007, Aimco invested nearly \$319 million in the redevelopment of 64 properties, completing 4,900 units. Aimco's 2007 redevelopment production is the equivalent of building 16 new 300-unit communities. Forty-eight projects are underway and are achieving expected financial returns through improved rents and resident satisfaction. In addition, Aimco is making investments in energy and water conservation, creating more environmentally friendly and sustainable communities. 2007 projects resulted in a reduction in greenhouse gas emissions of approximately 13,454 metric tons of carbon dioxide equivalent. According to the Environmental Protection Agency's clean energy calculations, this CO₂ reduction is comparable to taking 2,464 passenger vehicles off the road.

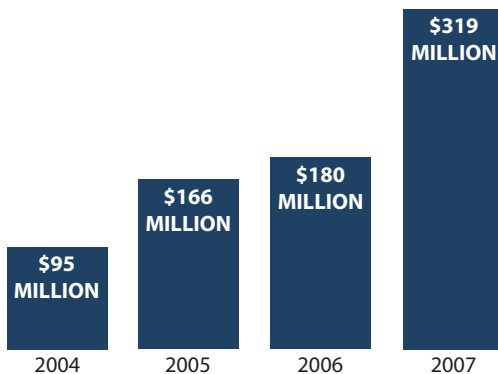
Aimco also works to redevelop properties in our affordable portfolio in partnership with local officials, state government agencies and the U.S. Department of Housing and Urban Development. As one of the largest owners of affordable housing in the nation, during 2007, Aimco successfully raised \$103 million in tax credit equity to fund the renovation of 12 communities.



The \$6.5 million renovation of Mesa Royale, in Mesa, AZ, included remodeling of the 4,700 square foot clubhouse, a new outdoor dining area overlooking the golf course, and the addition of a library/lounge area.



Aimco received a \$10 million tax credit award from the State of California to redevelop Terry Manor and preserve it as senior, affordable housing.



Redevelopment Spending

Leasing apartments at Riverside, Alexandria, VA.



“Thank you for the early wedding present! We are so excited to start our married life together at Country Club West and we are anxiously awaiting our new home! The warmth and helpfulness of your leasing office made the choice of our future residence quite simple. We found (and continue to find) the experience to be delightful.”

— A Resident of Country Club West, Denver, CO



With views of the Potomac River, Riverside, in Alexandria, VA, is undergoing a planned, five-year, \$140 million renovation.

\$549 million investment in community upgrades



This remodeled kitchen in The Latrobe, Washington, D.C., is part of an ongoing, \$11.7 million, 18-month redevelopment with expected completion in August 2008.

BUILDING OUR TEAM

The success of any organization turns on its people. At Aimco, we realize the value of our nearly 6,000 team members nationwide who work hard each day to fulfill our mission. We have built a deep bench of talent, which has enabled us to promote from within our company as opportunities arise.

In November 2007, Aimco initiated its Leadership Excellence Program, an intensive, year-long, training program for select team members. Tailored specifically for Aimco, the program trains high performing team members to become

successful Aimco leaders. Classroom training, online learning and problem-solving activities focus on strategic thinking, interpersonal communications skills, prioritizing projects, negotiating skills, building and managing a team, and making sound business decisions. Our AIMing for the Stars program recognizes and rewards Aimco's team members who demonstrate outstanding performance in carrying out Aimco's vision, mission and values. Team members receive designations as superstars in the areas of sales, service, customer focus and leadership.

1,592 internal promotions in 2007



Jeff Adler, Executive Vice President and Chief Property Operations Officer, shares plans for 2008 with the Denver team on a quarterly webcast.

ADDING VALUE TO COMMUNITIES

The Aimco Cares philanthropic program continues to grow and provide value to the communities in which we live. During 2007, Aimco team members nationwide volunteered thousands of hours to important causes in partnership with a variety of non-profit organizations. Our commitment to building communities from the inside out resulted in a variety of volunteer initiatives, including the rebuilding of homes for low-income senior citizens, raising money for childhood cancer programs, fundraising for the homeless, and forming teams to walk, run and bike for charitable causes.

Through the Aimco Family Foundation, higher education scholarships were awarded to the children of 50 Aimco team members. We also provided emergency assistance funds to team members and their families who experienced difficult circumstances from unexpected illness, accidents and natural disasters. Aimco has an ongoing commitment to the men and women serving our country in the military. Aimco provides full pay and benefits to team members called to active duty, and provides support to assist veterans and their families.



Miles Cortez, Chief Administrative Officer, center, presents a check for \$172,688 to the Denver Rescue Mission. The donation, representing the proceeds from the 2007 Aimco Cares Golf Tournament, supports the Mission's educational, life skills training and career development programs for individuals overcoming homelessness and addiction.

“I would like to thank the Aimco Cares 4U Committee for the tremendous support that you have given me. You have lifted one burden I had, by providing me with great relief through this difficult time. It is nice to know that I had someone to count on.”
— Aimco Team Member, Michigan



Aimco team members in Indianapolis volunteered to remodel a home for low-income seniors as part of the national Rebuilding Together program.



Greenville, SC Aimco team members volunteer their time to rehabilitate a home for a low-income family.

Scholarship Recipients

“It is very expensive to obtain a higher education. I want to thank Aimco for this generous award. It helps me more than you’ll ever know.”

— Nathan Anderson,
son of Ruth Nowak, Resident Service Coordinator,
Locust Apartments, Westminster, MD

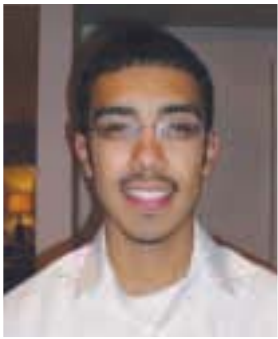
Margaret Chen,
left, daughter of
Bieying Chen,
Accounting,
Indianapolis, IN.



Mike Larsen, son
of Torry Larsen,
Risk Management,
Denver, CO.



Jose Gonzalez, son of Jose
Gonzalez, Service Technician,
Houston, TX.



Brandy Sullivan,
daughter of
Etrulia Tubbs,
Accounting
Specialist,
Greenville, SC.



AIMCO CARES



The Aimco Military Outreach team sent care packages to a reservist unit serving in Baghdad, Iraq. Large boxes arrived on Christmas Eve to help make the holiday brighter.



Aimco won the 9News Corporate Challenge in 2007, placing first among Denver area corporations by collecting nearly 11 tons of food for needy families.

BOARD OF DIRECTORS

Terry Considine

Chairman of the Board, Chief Executive Officer and President

James N. Bailey

Director,

Chairman of the Nominating and Corporate Governance Committee

SENIOR MANAGING DIRECTOR, CAMBRIDGE ASSOCIATES, LLC

Richard S. Ellwood

Director,

PRIVATE INVESTOR

Thomas L. Keltner

Director,

EXECUTIVE VICE PRESIDENT AND CEO, AMERICAS AND

GLOBAL BRANDS, HILTON HOTELS CORPORATION

J. Landis Martin

Lead Independent Director,

Chairman of the Compensation and Human Resources Committee

FOUNDER AND MANAGING DIRECTOR, PLATTE RIVER

VENTURES, LLC

Robert A. Miller

Director,

PRESIDENT, MARRIOTT LEISURE

Thomas L. Rhodes

Director,

CHAIRMAN AND PRESIDENT, NATIONAL REVIEW MAGAZINE

Michael A. Stein

Director,

Chairman of the Audit Committee

PRIVATE INVESTOR

ADVISORY BOARD

Roy H. Lambert, Sr.

Vero Beach, Florida

Richard Morton

Miami, Florida

Charles R. Considine

Emeritus

EXECUTIVE OFFICERS

Jeffrey W. Adler

Executive Vice President,

Chief Property Operations Officer

Harry G. Alcock

Executive Vice President

Timothy J. Beaudin

Executive Vice President and

Chief Development Officer

Lisa R. Cohn

Executive Vice President,

General Counsel and Secretary

Miles Cortez

Executive Vice President and

Chief Administrative Officer

Anthony R. D'Alto

Executive Vice President,

Property Operations

Patti K. Fielding

Executive Vice President,

Securities and Debt; and Treasurer

Scott W. Fordham

Senior Vice President and

Chief Accounting Officer

Lance J. Graber

Executive Vice President

Thomas M. Herzog

Executive Vice President and

Chief Financial Officer

James G. Purvis

Executive Vice President,

Human Resources

David Robertson

Executive Vice President and Chief Investment Officer;

President and CEO, Aimco Capital

Robert Y. Walker, IV

Executive Vice President and

Property Operations/Redevelopment

Chief Financial Officer

CORPORATE OFFICE

Stanford Place 3
4582 South Ulster Street Parkway
Suite 1100
Denver, CO 80237
Telephone: 303-757-8101
Toll Free: 888-789-8600

www.aimco.com

STOCK LISTING

New York Stock Exchange Symbols:
AIV, AIVPRG, AIVPRT, AIVPRU, AIVPRV, AIVPRY

INVESTOR RELATIONS

Toll Free: 888-789-8600
Telephone: 303-691-4350
Fax: 303-300-3269

Elizabeth Coalson

Vice President, Investor Relations
Telephone: 303-691-4327
Fax: 303-713-6902

LIMITED PARTNER INVESTOR RELATIONS

P.O. Box 2347, Greenville, SC
Telephone: 864-239-1029
Fax: 864-239-5812
E-mail: partners@aimco.com

STOCK TRANSFER AGENT AND REGISTRAR

Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI 02940-3078
Telephone: 800-730-6001
www.computershare.com

INDEPENDENT AUDITORS

Ernst & Young LLP
Denver, Colorado

Readers should carefully review Aimco's financial statements and notes thereto, as well as the risk factors described in Aimco's Annual Report on Form 10-K for the year ended December 31, 2007, and other documents filed from time to time with the Securities and Exchange Commission.

In 2007, our CEO submitted his annual unqualified corporate governance listing standards certification to the NYSE.

AIMCO

Apartment Investment and Management Company

Stanford Place 3
4582 South Ulster Street Parkway, Suite 1100
Denver, Colorado 80237
telephone 303.757.8101
toll free 888.789.8600
www.aimco.com