

News release

ProLogis European Properties invests €91.7 million into ProLogis European Properties Fund II

Luxembourg – 31 March 2008 – ProLogis European Properties (Euronext: PEPR), Europe's largest owner of modern distribution facilities, announced today that it has invested a further €91.7 million into ProLogis European Properties Fund II (PEPF II), a private equity fund established by ProLogis (NYSE: PLD) in August 2007 to acquire assets from ProLogis' development pipeline in Europe and conforming assets from third-parties. This investment, entirely funded from existing credit facilities, increases PEPR's gross investment in PEPF II to €225.0 million of its anticipated overall €900 million investment and maintains PEPR's ownership at 30%.

ProLogis has contributed 27 modern distribution facilities into PEPF II, covering over 660,000 square metres in seven target European countries, with third-party appraised values totalling €500.5 million gross (€482.9 million net). These facilities are 2.3 years old on average, fully occupied by global customers such as DHL, Kuehne & Nagel, Tesco and Volkswagen and have 8.1 years to lease expiry or 6.5 years to first lease break on average. Twenty properties are within ProLogis Parks owned by PEPR or PEPF II, complementing existing assets and increasing critical mass in several target markets.

Of the 27 state-of-the-art facilities, three were developed by Parkridge, whom ProLogis acquired in 2007 and 24 were developed by ProLogis, thereby benefiting from best-in-class sustainable design and construction initiatives that meet or exceed major global environmental certification requirements. Four buildings, located at Moissy-Cramayel, feature one of the largest installations of solar panels in France, generating electricity that is sold back to the local power grid. In addition, the ultra-low carbon design of a UK building, built for J Sainsbury in Northampton, has been recognised as one of the most environmentally-friendly sustainable distribution centres in Europe, having earned the first European Property Green Award for sustainable development, the IAS Sustainable Achievement Award and a BREEAM (BRE Environmental Assessment Method) Excellent rating.

Following this acquisition, PEPF II's portfolio consists of 70 buildings, covering 1.6 million square metres in nine European countries and valued at some €1.4 billion. This brings PEPR's combined portfolio to 317 buildings and some 6.7 million square metres of space in 12 European countries.

Robert Watson, chief executive officer, commented "We are delighted to be able to continue to grow our platform across Europe with this accretive investment in state-of-the-art distribution facilities located in seven of our target countries. We believe the opportunity afforded by our investment to date of €225.0 million in PEPF II's €1.4 billion and growing portfolio, in just over six months, exceeds what could have been achieved through direct investment on the open market.

"This investment enables us to enhance our relationships with strong pan-European focused customers and provides the long-term flexibility and strategic locations they require to optimise their supply chains. Additionally we are pleased to increase our investment in facilities that lead the way in enhanced sustainable development and operating attributes, a key objective for PEPR in the future."

Portfolio overview:

	Number of facilities	Leasable 000m ²	Open market value ¹ €million	Yield on open market value ² %
France	8	178.8	126.5	6.7%
<i>Southern</i>	8	178.8	126.5	6.7%
Germany	3	100.4	52.2	6.7%
The Netherlands	1	17.7	13.0	6.7%
Sweden	1	20.6	16.9	6.7%
<i>Northern</i>	5	138.7	82.1	6.7%
Czech Republic	3	99.1	67.8	6.6%
Poland	8	155.5	93.2	7.0%
<i>Central</i>	11	254.6	161.0	6.8%
UK	3	88.5	113.3	6.6%
Total	27	660.6	482.9	6.7%

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About ProLogis European Properties (PEPR)

ProLogis European Properties, or PEPR, which listed on Euronext Amsterdam on 22 September 2006, is the largest pan-European owner of high quality distribution and logistics facilities. Established in 1999, PEPR is a real estate investment fund (organised as a Luxembourg closed-ended *fonds commun de placement*) externally managed by a subsidiary of ProLogis, the world's largest owner, manager and developer of industrial distribution properties.

As at 31 December 2007, PEPR has a portfolio of 290 buildings, owned both directly and indirectly, covering 6.2 million square metres in 12 European countries, with an open market value estimated at €5.1 billion. The combined portfolio has an occupancy level of 97.6% and an average of 5.3 years to the next lease break or 7.1 years to lease expiry. Of the combined portfolio, PEPR's directly owned properties comprise 247 buildings, covering 5.2 million square metres in 11 European countries, with an open market value estimated at €4.1 billion. PEPR and PEPF II's customers are large third party logistic service providers as well as a broad range of companies in the retail and manufacturing sectors.

¹ In accordance with IFRS fair value accounting, open market value is reported net i.e. after deduction of purchasers' costs.

² Annualised rental income expressed as a percentage of open market value