

## News release

### **ProLogis European Properties executes growth plan with a further €28.2 million investment into ProLogis European Properties Fund II**

**Luxembourg – 29 May 2008** – ProLogis European Properties (Euronext: PEPR), Europe's largest owner of modern distribution facilities, announced today that it has invested a further €28.2 million into ProLogis European Properties Fund II (PEPF II). PEPF II is a private equity fund established by ProLogis (NYSE: PLD), PEPR's external manager, in August 2007 to acquire assets from ProLogis' development pipeline in Europe. This investment, entirely funded from existing credit facilities, increases PEPR's gross investment in PEPF II to €253.2 million of its anticipated overall €900 million investment and maintains PEPR's ownership at 30%.

ProLogis has contributed 13 modern distribution facilities into PEPF II, covering just over 263,000 square metres in six target European countries, with third-party appraised values totalling €174.2 million gross (€167.5 million net), representing a 6.9% yield on the investment. These facilities are 1.5 years old on average, 98.9% occupied by global customers such as Wincanton, Fiege and DHL and have 6.8 years to lease expiry or 5.7 years to first lease break on average. Four properties are within ProLogis Parks owned by PEPR or PEPF II, complementing existing assets and increasing critical mass in several target markets.

Following this acquisition, PEPF II's portfolio consists of 83 buildings, covering 1.9 million square metres in ten European countries and valued at some €1.5 billion. This brings PEPR's combined portfolio to 330 buildings and some 7.2 million square metres of space in 12 European countries, a 15% increase in distribution space since end December 2007.

On 22 May 2008, ProLogis announced that it had successfully established a €1 billion senior, unsecured credit facility to finance PEPF II's acquisition of recently developed properties from ProLogis. The margin on the initial drawdown of €791 million is 82 basis points above the relevant Libor index.

**Robert Watson, chief executive officer, commented:** "We are delighted with the progress we are making on our investment into PEPF II and our ability to deliver on our objectives as set out at the time of the IPO. Given the challenging market conditions in Europe, PEPF II's capacity to strategically access debt through the new €1 billion senior, unsecured credit facility underlines the confidence of the global banking community in the ability of PEPF II and PEPR to benefit from future growth opportunities across Europe."

## Portfolio overview:

	Number of facilities	Leasable 000m <sup>2</sup>	Open market value <sup>1</sup> €million	Yield on open market value <sup>2</sup> %
Spain	1	39.5	27.1	7.9% <sup>3</sup>
<i>Southern</i>	1	39.5	27.1	7.9%
Germany	4	79.0	44.3	6.7%
The Netherlands	1	11.3	7.6	6.8%
Sweden	1	17.4	14.5	6.7%
<i>Northern</i>	6	107.7	66.4	6.7%
Hungary	1	16.1	10.7	6.9%
Poland	5	100.4	63.2	6.7%
<i>Central</i>	6	116.5	73.9	6.7%
<b>Total</b>	<b>13</b>	<b>263.7</b>	<b>167.5</b>	<b>6.9%</b>

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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 March 2008, PEPR has a portfolio of 317 buildings, owned both directly and indirectly, covering 6.9 million square metres in 12 European countries, with an open market value estimated at €5.4 billion. The combined portfolio has an occupancy level of 98.2% and an average of 5.1 years to the next lease break or 6.9 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.

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

<sup>2</sup> Annualised rental income expressed as a percentage of open market value

<sup>3</sup> This represents a 6.3% yield on the underlying real estate with additional return from financing – above standard – improvement