

Terms and Conditions of public auction of preferential subscription rights (the “**PSRs**”) convertible into Class A(1) convertible preferred units (the “**Preferred Units**”) of

ProLogis European Properties  
*a fonds commun de placement*  
c/o ProLogis Management S.à r.l.  
34-38 Avenue de la Liberté  
L-1930 Luxembourg  
(the “**Issuer**”)

The following terms and conditions shall apply in respect of a public auction (*vente publique* – the “**Public Auction**”) to be performed by the bailiff (*huissier de justice*) Carlos Calvo of 7, rue Pierre Federspiel, L-1512 Luxembourg on 21 December 2009 at 10am at the premises of the Luxembourg Stock Exchange, 11 avenue de la Porte-Neuve, L-2257 Luxembourg, in accordance with article 32-3(7) of the law of 10 August 1915 on commercial companies, as amended (the “**Law of 1915**”). All capitalised terms used but not defined herein shall have the meaning ascribed to them in the Prospectus.

1. The Public Auction shall be in respect of the PSRs of the Issuer that were not exercised during the 30 day period provided for by article 32-3(3) of the Law of 1915 that ended on 16 December 2009 or were exercised within such 30 day period but not paid for on or before 17 December 2009 and thus, are deemed unexercised.
2. In the context of the offering of the Preferred Units (the “**Offering**”) in accordance with the prospectus of the Issuer dated 13 November 2009 (the “**Prospectus**”) ProLogis Management S.à r.l. (the “**Management Company**”) allocated the PSRs to the holders of PEPR ordinary units (the “**Ordinary Units**”) as shown in the register of unitholders of the Issuer at close of business on 16 November 2009.
3. The PSRs purchased at the Public Auction may be exercised before close of business CET on 22 December 2009 (the “**Exercise Period**”) at a ratio of thirty-seven (37) PSRs to two (2) Preferred Units upon payment of a subscription price of €5.93 per Preferred Unit. Any unexercised PSRs will cease to exist after the Exercise Period.
4. To exercise PSRs purchased at the Public Auction, the subscription agreement provided by the Management Company must be completed, executed and sent to RBC Dexia Investor Services Bank S.A. (the “**Registrar and Transfer Agent**”) and the Management Company as further detailed in the subscription agreement. Any subscription of Preferred Units is conditional upon being accepted by the Management Company.
5. To exercise PSRs purchased at the Public Auction, payment of the subscription amount in full must be received by the Registrar and Transfer Agent before close of business CET on 22 December 2009. Such payment must be made to the account of the Registrar and Transfer Agent that is specified in the subscription agreement. Bank charges, if any, must be paid in addition to the full purchase price.
6. The PSRs purchased at the Public Auction may also be transferred during the Exercise Period using the transfer agreement provided by the Management Company subject to certain restrictions on transfer under the management regulations of the Issuer dated 13 November 2009 (the “**Management Regulations**”). The Management Company has the right to approve such transfers solely to ensure compliance with the Management Regulations.
7. The exact number of PSRs to be sold at the Public Auction is 82,470,595. This number was determined and communicated to the Luxembourg Stock Exchange and the bailiff on 18 December 2009.
8. Investors or potential purchasers and/or their advisors shall refer to the Prospectus for more details of the Offering. The Prospectus is available free of charge at the Issuer’s address during normal business hours and has been published on the website of the Luxembourg Stock Exchange. Potential purchasers should rely only on the information contained in the Prospectus. No representation or warranty is being made to any

person by the Issuer or any of its advisors in connection with the Public Auction with respect to an investment in the PSRs or the Preferred Units issuable in connection therewith.

9. The Public Auction is being performed at the request and at the initiative of the Issuer. A notice in respect of the Public Auction was published on the website of the Luxembourg Stock Exchange on 8 December 2009.
10. The full purchase price for the PSRs purchased at the Public Auction must be paid before 4pm CET on 22 December 2009 to the following account:

PROLOGIS EUROPEAN PROPERTIES  
IBAN: LU94 1620 8000 0000 7906  
SWIFT: ABNALULL

Bank charges, if any, must be paid in addition to the full purchase price.

11. The participation at the Public Auction implies the unconditional acceptance of the present terms and conditions. The terms and conditions of the Public Auction will also be read by the bailiff at the beginning of the Public Auction.
12. The PSRs may be sold at the Public Auction in their entirety or by way of several sales of lots consisting of 37 PSRs each (*en bloc ou en détail*). Several lots may be merged into one single lot.
13. The minimum price for all of the PSRs being sold (as set forth in item 7 hereof) shall be €1.00 (*mise à prix*).
14. The Public Auction shall be effectuated by the participants at the Public Auction that shall be members of the Luxembourg Stock Exchange by verbal indication or unequivocal show of hands or sign of head constituting manifestations of the intent to bid. The highest bid shall be accepted by the bailiff. In case of several sales of PSRs (*vente en détail*) the highest bid per sale shall be accepted by the bailiff provided that the bidder complies with the terms and conditions of the Public Auction.
15. The proceeds of the sale of the PSRs at the Public Auction shall, after deduction of the costs and fees relating to the Public Auction, be held by the Issuer at the disposal of the holders of PSRs that did not exercise their PSRs during the initial offer period that ended on 16 December 2009 or exercised their PSRs but did not pay the issue price on or before 17 December 2009 so that the PSRs are deemed unexercised. In case the gross proceeds of the sale of the PSRs at the Public Auction are less than the costs and fees relating to the Public Auction the amount in excess of the proceeds shall be borne by the Issuer.
16. Settlement of the sale of PSRs at the Public Auction will be effectuated by way of entry into the register of holders of PSRs that is held by the Registrar and Transfer Agent in the name of the purchaser. Bidding brokers either acting in their own name or acting for and on behalf of their clients are required to sign a confirmation of purchase that is attached to these terms and conditions immediately after the Public Auction. Purchasers of PSRs at the Public Auction are also requested to provide their names, contact address, telephone and fax numbers as well as email address to the Registrar and Transfer Agent and the Management Company immediately after the Public Auction.
17. Any purchaser of the PSRs is required to have acknowledged that it has received and read the Issuer's prospectus dated 13 November 2009 (the "**Prospectus**") as well as the Issuer's Management Regulations dated 13 November 2009 and has represented and warranted for the benefit of the Issuer, its management company and their respective advisors as of the date of the Public Auction and the date it pays the price payable in respect of the PSRs that it is aware of, understands and meets all representations and warranties, to the extent applicable to it, set out in Part IX of the Prospectus including that it is not a U.S. Person, nor purchasing the PSRs on behalf of a U.S. Person, in accordance with an exempt transaction pursuant to Regulation S, or, that:

- (a) The purchaser (i) is an Accredited Investor (within the meaning of Regulation D under the Securities Act) and/or a Qualified Institutional Buyer (“QIB”) (within the meaning of Rule 144A under the Securities Act) and (ii) is acquiring the PSRs for its own account or for the account of a QIB with respect to which it exercises sole investment discretion.
- (b) The purchaser confirms that each of it and such account, if any, for which it is purchasing the PSRs was not formed for the specific purpose of acquiring the PSRs. If either the purchaser or such account is a “dealer” described in Rule 144A(a)(1)(ii) under the Securities Act, the purchaser confirms that it or any such account, if any, owns and invests on a discretionary basis at least \$25 million in securities of issuers that are not affiliated with it or such account, as the case may be. If either the purchaser or any such account is a “plan”, “employee benefit plan” or a “trust fund” that holds the assets of such a plan (each as described in Rule 144A(a)(1) under the Securities Act), the plan beneficiaries do not make investment decisions with respect to the plan.
- (c) The purchaser understands and acknowledges that the PSRs are being offered in a transaction not involving any public offering in the U.S. within the meaning of the Securities Act, that the PSRs have not been and will not be registered under the Securities Act and are being offered and sold to the purchaser in a transaction exempt from the Securities Act. The purchaser is purchasing PSRs for investment purposes and not with a view to resale or distribution within the meaning of the U.S. securities laws.
- (d) The purchaser hereby acknowledges and agrees that it will not resell or transfer any PSRs (or Preferred Units or Ordinary Units of PEPR issuable upon conversion of the PSRs), except outside the U.S. in an offshore transaction pursuant to Regulation S, in compliance with applicable securities laws in any jurisdiction.
- (e) The purchaser has reviewed the Issuer’s Prospectus relating to the PSRs and all documents incorporated by reference in the Prospectus and has conducted its own investigation with respect to PEPR and the PSRs and has received all information that it believes is necessary or appropriate in connection with the purchase of the PSRs. The purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the PSRs. The purchaser has the ability to bear the economic risk of its investment in the PSRs, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to its investment in the PSRs, and is able to sustain a complete loss of its investment in the PSRs.
- (f) The purchaser agrees that if it breaches any covenant contained herein or makes any misrepresentation herein PEPR may require the purchaser to sell its PSRs or Preferred Units or Ordinary Units issuable upon conversion to PEPR or a person designated by PEPR at the initial issue price stated in the Offer.
- (g) The purchaser acknowledges that for as long as the PSRs or Preferred Units or Ordinary Units issuable upon conversion are “restricted securities” for U.S. federal securities law purposes, they may not be deposited into any depository receipt facility / bank. Furthermore, the purchaser will make no directed selling efforts in the U.S. with respect to the PSRs. The terms “U.S. person”, “offshore transaction” and “directed selling efforts” have the meanings set forth in Regulation S.
- (h) The purchaser understands that following exercise of the PSRs any certificated Preferred Unit or Ordinary Units issuable upon conversion, if any, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR, EXCEPT AS SET OUT IN THE PROSPECTUS (THE

“PROSPECTUS”) OF PROLOGIS EUROPEAN PROPERTIES (“PEPR”), THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT (X) IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S AND (Y) (1) UPON DELIVERY OF ALL CERTIFICATIONS, OPINIONS AND OTHER DOCUMENTS THAT PEPR MAY REQUIRE AND (2) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. FURTHER, NO PURCHASE, SALE OR TRANSFER OF THIS SECURITY MAY BE MADE THAT WOULD RESULT IN THE ASSETS OF PEPR CONSTITUTING “PLAN ASSETS” WITHIN THE MEANING OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT ARE SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”). EACH PURCHASER OR TRANSFEREE OF THIS SECURITY WILL BE REQUIRED TO REPRESENT, OR WILL BE DEEMED TO HAVE REPRESENTED, THAT (i) IT IS NOT AND IS NOT USING ASSETS OF A PLAN THAT IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE AND (ii) IF IT IS A “QUALIFIED INSTITUTIONAL BUYER” OR AN “ACCREDITED INVESTOR” THAT IT WILL BE SUBJECT TO RESTRICTIONS AS PROVIDED IN THE PROSPECTUS AND MANAGEMENT REGULATIONS.

THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE PROSPECTUS TO THE TRANSFEREE.

- (i) The purchaser acknowledges and agrees that PEPR and its respective advisers will be entitled to rely on the representations, warranties and agreements set forth above.