

## News release

### **ProLogis European Properties to invest €900 million in new ProLogis private equity fund**

**Luxembourg – 20 August 2007** – ProLogis European Properties (Euronext: PEPR), Europe's largest owner of modern distribution facilities, announced today that it will invest €900 million over the next three years in a new private equity fund established by ProLogis (NYSE: PLD) in Europe.

ProLogis European Properties Fund II (PEPF II) has been established to acquire assets from ProLogis' development pipeline in Europe. At the end of June 2007, ProLogis' development pipeline in Europe was valued at over \$3.0 billion, with a further 6,000 acres of land owned or under control.

Robert Watson, chief executive officer of PEPR, commented: "We are delighted to be able to execute our stated growth plan of investment in ProLogis private equity funds and extend our unique relationship with ProLogis through continued, indirect investment in ProLogis' newly developed and fully let facilities. The investment in PEPF II will complement our existing state-of-the-art portfolio and expand our reach into new markets while growing our relationships with key customers. We expect an income return in the range of 6.5% to 7% per annum and anticipate our initial investment to be earnings accretive in 2007."

It is anticipated that the open-end, infinite-life fund will have a total equity capitalisation of some €3 billion, comprising €510 million directly from ProLogis and €2.5 billion from third-party institutional investors, including PEPR's €900 million stake. Targeted leverage of 50 - 60% will take the total capitalisation of the fund to between €6 and €7.5 billion. PEPF II is expected to invest this capital to acquire modern distribution facilities, consistent with PEPR's high-quality portfolio, over the next two and a half to three years.

The initial portfolio, to be contributed by ProLogis to PEPF II in September 2007, is expected to be valued at approximately €600 million and will comprise modern, substantially leased properties located in PEPR's target markets.

PEPR's initial equity investment of approximately €90 million will be made in the third quarter of 2007 and funded entirely from existing credit facilities. Future investments by PEPR are expected to be made quarterly and are likely to be funded using debt or proceeds from select dispositions.

PEPF II is a real estate investment fund, organised as a Luxembourg open-end, infinite-life FCP (*fonds commun de placement*) and externally managed by ProLogis. As a significant investor in PEPF II, PEPR will be represented on the PEPF II Advisory Committee.

Mr Watson added, "PEPR's ability to grow the platform in Europe through PEPF II is an unparalleled opportunity to invest alongside other major institutional investors and the world leader in the industrial sector, growing our leadership as the largest Pan-European provider of modern distribution facilities."

#### **Conference call details:**

PEPR is holding a webcast and conference call at 3pm BST / 4pm CET today, 20 August 2007. The call will be hosted by Robert Watson, chief executive officer. To participate in the call please dial:

	Toll free	Standard rate
France	0800 911 462	+33 (0)1 70 99 42 78
Luxembourg	800 21140	+352 342 080 8570
The Netherlands	0800 022 5992	+31 (0)20 713 2790
UK	0800 559 3272	+44 (0)20 7138 0814
USA	+1 866 239 0753	+1 718 354 1157

A replay of the webcast and transcript of the call will be available on 21 August 2007 in the "Presentations & Webcasts" page of the Investor Relations section of the PEPR website, [www.prologis-ep.com](http://www.prologis-ep.com).

A replay of the conference call will be available from 6pm BST / 7pm CET on 20 August 2007 until 3 September 2007. To access the conference call replay, please dial one of the following numbers, using passcode 6344793#:

	Toll free	Standard rate
France	0800 911 479	+33 (0)1 71 23 02 48
The Netherlands	0800 027 0028	+31 (0)20 713 2791
UK	0800 559 3271	+44 (0)20 7806 1970
USA	+1866 883 4489	+1 718 354 1112

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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. PEPR's portfolio of real estate is located in 25 submarkets within 11 European countries. 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 largest U.S. based real estate investment trust that operates a global network of industrial distribution properties.

As at the end of June 2007, PEPR owned 293 distribution facilities, independently valued at €4.5 billion and covering approximately 5.8 million square metres of leasable space. PEPR's customers are large third party logistic service providers as well as a broad range of companies in the retail and manufacturing sectors.