



Kempen & Co European Property Seminar, New York

6-7 March 2008



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ProLogis European Properties overview

- Europe's largest owner of modern distribution space
- 100% focused on industrial real estate sector
- Listed on Euronext Amsterdam (ticker: PEPR)
- Externally managed by ProLogis
- Business model based on growing income through:
 - delivery of excellent customer service
 - active management of portfolio
 - building critical mass in strategic locations
- Medium term investment mainly in ProLogis European Properties Fund II, Europe's largest dedicated industrial acquisition fund



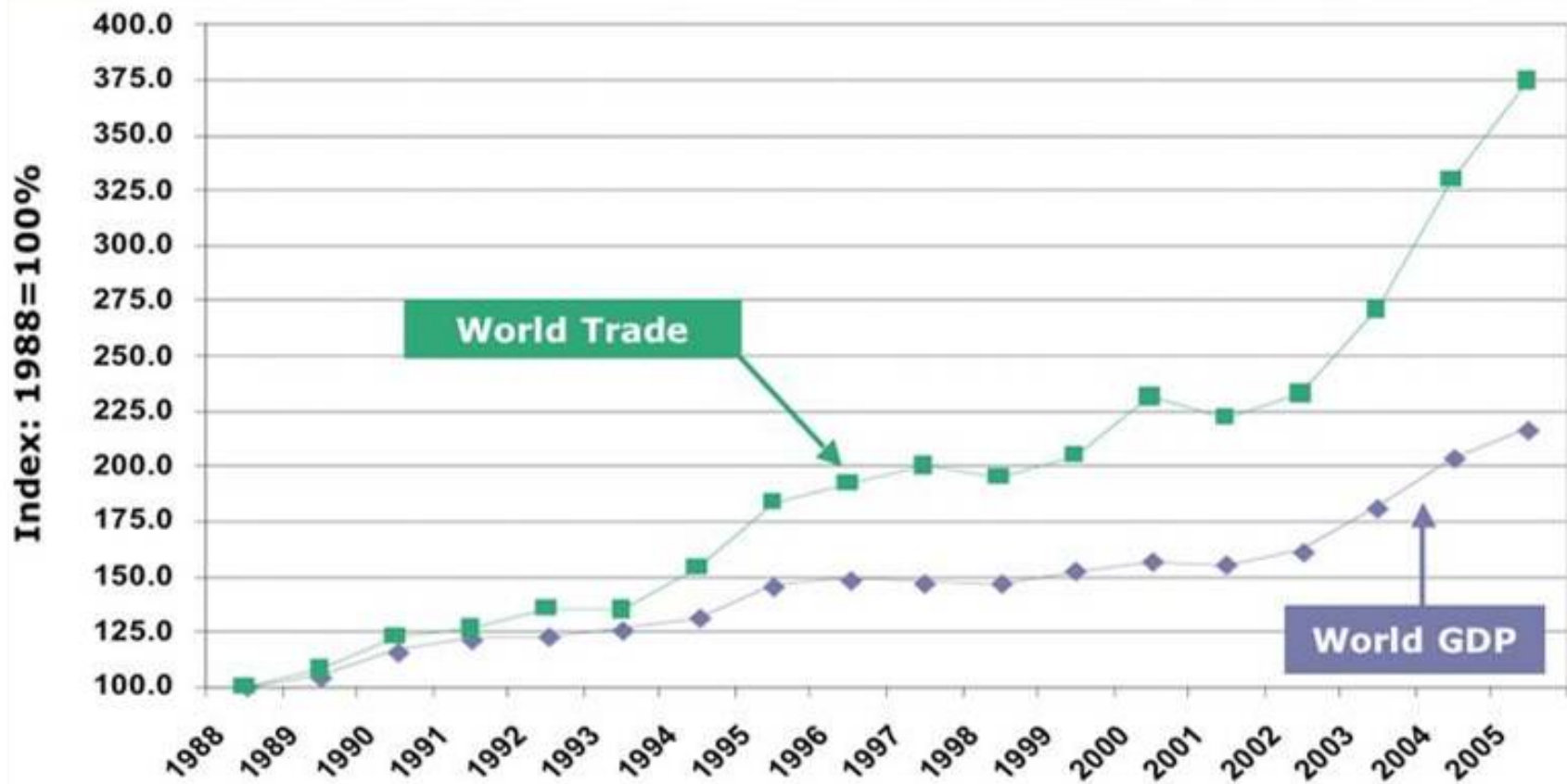
Supply chain optimisation

- Asian-Western Europe trade growing in excess of 15%
 - China-Europe trade greater than China-US
- Formation/expansion of EU
 - Growing importance of CEE markets as distribution & light manufacturing hubs
- Shift from local distribution to regional & pan-European distribution
- 35-40% functional obsolescence and high oil prices accelerate need to rationalise distribution network
- Increased use of rail





Strong global trade

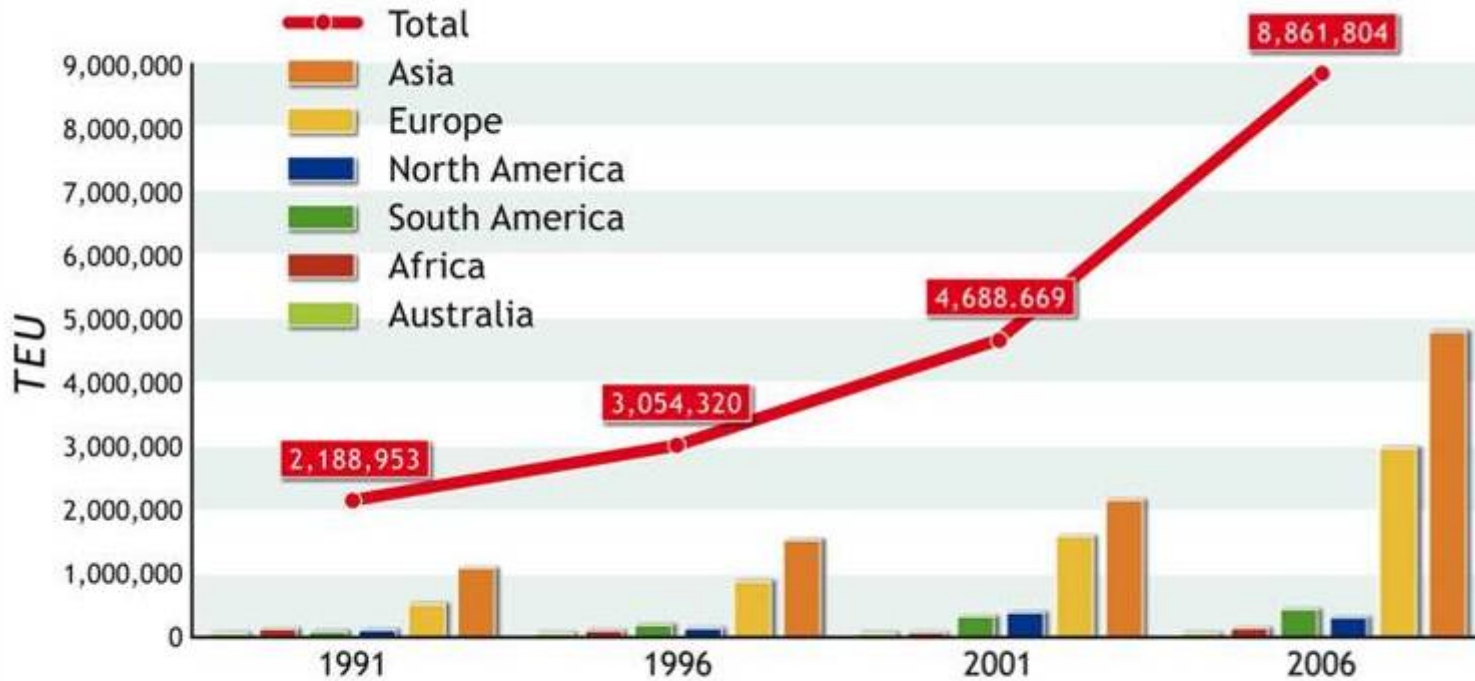


Sources: IMF, Haver Analytics, ProLogis



Supply chain globalisation

Port of Hamburg - TEUs Handled by Continent

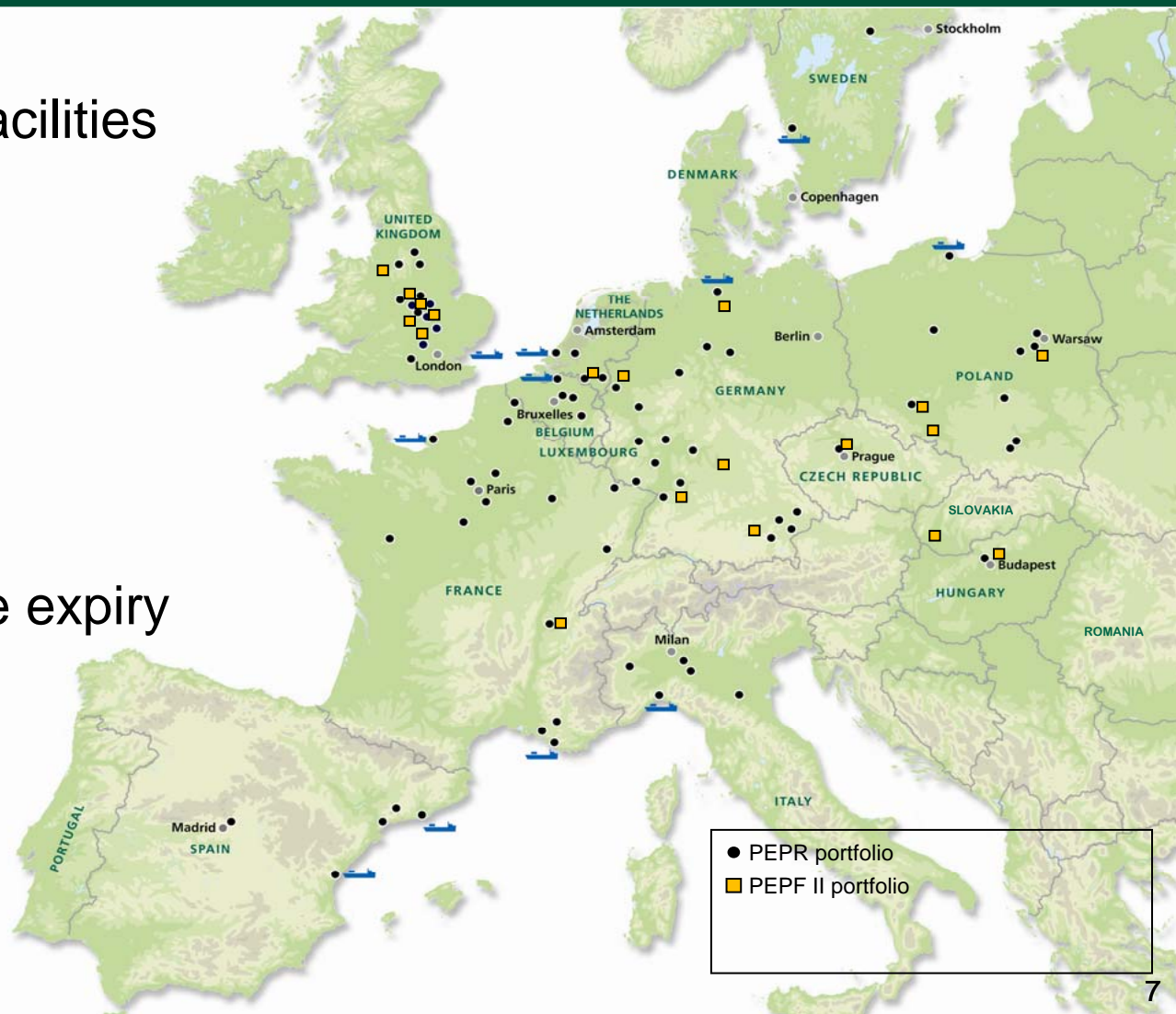


Asian-Western European trade in manufactured goods growing in excess of 15% per year



Combined portfolio

- 290 distribution facilities
- 97.6% let
- €5.1 billion
- 6.2 million m²
- 12 countries
- 7.1 years to lease expiry on average



* As at 31 December 2007



ProLogis European Properties Fund II

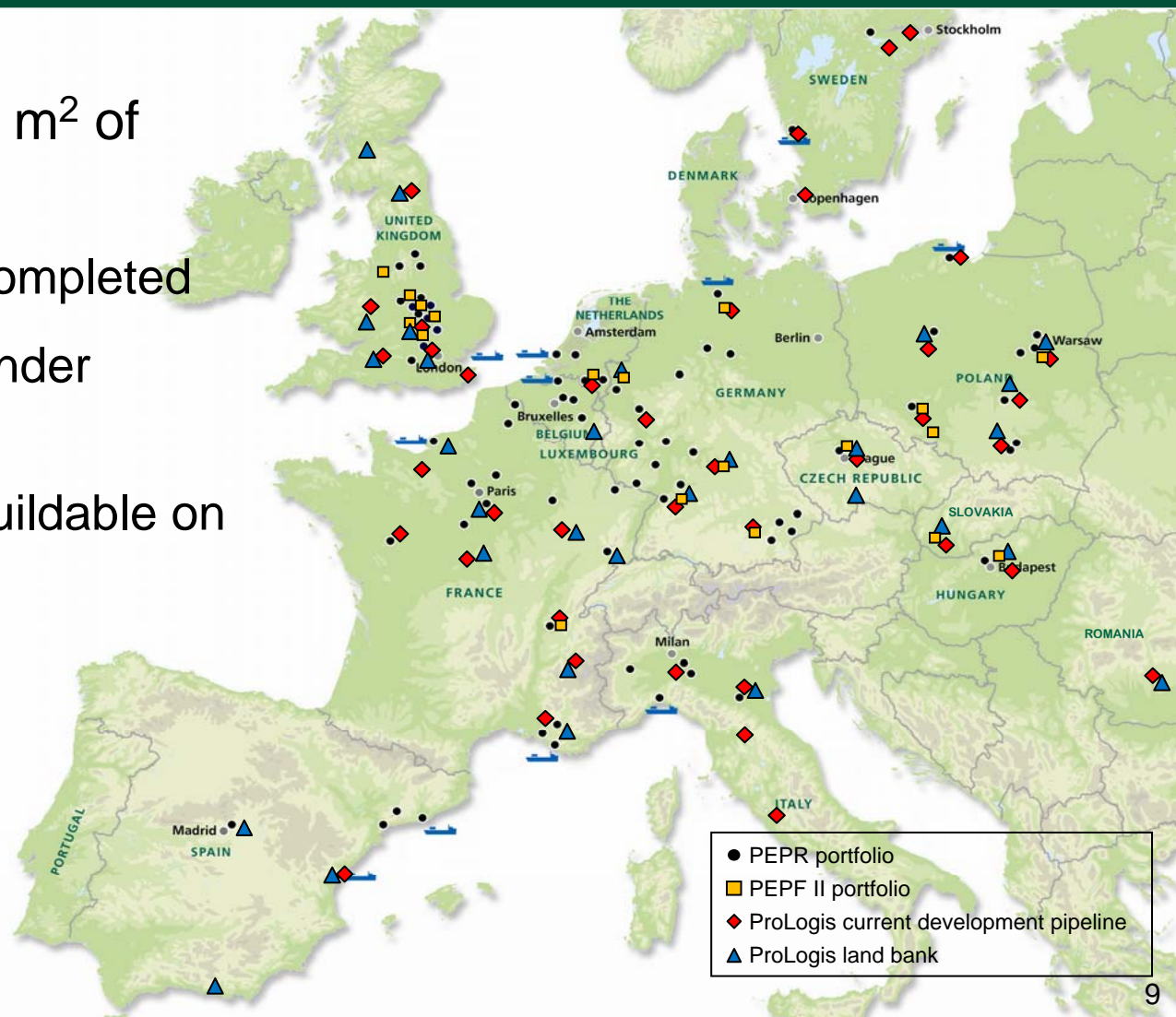
- Established August 2007
- Est. size €6 - 7.5bn by 2010
- PEPR owns 30%
 - €900m total investment
 - €133m invested to date
 - Future investments expected quarterly
- To acquire newly completed developments from ProLogis as well as opportunistic third-party acquisitions





ProLogis pipeline in Europe

- Over eight million m² of identified pipeline
 - 2.2 million m² completed
 - 2.0 million m² under construction
 - 4.4 million m² buildable on land owned



* As at 31 December 2007



2007 Highlights

	2007 €	2006 €	Change %
Adjusted NAV ⁽¹⁾	2,631.5m	2,636.9m	-0.2%
Adjusted NAV per unit	13.81	13.97	-1.1%
Adjusted earnings ⁽²⁾⁽³⁾	151.3m	135.4m	+11.7%
Adjusted earnings per unit	0.79	0.79	-
Distribution per unit ⁽³⁾	0.87	0.89	-2.2%

- 10% reduction in value of UK properties offset by uplift in continental Europe
- €133.4m investment in ProLogis European Properties Fund II
- €659m of direct asset acquisitions and disposals
- €1.4bn of unsecured credit facilities arranged

(1) IFRS Net Asset Value excluding deferred tax arising on revaluation movements, purchasers' costs and preferred unitholder equity.

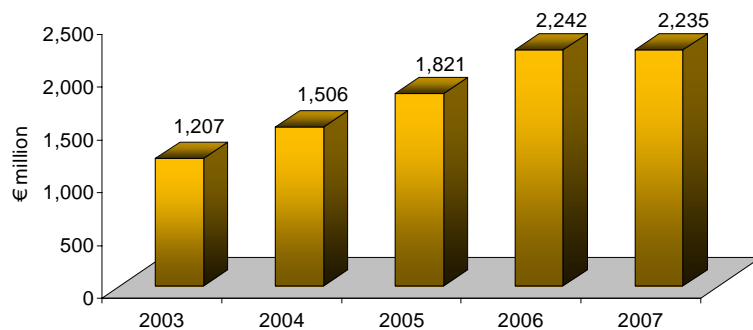
(2) IFRS post-tax profit excluding revaluation movements, result on disposal of properties and non-recurring events

(3) 2006 per unit figures are derived by using a simple average of the number of units outstanding between 31 December 2005 and 31 December 2006. Before the IPO in September 2006, PEPR units were in multiple classes with varying conversion rights to a single class of units at IPO.

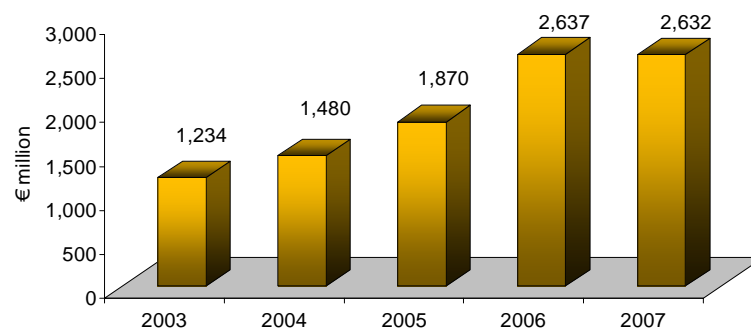


Historical performance

IFRS Net Asset Value

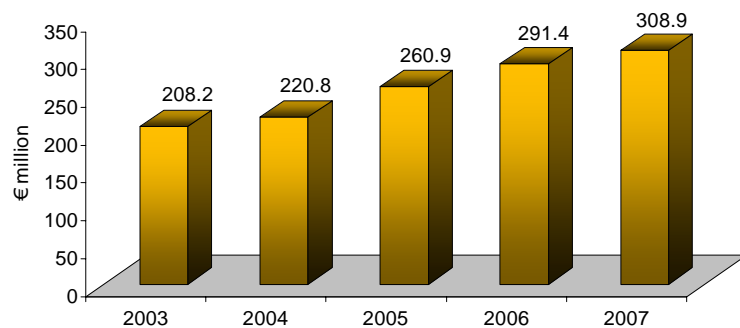


Adjusted Net Asset Value⁽¹⁾

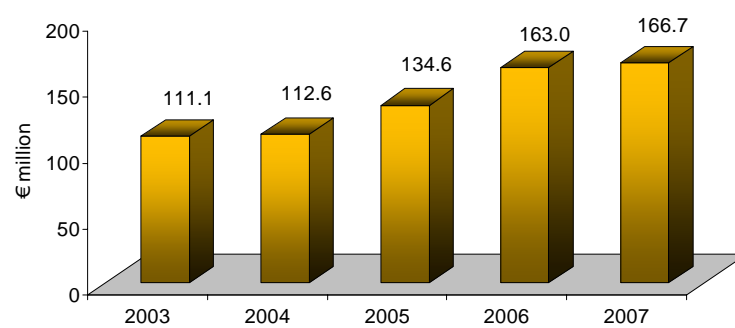


(1) IFRS NAV excluding deferred tax arising on revaluation movements, purchasers' costs and preferred unitholder equity

Total revenue



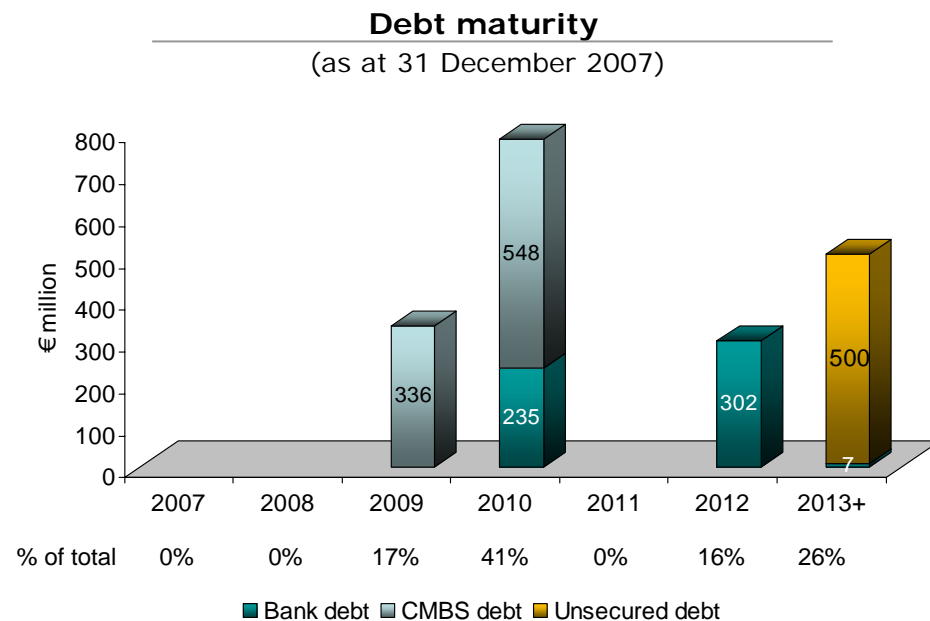
Distributable cash flow





Gearing used to enhance property returns

- Move to unsecured debt strategy – A3 rated by Moody's
 - €500 million unsecured bond issue
 - €900 million unsecured credit facility
- €1.9 billion outstanding debt
 - 71.8% fixed
- 44.3% loan to value
- 5.1% average interest rate
- 3.8 years average maturity to earliest repayment date





Active asset management

Sales

- 556,000m² in France
- €38.3 million profit on sale
- Improved French portfolio characteristics

Acquisitions

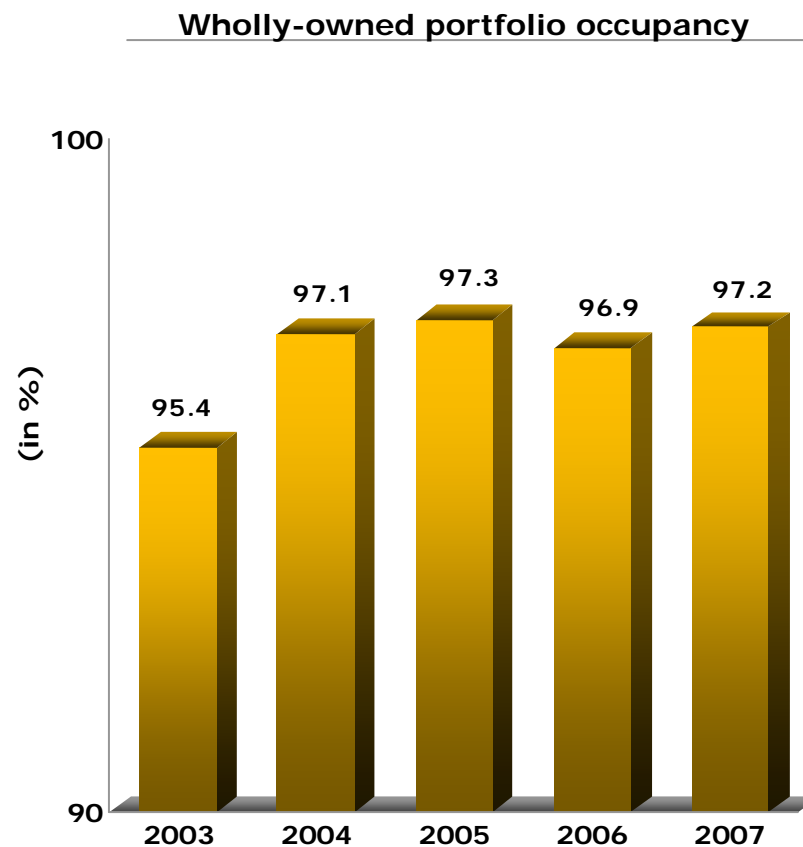
- 341,000m² in six countries
- €234.3 million
- Immediately accretive





Proactive leasing activity

- 120 lease transactions, totaling 543,000m²
 - 24 lease expansions, adding 86,000m²
 - 51 lease renewals, for 187,000m²
 - 45 new leases, covering 270,000m²
- 97.2% occupancy in wholly-owned portfolio
- Never less than 95% leased





Market outlook

- Favourable economic climate in continental Europe
- Strong occupier demand
- Healthy supply/demand outlook
 - Competition reduced as debt/guaranteed take-outs disappear
- Strengthening rental rate growth
 - Cap rate compression ending
 - Cost of construction and land increasing





Summary

- Established track record of performance and return creation
- High-quality portfolio generating strong, stable cash flows
- Proven asset manager
- Diversified customer base
- Attractive dividend yield
- Highly experienced manager
- Identified growth opportunities





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Appendices: Kempen & Co European Property Seminar

March 2008

PEPR wholly-owned portfolio as at 31 December 2007

	No. of facilities	OMV ⁽¹⁾ € million	% of total OMV	Leasable area m ²	% of total leasable area m ²	Annualised rental income ⁽²⁾ € million	ERV ⁽³⁾ € million	Yield on OMV ⁽⁴⁾	Average age of facilities years	Occupancy	No. of leases	Average time to lease break years	Average time to lease expiry years
France	61	1,049	25%	1,590.6	31%	75.4	68.6	7.2%	6.5	96.1%	71	3.4	6.7
Italy	19	334	8%	533.8	10%	25.8	23.9	7.7%	9.1	100.0%	20	6.4	6.4
Spain	13	325	8%	309.4	6%	20.1	22.5	6.2%	5.0	99.8%	21	3.9	6.3
<i>Southern</i>	93	1,708	41%	2,433.8	47%	121.3	115.0	7.1%	6.9	97.4%	112	4.1	6.6
Belgium	5	58	1%	98.3	2%	4.2	4.1	7.2%	3.5	100.0%	5	3.5	10.4
Germany	26	338	8%	422.4	8%	24.7	24.2	7.3%	3.6	99.4%	41	4.1	5.5
Netherlands	23	373	9%	512.3	10%	27.8	28.6	7.4%	7.4	93.9%	38	3.7	3.8
Sweden	4	108	3%	130.3	2%	7.5	7.1	7.0%	12.9	100.0%	4	9.8	11.1
<i>Northern</i>	58	877	21%	1,163.3	22%	64.2	64.0	7.3%	6.9	97.1%	88	4.6	5.7
Czech Rep.	12	137	3%	180.3	3%	9.3	8.4	6.8%	4.8	90.0%	36	2.5	2.8
Hungary	14	134	3%	181.9	4%	9.8	8.8	7.3%	4.7	95.2%	37	3.4	5.6
Poland	26	321	8%	494.2	9%	21.5	20.6	6.7%	5.5	94.9%	72	3.2	3.7
Slovakia	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Central</i>	52	592	14%	856.4	16%	40.6	37.8	6.9%	5.0	93.9%	145	3.1	4.0
UK	44	966	24%	784.4	15%	66.3	64.4	6.9%	6.5	100.0%	44	7.4	10.0
TOTAL	247	4,143	100%	5,237.9	100%	292.4	281.2	7.1%	6.2	97.2%	389	4.8	6.8

Vacant space (@ ERV per m²)

7.0

288.2

(1) Open Market Value - an independent revaluation of the portfolio is conducted every 30 June and 31 December. In accordance with IFRS accounting, valuations are reported net i.e. after deduction of purchasers' costs.

(2) Annualised rental income means the estimate of annual income based on gross rental income for leases in place as at 31 December 2007 based on rates effective at that date and on the assumption that rental income from such leases will continue to be received for the whole of the financial year and does not take into account lease terminations, renewals, replacement of customers or other changes in rent levels in existing leases.

(3) ERV refers to the Estimated Rental Value calculated by the independent third party appraisers as at 31 December 2007.

(4) Annualised rental income expressed as a percentage of open market value.

PEPF II portfolio as at 31 December 2007

	No. of facilities	OMV ⁽¹⁾ € million	% of total OMV	Leasable area m ²	% of total leasable area m ²	Annualised rental income ⁽²⁾ € million	ERV ⁽³⁾ € million	Yield on OMV ⁽⁴⁾	Average age of facilities years	Occupancy	No. of leases	Average time to lease break years	Average time to lease expiry years
France	1	22	2%	38.3	4%	1.4	1.5	6.4%	0.7	100.0%	1	8.5	11.5
Italy	-	-	-	-	-	-	-	-	-	-	-	-	-
Spain	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Southern</i>	<i>1</i>	<i>22</i>	<i>2%</i>	<i>38.3</i>	<i>4%</i>	<i>1.4</i>	<i>1.5</i>	<i>6.4%</i>	<i>0.7</i>	<i>100.0%</i>	<i>1</i>	<i>8.5</i>	<i>11.5</i>
Belgium	-	-	-	-	-	-	-	-	-	-	-	-	-
Germany	5	60	7%	69.3	7%	4.2	4.1	7.0%	1.8	100.0%	10	6.4	6.8
Netherlands	3	48	5%	65.1	7%	3.1	3.4	6.5%	0.6	100.0%	3	2.9	4.6
Sweden	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Northern</i>	<i>8</i>	<i>108</i>	<i>12%</i>	<i>134.4</i>	<i>14%</i>	<i>7.3</i>	<i>7.5</i>	<i>6.7%</i>	<i>1.2</i>	<i>100.0%</i>	<i>13</i>	<i>4.9</i>	<i>5.9</i>
Czech Rep.	4	76	8%	103.4	10%	5.2	5.1	6.8%	1.8	100.0%	12	4.5	4.6
Hungary	2	26	3%	40.3	4%	1.8	1.9	7.0%	1.5	100.0%	3	4.0	6.5
Poland	14	136	15%	223.8	23%	9.1	9.3	6.7%	1.7	100.0%	35	3.4	3.2
Slovakia	3	68	7%	93.5	9%	4.7	4.6	6.9%	2.2	100.0%	7	3.0	3.0
<i>Central</i>	<i>23</i>	<i>306</i>	<i>33%</i>	<i>461.0</i>	<i>46%</i>	<i>20.8</i>	<i>20.9</i>	<i>6.8%</i>	<i>1.8</i>	<i>100.0%</i>	<i>57</i>	<i>3.4</i>	<i>3.8</i>
<i>UK</i>	<i>11</i>	<i>480</i>	<i>53%</i>	<i>354.7</i>	<i>36%</i>	<i>28.8</i>	<i>29.9</i>	<i>6.0%</i>	<i>2.4</i>	<i>100.0%</i>	<i>11</i>	<i>12.1</i>	<i>12.2</i>
TOTAL	43	916	100%	988.4	100%	58.3	59.8	6.4%	1.9	100.0%	82	8.0	8.4

Vacant space (@ ERV per m²)

0.0

59.8

(1) Open Market Value - an independent revaluation of half the portfolio is conducted on an annual basis; the total portfolio valuation at 31 December 2007 is based on contribution value less deduction for purchasers' costs. Annual revaluations will commence in September 2008 in relation to those properties contributed in September 2007. In accordance with IFRS accounting, valuations are reported net i.e. after deduction of purchasers' costs.

(2) Annualised rental income means the estimate of annual income based on gross rental income for leases in place as at 31 December 2007 based on rates effective at that date and on the assumption that rental income from such leases will continue to be received for the whole of the financial year and does not take into account lease terminations, renewals, replacement of customers or other changes in rent levels in existing leases.

(3) ERV refers to the Estimated Rental Value calculated by the independent third party appraisers.

(4) Annualised rental income expressed as a percentage of open market value.

Combined portfolio as at 31 December 2007 (100%)

	No. of facilities	OMV ⁽¹⁾ € million	% of total OMV	Leasable area m ²	% of total leasable area m ²	Annualised rental income ⁽²⁾ € million	ERV ⁽³⁾ € million	Yield on OMV ⁽⁴⁾	Average age of facilities years	Occupancy	No. of leases	Average time to lease break years	Average time to lease expiry years
France	62	1,072	21%	1,628.9	26%	76.8	70.1	7.2%	6.4	96.2%	72	3.5	6.8
Italy	19	334	7%	533.8	9%	25.8	23.9	7.7%	9.1	100.0%	20	6.6	6.4
Spain	13	325	8%	309.4	5%	20.1	22.5	6.2%	5.0	99.8%	21	3.9	6.3
Southern	94	1,731	34%	2,472.1	40%	122.7	116.5	7.1%	6.9	97.5%	113	4.1	6.6
Belgium	5	58	1%	98.3	2%	4.2	4.1	7.2%	3.5	100.0%	5	3.5	10.4
Germany	31	398	8%	490.7	8%	28.9	28.3	7.3%	3.3	99.5%	51	4.4	5.7
Netherlands	26	421	8%	577.4	9%	30.9	32.0	7.3%	6.6	94.6%	41	3.6	3.9
Sweden	4	108	2%	130.3	2%	7.5	7.1	7.0%	12.9	100.0%	4	9.8	11.1
Northern	66	985	19%	1,296.7	21%	71.5	71.5	7.3%	6.6	97.4%	101	4.6	5.8
Czech Rep.	16	213	4%	283.7	5%	14.5	13.5	6.8%	4.0	93.6%	48	3.2	3.5
Hungary	16	160	3%	222.2	4%	11.6	10.7	7.3%	4.3	96.1%	40	3.5	5.7
Poland	40	467	9%	718.0	11%	30.6	29.9	6.7%	4.2	96.5%	107	3.2	3.6
Slovakia	3	68	1%	93.8	1%	4.7	4.6	6.9%	2.2	100.0%	7	2.8	3.0
Central	75	898	18%	1,317.7	21%	61.4	58.7	6.8%	3.7	96.1%	202	3.2	3.9
UK	55	1,446	29%	1,139.1	18%	95.1	94.3	6.6%	5.8	100.0%	55	8.8	10.7
TOTAL	290	5,060	100%	6,225.6	100%	350.7	341.0	6.9%	5.5	97.6%	471	5.3	7.1

Vacant space (@ ERV per m²)

7.0

348.0

(1) Open Market Value – an independent revaluation of the portfolio is conducted every six months (every 12 months for PEPP II), therefore the combined portfolio valuation at the year-end is a blend of 31 December 2007 valuations and contribution values deduction of purchasers' costs. In accordance with IFRS fair value accounting, valuations are reported net i.e. after deduction of purchasers' costs.

(2) Annualised rental income means the estimate of annual income based on gross rental income for leases in place as at 30 Sept 2007 based on rates effective at that date and on the assumption that rental income from such leases will continue to be received for the whole of the financial year and does not take into account lease terminations, renewals, replacement of customers or other changes in rent levels in existing leases.

(3) ERV refers to the Estimated Rental Value calculated by the independent third party appraisers at 31 December 2006 and 30 June 2007. As such it is a combination of market rents evident at both measurement dates.

(4) Annualised rental income expressed as a percentage of open market value.

Largest customers as at 31 December 2007

PEPR customers	Share of annualised rental income	Number of leases
CEVA Logistics	6.3%	14
Deutsche Post AG (DHL)	5.1%	18
NYK Holdings	4.3%	10
Geodis	4.2%	13
ID Logistics France	2.8%	7
FM Logistic	2.3%	5
Kuehne & Nagel	2.3%	9
Gefco (PSA Peugeot)	2.2%	5
Goodyear/Dunlop	1.8%	2
DSV A/S	1.6%	7
Top 10	32.9%	90
192 other customers	67.1%	299
Total	100.0%	389

ProLogis customers	Percentage of annualised base rent	Number of leases
Deutsche Post AG (DHL) ⁽¹⁾	3.49%	85
Matsushita Electric	2.42%	19
CEVA Logistics ⁽¹⁾	1.70%	31
Hitachi Transport	1.35%	18
NYK Group ⁽¹⁾	1.26%	19
Nippon Express ⁽¹⁾	1.11%	25
Home Depot	1.05%	15
Kuehne & Nagel ⁽¹⁾	0.99%	29
Unilever	0.95%	7
NOL Group	0.86%	20
Top 10	15.18%	268

(1) Customers leases space from ProLogis on three continents



Market outlook – Southern Europe

France

- Good demand in key markets
- Expect return of rental growth

Italy

- Rental growth in key markets

Spain

- High demand
- Rental growth of c. 6% at ProLogis Park Alcalá



Key facts⁽¹⁾	
No of distribution facilities	94
Space (million m ²)	2.5
% of portfolio by value	34%
Occupancy	97.5%

(1) Combined portfolio as at 31 December 2007



Market outlook – Northern Europe

Germany

- Revitalised economy
- Increased activity

Belgium & The Netherlands

- Remain core logistics hub
- Increased economic activity
- Improving rents due to constrained supply



Key facts⁽¹⁾	
No of distribution facilities	66
Space (million m ²)	1.3
% of portfolio by value	19%
Occupancy	97.4%

(1) Combined portfolio as at 31 December 2007



Market outlook – Central Europe

Czech Republic

- Increased demand
- Rental decline to bottom out

Hungary

- Prime location to benefit from expansion eastwards

Poland

- Growing demand across all regions, narrowing the gap between Warsaw and other cities



Key facts⁽¹⁾	
No of distribution facilities	75
Space (million m ²)	1.3
% of portfolio by value	18%
Occupancy	96.1%

(1) Combined portfolio as at 31 December 2007



Market outlook – UK

- Good occupier demand
- Strong demand from retailers compared to the continent
- PEPR fully let
- First lease break in 2009



Key facts⁽¹⁾	
No of distribution facilities	55
Space (million m ²)	1.1
% of portfolio by value	29%
Occupancy	100.0%

(1) Combined portfolio as at 31 December 2007

PEPR outstanding debt as at 31 December 2007

Description	Rating	Issue date	Issue size	Coupon ⁽¹⁾	Maturity date ⁽²⁾	Drawn amount		Swapped rate	Comments
						Local currency	Euros		
<u>Listed on the London Stock Exchange</u>									
Pan European Industrial Properties Series II S.A.	AAA			€285m +32bps		€202.6m			
	AAA	May 2002	€356.0m	€31m +48bps	July 2012	£89.2m	€355.9m	5.72%	100% swapped
	AA			€40m +90bps					
Pan European Industrial Properties Series III S.A.	AAA			€151m +35bps		€108.2m			
	AAA	Feb 2003	€190.5m	€17m +48bps	May 2013	£48.9m	€171.4m	4.61%	100% swapped
	AA			€23m +85bps					
Pan European Industrial Properties Series III S.A.	AAA			€337m +14bps		€327.0m			
	AA	Mar 2005	€389.0m	€32m +18bps	May 2013	£42.8m	€373.8m	3.58%	100% swapped
	AAA			€20m +30bps					
<u>Listed on the Luxembourg Stock Exchange</u>									
ProLogis International Funding S.A.	A3	Oct 2007	€500.0m	5.875%	Oct 2014	€500.0m	€500.0m	5.875%	Fixed rate
<u>Other</u>									
Bank loan	-	Feb 2004	€151.1m	+137bps	Mar 2010	€151.1m	€151.1m	n/a	
Senior unsecured credit facility				€300m +65bps	Dec 2010	€83.0m	€83.0m		
	-	Dec 2007	€900.0m	€300m +65bps	Dec 2010	-		n/a	
				€300m +70bps	Dec 2012	€129.0m £123.5m	€301.8m		
Mortgage (Italy)	-		€0.9m	various	Dec 2010	€0.9m	€0.9m	n/a	
Finance lease	-		€7.6m	various	Dec 2014	€7.6m	€7.6m	n/a	
TOTAL			€2,495.1m				€1,928.5m		

(1) All coupons are three month Euribor +.

(2) Maturity dates relate to legal maturity dates rather than repayable dates which are typically three years earlier.

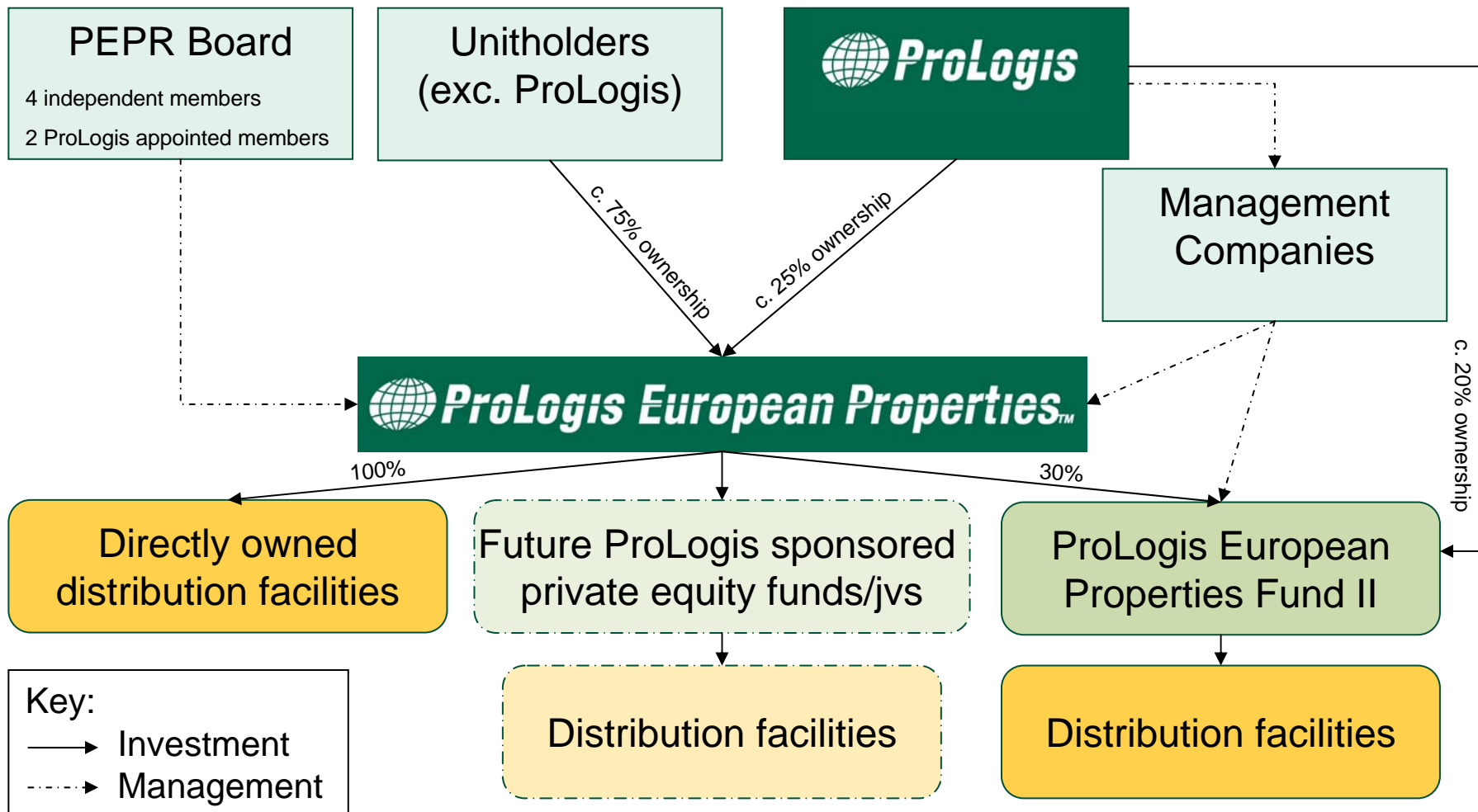


Profit on disposal

	€'000
Value of real estate disposed of	425,045
Adjustment for:	
negative working capital	(17,953)
capital gains tax	(29,028)
Proceeds on disposal	378,064
Closing transaction costs	(6,754)
Net cash proceeds on disposal	371,310
Historic cost of properties disposed of	(375,032)
IFRS profit/(loss) on disposal as per income statement	(3,722)
Reversal of prior years' revaluation loss provisions	22,939
Reversal of prior years' purchasers' costs provisions	19,064
Overall profit on disposal	38,281



Structure





Management team

Robert J. Watson
CEO



- President and COO of ProLogis North America from 2004 to 2006
- President and COO of ProLogis Europe from 1999 to 2003
- Joined ProLogis in 1992
- Based in London
- 34 years in the industry

Ralf Wessel
Head of Asset Management



- Senior Vice President of ProLogis Europe
- Joined ProLogis in 2006
- Previously at Equity Estate
- Based in Amsterdam
- 9 years in the industry

Peter Cassells
CFO



- Senior Vice President and Fund Manager of ProLogis Europe
- Responsible for Finance & Administration
- Joined ProLogis Europe in 2000
- Based in Luxembourg
- 7 years in the industry

Jennifer van der Eem
VP Investor Relations



- Vice President of ProLogis Europe
- Responsible for Investor Relations
- Joined ProLogis Europe in 2007
- Based in London
- 5 years in the industry