

News release

ProLogis European Properties results for the quarter and six months ended 30 June 2009

Additional progress on deleveraging initiatives and sustained operating and financial performance

Luxembourg – 23 July 2009 – ProLogis European Properties (Euronext: PEPR), Europe's largest owner of modern distribution facilities, today reports results for the quarter and six months ended 30 June 2009.

Highlights

- 96.9% occupancy at 30 June through continued focus on customer requirements
- €119.5 million portfolio disposal agreed, €92.2 million completed
- Additional £64.4 million UK portfolio disposal completed
- Further progress on €226 million of new secured bank loans, subject to meeting conditions precedent and receiving funding
- 13.0% valuation decrease on the portfolio since 31 December 2008 (9.3% excluding disposals and foreign exchange adjustments)
- Appointment of David Doyle, formerly chief financial officer at Colliers CRE, as chief financial officer with immediate effect

Quarter to 30 June 2009

- EPRA earnings⁽¹⁾ decreased marginally to €0.16 per unit (Q2 2008: €0.18 per unit)
- IFRS loss of €1.40 per unit (Q2 2008 loss: €0.28 per unit), largely due to portfolio devaluations
- EPRA net asset value⁽¹⁾ per unit of €6.74, a 17.6% decrease compared to 31 March 2009 (€8.18 per unit)
- IFRS net asset value per unit of €6.40 (Q1 2009: €7.52 per unit)
- 18 lease transactions covering 219,600m², maintaining high portfolio occupancy

Six months to 30 June 2009

- EPRA earnings⁽¹⁾ per unit decreased €0.04 to €0.32 (HY 2008: €0.36 per unit), due to a decrease in rental income and the loss of dividend receipts from ProLogis European Properties Fund II
- IFRS loss of €1.24 per unit for the period (HY 2008 loss: €0.10 per unit), largely due to portfolio devaluations
- EPRA net asset value⁽¹⁾ per unit decreased 16.0%, to €6.74 over the period (2008: €8.02 per unit) as a result of the portfolio devaluation and asset sales, partially offset by currency movements
- IFRS net asset value per unit decreased 13.3% to €6.40 (2008: €7.38 per unit)
- 34 lease transactions covering 397,900m², compared to 42 transactions covering 245,800m² in HY 2008

¹ Based on EPRA (European Public Real Estate Association) *Best Practices Policy Recommendations*, issued in May 2008

Commenting on the results, Peter Cassells, chief executive officer of PEPR, said:

“Our operational performance remains resilient and our financial performance is in line with guidance in spite of the challenging market conditions, reflecting both our proactive management of the business and the inherent stability of the logistics real estate sector.

“We have made good headway on a number of activities in accordance with the deleveraging initiatives that we announced in December 2008. This includes further progress to finalise €226 million of secured bank loans and some €190 million of asset sales. We will continue to pursue and refine this strategy in order to further improve financial flexibility and position ourselves for the next stage of the cycle.”

Guidance

Management has maintained underlying earnings guidance for 2009, with EPRA earnings expected to be between €0.55 and €0.60 per unit for the year and distributable cash flow also anticipated to be between €0.55 and €0.60 per unit. IFRS losses are now expected to be in the range of €1.50 to €1.70 per unit as a result of higher portfolio devaluations and losses on portfolio sales.

The terms of PEPR's unsecured credit facilities, as amended in December 2008, prohibit cash distributions for so long as PEPR remains below certain financial thresholds, therefore PEPR does not contemplate paying dividends for the foreseeable future and intends to use distributable cash, instead, to pay down debt.

Deleveraging initiatives

In December 2008, PEPR outlined a series of initiatives to improve liquidity and address upcoming debt maturities. The plan included the suspension of dividends and the use of sales proceeds to reduce outstanding debt, the raising of new secured debt to substantially refinance the 2010 Commercial Mortgage Backed Securities (“CMBS”) maturities and a requesting a maturity extension for a portion or all of the 2010 tranches of the €900 million unsecured credit facility.

During the first six months of 2009, PEPR has agreed terms and received credit committee approval on a three-year extension, to March 2013, for €126 million of the €151.1 million secured bank loan that matures in March 2010. The extension remains subject to the completion of customary conditions precedent and is expected to complete in Q3 2009.

In addition, PEPR has closed on a new £86 million (€100 million) four-year secured bank loan with Eurohypo AG and expected to receive the funds by the end of July. The loan will be secured on a portfolio of 15 prime UK distribution facilities and will mature in July 2013. The key commercial terms of the loan are a margin of 250 basis points over Libor, an initial loan-to-value of 50% and no amortisation of loan principal during the entire term.

PEPR is currently in active discussions with a number of lenders with regard to seven other secured finance packages targeting over €650 million of commitments.

PEPR agreed to two portfolio disposals during the first half of 2009, one for some €119.5 million related to Dutch and German assets and one, for £64.4 million on UK assets. PEPR received net proceeds of €92.2 million and £64.4 million respectively in relation to these disposals prior to quarter-end and expects to receive the remainder during the third quarter as the final conditions are met.

Proceeds from new financings, asset disposals and operational cash flow will continue to be used to meet working capital requirements and overall de-leveraging targets.

In addition, PEPR has reviewed a range of measures to strengthen its balance sheet. In order to improve its financing flexibility, PEPR has initiated discussions with the *Commission de Surveillance du Secteur Financier* (“CSSF”) with regard to converting its legal form from the current *fonds commun de placement* (“FCP”) to a *Société d'Investissement à Capital Fixe* (“SICAF”). Following approval of the conversion process from the CSSF, PEPR intends to convene an Extraordinary General Meeting in the third quarter 2009 to enable unitholders to vote on the transformation to a

SICAF. The SICAF corporate form is expected to widen the options available to PEPR to increase its capital base and help address upcoming 2010 debt maturities.

Portfolio revaluation

The entire portfolio was revalued as at 30 June 2009, with net market value decreasing 9.3%, excluding disposals and foreign exchange adjustments, from the previous bi-annual valuation in December 2008. The overall net market value, including the impact of disposals and foreign exchange, decreased 13.0%, to €2,994.1 million from €3,441.7 million at year end 2008.

All markets recorded negative valuation movements over the six months to June 2009, driven primarily by adverse yield expansion. The continental portfolio suffered an overall decline of 9.2%, to €2,502.0 million excluding disposals. Property values in Central Europe fell furthest, down 10.5% to €480.1 million, whilst Northern Europe and Southern Europe fell 7.4%, to €621.0 million, and 9.3%, to €1,400.9 million, respectively.

The UK also witnessed a further decline in property values for the six month period, falling 9.8% excluding disposals, to £416.8 million. The UK portfolio has now recorded an overall fall in values of 36.9% since the peak of the market in June 2007, excluding disposals and currency fluctuations. The strengthening of the sterling exchange rate over the second quarter of 2009 has more than compensated this period's decline, with the total value of the UK portfolio, including currency movements, increasing 1.3%, to €492.1 million, excluding disposals. By June 2009 the gross yield² on the UK assets increased 90 basis points to 9.6% from 8.7% at the end of 2008.

The gross yield of the direct portfolio at June 2009 increased to 8.8% (8.3% net yield³) from 8.0% (7.6% net yield) at 31 December 2008.

Portfolio performance

On 12 May 2009, PEPR agreed to dispose of a portfolio of nine stand-alone assets in Germany and The Netherlands to Curzon Capital Partners II, managed by AEW Europe, a leading European real estate investment manager. The agreed sales price of €119.5 million reflects a 6.4% discount to December 2008 valuations. The portfolio comprises some 229,000 square metres of distribution warehouse space at four locations in Germany (Neumarkt, Peine, Soest and Straubing) and three locations in The Netherlands (Bergen op Zoom, Haaften and Rotterdam), with a remaining average lease length of over six years. As at 30 June 2009, PEPR had completed on five of the assets, receiving €92.2 million, and expects to complete on the remaining four assets in the third quarter 2009.

In addition, on 30 June 2009, PEPR completed the sale of five distribution facilities in the UK to an affiliate of Harbert European Real Estate Fund II, L.P. and Harbert European Real Estate Fund II (Parallel), L.P. (collectively, "Harbert"), generating net proceeds of £64.4 million, a 3.6% discount to June 2009 valuations. The 79,700 square metre portfolio is situated in various locations throughout the UK, with a remaining average lease length of approximately 10 years. The sale of both these portfolios will have an approximately €8 million impact on rental income for the remainder of the year.

Net proceeds from these sales have and will be used to reduce outstanding debt, including a portion of the €373.8 million Commercial Mortgage Backed Security maturing in May 2010.

Leasing momentum in the second quarter remains encouraging with ProLogis (NYSE: PLD), PEPR's external manager, completing 18 lease transactions covering 219,600 square metres. 14 leases, covering 201,700 square metres, were renewed with existing customers such as DHL, Schenker and Schneider. In addition, four leases were expanded, adding 17,900 square metres of space to existing customers' supply chains, of which 14,400 square metres was previously vacant. These transactions demonstrate the attractiveness of the portfolio to occupiers and PEPR's commitment to maintaining occupancy, particularly during current challenging market conditions.

Of the 35 lease breaks and expiries in the first six months, covering 273,800 square metres, only

² Annualised rental income expressed as a percentage of net open market value i.e. after deduction of purchasers' costs

³ Annualised rental income expressed as a percentage of gross open market value i.e. before deduction of purchasers' costs

five possible breaks or expiries, or 33,500 square metres, were exercised implying a customer retention rate of 88%. Of this, 28,000 square metres or €2.0 million of rental income remains vacant.

Furthermore, of the 42 lease breaks or expiries due in the second half of 2009, covering 382,100 square metres, the known retention rate is 61% based on agreements already concluded with occupiers. The potential retention rate for the second half could increase to 67%, assuming all customers that have not informed PEPR of their intentions at the upcoming lease break or expiry decide to remain.

To date, PEPR's customer base has remained resilient during the economic downturn, with the portfolio showing no further customer defaults in the second quarter. Over 60 days accounts receivable from customers has decreased from €3.7 million at the end of 2008 to €2.7 million at June 2009. During 2009 one property (HY 2008: 3), covering 12,700 square metres (HY 2008: 70,000 square metres) was returned to us following early departure by the customer. However this building was immediately released to an adjacent customer.

At the end of June 2009, the portfolio comprised 232 distribution facilities, covering 4.9 million square metres across 11 European countries with a net open market value of €3.0 billion. The portfolio risk profile remains attractive, with occupancy at an industry-leading 96.9%, a diversified customer base, and on average 3.6 years to next lease break or 5.8 years to lease expiry. An overview of the portfolio is provided on page 22.

Like-for-like portfolio

LIKE-FOR-LIKE PORTFOLIO OVERVIEW

AS AT 30 JUNE 2009

	% of portfolio	30 June			30 June			30 June		
		2009	2008	change	2009	2008	change	2009	2008	change
		Annualised rent in € per leasable m ²			Net Open Market Value In € per m ²			Occupancy %		
Southern ⁴	49%	49.79	50.30	-1.0%	578	689	-16.1%	98.7%	98.4%	+0.3%
Northern ⁵	19%	57.95	57.44	+0.9%	664	769	-13.6%	96.6%	95.1%	+1.6%
Central ⁶	18%	46.44	47.36	-1.9%	560	691	-18.9%	92.6%	95.0%	-2.5%
UK ⁷	14%	67.34	67.55	-0.3%	698	908	-23.1%	96.6%	96.6%	0.0%
Total / Averages	100%	53.27	53.62	-0.6%	609	736	-17.3%	96.9%	96.9%	0.0%

The like-for-like portfolio includes all properties owned by PEPR as at 30 June 2009.

On a like-for-like basis, average annualised rent per square metre decreased 0.6% over the year, primarily due to reducing rents in Central and Southern Europe, offset by increased rent and occupancy in Northern Europe.

Over the year, the total open market value per square metre of the like-for-like portfolio decreased by 17.3%, with continental European countries recording valuation decreases of between 13.6% and 18.9% with the UK hardest hit, down 23.1%.

ProLogis European Properties Fund II ("PEPF II")

PEPF II is a private equity fund, established by ProLogis, to acquire assets from both ProLogis' development pipeline in Europe and from third-parties. In August 2007, PEPR committed to invest €900 million over a three-year period in PEPF II for a 30% stake.

In December 2008 and February 2009, PEPR sold its entire investment and associated future

⁴ Southern Europe comprises France, Italy and Spain

⁵ Northern Europe comprises Belgium, Germany, The Netherlands and Sweden

⁶ Central Europe comprises the Czech Republic, Hungary and Poland

⁷ Sterling comparative figures have been re-translated using the June 2009 exchange rate for open market values and an average exchange rate for half year 2009 for rental income.

funding obligations in PEPF II, receiving cash proceeds of €58.1 million and eliminating future funding obligations of €522 million. As a result of this transaction, PEPR has no stake in PEPF II and no future funding obligations.

PEPR received a pro-rata distribution of €1.3 million from PEPF II for the first quarter of 2009.

Market outlook

The pan-European economy continues to be impacted by the global recession, with real GDP forecast to fall between 4% and 5% in 2009. This decline, combined with the sustained disarray in the global credit markets and worsening consumer confidence, continues to affect real estate activity across all European markets. Occupancy rates, rental levels and property values have all slipped during 2009 and are not expected to improve until 2010 at best.

Whilst investment demand remains limited and financing is hard to obtain, there is growing evidence that more opportunistic investors are returning to the market for both prime and mid-range properties. This is particularly true for the UK, where property values have recorded the largest fall to date and there are signs of stabilisation in the market.

Occupier demand for distribution space remains weak leading to continued pressure on rental levels, particularly in areas with competing space. However, the ongoing requirement for occupiers to minimise operating costs combined with the lack of new supply of comparable distribution facilities has led to high levels of customer retention.

In this environment, PEPR's high-quality pan-European portfolio, which is leased to a diverse customer base, and proactive asset management should enable it to maintain its defensive position and to deliver strong operational performance in these challenging markets.

Financial results

Earnings

PEPR reported an IFRS loss for the second quarter of €266.8 million, compared to a loss of €52.9 million for the same period in 2008. This decline is attributed primarily to the significant non-cash, negative portfolio revaluations and the cessation of dividend receipts following PEPR's disinvestment of its stake in PEPF II.

EPRA earnings, PEPR's preferred measure of underlying profitability, recorded a more stable view at €31.2 million for the quarter, or €0.16 per unit, a marginal decrease from €34.7 million, or €0.18 per unit, for the same period last year.

For the half year 2009, PEPR recorded an IFRS loss of €237.5 million, compared to a loss of €18.0 million for the first six months of 2008. This is largely due to €306.6 million of unrealised valuation losses in 2009 as compared to €110.8 million of similar losses in 2008; the €42.5 million loss on property disposals in 2009 and a €11.7 million decrease in total revenue, partially offset by a €26.1 million increase in taxation benefit.

EPRA earnings for the first six months decreased 11.7% to €60.4 million from €68.4 million, driven by the decline in total revenue, offset by the increase in taxation benefit.

A reconciliation between IFRS and EPRA earnings is shown on page 13.

Total revenue

Second quarter rental and property income fell by €6.1 million to €68.7 million (Q2 2008: €74.8 million), primarily related to a €2.2 million fall in UK sourced income when measured in euro, the loss of €0.4 million of rental income from space vacated following customer defaults and declining rents.

Rental and property income for the half year fell by €11.7 million to €136.9 million, as a result of a €5.2 million decline in UK sourced income, the loss of €0.9 million of rental income from the customer defaults and a slight decrease in occupancy levels over the year from 97.9% at June 2008

to 96.9% at June 2009. In addition, HY 2008 included higher levels of indemnified income related to initial leases on newly contributed buildings which largely expired over the year.

Operating expenses

Total operating expenses comprise the cost of operating the portfolio and managing PEPR as a fund.

Cost of rental activities includes ground rents paid, property management fees, the provision for bad debt and other non-recoverable property related expenses, such as property insurance and property tax. During HY 2009 the cost of rental activities decreased to €12.3 million, from €17.2 million in the comparable period, largely as a result of €2.4 million of bad debt expense recorded in 2008 in relation to three customers who had defaulted on their lease obligations. In addition, property management fees declined 18.1%, to €7.8 million for the half year (HY 2008: €9.6 million) as they are directly correlated to the gross value of the portfolio which recorded negative valuation movements over the year.

Fund expenses comprise the non-property related costs associated with our business, including fund management, custodian and professional fees. These expenses remained roughly flat over the half year at €2.7 million for the quarter (HY 2008: €2.4 million).

Profit/(loss) on disposal of investment properties

Net loss on disposal of €42.5 million for HY 2009 relates to the completed portion of the sale of a portfolio of Dutch and German assets to AEW and the disposal of a portfolio of UK assets to Harbert. Further details on these transactions are provided in the *Portfolio performance* on page 3.

Property fair value movements

Total property fair value movements for the first six months of 2009 resulted in a net loss of €306.6 million, comprising €323.7 million of revaluations losses, partially offset by €1.1 million of revaluation gains and a €16.0 million reduction in associated provision for purchasers' costs.

Further details on the portfolio valuation movements are provided in the *Portfolio revaluation* section on page 3.

Financing

Interest income for the half year decreased slightly to €2.2 million from €2.4 million for HY 2008. The decline was driven by lower interest rates received on deposits during the period, offset by the receipt of a €1.3 million dividend from PEPF II in Q1 2009.

Finance costs for the period, comprise interest expense, debt amortisation charges and foreign exchange gains/losses.

FINANCE EXPENSE

Year ended		Six months ended	
31 December 2008		30 June 2009	30 June 2008
€'000		€'000	€'000
108,321	Interest expense	49,535	52,168
6,403	Amortisation of initial borrowing costs	4,758	3,155
1,400	Net foreign currency (gains)/losses	873	(123)
116,124		55,166	55,200

Interest expense for the six months decreased 5.0% compared to the same period last year, primarily related to the early repayment of €335.9 million of CMBS debt in April 2009, the repayment of €125.0 of the revolving portion of the €900 million unsecured credit facility and the decrease in PEPR's weighted average interest rate to 4.5% for the period, partially offset by increased borrowing during 2008 to invest in PEPF II.

Amortisation charges increased by €1.6 million in the first half year as a result of the early repayment of CMBS debt and fees relating to the tangible net worth covenant amendment in the €900 million unsecured credit facility agreed in Q4 2008.

Debt structure

PEPR's financing structure utilises a mix of secured and unsecured debt sources. The majority of secured debt within PEPR is in the form of two CMBS issuances, both of which are secured against specific pools of assets with no recourse to the security of the other CMBS or assets elsewhere within the business.

PEPR has to comply with a number of financial debt covenants within its credit facilities. At the end of June 2009, PEPR was in compliance with all covenants.

SUMMARY OF FINANCIAL DEBT COVENANTS⁸

	Limit	30 Jun 2009	31 Dec 2008
Unsecured debt:			
<i>€900m unsecured facility</i>			
Leverage	less than 60% ⁹	57%	55%
Fixed charge coverage	a least 1.5x	2.0x	2.0x
Unencumbered interest coverage	a least 1.5x	2.2x	1.8x
Net Worth (excluding Intangible assets)	at least €1.1bn	€1.3bn	€1.5bn
Unsecured debt as % of unsecured assets	less than 65%	57%	61%
<i>€500m 2014 Eurobond</i>			
Secured debt as % of total assets	less than 40%	21%	28%
Secured debt:			
<i>€151m secured bank loan</i>			
Leverage	less than 70%	58.1%	51.8%
Interest coverage	over 1.3x	Historically between 1.5 - 2.1x on average	
Fonds commun de placement structure:			
Loan to value (total debt as percentage of gross portfolio value) – see page 14	less than 60% ⁹	58.6%	57.1%

In addition to the covenants in the table above, the €500 million Eurobond is redeemable at par if there is a change of control of PEPR and a subsequent downgrade of PEPR's credit rating to Ba1 or below within 120 days. On 19 June 2009, PEPR was downgraded to a Ba1 rating, with negative outlook, by Moody's Investors Service.

The only financial covenant applicable to the CMBS is that income received from the secured assets must exceed interest cost by at least 1.5 times for each quarter. A breach of this ratio does not constitute a default but does require cash trapping within the breached CMBS pool until the breach is remedied. As at 15 April 2009, the most recent reporting date, this ratio was 3.0x for CMBS III and 2.5x for the CMBS IV.

Total outstanding debt as at 30 June 2009 was €1,854.6 million, an 11.4% decrease since year end 2008 (€2,094.1 million), primarily due to the early repayment of €335.9 million of CMBS debt, due July 2009 and the repayment of €125 million of the revolving line of credit following the sale of assets to AEW and Harbert. These repayments were partially offset by the €80.5 million increase in funds drawn under the €300 million revolving portion of the unsecured credit facility. At the end of the quarter, €219.5 million remains undrawn under the facility and PEPR has €133.6 million cash on its Balance Sheet.

The weighted average interest rate for the half year decreased to 4.5% compared to 5.2% for HY2008, given the decrease in European and UK market interest rates during the period. At 30 June 2009, 56.0% of PEPR's debt was at fixed rates of interest, with the remaining floating debt based on EURIBOR or LIBOR with margins varying between 215 to 270 basis points on the €900

⁸ Provisional figures as final figures not reported until mid August

⁹ Can be exceeded up to 65% for a maximum of six months

million senior unsecured credit facility and 137 basis points on the €151.1 million secured bank loan.

An overview of PEPR's outstanding debt is on page 21.

Tax

The overall tax recorded in the Income Statement for the six months of 2009 is a credit of €49.8 million, comprising current income tax expense of €15.9 million offset by a large deferred tax credit of €65.7 million. The deferred tax credit results primarily from the portfolio valuation declines, which result in a partial reversal of deferred tax liabilities previously recorded on unrealised revaluation gains.

The current income tax expense of €15.9 million for the half year represents a substantial increase over the HY 2008 (€9.8 million). €4.6 million of the increase related to income tax on capital gains generated on the AEW asset sale. Adjusting for this one-off tax expense, the HY 2009 current income tax expense represents an effective tax rate of 17.3% for the half year, using EPRA pre-tax earnings as a proxy for taxable income, compared to 12.5% for the same period last year.

Distributable cash flow and distributions

In December 2008, PEPR suspended future dividend payments as part of the business' strategic initiatives to improve liquidity and as a condition for a debt covenant amendment on PEPR's €900 million unsecured credit facility.

Distributable cash flow of €0.16 per unit, or €30.3 million, for the second quarter will therefore be retained in the business to reduce debt and improve liquidity. Distributable cash flow for the six months equalled €0.32 per unit, or €60.5 million, in line with Management guidance for 2009 given the anticipated impact of asset sales in the second half of the year.

PEPR intends to revert to paying a dividend as soon as it is prudent to do so and when permitted under the terms of the €900m unsecured credit facility.

Earnings webcast and conference call details:

We invite you to access the live presentation webcast and conference call, held today, Thursday 23 July 2009, at 11am BST / 12 noon CET, by clicking on the link entitled "Second Quarter and Half Year 2009 Financial Results Webcast" located on the homepage of our website, www.prologis-ep.com.

To participate in the conference call please dial:

	<u>Toll free</u>	<u>Toll</u>
International	--	+44 (0)1452 555 566
France	0805 632 056	+33 (0)1 76 74 24 28
Luxembourg	800 27512	--
The Netherlands	0800 023 5091	+31 (0) 20 717 6886
UK	0800 694 0257	+44 (0)844 493 3800
US	1 866 966 9439	--

A replay of the presentation webcast and a transcript of the call will be available in the "Presentations & Webcasts" page of the Investor Relations section of the PEPR website, www.prologis-ep.com.

A replay of the conference call will be available from 3pm BST / 4pm CET on Thursday 23 July 2009 until Wednesday 5 August 2009. To access the conference call replay please dial one of the following numbers, using passcode 15891669#:

	<u>Toll free</u>	<u>Toll</u>
International	--	+44 (0)1452 550 000
UK	0800 953 1533	+44 (0)845 245 5205
US	1 866 247 4222	--

Financial statements and portfolio information

The financial statements have been produced in accordance with International Financial Reporting Standards.

Page

Financial statements

Consolidated income statement – three months	10
Consolidated income statement – six months	11
Consolidated balance sheet	12
Performance measures – calculations of EPRA earnings	13
Performance measures – calculation of EPRA net asset value	14
Financial ratios	14
Consolidated statement of investment in properties	15
Statement of movement in investment in ProLogis European Fund II	15
Consolidated statement of cash flows – three months	16
Consolidated statement of cash flows – six months	17
Reconciliation of profit to distributable cash flow – three months	18
Reconciliation of profit to distributable cash flow – six months	19
Consolidated statement of changes in equity attributable to unitholders	20
Outstanding debt	21
Portfolio information	
Portfolio overview	22
Lease breaks and maturity dates	23
Largest 20 customers	23

For further information, please contact:

Investor relations

ProLogis European Properties

+44 20 7518 8708

Jennifer van der Eem, VP Investor Relations

jvandereem@prologis.com

Media

M:Communications

+44 20 7153 1523 or 7153 1549

Ed Orlebar/Charlotte McMullen

orlebar@mcomgroup.com/mcmullen@mcomgroup.com

Notes: Forward-looking statements

This document may contain certain 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes of results expressed or implied by such forward-looking statements.

Any forward-looking statements made by or on behalf of PEPR speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their accuracy or completeness or the basis on which they were prepared. PEPR does not undertake to update forward-looking statements to reflect any changes in PEPR's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Information contained in this document relating to PEPR should not be relied upon as an indicator of future performance.

PROLOGIS EUROPEAN PROPERTIES

CONSOLIDATED INCOME STATEMENT

(Unless otherwise stated, amounts are expressed in thousands of euros)

Year ended		Three months ended	
31 December 2008		30 June 2009	30 June 2008
<i>Audited</i>		<i>Unaudited</i>	<i>Unaudited</i>
292,177	Rental income	68,734	75,325
1,146	Other property income	11	(488)
293,323	Total revenue	68,745	74,837
(2,576)	Ground rents paid	(605)	(633)
(18,332)	Property management fees	(3,544)	(4,754)
(11,484)	Other property rental expenses	(2,146)	(4,181)
(32,392)	Cost of rental activities	(6,295)	(9,568)
260,931	Gross profit	62,450	65,269
(6,058)	Fund management fees	(1,171)	(1,576)
(191)	Fund custodian fees	(27)	(18)
(6,065)	Other fund expenses	(1,539)	(1,352)
(12,314)	Fund expenses	(2,737)	(2,946)
27,609	Investment property disposal proceeds	166,910	4,467
(26,082)	Fair value of investment property disposals	(209,432)	(4,565)
1,527	Profit/(loss) on disposal of investment properties	(42,522)	(98)
39,022	Gross valuation gains on property	1,148	37,471
(539,382)	Gross valuation losses on property	(323,833)	(154,070)
16,642	Purchasers costs	15,958	4,715
(483,718)	Property fair value movements	(306,727)	(111,884)
(233,574)	Earnings/(losses) before net financial cost, associate and tax	(289,536)	(49,659)
5,319	Finance income	440	1,604
(116,124)	Finance expense	(26,230)	(28,448)
(76,834)	Share of (loss) of an associate	-	(1,251)
(137,048)	Loss on disposal of investment in an associate	-	-
(68,523)	Impairment of other financial asset, available for sale	-	-
(626,784)	(Losses)/earnings before tax	(315,326)	(77,754)
(23,606)	Charge for current income tax	(10,188)	(4,299)
72,472	Deferred income tax benefit	58,709	29,131
48,866	Benefit/(charge) for taxation	48,521	24,832
(577,918)	Net earnings/(losses) for the period	(266,805)	(52,922)
(576,895)	Attributable to: Unitholders	(266,084)	(53,070)
(1,023)	Minority interest	(721)	148
(577,918)	Net earnings/(losses) for the period	(266,805)	(52,922)
€(3.03)	IFRS earnings/(losses) per unit	€(1.40)	€(0.28)
€0.67	EPRA earnings per unit	€0.16	€0.18

PROLOGIS EUROPEAN PROPERTIES

CONSOLIDATED INCOME STATEMENT

(Unless otherwise stated, amounts are expressed in thousands of euros)

Year ended		Six months ended	
31 December 2008		30 June 2009	30 June 2008
<i>Audited</i>		<i>Unaudited</i>	<i>Unaudited</i>
292,177	Rental income	136,598	148,422
1,146	Other property income	287	163
293,323	Total revenue	136,885	148,585
(2,576)	Ground rents paid	(1,289)	(1,328)
(18,332)	Property management fees	(7,837)	(9,566)
(11,484)	Other property rental expenses	(3,220)	(6,343)
(32,392)	Cost of rental activities	(12,346)	(17,237)
260,931	Gross profit	124,539	131,348
(6,058)	Fund management fees	(2,591)	(3,168)
(191)	Fund custodian fees	(57)	(81)
(6,065)	Other fund expenses	(2,708)	(2,376)
(12,314)	Fund expenses	(5,356)	(5,625)
27,609	Investment property disposal proceeds	166,910	20,634
(26,082)	Fair value of investment property disposals	(209,432)	(20,049)
1,527	Profit/(loss) on disposal of investment properties	(42,522)	585
39,022	Gross valuation gains on property	1,148	37,471
(539,382)	Gross valuation losses on property	(323,719)	(152,994)
16,642	Purchasers costs	15,958	4,715
(483,718)	Property fair value movements	(306,613)	(110,808)
(233,574)	Earnings/(losses) before net financial cost, associate and tax	(229,952)	15,500
5,319	Finance income	2,244	2,445
(116,124)	Finance expense	(55,166)	(55,200)
(76,834)	Share of (loss) of an associate	-	(81)
(137,048)	Loss on disposal of investment in an associate	-	-
(68,523)	Impairment of other financial asset, available for sale	-	-
(626,784)	(Losses)/earnings before tax	(282,874)	(37,336)
(23,606)	Charge for current income tax	(15,940)	(9,764)
72,472	Deferred income tax benefit	61,350	29,051
48,866	Benefit/(charge) for taxation	45,410	19,287
(577,918)	Net earnings/(losses) for the period	(237,464)	(18,049)
	Attributable to:		
(576,895)	Unitholders	(236,765)	(18,325)
(1,023)	Minority interest	(699)	276
(577,918)	Net earnings/(losses) for the period	(237,465)	(18,049)
€(3.03)	IFRS earnings/(losses) per unit	€(1.24)	€(0.10)
€0.67	EPRA earnings per unit	€0.32	€0.36

PROLOGIS EUROPEAN PROPERTIES

CONSOLIDATED BALANCE SHEET

(Unless otherwise stated, amounts are expressed in thousands of euros)

31 December 2008 <i>Audited</i>		30 June 2009 <i>Unaudited</i>	30 June 2008 <i>Unaudited</i>
Assets			
<i>Non Current Assets</i>			
3,441,722	Investment in property	2,994,123	3,945,297
132	Property under construction	23	45
-	Investment in an associate	-	258,679
90,259	Hedging instruments	13,297	73,886
5,625	Deferred tax asset	11,454	7,838
3,537,738		3,018,897	4,285,745
<i>Current Assets</i>			
6,168	Due from related parties	-	3,514
60,097	Accounts receivable, net	65,394	44,622
30,841	Other current assets	34,477	43,593
48,496	Other financial assets, available for sale	-	-
-	Investment properties, held for sale	22,319	-
77,101	Cash and cash equivalents	133,559	131,440
222,703		255,749	223,169
3,760,441	Total assets	3,274,646	4,508,914
Equity			
1,911,810	Capital contributions	1,911,810	1,911,810
(37,721)	Costs of raising capital	(37,721)	(37,721)
1,874,089	Net capital contributed	1,874,089	1,874,089
(282,586)	Net retained (losses)/earnings	(519,351)	310,880
(176,288)	Cumulative foreign currency translation	(127,018)	(106,153)
(9,959)	Cash flow hedge valuation reserve	(8,562)	19,812
-	Equity items of an associate	-	(5,988)
1,405,256	Equity attributable to unitholders	1,219,158	2,092,640
5,589	Minority interest in subsidiaries	4,890	6,888
1,410,845	Total equity	1,224,048	2,099,528
Liabilities			
<i>Non-current liabilities</i>			
543,626	Interest bearing secured notes	545,311	876,744
492,005	Interest bearing unsecured notes	492,586	491,442
700,216	Interest bearing bank loans, net of current portion	798,460	734,150
6,509	Hedging instruments	7,220	-
112,421	Deferred taxation	57,172	161,409
1,854,777		1,900,749	2,263,745
<i>Current liabilities</i>			
335,288	Interest bearing bank loans and secured notes, current portion	-	1,925
1,371	Accounts payable	7,531	3,453
40,387	Due to related parties	9,796	7,341
16,449	Income and other taxes payable	26,108	12,029
53,998	Accrued expenses and other current liabilities	53,535	95,219
47,326	Deferred income	52,879	25,674
494,819		149,849	145,641
2,349,596	Total liabilities	2,050,598	2,409,386
3,760,441	Total equity and liabilities	3,274,646	4,508,914
€7.38	IFRS NAV per unit	€6.40	€10.98
€8.02	EPRA NAV per unit	€6.74	€11.73

PROLOGIS EUROPEAN PROPERTIES

CALCULATION OF EPRA EARNINGS

(Unless otherwise stated, amounts are expressed in thousands of euros)

<u>Year ended</u>	<u>Three months ended</u>	
31 December 2008 <i>Unaudited</i>	30 June 2009 <i>Unaudited</i>	30 June 2008 <i>Unaudited</i>
(576,895)	Net (loss)/earnings attributable to unitholders for the period	
	(266,084)	(53,070)
	Adjustments for:	
483,718	306,727	111,884
76,834	-	1,251
15,918	-	3,515
137,048	-	-
68,523	-	-
(1,527)	42,605	(418)
(74,587)	(51,080)	(28,462)
(1,345)	(1,000)	(25)
127,687	31,168	34,675
	Weighted average number of ordinary units	
190,522,441	190,522,441	190,522,441
€0.67	€0.16	€0.18

CALCULATION OF EPRA EARNINGS

(Unless otherwise stated, amounts are expressed in thousands of euros)

<u>Year ended</u>	<u>Six months ended</u>	
31 December 2008 <i>Unaudited</i>	30 June 2009 <i>Unaudited</i>	30 June 2008 <i>Unaudited</i>
(576,895)	Net (loss)/earnings attributable to unitholders for the period	
	(236,765)	(18,325)
	Adjustments for:	
483,718	306,613	110,808
76,834	-	81
15,918	-	5,305
137,048	-	-
68,523	-	-
(1,527)	42,605	(1,101)
(74,587)	(51,080)	(28,462)
(1,345)	(978)	102
127,687	60,395	68,408
	Weighted average number of ordinary units	
190,522,441	190,522,441	190,522,441
€0.67	€0.32	€0.36

PROLOGIS EUROPEAN PROPERTIES

CALCULATION OF EPRA NET ASSET VALUE

(Unless otherwise stated, amounts are expressed in thousands of euros)

31 December 2008 <i>Unaudited</i>		30 June 2009 <i>Unaudited</i>	30 June 2008 <i>Unaudited</i>
1,405,256	Net asset value attributable to unitholders per IFRS financial statements	1,219,158	2,092,640
	Adjustments for:		
112,421	Deferred tax	57,172	161,409
9,959	Cash flow hedge valuation reserve	8,562	(19,812)
1,527,636	EPRA net asset value	1,284,892	2,234,237
190,522,441	Number of ordinary units	190,522,441	190,522,441
€0.02	EPRA net asset value per unit	€6.74	€11.73

FINANCIAL RATIOS

31 December 2008 <i>Unaudited</i>		30 June 2009 <i>Unaudited</i>	30 June 2008 <i>Unaudited</i>
€3,617.3m	Gross value of real estate portfolio	€3,144.6m	€4,140.9m
€48.5m	Investment, available for sale	-	€258.7m
-	Investment properties, held for sale	€22.3m	-
€3,665.8m	Total value	€3,166.9m	€4,399.6m
€2,094.1m	Debt (excluding unamortised transaction costs)	€1,854.60m	€2,127.3m
57.1%	LTV (debt as percentage of total value)	58.6%	48.3%
€300.0m	Undrawn committed facilities	€219.5m	€300.0m
2.7 years	Average maturity, based on earliest repayment date	2.5 years	3.2 years
Year ended		Six months ended	
31 December 2008		30 June 2009	30 June 2008
5.3%	Average interest rate	4.5%	5.2%
2.6x	Interest cover	2.5x	2.7x

PROLOGIS EUROPEAN PROPERTIES

CONSOLIDATED STATEMENT OF INVESTMENT IN PROPERTIES

(Unless otherwise stated, amounts are expressed in thousands of euros)

31 December 2008 <i>Audited</i>		30 June 2009 <i>Unaudited</i>	30 June 2008 <i>Unaudited</i>
	Historic cost		
3,435,805	Cost at the beginning of the period	3,244,724	3,435,805
8,095	Capital expenditure	389	2,370
10,959	Leasing commission	(108)	1,451
8,635	Rent levelling	-	(1,239)
2,439	Transfer from property under construction	110	2,439
(8,531)	Disposals	(199,893)	(2,610)
-	Transfer to properties held for sale	(23,647)	-
(212,678)	Effect of unrealised currency movements	67,699	(77,855)
3,244,724	Cost at the end of the period	3,089,244	3,360,361
	Net unrealised gains/(losses) related to property		
707,304	Net unrealised gains at the beginning of the period	196,998	707,304
39,022	Gross valuations gains on investment in property during the period	1,148	37,471
(539,382)	Gross valuations losses on investment in property during the period	(323,719)	(152,994)
16,642	Adjustment for purchasers' costs	15,958	4,715
(2,067)	Reversal of accumulated revaluation (gain)/loss on disposals	14,136	(1,930)
-	Transfer of accumulated valuation loss to properties held for sale	1,328	-
(24,521)	Effect of unrealised currency movements	(970)	(9,629)
196,998	Net unrealised gains/(losses) at the end of the period	(95,121)	584,937
3,441,722	Fair value at the end of the period	2,994,123	3,945,297
	Fair value of investment property		
3,617,279	Appraised gross property value at the end of the period	3,144,616	4,140,944
(175,557)	Purchasers costs	(150,493)	(195,647)
3,441,722	Fair value at the end of the period	2,994,123	3,945,297

STATEMENT OF MOVEMENT IN INVESTMENT IN PROLOGIS EUROPEAN PROPERTIES FUND II

(Unless otherwise stated, amounts are expressed in thousands of euros)

Year ended 31 December 2008 <i>Unaudited</i>		Six months ended 30 June 2009 <i>Unaudited</i>	30 June 2008 <i>Unaudited</i>
108,172	Investment at beginning of period	48,496	108,172
282,381	Contributions	-	161,881
(43,734)	Proceeds from disposals	(48,496)	-
(76,834)	Share of profit/(loss) after taxation	-	(81)
-	Equity items of an associate	-	-
(15,918)	Distributions received	-	(5,305)
(137,048)	Loss on disposal of shares of an associate	-	-
(68,523)	Impairment of investment, available for sale	-	-
-	Hedging movements	-	(5,988)
48,496	Investment at period end	0	258,679

PROLOGIS EUROPEAN PROPERTIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unless otherwise stated, amounts are expressed in thousands of euros)

Year ended		Three months ended	
31 December 2008		30 June 2009	30 June 2008
<i>Audited</i>		<i>Unaudited</i>	<i>Unaudited</i>
(626,784)	Earnings/(losses) before tax	(315,326)	(77,754)
741,734	Adjustment for non-cash items and changes in operating assets	332,577	113,463
114,950	Net cash flow from operating activities	17,251	35,710
	Cash flow from investing activities		
-	Acquisitions of property	-	-
(244,381)	Investment in an associate	-	(70,200)
11,009	Distributions from an associate	-	1,790
-	Distributions from other financial assets, available for sale	1,270	-
(8,095)	Capital expenditure and other expenditure on investment property	(340)	(1,701)
(4,005)	Property under construction	-	-
2,955	Payments from insurance company	937	(304)
43,734	Proceeds from disposal of shares of an associate	-	-
-	Proceeds from disposal of shares of other financial asset, available for sale	-	-
16,167	Proceeds from disposal of property under construction	-	16,167
11,581	Proceeds from disposal of investment property	168,639	-
(171,035)	Net cash provided from/(used in) investing activities	170,506	(54,248)
	Cash flow from financing activities		
	Proceeds from secured notes:		
-	Gross (repayments)/settlements	-	-
-	Hedge proceeds	-	-
	Proceeds from unsecured notes:		
-	Gross (repayments)/proceeds	-	-
(278)	Transaction costs	-	(31)
	Proceeds from bank loans:		
209,149	Gross (repayments)/proceeds	(124,973)	-
(3,180)	Transaction costs	-	-
-	Restricted proceeds from swap contracts	16,470	-
(149,624)	Distributions to unitholders	-	(37,345)
56,067	Net cash provided/(used) from financing activities	(108,503)	(37,376)
(1,561)	Effects of changes in exchange rates	881	(1,312)
(1,579)	Net increase/(decrease) in cash and cash equivalents	80,135	(57,227)
78,680	Cash and cash equivalents at the beginning of the period	53,424	188,667
77,101	Cash and cash equivalents at the end of the period	133,559	131,440

PROLOGIS EUROPEAN PROPERTIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unless otherwise stated, amounts are expressed in thousands of euros)

Year ended		Six months ended	
31 December 2008		30 June 2009	30 June 2008
<i>Audited</i>		<i>Unaudited</i>	<i>Unaudited</i>
(626,784)	Earnings/(losses) before tax	(282,874)	(37,336)
741,734	Adjustment for non-cash items and changes in operating assets	339,883	103,284
114,950	Net cash flow from operating activities	57,009	65,948
	Cash flow from investing activities		
-	Acquisitions of property	-	-
(244,381)	Investment in an associate	(38,000)	(161,881)
11,009	Distributions from an associate	6,168	3,050
-	Distributions from other financial assets, available for sale	1,270	-
(8,095)	Capital expenditure and other expenditure on investment property	(389)	(2,370)
(4,005)	Property under construction	-	(3,918)
2,955	Payments from insurance company	937	-
43,734	Proceeds from disposal of shares of an associate	48,496	-
-	Proceeds from disposal of shares of other financial asset, available for sale	-	-
16,167	Proceeds from disposal of property under construction	-	16,167
11,581	Proceeds from disposal of investment property	168,639	-
(171,035)	Net cash provided from/(used in) investing activities	187,121	(148,952)
	Cash flow from financing activities		
	Proceeds from secured notes:		
-	Gross (repayments)/settlements	(335,872)	-
-	Hedge proceeds	50,755	-
	Proceeds from unsecured notes:		
-	Gross (repayments)/proceeds	-	-
(278)	Transaction costs	-	(278)
	Proceeds from bank loans:		
209,149	Gross (repayments)/proceeds	80,467	217,000
(3,180)	Transaction costs	(36)	(33)
-	Restricted proceeds from swap contracts	16,470	-
(149,624)	Distributions to unitholders	-	(79,319)
56,067	Net cash provided/(used) from financing activities	(188,216)	137,370
(1,561)	Effects of changes in exchange rates	544	(1,606)
(1,579)	Net increase/(decrease) in cash and cash equivalents	56,458	52,760
78,680	Cash and cash equivalents at the beginning of the period	77,101	78,680
77,101	Cash and cash equivalents at the end of the period	133,559	131,440

PROLOGIS EUROPEAN PROPERTIES

RECONCILIATION OF PROFIT TO DISTRIBUTABLE CASH FLOW

(Unless otherwise stated, amounts are expressed in thousands of euros)

Year ended		Three months ended	
31 December 2008		30 June 2009	30 June 2008
<i>Unaudited</i>		<i>Unaudited</i>	<i>Unaudited</i>
(576,895)	Net earnings/(losses) attributable to unitholders for the period	(266,084)	(53,070)
	Adjustments for items per the Management Regulations:		
	Net valuation (gains) / losses on property	322,645	116,093
502,331			
(16,642)	Purchasers' costs	(15,958)	(4,715)
76,834	Gain/(loss) on associate	-	1,251
15,918	Distributions from an associate	-	3,515
	Loss on disposal of investment of an associate	-	-
137,048	Impairment of investment, available for sale	-	-
68,523	Unrealised currency (gains)/losses	(343)	(347)
2,000	Amortisation of debt expenses	2,099	1,200
6,402	Movements on deferred tax balances	(58,709)	(29,131)
(72,472)	Costs related to non-recurring events	-	700
357	Loss / (profit) on disposal	42,522	927
2,067	Charge for current income tax, related to disposal	4,557	-
-	Less an allowance for capital and re-letting expenses	(478)	(1,701)
(7,623)	Total adjustments	296,335	87,792
714,743			
137,848	Distributable cash flow for unitholders	30,251	34,722
	Weighted average number of ordinary units	190,522,441	190,522,441
190,522,441			
€0.72¹⁰	Distributable cash flow per unit for the period	€0.16¹⁰	€0.18

¹⁰ In December 2008, PEPR suspended future dividend payments including the Q4 2008 distributable cash flow of €0.14 per unit which was retained in the business. Distributable cash flow per unit of €0.16 per unit for Q2 2009, or €0.32 per unit for HY 2009 will also be retained.

PROLOGIS EUROPEAN PROPERTIES

RECONCILIATION OF PROFIT TO DISTRIBUTABLE CASH FLOW

(Unless otherwise stated, amounts are expressed in thousands of euros)

Year ended		Six months ended	
31 December 2008		30 June 2009	30 June 2008
<i>Unaudited</i>		<i>Unaudited</i>	<i>Unaudited</i>
(576,895)	Net earnings/(losses) attributable to unitholders for the period	(236,765)	(18,325)
	Adjustments for items per the Management Regulations:		
	Net valuation (gains) / losses on property	323,093	116,762
502,331	Purchasers' costs	(15,958)	(4,715)
(16,642)	Gain/(loss) on associate	-	81
76,834	Distributions from an associate	-	5,305
15,918	Loss on disposal of investment of an associate	-	-
137,048	Impairment of investment, available for sale	-	-
68,523	Unrealised currency (gains)/losses	420	(400)
2,000	Amortisation of debt expenses	4,758	3,155
6,402	Movements on deferred tax balances	(61,350)	(29,051)
(72,472)	Costs related to non-recurring events	72	700
357	Loss / (profit) on disposal	42,522	1,610
2,067	Charge for current income tax, related to disposal	4,557	-
-	Less an allowance for capital and re-letting expenses	(820)	(2,370)
(7,623)	Total adjustments	297,294	91,077
714,743			
137,848	Distributable cash flow for unitholders	60,529	72,752
	Weighted average number of ordinary units	190,522,441	190,522,441
190,522,441			
€0.72¹⁰	Distributable cash flow per unit for the period	€0.32¹⁰	€0.38

PROLOGIS EUROPEAN PROPERTIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO UNITHOLDERS

(Unless otherwise stated, amounts are expressed in thousands of euros)

	Capital contribution	Cost of raising capital	Net retained earnings/ (losses)	Cumulative foreign currency translation	Cash flow hedge valuation reserve	Equity items of an associate	TOTAL	Minority interest	TOTAL EQUITY
Balance as at 31/12/07	1,911,810	(37,721)	401,958	(55,994)	15,250	-	2,235,303	6,612	2,241,915
Foreign currency translation	-	-	-	(50,159)	-	-	(50,159)	-	(50,159)
Net gains / (losses) on cash flow hedge	-	-	-	-	4,562	-	4,562	-	4,562
Share of equity items of an associate	-	-	-	-	-	(5,988)	(5,988)	-	(5,988)
Profit / (loss)	-	-	(18,325)	-	-	-	(18,325)	276	(18,049)
Total recognised income/(loss)	-	-	(18,325)	(50,159)	4,562	(5,988)	(69,910)	276	(69,634)
Distributions	-	-	(72,753)	-	-	-	(72,753)	-	(72,753)
Balance as at 30/06/08	1,911,810	(37,721)	310,880	(106,153)	19,812	(5,988)	2,092,640	6,888	2,099,528
Foreign currency translation	-	-	-	(70,135)	-	-	(70,135)	-	(70,135)
Net gains / (losses) on cash flow hedge	-	-	-	-	(29,771)	-	(29,771)	-	(29,771)
Share of equity items of an associate	-	-	-	-	-	5,988	5,988	-	5,988
Profit / (loss)	-	-	(558,569)	-	-	-	(558,569)	(1,299)	(559,868)
Total recognised income/(loss)	-	-	(558,569)	(70,135)	(29,771)	5,988	(652,487)	(1,299)	(653,786)
Distributions	-	-	(34,897)	-	-	-	(34,897)	-	(34,897)
Balance as at 31/12/08	1,911,810	(37,721)	(282,586)	(176,288)	(9,959)	-	1,405,256	5,589	1,410,845
Foreign currency translation	-	-	-	25,595	-	-	25,595	-	25,595
Disposal of foreign operations	-	-	-	23,675	-	-	23,675	-	23,675
Net gains / (losses) on cash flow hedge	-	-	-	-	1,397	-	1,397	-	1,397
Share of equity items of an associate	-	-	-	-	-	-	-	-	-
Profit / (loss)	-	-	(236,765)	-	-	-	(236,765)	(699)	(237,464)
Total recognised income/(loss)	-	-	(236,765)	49,270	1,397	-	(186,098)	(699)	(186,797)
Distributions	-	-	-	-	-	-	-	-	-
Balance as at 30/06/09	1,911,810	(37,721)	(519,351)	(127,018)	(8,562)	-	1,219,158	4,890	1,224,048

PROLOGIS EUROPEAN PROPERTIES

**OUTSTANDING DEBT
AS AT 30 JUNE 2009**

Description	Rating	Issue date	Issue size	Coupon ¹¹	Maturity date	Drawn amount		Swapped rate	Comments
						Local currency	Euros		
<i>Listed on the London Stock Exchange (CMBS issuances)</i>									
Pan European Industrial Properties Series III S.A	AAA AAA AA	Feb 2003	€190.5m	€151m: +35bps €17m: +48bps €23m: +85bps	May 2010 ¹²	€97.0m £48.9m	€174.4m	4.61%	100% swapped LTV: 54.6%
Pan European Industrial Properties Series IV S.A	AAA AA AAA	Mar 2005	€389.0m	€337m: +14bps €32m: +18bps €20m: +30bps	May 2010 ⁵	€288.3m £42.8m	€373.8m	3.58%	100% swapped LTV: 60.6%
<i>Listed on the Luxembourg Stock Exchange</i>									
ProLogis International Funding S.A.	Ba1	Oct 2007	€500.0m	5.875%	Oct 2014	€500.0m	€500.0m	5.875%	Unsecured Fixed rate
<i>Other</i>									
Bank loan	-	Feb 2004	€151.1m	+137bps	Mar 2010	€151.1m	€151.1m	n/a	LTV: 58.1%
Senior unsecured credit facility	-	Dec 2007	€900.0m	€300m: +215bps €300m: +265bps €300m: +270bps	Dec 2010 Dec 2010 Dec 2012	€60.4m £17.0m €300.0m €129.0m £123.5m	€80.5m €300.0m €274.8m	n/a	Unsecured Floating rate
Total			€2,130.6m				€1,854.6m		

¹¹ All coupons are three month Euribor/Libor +

¹² Maturity dates relate to repayment dates rather than legal maturity dates, which are typically three years later. It is expected that the debt will be repaid in full on or before the repayment dates.

PROLOGIS EUROPEAN PROPERTIES

PORTFOLIO OVERVIEW
AS AT 30 JUNE 2009

	Number of facilities	Open market value ('OMV') ¹³ €million	% of total OMV	Leasable area 000m ²	% of total leasable area	Annualised rental income ¹⁴ €million	ERV ¹⁵ €million	Gross portfolio yield ¹⁶ Current occupancy	Gross portfolio yield ¹⁷ 100% occupancy	Occupancy level	Average age of facilities years	Number of leases	Average number of years to next lease break	Average number of years to lease expiry
France	61	855	29%	1,590.6	32%	75.7	69.7	8.9%	8.9%	99.4%	8.0	72	2.9	6.3
Italy	18	274	9%	522.7	11%	24.6	21.6	9.0%	9.3%	96.1%	9.0	18	5.3	6.0
Spain	13	272	9%	309.5	6%	20.3	21.5	7.5%	7.5%	99.8%	6.5	21	3.7	5.3
<i>Southern</i>	<i>92</i>	<i>1,401</i>	<i>47%</i>	<i>2,422.8</i>	<i>49%</i>	<i>120.6</i>	<i>112.8</i>	<i>8.6%</i>	<i>8.7%</i>	<i>98.7%</i>	<i>7.9</i>	<i>111</i>	<i>3.5</i>	<i>6.1</i>
Belgium	5	53	1%	98.3	2%	4.4	4.1	8.3%	8.3%	100.0%	5.0	5	3.5	9.3
Germany	20	229	8%	328.0	7%	20.1	19.2	8.8%	9.0%	97.1%	5.0	42	2.7	3.6
Netherlands	20	255	9%	378.5	8%	22.4	21.8	8.8%	9.5%	94.0%	9.0	34	2.3	3.7
Sweden	4	84	3%	130.3	2%	7.3	6.2	8.6%	8.6%	100.0%	14.4	4	8.3	9.6
<i>Northern</i>	<i>49</i>	<i>621</i>	<i>21%</i>	<i>935.1</i>	<i>19%</i>	<i>54.2</i>	<i>51.3</i>	<i>8.7%</i>	<i>9.1%</i>	<i>96.6%</i>	<i>7.9</i>	<i>85</i>	<i>3.4</i>	<i>4.9</i>
Czech Republic	12	104	3%	180.4	4%	9.1	8.7	8.8%	9.5%	93.0%	6.3	31	2.0	2.3
Hungary	14	106	4%	182.0	4%	9.6	9.0	9.1%	9.6%	94.1%	6.1	37	2.7	4.7
Poland	26	271	9%	494.5	10%	21.0	21.7	7.8%	8.5%	91.8%	7.0	88	2.6	3.1
<i>Central</i>	<i>52</i>	<i>480</i>	<i>16%</i>	<i>856.9</i>	<i>18%</i>	<i>39.8</i>	<i>39.4</i>	<i>8.3%</i>	<i>9.0%</i>	<i>92.6%</i>	<i>6.5</i>	<i>156</i>	<i>2.4</i>	<i>3.3</i>
UK	39	492	16%	705.0	14%	47.5	45.0	9.6%	9.9%	96.6%	7.4	38	5.2	8.3
TOTAL	232	2,994	100%	4,919.8	100%	262.1	248.5	8.8%	9.0%	96.9%	7.6	390	3.6	5.8
Vacant space (at ERV per m ²)							<u>8.2</u>							
							256.7							

¹³ An independent revaluation of the portfolio is conducted every 30 June and 31 December. In accordance with IFRS fair value accounting, valuations are reported net i.e. after deduction of purchasers' costs

¹⁴ Annualised rental income means the estimate of annual income based on the gross rental income for leases in place as at the latest valuation date 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. It does not take into account lease terminations, renewals, replacement of customers or other changes in rent levels in existing leases

¹⁵ ERV refers to the Estimated Rental Value calculated by the independent third-party appraisers as at the latest valuation date

¹⁶ Annualised rental income on occupied portfolio expressed as a percentage of open market value

¹⁷ Annualised rental income on occupied portfolio plus ERV on vacant space expressed as a percentage of open market value

PROLOGIS EUROPEAN PROPERTIES

LEASE BREAK AND MATURITY DATES
AS AT 30 JUNE 2009

	Number of leases with next break option in year	Leased space subject to next break option ¹⁸ 000m ²	Annualised rental income of leases subject to first break option		Number of leases with expiry date in year ¹⁹	Leased space subject to lease expiry 000m ²	Annualised rental income ²² of expiring leases	
			(€m)	%			(€m)	%
2009	38	266	14.3	5.5	35	213	12.3	4.7
2010	87	958	53.8	20.5	58	393	24.3	9.3
2011	100	975	45.9	17.5	68	451	22.2	8.5
2012	57	779	44.2	16.9	42	420	25.8	9.9
2013	34	402	23.4	8.9	39	456	27.1	10.3
2014	30	502	29.2	11.1	29	480	25.1	9.6
2015	15	330	19.3	7.4	27	652	32.3	12.3
2016	7	133	8.0	3.0	22	514	26.7	10.2
2017	7	230	13.6	5.2	20	407	21.6	8.2
2018	5	43	1.8	0.7	12	144	7.4	2.8
2019+	10	151	8.6	3.3	38	639	37.3	14.2
Total	390	4,769	262.1	100.0	390	4,769	262.1	100.0

LARGEST 20 CUSTOMERS BY ANNUALISED RENTAL INCOME
AS AT 30 JUNE 2009

Customer Name ²⁰	Industry Type	Share of annualised rental income	Number of leases
1 Ceva (previously TNT Logistics)	3PL	7.4%	14
2 Deutsche Post AG (DHL)	3PL	5.5%	22
3 Geodis	3PL	5.2%	12
4 NYK Holdings (Nippon Yusen Kaisha)	3PL	4.1%	8
5 ND Logistics	3PL	2.9%	6
6 Gefco (PSA Peugeot)	3PL	2.6%	5
7 FM Logistic	3PL	2.3%	4
8 GoodYear/Dunlop	Automotive	1.9%	2
9 ID Logistics Group	3PL	1.9%	5
10 Fagor Electrodomesticos (Brandt Appliances)	Industrial Durables	1.8%	3
11 Kuehne & Nagel	3PL	1.8%	4
12 Carrefour	Retail	1.6%	2
13 DSV A/S	3PL	1.5%	5
14 Deutsche Bahn (Schenker)	3PL	1.3%	5
15 Eurofred	3PL	1.2%	2
16 Amazon.com Inc	Retail	1.2%	1
17 Schneider	Electrical/Mechanical	1.2%	3
18 J. Sainsbury	Retail	1.1%	2
19 Depolabo Pharma Logistique	Pharmaceuticals	1.1%	2
20 Hagermeijer (Elektroskandia)	Electrical/Mechanical	1.0%	1
Subtotal of largest 20 customers		48.6%	108
Leases with 191 other customers		51.4	282
Total		100.0%	390

¹⁸ Leases at earlier of next break date or expiry date

¹⁹ Leases at expiry date regardless of upcoming lease breaks

²⁰ Customers shown are either actual names or the name of the parent company of the customers.