

News release

Annual General Meeting Statement Wednesday 27 May 2009

Luxembourg – 27 May 2009 – Peter Cassells, CEO of ProLogis European Properties (Euronext: PEPR), Europe's largest owner of modern distribution facilities, will make the following statements at today's AGM to be held from 09:00am CET / 08:00am BST at Sofitel Luxembourg Hotel, 6 rue du Fort Niedergruenewald, Quartier Européen Nord, Plateau de Kirchberg, L-2015, Luxembourg.

In February this year, PEPR reported strong operating performance for 2008, demonstrating the benefit of invaluable customer relationships which ultimately deliver industry-leading occupancy levels across Europe. In addition, we have made difficult decisions to safeguard the investments of our unitholders in an environment dominated by credit dislocation and declining asset values. We suspended dividends for the foreseeable future, immediately improving liquidity and took the significant step of disposing of our current and future investment in ProLogis European Properties Fund II. This disposal, whilst at a discount to book value, significantly improves future liquidity by removing the requirement to invest a further €522 million by August 2010.

Our first quarter results, announced in April, were in line with our forecasts in spite of the continued turmoil in the financial markets and the uncertain economic outlook, reflecting the secure cash flows derived from our portfolio and the relatively stable nature of the logistics real estate market. We have continued to make good progress with our actions to improve financial flexibility and overall liquidity within the business. We repaid early €335.9 million of secured debt, crystallising €43 million of cash flow from the unwinding of related derivatives and releasing over €550 million of properties into our unsecured asset pool. We have successfully agreed terms on €235 million of new secured bank loans, subject to final credit committee approval, and have negotiations underway with a number of other liquidity sources for further funding. Furthermore, we have agreed the disposal of a portfolio of assets, generating some €115 million of net proceeds.

Market outlook

We remain in a period of turbulence in the consumer, financial and real estate markets, with concerns over the global economic slowdown. Investment demand remains limited and focused on prime buildings in prime locations, with the resultant lack of transactional evidence leading to uncertainty over portfolio values. However, we are beginning to see increased levels of investment transactions in the UK and renewed activity in our sector in continental Europe. Although it is still too early to say to what extent this is an indication of confidence returning, it is nonetheless encouraging.

Occupier demand for distribution space has weakened following a slowing macro-economic climate across all markets, with customers taking longer to make decisions and requesting shorter, more flexible leases. Rental levels are under downward pressure as reduced economic activity leads to a growing need for occupiers to minimise operating costs. However, this requirement to reduce costs combined with the lack of new supply of comparable distribution space has led to an increase in customers remaining in place.

PEPR's future priorities

Our immediate priorities are a continued focus on deleveraging the business, reducing balance sheet risk and smoothing the future debt maturity profile. We are resolute on finalising discussions with lenders in relation to new secured financing, on maintaining an open dialogue with our banking partners and are making good progress with further portfolio disposals. In addition, we are exploring all potential deleveraging options to ensure we are well positioned for the future.

In summary, we are pleased with our sustained operational performance, our resilient financial results and the positive steps made with our deleveraging initiatives, particularly given the challenging economic environment. Our modern pan-European portfolio, combined with strong customer relationships and local market expertise leaves us confident of successfully managing the immediate challenges in a difficult market.

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For further information, please contact:

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About ProLogis European Properties (PEPR)

ProLogis European Properties, or PEPR, which listed on Euronext Amsterdam on 22 September 2006, is the largest pan-European owner of high quality distribution and logistics facilities. Established in 1999, PEPR is a real estate investment fund (organised as a Luxembourg closed-ended *fonds commun de placement*) externally managed by a subsidiary of ProLogis (NYSE: PLD), a leading global provider of industrial distribution facilities.

As at 31 March 2009, PEPR has a portfolio of 246 buildings, covering 5.2 million square metres in 11 European countries, with an estimated net open market value of €3.4 billion. The portfolio has an occupancy level of 97.0% and an average of 3.9 years to the next lease break or 6.2 years to lease expiry.