

News release

ProLogis European Properties Results for the quarter and year ended 31 December 2009

2009 deleveraging initiatives completed

Luxembourg – 11 February 2010 – ProLogis European Properties (Euronext: PEPR), one of Europe's largest owners of modern distribution facilities, today reports results for the quarter and year ended 31 December 2009.

Highlights

- 94.5% of €1.3 billion debt maturities due in 2009/2010 refinanced or repaid, primarily due to:
 - €366.8 million of new or extended secured financings completed during the year
 - €440.9 million of new secured financings completed, post year end
 - €61.1 million of convertible preferred equity raised
 - €189.1 million of net proceeds from completed asset sales
- Record levels of leasing activity deliver sustained high occupancy of 96.1%
 - 76% customer retention rate achieved in the year
- 5.2% valuation decrease on the portfolio since 30 June 2009 (4.5% excluding foreign exchange adjustments) with only a 0.4% decrease in Q4 2009

Quarter to 31 December 2009

- EPRA earnings⁽¹⁾ decreased to €0.05 per ordinary unit (Q4 2008: €0.15 per unit) due to decreased rental income, one-time CMBS termination costs and the loss of dividends from ProLogis European Properties Fund II ("PEPF II"), partially offset by lower finance expenses
- IFRS earnings of €0.04 per ordinary unit (Q4 2008 loss: €3.02 per unit), due to improving portfolio values in Q4 2009 and losses related to PEPF II in 2008
- EPRA net asset value("NAV")⁽¹⁾ per ordinary unit of €6.15, broadly flat compared to 30 September 2009 (€6.18 per unit)
- IFRS NAV per ordinary unit increased to €5.97 (Q3 2009: €5.93 per unit)
- 31 lease transactions covering 331,600m², maintaining high portfolio occupancy with almost double Q4 2008 activity

Year to 31 December 2009

- EPRA earnings⁽¹⁾ per ordinary unit decreased €0.13 to €0.54 (2008: €0.67 per unit), due to decreased rental income, one-time CMBS termination costs and the loss of dividends from PEPF II, partially offset by lower operating and finance expenses
- IFRS loss of €1.62 per ordinary unit for the year (2008 loss: €3.03 per unit), related to a slowdown in portfolio value declines in 2009 and losses related to PEPF II in 2008, offset by losses on property disposals
- EPRA NAV⁽¹⁾ per ordinary unit decreased 23%, to €6.15 over the period (2008: €8.02 per unit) as a result of declining portfolio values and asset sales, partially offset by lower levels of debt
- IFRS NAV per ordinary unit fell 13.6% to €5.97 (2008: €7.38 per unit)
- 88 lease transactions covering 947,300m², compared to 82 transactions covering 661,700m² in 2008

¹ Based on EPRA (European Public Real Estate Association) *Best Practices Policy Recommendations*, issued in July 2009

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

“2009 has been an incredibly active year for PEPR, with an absolute focus on maintaining industry leading portfolio occupancy, deleveraging the business in one of the toughest markets in recent history and meeting guidance targets. We are delighted to have maintained consistently high occupancy levels throughout the market downturn and delivered record levels of leasing. We completed close to 950,000 square metres of leasing transactions, resulting in an extremely high level of customer retention for the year.

“This consistently strong operational performance and our modern portfolio in a stable investment class has enabled us to attract a disproportionate share of all new commercial real estate debt financing in what remains an extremely tight and conservative credit market. Our recently announced €300 million loan is one of the first Pan-European syndicated real estate loans closed since the beginning of the global financial crisis.

“By addressing our debt maturities and paying down a significant part of outstanding debt, we have successfully completed our objectives for the year and put PEPR on a firm footing for the future. Throughout the downturn, we retained our position as the owner of the largest and most geographically diverse portfolio of logistics and distribution facilities in Europe. As the markets return to a more normalised environment, we will continue to execute our core strategy of active asset management to generate capital appreciation and a high level of distributable cash flow for our investors.

“As outlined in September, PEPR remains committed to enhancing its corporate governance and plans to propose a number of amendments to the Management Regulations at PEPR’s forthcoming AGM. In the meantime, we retain the flexibility to raise additional capital in the form of further convertible preferred units if required.

“Whilst 2009 was a testing time for the European commercial property sector, there are signs of improvement in investment market sentiment across the majority of countries and particularly the UK. However, we remain cautious over net occupier demand and short-term rental declines. Our operational priority for 2010 is to ensure we benefit from any improvements in occupier demand and continue to drive cash flow from the portfolio through proactive asset management and exemplary customer service.”

Guidance

EPRA earnings for 2010 are expected to be between €0.45 and €0.50 per ordinary unit, reflecting the anticipated increase in PEPR’s finance costs, preferred dividend payments and management assumptions for rental decline and stable occupancy levels for the year. In addition, management projections reflect an anticipated improvement in the average sterling exchange rate.

Distributable cash flow, after payment of preferred dividends, is forecast to be between €0.45 and €0.50 per unit. The terms of PEPR’s €900 million unsecured credit facility currently prohibit cash distributions to ordinary unitholders. As a result, PEPR does not contemplate paying ordinary dividends in 2010, although it intends to revert to paying an ordinary dividend as soon as it is prudent to do so and when permitted under the terms of the €900 million facility.

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 asset sales proceeds to reduce outstanding debt, the raising of new debt to substantially refinance the 2010 Commercial Mortgage Backed Securities (“CMBS”) maturities and a maturity extension for a portion or all of the 2010 tranches of the €900 million unsecured credit facility.

Since then, PEPR has completed and received proceeds on eight new or extended loan agreements totalling €807.7 million, of which €554.8 million was agreed with new lenders to PEPR. In addition, PEPR has received net proceeds of €189.1 million from portfolio sales and €54.1 million from the preferred equity raise, whilst retaining €134.4 million of distributable cash flow.

The new loan agreements comprise €366.8 million completed and funded during 2009:

- A three-year extension, to March 2013, for €126.0 million of the €151.1 million secured bank loan with Deutsche Pfandbriefbank AG that was originally due to mature in March 2010. The loan is secured by a portfolio of 24 Central European distribution facilities.
- A new £86.1 million (€100.0 million) four-year secured bank loan with Eurohypo AG. The loan is secured by a portfolio of 15 UK distribution facilities and will mature in July 2013.
- A new five-year secured bank loan for approximately €48.0 million, split into two tranches, with Helaba (Landesbank Hessen-Thüringen). The first tranche is for SEK 332.5 million (approximately €32.5 million) and the second for €15.5 million. The facility is secured by a portfolio of four distribution facilities in Sweden, the first time PEPR has used its Swedish assets for specific financing, and will mature in October 2014.
- A new €45.3 million three-year secured bank loan with Helaba. The loan is secured by a portfolio of six Dutch assets and will mature in January 2013.
- A new £43.0 million (approximately €47.5 million), three and a quarter year, secured bank loan with Crédit Agricole CIB, formerly Calyon. The loan is secured by a portfolio of 10 UK assets and will mature in March 2013.

Plus a further €440.9 million of transactions completed since year end:

- A €300 million pan-European syndicated loan with six European lenders with Goldman Sachs as sole arranger. The syndicate includes Deutsche Pfandbriefbank AG (as Facility and Security Agent), AXA, BAWAG P.S.K., Credit Foncier de France, M&G Investments and ING Real Estate Finance. The loan is secured by a portfolio of 39 properties located in four countries and will mature in January 2014.
- A €74.5 million loan, of which €66.9 million has been received and a further €7.6 million committed, with Deutsche Pfandbriefbank AG. The €66.9 million tranche is secured by a portfolio of nine French and UK assets and will mature in December 2013.
- A €74.0 million four-year secured loan, split into two tranches, with Berlin-Hannoversche Hypothekenbank AG. The first tranche of €48.3 million was received in December 2009 with the remainder received in January. The loan is secured by a portfolio of 17 German and Polish assets and will mature in January 2014.

In addition, PEPR has decided to reduce the principal of the €300 million revolving portion of the €900 million unsecured credit facility by €200 million to €100 million, saving PEPR €0.8 million in undrawn facility fees for the remainder of 2009. This reduction is effective from 12 February 2010.

PEPR closed on two portfolio disposals during the first half of 2009, one for a total of €119.5 million related to Dutch and German assets and one for £64.4 million for UK assets. PEPR received net proceeds of €189.1 million in relation to these disposals.

In November 2009, PEPR launched a €61.1 million equity offer in the form of fully underwritten perpetual convertible preferred units ("Preferred Units"). The Preferred Units were offered at €5.93 per unit, equal to the net asset value per ordinary unit as at 30 September 2009. The Preferred Units will initially pay an annual dividend of 10.5%, payable quarterly, which may be deferred to allow for the prudent amortisation of debt. The Preferred Units may be converted into PEPR ordinary units at the discretion of holders at any time and may be redeemed at the issuer's discretion after seven years or within 24 months if there is a change of legal form of PEPR and if certain conditions are met. Automatic conversion occurs after seven years if certain conditions are met.

Proceeds from these activities have enabled PEPR to significantly strengthen its Balance Sheet, which after the prepayment of €17.0 million in February 2010, includes only €73.6 million of remaining CMBS debt to be repaid before May 2010. The next debt maturity date is December 2012. The continued retention of distributable cash flow and the options of additional asset sales

and a further equity raise, as allowed by the Management Regulations, leave PEPR well positioned for the future.

Portfolio revaluation

The entire portfolio was independently revalued at 31 December 2009, with net market value decreasing 0.4%, excluding foreign exchange adjustments, from the valuation carried out at 30 September 2009. The overall net market value, including the impact of foreign exchange, remained broadly flat at €2,839.2 million as compared to €2,843.7 million at end September 2009.

Portfolio net market value decreased 4.5%, excluding foreign exchange adjustments, from the usual bi-annual valuation in June 2009. The overall net market value, including the impact of foreign exchange, decreased 5.2%, to €2,839.2 million from €2,994.1 million at end June 2009.

The continental European assets recorded negative valuation movements over the six months to December 2009, with an overall decline of 6.2%, to €2,345.7 million to €2,502.1 million. Property values in Central Europe fell furthest, down 7.5% in the three months to end September 2009 and a further 2.3% to end December 2009, driven by a reduction in estimated rental values as well as a continued upwards yield shift of around 40 basis points.

The Northern and Southern European portfolios suffered similar valuation decreases over the second half of 2009, declining 3.3% and 4.7% respectively in the quarter ended 30 September 2009 and a further decline of 2.0% and 1.2% by the end of the year. The key drivers for this were falling rental values in Southern Europe and a further repricing of shorter dated income across the portfolio.

The UK witnessed a sharp correction in values in the second half of the year, remaining roughly flat at £415.7 million in the three months to 30 September 2009 and increasing 5.5% to £439.2 million by the end of 2009, driven by improving market sentiment and strong demand from institutions, UK retail funds and overseas investors. The weakening of the sterling exchange rate during the second half of 2009 impacted these improved valuations, with the total value of the UK portfolio increasing only 0.3%, to €493.5 million from €492.0 million at end June 2009.

Reflecting these valuation declines, the gross yield² of the portfolio at 31 December 2009 increased to 9.1% (8.7% net yield³) from 8.8% (8.3% net yield) at 30 June 2009.

Portfolio performance

ProLogis (NYSE: PLD), PEPR's external manager, has maintained strong leasing momentum during the fourth quarter, with 31 lease transactions covering 331,600 square metres being completed. Three leases, covering 47,900 square metres, are new leases in Italy, Poland and Spain. A further two leases were expansions, adding 4,400 square metres to existing customers' supply chains. The remaining 26 leases were lease renewals with customers such as Eurofred, Geodis, Goodyear Dunlop, Iron Mountain, Johnson & Johnson and L'Oreal.

These transactions resulted in a weighted average rental decline of 8.5% over the expiring rental level and an average of 3.4 years to lease break, or 5.9 years to lease expiry on the new leases. These are in line with market rental decreases of between 5-15% across the markets and are encouraging given strong occupier demand for shorter leases during the downturn.

However, the final quarter of the year also saw three of PEPR's customers default on their leases, totalling 40,200 square metres or 0.8% of annualised rental income. These defaults were anticipated and had been fully provided for. PEPR remains focused on monitoring customer performance to minimise future risk. Total accounts receivable from customers for 2009 decreased to €46.9 million from €63.2 million at 30 September 2009 and from €60.1 million at 31 December 2008. At the end of 2009, PEPR held a €2.5 million provision for bad and doubtful debts.

Of the 76 lease breaks and expiries during 2009, covering 655,900 square metres, only 22 were exercised representing 159,000 square metres. This resulted in an excellent customer retention rate

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

of 76% for the year. Furthermore, this high retention rate has continued into 2010. Of the 36 lease breaks or expiries due as at 31 December 2009 or during Q1 2010, covering 337,000 square metres, the known retention rate is 60% based on agreements already concluded with occupiers.

During the first half of 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, for €119.5 million. The portfolio comprises some 229,000 square metres of distribution space at four locations in Germany and three locations in The Netherlands. In addition, PEPR sold five distribution facilities, covering 79,700 square metres, 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. The sale of both these portfolios had a €9.2 million impact on rental income for the remainder of year and represents some €16 million on an annualised basis.

At the end of December 2009, the portfolio comprised 232 distribution facilities, covering 4.9 million square metres across 11 European countries with a net market value of €2.8 billion. The portfolio risk profile remains attractive, with occupancy at an industry-leading 96.1%, a diversified customer base, and on average 3.2 years to next lease break or 5.3 years to lease expiry. An overview of the portfolio is provided on page 21.

Like-for-like portfolio

LIKE-FOR-LIKE PORTFOLIO OVERVIEW AS AT 31 DECEMBER 2009

	% of portfolio by m ²	31 December			31 December			31 December		
		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%	49.83	50.75	-1.8%	545	639	-14.8%	98.6%	99.1%	-0.5%
Northern ⁵	19%	58.07	56.78	+2.3%	632	721	-12.3%	94.5%	93.8%	+0.7%
Central ⁶	18%	44.84	46.94	-4.5%	508	626	-18.9%	88.5%	95.4%	-6.9%
UK ⁷	14%	64.31	64.71	-0.6%	698	737	-5.2%	98.6%	96.6%	+2.0%
Total / Averages	100%	52.60	53.23	-1.2%	577	666	-13.4%	96.1%	97.1%	-1.0%

The like-for-like portfolio includes all properties owned by PEPR as at 31 December 2009.

On a like-for-like basis, average annualised rent per square metre decreased 1.2% over the year, as the increased rent and occupancy in Northern Europe were more than offset by reducing rents on rolling leases, particularly in Central and Southern Europe, and increased portfolio vacancy.

Over the year, the total open market value per square metre of the like-for-like portfolio decreased by 13.4%, with continental European countries recording valuation decreases of between 12.3% and 18.9% and the UK showing signs of improvement, down 5.2% on the year after having recovered 5.5% in the second half.

Market outlook

Europe's logistics property markets appear to be approaching the bottom of the cycle, with investment yields either stabilising or beginning to compress across a number of markets. The movement was led by the UK, which has seen a significant rebound in yields during the second half of 2009, with the core markets of Western Europe also stabilising prior to the end of the year. Central Europe may be expected to follow as investor confidence returns.

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 December 2009 exchange rate for open market values and an average 2009 exchange rate for rental income.

Whilst investment transactions in the logistics sector fell to around €6 billion in 2009 from €12 billion the previous year, the volume of transactions increased steadily throughout the year from the low point in the first quarter. With some moderate improvement in the availability of bank financing, there is growing evidence that more investors are returning to the market for both prime and mid-range properties, though demand remains concentrated in the traditional core markets.

New speculative development starts have ground to a halt across all markets and occupancy rates in many locations have stopped slipping. Net effective rents, however, remain under downward pressure. Looking ahead, although the majority of the European economies are forecast to recover earlier, we do not expect to see material improvement in the occupier markets until late 2010.

Corporate Governance

As previously announced, PEPR remains committed to implementing the corporate governance improvements originally envisaged under the proposed *société d'investissement à capital fixe* ('SICAF') conversion and intends to propose a number of amendments to the Management Regulations at the 2010 Annual General Meeting.

Key enhancements that may be implemented under the current legal structure include the removal of voting right restrictions; lowering of the threshold to propose items for an AGM agenda from 20% to 3% and a Board on which only independent board members may vote on ProLogis related issues.

PEPR will evaluate a potential legal structure conversion to a SICAF once the appropriate changes have been made to Luxembourg law.

Financial results

Earnings

IFRS earnings for the fourth quarter of €7.5 million increased exponentially compared to the IFRS loss of €577.0 million reported for the same period in 2008, primarily due to lower portfolio fair value movements and the losses recorded in 2008 in relation to PEPR's investment in and disposal of PEPF II. Q4 2009 IFRS earnings were negatively impacted by lower rental income, €4.9 million of early termination fees related to interest rate swaps associated with the €376.1 million of CMBS debt repaid and prepaid during the quarter and the write-off of €3.3 million legal structure conversion costs.

EPRA earnings, which provide a guide to underlying business performance, decreased from €28.4 million for Q4 2008 to €10.1 million in Q4 2009. The reduction is due to the early termination of CMBS interest rate swaps and the receipt of €6.2 million of dividends from PEPF II in Q4 2008. In addition, rental income declined by €7.8 million between the two periods reflecting portfolio disposals, lower UK sourced income when measured in euro due to sterling's decline, lower market rents on new lease agreements and the marginal decline in portfolio occupancy. This decline was partially offset by lower finance costs.

PEPR recorded an IFRS loss of €310.6 million for 2009, compared to a loss of €577.9 million for 2008, the difference primarily reflecting the €282.4 million of losses recorded in relation to PEPR's investment in and disposal of PEPF II during that year. 2009 IFRS results were negatively impacted by €42.6 million of losses on property disposals, lower rental income, €10.0 million of early termination fees related to interest rate swaps associated with CMBS debt repaid during the year and a €3.3 million write-off of legal structure conversion costs. These impacts were partially offset by a lower unrealised portfolio valuation decline, lower operating and finance costs and an increased tax benefit as compared to 2008.

EPRA earnings for the year decreased 18.8% to €103.6 million from €127.7 million in 2008, due to a €26.9 million decrease in rental income and the €10.0 million early termination of CMBS interest rate swaps, partially offset by lower operating and finance costs for the year. In addition, 2008 included the receipt of €15.9 million of dividends from PEPF II.

A reconciliation between IFRS and EPRA earnings is shown on page 14.

Total revenue

Fourth quarter rental and other property income fell by €7.9 million to €63.7 million (Q4 2008: €71.6 million), primarily related to the loss of €4.5 million of rental income from the portfolio sales, a €1.2 million fall in UK sourced income when measured in euro and a further element due to declining rents on new lease agreements and declining occupancy levels.

Rental and property income for the year fell by 9.4% to €265.8 million (2008: €293.3 million), as a result of the loss of €9.2 million of rental income from the portfolio sales and a €7.0 million fall in UK sourced income when measured in euro, with the remainder due to the decrease in rental levels over the year and the modest decline in portfolio occupancy. In addition, as previously reported, 2008 included a €9.4 million non-recurring adjustment relating to rental income originally agreed when the properties were acquired and ultimately settled in 2008.

Operating expenses

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

Cost of rental activities includes ground rents paid, property management fees, the provision for bad debt and other non-recoverable property related expenses. The cost of rental activities remained broadly flat in Q4 2009 at €7.0 million as compared to Q4 2008 (€7.3 million).

For the year as a whole, cost of rental activities decreased 18.5 % to €26.4 million (2008: €32.4 million) largely as a result of €3.2 million of bad debt expense being recorded in 2008 in relation to customers defaults, compared to €1.3 million in 2009. In addition, property management fees declined 19.7%, to €14.7 million for the year (2008: €18.3 million) as they are directly correlated to gross portfolio value which has been impacted by portfolio disposals and valuation movements.

Fund expenses comprise the non-property related costs associated within our business, including fund management, custodian and professional fees. These expenses increased by €3.4 million to €6.5 million in Q4 2009 primarily due to the write-off of €3.3 million of legal structure conversion costs.

For the year, fund expenses increased by €1.8 million to €14.1 million, primarily due to the write-off of legal structure conversion cost, partially offset by the €1.0 million non-reclaimable VAT expense recorded in 2008. Underlying fund management fees declined €1.2 million, to €4.9 million from €6.1 million in 2008. These fund management fees are directly correlated to the gross market value of the portfolio.

Profit/(loss) on disposal of investment properties

Net loss on disposal of €42.7 million for 2009 relates to the two completed portfolio disposals. The first, nine Dutch and German assets sold to AEW and the second the disposal of five UK assets to Harbert.

Property fair value movements

Total property fair value movements for Q4 2009 resulted in a small net loss of €15.0 million compared to a net loss of €370.6 million recorded in Q4 2008. Apart from the improvement in market conditions in the latter part of 2009 compared to 2008, this difference also reflects the additional portfolio revaluation completed at 30 September 2009, where the portfolio fair value fell by a net €124.1 million during the third quarter. On a like-for-like basis, total portfolio value movement for the second half of 2009 resulted in a net loss of €139.1 million compared to the net loss for the corresponding period in 2008.

Total property fair value movements for 2009 resulted in a net loss of €445.8 million, comprising €476.3 million of revaluations losses, partially offset by €6.9 million of revaluation gains and a €23.6 million reduction in associated provision for purchasers' costs.

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

on page 4.

Financing

Interest income for the year decreased to €2.4 million from €5.3 million in 2008, driven by lower levels of cash and 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

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

	Year ended 31 December	
	2009	2008
Interest expense	96,173	108,321
Amortisation of initial borrowing costs	10,524	6,403
Net foreign currency (gains)/losses	1,092	1,400
	107,789	116,124

Interest expense for the year decreased 11.2% compared to 2008, primarily related to the repayment of €793.5 million of CMBS debt during the year and the low floating interest rate associated with the €900 million unsecured credit facility, partially offset by increased borrowing during 2008 to invest in PEPF II. Average interest rates have declined from 5.3% in 2008 to 4.6% in 2009. In addition, the 2009 charge includes €10.0 million of early termination fees on interest rate swaps associated with CMBS debt repaid during the year.

Amortisation charges increased by €4.1 million in 2009 as a result of €1.1 million of accelerated amortisation related to the early retirement of CMBS debt. In addition, PEPR incurred fees relating to the €366.8 million of new or extended debt facilities completed during the year and the tangible net worth covenant amendments in the €900 million unsecured credit facility.

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 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.

Debt structure

PEPR's financing structure utilises a mix of secured and unsecured debt sources. At the end of 2009, 31% of outstanding debt was secured against specific pools of assets with no recourse to the security of other debt or assets elsewhere within the business.

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

SUMMARY OF FINANCIAL DEBT COVENANTS

	Limit	31 Dec. 2009	30 Sep. 2009
Unsecured debt:			
<i>€900m unsecured credit facility</i>			
Leverage	less than 60%	55%	55%
Fixed charge coverage	a least 1.5x	2.0x	2.1x
Unencumbered interest coverage	a least 1.5x	2.0x	2.0x
Net Worth (excluding Intangible assets)	at least €1.0bn	€1.2bn	€1.3bn
Unsecured debt as % of unsecured assets	less than 65%	61%	57%
<i>€500m 2014 Eurobond</i>			
Secured debt as % of total assets	less than 40%	17%	21%
Fonds commun de placement structure:			
Loan to value (total debt as percentage of gross portfolio value) – see page 15	less than 60% ⁸	55.0%	55.7%

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 October 2009, the most recent reporting date, this ratio was 2.8x for CMBS III and 2.9x for the CMBS IV.

Total outstanding debt as at 31 December 2009 was €1,638.9 million, a 21.7% decrease since year end 2008 (€2,094.1 million), primarily due to the early repayment of €944.6 million of CMBS and secured bank debt and the elimination of €4.25 million of the €500 million Eurobond, partially offset by €411.8 million of new or extended debt facilities and the €73.0 million increase in funds drawn under the €300 million revolving portion of the unsecured credit facility. At the end of 2009, €227.0 million remains undrawn under the facility and PEPR has €64.5 million cash on its Balance Sheet.

In January 2010, PEPR repaid all outstanding debt under the 2010 tranches of the €900 million unsecured credit facility. In addition, with effect from 12 February 2010, PEPR has reduced the principal under the revolving portion of that facility to €100 million from €300 million. As a result PEPR has access to €100 million of undrawn debt facilities.

The weighted average interest rate for 2009 decreased to 4.6% compared to 5.3% in 2008, primarily due to the 200 basis point decrease in European market interest rates during the period. At 31 December 2009, 61% 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 million unsecured credit facility.

PEPR expects the average interest rate for 2010 to increase as a result of the 175 basis point increase in the €500 million unsecured Eurobond coupon, that came into effect on 23 October 2009, due to Moody's Investors Service credit rating downgrade in June 2009. In addition, the average interest rate will be impacted by the fixed rates achieved on new debt facilities and the higher proportion of debt at fixed rates of interest.

An overview of PEPR's outstanding debt is on page 20.

Tax

The overall tax position for 2009 is a credit of €58.0 million compared to a credit of €48.9 million in 2009. In both years, the current income tax expense was more than offset by large deferred tax

⁸ Can be exceeded up to 65% for a maximum of six months

credits related to portfolio valuation declines recorded during those years.

The current income tax expense of €31.5 million for 2009 represents a €7.9 million increase over the 2008 (€23.6 million), of which €5.7 million relates to income tax on capital gains generated by the AEW asset sale. Adjusting for this one-off tax expense, the 2009 current income tax expense represents an effective tax rate of 19.9% for the year, using EPRA pre-tax earnings as a proxy for taxable income, compared to 15.7% for 2008.

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. Under the current terms of that facility, PEPR is prohibited from paying an ordinary dividend until either PEPR raises €200 million of aggregate new equity (of which €61.1 million has been raised) or the facility is repaid.

Distributable cash flow of €15.4 million, or €0.08 per ordinary unit, for Q4 2009 will therefore be retained in the business to reduce debt and improve liquidity. Distributable cash flow for 2009 equalled €0.55 per unit, or €104.2 million.

PEPR intends to revert to paying an ordinary 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 11 February 2010, at 12 noon CET, by clicking on the link entitled "Fourth Quarter and Year End 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>
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The Netherlands	0800 023 5091	+31 (0) 20 717 6886
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A replay of the presentation webcast and a transcript of the call will be available in the Investor Relations section of the PEPR website, www.prologis-ep.com.

A replay of the conference call will be available from 4pm CET on Thursday 11 February 2010 until Wednesday 24 February 2010. To access the replay please dial, using passcode 49982957#:

	<u>Toll free</u>	<u>Toll</u>
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Financial statements and portfolio information

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

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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

CONDOLIDATED INCOME STATEMENT

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

	Three months ended 31 December		Year ended 31 December	
	2009 <i>Unaudited</i>	2008 <i>Unaudited</i>	2009 <i>Unaudited</i>	2008 <i>Audited</i>
Rental income	63,576	70,690	265,320	292,177
Other property income	105	951	462	1,146
Total revenue	63,681	71,641	265,782	293,323
Ground rents paid	(549)	(625)	(2,446)	(2,576)
Property management fees	(3,337)	(4,187)	(14,746)	(18,332)
Other property rental expenses	(3,133)	(2,502)	(9,236)	(11,484)
Cost of rental activities	(7,019)	(7,314)	(26,428)	(32,392)
Gross profit	56,662	64,327	239,354	260,931
Fund management fees	(1,138)	(1,358)	(4,910)	(6,058)
Fund custodian fees	(16)	(31)	(102)	(191)
Other fund expenses	(5,370)	(1,766)	(9,071)	(6,065)
Fund expenses	(6,524)	(3,155)	(14,083)	(12,314)
Investment and development property disposal proceeds	-	-	189,097	27,609
Carrying value of investment and development property disposals	-	-	(231,751)	(26,082)
Profit/(loss) on disposal of investment and development properties	-	-	(42,654)	1,527
Gross valuation gains on property	1,649	1,551	6,949	39,022
Gross valuation losses on property	(17,371)	(384,081)	(476,344)	(539,382)
Purchasers costs	675	11,927	23,618	16,642
Property fair value movements	(15,047)	(370,603)	(445,777)	(483,718)
Earnings/(losses) before net financial cost, associate and tax	35,091	(309,431)	(263,160)	(233,574)
Finance income	34	1,039	2,357	5,319
Finance expense	(29,729)	(31,205)	(107,789)	(116,124)
Share of (loss) of an associate	-	(70,644)	-	(76,834)
Loss on disposal of investment in an associate	-	(137,048)	-	(137,048)
Impairment of other financial asset, available for sale	-	(68,523)	-	(68,523)
Earnings/(losses) before tax	5,396	(615,812)	(368,592)	(626,784)
Charge for current income tax	(9,112)	(7,685)	(31,506)	(23,606)
Deferred income tax benefit	11,205	46,527	89,479	72,472
Benefit/(charge) for taxation	2,093	38,842	57,973	48,866
Net earnings/(losses) for the period	7,489	(576,970)	(310,619)	(577,918)
Attributable to:				
Unitholders	7,939	(575,480)	(309,393)	(576,895)
Non-controlling interests	(450)	(1,490)	(1,226)	(1,023)
Net earnings/(losses) for the period	7,489	(576,970)	(310,619)	(577,918)
IFRS earnings/(losses) per ordinary unit	€0.04	€(3.02)	€(1.62)	€(3.03)
EPRA earnings per ordinary unit	€0.05	€0.15	€0.54	€0.67

PROLOGIS EUROPEAN PROPERTIES

BALANCE SHEET

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

	31 December 2009 <i>Unaudited</i>	31 December 2008 <i>Audited</i>
Assets		
<i>Non Current Assets</i>		
Investment in property	2,839,247	3,441,722
Property under construction	25	132
Hedging instruments	-	90,259
Deferred tax asset	10,381	5,625
	<u>2,849,653</u>	<u>3,537,738</u>
<i>Current Assets</i>		
Due from related parties	-	6,168
Accounts receivable, net of bad debt provision of 2,522 and 3,019 respectively	46,898	60,097
Other current assets	21,692	30,841
Other financial assets, available for sale	-	48,496
Cash and cash equivalents	64,530	77,101
	<u>133,120</u>	<u>222,703</u>
Total assets	<u>2,982,773</u>	<u>3,760,441</u>
Equity		
Ordinary capital	1,911,810	1,911,810
Preferred capital	61,070	-
Gross capital contributed	1,972,880	1,911,810
Costs of raising capital	(44,718)	(37,721)
Net capital contributed	1,928,162	1,874,089
Net retained (losses)/earnings	(592,137)	(282,586)
Cumulative foreign currency translation adjustment	(131,535)	(176,288)
Cash flow hedge valuation reserve	(5,687)	(9,959)
Equity attributable to unitholders	1,198,803	1,405,256
Non-controlling interests	2,266	5,589
Total equity	<u>1,201,069</u>	<u>1,410,845</u>
Liabilities		
<i>Non-current liabilities</i>		
Interest bearing secured notes	-	543,626
Interest bearing unsecured notes	488,983	492,005
Interest bearing bank loans, net of current portion	668,864	700,216
Hedging instruments	4,826	6,509
Deferred taxation	28,400	112,421
	<u>1,191,073</u>	<u>1,854,777</u>
<i>Current liabilities</i>		
Interest bearing bank loans and secured notes, current portion	460,853	335,288
Hedging instruments	1,487	-
Accounts payable	3,799	1,371
Due to related parties	6,095	40,387
Income and other taxes payable	22,845	16,449
Accrued expenses and other current liabilities	49,861	53,998
Deferred income	45,691	47,326
	<u>590,631</u>	<u>494,819</u>
Total liabilities	<u>1,781,704</u>	<u>2,349,596</u>
Total equity and liabilities	<u>2,982,773</u>	<u>3,760,441</u>
IFRS NAV per ordinary unit	€5.97	€7.38
EPRA NAV per ordinary unit	€6.15	€8.02

PROLOGIS EUROPEAN PROPERTIES

CALCULATION OF EPRA EARNINGS

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

	Three months ended 31 December		Year ended 31 December	
	2009 <i>Unaudited</i>	2008 <i>Unaudited</i>	2009 <i>Unaudited</i>	2008 <i>Audited</i>
Net (loss)/earnings attributable to unitholders for the period	7,939	(575,480)	(309,393)	(576,894)
Adjustments for:				
Revaluation movements on investment properties and development properties	15,047	370,654	445,777	483,718
Movements in share of net assets of an associate	-	70,644	-	76,834
Distributions from an associate	-	6,168	-	15,918
Loss on disposal of investment of an associate	-	137,048	-	137,048
Impairment of other financial assets, available for sale	-	68,523	-	68,523
(Profit)/loss on disposal of investment properties, net of tax	-	481	48,362	(1,527)
Deferred tax effects arising on revaluation of investment properties	(16,653)	(48,146)	(84,021)	(74,587)
One-time costs related to postponed legal conversion	3,275	-	3,275	-
Non-controlling interests in respect of the above	532	(1,447)	(351)	(1,345)
EPRA earnings for the period	10,140	28,444	103,649	127,687
Preferred dividend	(158)	-	(158)	-
EPRA earnings for ordinary unitholders	9,982	28,444	103,491	127,687
EPRA earnings per ordinary unit for the period	€0.05	€0.15	€0.54	€0.67

CALCULATION OF EPRA NET ASSET VALUE

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

	31 December 2009 <i>Unaudited</i>	31 December 2008 <i>Audited</i>
Net asset value attributable to unitholders per IFRS financial statements	1,198,803	1,405,256
Adjustments for:		
Deferred tax	28,400	112,421
Cash flow hedge valuation reserve	5,687	9,959
EPRA net asset value	1,232,890	1,527,636
Attributable to:		
Ordinary Unitholders	1,171,820	1,527,636
Preferred Unitholders	61,070	-
EPRA net asset value	1,232,890	1,527,636
EPRA net asset value per ordinary unit	€6.15	€8.02
EPRA net asset value per preferred unit	€5.93	-

PROLOGIS EUROPEAN PROPERTIES

FINANCIAL RATIOS

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

	31 December 2009 <i>Unaudited</i>	31 December 2008 <i>Audited</i>
Gross value of real estate portfolio	2,980,594	3,617,279
Investment, available for sale	-	48,496
Total value	<u>2,980,594</u>	<u>3,665,775</u>
Debt (excluding unamortised transaction costs)	1,638,943	2,094,071
LTV (debt as percentage of total value)	55.0%	57.1%
Undrawn committed facilities	227,000	300,000
Average maturity, based on earliest repayment date	3.1 years	2.7 years
	Year ended 31 December 2009	Year ended 31 December 2008
Average interest rate	4.6%	5.3%
Interest cover	2.4x	2.6x

PROLOGIS EUROPEAN PROPERTIES

STATEMENT OF INVESTMENT IN PROPERTY

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

	31 December 2009 <i>Unaudited</i>	31 December 2008 <i>Audited</i>
Historic cost		
Cost at the beginning of the period	3,244,724	3,435,805
Capital expenditure	2,951	8,095
Leasing commission	(160)	10,959
Rent levelling	(387)	8,635
Transfer from property under construction	109	2,439
Disposals	(222,407)	(8,531)
Effect of unrealised currency movements	34,155	(212,678)
Cost at the end of the period	3,058,985	3,244,724
Net unrealised gains/(losses) related to property		
Net unrealised gains at the beginning of the period	196,998	707,304
Gross valuations gains on investment in property during the period	6,949	39,022
Gross valuations losses on investment in property during the period	(476,344)	(539,382)
Adjustment for purchasers' costs	23,618	16,642
Reversal of accumulated revaluation (gain)/loss on disposals	14,331	(2,067)
Effect of unrealised currency movements	14,710	(24,521)
Net unrealised gains/(losses) at the end of the period	(219,738)	196,998
Fair value at the end of the period	2,839,247	3,441,722
Fair value of investment property		
Appraised gross property value at the end of the period	2,980,594	3,617,279
Purchasers costs	(141,347)	(175,557)
Fair value at the end of the period	2,839,247	3,441,722

STATEMENT OF MOVEMENT IN INVESTMENT IN PROLOGIS EUROPEAN PROPERTIES FUND II

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

	31 December 2009 <i>Unaudited</i>	31 December 2008 <i>Audited</i>
Investment at beginning of period	48,496	108,172
Contributions	-	282,381
Proceeds from disposals	(48,496)	(43,734)
Share of earnings/(losses) after taxation	-	(76,834)
Distributions received	-	(15,918)
Loss on disposal of shares of an associate	-	(137,048)
Impairment of investment, available for sale	-	(68,523)
Investment at period end (classified as other financial assets, available for sale)	-	48,496

PROLOGIS EUROPEAN PROPERTIES

STATEMENT OF CASH FLOWS

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

	Three months ended 31 December		Year ended 31 December	
	2009 <i>Unaudited</i>	2008 <i>Unaudited</i>	2009 <i>Unaudited</i>	2008 <i>Audited</i>
Earnings/(losses) before tax	5,396	(615,812)	(368,592)	(626,784)
Adjustment for non-cash items and changes in operating assets	(3,195)	622,506	480,576	741,734
Net cash flow from operating activities	2,201	6,694	111,984	114,950
Cash flow from investing activities				
Investment in an associate	-	(30,000)	(38,000)	(244,381)
Distributions from an associate	-	4,410	6,168	11,009
Distributions from other financial assets, available for sale	-	-	1,270	-
Capital expenditure and other expenditure on investment property	(220)	(3,227)	(2,017)	(8,095)
Property under construction	-	-	-	(4,005)
(Proceeds)/Payments to/from insurance company	-	(544)	1,082	2,955
Proceeds from disposal of shares of an associate	-	43,734	48,496	43,734
Proceeds from disposal of property under construction	-	-	-	16,167
Proceeds from disposal of investment property	-	714	189,097	11,581
Net cash provided from/(used in) investing activities	(220)	15,087	206,096	(171,035)
Cash flow from financing activities				
Proceeds from secured notes:				
Gross (repayments)/settlements	(359,079)	-	(793,545)	-
Hedge proceeds	20,613	-	78,201	-
Proceeds from unsecured notes:				
Gross (repayments)/proceeds	(4,250)	-	(4,250)	-
Transaction costs	-	(278)	-	(278)
Proceeds from bank loans:				
Gross (repayments)/proceeds	262,155	(4,684)	336,605	209,149
Transaction costs	(4,569)	(3,180)	(7,868)	(3,180)
Restricted proceeds from swap contracts	(10,860)	-	5,760	-
Capital contributions:				
Gross proceeds	61,070	-	61,070	-
Transaction costs	(6,997)	-	(6,997)	-
Distributions to unitholders	-	(34,897)	-	(149,624)
Net cash provided/(used) from financing activities	(41,917)	(43,039)	(331,024)	56,067
Effects of changes in exchange rates	(488)	(225)	373	(1,561)
Net increase/(decrease) in cash and cash equivalents	(40,424)	(21,483)	(12,571)	(1,579)
Cash and cash equivalents at the beginning of the period	104,954	98,584	77,101	78,680
Cash and cash equivalents at the end of the period	64,530	77,101	64,530	77,101

PROLOGIS EUROPEAN PROPERTIES

RECONCILIATION OF PROFIT TO DISTRIBUTABLE CASH FLOW

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

	Three months ended 31 December		Year ended 31 December	
	2009 <i>Unaudited</i>	2008 <i>Unaudited</i>	2009 <i>Unaudited</i>	2008 <i>Audited</i>
Net earnings/(losses) attributable to unitholders for the period	7,939	(575,480)	(309,393)	(576,895)
Adjustments for items per the Management Regulations:				
Net valuation (gains)/losses on property	15,487	382,556	469,782	502,331
Purchasers' costs	(675)	(11,927)	(23,618)	(16,642)
Gain/(loss) on associate	-	70,643	-	76,834
Distributions from an associate	-	6,168	-	15,918
Loss on disposal of investment of an associate	-	137,048	-	137,048
Impairment of investment, available for sale	-	68,523	-	68,523
Unrealised currency (gains)/losses	1,407	2,162	951	2,000
Amortisation of debt expenses	3,079	1,696	10,524	6,402
Movements on deferred tax balances	(11,205)	(46,527)	(89,479)	(72,472)
Costs related to non-recurring events	(72)	(343)	-	357
Loss/(gain) on asset disposals	-	-	42,654	2,067
Charge for current income tax, related to asset disposals	-	-	5,708	-
Less an allowance for capital and re-letting expenses	(476)	(4,317)	(2,788)	(7,623)
Preference dividend	(158)	-	(158)	-
Total adjustments	7,387	605,682	413,576	714,743
Distributable cash flow for ordinary unitholders	15,326	30,201	104,183	137,848
Distributable cash flow per ordinary unit for the period⁹	€0.08	€0.16	€0.55	€0.72

⁹ In December 2008, PEPR suspended dividend payments. Q4 2008 and all subsequent quarters' distributable cash flow for ordinary unitholders has therefore been retained in the business.

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	TOTAL	Non-controlling interests	TOTAL EQUITY
Balance as at 31 December 2007	1,911,810	(37,721)	401,958	(55,994)	15,250	2,235,303	6,612	2,241,915
Other comprehensive income	-	-	-	(120,294)	(25,209)	(145,503)	-	(145,503)
Profit / (loss)	-	-	(576,895)	-	-	(576,895)	(1,023)	(577,918)
Total recognised income/(loss)	-	-	(576,895)	(120,294)	(25,209)	(722,398)	(1,023)	(723,421)
Distributions	-	-	(107,649)	-	-	(107,649)	-	(107,649)
Balance as at 31 December 2008	1,911,810	(37,721)	(282,586)	(176,288)	(9,959)	1,405,256	5,589	1,410,845
Other comprehensive income	-	-	-	44,753	4,272	49,025	(2,097)	46,928
Profit / (loss)	-	-	(309,393)	-	-	(309,393)	(1,226)	(310,619)
Total recognised income/(loss)	-	-	(309,393)	44,753	4,272	(260,368)	(3,323)	(263,691)
Issue of preferred units	61,070	(6,997)	-	-	-	54,073	-	54,073
Distributions	-	-	(158)	-	-	(158)	-	(158)
Balance as at 31 December 2009	1,972,880	(44,718)	(592,137)	(131,535)	(5,687)	1,198,803	2,266	1,201,069

PROLOGIS EUROPEAN PROPERTIES

**OUTSTANDING DEBT
AS AT 31 DECEMBER 2009**

Description	Rating	Issue date	Issue size	Coupon ¹⁰	Maturity date	Drawn amount		Swapped rate	Comments / Facility LTV ¹¹
						Local currency	Euros		
<i>Listed on the London Stock Exchange (CMBS issuances)</i>									
Pan European Industrial Properties Series III S.A	AAA	Feb 2003	€190.5m	€151m: +35bps	May 2010 ¹²	€24.2m	€24.2m	4.61%	
	AAA			€17m: +48bps					
	AA			€23m: +85bps					
Pan European Industrial Properties Series IV S.A	AAA	Mar 2005	€389.0m	€337m: +14bps	May 2010 ¹²	€40.9m	€66.4m	3.58%	
	AA			€32m: +18bps					
	AAA			€20m: +30bps					
<i>Listed on the Luxembourg Stock Exchange</i>									
ProLogis International Funding S.A.	Ba1	Oct 2007	€500.0m	7.625% ¹³	Oct 2014	€495.7m	€495.7m		Unsecured Fixed rate
<i>Other</i>									
Senior unsecured credit facility	-	Dec 2007	€900.0m	€300m: +215bps ¹⁴	Dec 2010	€73.0m	€73.0m	n/a	Unsecured Floating rate
				€300m: +265bps	Dec 2010	€300.0m	€300.0m		
				€300m: +270bps	Dec 2012	€129.0m	€267.8m		
						£123.5m			
Deutsche Pfandbriefbank loan	-	Jul 2009	€126.0m	+250bps	Mar 2013	€126.0m	€126.0m	4.99%	LTV: 55%
Eurohypo bank loan	-	Jul 2009	£86.1m	+250bps	Jul 2013	£86.1m	€96.8m	5.98%	LTV: 50%
Helaba bank loan	-	Oct 2009	SEK 332.5m €15.5m	+274bps	Oct 2014	SEK 332.5m €15.5m	€47.1m	5.93% 5.19%	LTV: 60%
Helaba bank loan	-	Dec 2009	€45.3m	+210bps	Jan 2013	€45.3m	€45.3m	4.34%	LTV: 55%
Crédit Agricole CIB bank loan	-	Dec 2009	£43.0m	+250bps	Mar 2013	£43.0m	€48.3m	5.04%	LTV: 50%
Landesbank Berlin bank loan	-	Dec 2009	€74.0m	+167bps	Jan 2014	€48.3m	€48.3m	3.93%	LTV: 50%
TOTAL							€1,638.9m		

¹⁰ All coupons are three month Euribor/Libor +

¹¹ Facility loan-to-value as at latest covenant reporting date

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.

¹³ Reduces to 5.875% (with effect from 23 October 2010) in the event of a return to an investment grade credit rating.

¹⁴ A 50 basis point fee is also payable on the undrawn amount of the revolving portion of the senior unsecured credit facility.

PROLOGIS EUROPEAN PROPERTIES

PORTFOLIO OVERVIEW AS AT 31 DECEMBER 2009

	Number of facilities	Market value ('MV') ¹⁵ € million	% of total MV	Leasable area 000m ²	% of total leasable area	Annualised rental income ¹⁶ € million	ERV ¹⁷ € million	Gross portfolio yield ¹⁸ Current occupancy	Gross portfolio yield ¹⁹ 100% 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	819.6	29%	1,590.6	32%	75.5	68.6	9.2%	9.4%	98.2%	8.5	75	2.2	5.5
Italy	18	260.1	9%	522.7	11%	25.1	22.3	9.6%	9.6%	100.0%	9.5	19	5.0	5.6
Spain	13	239.7	9%	309.5	6%	20.1	19.4	8.4%	8.5%	98.5%	7.0	22	2.7	3.5
<i>Southern</i>	92	1,319.4	47%	2,422.8	49%	120.7	110.3	9.2%	9.3%	98.6%	8.4	116	2.9	5.2
Belgium	5	51.3	1%	98.3	2%	4.4	4.1	8.6%	8.6%	100.0%	5.5	5	3.0	8.9
Germany	20	221.0	8%	328.0	7%	20.2	19.1	9.1%	9.4%	97.7%	5.5	36	2.2	2.9
Netherlands	20	232.4	9%	378.5	8%	22.1	20.6	9.5%	10.8%	88.4%	9.5	31	1.9	4.0
Sweden	4	86.4	3%	130.4	2%	7.6	6.4	8.7%	8.7%	100.0%	14.9	4	7.8	9.1
<i>Northern</i>	49	591.1	21%	935.2	19%	54.3	50.2	9.2%	9.8%	94.5%	8.4	76	2.9	4.7
Czech Republic	12	92.8	3%	180.4	4%	7.4	7.8	8.0%	9.5%	84.7%	6.8	32	1.9	2.2
Hungary	14	97.7	3%	182.1	4%	8.9	8.0	9.2%	10.3%	87.1%	6.6	33	2.4	4.5
Poland	26	244.7	9%	494.5	10%	22.1	20.8	9.0%	9.9%	90.5%	7.5	76	2.3	2.9
<i>Central</i>	52	435.2	15%	857.0	18%	38.4	36.6	8.8%	9.9%	88.5%	7.0	141	2.3	3.1
UK	39	493.5	17%	706.8	14%	45.5	41.4	9.2%	9.3%	98.6%	7.9	38	5.2	8.2
TOTAL	232	2,839.2	100%	4,921.8	100%	258.9	238.5	9.1%	9.5%	96.1%	8.2	371	3.2	5.3

Vacant space (at ERV per m²)

10.1
248.6

¹⁵ 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

¹⁶ 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

¹⁷ ERV refers to the Estimated Rental Value calculated by the independent third-party appraisers as at the latest valuation date

¹⁸ Annualised rental income on occupied portfolio expressed as a percentage of market value

¹⁹ Annualised rental income on occupied portfolio plus ERV on vacant space expressed as a percentage of market value

PROLOGIS EUROPEAN PROPERTIES
**LEASE BREAK AND MATURITY DATES
AS AT 31 DECEMBER 2009**

	Number of leases with next break option in year	Leased space subject to next break option ²⁰ 000m ²	Annualised rental income of leases subject to first break option		Number of leases with expiry date in year ²¹	Leased space subject to lease expiry 000m ²	Annualised rental income of expiring leases	
			(€m)	%			(€m)	%
2009	19	192	10.3	4.0	17	165	8.8	3.4
2010	92	991	56.1	21.7	65	561	33.7	13.0
2011	91	959	47.8	18.5	60	441	22.5	8.7
2012	60	799	43.3	16.7	47	384	23.1	8.9
2013	34	415	22.9	8.8	37	444	26.1	10.1
2014	27	393	22.7	8.8	30	508	26.1	10.1
2015	15	363	20.7	8.0	26	589	28.7	11.1
2016	8	155	9.5	3.7	18	418	21.0	8.1
2017	8	233	14.3	5.5	20	386	21.8	8.4
2018	4	44	1.8	0.7	11	152	7.7	3.0
2019+	13	184	9.5	3.6	40	680	39.4	15.2
Total	371	4,728	258.9	100.0	371	4,728	258.9	100.0

**LARGEST 20 CUSTOMERS BY ANNUALISED RENTAL INCOME
AS AT 31 DECEMBER 2009**

Customer Name ²²	Industry Type	Share of annualised rental income	Number of leases
1 Ceva	3PL	7.4%	14
2 Geodis	3PL	5.3%	15
3 Deutsche Post AG (DHL)	3PL	5.3%	18
4 NYK Holdings (Nippon Yusen Kaisha)	3PL	3.9%	9
5 ND Logistics	3PL	2.9%	6
6 Gefco (PSA Peugeot)	3PL	2.6%	6
7 FM Logistic	3PL	2.2%	6
8 GoodYear/Dunlop	Automotive	2.0%	2
9 Fagor Electrodomesticos (Brandt Appliances)	Industrial Durables	1.9%	3
10 Carrefour	Retail	1.8%	2
11 Intermarche	Retail	1.5%	3
12 DSV A/S	3PL	1.5%	5
13 ID Logistics Group	3PL	1.3%	4
14 Deutsche Bahn (Schenker)	3PL	1.2%	4
15 Eurofred	3PL	1.2%	2
16 Schneider	Electrical/Mechanical	1.2%	3
17 Amazon.com Inc	Retail	1.2%	1
18 Kuehne & Nagel	3PL	1.2%	3
19 Depolabo Pharma Logistique	Pharmaceuticals	1.1%	2
20 Hagermeijer (Elektroskandia)	Electrical/Mechanical	1.0%	1
Subtotal of largest 20 customers		47.7%	109
Leases with 188 other customers		52.3%	262
Total		100.0%	371

²⁰ Leases at earlier of next break date or expiry date

²¹ Leases at expiry date regardless of upcoming lease breaks

²² Customers shown are either actual names or the name of the parent company of the customers.