

PROLOGIS EUROPEAN PROPERTIES

*Notice to Unitholders
in relation to the
Prospectus dated 11 September 2006
with its Pricing Statement dated 21 September 2006*

DATED 29 MAY 2007

This Notice to Unitholders should be read together with the Prospectus of ProLogis European Properties (“PEPR”) dated 11 September 2006 with its Pricing Statement dated 21 September 2006. Capitalized terms not defined in this Notice to Unitholders shall have the same meaning as set forth in the Prospectus. This Notice to Unitholders is authorized for distribution only when accompanied by the Prospectus.

With effect from and including the date hereof, the sections of the PROSPECTUS set forth below shall be amended as follows:

1) PART VII – ADDITIONAL INFORMATION

On page 97, under Sub-Section “4 – The Management Regulations”, the item concerning the “Distribution to Unitholders” has been amended in its third paragraph and shall read as follows :

“Distributions of Distributable Cash Flow (substantially all of which will be distributed in respect of the Units, subject to any legal restrictions on distributions) will be made quarterly (within 45 days following the relevant end of quarter) (or more frequently as the Management Company so determines, including in the case of accrued and unpaid returns on Preferred Units) in the following sequence:”

2) Amendment of the Management Regulations

Investors should note that an Amendment Agreement to the Management Regulations has been executed on 29 May 2007 and of which an indication relating thereto shall be published in the *Mémorial C, Recueil des Sociétés et Associations* on June 25, 2007.

The amendments brought to the Management Regulations relate to the following matters:

- (i) On page 337 of the Prospectus, in the preliminary section relating to the “Interpretation” of the Management Regulations, the definition of Distributable Cash Flow shall be amended in order to read as follows:

“Distributable Cash Flow” means net earnings of PEP, as defined under IFRS, adjusted for (i) items which do not affect cash or cash equivalents or general provisions or reserves against assets (including but not limited to, amortisation of assets or liabilities,

adjustments for deferred tax or unrealised valuation of assets and liabilities, including financial instruments) (ii) costs incurred in relation to the IPO and (iii) payments to ProLogis as holder of the Class B1 Units pursuant to Article 10 and Article 23(vii) of the Management Regulations dated 10 September 1999 as amended on June 29, 2001, on May 13, 2003, on July 7, 2003, on November 17, 2005 and on 11 September 2006 (with effect from 27 September 2006), (iv) accruals for any incentive fees payable to the Management Company in accordance with Article 13 of the Management Regulations less (i) non-revenue generating capital expenditures (including roof repairs, structural repairs, landscaping and other similar expenditures), and (ii) periodic contributions to a contingency reserve to include the general provisions or reserves mentioned above; such contingency reserve not to exceed €10 million in aggregate at any given time. The limit of €10 million may be amended from time to time with the approval of the PEP Board. The definition of Distributable Cash Flow may also be amended from time to time to include prudent amortisation of debt if in the best interests of PEP, with the approval of the PEP Board

(ii) On page 358 of the Prospectus, in “Article 15. Distributions” of the Management Regulations, the first paragraph of this Article shall be amended in order to read as follows:

“Distributions of Distributable Cash Flow (substantially all of which will be distributed in respect of the Units, subject to any legal restrictions on distributions) will be made quarterly (within 45 days following the relevant end of quarter) (or more frequently as the Management Company so determines, including in the case of accrued and unpaid returns on Preferred Units) in the following sequence:”

3) PART XV – DEFINITIONS

On page 367, the definition of Distributable Cash Flow has been amended in order to read as follows:

Distributable Cash Flow – means net earnings of PEP, as defined under IFRS, adjusted for (i) items which do not affect cash or cash equivalents or general provisions or reserves against assets (including but not limited to, amortisation of assets or liabilities, adjustments for deferred tax or unrealised valuation of assets and liabilities, including financial instruments) (ii) costs incurred in relation to the IPO and (iii) payments to ProLogis as holder of the Class B1 Units pursuant to Article 10 and Article 23(vii) of the Management Regulations dated 10 September 1999 as amended on June 29, 2001, on May 13, 2003, on July 7, 2003, on November 17, 2005 and on 11 September 2006 (with effect from 27 September 2006), (iv) accruals for any incentive fees payable to the Management Company in accordance with Article 13 of the Management Regulations less (i) non-revenue generating capital expenditures (including roof repairs, structural repairs, landscaping and other similar expenditures), and (ii) periodic contributions to a contingency reserve to include the general provisions or reserves mentioned above; such contingency reserve not to exceed €10 million in aggregate at any given time. The limit of €10 million may be amended from time to time with the approval of the PEP Board. The definition of Distributable Cash Flow may also be amended from time to time to include prudent amortisation of debt if in the best interests of PEP, with the approval of the PEP Board.