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News release

ProLogis European Properties results for the quarter and nine months ended 30 September 2009

Resilient financial and operational performance and significant progress on refinancing initiatives

Luxembourg – 22 October 2009 – ProLogis European Properties (Euronext: PEPR), Europe's largest owner of modern distribution facilities, today reports results for the quarter and nine months ended 30 September 2009.

Highlights

- 44% of €1.3 billion debt maturities due in 2009/2010 refinanced or repaid
 - €226 million of secured bank loans completed during the quarter
 - €48 million new five-year secured bank loan completed, post quarter end
- Continued high portfolio occupancy of 96.3% at 30 September
 - 80% customer retention rate for nine months to 30 September
- €27.5 million of distributable cash flow generated in Q3, in line with management guidance
- Further €22.2 million received from portfolio disposal agreed in Q2 2009
- Negotiations in progress with regard to over €600 million of new secured debt financings
- Evaluating further capital raising options as part of overall deleveraging plan

Quarter to 30 September 2009

- EPRA earnings⁽¹⁾ decreased to €0.14 per unit (Q3 2008: €0.16 per unit), due to the elimination of associate losses and inclusion of associate dividends in 2008
- IFRS earnings of €0.14 per unit (Q3 2008: €0.09 per unit), largely due to the share of IFRS losses of an associate and deferred tax charges recorded in 2008
- EPRA net asset value⁽¹⁾ per unit of €6.82, a slight increase compared to 30 June 2009 (€6.74 per unit) due to retained earnings for the period

Nine months to 30 September 2009

- EPRA earnings⁽¹⁾ per unit decreased 11.4% to €0.46 (2008: €0.52 per unit), due to the elimination of associate losses and inclusion of associate dividends in 2008
- IFRS loss of €1.11 per unit for the period (9M 2008 loss: €0.01 per unit), due to portfolio devaluations and losses on asset sales
- EPRA net asset value⁽¹⁾ per unit decreased 15%, to €6.82 over the period (2008: €8.02 per unit) as a result of portfolio devaluations and asset sales

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

Quarter to 30 September 2009

- IFRS net asset value per unit of €6.48 (Q2 2009: €6.40 per unit)
- 23 lease transactions covering 217,800m², maintaining high portfolio occupancy

Nine months to 30 September 2009

- IFRS net asset value per unit of €6.48 (2008: €7.38 per unit)
- 57 lease transactions covering 615,800m², compared to 60 transactions covering 479,400m² in 9M 2008

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

“Our financial and operational performance for the first nine months of 2009 remained resilient during the continued challenging market conditions, demonstrating our unrelenting focus on portfolio occupancy and active asset management. Both our own portfolio management activities and general logistics market trends have been in line with our guidance for the year, and we remain well placed to continue to generate strong levels of income.

“Aside from maintaining portfolio performance through the downturn in the market, our immediate focus remains on deleveraging our balance sheet, by reducing or refinancing near-term debt maturities, and improving our future financial flexibility. To that end, I am pleased to report that we have successfully completed approximately €274 million of new or extended secured debt packages to date, sold €190 million of assets and repaid approximately €459 million of debt outstanding at the end of 2008.

“2009 continues to be a testing time for the European commercial property sector. As such, in addition to our debt refinancing initiatives, we are continuing to review capital raising alternatives to provide PEPR with additional financial flexibility. The plans currently being evaluated include a possible offering of fully underwritten convertible preferred units to existing unitholders and a conversion to a SICAF structure, which would enable us to raise equity at a discount to net asset value. We intend to adopt the plan that will be most beneficial to our investors and expect to announce the plan later in the fourth quarter, once we have received the appropriate approvals.”

Guidance

Management has maintained their guidance for 2009, with EPRA earnings expected to be between €0.55 and €0.60 per unit for the year. IFRS losses are expected to be in the range of €1.50 to €1.70 per unit and distributable cash flow anticipated to be between €0.55 and €0.60 per unit.

The terms of PEPR's unsecured credit facility, as amended in December 2008, prohibit cash distributions whilst PEPR remains below certain financial thresholds. Accordingly, PEPR intends to use this cash to pay down debt.

Deleveraging initiatives

In December 2008 PEPR outlined a series of initiatives to delever the balance sheet and address 2009 and 2010 debt maturities. The plan included the suspension of dividends and the use of asset sales proceeds to reduce outstanding debt, the raising of new secured debt to substantially refinance the 2010 Commercial Mortgage Backed Securities (“CMBS”) maturities and requesting a maturity extension for a portion of the 2010 tranches of the €900 million unsecured credit facility.

During the first nine months of 2009, PEPR has repaid or refinanced approximately €585.5 million, or 44%, of the €1.3 billion of debt due to mature in 2009 and 2010.

In the third quarter, PEPR completed the three-year extension, to March 2013, for €126.0 million of the €151.1 million secured bank loan that was due to mature in March 2010 and finalised a new £86.1 million (€100 million) four-year secured bank loan with Eurohypo AG. PEPR also received a further €22.2 million of net proceeds relating to the agreed Dutch and German portfolio disposal taking total net proceeds from that disposal to €114.5 million. The remaining €3 million of net proceeds are held in escrow and are expected to be received during the fourth quarter as certain

agreed closing conditions are met.

In October, post quarter end, PEPR entered into a new €48 million five-year secured bank loan, split into two tranches – one of SEK 332.5 million (approximately €32.5 million) and another of €15.5 million – with a German landesbank. The loan is secured on a portfolio of four prime Swedish distribution facilities and represents the first secured financing by PEPR in Sweden. It will mature in October 2014 and has a blended fixed interest rate of 5.69%.

In addition, PEPR is currently in active discussions with a number of lenders with regard to six other secured finance packages representing over €600 million of commitments. Good progress has been made on all packages during the quarter and PEPR is focused on closing these expediently to eliminate outstanding 2010 maturities. To assist in the closing of these packages, PEPR intends to repay a significant portion of the remaining CMBS debt in the fourth quarter, releasing the associated secured assets into the unsecured pool.

PEPR's banking group has agreed to relax the tangible net worth covenant in its €900 million unsecured credit facility and remove the current restriction on PEPR's ability to make dividend payments, provided PEPR raises €200 million of equity. Given the current review of alternative capital raising options, PEPR is revisiting these amendments with its banking group.

An incremental equity raise remains likely, providing PEPR with an additional source of liquidity to add to the significant progress already achieved on its deleveraging initiatives.

Under a *fonds commun de placement* ('FCP') structure, PEPR is restricted from raising equity at a price below net asset value ('NAV'). During the third quarter PEPR convened an Extraordinary General Meeting ('EGM') to enable unitholders to vote on the conversion of PEPR's legal form from the current FCP to a *Société d'Investissement à Capital Fixe* ('SICAF'). This conversion would improve PEPR's financial flexibility by enabling it to issue new equity at a price below NAV. In addition, the proposed conversion was also to be used as an opportunity to improve and modernise PEPR's corporate governance.

On 28 September 2009, PEPR postponed the convened EGM following objections raised by a minority of unitholders. Whilst the proxies received for the proposed conversion indicated an overwhelming level of support for the conversion, PEPR felt it prudent to hold further discussions with investors to better understand their objections and also to re-evaluate alternative capital raising options in light of the rapid improvement in both the equity and debt capital markets since the conversion was initiated.

As such, PEPR's management and advisors are currently finalising alternatives for review by the PEPR Board and approval by the Luxembourg financial supervisory authority. These plans include the possible offering of fully underwritten convertible preferred units to existing unitholders which would be executed in multiple tranches. Such an offering would be issued at PEPR's latest NAV with an appropriately sized coupon to compensate investors for the current unit price discount to NAV. To facilitate a potential offering of up to €60 million before the year end, PEPR is currently preparing a draft prospectus which will incorporate a full portfolio valuation review as at 30 September 2009.

PEPR has not ruled out a potential conversion to a SICAF with a subsequent equity issuance at a price below NAV, if required. The management team and PEPR Board intend to adopt the plan that will be most beneficial to investors.

Regardless of which route is taken, PEPR remains fully committed to good corporate governance and confirms its intention to implement the suggested corporate governance enhancements under the recently proposed SICAF conversion at PEPR's next scheduled general meeting.

Portfolio performance

PEPR's customer base remained resilient during the third quarter despite the continued economic downturn. ProLogis (NYSE: PLD), PEPR's external manager, has maintained strong leasing momentum during the third quarter, with 23 lease transactions covering 217,800 square metres being completed. 16 leases, covering 141,300 square metres, were renewed with existing

customers such as Design Sportswears, DHL, Geodis and Schenker. In addition, six new leases were agreed, for a total of 73,500 square metres, and one lease was extended adding 3,000 square metres of space to an existing customers' supply chain.

These transactions resulted in a weighted average rental decline of 6.5% over the prior rental level and an average of 4.6 years to lease break, or 6.5 years to lease expiry. These are encouraging signs given overall rental declines of between 5-10% across the markets and occupier demand for shorter leases during these turbulent times. Given indexation increases on the remainder of the assets, the impact on rental income across the whole portfolio is broadly flat on a like-for-like basis.

Of the 50 lease breaks and expiries in the first nine months of 2009, covering 417,200 square metres, only fifteen possible breaks or expiries, or 84,400 square metres, resulted in vacancies implying a customer retention rate of 80%. Of this, 53,900 square metres, or €3.1 million of rental income remains vacant.

Furthermore, of the 28 lease breaks or expiries due in the fourth quarter, covering 284,100 square metres, the known retention rate is 67% based on agreements already concluded with occupiers. The potential retention rate for the final quarter could increase to 74%, assuming all customers that have not informed PEPR of their intentions decide to remain at the upcoming lease break or expiry.

Whilst there were no further customer defaults in the third quarter, PEPR has a small number of customers on its current watchlist and anticipates that some 40,000 square metres of space may be returned in the near term, equal to 0.8% of annualised rental income. Total accounts receivable from customers has remained flat at €65.0 million, compared to September 2008. Within this, over 60 days accounts receivable has increased over the previous quarter from €2.7 million to €3.1 million. However, PEPR has a €2.1 million provision for bad and doubtful debts as at the end of September 2009.

In addition, PEPR anticipates generating additional income through the rental of 180,000 square metres of roof space in Spain to Recurrent Energy, a distributed power company and a leading provider of solar energy. ProLogis, through its recently formed 'Global Renewable Energy Group', will project manage the installation of a new, 4.8-megawatt solar project on eight of PEPR's rooftops at ProLogis Park Sant Boi in Barcelona and ProLogis Park Alcalá in Madrid. Recurrent Energy, the owner and operator of the system, will use the roof space to host the solar installation, and will sell the energy produced to the local utility company through a feed-in tariff. PEPR intends to extend this model across the portfolio where feasible.

At the end of September 2009, the portfolio comprised 232 distribution facilities, covering 4.9 million square metres across 11 European countries with an estimated net market value of €3.0 billion. The portfolio risk profile remains attractive, with occupancy at an industry-leading 96.3%, a diversified customer base, and on average 3.4 years to next lease break or 5.5 years to lease expiry. An overview of the portfolio is provided on page 22.

Market outlook

The pan-European economy appears to be reaching the bottom of the slump, although recovery in the real estate markets is expected to lag the economic recovery. Occupancy rates, rental levels and property values have all fallen during 2009.

Investment demand remains limited, with transaction volumes running at less than half the levels of the corresponding period last year. As such there are too few transactions to gauge property valuation movements with a high degree of precision, although property values in the UK have shown distinct signs of improvement with yields compressing since Q2 2009. Yields in Northern Europe appear to be stabilising. However, Southern and Central Europe values are still declining, albeit at a slower pace.

Occupier demand for distribution space remains weak, with pan-European market occupancy estimated to have fallen some 270 basis points since mid 2008. However, leasing market conditions vary widely and in general demand has continued to grow at a subdued pace, particularly in Northern and Southern Europe. Lease terms are becoming increasingly favourable to occupiers, resulting in continued pressure on rental levels, particularly in areas with competing space.

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

Financial results

Earnings

IFRS earnings for the third quarter of €26.1 million increased substantially compared to earnings of €17.1 million for the same period in 2008, primarily due to the €6.1 million loss on share of an associate recorded in 2008 and a deferred income tax charge of €3.1 million in Q3 2008. Lower third quarter rental income was offset by lower finance expense.

EPRA earnings were €27.5 million for the quarter, or €0.14 per unit, a 10.7% decrease from €30.8 million, or €0.16 per unit, for the same period last year. The reduction is due to the receipt of €4.4 million in dividends, and the add back of our €6.1 million share of associate losses from ProLogis European Properties Fund II ('PEPF II') in Q3 2008.

PEPR recorded an IFRS loss of €211.3 million for the nine months to September 2009, compared to a loss of €0.9 million for the nine months of 2008. This decline is predominantly the result of an increase in unrealised portfolio devaluations recorded in 2009 of €307.8 million compared to €113.1 million in the same period in 2008, together with the €42.7 million loss on disposal of investment properties (9M 2008: €1.5 million gain).

Overall, EPRA earnings for the nine months decreased 11.4% to €87.9 million from €99.2 million in 2008, due to the receipt of €9.8 million of dividends and the add back of our €6.2 million share of associate losses in 2008. Excluding these adjustments, underlying earnings for the nine months are ahead of the prior period.

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

Total revenue

Third quarter rental and other property income fell by 10.8% to €65.2 million (Q3 2008: €73.1 million), primarily related to the loss of €4.0 million of income from properties disposed of, a €0.7 million fall in UK sourced income when measured in euro, the loss of €0.3 million of rental income from space vacated following customer defaults. In addition, Q3 2008 included a €4.6 million non-recurring adjustment relating to rental income originally agreed when the properties were acquired and ultimately settled in 2008.

Rental and property income for the nine months 2009 fell by 8.8% to €202.1 million (9M 2008: €221.7 million), as a result of a €5.9 million decline in UK sourced income when measured in euro, and the loss of €4.0 million of income from properties sales and the loss of €1.9 million of rental income from the customer defaults. In addition, the nine months of 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 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 the nine months of 2009 the cost of rental activities decreased to €19.4 million, from €25.1 million in the comparable period, largely as a result of a €2.7 million decrease in property management fees to €11.4 million. These fees are directly correlated to the gross market value of the portfolio which has been impacted by asset sales and negative valuation movements. In addition, PEPR recorded a bad debt expense of €2.8 million in the nine months of 2008, as compared to a corresponding charge of €1.0 million for the same period in 2009.

Fund expenses comprise the non-property related costs associated with our business, including

fund management, custodian and professional fees. These expenses declined 17.4%, to €7.6 million, for the nine months of 2009 (9M 2008: €9.2 million), as a result of €1.0 million non-reclaimable VAT expense recorded in 2008 and a €0.9 million decline in fund management fees, from €4.7 million in 2008 to €3.8 million for 2009. 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 €42.6 million for the nine months of 2009 relates to the two completed portfolio disposals. The first, nine Dutch and German distribution facilities sold to AEW and the second, the disposal of five UK assets to Harbert.

Property fair value movements

PEPR recorded a net loss of €307.8 million for the nine months of 2009 following its portfolio revaluation as at 30 June 2009. The impact of the independent valuation included €324.9 million of revaluations losses, partially offset by €1.1 million of revaluation gains and €16.0 million reduction in the associated provision for purchasers' costs.

PEPR typically revalues its portfolio as at 30 June and 31 December. As part of its plans to review capital raising alternatives, PEPR is currently undertaking a full portfolio valuation review as at 30 September 2009 which could form part of a draft prospectus linked to a potential equity raise.

Financing

Interest income for the nine months of 2009 decreased substantially from €4.3 million for the same period in 2008 to €2.3 million, driven by the higher level of cash on deposit during 2008 and lower interest rates received in 2009, offset by the receipt of a €1.3 million dividend from PEPF II in Q1 2009.

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

FINANCE EXPENSE

Year ended		Nine months ended	
31 December 2008		30 Sept. 2009	30 Sept. 2008
€'000		€'000	€'000
108,321	Interest expense	70,642	80,133
6,403	Amortisation of initial borrowing costs	7,445	4,706
1,400	Net foreign currency (gains)/losses	(27)	79
116,124		78,060	84,918

Interest expense for the nine months decreased 11.8%, to €70.6 million, compared to the same period last year, primarily related to the repayment of €434.4 million of CMBS debt (in March and August 2009), partially offset by increased borrowing during 2008 to invest in PEPF II. These 2009 repayments were funded through the retention of distributable cash flow, proceeds from asset sales and new secured financings. In addition, PEPR's weighted average interest rate for the nine months fell to 4.5% from 5.3% for the comparable period last year.

Amortisation charges increased by €2.7 million in the first three-quarters of the year as a result of the early repayment of CMBS debt, the completion of two secured financing packages and fees relating to the tangible net worth covenant amendment in the €900 million unsecured credit facility agreed in December 2008.

Debt structure

PEPR's financing structure utilises a mix of secured and unsecured debt sources. Two-thirds 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 September 2009, PEPR was in compliance with all covenants.

SUMMARY OF FINANCIAL DEBT COVENANTS

	Limit	30 Sept. 2009	30 June 2009
Unsecured debt:			
<i>€900m unsecured facility</i>			
Leverage	less than 60%	55%	57%
Fixed charge coverage	a least 1.5x	2.1x	2.0x
Unencumbered interest coverage	a least 1.5x	2.0x	2.2x
Net Worth (excluding intangible assets)	at least €1.1bn	€1.3bn	€1.3bn
Unsecured debt as % of unsecured assets	less than 65%	57%	57%
<i>€500m 2014 Eurobond</i>			
Secured debt as % of total assets	less than 40%	21%	21%
Fonds commun de placement structure:			
Loan to value (total debt as percentage of gross portfolio value) – see page 14	less than 60% ²	55.7%	58.6%

In addition to the covenants in the table above, the €500 million Eurobond is redeemable at par if there is both a change of control of PEPR and a subsequent downgrade of PEPR's credit rating to Ba1 or below within 120 days of that change of control. 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 July 2009, the most recent reporting date, this ratio was 2.8x for CMBS III and 2.9x for CMBS IV.

Total outstanding debt, excluding transaction costs, as at 30 September 2009 was €1,735.9 million, a 6.4% decrease since end June 2009 (€1,854.6 million), primarily due to the early repayment of €98.6 million of CMBS debt, the repayment of €80.5 million of the revolving portion of the unsecured credit facility and a €25 million reduction in the principal of an existing secured bank loan, offset by a £86.1 million new secured bank loan. At the end of the quarter, €300.0 million remains undrawn under the revolving credit facility and PEPR has €105.0 million cash on its Balance Sheet.

PEPR intends to repay a significant portion of the remaining CMBS debt in the fourth quarter, using a combination of cash on the balance sheet, funds from the new five-year secured bank loan and undrawn funds under the revolving credit facility. This repayment will release of the related secured assets into the unsecured pool for use in new financing packages.

The weighted average interest rate for the nine months decreased to 4.5%, compared to 5.3% for the same period in 2008, related to the decrease in European and UK market interest rates during the period. At 30 September 2009, 67.4% of PEPR's debt was at fixed rates of interest, with the remaining floating debt based on EURIBOR or LIBOR with margins varying between 265 to 270 basis points.

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

Tax

The overall tax recorded in the Income Statement for the nine months of 2009 is a credit of €39.8 million, comprising current income tax expense of €22.4 million offset by a large deferred tax credit of €62.1 million. This 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 €22.4 million for the period represents a substantial increase over 2008 (€15.9 million). €5.7 million of the increase related to income tax on capital gains

² Can be exceeded up to 65% for a maximum of six months

generated on the AEW asset sale. Adjusting for this one-off tax expense, the 2009 current income tax expense represents an effective tax rate of 16.8% for the nine months, using EPRA pre-tax earnings as a proxy for taxable income, compared to 13.7% for the same period last year.

Distributable cash flow and distributions

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

Distributable cash flow of €0.14 per unit, or €27.5 million, for the third quarter will therefore be retained in the business to reduce debt and improve liquidity. Distributable cash flow for the nine months equalled €0.46 per unit, or €88.0 million, in line with Management guidance for 2009.

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.

ProLogis European Properties Fund II ("PEPF II")

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

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, as part of its strategic derisking initiatives PEPR sold its entire investment and associated future funding obligations in PEPF II. PEPR received cash proceeds of €58.1 million and eliminated future funding obligations of €522 million. As a result of this transaction, PEPR has no stake in PEPF II and no future funding obligations.

Earnings webcast and conference call details:

We invite you to access the live presentation webcast and conference call, held today, Thursday 22 October 2009, at 12 noon CET, by clicking on the link entitled "Third Quarter 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 and transcript of the webcast 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 4pm CET on Thursday 22 October 2009 until Wednesday 4 November 2009. To access the conference call replay please dial one of the following numbers, using passcode 32429008#:

	<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	--

For further information, please contact:Investor relations

ProLogis European Properties

+44 20 7518 8708

Jennifer van der Eem, Investor Relations

jvandereem@prologis.comMedia

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.

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 – nine months	11
Consolidated balance sheet	12
Performance measures – calculations of EPRA earnings – three and nine months	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 – nine months	17
Reconciliation of profit to distributable cash flow – three months	18
Reconciliation of profit to distributable cash flow – nine 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

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 Sept. 2009	30 Sept. 2008
<i>Audited</i>		<i>Unaudited</i>	<i>Unaudited</i>
292,177	Rental income	65,147	73,065
1,146	Other property income	70	32
293,323	Total revenue	65,217	73,097
(2,576)	Ground rents paid	(608)	(623)
(18,332)	Property management fees	(3,572)	(4,579)
(11,484)	Other property rental expenses	(2,883)	(2,639)
(32,392)	Cost of rental activities	(7,063)	(7,841)
260,931	Gross profit	58,154	65,256
(6,058)	Fund management fees	(1,180)	(1,532)
(191)	Fund custodian fees	(29)	(79)
(6,065)	Other fund expenses	(993)	(1,923)
(12,314)	Fund expenses	(2,202)	(3,534)
27,609	Investment and development property disposal proceeds	22,188	7,064
(26,082)	Carrying value of investment property disposals	(22,319)	(6,172)
1,527	Profit/(loss) on disposal of investment properties	(131)	892
39,022	Gross valuation gains on property	-	-
(539,382)	Gross valuation losses on property	(1,201)	(2,256)
16,642	Purchasers costs	-	-
(483,718)	Property fair value movements	(1,201)	(2,256)
(233,574)	Earnings/(losses) before net financial cost, associate and tax	54,620	60,358
5,319	Finance income	79	1,835
(116,124)	Finance expense	(22,894)	(29,718)
(76,834)	Share of (loss) of an associate	-	(6,110)
(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	31,805	26,365
(23,606)	Charge for current income tax	(6,454)	(6,158)
72,472	Deferred income tax benefit/(charge)	795	(3,106)
48,866	Benefit/(charge) for taxation	(5,659)	(9,264)
(577,918)	Net earnings/(losses) for the period	26,146	17,101
	Attributable to:		
(576,895)	Unitholders	25,978	16,910
(1,023)	Minority interest	168	191
(577,918)	Net earnings/(losses) for the period	26,146	17,101
€(3.03)	IFRS earnings/(losses) per unit	€0.14	€0.09
€0.67	EPRA earnings per unit	€0.14	€0.16

PROLOGIS EUROPEAN PROPERTIES

CONSOLIDATED INCOME STATEMENT

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

Year ended		Nine months ended	
31 December 2008		30 Sept. 2009	30 Sept. 2008
<i>Audited</i>		<i>Unaudited</i>	<i>Unaudited</i>
292,177	Rental income	201,744	221,487
1,146	Other property income	357	195
293,323	Total revenue	202,101	221,682
(2,576)	Ground rents paid	(1,897)	(1,951)
(18,332)	Property management fees	(11,409)	(14,145)
(11,484)	Other property rental expenses	(6,103)	(8,982)
(32,392)	Cost of rental activities	(19,409)	(25,078)
260,931	Gross profit	182,692	196,604
(6,058)	Fund management fees	(3,772)	(4,700)
(191)	Fund custodian fees	(86)	(160)
(6,065)	Other fund expenses	(3,701)	(4,299)
(12,314)	Fund expenses	(7,559)	(9,159)
27,609	Investment and development property disposal proceeds	189,097	27,698
(26,082)	Carrying value of investment property disposals	(231,751)	(26,221)
1,527	Profit/(loss) on disposal of investment properties	(42,654)	1,477
39,022	Gross valuation gains on property	1,148	37,471
(539,382)	Gross valuation losses on property	(324,920)	(155,250)
16,642	Purchasers costs	15,958	4,715
(483,718)	Property fair value movements	(307,814)	(113,064)
(233,574)	Earnings/(losses) before net financial cost, associate and tax	(175,335)	75,858
5,319	Finance income	2,323	4,280
(116,124)	Finance expense	(78,060)	(84,918)
(76,834)	Share of (loss) of an associate	-	(6,191)
(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	(251,072)	(10,971)
(23,606)	Charge for current income tax	(22,394)	(15,921)
72,472	Deferred income tax benefit	62,147	25,945
48,866	Benefit/(charge) for taxation	39,753	10,024
(577,918)	Net earnings/(losses) for the period	(211,319)	(947)
(576,895)	Attributable to: Unitholders	(210,788)	(1,414)
(1,023)	Minority interest	(531)	467
(577,918)	Net earnings/(losses) for the period	(211,319)	(947)
€(3.03)	IFRS earnings/(losses) per unit	€(1.11)	€(0.01)
€0.67	EPRA earnings per unit	€0.46	€0.52

PROLOGIS EUROPEAN PROPERTIES

CONSOLIDATED BALANCE SHEET

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

31 December 2008 <i>Audited</i>		30 Sept. 2009 <i>Unaudited</i>	30 June 2009 <i>Unaudited</i>
Assets			
<i>Non Current Assets</i>			
3,441,722	Investment in property	2,966,622	2,994,123
132	Property under construction	25	23
90,259	Hedging instruments	12,093	13,297
5,625	Deferred tax asset	10,939	11,454
<u>3,537,738</u>		<u>2,989,679</u>	<u>3,018,897</u>
<i>Current Assets</i>			
6,168	Due from related parties	-	-
60,097	Accounts receivable, net	65,027	65,394
30,841	Other current assets	28,800	34,477
48,496	Other financial assets, available for sale	-	-
77,101	Cash and cash equivalents	104,953	133,559
-	Investment properties, held for sale	-	22,319
<u>222,703</u>		<u>198,780</u>	<u>255,749</u>
<u>3,760,441</u>	Total assets	<u>3,188,459</u>	<u>3,274,646</u>
Equity			
1,911,810	Capital contributions	1,911,810	1,911,810
(37,721)	Costs of raising capital	(37,721)	(37,721)
<u>1,874,089</u>	Net capital contributed	<u>1,874,089</u>	<u>1,874,089</u>
(282,586)	Net retained (losses)/earnings	(493,374)	(519,351)
(176,288)	Cumulative foreign currency translation	(136,460)	(127,018)
(9,959)	Cash flow hedge valuation reserve	(9,890)	(8,562)
<u>1,405,256</u>	Equity attributable to unitholders	<u>1,234,365</u>	<u>1,219,158</u>
5,589	Minority interest in subsidiaries	5,058	4,890
<u>1,410,845</u>	Total equity	<u>1,239,423</u>	<u>1,224,048</u>
Liabilities			
<i>Non-current liabilities</i>			
543,626	Interest bearing secured notes	-	-
492,005	Interest bearing unsecured notes	492,883	492,586
700,216	Interest bearing bank loans, net of current portion	776,232	647,401
6,509	Hedging instruments	13,536	7,220
112,421	Deferred taxation	55,959	57,172
<u>1,854,777</u>		<u>1,338,610</u>	<u>1,204,379</u>
<i>Current liabilities</i>			
335,288	Interest bearing bank loans and secured notes, current portion	448,005	696,370
1,371	Accounts payable	10,041	7,531
40,387	Due to related parties	10,787	9,796
16,449	Income and other taxes payable	25,016	26,108
53,998	Accrued expenses and other current liabilities	65,616	53,535
47,326	Deferred income	50,961	52,879
<u>494,819</u>		<u>610,427</u>	<u>846,219</u>
<u>2,349,596</u>	Total liabilities	<u>1,949,037</u>	<u>2,050,598</u>
<u>3,760,441</u>	Total equity and liabilities	<u>3,188,459</u>	<u>3,274,646</u>
€7.38	IFRS NAV per unit	€6.48	€6.40
€8.02	EPRA NAV per unit	€6.82	€6.74

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 Sept. 2009 <i>Unaudited</i>	30 Sept. 2008 <i>Unaudited</i>
(576,895)	Net (loss)/earnings attributable to unitholders for the period	
	25,978	16,910
	Adjustments for:	
483,718	1,201	2,256
76,834	-	6,110
15,918	-	4,445
137,048	-	-
68,523	-	-
(1,527)	131	(907)
(74,587)	(162)	2,021
(1,345)	374	-
127,687	27,522	30,835
	Weighted average number of ordinary units	
190,522,441	190,522,441	190,522,441
€0.67	€0.14	€0.16

CALCULATION OF EPRA EARNINGS

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

<u>Year ended</u>	<u>Nine months ended</u>	
31 December 2008 <i>Unaudited</i>	30 Sept. 2009 <i>Unaudited</i>	30 Sept. 2008 <i>Unaudited</i>
(576,895)	Net (loss)/earnings attributable to unitholders for the period	
	(210,788)	(1,414)
	Adjustments for:	
483,718	307,814	113,064
76,834	-	6,191
15,918	-	9,750
137,048	-	-
68,523	-	-
(1,527)	42,736	(2,008)
(74,587)	(51,242)	(26,441)
(1,345)	(604)	102
127,687	87,916	99,244
	Weighted average number of ordinary units	
190,522,441	190,522,441	190,522,441
€0.67	€0.46	€0.52

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 Sept. 2009 <i>Unaudited</i>	30 June 2009 <i>Unaudited</i>
1,405,256	Net asset value attributable to unitholders per IFRS financial statements	1,234,365	1,219,158
	Adjustments for:		
112,421	Deferred tax	55,959	57,172
9,959	Cash flow hedge valuation reserve	9,890	8,562
1,527,636	EPRA net asset value	1,300,214	1,284,892
190,522,441	Number of ordinary units	190,522,441	190,522,441
€0.02	EPRA net asset value per unit	€0.82	€0.74

FINANCIAL RATIOS

31 December 2008 <i>Unaudited</i>		30 Sept. 2009 <i>Unaudited</i>	30 June 2009 <i>Unaudited</i>
€3,617.3m	Gross value of real estate portfolio	€3,115.3m	€3,144.6m
€48.5m	Investment, available for sale	-	-
-	Investment properties, held for sale	-	€22.3m
€3,665.8m	Total value	€3,115.3m	€3,166.9m
€2,094.1m	Debt (excluding unamortised transaction costs)	€1,735.9m	€1,854.60m
57.1%	LTV (debt as percentage of total value)	55.7%	58.6%
€300.0m	Undrawn committed facilities	€300.0m	€219.5m
2.7 years	Average maturity, based on earliest repayment date	2.6 years	2.5 years
Year ended		Nine months ended	
31 December 2008		30 Sept. 2009	30 Sept. 2008
5.3%	Average interest rate	4.5%	5.3%
2.6x	Interest cover	1.9x	2.6x

PROLOGIS EUROPEAN PROPERTIES

CONSOLIDATED STATEMENT OF INVESTMENT IN PROPERTIES

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

31 December 2008		30 Sept. 2009	30 June 2009
<i>Audited</i>		<i>Unaudited</i>	<i>Unaudited</i>
	Historic cost		
3,435,805	Cost at the beginning of the period	3,244,724	3,244,724
8,095	Capital expenditure	1,797	389
10,959	Leasing commission	(203)	(108)
8,635	Rent levelling	-	-
2,439	Transfer from property under construction	107	110
(8,531)	Disposals	(223,540)	(199,893)
-	Transfer to properties held for sale	-	(23,647)
(212,678)	Effect of unrealised currency movements	43,763	67,669
3,244,724	Cost at the end of the period	3,066,648	3,089,244
	Net unrealised gains/(losses) related to property		
707,304	Net unrealised gains at the beginning of the period	196,998	196,998
39,022	Gross valuations gains on investment in property during the period	1,148	1,148
(539,382)	Gross valuations losses on investment in property during the period	(324,920)	(323,719)
16,642	Adjustment for purchasers' costs	15,958	15,958
(2,067)	Reversal of accumulated revaluation (gain)/loss on disposals	15,464	14,136
-	Transfer of accumulated valuation loss to properties held for sale	-	1,328
(24,521)	Effect of unrealised currency movements	(4,674)	(970)
196,998	Net unrealised gains/(losses) at the end of the period	(100,026)	(95,121)
3,441,722	Fair value at the end of the period	2,966,622	2,994,123
	Fair value of investment property		
3,617,279	Appraised gross property value at the end of the period	3,115,342	3,144,616
(175,557)	Purchasers costs	(148,720)	(150,493)
3,441,722	Fair value at the end of the period	2,966,622	2,994,123

STATEMENT OF MOVEMENT IN INVESTMENT IN PROLOGIS EUROPEAN PROPERTIES FUND II

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

Year ended		Nine months ended	
31 December 2008		30 Sept. 2009	30 Sept. 2008
<i>Unaudited</i>		<i>Unaudited</i>	<i>Unaudited</i>
108,172	Investment at beginning of period	48,496	108,172
282,381	Contributions	-	214,381
(43,734)	Proceeds from disposals	(48,496)	-
(76,834)	Share of profit/(loss) after taxation	-	(6,191)
(15,918)	Distributions received	-	(9,750)
(137,048)	Loss on disposal of shares of an associate	-	-
(68,523)	Impairment of investment, available for sale	-	-
-	Hedging movements	-	(6,274)
48,496	Investment at period end	-	300,338

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 Sept. 2009	30 Sept. 2008
<i>Audited</i>		<i>Unaudited</i>	<i>Unaudited</i>
(626,784)	Earnings/(losses) before tax	31,805	26,365
	Adjustment for non-cash items and changes in operating assets	19,238	14,497
741,734		<u>51,043</u>	<u>40,862</u>
114,950	Net cash flow from operating activities		
	Cash flow from investing activities		
(244,381)	Investment in an associate	-	(52,500)
11,009	Distributions from an associate	-	3,514
-	Distributions from other financial assets, available for sale	-	-
(8,095)	Capital expenditure and other expenditure on investment property	(1,408)	(1,018)
(4,005)	Property under construction	-	(87)
2,955	Payments from insurance company	144	3,499
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	-	-
11,581	Proceeds from disposal of investment property	22,188	10,867
(171,035)	Net cash provided from/(used in) investing activities	20,924	(35,725)
	Cash flow from financing activities		
-	Proceeds from secured notes:		
-	Gross (repayments)/proceeds	(98,594)	-
-	Hedge proceeds	6,833	-
-	Proceeds from unsecured notes:		
(278)	Gross (repayments)/proceeds	-	-
-	Transaction costs	-	278
209,149	Proceeds from bank loans:		
(3,180)	Gross (repayments)/proceeds	(6,018)	(3,167)
-	Transaction costs	(3,263)	32
(149,624)	Restricted proceeds from swap contracts	150	-
-	Distributions to unitholders	-	(35,407)
56,067	Net cash provided/(used) from financing activities	(100,892)	(38,264)
(1,561)	Effects of changes in exchange rates	319	271
(1,579)	Net increase/(decrease) in cash and cash equivalents	(28,606)	(32,856)
78,680	Cash and cash equivalents at the beginning of the period	133,559	131,440
77,101	Cash and cash equivalents at the end of the period	104,953	98,584

PROLOGIS EUROPEAN PROPERTIES

CONSOLIDATED STATEMENT OF CASH FLOWS

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

Year ended		Nine months ended	
31 December 2008		30 Sept. 2009	30 Sept. 2008
<i>Audited</i>		<i>Unaudited</i>	<i>Unaudited</i>
(626,784)	Earnings/(losses) before tax	(251,072)	(10,971)
741,734	Adjustment for non-cash items and changes in operating assets	360,853	119,227
114,950	Net cash flow from operating activities	109,781	108,256
	Cash flow from investing activities		
(244,381)	Investment in an associate	(38,000)	(214,381)
11,009	Distributions from an associate	6,168	6,599
-	Distributions from other financial assets, available for sale	1,270	-
(8,095)	Capital expenditure and other expenditure on investment property	(1,797)	(4,868)
(4,005)	Property under construction	-	(4,005)
2,955	Payments from insurance company	1,082	3,499
43,734	Proceeds from disposal of shares of an associate	-	-
-	Proceeds from disposal of shares of other financial asset, available for sale	48,496	-
16,167	Proceeds from disposal of property under construction	-	16,167
11,581	Proceeds from disposal of investment property	189,097	10,867
(171,035)	Net cash provided from/(used in) investing activities	206,316	(186,122)
	Cash flow from financing activities		
-	Proceeds from secured notes:		
-	Gross (repayments)/proceeds	(434,466)	-
-	Hedge proceeds	57,588	-
-	Proceeds from unsecured notes:		
(278)	Gross (repayments)/proceeds	-	-
-	Transaction costs	-	-
209,149	Proceeds from bank loans:		
(3,180)	Gross (repayments)/proceeds	74,450	213,833
-	Transaction costs	(3,299)	-
(149,624)	Restricted proceeds from swap contracts	16,620	-
-	Distributions to unitholders	-	(114,727)
56,067	Net cash provided/(used) from financing activities	(289,107)	99,106
(1,561)	Effects of changes in exchange rates	862	(1,336)
(1,579)	Net increase/(decrease) in cash and cash equivalents	27,852	19,904
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	104,953	98,584

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 Sept. 2009	30 Sept. 2008
<i>Unaudited</i>		<i>Unaudited</i>	<i>Unaudited</i>
(576,895)	Net earnings/(losses) attributable to unitholders for the period	25,978	16,910
	Adjustments for items per the Management Regulations:		
	Net valuation (gains) / losses on property	679	3,013
502,331			
(16,642)	Purchasers' costs	-	-
76,834	Gain/(loss) on associate	-	6,110
15,918	Distributions from an associate	-	4,445
	Loss on disposal of investment of an associate	-	-
137,048	Impairment of investment, available for sale	-	-
68,523	Unrealised currency (gains)/losses	(876)	238
2,000	Amortisation of debt expenses	2,687	1,551
6,402	Movements on deferred tax balances	(797)	3,106
(72,472)	Costs related to non-recurring events	-	-
357	Loss / (profit) on disposal	131	457
2,067	Charge for current income tax related to disposal	1,151	-
-	Less an allowance for capital and re-letting expenses	(1,492)	(936)
(7,623)	Total adjustments	1,483	17,984
714,743			
137,848	Distributable cash flow for unitholders	27,461	34,894
	Weighted average number of ordinary units	190,522,441	190,522,441
190,522,441			
€0.72³	Distributable cash flow per unit for the period	€0.14³	€0.18

³ In December 2008, PEPR suspended future dividend payments. Q4 2008 and all subsequent quarters' distributable cash flow has therefore been retained in the business.

PROLOGIS EUROPEAN PROPERTIES

RECONCILIATION OF PROFIT TO DISTRIBUTABLE CASH FLOW

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

Year ended		Nine months ended	
31 December 2008		30 Sept. 2009	30 Sept. 2008
<i>Unaudited</i>		<i>Unaudited</i>	<i>Unaudited</i>
(576,895)	Net earnings/(losses) attributable to unitholders for the period	(210,788)	(1,414)
	Adjustments for items per the Management Regulations:		
	Net valuation (gains) / losses on property	323,772	119,775
502,331			
(16,642)	Purchasers' costs	(15,958)	(4,715)
76,834	Gain/(loss) on associate	-	6,191
15,918	Distributions from an associate	-	9,750
	Loss on disposal of investment of an associate	-	-
137,048	Impairment of investment, available for sale	-	-
68,523	Unrealised currency (gains)/losses	(456)	(162)
2,000	Amortisation of debt expenses	7,445	4,706
6,402	Movements on deferred tax balances	(62,147)	(25,945)
(72,472)	Costs related to non-recurring events	72	700
357	Loss / (profit) on disposal	42,654	2,067
2,067	Charge for current income tax related to disposal	5,708	-
-	Less an allowance for capital and re-letting expenses	(2,312)	(3,306)
(7,623)	Total adjustments	298,778	109,061
714,743			
137,848	Distributable cash flow for unitholders	87,990	107,647
	Weighted average number of ordinary units	190,522,441	190,522,441
190,522,441			
€0.72³	Distributable cash flow per unit for the period	€0.46³	€0.57

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 equity attributable to unitholders	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	-	-	-	(48,241)	-	-	(48,241)	-	(48,241)
Net gains / (losses) on cash flow hedge	-	-	-	-	(5,272)	-	(5,272)	-	(5,272)
Share of equity items of an associate	-	-	-	-	-	(6,274)	(6,274)	-	(6,274)
Profit / (loss)	-	-	(1,414)	-	-	-	(1,414)	467	(947)
Total recognised income/(loss)	-	-	(1,414)	(48,241)	(5,272)	(6,274)	(61,201)	467	(60,734)
Distributions	-	-	(107,649)	-	-	-	(107,649)	-	(107,649)
Balance as at 30/09/08	1,911,810	(37,721)	292,895	(104,235)	9,978	(6,274)	2,066,453	7,079	2,073,532
Foreign currency translation	-	-	-	(72,053)	-	-	(72,053)	-	(72,053)
Net gains / (losses) on cash flow hedge	-	-	-	-	(19,937)	-	(19,937)	-	(19,937)
Share of equity items of an associate	-	-	-	-	-	6,274	6,274	-	6,274
Profit / (loss)	-	-	(575,481)	-	-	-	(575,481)	(1,490)	(576,971)
Total recognised income/(loss)	-	-	(575,481)	(72,053)	(19,937)	6,274	(661,197)	(1,490)	(662,687)
Distributions	-	-	-	-	-	-	-	-	-
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	-	-	-	16,153	-	-	16,153	-	16,153
Disposal of foreign operations	-	-	-	23,675	-	-	23,675	-	23,675
Net gains / (losses) on cash flow hedge	-	-	-	-	69	-	69	-	69
Share of equity items of an associate	-	-	-	-	-	-	-	-	-
Profit / (loss)	-	-	(210,788)	-	-	-	(210,788)	(531)	(211,319)
Total recognised income/(loss)	-	-	(210,788)	39,828	69	-	(170,891)	(531)	(171,422)
Distributions	-	-	-	-	-	-	-	-	-
Balance as at 30/09/09	1,911,810	(37,721)	(493,374)	(136,460)	(9,890)	-	1,234,365	5,058	1,239,423

PROLOGIS EUROPEAN PROPERTIES

**OUTSTANDING DEBT
AS AT 30 SEPTEMBER 2009**

Description	Rating	Issue date	Issue size	Coupon ⁴	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 ⁵	€97.0m £48.9m	€174.4m	4.61%	100% swapped LTV: 55.7%
Pan European Industrial Properties Series IV S.A	AAA AA AAA	Mar 2005	€389.0m	€337m: +14bps €32m: +18bps €20m: +30bps	May 2010 ⁵	€249.8m £17.6m	€275.3m	3.58%	100% swapped LTV: 57.7%
<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% ⁶	Unsecured Fixed rate
<i>Other</i>									
Secured bank loan	-	Jul 2009	€126.0m	+250bps	Mar 2013	€126.0m	€126.0m	4.988%	100% swapped LTV: 48.5%
Secured bank loan	-	Jul 2009	£86.1m	+250bps	Jul 2013	£86.1m	€95.0m	5.928%	100% swapped LTV: 44.5%
Senior unsecured credit facility	-	Dec 2007	€900.0m	€300m: +215bps ⁷ €300m: +265bps €300m: +270bps	Dec 2010 Dec 2010 Dec 2012	- €300.0m €129.0m £123.5m	- €300.0m €265.2m	n/a	Unsecured Floating rate
Total			€2,105.5m £86.1m				€1,735.9m		

⁴ All coupons are Euribor/Libor +

⁵ 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.

⁶ The coupon will increase to 7.625% on 23 October 2009

⁷ 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 30 SEPTEMBER 2009

	Number of facilities	Market value ('MV') ⁸	% of total MV	Leasable area	% of total leasable area	Annualised rental income ⁹	ERV ¹⁰	Gross portfolio yield ¹¹ Current occupancy	Gross portfolio yield ¹² 100% 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
		€million		000m ²		€million	€million							
France	61	855	29%	1,590.6	32%	75.8	69.4	8.9%	8.9%	99.0%	8.3	73	2.5	5.7
Italy	18	274	9%	522.7	11%	24.6	21.6	9.0%	9.3%	96.1%	9.3	18	5.2	5.7
Spain	13	272	9%	309.5	6%	20.3	21.5	7.5%	7.5%	99.8%	6.8	21	3.5	5.0
<i>Southern</i>	<i>92</i>	<i>1,401</i>	<i>47%</i>	<i>2,422.8</i>	<i>49%</i>	<i>120.7</i>	<i>112.5</i>	<i>8.6%</i>	<i>8.7%</i>	<i>98.5%</i>	<i>8.1</i>	<i>112</i>	<i>3.2</i>	<i>5.6</i>
Belgium	5	53	1%	98.3	2%	4.4	4.1	8.3%	8.3%	100.0%	5.3	5	3.3	9.1
Germany	20	229	8%	328.0	7%	20.2	19.3	8.9%	9.0%	98.0%	5.3	41	2.5	3.5
Netherlands	20	255	9%	378.5	8%	23.4	21.8	9.2%	9.9%	94.0%	9.3	33	2.1	3.8
Sweden	4	89	3%	130.4	2%	7.7	6.5	8.6%	8.6%	100.0%	14.6	4	8.0	9.4
<i>Northern</i>	<i>49</i>	<i>626</i>	<i>21%</i>	<i>935.2</i>	<i>19%</i>	<i>55.7</i>	<i>51.7</i>	<i>8.9%</i>	<i>9.3%</i>	<i>96.9%</i>	<i>8.2</i>	<i>83</i>	<i>3.1</i>	<i>4.9</i>
Czech Republic	12	104	3%	180.4	4%	8.1	8.0	7.8%	9.2%	84.7%	6.5	31	2.2	2.4
Hungary	14	106	4%	182.1	4%	9.2	8.5	8.7%	9.7%	88.8%	6.4	33	2.6	4.8
Poland	26	270	9%	494.5	10%	22.3	21.9	8.2%	8.9%	92.5%	7.3	77	2.6	3.1
<i>Central</i>	<i>52</i>	<i>480</i>	<i>16%</i>	<i>857.0</i>	<i>18%</i>	<i>39.6</i>	<i>38.4</i>	<i>8.3%</i>	<i>9.1%</i>	<i>90.1%</i>	<i>6.7</i>	<i>141</i>	<i>2.5</i>	<i>3.3</i>
UK	39	460	16%	705.0	14%	44.0	41.7	9.6%	9.6%	95.6%	7.7	37	4.9	8.0
TOTAL	232	2,967	100%	4,920.0	100%	260.0	244.3	8.8%	9.0%	96.3%	7.9	373	3.4	5.5
Vacant space (at ERV per m ²)							<u>8.4</u>							
							252.7							

⁸ 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

⁹ 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

¹⁰ ERV refers to the Estimated Rental Value calculated by the independent third-party appraisers as at the latest valuation date

¹¹ Annualised rental income on occupied portfolio expressed as a percentage of market value

¹² 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 30 SEPTEMBER 2009

	Number of leases with next break option in year	Leased space subject to next break option ¹³ 000m ²	Annualised rental income ⁸ of leases subject to first break option		Number of leases with expiry date in year ¹⁴	Leased space subject to lease expiry 000m ²	Annualised rental income ⁸ of expiring leases	
			(€m)	%			(€m)	%
2009	25	221	12.9	5.0	24	185	11.5	4.4
2010	88	935	53.1	20.4	60	462	28.0	10.8
2011	95	1,012	49.8	19.1	61	452	23.6	9.1
2012	55	773	40.8	15.7	43	428	24.7	9.5
2013	32	394	22.5	8.7	36	437	26.2	10.1
2014	29	431	26.1	10.1	31	508	26.2	10.1
2015	19	410	23.0	8.8	30	662	32.5	12.5
2016	7	133	7.7	2.9	18	422	20.9	8.0
2017	9	233	13.8	5.3	21	389	21.2	8.2
2018	4	44	1.8	0.7	11	152	7.7	2.9
2019+	10	151	8.5	3.3	38	640	37.5	14.4
Total	373	4,737	260.0	100.0	373	4,737	260.0	100.0

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

Customer Name ¹⁵	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	5.7%	19
3 Geodis	3PL	5.3%	14
4 NYK Holdings (Nippon Yusen Kaisha)	3PL	4.0%	9
5 ND Logistics	3PL	2.8%	6
6 Gefco (PSA Peugeot)	3PL	2.6%	6
7 FM Logistic	3PL	2.2%	6
8 Fagor Electrodomesticos (Brandt Appliances)	Industrial Durables	1.9%	3
9 ID Logistics Group	3PL	1.8%	5
10 GoodYear/Dunlop	Automotive	1.8%	2
11 Carrefour	Retail	1.8%	2
12 DSV A/S	3PL	1.5%	5
13 Eurofred	3PL	1.2%	2
14 Deutsche Bahn (Schenker)	3PL	1.2%	4
15 Schneider	Electrical/Mechanical	1.2%	3
16 Kuehne & Nagel	3PL	1.2%	3
17 Amazon.com Inc	Retail	1.2%	1
18 Wincanton Logistics	3PL	1.1%	6
19 Depolabo Pharma Logistique	Pharmaceuticals	1.1%	2
20 Hagermeijer (Elektroskandia)	Electrical/Mechanical	1.1%	1
Subtotal of largest 20 customers		48.1%	113
Leases with 186 other customers		51.9%	260
Total		100.0%	373

¹³ Leases at earlier of next break date or expiry date

¹⁴ Leases at expiry date regardless of upcoming lease break dates

¹⁵ Customers shown are either actual names or the name of the parent company of the customer