

**ProLogis European Properties**  
**Per Unit U.S. Taxable Income Allocation\***  
**For the Period from January 1, 2008 through December 31, 2008**

|                                 |   | <u>Total 1/1/08 - 12/31/08 Per<br/>Unit Allocation</u> | <u>Per Unit Per Day<br/>Allocation</u> |
|---------------------------------|---|--|--|
| Line 1                          | Taxable income (loss) from passive activities   | \$ 0.11063463  | \$ 0.00030228                          |
| Line 2                          | Taxable income (loss) from other activities   | \$ 0.04209714  | \$ 0.00011502                          |
| Line 3                          | Qualified dividends   | \$ -   | \$ -                                   |
| Line 4a                         | Net capital gain (loss) from passive activities                                       | \$ (1.55998823)  | \$ (0.00426226)                        |
| Line 4b                         | Net capital gain (loss) from other activities   | \$ -   | \$ -                                   |
| Line 5                          | Net passive AMT adjustments   | \$ -   | \$ -                                   |
| Line 6                          | Net other AMT adjustments   | \$ -   | \$ -                                   |
| Line 7                          | General credits   | \$ -   | \$ -                                   |
| Line 8                          | Low-income housing credit   | \$ -   | \$ -                                   |
| Line 9                          | D LP's 28% Rate Gain from Passive Activities  | \$ -   | \$ -                                   |
|                                 | K1 Foreign Taxes Paid by Country  | Various  | Various                                |
|                                 | K2 Gross income from all sources  | \$ 2.88254002  | \$ 0.00787579                          |
|                                 | K3 Gross income sourced at partner level  | \$ -   | \$ -                                   |
|                                 | K4 Foreign gross income sourced at partnership level                                  |  |  |
|                                 | (a) Passive category foreign source income  | \$ 2.88254002  | \$ 0.00787579                          |
|                                 | (b) General category foreign source income  | \$ -   | \$ -                                   |
|                                 | (c) Other category foreign source income  | \$ -   | \$ -                                   |
|                                 | K5 Interest expense allocated and apportioned at partner level                        | \$ 0.60812367  | \$ 0.00166154                          |
|                                 | K6 Other expenses allocated and apportioned at the partner level                      | \$ 1.58041027  | \$ 0.00431806                          |
|                                 | K7 Deductions allocated and apportioned at partnership level to foreign source income |  |  |
|                                 | (a) Passive category foreign source   | \$ 2.10126253  | \$ 0.00574115                          |
|                                 | (b) General category foreign source   | \$ -   | \$ -                                   |
|                                 | (c) Other foreign source income   | \$ -   | \$ -                                   |
|                                 | K8 (a) Total foreign taxes paid   | \$ -   | \$ -                                   |
|                                 | K8 (b) Total foreign taxes accrued  | \$ 0.14742865  | \$ 0.00040281                          |
|                                 | K9 Reduction in taxes available for credit  | \$ -   | \$ -                                   |
|                                 | M2 Nondeductible Expenses   | \$ 0.00288715  | \$ 0.00000789                          |
|                                 | M5 Distributions of money   | \$ 1.14697462  | \$ 0.00313381                          |
|                                 | R1 Interest income for corporate partners   | \$ 0.04209714  | \$ 0.00011502                          |
|                                 | R2 Interest expense for corporate partners  | \$ 0.60812367  | \$ 0.00166154                          |
|                                 | S1 Domestic Production Activities Information   |  |  |
|                                 | Total gross receipts from all sources   | \$ 2.88254002  | \$ 0.00787579                          |
|                                 | Total deductions, expenses, and losses  | \$ 4.28979648  | \$ 0.01172076                          |
|                                 | <b>Total Per Unit Income Allocation</b>   | <b>\$ (1.40725646)</b>                                 | <b>\$ (0.00384496)</b>                 |
| Partner's share of liabilities: |   |  |  |
| a                               | Nonrecourse   | \$ 9.00241799  |  |
| b                               | Qualified nonrecourse financing   | \$ 5.84080848  |  |
| c                               | Other   | \$ -   |  |

\* Provided in lieu of Form 8865 Schedule K-1 information for use in preparing U.S. tax returns. ProLogis European Properties had no U.S. source income or income effectively connected with a U.S. trade or business, thus only page 1 of the Form 1065-B will be filed to make any election necessary during the year for the partnership.

\* Please note that the functional currency for ProLogis European Properties as an entity is the Euro; however, the amounts represented above are in U.S. dollars.

**Supplemental Information**

See attached statements reflecting dual consolidated loss information for the entire calendar year. The amounts reflected on the first page include losses set forth in the attached statements for the period January 1, 2008 through December 31, 2008. Each investor's share per unit should be determined based on a weighted average total outstanding units of 190,522,441 for 2008. Investors should consult their U.S. tax advisors as to whether they are subject to the dual consolidated loss rules of IRC Section 1503(d) and how the amounts reflected on the first page should be adjusted if the investor is subject to such rules.

ProLogis International Funding S.A. is a non-U.S. entity treated as a corporation for U.S. tax purpose which is also treated as a Passive Foreign Investment Company ("PFIC") under U.S. tax law. As a unitholder of ProLogis European Properties, you may be treated as owning an indirect interest in ProLogis International Funding S.A.

As a general matter, U.S. persons owning PFIC shares do not recognize income from the PFIC until a distribution is received or the shares are sold. However, the tax payable on such deferred income is subject to an additional interest charge from the date the PFIC shares are held. The interest charge can be avoided by electing to treat the PFIC as a Qualified Electing Fund ("QEF") and to recognize the PFIC's income currently. It should be noted that failure by U.S. unitholders to make a QEF election could also subject otherwise non-taxable return of capital distributions to tax and interest charges. In order to make a QEF election, a Form 8621 with respect to ProLogis International Funding S.A. must be filed. If you are required to file Form 8621, the information below can be used to prepare such form.

Your pro rata share of PFIC's ordinary earnings and net capital gain (as defined in Reg. § 1.1293-1(a)(2)) for the taxable year are:

|                    |     |
|--------------------|-----|
| Ordinary Earnings: | \$0 |
| Net Capital Gain:  | \$0 |

The amount of cash and fair market value of other property distributed or deemed distributed to you during the taxable year indicated above is:

|               |     |
|---------------|-----|
| Distribution: | \$0 |
|---------------|-----|

**Reportable Transaction Disclosure Statement**

During the period January 1, 2008 through December 31, 2008, ProLogis European Properties disposed of a portion of the interest it held in ProLogis European Properties Fund II which resulted in an IRC Section 165 loss. There is a reporting requirement on Form 8886, "Reportable Transaction Disclosure Statement" for owners of ProLogis European Properties who are required to file a U.S. tax return and whose allocable share of the loss is equal to or exceeds \$10 million for corporations or partnerships with only corporate partners and \$2 million for all other taxpayers. Investors should consult their U.S. tax advisors as to whether they are subject to the reportable transaction reporting requirements of Regulations §1.6011-4.

|   |    |                |
|---|----|----------------|
| Total 1/1/08 - 12/31/08 Per Unit Allocation of Loss | \$ | (1.58041028)   |
| Per Unit Per Day Allocation of Loss                 | \$ | (0.00431806)   |
| Reportable Transaction Number                       |    | Not Applicable |