

News release

Annual General Meeting Statement Wednesday 22 June 2011

Luxembourg – 22 June 2011 – Peter Cassells, CEO of ProLogis European Properties (Euronext: PEPR), Europe's largest owner of modern distribution facilities, will make the following statements at today's AGM to be held from 09:00am CET at the offices of Prologis, 34-38 Avenue de la Liberté, L-1930, Luxembourg.

Increased Prologis ownership

In April 2011, Prologis (NYSE: PLD) announced an increase in its ownership of PEPR to approximately 38% and a mandatory tender offer to acquire all of the outstanding ordinary units and convertible preferred units it did not own. The initial offer price of €6.10 per unit for both ordinary and preferred units was revised to €6.20 per unit in May. At the time of the revised offer price, Prologis owned 59.9% of PEPR's ordinary units.

The Management Company of PEPR, in consultation with the Independent Members of the PEPR Board and having received external legal and financial advice, concluded that the Prologis offer did not reflect PEPR's full value potential. However, unitholders were advised that the offer could potentially represent a liquidity event for those unitholders who may consider, amongst other aspects, (i) that the risk return profile of PEPR is not in line with their investment objectives and/or (ii) that any further increase in Prologis' holding in PEPR may have an effect on the future market liquidity of the units.

At the end of the offer period, Prologis owned 89.58% of the ordinary units and 94.62% of the preferred units. As a 95% holding was not achieved, Prologis was not in a position to use its squeeze-out right. Furthermore, as a 90% holding was not reached either, the remaining unitholders are not in a position to exercise any sell-out rights which would require Prologis to purchase their units.

Prologis' offer document indicated that it would continue to operate PEPR as a listed entity if it did not achieve a holding of 95% at the end of the offer period, with no operational changes in management anticipated and the renewal of the management agreement to occur in 2016.

Financial results and operating performance

In February this year, PEPR reported financial results for 2010 ahead of guidance and strong operating performance. We maintained high occupancy levels throughout the sustained market downturn and completed record levels of leasing in 2010, resulting in a high level of customer retention for the year. In addition, we continued to work towards achieving an investment grade rating - we repaid or refinanced over €480 million of outstanding debt, reducing loan-to-value to 53.0% at the end of 2010.

The first quarter 2011 results, announced in April, saw PEPR continue to achieve robust operational performance and financial results firmly in line with the guidance set at the beginning of the year. Portfolio occupancy of 93.2% at the end of March is in line with expectations and remains above logistic market averages. The volume of leasing, particularly new leases, completed during the quarter demonstrates that our modern, pan-European portfolio remains highly sought-after to existing and prospective customers.

With no debt maturing until late 2012 and a sustained focus on deleveraging the business, PEPR continues to make progress in its efforts to return to an investment grade credit rating. Loan-to-value

was reduced to 52.6% at March 2011 from 53.0% at the end of December 2010 and post quarter end was reduced further to 51.5% following the early repayment of one of our more expensive debt facilities. While our credit rating remains at Ba1, Moody's improved PEPR's corporate credit rating outlook to positive from stable in early June, a positive step towards achieving investment grade.

Market outlook

Overall, the steady recovery in the European logistics market continues, with economic forecasters predicting modest positive real GDP growth across Europe of between 1.5 and 2.0% during 2011-2012 despite concerns over sovereign debt and the potential impact on global supply chains of the earthquake and tsunami in Japan. However, there is continued evidence of varying rates of recovery across Europe, with Germany, France and Central Europe benefitting more from the global recovery while the UK is still feeling the impact of its austerity measures.

On the occupier side, demand remains relatively strong and customer confidence continues to improve. However, activity may fluctuate as the result of a number of factors: firstly, the pent-up demand from projects that were temporarily shelved during the crisis may have been largely satisfied in the latter part of 2010; inventory restocking after the downturn could have worked its way through the system; GDP growth rates have slowed slightly since the rebound of last year; and finally, an absence of alternative available modern supply may temper leasing volumes in some markets. However, we should not lose sight of the fact that leasing volumes have recovered to a level close to their long term average and the flight to quality in terms of modern, well located buildings is set to continue.

New supply remains limited to build-to-suit projects, with a small amount of speculative development. As a result, market values and rental levels are expected to remain flat in the near term with modest rental growth in prime markets expected in the latter part of 2011.

The recovery of the European logistics investment market remains on track, with sustained investor interest in the sector, although transaction volumes are being held back somewhat by a lack of available product and a continued concentration around the prime end of the sector. As a result, the cap rate compression seen at the beginning of 2011 has decelerated and overall, market yields are back in line with the 10 year average.

PEPR's future priorities

Our main operational priority for 2011 is to continue to drive cash flow from the portfolio through proactive asset management, exemplary customer service and sustained high levels of leasing activity. In addition, where excess supply of space has been absorbed, we will look to push for higher rents. Finally, based on our success on the leasing front and the resultant cash flow, we will actively further deleverage our balance sheet and continue on our path to return to an investment grade rating.

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About ProLogis European Properties (PEPR)

ProLogis European Properties, or PEPR, is one of the largest pan-European owners of high quality distribution and logistics facilities. PEPR was established in 1999 as a closed-end, real estate investment fund, externally managed by a subsidiary of Prologis, a leading global provider of industrial distribution facilities. In September 2006, ordinary units in PEPR were listed on the Luxembourg Stock Exchange and Euronext Amsterdam.

As at 31 March 2011, PEPR had a portfolio of 232 buildings, covering 4.9 million square metres in 11 European countries, with an estimated market value of €2.8 billion. The portfolio has an occupancy level of 93.2% and an average of 3.4 years to the next lease break or 5.3 years to lease expiry.