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ProLogis Completes Bulk Sale-Leaseback Transaction in Japan With Matsushita Group

- Joint Venture With GIC Real Estate Acquires Matsushita Distribution Centers Across Japan For US\$735 Million -

- Matsushita Logistics Subsidiary Will Lease Back 3.6 Million Square Feet Of Warehouse Space For Local And Regional Product Distribution -

TOKYO, Oct. 2 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), the world's largest owner, manager and developer of distribution facilities, announced today that it has completed a major sale-leaseback transaction in Japan with the Matsushita Group, one of the world's leading suppliers of consumer electronics and other products.

A subsidiary, Matsushita Logistics, has sold 17 warehouse properties to a ProLogis joint venture with GIC Real Estate Pte Ltd, the real estate investment arm of the Government of Singapore Investment Corporation. The purchase price is approximately 85 billion yen (US\$735 million). Matsushita Logistics will lease back 15 of the sites, totaling 3.6 million square feet (334,400 square meters), and continue to use them for local and regional distribution of the company's products.

The distribution centers are located across Japan, from Sapporo City on the northern island of Hokkaido to Fukuoka Prefecture in the south. They range in size from 84,000 square feet (7,800 square meters) to 831,000 square feet (77,200 square meters). Over 60 percent of the portfolio by floor area is located in either Tokyo or Osaka, Japan's two largest distribution markets.

"This is an important transaction for ProLogis in Japan, one that exemplifies a key long-term trend in the Japanese distribution market," said Masato Miki, ProLogis' co-president of Japan operations. "Increasingly, large companies here are seeking to outsource distribution and real estate operations in order to fortify their balance sheets and to focus their business resources on core operations. Given our access to capital, the depth of our customer relationships and the leading position we occupy in the market, we are well-positioned to become the real estate partner of choice for corporations adopting this strategy."

Miki noted that the deal significantly expands ProLogis' relationship with Matsushita, which currently leases more than 838,000 square feet (77,850 square meters) from the company at two locations in Tokyo and another in Juarez, Mexico.

"Matsushita is one of the world's premier electronics companies, with a global reputation for quality and value across a full spectrum of consumer product categories," Miki said. "We're

extremely pleased to announce this agreement and look forward to becoming their primary facilities provider in Japan."

Two of the acquired properties are currently not used by Matsushita for distribution operations. One is located in the city of Morioka in northern Japan and leased to a Japanese logistics company. The other is a small, unoccupied facility in Osaka. ProLogis will pursue repositioning opportunities at that location.

The Matsushita agreement is the second large-scale sale-leaseback deal for ProLogis in Japan in recent months. In December last year, the company announced that ProLogis Japan Properties Fund II would acquire eight distribution centers from cosmetics manufacturer Shiseido for US\$136 million.

At June 30, 2007, ProLogis' operating portfolio in Japan comprised 21.7 million square feet (2 million square meters) of industrial space, concentrated in the markets of Tokyo, Osaka, Nagoya, Fukuoka, Hiroshima and Sendai. The company had another 4.9 million square feet (455,200 square meters) under development. In addition to Matsushita and Shiseido, major customers in Japan include Askul, Hitachi Transport, Nippon Express, Renown, Yamato Logistics and Shinkai Group.

About ProLogis

ProLogis is the world's largest owner, manager and developer of distribution facilities, with operations in 105 markets across North America, Europe and Asia. The company has \$29.9 billion of assets owned, managed and under development, comprising 446.9 million square feet (41.5 million square meters) in 2,523 properties as of June 30, 2007. ProLogis' customers include manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises with large-scale distribution needs. Headquartered in Denver, Colorado, ProLogis employs more than 1,300 people worldwide. For additional information about the company, go to <http://www.prologis.com>.

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