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ProLogis Research Group Releases New Report on Industrial Property Markets in Europe

AMSTERDAM, Oct. 13 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), a leading global provider of distribution facilities, announced today the release of a new research report on the state of the industrial property markets in Europe, entitled "Looking for the Rainbow."

The report is based on market statistics and data compiled from a variety of sources, including ProLogis market officers, brokerage companies and market research groups. The information covers distribution property markets in the United Kingdom as well as northern, southern and central Europe up to and including the first half of 2009.

"Europe's logistics property markets are feeling the weight of both a severe economic downturn and a lingering credit crunch," commented Len Sahling, first vice president of the ProLogis Research Group. "The European economies are starting to emerge from several quarters of negative GDP growth, and the logistics property leasing markets will follow suit, albeit with a lag. Meaningful GDP growth combined with obsolescence and no new supply will eventually pull Europe's logistics property leasing markets out of their slump."

Detailed findings in the report include the following:

- During the first half of 2009, leasing market fundamentals continued to weaken throughout Europe, with the pan-European market occupancy rate slipping to 86 percent in the second quarter of 2009 from 87 percent in the previous quarter and 89 percent a year ago.
- New deliveries to the Continental European markets have remained relatively stable throughout the current steep recession, largely because of the sizable overhang of construction projects begun last year before the credit crisis erupted.
- All across Europe, new starts have tapered off in recent months and are now limited almost exclusively to build-to-suit projects. As a result, the construction pipelines have begun to shrink, suggesting that deliveries will soon begin to taper off.
- Investors have developed a renewed appreciation for market risk and are now making sharper distinctions between countries in Europe regarding economic, currency and property market risks. There is a renewed market focus on prime properties in Europe, where the leases have strong covenants and lease terms of five years.

For a copy of the report on the property markets in Europe, please visit:

<http://www.prologisresearch.com/supplychain/default.asp?reid=A3U21446887DE>.

The ProLogis Research Group monitors, analyzes and reports on key trends and dynamics in both real estate and supply-chain management, drawing from industry data and primary research conducted by company analysts and a network of affiliated academics and other

professionals. Past reports have focused on global supply chain dynamics, internet retailing, RFID technology, offshore outsourcing and other related topics. For more, please visit www.prologisresearch.com.

About ProLogis

ProLogis is a leading global provider of distribution facilities, with more than 475 million square feet of industrial space (44 million square meters) in markets across North America, Europe and Asia. The company leases its industrial facilities to more than 4,500 customers, including manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises with large-scale distribution needs. For additional information about the company, go to <http://www.prologis.com>.

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