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# Citi 2010 Global Property CEO Conference

March 1 – 3, 2010

ProLogis.

# Forward Looking Statement

The statements above that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which ProLogis operates, management's beliefs and assumptions made by management, they involve uncertainties that could significantly impact ProLogis' financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "designed to achieve," variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future – including statements relating to rent and occupancy growth, development activity and changes in sales or contribution volume of developed properties, general conditions in the geographic areas where we operate and the availability of capital in existing or new property funds – are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in financial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions and developments, (v) maintenance of real estate investment trust ("REIT") status, (vi) availability of financing and capital, (vii) changes in demand for developed properties, and (viii) those additional factors discussed in "Item 1A. Risk Factors" in ProLogis' Quarterly Reports on Form 10-Q for the quarters ended September 30, 2009, June 30, 2009 and March 31, 2009, and "Item 1A. Risk Factors" in ProLogis' Annual Report on Form 10-K for the year ended December 31, 2009. ProLogis undertakes no duty to update any forward-looking statements appearing in this presentation.

# Positioned for Opportunity

- 2010 FFO Guidance
  - Risks and Opportunities
  - AFFO
- 2010 FFO Key Drivers
  - Portfolio Leasing Performance
  - Resuming Development
  - Land Monetization
- Beyond 2010 – Upside to Core FFO
- Asset Redistribution Strategy
- Appendix

# 2010 FFO Guidance

# 2010 FFO Guidance
# Risks and Opportunities

2010 FFO per Share Guidance – $0.74 to $0.78, including $0.10 of development gains

## Risks

- Further deterioration of market fundamentals
- Slower monetization of land
- Potential dilution related to new financings
- Potential dilution from higher level of on-balance sheet building sales
- F/X Impact

## Opportunities

- Market recovery resulting in improved NOI on core, development and funds
- Compression in cap rates and increased gains on contributions
- Increase in PEPII 2010YE "true up" of 2009 contributions due to compression in cap rates
- F/X Impact

## Timing

- Quarterly FFO per share back-end weighted due to timing of lease-up and development starts

# 2010 FFO Guidance
## AFFO

| Cash from Operations (per share) | |
|---|---|
| Guidance for 2010 FFO | $0.74 – $0.78 |
| Adjustments to reconcile to AFFO: | |
| Non-real estate depreciation | 0.03 – 0.04 |
| Non-cash interest expense & amortization | 0.15 – 0.20 |
| Straight-lined rents | (0.07 – 0.08) |
| Direct & PLD’s share of fund CAPEX | (0.20 – 0.26) |
| AFFO | $0.65 – $0.68 |
| Cash Dividend | |
| Common | $0.60 |
| Preferred | $0.05 |
| Cash After Dividend Coverage | $0.00 - $0.03 |

# 2010 FFO Guidance
## Cash Flow from Investing Activity

ProLogis

| Cash from Investing Activity (in millions) | 2010 |
|---|---|
| Investing Sources: | |
| Gross proceeds from dispositions and contributions, including land | $1,300 – $1,500 |
| Contributions and co-investment in funds and JVs | (140 – 160) |
| Net proceeds from contributions and dispositions | $1,160 – $1,340 |
| Investing Uses | |
| Additional investments in funds for acquisitions/debt paydown | 105 – 120 |
| PEPR Ordinary Unit purchase | 70 – 110 |
| Land acquisition/development/infrastructure | 155 – 175 |
| Development spending, including capitalized expenses and excluding cost of owned land | 410 – 490 |
| 1031 Acquisitions | 110 – 130 |
| Investing uses | $850 – $1,025 |
| | |
| Net cash from investing activity | $310 – $315 |

# 2010 FFO Key Drivers

2010 FFO Key Drivers

# Portfolio Leasing Performance

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| | 4Q'07 | 4Q'08 | 4Q'09 | YE'10(E) |
|---|---|---|---|---|
| Direct Core & Development Portfolio | | | | |
| Core (% Leased) (1) | 93.2% | 92.2% | 90.1% | 90.0 – 91.0% |
| Development Portfolio (% Leased) | 45.9% | 41.4% | 64.3% | 80.0 – 85.0% |
| IM Portfolio (% Leased) (2) | 92.6% | 95.7% | 93.5% | 92.5 – 93.5% |
| Total (% Leased) (3) | 84.5% | 87.8% | 89.1% | 90.5 – 91.5% |

**Leasing in total portfolio expected to be up 150 to 250 bps by year-end 2010**

(1) Excludes China Portfolio
(2) Excludes Japan Funds
(3) Excludes retail/mixed use and unconsolidated JVs

# 2010 FFO Key Drivers
# Lag Time Catch Up

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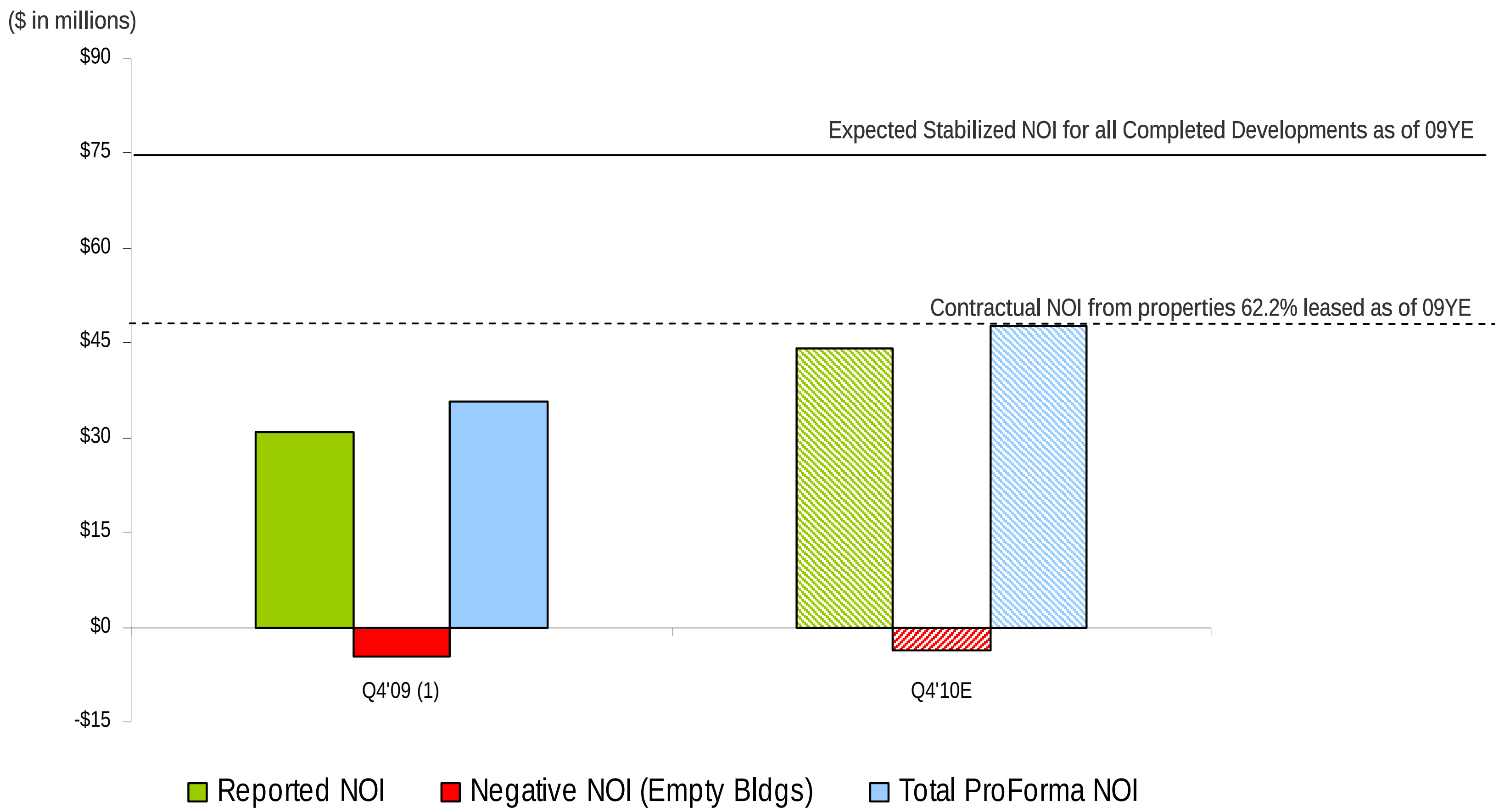
## Anticipated Growth in Actual NOI Absent Any Additional Leasing in 2010 for 2009 Completed Development



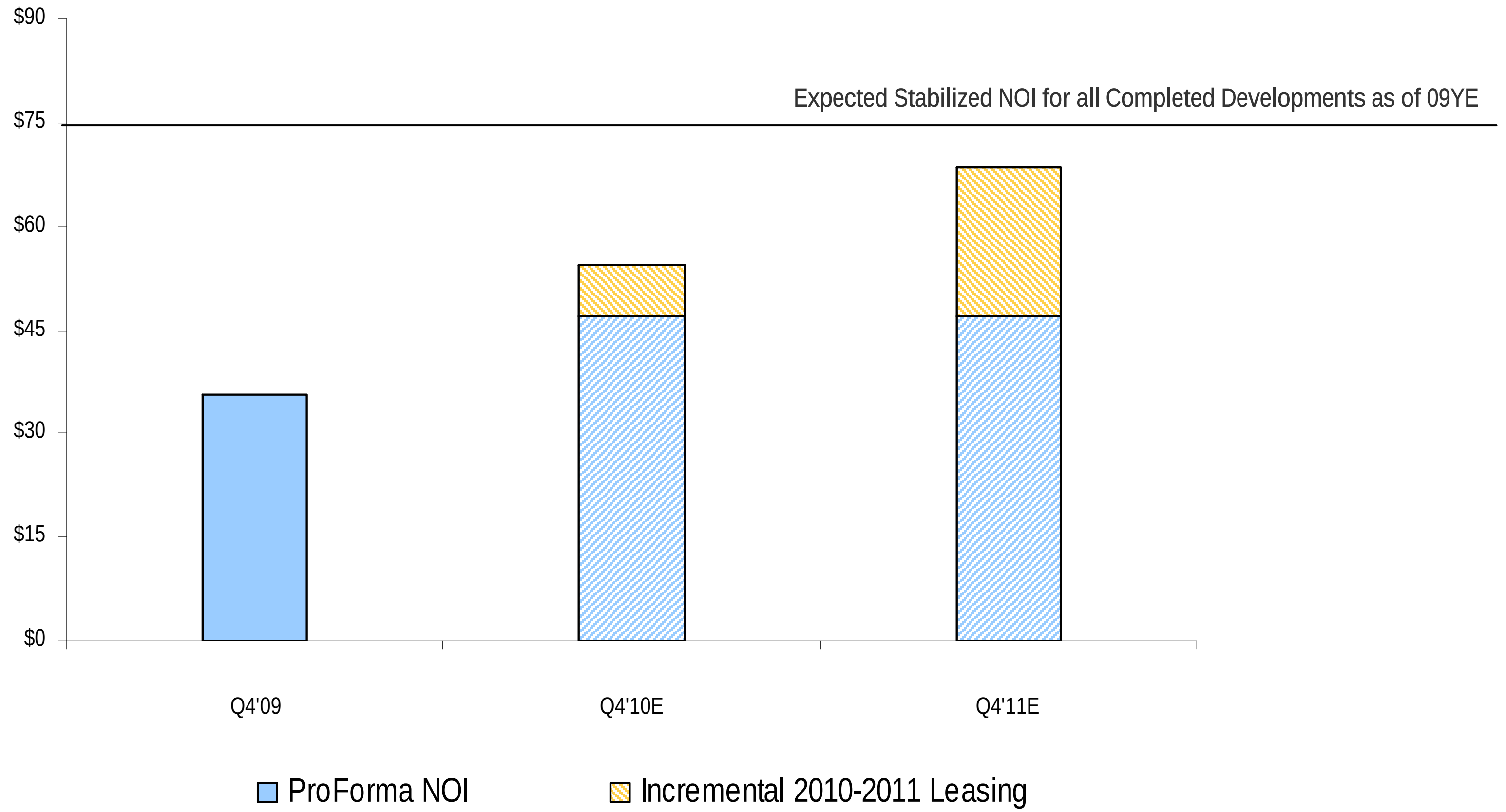

(1) Q4'09 'Reported NOI' represents $25M (Actual Cash NOI) - $2M (Contributions in Q4'09) + $8M (Straight Lining of Rents).

# 2010 FFO Key Drivers

## Development Pipeline NOI

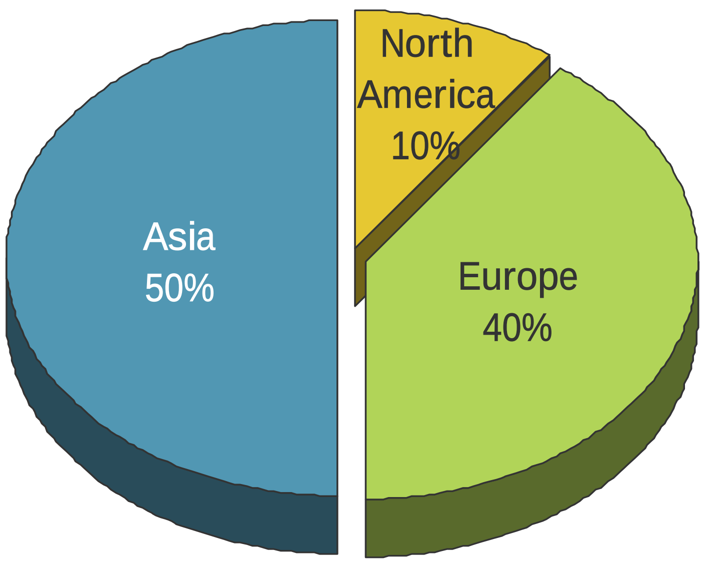
### Anticipated Catch-up of Development NOI

($ in millions)



# 2010 FFO Key Drivers
## New Development Opportunity

Anticipated Breakout Projected
2010 Development Starts




- $700 to $800M of projected starts
  - ≈$250M of build-to-suits in active negotiations
  - $230M inventory building in Japan with only $140M of incremental spend
    - Strong pre-development interest
- Allows for geographic diversification of direct owned portfolio
- Funded primarily through asset sales

# 2010 FFO Key Drivers
## Expected 2010 Land Monetization

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| Roll Forward (in millions) | YE'10 (E) |
|---|---|
| Beginning Balance | $2,570 |
| Less land sales | (140 – 160) |
| Less starts on PLD land | (210 – 240) |
| Subtotal | 2,220 – 2,170 |
| Add contractual acquisitions & infrastructure Spending | 155 – 175 |
| Ending balance | $2,375 – $2,345 |

Land monetization of $350 to $400M in 2010 includes sales and starts on PLD land

# Beyond 2010 Upside to Core FFO

# Beyond 2010 Upside to Core FFO

| Per Share Upside Potential (1) | Low | High | Anticipated Timeframe |
|---|---|---|---|
| 2010 Guidance | | | |
| Core | $0.64 | $0.68 | |
| Gross interest and G&A savings (2) | | | |
| Increase in capitalized interest and G&A from $1.25B of annual development (3) | 0.06 | 0.08 | 2011-2012 |
| Incremental NOI from stabilization of development portfolio (4) | 0.24 | 0.28 | 2011-2012 |
| Lease up of non-development portfolio to 93% - 96% (5) | 0.03 | 0.07 | 2011-2013 |
| Monetization of land bank (6) | 0.16 | 0.22 | 2011-2013 |
| Increased interest expense on refinancing (7) | (0.07) | (0.06) | 2011-2013 |
| Annual potential core run-rate FFO before development gains | $1.06 | $1.27 | |

**Does not reflect development gains, growth in investment management funds or other growth initiatives**

(1) Based on 478 million fully diluted shares outstanding.
(2) Impact included in 2010 Guidance.
(3) Represents increase from $700 - $800M of expected development starts in 2010.
(4) Development portfolio includes completed and under development properties as of year end 2009.
(5) Incremental NOI from increasing leasing from 90.4% to 93.0% (low) to 96% (high) at current market rents.
(6) Based on 5 to 7% yield on land monetization of $1.5B (land balance of $2.3B less estimated hold balance of $800M).
(7) Reflects refinancing of between $3.0 and $3.5B of debt to an average interest rate of 6.5% from 5.5%.

# Asset Redistribution Strategy

# Asset Redistribution Strategy
# Direct Owned Portfolio

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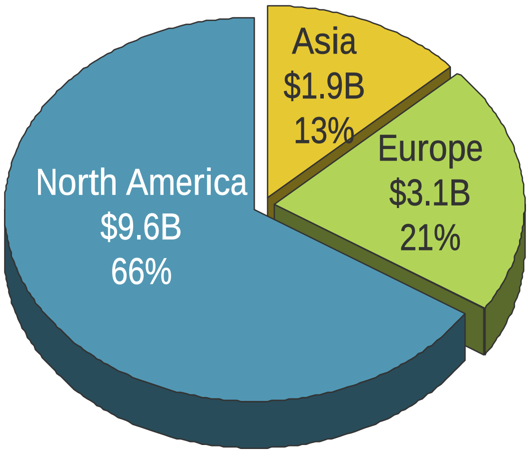
## Strategic Objective

Diversify our direct owned portfolio across three continents –
North America, Europe and Asia

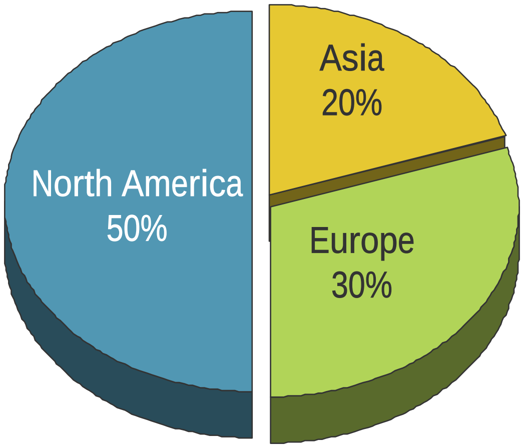
- 98% of $7.4 B of YE'09 direct owned industrial portfolio (excl. development) is in North America
- Strategic reasons for the diversification include:
  - Minimize impact of regional economic downturns and better match income and expenses in local currencies
  - Maintain a platform in each region that is not exclusively limited to investment management funds
  - Improve the overall quality of our direct owned portfolio
  - Currency diversification

# Asset Redistribution Strategy
# Direct Owned Portfolio

### Total Direct Portfolio
(Core + Development + Land) = $14.6B




### Direct Owned
3-Year Target



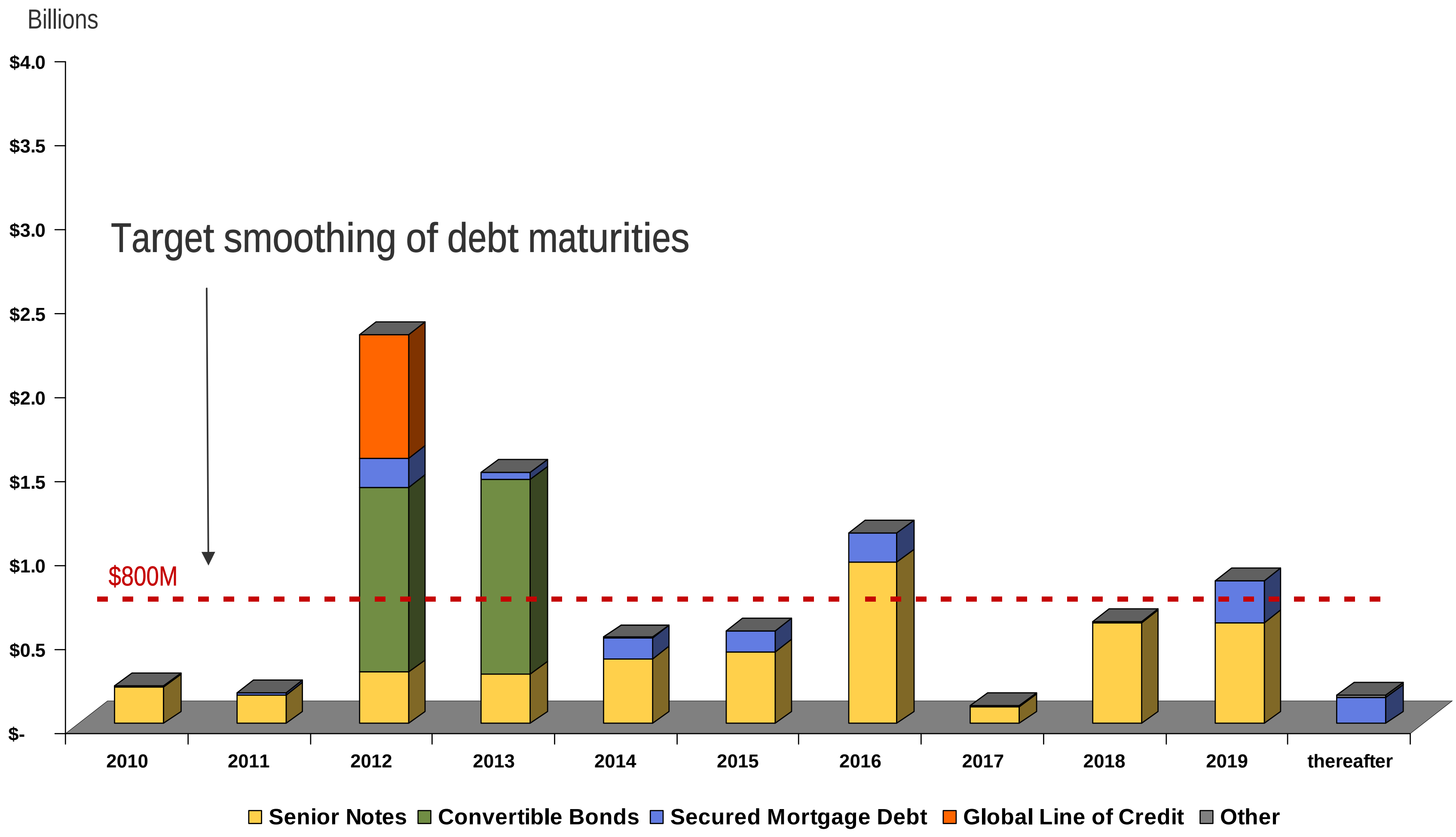

Sale of US Assets/ Retaining International Development →

- Dilutive to FFO
  - Differential between sales cap rates and development yields
  - Variance in timing between asset sales and NOI generation from new development

**$0.02 to $0.03 of dilution in 2010**

# Appendix

# Balance Sheet Debt Maturities at 12/31/09



# Borrowing Base LOC Covenant

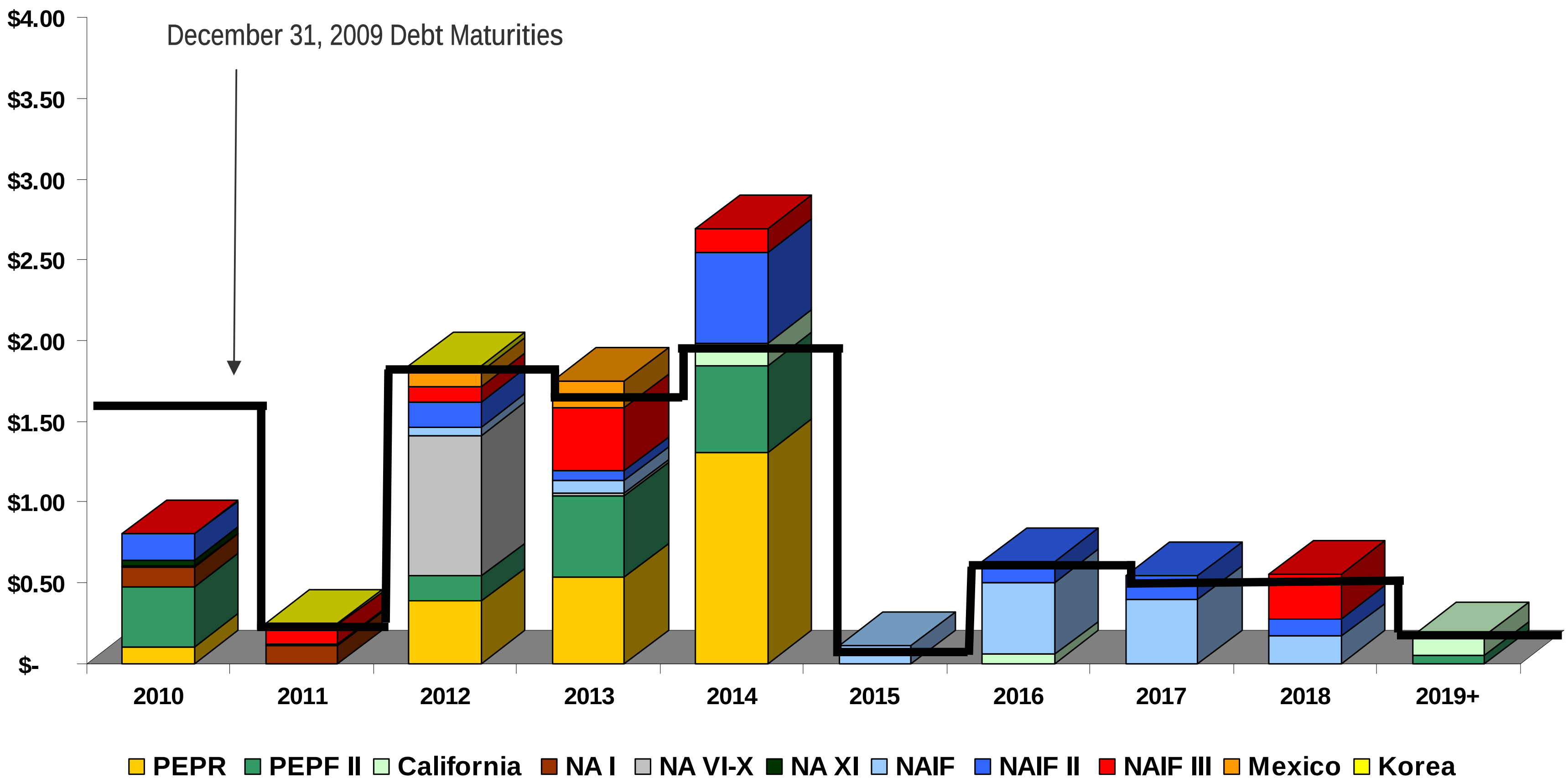
| Unencumbered Asset Pool as Defined by Credit Agreement[1] | @ 12/31/09 |
|---|---|
| Includes: Unencumbered NOI<br>North America capped at 8.5%<br>Europe capped at 8.0%<br>Japan capped at 6.5% — A | $3,321 |
| BV of ground leases<br>BV of retail assets<br>50% of "transition properties" — B | 2,141 |
| Adjustment for unencumbered asset limitation [2] | (1,554) |
| Borrowing base | $3,908 |
| | |
| Aggregate borrowing capacity (55% of borrowing base) | $2,149 |
| Borrowings outstanding | $737 |
| Outstanding letters of credit | 99 |
| Debt due within one year | 233 |
| Remaining capacity | $1,080 |

## Available capacity calculation is not affected by aggregate lender commitments

(1) Calculation excludes other 50% of "transition properties" ($1.68B), $854M of properties in exempt countries, $191M of properties under development and $2.5B of land.
(2) B is limited to 15% of the borrowing base. Therefore, for Q4'09, the borrowing base is defined as A / 85%.

# Fund Debt Maturities at 2/5/10

Billions




Note: All Fund related debt is non-recourse to ProLogis

# Long-term Land Monetization

| | Range |
|---|---|
| Annual potential development (TEI) | $1.0 to $1.5B |
| Land as a percentage of TEI | 30 to 33% |
| Land required for annual development | $300 to $500M |
| Desired level of land – 2 years | $600 to $1,000M |
| Current land balance | $2,570M |
| Estimated market value after analysts' discount | 80% |
| Land basis at market | $2,056M |
| Desired level of land | $600 to $1,000M |
| **Incremental land to be monetized** | **$1,456 to $1,056M** |

# Equity / Funding Commitments – as of 12/31/09

($ & € in millions)

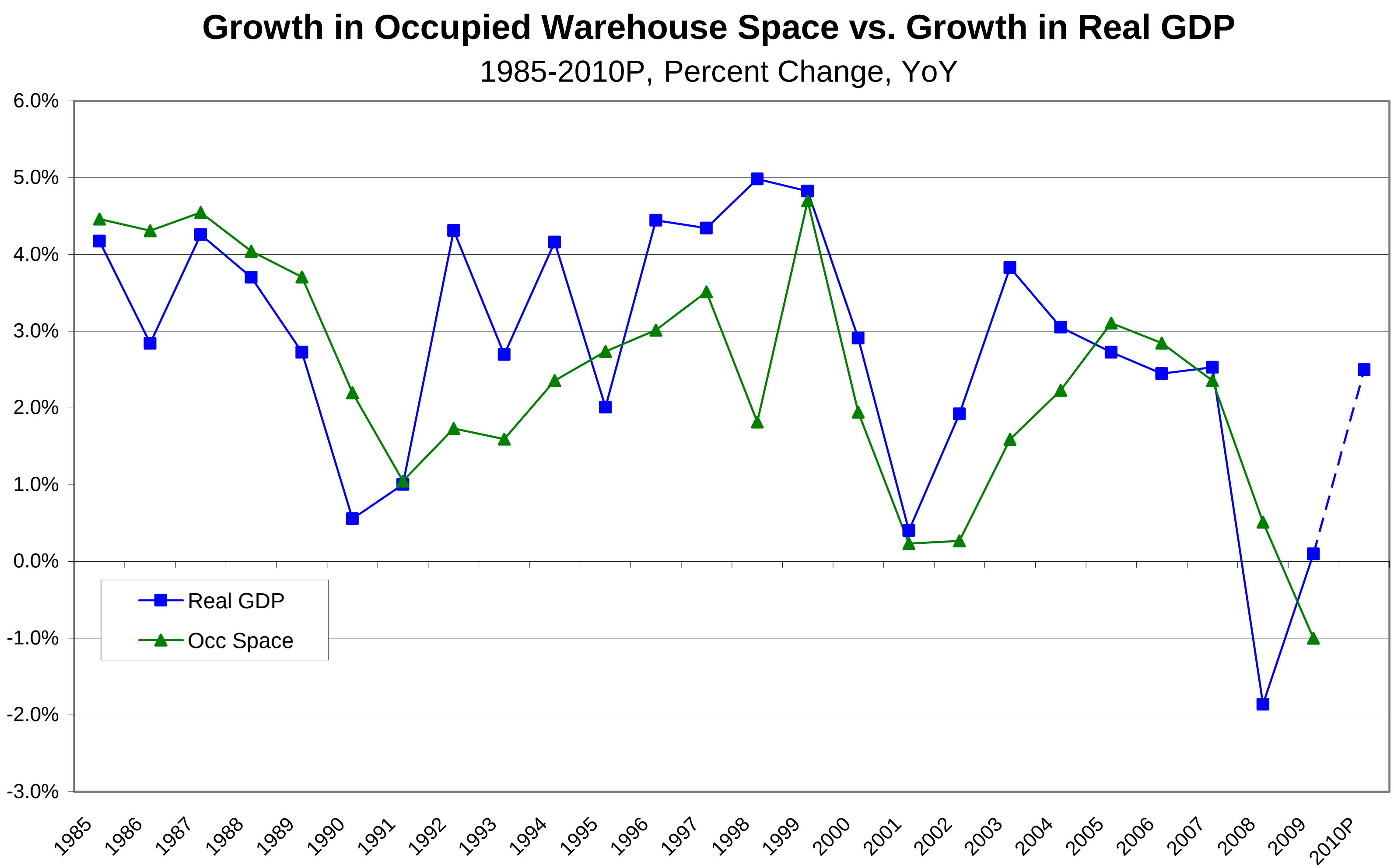
| Remaining Equity | Expiration | PLD (1) | Partners | Total |
|---|---|---|---|---|
| NAIF | 2/10 | $18 | $38 | $56 |
| Mexico | 8/10 | $44 | $247 | $291 |
| PEPF II | 8/10 | €164(2) | €516 | €680 |

| Potential Incremental Funding Requirements for Equity Purchases, Loan Rebalancing and / or Loan Payoffs(3) | PLD | Partners | Total |
|---|---|---|---|
| NA I | $8 – $10 | $12 – $15 | $20 – $25 |
| NA XI | 8 – 10 | 32 – 40 | 40 – 50 |
| NAIF II | 9 – 10 | 0 – 0 | 9 – 10 |
| PEPF II | 80 – 90 | 320 – 360 | 400 – 450 |
| Subtotal | 105 – 120 | 364 – 415 | 469 – 535 |
| PEPR Ordinary Unit purchase(4) | 70 – 110 | 0 – 0 | 70 – 110 |
| Total | $175 – $230 | $364 – $415 | $539 – $645 |

(1) PLD's equity commitment funded through property or cash contributions.
(2) Represents PLD's B Units; PLD has the option, but not the obligation, to fund its remaining equity for A Units (€296M).
(3) Reflects current estimated ranges based on existing capital markets environment.
(4) Represents incremental share purchases to increase PLD's ownership from 24.8% to between 30% and 33.3%. At 2/26/10, PLD's interest was 30.2%

# Favorable Supply And Demand Fundamentals – Asking Rents Follow Occupancies

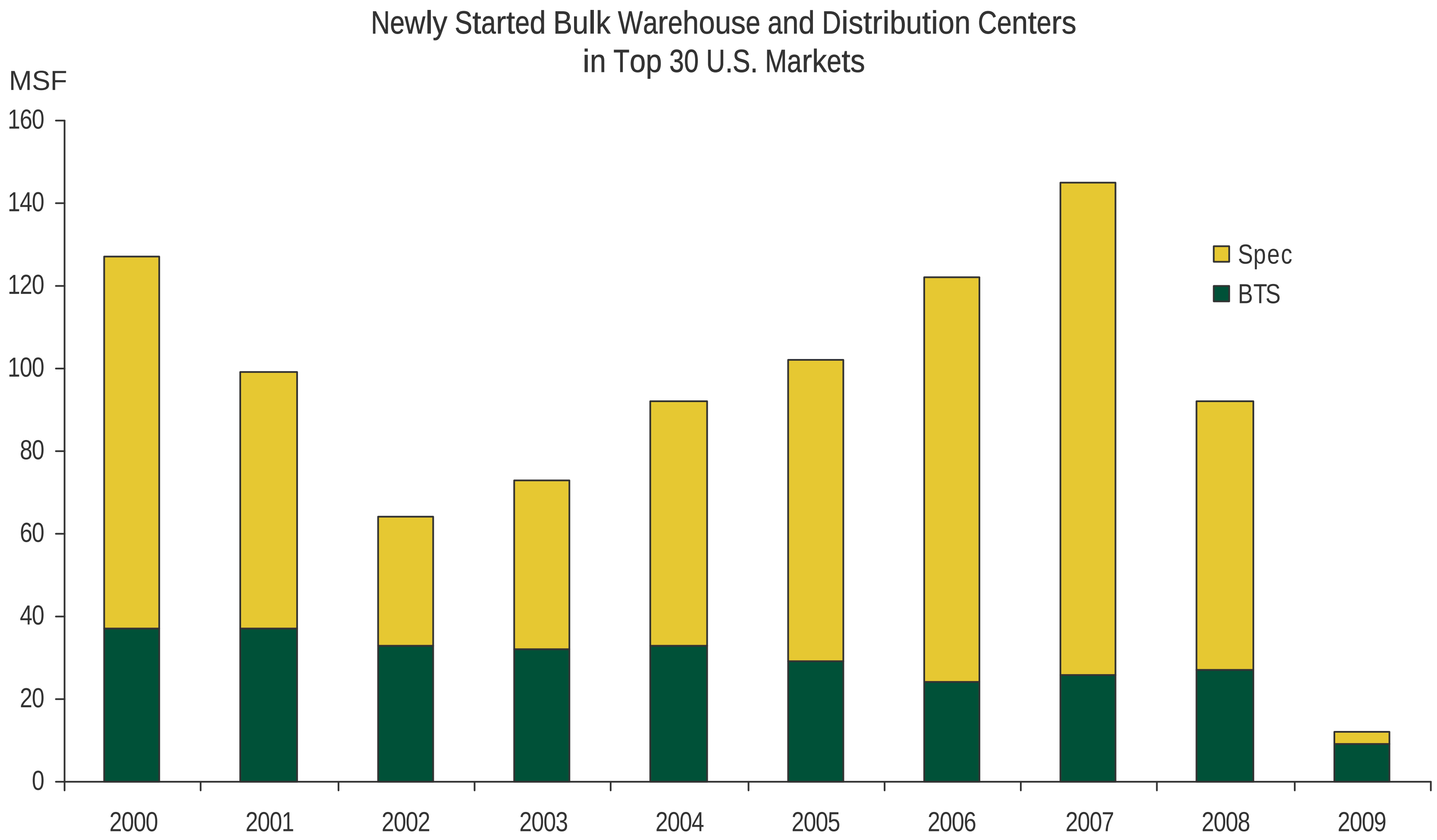
# Favorable Supply And Demand Fundamentals – As Economy Goes So Goes Industrial Space




*P: projected*

Source: PPR, ProLogis and Bureau of Economic Analysis.

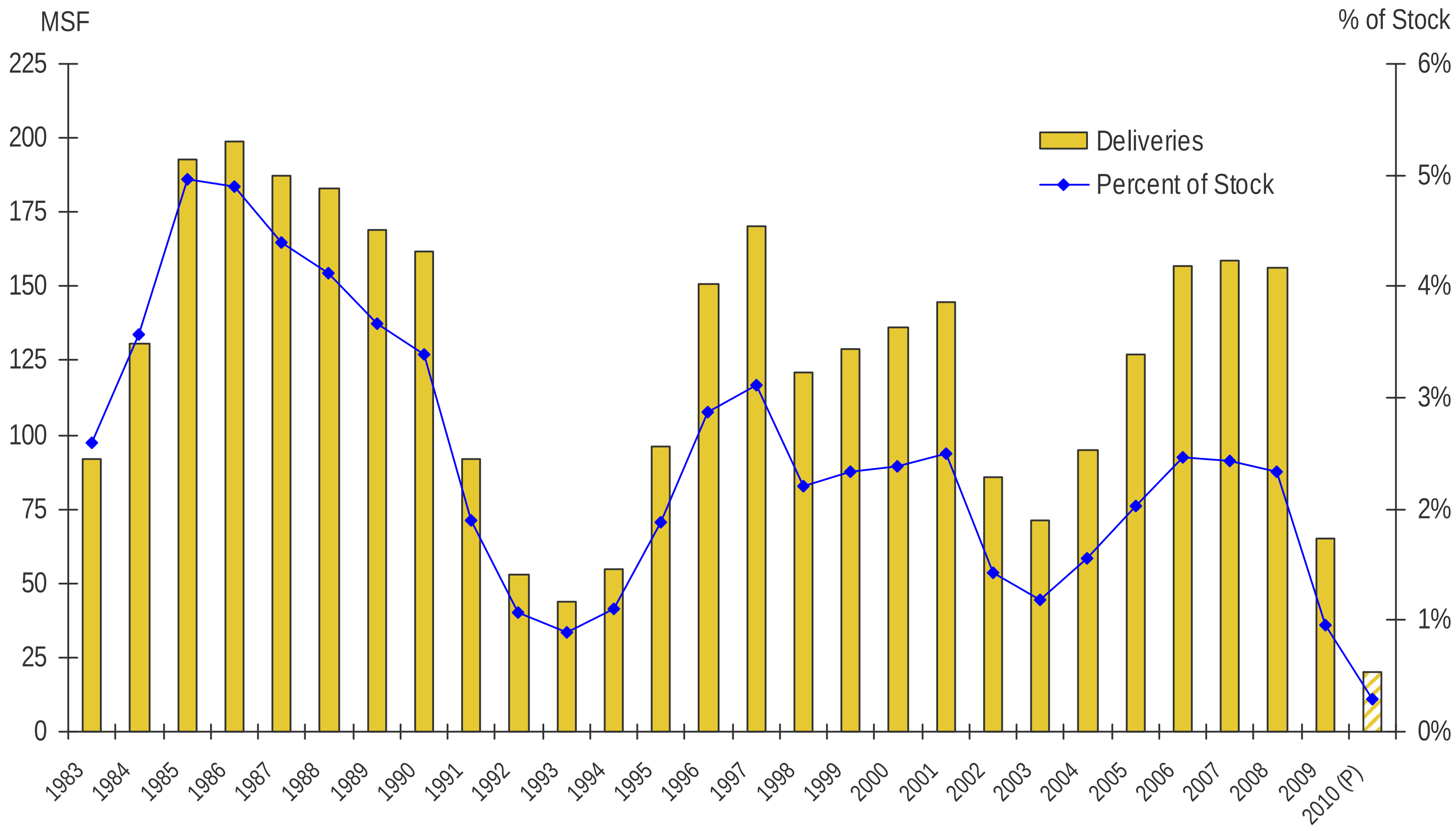
# Favorable Supply And Demand Fundamentals – New Starts, Arrested Development




Sources: ProLogis

# Favorable Supply And Demand Fundamentals – 2009 Deliveries, Lowest in 25 Years

Deliveries of Warehouse and Distribution Centers in US Top 30 Markets
1983 – 2010P




P: Projected
Sources: Cushman & Wakefield, Colliers, PeerMark, CBRE, NAI, PPR and ProLogis