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ProLogis to Develop 344,000-Square-Foot Distribution Facility for Michelin in Southwestern France

PARIS, Jan. 2 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), the world's largest owner, manager and developer of distribution facilities, announced today that it will develop an industrial warehouse in southwestern France for Michelin, the world's leading manufacturer of car and truck tires.

ProLogis has signed an agreement to acquire a 79-acre (32-hectare) property from Michelin in the French city of Poitiers. The parcel is the site of a recently closed Michelin manufacturing plant. ProLogis will build a 344,000-square-foot (32,000-square-meter) distribution center on the property, which Michelin will use to serve markets in France and other countries in Europe under a multi-year lease.

The site allows for the construction of three additional buildings, for a total of more than 1.46 million square feet (136,000 square meters) of industrial space. Michelin currently leases more than 300,000 square feet (27,900 square meters) from ProLogis in multiple markets in the United States.

"We're extremely pleased to announce this transaction with Michelin, whose global reputation for quality has made them the leading provider of tires to consumers around the world," said Ranald Hahn, ProLogis managing director for southern Europe. "Through this new agreement, we are expanding our relationship with a great global brand, while significantly enhancing our industrial property portfolio in the region. We look forward to working with Michelin at the Poitiers site and serving them as their industrial facilities provider."

"Michelin is pleased to have successfully negotiated this agreement with ProLogis, which we believe will promote new economic activity in the area," Michelin said in a company statement. "ProLogis' extensive customer base will enhance its ability to attract jobs to Poitiers -- a key factor in our decision to select them as developer for this important project."

The Michelin site is located near France's A10 motorway and N10 national road, enabling efficient distribution to markets throughout France and other parts of Europe. Completion of the first distribution center at the new park is expected in the second half of 2007.

ProLogis is the largest provider of industrial distribution facilities in France, with an operating portfolio of more than 24 million square feet of space concentrated around Paris, Le Havre, Marseilles, Lyon and other key markets, as of Sept. 30, 2006. In addition to Michelin, customers in France include Bridgestone, Danone, GEFCO, ID Logistics, LU France, Rossignol, TNT Logistics and UPS.

About ProLogis

ProLogis is the world's largest owner, manager and developer of distribution facilities, with operations in 81 markets across North America, Europe and Asia. The company has \$25.3 billion of assets owned, managed and under development, comprising 406.9 million square feet (37.8 million square meters) in 2,406 properties as of September 30, 2006. 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 1,200 people worldwide.

SOURCE ProLogis