

February 7, 2007



ProLogis to Develop 530,000-square-foot Industrial Warehouse in the UK for Food Retailer Sainsbury's

- Distribution Center Will Reduce Carbon Emissions Through Environmentally Advanced Design -

BIRMINGHAM, England, Feb. 7 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), the world's largest owner, manager and developer of distribution facilities, announced today that it will develop a 530,000-square-foot industrial warehouse in the United Kingdom for Sainsbury's, one of the UK's leading supermarket chains.

The facility will be built at ProLogis Park Pineham, a 112-acre industrial park in the Midlands, the UK's primary distribution hub. It will serve as a regional distribution center serving 50 Sainsbury's stores throughout the central part of the country, under a multi-year lease agreement. Completion of the building is scheduled for the second half of 2007.

"We're extremely pleased that Sainsbury's has selected ProLogis for this strategically important initiative," said Alan Curtis, managing director for ProLogis in the United Kingdom. "The agreement we're announcing today significantly expands our relationship with Sainsbury's, whose reputation for quality and customer service have made it one of the UK's leading enterprises. It also underscores the strength of ProLogis Park Pineham as a distribution site and the value the property brings to our overall UK portfolio. We look forward to completion of the Sainsbury's project and to again serving as their distribution facilities provider."

Sainsbury's currently leases 112,000 square feet from ProLogis outside London, and a 256,000-square-foot facility from ProLogis in the east Midlands.

The new facility will be developed for Sainsbury's using a variety of advanced environmental features and technologies designed to significantly reduce energy consumption and carbon emissions at the site. They include: wall-mounted photovoltaic panels that generate electricity; solar walls that produce heat from sunlight; an on-site power plant that reuses the heat produced by air conditioning; an on-site recycling facility; energy efficient lighting systems; and air-tight construction that minimizes energy loss through the external fabric of the building.

"Sustainability is a core value at our company," said Roger Burley, Sainsbury's head of supply chain. "We recognize that virtually every business decision we make has an impact on the environment, and that we can minimize that impact by improving our stores and business facilities, reducing packaging, promoting recycling and improving transport. We're extremely pleased that so many sustainable design features will be incorporated into our

new distribution facility at Pineham."

"When completed, this building will be among the most environmentally advanced distribution facilities in the world," said Ken Hall, managing director of global development for ProLogis in Europe. "Like Sainsbury's, ProLogis has made a corporate commitment to be the global leader in sustainable warehouse design. We recognize that experience and expertise in this area will be a key success factor for industrial developers in the future, in order to meet more stringent regulatory requirements and the demands of customers concerned about corporate social responsibility. We're very pleased to be partnering with Sainsbury's on this state-of-the-art development, which will deliver significant operational efficiencies and long-lasting environmental benefits."

ProLogis Park Pineham is located immediately adjacent to junction 15A off the M1 motorway, providing easy access to the UK's national motorway network and east coast ports. The site can accommodate more than 1.62 million square feet of distribution space at full buildout.

ProLogis is the United Kingdom's largest provider of industrial distribution facilities, with approximately 17 million square feet (1.6 million square meters) of industrial space owned, managed and under development at December 31, 2006. In addition to Sainsbury's, the company's UK customers include leading companies from a wide variety of industries, such as Bosch-Siemens, The Co-operative Group, GEFCO, Honda Logistics, John Lewis and Pirelli.

About ProLogis

ProLogis is the world's largest owner, manager and developer of distribution facilities, with operations in 80 markets across North America, Europe and Asia. The company has \$26.7 billion of assets owned, managed and under development, comprising 422.0 million square feet (39.2 million square meters) in 2,466 properties as of December 31, 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 1,250 people worldwide. For additional information about the company, go to www.prologis.com.

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