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ProLogis Expanding Into Inland China

- Company Launching Service in Five New Chinese Distribution Markets

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DENVER, March 5 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), the world's largest owner, manager and developer of distribution facilities, announced today that it is expanding its presence in China through new developments in five key inland distribution markets.

ProLogis has secured land for five industrial parks in the cities of Changsha, Chengdu, Chongqing, Nanjing and Wuhan. In aggregate, the parks can accommodate over 8.7 million square feet (808,000 square meters) of distribution space and represent an estimated US\$246 million in total investment over time. The first distribution centers at the new parks will be delivered over the course of 2007 and 2008.

"Over the past three years, ProLogis has built an industry-leading position in China by focusing on coastal markets where demand is strongly tied to import-export activity," said Jeff Schwartz, ProLogis chief executive officer. "Our China team has been extremely effective in executing this strategy, and we now have park sites in coastal locations that can support approximately 50 million square feet of total development. Importantly, we're seeing strong demand for our acquired and newly developed warehouse buildings from both local enterprises and international companies with Chinese operations."

"The expansion we're announcing today is a natural evolution of our overall strategy for China. While we continue to extend our presence in coastal markets, we also see opportunity in the country's large inland cities, driven by exceptional GDP growth and increased domestic consumption. Our five new expansion cities have an aggregate population of more than 60 million people, and all are important regional distribution hubs for manufacturers, retailers and third-party logistics providers."

Schwartz added that modern warehouse facilities are a crucial component of any supply chain network, and that investment in new distribution parks is delivering far-reaching benefits to the Chinese economy. "China's distribution infrastructure must continue to evolve in order to keep pace with the country's overall economic expansion," he said. "We believe these new parks will play an important role in that regard by enhancing the efficiency of logistics for companies in all five of these key inland markets."

The new ProLogis park sites include the following:

- * Changsha: ProLogis has secured 41 acres (16.4 hectares) of land west of the central business district in Changsha, the capital of China's Hunan Province. The site, to be called ProLogis Park Changsha, can accommodate five buildings totaling 900,000 square feet (83,600 square meters) at full buildout. Completion of the facilities is scheduled for the second half of 2008.
- * Chengdu: ProLogis has secured 77 acres (31 hectares) in northeast

Chengdu, the capital of Sichuan Province. The site, to be called ProLogis Park Chenghua, can accommodate 1.5 million square feet (139,350 square meters) at full buildout. Completion of the first facility is scheduled for the first half of 2008.

- * Chongqing: ProLogis has acquired 59 acres (24 hectares) in Chongqing in central China, the country's largest city in terms of population. The site, to be called ProLogis Park Chongqing, can accommodate up to 1.2 million square feet (108,000 square meters) at full buildout. Completion of the first facility at the park is scheduled for the first half of 2007.
- * Nanjing: ProLogis has acquired 66 acres (27 hectares) and reserved another 79 acres (32 hectares) adjacent to the Nanjing Lukou International Airport in Nanjing, the capital of Jiangsu Province. The site, to be called ProLogis Park Jiangning, is located in a government-sponsored economic development zone and can accommodate 3 million square feet (278,700 square meters) at full buildout. Completion of the first facilities at the park is scheduled for the second half of 2007.
- * Wuhan: ProLogis has acquired a 70 percent interest in a joint venture that owns three existing warehouse facilities and has reserved 119 acres of undeveloped land in Wuhan, the capital of Hubei Province. The site, to be called ProLogis Park Wuhan Dongxihu, can accommodate up to 2.1 million square feet (195,000 square meters) at full build-out.

"All of these markets are experiencing substantial direct investment from corporations that are part of ProLogis' existing and targeted base of global customers," said Ming Mei, the company's president of China operations. "We look forward to completing the initial phase of development at each of our new inland parks and integrating these properties into our overall China portfolio."

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 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 <http://www.prologis.com>.

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