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ProLogis Announces New Agreements With BMW of North America

- Company Pre-Leases 1.2 Million Square Feet of Distribution Space to BMW in Pennsylvania and Illinois -

- Warehouse Totaling 250,000 Square Feet Acquired in Sale-Leaseback Transaction with BMW in New Jersey -

DENVER, Oct. 10 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), the world's largest owner, manager and developer of distribution facilities, announced today that it has signed two new agreements to develop approximately 1.2 million square feet of industrial space in the eastern United States for automaker BMW of North America.

ProLogis will develop a distribution center for BMW in eastern Pennsylvania totaling 870,000 square feet and another in suburban Chicago totaling 306,000 square feet. BMW will use the facilities for storage and handling of automotive and motorcycle parts as well as accessory and lifestyle items.

In addition, ProLogis has acquired a 252,000-square-foot distribution facility from BMW in Mt. Olive, N.J. BMW will continue to occupy the building, which serves as its northeast distribution center for automotive and motorcycle spare parts, under a lease agreement with ProLogis until completion of the Pennsylvania facility.

"These are strategically important build-to-suit agreements for our company," said Larry Harmsen, ProLogis managing director and North American head of capital deployment. "Globally, the automotive industry is one of ProLogis' most important customer segments, accounting for more than 17 million square feet of distribution space in our overall industrial portfolio. We're very pleased to be building a multi-market relationship with the BMW Group, one of the world's largest manufacturers of premium automobiles, and look forward to expanding our relationship to meet BMW's needs globally."

"With our ongoing record growth in our new vehicle sales for the last several years and with almost 3 million BMW and MINI automobiles on the road in the U.S., we are ready to expand our parts logistics capabilities," said Alan Harris, vice president of aftersales for BMW of North America, LLC. "Our existing parts centers are operating near capacity now and whenever possible we are committed to providing next-day parts delivery to BMW retailers."

BMW was represented in the transaction by CB Richard Ellis, the global brokerage and real estate services company. "The BMW projects are a remarkable testimony to the excellent partnership we strive for with our clients, as well as the power of the CB Richard Ellis network," said John Porter, executive vice president for CB Richard Ellis. "We completed two large build-to-suit projects and a disposition in a single transaction within eight months. The

entire strategy was well planned by the joint team and executed with BMW/CBRE precision."

In eastern Pennsylvania, BMW's new 870,000-square-foot facility will be located at ProLogis Park 33 in Lower Nazareth, Pa., at the intersection of Routes 33 and 248. The building, which is expandable to 1.4 million square feet, is one of two facilities under construction at the park; the second, totaling 930,000 square feet, is being developed as inventory to accommodate future demand in the area.

In suburban Chicago, BMW's new 306,000-square-foot facility, which is expandable to 473,000 square feet, is under construction at ProLogis' Internationale Centre South in Minooka, Ill., near the I-80 and I-55 interchange. The park currently comprises three buildings totaling 2.6 million square feet; at full buildout it can support more than 6.2 million square feet of distribution space.

Both facilities will be built according to standards issued by the U.S. Green Building Council under its "Leadership in Energy and Environmental Design" (LEED) program. The facilities will incorporate a number of sustainable design and construction techniques, including extensive use of recycled and locally sourced construction materials, energy-efficient fluorescent lighting with advanced energy control, and low-maintenance landscaping, bioswales and water-efficient irrigation.

"We make great efforts in supporting a sustainable business development in all that we do," Harris said. "That is why we are very proud that the new distribution centers will incorporate state-of-the-art energy efficient and environmentally friendly features and technologies."

"Customer demand for sustainable warehouse facilities continues to grow markedly, particularly from large multinational companies that have prominent global brands," said Jack Rizzo, managing director of global construction for ProLogis. "Our new facilities for BMW underscore that trend in the market, and reinforce the business value of the investments we have made to build a core competency in sustainable development."

BMW of North America, LLC is the U.S. sales and marketing subsidiary of the BMW Group, based in Munich, Germany, and has been present in the United States since 1975. The United States is BMW Group's largest market worldwide. More than 313,000 BMW, MINI and Rolls-Royce automobiles were sold in the U.S. in 2006.

Other activities of the BMW Group in the U.S. include DesignworksUSA, an industrial design firm in California; a technology office in Silicon Valley and various other operations throughout the country. BMW Manufacturing Co., LLC in South Carolina is part of BMW Group's global manufacturing network and is the exclusive manufacturing plant for all Z4 models and X5 Sports Activity Vehicles.

CBRE's John Porter and Bayne Porter, vice president, represented BMW in the three real estate transactions, coordinating efforts between Atlanta-based Lisa Anderson, transaction manager, and Bob Hutson, first vice president; Chicago-based Andrew Corken, first vice president; and Pennsylvania-based Bill Wolf, senior vice president, and Patrick Lafferty, vice president.

About ProLogis

ProLogis is the world's largest owner, manager and developer of distribution facilities, with operations in 105 markets across North America, Europe and Asia. The company has \$29.9 billion of assets owned, managed and under development, comprising 446.9 million square feet (41.5 million square meters) in 2,523 properties as of June 30, 2007. 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 1,300 people worldwide.

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