

December 13, 2007



# **ProLogis Expands Industrial Platform in China With New Starts Totaling US\$100 Million**

## **- Company Begins Phase One of Development at Yantian Port in Shenzhen; Starts Construction on Two Facilities Near Shanghai's Hongqiao International Airport -**

SHANGHAI, China, Dec. 13 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), the world's largest owner, manager and developer of distribution facilities, announced today that it is expanding its industrial platform in China, with new development starts totaling US\$100 million.

ProLogis has started construction on two, two-story inventory buildings totaling 920,000 square feet (85,500 square meters) at ProLogis Park Hongqiao West near Shanghai Hongqiao International Airport, one of China's primary air-cargo hubs. Earlier this year, ProLogis announced its acquisition at the park of land and two closed manufacturing facilities, which it will convert for use as distribution centers. At full build-out, the new park will comprise five facilities totaling 1.8 million square feet (167,300 square meters), with a total investment in the facilities under construction of approximately US\$52 million.

At the Yantian Port, Shenzhen's primary seaport handling more than 8.9 million TEUs (twenty foot equivalent units) in 2006, ProLogis has begun the first phase of development on ProLogis Park Yantian. The company, in partnership with the Yantian Port Group, is building two, three-story export bonded facilities comprising 751,000 square feet (69,800 square meters), with a total investment of approximately US\$48 million.

"Industrial warehouse companies in China with a strong presence near major modes of transit and trade possess a significant competitive advantage, as do the customers they serve at those locations," said Ming Mei, ProLogis' president of China operations.

"Furthering our leading airport- and seaport-related position is a central aspect of ProLogis' development strategy in China. We expect the strategic location of our new parks in Shanghai and Shenzhen to attract leading multinational manufacturers, retailers and third-party logistics providers, and we look forward to serving their distribution facilities requirements there."

ProLogis Park Hongqiao West is located approximately 7 kilometers from Hongqiao Airport, China's fifth-largest by cargo volume, handling an estimated 360,000 tons per annum, and 20 kilometers from downtown Shanghai. ProLogis Park Yantian is located at the Yantian Port, one of the top container terminals in the Shenzhen Port complex, the world's fourth largest port by volume, handling more than 18.5 million TEUs in 2006.

"Given the prime location of these parks, we expect to see strong demand for our warehouse facilities in support of our customers' domestic and international distribution activities," said Mei.

ProLogis entered China in 2004 and has since established a leading position as a provider of industrial distribution facilities. The company had 15.5 million square feet (1.44 million square meters) in operation and under development at September 30, 2007. Major customers in China include adidas, Best Buy, DHL, L'Oreal, Menlo Worldwide, Nokia, NYK, Samsung, UPS and Yum! Brands.

#### About ProLogis

ProLogis is the world's largest owner, manager and developer of distribution facilities, with operations in 20 countries across North America, Europe and Asia. The company has \$34.4 billion of assets owned, managed and under development, comprising 483.0 million square feet (44.9 million square meters) in 2,669 properties as of September 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. For additional information about the company, go to <http://www.prologis.com>.

SOURCE ProLogis