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ProLogis Releases New Research Report on Internet Retailing in the UK

DENVER, Feb. 7 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), the world's largest owner, manager and developer of distribution facilities, today released a new research report entitled, "Internet Retailing -- Opportunities and Challenges for the UK's Distribution Property Markets."

The report offers an in-depth examination of the impact Internet retailing, one of the fastest growing sales channels in the United Kingdom, is having on merchandisers and their distribution center strategies. Driven by improvements in security and reliability as well as better customer service and delivery schedules from retailers, online sales grew 370 percent from 2002 to 2006 and are expected to nearly double to pounds Sterling 37 billion by 2011.

"As Internet sales continue to grow, retailers will need to think very carefully about their strategies for managing home delivery and, in turn, their warehousing requirements," said Leonard Sahling, first vice president of research for ProLogis. "The success of any retailer's e-commerce strategy will depend on how effectively it can deliver the right goods, on time, to customers. As such, we expect to see an increase in demand for warehouse space near major urban centers that offer good road connections and access to strong labor pools."

The report concludes that as more retailers offer online services, the amount of warehouse space needed to accommodate future sales will be immense. The size and location of the distribution facilities will vary based on the volume, type of goods being delivered and the proximity of the retailer's customer base, as well as which supply chain model the retailer adopts. This can include direct delivery to the customer from the store; direct delivery from a national or regional distribution center; or outsourced deliveries handled by third-party logistics providers.

"The multi-channel retail sales environment has become exceptionally competitive," said Sahling. "Retailers must think very carefully about the best way to configure their online distribution strategies and make sure they make the right property choices that fit their business needs."

Looking ahead, the report projects that the greatest potential beneficiaries of the growth in online sales are likely to be warehousing and light assembly centers ranging from 10,000 square feet to 50,000 square feet and local distribution platforms of less than 20,000 square feet in major urban catchments.

The report was commissioned by ProLogis and authored by Sally Bruer, an associate in the research department at Gerald Eve Chartered Surveyors in London. Her findings are based on research and surveys from the Office of Fair Trading, the Office for National Statistics, Forrester Research and Snow Valley, an e-commerce consultancy.

ProLogis' Global Research Department monitors, analyzes and reports on key trends and dynamics in both real estate and supply-chain management, drawing from industry data and primary research conducted by company analysts and a network of affiliated academics and other professionals. Past issues of the Supply Chain Review have focused on warehouse voice recognition systems, RFID technology, offshore outsourcing and other related topics.

For a copy of the report on Internet Retailing in the UK or other reports, please click on the following link: <http://www.prologisresearch.com/internetretailing>.

About ProLogis

ProLogis is the world's largest owner, manager and developer of distribution facilities, with operations in 118 markets across North America, Europe and Asia. The company has \$36.3 billion of assets owned, managed and under development, comprising 508.8 million square feet (47.3 million square meters) in 2,766 properties as of December 31, 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 1,500 people worldwide. For additional information about the company, go to <http://www.prologis.com>.

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