

September 17, 2008



ProLogis Increases Common Dividend by 10 Percent; Adjusts 2008 Guidance and Establishes 2009 Guidance

- Company to Participate in Merrill Lynch Global Real Estate Conference

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DENVER, Sept. 17 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), the world's largest owner, manager and developer of distribution facilities, today announced that its Board has established a new annualized dividend level for 2009 of \$2.28 per common share, or \$0.57 per quarter, representing a 10.2 percent increase over 2008. The company has increased its dividend every year since becoming publicly traded in 1994. Also today, the company adjusted its expectations for funds from operations as defined by ProLogis (FFO) and net earnings per share for 2008 and established an initial range for 2009 FFO and earnings per share guidance.

The company revised its 2008 FFO guidance from \$4.65 - \$4.85 per share to \$4.00 - \$4.35 per share, reflecting continued strong Investment Management performance and stable Property Operations performance, offset by a more conservative outlook for valuation and contribution timing in its CDFS business, as well as the appreciation of the dollar relative to the exchange rates assumed in previous guidance. Approximately 75 percent of second-half FFO per share is expected to be recognized in the fourth quarter, due to a larger volume of CDFS contributions. Previous net earnings per share guidance of \$3.15 - \$3.35 is now expected to be \$2.70 - \$3.00. The weighting of earnings per share is expected to be similar to the distribution of FFO per share for the remaining quarters.

Based on the current environment, the company added that it anticipates 2009 FFO per share of \$4.10 - \$4.35 per share, or roughly flat compared with 2008, driven by continued growth in income from the company's Investment Management business and a slightly higher level of income from the company's Property Operations segment, offset by a lower level of CDFS income from dispositions. Net earnings per share for 2009 are expected to range from \$2.75 - \$3.00.

"We have become increasingly disciplined in our allocation of capital and evaluation of business opportunities, focusing intently on core operations," said Jeffrey H. Schwartz, ProLogis chairman and chief executive officer. "This will result in a near-term slowing of our growth that will allow us to have the balance sheet capacity to take advantage of future opportunities. The current financial crisis, while slowing customer decision making and impacting our development margins, has also significantly reduced the level of competition, allowing us to be more selective and disciplined in our operations. Given the current financial environment, we are encouraged that this year's results are expected to be in line with last year, prior to \$0.36 per share of gains associated with the recapitalization of Macquarie

ProLogis Trust recognized in the third quarter of 2007."

"We are focused on maintaining our strong balance sheet and retaining adequate liquidity to enable us to respond to market opportunities," added William E. Sullivan, ProLogis chief financial officer. "As such, we have focused on managing near-term debt maturities for ProLogis and our funds. We issued \$1.15 billion of convertible senior notes and fixed-rate senior notes in April to more than address near-term balance sheet maturities and also successfully closed over \$2.5 billion of property-fund related debt this year."

Also today, the company announced that it will attend the Merrill Lynch Global Real Estate Conference on Thursday, September 18, 2008, at Merrill Lynch Headquarters, 4 World Financial Center, 250 Vesey Street, NY. At 3:10 pm ET, Mr. Schwartz will participate in a global industrial panel presentation. A webcast of the panel presentation will be available in the "Presentations & Webcasts" section of the ProLogis website at <http://ir.prologis.com>.

In addition, a presentation related to the company's expectations for the remainder of 2008 and 2009 can be accessed in the "Presentations & Webcasts" section of the company's website beginning at 5:15 pm ET on September 17, 2008.

About ProLogis

ProLogis is the world's largest owner, manager and developer of distribution facilities, with operations in 132 markets across North America, Europe and Asia. The company has \$40.4 billion of assets owned, managed and under development, comprising 542.3 million square feet (50.4 million square meters) in 2,884 properties as of June 30, 2008. 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 over 1,500 people worldwide.

The statements above that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which ProLogis operates, management's beliefs and assumptions made by management, they involve uncertainties that could significantly impact ProLogis' financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future - including statements relating to rent and occupancy growth, development activity and changes in sales or contribution volume of developed properties, general conditions in the geographic areas where we operate and the availability of capital in existing or new property funds - are forward- looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward- looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in financial markets, interest rates and foreign

currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions, (v) maintenance of real estate investment trust ("REIT") status, (vi) availability of financing and capital, (vii) changes in demand for developed properties, and (viii) those additional factors discussed under "Item 1A -Risk Factors" in ProLogis' Annual Report on Form 10-K for the year ended December 31, 2007.

ProLogis undertakes no duty to update any forward-looking statements appearing in this press release.

SOURCE ProLogis