

ProLogis Comments on S&P Downgrade

- No Impact on Ability to Draw on or Extend Lines of Credit -

DENVER, Nov. 25 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), the world's largest owner, manager and developer of distribution facilities, issued the following statement in response to the decision today by Standard & Poor's Rating Services (S&P) to downgrade ProLogis' corporate credit rating to BBB- with a negative outlook.

"We are disappointed with S&P's decision to implement this change now and had hoped that they would give us time to execute on the steps outlined by the company to reduce debt by \$2 billion by the end of 2009. Nonetheless, this downgrade has a limited impact on us," stated Bill Sullivan, chief financial officer. "The change in rating will not affect our ability to draw on or to extend our senior credit facilities into 2010."

Under the terms of our senior credit facilities, the borrowing margin is based on the lowest of the two highest ratings from three specified rating agencies. If that rating decreased one notch, the borrowing margin would only increase 0.125 percentage points. Furthermore, if that rating decreased two notches, the borrowing margin would increase 0.275 percentage points. The downgrade is not expected to impact the pricing of financings within the ProLogis property funds.

Sullivan added: "Many of S&P's concerns, which we recognize, were discussed with investors during a meeting on November 13th. As we said then, we have begun implementing a strategy that calls for a halt to all new development activity, shrinking the pipeline, de-levering the balance sheet, renegotiating debt maturities, cutting G&A, reducing the dividend, and more. We believe that these strategies, when fully implemented, will enable us to meet all our financial obligations, deal with the difficult conditions in the financial sector and the global economy, and ultimately justify a return to a more appropriate credit rating."

About ProLogis

ProLogis is the world's largest owner, manager and developer of distribution facilities, with operations in 136 markets across North America, Europe and Asia. The company has \$40.8 billion of assets owned, managed and under development, comprising 548 million square feet (51 million square meters) in 2,898 facilities as of September 30, 2008. ProLogis' customers include manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises with large-scale distribution needs.

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