

December 4, 2008



ProLogis Comments on Recent Downgrades

- Fitch and Moody's One-Notch Rating Actions Acknowledge Company's Effort to De-Leverage -

DENVER, Dec. 4 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), the world's largest owner, manager and developer of distribution facilities, issued the following statement in response to the rating actions taken this week by Moody's Investor Services and Fitch Ratings.

Today, Moody's downgraded ProLogis' corporate credit rating to Baa2 from Baa1 and affirmed its negative outlook. Earlier this week, Fitch downgraded ProLogis' corporate credit rating to BBB with a negative outlook, from BBB+ with a stable outlook.

"The rating actions taken by Moody's and Fitch reflect their short-term concerns while their one-notch adjustments acknowledge their understanding of the longer-term plan we've laid out for the market," stated Bill Sullivan, chief financial officer. "We will keep the rating agencies and our investors informed of our progress as we implement these strategies. In the meantime, the rating changes have a limited impact on the company as the ratings in and of themselves do not affect our ability to draw on or to extend our senior credit facilities into 2010."

Under the terms of ProLogis' senior credit facilities, the company's borrowing margin is based on the lowest of the two highest ratings among Fitch, Moody's and S&P. Given that two of the rating agencies downgraded by one notch, ProLogis' borrowing margin will increase by 0.125 percentage points.

The company outlined an action plan for investors on November 13th. The plan to de-leverage the balance sheet includes re-financing and/or renegotiating debt maturities on ProLogis' balance sheet and in its property funds, halting new development starts, shrinking the development pipeline, and retaining capital through G&A cuts and a reduction of the dividend. "We believe that as we continue to execute on our plan and meet our financial obligations under these challenging credit market conditions, we will ultimately justify a return to a more appropriate credit rating," said Sullivan.

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