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# ProLogis Announces Closing of Senior Notes Offering

DENVER, March 17 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), a leading global provider of distribution facilities, today announced that it has closed its offering of fixed-rate and convertible senior notes priced on March 9, 2010. Additionally, on March 12, the underwriters exercised their \$60 million over-allotment option, bringing the company's convertible senior note issuance to \$460 million. Combined with \$1.1 billion of the seven- and ten-year notes, the company has closed on net proceeds of \$1.54 billion of senior notes.

"These new debt issuances and the tender offer that closed Monday go a long way toward addressing ProLogis' goal of further smoothing debt maturities," said William E. Sullivan, chief financial officer. "We are pleased with the participation in both the tender and the debt offering and believe the significant oversubscription of more than four times the debt issued demonstrates our access to the capital markets and reflects the market's appreciation for our recent efforts."

As a result of this capital markets activity, the company has:

- Reduced the principal amount of its 5.50% notes due in 2012 and 2013 by \$422 million, for \$455 million in cash, including the tender premium and accrued interest;
- Completed year-to-date repurchases of \$490 million principal amount of convertible notes that holders may put to us in 2012 and 2013 for \$465 million in cash; and
- Reduced its global line of credit on an interim basis, prior to anticipated investment and financing activity previously disclosed in the company's guidance.

Together, the tender offer and repurchase of convertible senior notes year to date will result in a charge of approximately \$46 million in the first quarter of 2010. Although the company's 2012 and 2013 convertible notes have been reduced by \$490 million, the related charge is based upon the recorded debt balance, which is net of the remaining debt discount and issuance costs. Because the newly issued convertible notes are not convertible into cash, they will be accounted for differently than the company's existing convertible notes, and interest expense will be recognized based on the coupon rate. These convertible notes will be reflected in diluted earnings and funds from operations [FFO] per share if the impact is dilutive on an as-if-converted basis, resulting in an increase in fully diluted shares outstanding.

"Depending upon the timing of anticipated investment activity, we expect \$0.02 to \$0.04 per share of dilution related to the senior notes offering excluding the debt repurchase-related charge; however, we remain comfortable with our 2010 core FFO guidance. Additionally, we

expect quarterly results to be significantly back-end weighted due to the ramp up during the year of net operating income from development portfolio leasing and an increasing level of capitalized interest and G&A expense in the latter half of the year," Sullivan said.

### **About ProLogis**

ProLogis is a leading global provider of distribution facilities, with more than 475 million square feet of industrial space (44 million square meters) in markets across North America, Europe and Asia. The company leases its industrial facilities to more than 4,400 customers, including manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises with large-scale distribution needs.

SOURCE ProLogis