

June 28, 2010



ProLogis Research Group Releases New Report on Impact of Higher Fuel Costs on Distribution Markets

DENVER, June 28 /PRNewswire-FirstCall/ -- ProLogis (NYSE: PLD), a leading global provider of distribution facilities, announced today the release of a new research report, titled "How Will Higher Fuel Costs Impact the US Warehouse/Distribution Markets?"

The report examines the many ways in which companies are adapting their supply chains and distribution networks in response to rising oil and fuel prices.

"In general, companies will respond to the higher fuel prices by expanding their distribution networks to include additional distribution centers, but it remains to be seen just how big the impact will be," explained Leonard Sahling, first vice president of the ProLogis Research Group. "On balance, property owners will indeed benefit from the run-up in oil and fuel prices, but not until the unfolding economic recovery has shifted into higher gear."

Detailed findings in the report include the following:

- When companies add extra facilities to their distribution networks, they are able to shorten the average distance traveled by outbound shipments to final destinations, thus economizing on freight-miles and fuel consumption;
- These transportation cost savings are obtained at the expense of higher operating costs and higher inventory holding costs. In some cases, these inefficiencies will outweigh the transportation cost savings, prompting companies to refrain from making any changes to their distribution networks;
- Some companies will find that adding one or more freight-pooling facility to their networks will be highly advantageous. These extra links in the distribution network will enable companies to ship more freight as full truckloads or full containers, leading to substantial cost savings;
- Higher oil prices will also unleash new trends in freight transport that will aim to improve the fuel-efficiency of the transportation network.

For a copy of the report, please visit: <http://ir.prologis.com/HighFuelCostImpact.cfm>.

The ProLogis Research Group 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 reports have focused on global supply chain dynamics, internet retailing, RFID technology, offshore outsourcing and other related topics. For more, please visit <http://ir.prologis.com/research.cfm>.

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. For additional information about the company, go to <http://www.prologis.com>.

SOURCE ProLogis