

ProLogis European Properties

PROSPECTUS

A closed-ended *fonds commun de placement* established on 10 September 1999 under the provisions of Part II of the Luxembourg law of 30 March 1988 on undertakings for collective investment and now governed by the provisions of Part II of the Law of 2002 and subject to the supervision of the Luxembourg Supervisory Authority.

Offer of up to 10,298,510 Class A(1) convertible preferred units (the “Preferred Units”)

In accordance with the terms and conditions of the Management Regulations, the minutes of the meeting of the board of managers of the Management Company held on 13 November 2009 and the resolutions of the PEPR Board taken on 29 October 2009, up to 10,298,510 Preferred Units of PEPR are being offered pursuant to the preferential subscription rights (the “PSRs”) by PEPR in the Offer.

Each existing Unitholder is being allocated one PSR for each Ordinary Unit held. PSRs may only be exercised in multiples of 37 in exchange for two Preferred Units. PSRs in multiples of less than 37 may not be exercised for Preferred Units, but will be sold at a public auction via the Luxembourg Stock Exchange with the proceeds, if any, (after costs) given to the holder or may be transferred prior to auction.

Application has been made for admission of the Preferred Units to listing and trading on Euronext Amsterdam, the regulated market of Euronext Amsterdam N.V., under the symbol “PEPRC”. It is expected that trading in the Preferred Units on Euronext Amsterdam will commence on 24 December 2009 (the “**Euronext Listing Date**”) and delivery will take place on 24 December 2009 (the “**Settlement Date**”). Application has been made for the Preferred Units to be admitted to listing on the Official List and trading on the regulated market of the Luxembourg Stock Exchange. Morgan Stanley has committed to purchase any unsubscribed Preferred Units and has a sub-underwriting arrangement with an affiliate of ProLogis for the entire amount of any unsubscribed PSRs.

The regulated markets of Euronext Amsterdam N.V. and of the Luxembourg Stock Exchange are regulated markets for the purposes of Directive 2004/39/EC on Markets in Financial Instruments.

See “Risk Factors” beginning on page 17 for important information on factors that should be considered before buying Preferred Units.

Issue Price per Preferred Unit will be the NAV per Ordinary Unit as at 30 September 2009: €5.93

The Preferred Units and the PSRs have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction in the U.S., and may only be offered or sold within the U.S. to Accredited Investors (within the meaning of Regulation D under the Securities Act) and/or Qualified Institutional Buyers (within the meaning of Rule 144A under the Securities Act), in reliance on an exemption from the registration requirements of the Securities Act or outside the U.S. to certain persons in offshore transactions in compliance with Regulation S under the Securities Act. Certain restrictions on offers, sales and transfers of the Preferred Units and the distribution of this Prospectus in the United States or in other jurisdictions apply. PEPR has not, and does not intend to, register under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”). See “Selling Restrictions” and Part IX— “ERISA, Transfer Restrictions, Eligible Investors and Certificates”.

Delivery of the Preferred Units in The Netherlands is expected to take place on the Settlement Date through the book-entry facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“**Euroclear Netherlands**”) in accordance with their normal settlement procedures applicable to equity securities. Delivery of the Preferred Units in Luxembourg is expected to take place on the Settlement Date through the book-entry facilities of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) in accordance with their normal settlement procedures applicable to equity securities. Ordinary Unitholders directly registered in the register of Unitholders electing to subscribe for Preferred Units will be entitled to elect to receive by being directly registered in the register of Unitholders.

The actual number of Preferred Units offered in the Offer will be determined after described under Part VI – “The Offer”.

VISA 2011/77807-2628-0-PC
L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2011-08-23
Commission de Surveillance du Secteur Financier

This document constitutes a prospectus for the purposes of Article 5 of the Prospectus I



accordance with the provisions of Part II of the Prospectus Law. This Prospectus has been filed with and approved by the Luxembourg Supervisory Authority in accordance with Article 7 of the Prospectus Law and the approved Prospectus will be notified by the Luxembourg Supervisory Authority to the AFM.

The Management Company accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Management Company (who has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Financial Advisor, Sole Bookrunner and Underwriter

Morgan Stanley

Dated 13 November 2009

PROLOGIS EUROPEAN PROPERTIES

Supplement to the

Prospectus dated 13 November 2009

DATED 23 AUGUST 2011

This Supplement is an integral part of and should be read together with the Prospectus of ProLogis European Properties (“PEPR”) dated 13 November 2009 (the “Prospectus”), and the Supplements dated 23 August 2010 and 1 November 2010.

Capitalised terms not defined in this Supplement shall have the same meaning as set forth in the Prospectus.

By way of a resolution dated August 2011 the Management Company, having obtained the consent of the PEPR Board pursuant to Article 4 (d) of the Management Regulations, decided to cause PEPR to issue Ordinary Units, in accordance with Article 8 of the Management Regulations. The Ordinary Units will be issued pursuant to the entitlement of the Management Company to issue, without the approval of the general meeting of Unitholders, Units in each fiscal year for an aggregate issue price up to ten percent (10%) of the total economic value of issued Units at the start of the relevant fiscal year. Pursuant to the offer further described herein, up to 15,725,000 Ordinary Units are offered at an issue price of €6.20 per Unit. The total economic value of the 190,522,441 Ordinary Units and the 10,298,510 Preferred Units in issue as at 1 January 2011 was approximately €977.5 million. The Ordinary Units were valued at €4.81 per unit and the Preferred Units were valued at €5.93 per unit which is equal to the NAV per Preferred Unit. The Ordinary Units to be issued will be offered to all existing Ordinary Unitholders with a stake in excess of 1% of the Ordinary Units that are known to the Management Company.

The Management Company expects the offer of Ordinary Units to result in an equity raise of up to approximately €97.5 million which will enable PEPR to accelerate its deleveraging process and greatly enhance the possibility of a return to investment grade by 23 October 2011. A return to investment grade by this date would result in annual savings in interest expense of at least €8.6 million and provide PEPR with access to a broader unsecured debt capital market in order to repay or refinance debt obligations due in 2012 and 2014. Accordingly, the Management Company and the PEPR Board have concluded that the issue of Ordinary Units is in the best interest of PEPR and all its Unitholders.

This issue and offer of Ordinary Units makes it necessary to update important information included in the Prospectus and to include a new chapter setting out the terms of the offer of the Ordinary Units.

With effect from the date hereof the Prospectus is hereby amended as follows:

I. UPDATE OF IMPORTANT INFORMATION INCLUDED IN THE PROSPECTUS

The Prospectus shall be amended to include the following changes:

1. SUMMARY

The wording of the first sentence set out opposite the term "Auditor" under the heading "Summary of terms of the offer" in the section "SUMMARY" on page 14 of the Prospectus shall be deleted and replaced by the following:

"The external auditor (réviseur d'entreprises) of PEPR is KPMG Audit S.à r.l., which is a member of the Luxembourg Institute of Independent Auditors (Institut des réviseurs d'entreprises)."

2. Part I - PEPR AND ITS BUSINESS

The first two sentences of the first paragraph under the heading "ProLogis" of the section "ProLogis as Investment Manager" on page 46 of the Prospectus shall be deleted and replaced by the following:

"ProLogis, which indirectly owns the Management Company, was formed in 1991 and has its operational headquarters in Denver, Colorado, and its corporate headquarters in San Francisco, California. ProLogis operates a global network of real estate properties, primarily Distribution Facilities."

3. PART IV - MANAGEMENT OF PEPR

a) The fourth sentence of the last paragraph of the section "The Managers of the Management Company", on page 92 of the Prospectus, shall be deleted and replaced by the following:

"However, as part of his compensation and incentivisation package, Mr. Cassells has been granted 80,000 Ordinary Units, 30,000 of which have vested and 50,000 of which will vest between 2012 and 2014."

b) The wording of the eighth paragraph of the section "The PEPR Board", on pages 92 and 93 of the Prospectus, shall be updated as follows to reflect the re-appointment of Ms. Sylvia Tóth and Mr. Geoffrey Bell as Independent Board Members as well as the resignation of Mr. Ted Antenucci and the appointment of Mr. Philip Dunne as ProLogis Board Member:

"The PEPR Board

(...) The PEPR Board is currently composed of the following members:

(i) Independent Board Members:

(....)

- Geoffrey Bell, currently the President of Geoffrey Bell and Company, which advises a wide range of corporations and governments on their international reserve asset and liability management programs. Mr. Bell was originally appointed in October 2006 and was reappointed on 22 May 2008 for a period ending on the date of the annual general meeting of Unitholders to be held in 2011. Mr. Bell was reelected at*

such meeting for a period ending on the date of the annual general meeting of Unitholders to be held in 2014.

(....)

- *Sylvia Tóth, currently the President of Tóco USA and Tóco d'Azur. Ms. Tóth was previously chairwoman of Content Beheer and a supervisory director at Aegon N.V., Endemol Entertainment, Creyf's and Vendex KBB N.V. Ms. Tóth was originally appointed in October 2006 and was reappointed on 22 May 2008 for a period ending on the date of the annual general meeting of Unitholders to be held in 2011. Ms. Tóth was reelected at such meeting for a period ending on the date of the annual general meeting of Unitholders to be held in 2014.*

(....)

(ii) ProLogis Board Members:

(....)

- *Philip Dunne, currently President of ProLogis' business in Europe and a member of its Executive Committee, takes responsibility for all aspects of ProLogis' European operational performance, including investments and development. Prior to this, Mr. Dunne was Chief Operating Officer for ProLogis' business in Europe and the Middle East.*

Prior to joining ProLogis on 1 December 2008, Mr. Dunne was the Chief Operating Officer—EMEA at Jones Lang LaSalle, a global financial and professional services firm specialising in real estate services and investment management. In this role Mr. Dunne led the deployment and execution of business strategy across the EMEA region. In addition, Mr. Dunne spent five years as Chief Operating Officer for Jones Lang LaSalle's Central and Eastern Europe and Russia region, instrumental in the development of those businesses while overseeing all business support functions and infrastructure. Prior to joining Jones Lang LaSalle's EMEA business, Mr. Dunne worked with Jones Lang LaSalle's European Finance team based in London. Mr. Dunne was appointed by a resolution of the Managers on 16 June 2011."

c) The wording set out in the section under the heading "1) ProLogis Senior Management Team Members" of the section "The PEPR Board", on pages 98 to 100 of the Prospectus, shall be deleted and replaced by the following:

"1) ProLogis Senior Management Team Members

The ProLogis Senior Management Team plays a significant role in PEPR's activities, including strategic oversight and investment review, and dedicates

such time and attention to PEPR as is required to properly perform their functions.

| <u>Name</u> | <u>Title</u> |
|----------------------------|---|
| <i>Hamid R. Moghadam</i> | <i>Co-Chief Executive Officer</i> |
| <i>Walter C. Rakowich</i> | <i>Co-Chief Executive Officer</i> |
| <i>Gary E. Anderson</i> | <i>Chief Executive Officer, Europe and Asia and ProLogis Board Member</i> |
| <i>Michael S. Curlless</i> | <i>Chief Investment Officer</i> |
| <i>Nancy J. Hemmenway</i> | <i>Chief Human Resources Officer</i> |
| <i>Guy F. Jaquier</i> | <i>Chief Executive Officer, Private Capital</i> |
| <i>Edward S. Nekritz</i> | <i>Chief Legal Officer and General Counsel</i> |
| <i>Thomas S. Olinger</i> | <i>Chief Integration Officer</i> |
| <i>Eugene F. Reilly</i> | <i>Chief Executive Officer, The Americas</i> |
| <i>William E. Sullivan</i> | <i>Chief Financial Officer</i> |

Hamid R. Moghadam

Co-Chief Executive Officer

Hamid Moghadam is co-chief executive officer of ProLogis. He is primarily responsible for shaping the company's vision, strategy, organisational structure and private capital franchise. Mr. Moghadam co-founded the company's predecessor, AMB Property Corporation, in 1983 and led the company through its initial public offering in 1997 and its merger with ProLogis in 2011.

Mr. Moghadam has held a number of strategic roles within the real estate industry. He has served as the chairman of the National Association of Real Estate Investment Trusts (NAREIT), a director of Plum Creek Timber Company and a founding member of the Real Estate Roundtable. Mr. Moghadam is a trustee of Stanford University and served as chairman of Stanford Management Company. Additionally, he serves on the executive committee of the board of directors for the Urban Land Institute (ULI). As an active participant in the San Francisco Bay Area community, he has served on various philanthropic and community boards, including the California Academy of Sciences, Town School for Boys, and as chairman of Young Presidents Organization's (YPO) Northern California chapter.

He is a past winner of the Ernst & Young Entrepreneur of the Year award, a recipient of the Ellis Island Medal of Honor and has been named CEO of the Year on eight different occasions by four separate industry publications. He received the Wisconsin Alumni Center's Vision Setter award and the National Association of Industrial and Office Properties (NAIOP) Lifetime of Building award and NAREIT's Industry Leadership award.

Mr. Moghadam received his MBA from the Stanford Graduate School of Business and his Bachelor and Master of Science in engineering from Massachusetts Institute of Technology.

Walter C. Rakowich

Co-Chief Executive Officer

Walt Rakowich is co-chief executive officer of ProLogis. Having oversight of the company's operations, he is principally responsible for optimising the synergies from the merger of AMB Property Corporation with ProLogis and integrating the companies' two platforms.

Mr. Rakowich served as chief executive officer of ProLogis from November 2008 until the merger with AMB Property Corporation in 2011. Prior to this, he served as president and chief operating officer from 2005 to 2008, and from 1998 to 2005 he was a managing director and chief financial officer. Previous to this, Mr. Rakowich held the position of senior vice president and director of the company's mid-Atlantic region, where he was responsible for expanding the reach of ProLogis to the leading logistics markets in the Midwest and Atlantic states. Prior to joining ProLogis, Mr. Rakowich was a partner with real estate provider Trammell Crow Company, where he worked for nine years; before that was a senior audit and tax consultant for Price Waterhouse in Pittsburgh, Pennsylvania.

Mr. Rakowich serves on the real estate advisory boards of the Kellogg School of Management at Northwestern University, Smeal College of Business at Pennsylvania State University and Owen Graduate School of Management at Vanderbilt University, as well as on the Global Leadership Council at the Colorado State University. In addition, he serves as a member of the executive committee and board of governors for NAREIT. Mr. Rakowich also serves as a board member for a number of philanthropic and educational organisations in Colorado, including Colorado Christian University, the Alliance for School Choice in Education, Colorado Uplift, the Colorado Coalition for the Homeless and Junior Achievement.

Mr. Rakowich received his MBA from Harvard Business School and his Bachelor of Science, with distinction, in accounting from Pennsylvania State University.

Gary E. Anderson

Chief Executive Officer, Europe and Asia

Gary Anderson, as ProLogis' chief executive officer for Europe and Asia, oversees all aspects of business performance in ProLogis' European and Asian operations.

Mr. Anderson previously served as ProLogis' head of global operations and investment management until the merger with AMB Property Corporation in 2011. Prior to this, he was the company's president of Europe and the Middle East, as well as chairman of the European operating committee. From 2003 to 2006, Mr. Anderson was the managing director responsible for investment and development in the company's Southwest and Mexico regions. Prior to 2003, he led successive regional and local offices in New Jersey, Pennsylvania, Washington and Oregon, and he was one of two people responsible for directing the establishment and expansion of ProLogis' business in Mexico. Prior to ProLogis, Mr. Anderson was with Security Capital Group, Inc., a diversified real estate investment company, where he focused on capital markets, investments and strategy and worked with a small group to develop ProLogis' global expansion strategy.

Mr. Anderson is a ProLogis Board Member and a member of the Young Presidents' Organization. He received his MBA in finance and real estate from the Anderson Graduate School of Management at UCLA and his Bachelor of Arts in marketing from Washington State University.

Michael S. Curless

Chief Investment Officer

Mike Curless, as ProLogis' chief investment officer, chairs the investment committee and oversees the global customer solutions and valuations teams. He is also responsible for the deployment of capital and oversees the acquisition and disposition teams.

Mr. Curless has been part of ProLogis at two points in his career. In the intervening period from 2000 to 2010, prior to rejoining ProLogis, Mr. Curless was the president and one of four principals at Lauth, a privately held, national construction and development firm. Lauth has developed in excess of \$3 billion of office, industrial, retail and healthcare projects across the United States. In this role he had overall responsibility for operations, development and asset management for the firm. From 1995 to 2000, prior to joining Lauth, Mr. Curless was a first vice president at ProLogis, overseeing the Indianapolis and St. Louis market operations and management of key national accounts. He has also been a marketing director for Trammell Crow Company and a financial analyst with General Electric Company.

Mr. Curlless is a member of the Young Presidents' Organization and has served on various charitable boards. He has an MBA in marketing and finance and a Bachelor of Science in finance from Indiana University.

Nancy J. Hemmenway

Chief Human Resources Officer

Nancy Hemmenway serves as ProLogis' chief human resources officer and is responsible for establishing the company's global human resources policy and strategies related to staffing, compensation, benefits, training and development.

Prior to joining AMB Property Corporation in 2000, Ms. Hemmenway was executive vice president of human resources and administration at NorthPoint Communications, where she oversaw human resources, organisational development, facilities and administration. Prior to joining NorthPoint, Ms. Hemmenway was vice president of human resources at PrimeCo Personal Communications, a wireless subsidiary of Verizon Communications. Previously, she held management positions with Verizon Communications in external affairs, regulatory, marketing and engineering. She began her career working with various law firms specialising in cable television and broadcast law.

Ms. Hemmenway received her Bachelor of Arts in public and international affairs from George Washington University.

Guy F. Jaquier

Chief Executive Officer, Private Capital

Guy Jaquier is the chief executive officer for Prologis Private Capital. He oversees ProLogis' private capital funds and joint ventures with leading institutional real estate investors.

Mr. Jaquier joined AMB Property Corporation in 2000 as chief investment officer, started AMB Property Corporation's international business in 2002 and served as its president of Europe and Asia, directing the establishment and expansion of AMB Property Corporation's Europe and Asia investment and operating platforms. Prior to joining AMB Property Corporation, Mr. Jaquier served as senior investment officer for real estate at the California Public Employees' Retirement System, where his responsibilities included managing a \$12 billion real estate portfolio. Prior to that, he spent 15 years at Lend Lease Real Estate Investments and its predecessor, Equitable Real Estate, where he held various transactions and management positions.

Mr. Jaquier is a member of the Urban Land Institute and the Pension Real Estate Association. He is also on the advisory board for the University of

Washington Runstad Center for Real Estate Studies. Mr. Jaquier has an MBA from the Harvard Graduate School of Business Administration and a Bachelor of Science in building construction management from the University of Washington.

Edward S. Nekritz

Chief Legal Officer and General Counsel

Ed Nekritz serves as chief legal officer and general counsel for ProLogis. He oversees the provision of all legal services and strategic risk management for ProLogis on a worldwide basis. He is also responsible for ProLogis' investment services group, which handles all aspects of contract negotiations, real estate and corporate due diligence and closings on acquisitions, dispositions and financings. He also oversees ProLogis' risk management department. In addition, Mr. Nekritz focuses significant efforts on ProLogis' strategic initiatives, including mergers & acquisitions, global investment funds and portfolio transactions. He also serves as the secretary to the ProLogis board of directors.

Mr. Nekritz joined ProLogis as a vice president in 1995. Previously, he was with the international law firm of Mayer, Brown & Platt (now Mayer Brown), where he practiced real estate and corporate law from 1990 to 1995.

Mr. Nekritz is on the board of advisors for the University of Colorado Denver Business School and on the board of directors for the Ronald McDonald House Charities of Denver. He received his J.D. (Juris Doctor) from the University of Chicago Law School and his Bachelor of Arts, with honors, from Harvard College.

Thomas S. Olinger

Chief Integration Officer

Tom Olinger is ProLogis' chief integration officer, responsible for information technology and for the development of best-practice processes and procedures related to the merger of AMB Property Corporation with ProLogis.

From 2007 to 2011, Mr. Olinger served as AMB Property Corporation's chief financial officer. Prior to joining AMB Property Corporation in 2007, he served as vice president, corporate controller at Oracle Corporation, where he was responsible for global accounting, external reporting, technical accounting, global revenue recognition, Sarbanes-Oxley compliance and finance merger and acquisition integration. Mr. Olinger was also responsible for Oracle's controllership operations in Bangalore, India; Dublin, Ireland; Sydney, Australia; and Rocklin, California. Prior to this, Mr. Olinger spent 14

years at Arthur Andersen, the last three as an audit partner in its U.S. real estate and technology groups.

Mr. Olinger received his Bachelor of Science in finance, with distinction, from Indiana University.

Eugene F. Reilly

Chief Executive Officer, The Americas

Gene Reilly, as ProLogis' chief executive officer for the Americas, oversees all aspects of business performance in ProLogis' operations in the United States, Canada and Latin America.

Mr. Reilly joined AMB Property Corporation in 2003 and has 27 years of experience in real property investment, management and operations throughout the Americas. Prior to joining AMB Property Corporation, he was chief investment officer of Cabot Properties, Inc., a private equity industrial real estate firm in which he served as a founding partner and member of its investment committee and board of directors. Mr. Reilly served with Cabot and its predecessor companies, including Cabot Industrial Trust, for 11 years. He has served on the board of directors of Grupo Acción, S.A. de C.V., a leading development company in Mexico, and currently serves on the board of directors of Strategic Hotels and Resorts, Inc. (NYSE:BEE), a publicly-traded Real Estate Investment Trust.

Mr. Reilly is a member of the Urban Land Institute (ULI) and the National Association of Industrial and Office Parks (NAIOP) where he is currently vice chairman and serves on the NAIOP national board of directors and executive committee. He has previously served on the board of directors of the Massachusetts chapter of NAIOP, and the National Industrial Education Committee. He holds a Bachelor of Arts in economics from Harvard College.

William E. Sullivan

Chief Financial Officer

Bill Sullivan is ProLogis' chief financial officer, where he is responsible for worldwide corporate finance, including treasury, cash management, financial planning, financial reporting, accounting, tax, investor relations and internal audit.

Prior to joining ProLogis in April of 2007, Mr. Sullivan was the founder and president of Greenwood Advisors, Inc., a financial consulting and advisory firm. Prior to Greenwood Advisors, he served as chairman and chief executive officer of Sitestuff, an online procurement company for the real estate industry. Mr. Sullivan held several positions with the real estate firm of

Jones Lang LaSalle between 1984 and 2001, including the role of chief financial officer and executive vice president of investments and technology.

Mr. Sullivan earned an MBA in management and finance from Northwestern University and a Bachelor of Science in business administration from Georgetown University. He is a member of the American Institute of Certified Public Accountants."

- d) The table below the paragraph under the heading "2) ProLogis European Management Team Members" of the section "The PEPR Board", on page 100 of the Prospectus shall be deleted and replaced by the following:

| <u>Name</u> | <u>Title</u> |
|----------------------------|---|
| <i>Philip Dunne</i> | <i>President Europe and ProLogis Board Member</i> |
| <i>David Doyle</i> | <i>Chief Financial Officer - Europe</i> |
| <i>Simon N.J. Nelson</i> | <i>Senior Vice President - Fund Management</i> |
| <i>Andrew D. Griffiths</i> | <i>Regional Head - United Kingdom</i> |
| <i>Francois Risper</i> | <i>Regional Head - Southern Europe</i> |
| <i>Joseph Ghazal</i> | <i>Regional Head - Northern Europe</i> |
| <i>Ben Bannatyne</i> | <i>Regional Head - Central and Eastern Europe</i> |
| <i>Jonathan Gimblett</i> | <i>European Legal Counsel</i> |
| <i>Peter Cassells</i> | <i>Chief Executive Officer, ProLogis European Properties"</i> |

- e) In the section under the heading "2) ProLogis European Management Team Members" of the section "The PEPR Board", on page 102 of the Prospectus, the wording referring to Mr. Christian Bischoff and Mr. Bert Angel shall be deleted and the wording referring to Mr. Randal A. Hahn shall be deleted and replaced by the following:

"Francois Risper

Regional Head-Southern Europe

Francois Risper is Regional Director for Southern Europe. He is responsible for ProLogis' operations in France, Spain and Italy. Prior to the merger of AMB Property Corporation with ProLogis, Francois Risper was Vice President, Director of Project Development, France for AMB Property Corporation and he was responsible for directing AMB Property Corporation's development growth for France. Prior to joining AMB Property Corporation, Mr Risper was a Country Manager France at Eurinpro, a Belgian Pan European developer specialising in semi-industrial real estate. He was instrumental in establishing the Eurinpro platform in French. Previously, Mr

Rispe was Commercial Director at STEF-TFE, a leading logistics service provider."

- f) In the section under the heading "2) ProLogis European Management Team Members" of the section "The PEPR Board", on page 102 of the Prospectus, the following shall be included after the wording referring to Mr. Francois Rispe:

"Joseph Ghazal

Regional Head - Northern Europe

Joseph Ghazal is Regional Director for Northern Europe. He is responsible for ProLogis' operations in Germany, Sweden, Belgium and The Netherlands. Mr. Ghazal has more than 8 years of experience in logistics real estate development with ProLogis.

Prior to this function Mr. Ghazal was Senior Vice President Benelux and prior to that Senior Vice President of the Middle East. His responsibilities included land acquisitions and built-to-suit development and management of state-of-the-art logistics parks to help maximise the efficiency of customers' supply chain operations, as well as relationship management with key regional and global customers. Before that Mr. Ghazal was Vice President of Development for ProLogis' Southern European region, where he operated a development organisation that delivers both inventory and built-to-suit projects to logistics companies, retailers, manufacturers and other enterprises with large-scale distribution needs.

Mr. Ghazal's industry experience includes high-level expertise in development, planning, site selection, design and program/construction management. Mr. Ghazal holds an M.B.A from ESA (Paris ESCP), a Master degree from ESTP (Paris) and a civil engineering degree."

4. PART VII – ADDITIONAL INFORMATION

- a) The wording of the third paragraph under the heading "Managers' Interests" of the section 5. "Disclosure of Interests", on page 120 of the Prospectus, shall be deleted and replaced by the following:

"With the exception of the Chief Executive Officer of PEPR who holds 20,000 Ordinary Units (excluding another 50,000 which will vest between 2012 and 2014) and 382 Preferred Units and Gerrit Jan Meerkerk, a Manager who holds 2,584 Preferred Units in PEPR, none of the Managers nor any Person connected with the Managers have an interest in any Units. For further details of the compensation and incentivisation which will be provided to the Chief Executive Officer of the Management Company, see Part IV— "Management of PEPR" of this Prospectus."

- b) In the table included in section 5.2 “PEPR Board Members’ Interests” on pages 127 to 132 of the Prospectus the wording referring to Mr. Ted Antenucci shall be deleted and replaced by the following:

| Name | Current | Previous |
|---------------------|--|---|
| “Philip Dunne | Lima (Bradford) Sarl | Velodici LLC |
| | PLD Finance Management BV | Jones Lang Wootton Ltd |
| | ProLogis BV | J.L.W. Nominees Limited |
| | ProLogis European Developments BV | J.L.W. Second Nominees Limited |
| | ProLogis Germany Management GmbH | Jones Lang LaSalle Capital Investments, Limited |
| | ProLogis Management BV | Jones Lang LaSalle Europe Limited |
| | ProLogis Management Services Eurl | Jones Lang LaSalle European Services Limited |
| | ProLogis Management Services II SAS | Jones Lang LaSalle Insurance Services Ltd” |
| | ProLogis Poland Management Spzoo | |
| | Prologis UK Limited | |
| | Palmtree Acquisition Corporation | |
| | PLD International Holding LLC | |
| | PLD International LLC | |
| | Prologis | |
| | ProLogis Development Services LLC | |
| | ProLogis France Developments LLC | |
| | ProLogis Logistics Services Incorporated | |
| | ProLogis Management LLC | |
| | ProLogis Russia Finance LLC | |
| | ProLogis Russia LLC | |

- c) In the section 5.3 "Ownership of Units of the PEPR Board Members in PEPR" on pages 132 to 133 of the Prospectus the table shall be deleted and replaced by the following:

| | Unitholding as at 31 July 2011 |
|-------------------------|---|
| "Geoffrey Bell | 11,321 |
| Sylvia Tóth | 11,320 |
| Pierre Rodocanachi..... | 23,190 |
| Didier Cherpitel | 31,974 |
| Gary E. Anderson..... | — ⁽¹⁾ |
| Philip Dunne..... | — ⁽¹⁾ |

(1) *ProLogis Board Members are not compensated in Units of PEPR for their services as Board Members.*"

5. PART VII - ADDITIONAL INFORMATION

- a) The wording set out in item 12.2 of the section 12. "Documents Available for Inspection" on page 148 of the Prospectus shall be amended by inserting the following at the beginning:

"the audited consolidated accounts of PEPR for the year ended 31 December 2010,"

- b) The table set out under the heading "Schedule - Principal Subsidiaries of PEPR" on pages 149 to 165 of the Prospectus shall be deleted and replaced by the following:

"Schedule—Principal Subsidiaries of PEPR

| Company name | Principal activity | Registered office | Country | Proportion of Capital Held |
|--------------------------|-----------------------------|---|----------------|-----------------------------------|
| ProLogis Belgium I Bvba | Real Estate Holding Company | Park Hill—Building A, 3rd Floor, Jan Emiel Mommaertslaan 18, 1831 Diegem, Belgium | Belgium | 100 |
| ProLogis Belgium II Bvba | Real Estate Holding Company | Park Hill—Building A, 3rd Floor, Jan Emiel Mommaertslaan 18, 1831 Diegem, Belgium | Belgium | 100 |

| | | | | |
|----------------------------------|-----------------------------|---|----------------|-----|
| ProLogis Belgium V Bvba | Real Estate Holding Company | Park Hill–Building A, 3rd Floor, Jan Emiel Mommaertsiaan 18, 1831 Diegem, Belgium | Belgium | 100 |
| ProLogis Belgium VI Bvba | Real Estate Holding Company | Park Hill–Building A, 3rd Floor, Jan Emiel Mommaertsiaan 18, 1831 Diegem, Belgium | Belgium | 100 |
| ProLogis Belgium VIII Bvba | Real Estate Holding Company | Park Hill–Building A, 3rd Floor, Jan Emiel Mommaertsiaan 18, 1831 Diegem, Belgium | Belgium | 100 |
| ProLogis Czech Republic II sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic III sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic IV sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic VII sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic X sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic XI sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic XII sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic XIII sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic XIV sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Angloir S.à r.l. | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Artoilog S.à r.l. | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |

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| ProLogis Bre Francilienne 2 S.à r.l. | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Bre Francilienne Compans S.à r.l. | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Bre Francilienne S.à r.l. | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Bre Orbium S.à r.l. | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Chesnes Nord | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France I Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France II Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France III Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France VI Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France VII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France VIII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |

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| ProLogis France XII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XIII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XIV Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XV Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XVII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XVIII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XIX Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XX Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXI Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXIII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |

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| ProLogis France XXIV Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXV Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXVI Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXX Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXI Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXIII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXIV Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXV Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXVI Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXVII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXVIII Sarl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |

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| ProLogis France XXXIX Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XL Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XLI Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XLIII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XLIV Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XLV Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XLVII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XLVIII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XLIX Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France LII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France LIII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |

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| ProLogis France LVII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France II S.à r.l. | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis Carrefour de l'Europe | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis Copernic | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis Crépy Paris Nord | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis d'Ormes | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis Le Parc | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis Plessis Pate | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis Plessis Pate 2 | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SNC ProLogis Aulnay Extension Ouest | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis Croisée des Autoroutes Lorraines | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |

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| ProLogis Sofinvest Société Financière d'Investissements | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France CX Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres– BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Deutschland GmbH | Real Estate Holding Company | Peter-Müller-Straße 16–16a, 40468 Düsseldorf, Germany | Germany | 100 |
| ProLogis Verwaltung GmbH | Real Estate Holding Company | Peter-Müller- Straße 16–16a, 40468 Düsseldorf, Germany | Germany | 100 |
| Harbor Park Ingatlanfejlesztő Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| Harbor Park Ingatlanmuködtető Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 55.665 ¹ |
| ProLogis Finance Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Hungary Finance Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Hungary Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Hungary TEN Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Hungary TWO Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Italian Finance Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Italy Ia Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy Ib Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |

¹ Although PEPR indirectly owns 55.665 per cent. of the registered capital of Harbor Park Ingatlanmüködtető Kft., it is entitled to exercise 82 per cent. of the votes in the company.

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| ProLogis Italy Ic Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy Id Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy II Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy IX Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy IXa Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy VI 1 Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy VI 2 Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy Via Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy VII Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy VIIb Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy X Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy XXV Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis European Holdings S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Holdings II S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Holdings IV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Holdings VI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |

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| ProLogis European Holdings VII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Holdings VIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Holdings IX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Holdings XV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Holdings XVI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Holdings XVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Holdings XVIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Holdings XIX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Finance S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Finance II S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Finance IV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Finance VI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Finance VII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Finance VIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Finance IX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Finance XIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |

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| ProLogis European Finance XV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Finance XVI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Finance XVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Finance XVIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis European Finance XIX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis International Funding S.A. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Belgium S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Belgium II S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Belgium V S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Belgium VI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Belgium VIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Czech Republic S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Czech Republic II S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Czech Republic III S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Czech Republic IV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Czech Republic VII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |

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| ProLogis Czech Republic XII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Czech Republic XIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France III S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France IV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France V S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France VI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France IX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France X S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XVI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XVIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |

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| ProLogis France XXII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXIV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXVI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXVIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXIX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXXIV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXXV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXXVI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXXVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXXVIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XXXIX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XL S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |

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| ProLogis France XLI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XLIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XLIV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XLV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XLVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XLVIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France XLIX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France LII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France LIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France LVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France CX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis France CXVI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| PLD Germany V S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Germany S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Germany XIX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Italy III S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |

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| ProLogis Italy V S.à r.l | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Italy IX S.à r.l | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Italy XIV S.à r.l | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Italy XXV S.à r.l | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands I S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands II S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands III S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands V S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands VII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands IX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands XI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands XIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands XV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands XVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands XIX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |

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| ProLogis Netherlands XX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Netherlands XXII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland II S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland III S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland X S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland XI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland XVI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland XIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland XV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland XIX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland XXII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland XXVIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland XXIX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland XXXIV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Poland XLVIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |

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| ProLogis Spain S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Spain II S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Spain III S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Spain IV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Spain V S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Spain VI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Spain VII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Spain VIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Spain IX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Spain X S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Spain XI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis Spain XII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK II S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK III S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK IV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK IX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |

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| ProLogis UK X S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XIV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XVI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXIV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXVI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXVIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXXIV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXXV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXXVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XL S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XLI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XLV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |

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| ProLogis UK XLVI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XLVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK LV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK LVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK LXI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK LXII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK LXXI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK LXXIV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK LXXIX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK LXXX S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK LXXXI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK LXXXII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK LXXXIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XC S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK CC S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK CCI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |

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| ProLogis UK CCLXIV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK CCLXVIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg | Luxembourg | 100 |
| PLD Germany V BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.75 |
| PLD Germany VII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.75 |
| ProLogis Finance BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Germany II BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.75 |
| ProLogis Germany IV BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Germany XII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.75 |
| ProLogis Germany XIX BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Germany XV BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.75 |
| ProLogis Germany XVII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXIII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |

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| ProLogis Germany XXV BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXIX BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXXI BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXXV BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXXVI BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXXIX BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XLI BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XLIII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XLVI BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Poland Finance BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Realty I BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Realty II BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Realty X BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |

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| ProLogis Realty XI BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Realty XII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Poland XI Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XIII Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XVI Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XIX Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XXII Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XXVIII Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XXIX Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XXXIV Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XLVIII Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XXXV Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XXXVI Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XXXVII Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XXXVIII Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Poland XXXIX Spzoo | Real Estate Holding Company | ul. Złota 59, 00-120 Warsaw, Poland | Poland | 100 |
| ProLogis Spain 1 SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain II SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |

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| ProLogis Spain III SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain IV SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain V SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain VI SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain VII SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain VIII SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain IX SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain X SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain XI SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain XII SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain XIII SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Central European Finance SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Holding AB | Real Estate Holding Company | c/o Matrisen AB P.O. Box 22059, 104 22 Stockholm, Sweden | Sweden | 100 |

| | | | | |
|--|-----------------------------|---|----------------|-----|
| ProLogis Sweden Gothenburg AB | Real Estate Holding Company | c/o Matrisen AB P.O. Box 22059, 104 22 Stockholm, Sweden | Sweden | 100 |
| ProLogis Sweden I AB | Real Estate Holding Company | c/o Matrisen AB P.O. Box 22059, 104 22 Stockholm, Sweden | Sweden | 100 |
| ProLogis Sweden Norrkoping AB | Real Estate Holding Company | c/o Matrisen AB P.O. Box 22059, 104 22 Stockholm, Sweden | Sweden | 100 |
| ProLogis Sweden Orebro AB | Real Estate Holding Company | c/o Matrisen AB P.O. Box 22059, 104 22 Stockholm, Sweden | Sweden | 100 |
| 1&2 Buncefield Lane (No.1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| 1&2 Buncefield Lane (No. 2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| Interlink Park Management Company Limited (21%) | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Corby Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Grange Park Plot 6 Zone A (No.1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Grange Park Plot 6 Zone A (No.2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Grange Park Plot 6 Zone A (No.3) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Grange Park Zone A Unit 4 (1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Grange Park Zone A Unit 4 (2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis (Plot 1200 Central Park Rugby No.1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis (Plot 1200 Central Park Rugby No.2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Kettering (Number 1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |

| | | | | |
|--|-----------------------------|---|----------------|------|
| ProLogis Apex Park DC 3 (No.1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Apex Park DC 3 (No.2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Marston Gate Plot 1 (No.1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Park Bromford Gate Management Company Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Marston Gate Plot 1 (No.2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Marston Gate Plot 3 (No.1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Marston Gate Plot 3 (No.2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Wakefield Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Wakefield DC 2 (No.1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Wakefield DC 2 (No.2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Keresley Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| Bermuda Park Unit Trust | Real Estate Holding Company | Whiteley Chambers, Don Street, St. Helier, JE4 9WG Jersey | Jersey | 100" |

6. PART XII - DEFINITIONS

- a) In the section "DEFINITIONS" the definition of "E&Y" on page 317 of the Prospectus shall be amended by inserting the following at the end of the definition:

"E&Y was the external auditor (réviseur d'entreprises) of PEPR until 22 June 2011."

- b) In the section "DEFINITIONS" the following definition of "Old ProLogis" shall be inserted on page 320 of the Prospectus between the definitions of "Offer" and "Ordinary Unitholder":

"Old ProLogis means Prologis, a Maryland real estate investment trust, United States of America, and a subsidiary of ProLogis, and, unless the context indicates otherwise, its consolidated subsidiaries."

- c) In the section "DEFINITIONS" the definition of "PEPF II" on page 320 of the Prospectus shall be deleted and replaced by the following:

"PEPF II means ProLogis European Properties Fund II, a private equity fund, established in 2007 by Old ProLogis to acquire assets from Old ProLogis' development pipeline in Europe and from third parties."

- d) In the section "DEFINITIONS" the definition of "ProLogis" on page 321 of the Prospectus shall be deleted and replaced by the following:

"ProLogis means Prologis, Inc., a Maryland corporation, United States of America, the resulting entity from the merger of equals transaction between AMB Property Corporation and Old ProLogis, and, unless the context indicates otherwise, its consolidated subsidiaries."

- e) In the section "DEFINITIONS" the definition of "ProLogis Related Party" on page 321 of the Prospectus shall be deleted and replaced by the following:

"ProLogis Related Party means (i) an entity that is directly or indirectly Controlled by Old ProLogis or (ii) an entity at least 35 per cent. of whose economic interest is owned directly or indirectly by Old ProLogis; for the avoidance of doubt, PEPR is not and shall not be a ProLogis Related Party."

- f) In the section "DEFINITIONS" the definition of "Tenant Transfer" on page 322 of the Prospectus shall be deleted and replaced by the following:

"Tenant Transfer means the cancellation of a tenant's lease of a Distribution Facility owned by PEPR or a direct or indirect subsidiary of PEPR and the subsequent lease within three months of such cancellation by such tenant of another property owned, directly or indirectly, by Old ProLogis or a ProLogis Related Party or a fund managed by Old ProLogis or a ProLogis Related Party including the ProLogis Joint Ventures and the ProLogis Private Equity Funds, and in which PEPR's ownership interest is not at least equal to its interest in the original Distribution Facility."

7. MANAGERS AND ADVISORS

On page 324 of the Prospectus, under the heading "MANAGERS AND ADVISORS" the name and address of the Independent Auditor shall be deleted and replaced by the following:

*"KPMG Audit S.à r.l.
9, Allée Scheffer
2520 Luxembourg
Grand Duchy of Luxembourg"*

II. INSERTION OF NEW PART VII – ISSUE OF ORDINARY UNITS AND RENUMBERING OF THE FOLLOWING CHAPTERS

The following shall be included as a new chapter of the Prospectus. The subsequent chapters of the prospectus shall be renumbered accordingly.

“Part VII - ISSUE OF ORDINARY UNITS

Pursuant to the offer, the terms of which are further described below, up to 15,725,000 Ordinary Units are being offered for subscription. The offer of the new Ordinary Units will be made to the existing holders of Ordinary Units that are known to the Management Company and hold a stake in excess of 1% of the existing Ordinary Units.

According to Article 8 of the Management Regulations, the Management Company is authorised, subject to the approval of the PEPR Board, to issue new Ordinary Units in each fiscal year for an aggregate issue price of up to 10% of the total economic value of Units in issue at the start of the relevant fiscal year.

a) FORM OF THE NEW ORDINARY UNITS

The new Ordinary Units will be denominated in Euro, fully paid-up, issued in registered form and will be listed on the Official List and traded on the regulated market of the Luxembourg Stock Exchange as well as listed and traded on Euronext Amsterdam.

The rights attached to the Ordinary Units are set out in the Management Regulations, which will be construed in accordance with and are governed by the laws of Luxembourg, in particular the law of 17 December 2010 on undertakings for collective investment.

The new Ordinary Units will be fungible with the existing Ordinary Units and entitled to the same rights than those pertaining to existing Ordinary Units.

As per the resolution of the Management Company dated August 2011, it has decided, in accordance with Article 8 of the Management Regulations, to issue

the new Ordinary Units waiving the right of existing holders of Ordinary Units to subscribe to the new Ordinary Units on a preferential and rateable basis.

b) ISSUE PRICE OF THE NEW ORDINARY UNITS

The total economic value of the 190,522,441 Ordinary Units and the 10,298,510 Preferred Units in issue as at 1 January 2011 was approximately €977.5 million. The Ordinary Units were valued at €4.81 per unit and the Preferred Units were valued at €5.93 per unit which is equal to the NAV per Preferred Unit. The Management Company, on behalf of PEPR, proposes to issue up to 15,725,000 Ordinary Units at an issue price of €6.20 per Ordinary Unit, which is equal to the price per Ordinary Unit offered by ProLogis in the context of the recent takeover bid and which provides for a 10.1% premium to the €5.63 NAV of the Ordinary Units at the end of June 2011. The issue price of €6.20 represents a 4.6% premium to the average closing market price of PEPR's Ordinary Units over the period since the end of June 2011 until 19 August 2011. If all 15,725,000 Ordinary Units are issued, the aggregate issue price of such new Ordinary Units amounts to €97,495,000 being less than 10% of the total economic value of the existing Ordinary Units and Preferred Units at 1 January 2011.

c) OFFER TO EXISTING HOLDERS OF ORDINARY UNITS

The offer will be made to all existing Unitholders with a stake in excess of 1% of the Ordinary Units that are known to the Management Company. All of these Unitholders will be offered the opportunity to subscribe for the Ordinary Units on a pro rata basis according to their respective holding of existing Ordinary Units relative to the total number of units being offered. In addition, these Unitholders will be offered a further chance to subscribe for any Ordinary Units not subscribed for in this offer (pro rata to units already subscribed for in this offer) that were available for subscription to other Unitholders. No fractional Ordinary Units will be offered and the number of Ordinary Units that will be offered to each investor will be rounded up or down to the nearest Ordinary Unit. Further details are set out in the subscription agreement.

d) OFFER PERIOD AND PAYMENT SCHEDULE

The offer period during which investors may subscribe for Ordinary Units commences on 29 August 2011 and ends on 2 September 2011.

Investors that wish to participate in the offer of the new Ordinary Units will have to complete a subscription agreement that has been provided to them and send it to the Management Company at its registered address (which is indicated in the subscription agreement). Furthermore, to subscribe investors must pay the subscription amount, which is calculated by multiplying the number of Ordinary Units that the investor wishes to subscribe for, by the issue price of €6.20, to the subscription account of PEPR, the details of which are set out in the subscription agreement. The subscription amount must be received by 4.00pm on 2

September 2011 at the latest. If the executed subscription agreement or the subscription amount is not received by 4.00pm on 2 September 2011 the Management Company will not accept the subscription and repay any subscription monies that may have been paid.

In case investors decide not to subscribe for all or any of the Ordinary Units, investors, who have subscribed for all Ordinary Units offered to them, will be given the opportunity to subscribe on a pro rata basis for any such unsubscribed Ordinary Units. In this case the Management Company will inform these Unitholders of the number of additional Ordinary Units that these investors may subscribe for and of the additional subscription amount which is payable no later than 4.00pm on 6 September 2011. Should the subscription amount be received after 4.00pm on 6 September 2011, the Management Company will not accept the subscription and repay any late subscription monies. Further details are set out in the subscription agreement.

Existing Unitholders to whom the offer to subscribe for the new Ordinary Units is made are not permitted to assign such right to a third party (including any affiliates) without the prior approval of the Management Company.

e) DEALINGS

Application will be made for the new Ordinary Units to be admitted to listing and trading on Euronext Amsterdam and to listing on the Official List and trading on the regulated market of the Luxembourg Stock Exchange. It is expected that trading in the new Ordinary Units on Euronext Amsterdam and on the regulated market of the Luxembourg Stock Exchange will commence on or about 8 September 2011.

f) REASONS FOR THE OFFER

PEPR wishes to raise up to approximately €97.5 million in fresh equity to enable it to accelerate its deleveraging process and greatly enhance the possibility of a return to investment grade by 23 October 2011. A return to investment grade by this date would result in annual savings in interest expense of at least €8.6 million and provide PEPR with access to a broader unsecured debt capital market in order to repay or refinance debt obligations due in 2012 and 2014. Accordingly, the Management Company and the PEPR Board have concluded that the issue of Ordinary Units is in the best interest of PEPR and all its Unitholders.”

PROLOGIS EUROPEAN PROPERTIES

Supplement to the

Prospectus dated 13 November 2009, as amended on 23 August 2010

DATED 1ST NOVEMBER 2010

*This supplement (the “**Supplement**”) is an integral part of and should be read together with the Prospectus of ProLogis European Properties (“**PEPR**”) dated 13 November 2009, as amended on 23 August 2010, (the “**Prospectus**”). Capitalized terms not defined in this Supplement shall have the same meaning as set forth in the Prospectus.*

By circular resolutions dated 26 October 2010, the managers of ProLogis Management S.à r.l., the management company of PEPR, resolved to change the current paying and listing agent in Luxembourg and the registrar and transfer agent of PEPR, from RBC Dexia Investor Services Bank S.A. to RBS Global Banking (Luxembourg) S.A. (“**RBS**”).

As a result of such replacement of service provider, the Prospectus will be updated in order to reflect such change.

With effect from the date hereof the Prospectus is hereby amended as follows:

1. SUMMARY OF TERMS OF THE OFFER

On page 14 of the Prospectus, the definition of the Luxembourg Listing and Paying Agent and Transfer Agent is amended as follows:

“RBS Global Banking (Luxembourg) S.A. will act as listing agent, paying agent and transfer agent in relation to the Luxembourg Stock Exchange.”

2. PART VI - THE OFFER

On page 108 of the Prospectus, in the second sentence of the third paragraph, the reference to “RBC Dexia Investor Services Bank S.A.” is replaced by “RBS Global Banking (Luxembourg) S.A.” so that the sentence shall now read as follows:

“Any transfer of Preferential Subscription Rights shall be notified to the Management Company in order to enable the Management Company to cause RBS Global Banking (Luxembourg) S.A. to update the register of Preferential Subscription Rights.”

3. PART VII – ADDITIONAL INFORMATION

- a) On page 136 of the Prospectus, in the first paragraph of the section “**7.4 Paying and Listing Agent in Luxembourg**”, the reference to “RBC Dexia Investor Services Bank S.A.” is replaced by “RBS Global Banking (Luxembourg) S.A.”, so that the paragraph shall now read as follows:

“RBS Global Banking (Luxembourg) S.A. acts as the Luxembourg Paying and Listing Agent pursuant to the Luxembourg Paying and Listing Agent Agreement.”

- b) On page 136 of the Prospectus, the third paragraph of the section “**7.4 Paying and Listing Agent in Luxembourg**”, shall be amended to read as follows:

“The fees and expenses of the Luxembourg Paying and Listing Agent are paid out of PEPR’s net assets and the Luxembourg Paying and Listing Agent is entitled to receive from PEPR upon request and provision of the relevant invoices reimbursement for its cash disbursements, including reasonable out-of-pocket expenses. The Luxembourg Paying and Listing Agent Agreement may be terminated by either party at any time by giving three months notice to the other party. This Agreement may also be terminated by either party without notice if

- (i) the other party is in material breach of this Agreement and fails to remedy such breach within five (5) Business Days of receipt of a written notice by the party setting out the basis of such breach; or
- (ii) the financial situation of the other party has deteriorated in a way that the performance of its obligations under this Agreement is at risk. This is, in particular, the case if
 - insolvency proceedings have been commenced in relation to the other party; or
 - the application for the commencement of insolvency proceedings in relation to the other party has been rejected due to insufficient funds; or
 - a receiver has been appointed over all or part of the assets of the other party; or
- (iii) the other party ceases to be authorised under the applicable laws and regulations to carry out its business.

Any notice of termination has to be in writing and must be sent by registered mail.”.

- c) On page 136 of the Prospectus, in the first sentence of the first paragraph of the section “**7.5 Registrar and Transfer Agent**”, the reference to “RBC Dexia Investor Services Bank S.A.” is replaced by “RBS Global Banking (Luxembourg) S.A.”, so that the sentence shall now read as follows:

“RBS Global Banking (Luxembourg) S.A. acts as the Registrar and Transfer Agent of PEPR pursuant to the Registrar and Transfer Agent Agreement.”

- d) On page 136 of the Prospectus, the second paragraph of the section “**7.5 Registrar and Transfer Agent**”, shall be amended to read as follows:

“The fees and expenses of the Registrar and Transfer Agent are paid out of PEPR’s net assets and the Registrar and Transfer Agent is entitled to receive from PEPR upon request and provision of the relevant invoices reimbursement for its cash disbursements, including reasonable out-of-pocket expenses.

The Registrar and Transfer Agent Agreement may be terminated by either party at any time by giving three months notice to the other party. This Agreement may also be terminated by either party without notice if

- (i) the other party is in material breach of this Agreement and fails to remedy such breach within five (5) Business Days of receipt of a written notice by the party setting out the basis of such breach; or
- (ii) the financial situation of the other party has deteriorated in a way that the performance of its obligations under this Agreement is at risk. This is, in particular, the case if
 - insolvency proceedings have been commenced in relation to the other party; or
 - the application for the commencement of insolvency proceedings in relation to the other party has been rejected due to insufficient funds; or
 - a receiver has been appointed over all or part of the assets of the other party; or
- (iii) the other party ceases to be authorised under the applicable laws and regulations to carry out its business.

Any notice of termination has to be in writing and must be sent by registered mail.”.

- e) On page 141 of the Prospectus, section “**9.7 Luxembourg Paying and Listing Agent Agreement**” shall be amended to read as follows:

“The Luxembourg Paying and Listing Agent Agreement has been entered into with effect as of 1 November 2010 appointing RBS Global Banking (Luxembourg) S.A. *inter alia* as Luxembourg Paying and Listing Agent. Further details of the Luxembourg Paying and Listing Agent Agreement are set out in the section headed “Paying and Listing Agent in Luxembourg” in paragraph 7.4 of Part VII-“Additional Information” of this Prospectus.”

- f) On page 141 of the Prospectus, section “**9.8 Registrar and Transfer Agent Agreement**”, shall be amended to read as follows:

“The Management Company, acting in its own name and on behalf of PEPR, entered into the Registrar and Transfer Agent Agreement with effect as of 1 November 2010, pursuant to which RBS Global Banking (Luxembourg) S.A. was appointed *inter alia* as Registrar and Transfer Agent.”

4. PART XII - DEFINITIONS

The following definitions shall be amended as follows:

- a. On page 319 of the Prospectus, “Luxembourg Paying and Listing Agent” means RBS Global Banking (Luxembourg) S.A., or such other paying and listing agent from time to time appointed under the Luxembourg Paying and Listing Agent Agreement.
- b. On page 319 of the Prospectus, “Luxembourg Paying and Listing Agent Agreement” means the Luxembourg paying and listing agent and registrar and transfer agent agreement entered into with effect as of 1 November 2010 between RBS Global Banking

(Luxembourg) S.A. and the Management Company appointing *inter alia* the Luxembourg Paying and Listing Agent.

- c. On page 321 of the Prospectus, “Registrar and Transfer Agent” means RBS Global Banking (Luxembourg) S.A. or such other registrar and transfer agent from time to time appointed by the Management Company on behalf of PEPR.
- d. On page 321 of the Prospectus, “Registrar and Transfer Agent Agreement” means the Luxembourg paying and listing agent and registrar and transfer agent agreement entered into with effect as of 1 November 2010 between RBS Global Banking (Luxembourg) S.A. and the Management Company appointing *inter alia* the Luxembourg Registrar and Transfer Agent.

5. MANAGERS AND ADVISORS

On page 324 of the Prospectus, the following amendments shall be made:

- a. The name and address of the Registrar and Transfer Agent shall be amended as follows:

“RBS Global Banking (Luxembourg) S.A.
46, avenue J.F. Kennedy
L-1855 Luxembourg”

- b. The reference to the Luxembourg listing and paying agent in the title “Custodian and Luxembourg Listing and Paying Agent” shall be deleted.
- c. A new paragraph shall be added as follows:

“Luxembourg Paying and Listing Agent
RBS Global Banking (Luxembourg) S.A.
46, avenue J.F. Kennedy
L-1855 Luxembourg”

PROLOGIS EUROPEAN PROPERTIES

Supplement to the Prospectus dated 13 November 2009

DATED 23 AUGUST 2010

This Supplement is an integral part of and should be read together with the Prospectus of ProLogis European Properties (“PEPR”) dated 13 November 2009 (the “Prospectus”). Capitalized terms not defined in this Supplement shall have the same meaning as set forth in the Prospectus.

At the annual general meeting of Unitholders of PEPR which took place on 20 May 2010 the Unitholders approved of a number of changes to the management regulations dated 13 November 2009 (the “**Management Regulations**”). Some of these changes make it necessary to amend various parts of the Prospectus. However, not all of the below amendments to the Prospectus result from the changes to the Management Regulations.

With effect from the date hereof the Prospectus is hereby amended as follows:

1. RISK FACTORS

In the section “U.S. Investment Company Act status” on page 24 of the Prospectus, the word “Share” shall be replaced by the word “Unit”.

2. PART IV – MANAGEMENT OF PEPR

- a. The entire wording of the section “The Managers of the Management Company”, on pages 91 to 92 of the Prospectus, shall be deleted and replaced by the following:

“The Management Company has four Managers appointed by its sole shareholder, ProLogis Management Services S.à r.l., itself wholly-owned by PLD. The Managers are appointed for an indefinite term of office. The business address of the Managers is at the registered address of PEPR.

The Managers have an average of 12 years of industry experience and have been with ProLogis for an average of 8 years. The Managers, who will have overall responsibility for the management of PEPR, are as follows:

- (a) *Peter Cassells, Chief Executive Officer; joined ProLogis Europe in 2000. Mr. Cassells is currently the CEO of PEPR, responsible for the management of PEPR. Mr. Cassells has 10 years of industry experience (including finance and administration) and is based in Luxembourg. Mr. Cassells was appointed as Manager of the Management Company in September 2001.*

- (b) *Simon Nelson, Head of Asset Management; joined ProLogis in January 2001. Mr. Nelson is currently Head of Asset Management. Prior to joining ProLogis, Mr. Nelson was a partner and investment director at DTZ in France, covering all aspects of commercial real estate investment. Mr. Nelson received his M.A. in French and Italian from the University of Edinburgh and his M.Sc. in Property Management and Development from the University of East London. Mr. Nelson has 19.5 years of industry experience. Mr. Nelson was appointed as Manager of the Management Company on 28 April 2009.*
- (c) *Gerrit Jan Meerkerk, Fund Controller; joined ProLogis in September 2000. Prior to joining ProLogis, Mr. Meerkerk was interim manager for Arthur Andersen in The Netherlands and later on for KPN. Overall Mr. Meerkerk has 16.5 years experience in finance and accounting of which 9.5 years in the real estate industry. Mr. Meerkerk completed his studies in Rotterdam and is based in Luxembourg. Mr. Meerkerk was appointed as Manager of the Management Company on 27 August 2008.*
- (d) *David Doyle is a Managing Director and Chief Financial Officer of ProLogis in Europe. Mr Doyle has 23 years of experience across the financial services, professional services and property industries. Before joining ProLogis in July 2009, Mr Doyle was Chief Financial Officer at Colliers CRE, a leading UK property professional services firm. Prior to joining Colliers CRE in 2006, Mr. Doyle was Chief Financial Officer at the UK's leading internet bank, Egg plc. From 1996 to 2003, Mr. Doyle held various senior finance positions at Prudential plc. Mr Doyle is a Fellow of the Institute of Chartered Accountants in Australia and holds a Bachelor of Business degree from the Royal Melbourne Institute of Technology.*

In their capacity as Managers, the Managers did not receive any separate remuneration for the financial year ended 31 December 2008. No amounts have been set aside or accrued by PEPR to provide pension, retirement or similar benefits for any of the Managers. None of the Managers or PEPR Board Members has any service contracts with PEPR or any of its subsidiaries providing for benefits upon termination of employment. However, as part of his compensation and incentivisation package, Mr. Cassells has been granted 30,000 Ordinary Units all of which either have vested or will vest between 2010 and 2012.”

- b. The wording of the eighth paragraph of the section “The PEPR Board”, on pages 92 to 93 of the Prospectus, shall be updated as follows to reflect the re-appointment of Mr. Pierre Rodocanachi:

“The PEPR Board

(...) The PEPR Board is currently composed of the following members:

- (i) *Independent Board Members:*

(...)

- *Pierre Rodocanachi, formerly, until he retired, the Senior Vice President of Booz Allen & Hamilton, one of the world’s largest management consulting firms. Mr. Rodocanachi was appointed on 8 September 2006 and for a period ending on the date of the annual general meeting of Unitholders to be held in 2010. Mr. Rodocanachi was reelected at such meeting for a period ending on the date of the annual general meeting of Unitholders to be held in 2013.*

(...).”

3. PART VII – ADDITIONAL INFORMATION

- a. In the section 5.1 “Managers Interests” on pages 120 to 127 of the Prospectus the table following the fifth paragraph shall be amended so as to include the following at the end of such table:

| Name | Current | Previous |
|-------------------|---|---|
| “David Doyle..... | ProLogis Directorship S.à r.l. ProLogis Management II S.à r.l. | Colliers CRE PLC Deanwater Estates Limited Colliers Capital UK Limited Paul Acquisitions Limited Paul Leisure Management Limited Paul Leisure Recruitment Company Limited Jansons Limited Deanwater estates (Bollinwater) Limited Huthwaite (CBS) Limited Dodson Jones Limited Colliers Capital Holdings Limited Locum Destination Consulting Limited Colliers Godfrey Vaughan Limited Colliers Godfrey Vaughan Limited Godfrey Vaughan Management Company Limited Godfrey Vaughan Property Holdings Limited Egg PLC Egg Investments Limited Egg Banking PLC Egg Financial Products Limited Egg Nominees Limited Egg Leasing Limited Egg Services Limited Egg Financial Intermediation Limited Egg International Limited Oxford Executive Consulting Limited Investment Funds Direct Holdings Limited Investment Funds Direct Limited Funds Direct Platforms Limited Marlborough Stirling Mortgage Services Limited” |

- b. In section 5.1 “Managers Interests” on pages 120 to 127 of the Prospectus, the sub-section listing Simon Nelson’s current directorships, managerial positions (apart from his role as Manager of PEPR) and/or partnerships shall be updated so as to reflect his appointment as manager of ProLogis Directorship S.à r.l.
- c. In the table included in section 5.2 “PEPR Board Members’ Interests” on pages 127 to 132 of the Prospectus the wording referring to Robert J. Watson shall be deleted and replaced by the following:

| Name | Current | Previous |
|-------------------|--|---|
| "Gary E. Anderson | ProLogis Cayman II Limited | PLD International Finance LLC |
| | ProLogis Cayman III Limited | PLD International Incorporated |
| | ProLogis Cayman IV Limited | ProLogis Russia Finance Incorporated |
| | ProLogis Cayman Limited | ProLogis Russia Incorporated |
| | ProLogis Management Incorporated | ProLogis-France Developments Incorporated |
| | ProLogis DWC-LLC | ProLogis Industrial Properties II, LLC |
| | ProLogis Holdings Limited | ProLogis Industrial Properties III, LLC |
| | ProLogis Industrial Holdings Limited | ProLogis Industrial Properties, LLC |
| | ProLogis Management DWC-LLC | ProLogis NA Industrial Fund GP LLC |
| | ProLogis NA2 Mexico Trust Incorporated | ProLogis NA Industrial Fund II GP LLC |
| | ProLogis NA2 US Trust Incorporated | ProLogis NA Industrial Fund III GP LLC |
| | Palmtree Acquisition Corporation | ProLogis NA Industrial Fund IV GP LLC |
| | ProLogis | ProLogis NA Industrial Fund V GP LLC |
| | ProLogis Development Services Incorporated | ProLogis-Mexico City (1) Investment LLC |
| | ProLogis Logistics Services Incorporated | ProLogis-Mexico City (1) LLC |
| | | ProLogis-Mexico City (14) LLC |
| | | ProLogis-Mexico City (2) Investment LLC |
| | | ProLogis-Mexico City (2) LLC |
| | | ProLogis-Mexico City (3) Investment LLC |
| | | ProLogis-Mexico City (3) LLC |
| | | ProLogis-Mexico City (6) Investment LLC |
| | | ProLogis-Mexico City (6) LLC |
| | | ProLogis-Mexico City (7) Investment LLC |
| | | ProLogis-Mexico City (7) LLC |
| | | ProLogis-Mexico City (8) Investment LLC |
| | | ProLogis-Mexico City (8) LLC |
| | ProLogis-Mexico City (9) Investment LLC | |
| | ProLogis-Mexico City (9) LLC | |
| | Catellus Austin Mixed Use LLC | |
| | ProLogis Mexico Trust | |
| | ProLogis Directorship S.à r.l." | |

- d. In the section 5.3 "Ownership of Units of the PEPR Board Members in PEPR" on pages 132 to 133 of the Prospectus the table shall be deleted and replaced by the following:

| | Unitholding as at 20 May 2010 |
|-------------------------|----------------------------------|
| "Geoffrey Bell | 17,489 |
| Sylvia Tóth..... | 17,488 |
| Pierre Rodocanachi..... | 17,488 |
| Didier Cherpitel..... | 26,273 |
| Gary E. Anderson..... | — ⁽¹⁾ |
| Ted Antenucci | — ⁽¹⁾ |

(1) *Prologis Board Members are not compensated in Units of PEPR for their services as Board Members.*"

- e. The third paragraph of the section 7.2 "The Custodian" on page 134 of the Prospectus shall be deleted and replaced by the following:

"Requests should be directed to RBC Dexia Investor Services Bank S.A. at the following e-mail addresses: RealEstateandPrivateEquity-TA@rbcdexia.com and LuDeskRealEstate-Custody@rbcdexia.com."

- f. The section 7.3 "Paying Agent in The Netherlands" on pages 135 to 136 of the Prospectus, shall be deleted and replaced by the following:

7.3 Paying Agent in The Netherlands

Kempen & Co. N.V. acts as the Dutch Paying Agents pursuant to the Dutch Paying Agency Agreements.

Under the Dutch Paying Agency Agreements, the Dutch Paying Agent has agreed to make available all necessary facilities and information to enable Unitholders in The Netherlands to exercise their rights and to perform such duties commonly performed by a paying agent or required by the applicable rules and regulations of Euronext Amsterdam.

The Management Company shall pay to the Dutch Paying Agent a fee of €35,000 per annum (together with a fee of €3,500 per quarterly dividend payment in relation to Ordinary Units and a fee of €2,500 per a cash distribution in relation to the Preferred Units) out of PEPR's net assets plus any costs incurred by the Dutch Paying Agent in carrying out its duties to the Management Company.

The Dutch Paying Agency Agreements contain an indemnity whereby PEPR has agreed to indemnify and hold harmless, save and exonerate the Dutch Paying Agent from and against any and all claims, demands, expenses (including reasonable counsel fees and expenses) and liabilities of any and every nature which the Dutch Paying Agent may sustain or incur or which may be asserted against the Dutch Paying Agent as a result of any action taken or omitted by the Dutch Paying Agent, in the absence of bad faith, gross negligence or wilful misconduct.

The Dutch Paying Agency Agreement related to the Ordinary Units may be terminated by either party on 90 days notice in writing to the other party provided that such termination shall not take effect without a successor paying agent being appointed and the Dutch Paying Agency Agreement related to the Preferred Units may be terminated by either party on three months notice in writing to the other party or with immediate effect in certain specific circumstances such as liquidation and bankruptcy.”

- g. The section 9.5 “Dutch Paying Agency Agreement” on page 141 of the Prospectus, shall be deleted and replaced by the following:

‘9.5 Dutch Paying Agency Agreements

The Management Company, acting on its own behalf and on behalf of PEPR, has entered into the Dutch Paying Agency Agreements dated 11 September 2006 (Ordinary Units) and 19 November 2009 (Preferred Units) with Kempen & Co. N.V.. Further details of the principal terms of the Dutch Paying Agency Agreements are set out in the section headed “Paying Agent in The Netherlands” in paragraph 7.3 of “Part VII - Additional Information” of this Prospectus.”

4. PART XI – MANAGEMENT REGULATIONS OF PEPR

“Part XI - Management Regulations of PEPR” of the Prospectus on pages 281 to 314 shall be deleted and replaced by a new “Part XI - Management Regulations of PEPR” in the form set out in Annex I.

5. PART XII – DEFINITIONS

The definitions section on pages 315 to 323 of the Prospectus shall be amended as follows:

- a. In the definition of “Distributable Cash Flow” the word “*Shares*” shall be replaced by “*Units*”.
- b. The definition of “Dutch Paying Agency Agreement” shall be replaced by the following:

“Dutch Paying Agency Agreements mean the paying agency agreements entered into on 11 September 2006 and 19 November 2009 between Kempen & Co. N.V. and the Management Company (acting on its own behalf and on behalf of PEPR).”

- c. The definition of “Managers” shall be replaced by the following:

“Manager or Managers means a manager or the managers of the Management Company.”

- d. The definition of “Valuation Day” shall be replaced by the following:

“Valuation Day means any Business Day which is designated by the Management Company as being a day by reference to which the assets of PEPR shall be valued in accordance with Article 9, provided that there shall be at least semi-annual Valuation Days and that the Management Company shall be permitted to designate Valuation Days more frequently than semi-annually, in relation to the issuance of Units pursuant to Article 8, or in relation to any other circumstances if deemed appropriate by the Management Company, or if otherwise required by Luxembourg law or any other applicable law or regulation. The last Valuation Day was 31 March 2010. The next Valuation Day will be 30 June 2010.”

Annex I

PART XI

MANAGEMENT REGULATIONS OF PEPR

ProLogis European Properties

fonds commun de placement

Management Regulations dated 10 September 1999 as amended on 29 June 2001, on 13 May 2003, on 7 July 2003, on 17 November 2005, on 11 September 2006 (with effect from 27 September 2006), 29 May 2007, 13 November 2009 and 20 May 2010

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MANAGEMENT REGULATIONS

INTERPRETATION

In these Management Regulations, the following expressions shall, where not inconsistent with the context, have the following meanings respectively:

- **“2002 Law”** means the Luxembourg law of 20 December 2002 on Undertakings for Collective Investments.
- **“Article”** means an article of these Management Regulations.
- **“Board Members”** means collectively, the ProLogis Board Members and the Independent Board Members.
- **“Business Day”** means a day on which banks are open for business in Luxembourg and Amsterdam (excluding Saturdays, Sundays and public holidays).
- **“Class”** means a class of Units issued by PEPR, and includes the Ordinary Units, the Preferred Units and any further Classes of Units issued by PEPR.
- **“Class A(1) Preferred Units”** means the 10,298,510 class A convertible Preferred Units issued by PEPR on or about 23 December 2009.
- **“Control”** means the power to direct the management of an entity through voting rights, ownership or contractual obligations; **“Controlled”** shall have a correlative meaning.
- **“Correspondent”** means the correspondent as described in Article 3.
- **“Custodian”** means RBC Dexia Investor Services Bank S.A. or such other custodian from time to time appointed by the Management Company.
- **“Distributable Cash Flow”** means net earnings of PEPR, as defined under IFRS, adjusted for (i) items which do not affect cash or cash equivalents or general provisions or reserves against assets (including but not limited to, amortisation of assets or liabilities, adjustments for deferred tax or unrealised valuation of assets and liabilities, including financial instruments) and (ii) costs incurred in relation to any offer of Units and (iii) accruals for any incentive fees payable to the Management Company in accordance with Article 13 of the Management Regulations less (i) non-revenue generating capital expenditures (including roof repairs, structural repairs, landscaping and other similar expenditures), and (ii) periodic contributions to a contingency reserve to include the general provisions or reserves mentioned above; such contingency reserve not to exceed €10 million in aggregate at any given time. The limit of €10 million may be amended from time to time with the approval of the PEPR Board. The definition of Distributable Cash Flow may also be amended from time to time to include prudent amortisation of debt if in the best interests of PEPR, with the approval of the PEPR Board.
- **“Distribution Facility”** or **“Distribution Facilities”** means any industrial warehouse or logistics distribution facility or distribution facilities.
- **“Euro”** or **“€”** means the currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).
- **“French 3% Tax”** means any taxation arising under Article 990D of the French Tax Code (as amended, supplemented or replaced from time to time).
- **“Gross Property Value”** means the gross property value of a Distribution Facility as determined by an Independent Appraiser in accordance with such methodology as deemed appropriate by the Independent Appraiser applying professional valuation standards without deduction of purchaser’s costs.
- **“IFRS”** means International Financial Reporting Standards.
- **“IML Circular91/75”** means the circular dated January 21, 1991 of the Luxembourg Monetary Institute on the revision and recasting of rules governing Luxembourg undertakings covered by the law of 30 March 1988 on undertakings for collective investment, as amended.
- **“Independent Appraiser”** has the meaning set out in Article 9.
- **“Independent Board Member”** means a member of the PEPR Board elected by a general meeting of Unitholders, such member being an individual that is not affiliated with ProLogis or any ProLogis Related Party, or any officer, director, manager, employee or agent thereof.
- **“Invested Capital”** means in respect of each Class of Units (or any Series thereof) the respective paid-up contributions at any point in time of the initial issue price in relation to such Class of Units (or such Series thereof).
- **“Investment Managers”** means collectively the investment managers appointed by the Management Company pursuant to the Investment Management Agreement, being ProLogis Management BV, ProLogis Poland Management II Sp zoo, Garonor Services SAS, ProLogis Spain Management II SL, ProLogis Germany Management II GmbH, ProLogis Italy Management II SRL, ProLogis Belgium Management Sprl, ProLogis Hungary Management II Kft, ProLogis Czech Republic Management II SRO and the other investment

managers acceding from time to time to the Investment Management Agreement.

- **“Investment Management Agreement”** means the investment management agreement between the Management Company and the Investment Managers entered into on 15 September 1999 as amended and restated on 22 January 2001 (with effect as of 18 December 2000), on 10 May 2001, on 31 March 2004 (with effect as of 15 January 2004) and as further amended and restated on 11 September 2006 (with effect from 27 September 2006).
- **“Investment Objective and Policy”** means the investment objective and policy of PEPR as described in the Prospectus and in Article 6.
- **“IPO”** means the initial public offering and listing of the Ordinary Units on Eurolist by Euronext Amsterdam N.V.
- **“Management Company”** means ProLogis Management SARL, a wholly-owned indirect subsidiary of ProLogis, or any successor management company that may be appointed under these Management Regulations.
- **“Management Regulations”** means these management regulations as amended from time to time in accordance with these management regulations.
- **“Manager”** or **“Managers”** means a manager or the managers of the Management Company.
- **“NAV”** means the net assets of PEPR, being the assets minus the liabilities, or where the context so requires, the net asset value per Unit of each Class (or Series thereof) as determined in accordance with Article 9.
- **“Non-Exempt Unitholder”** means an entity who owns, directly or indirectly, Units and who is not exempt from the French 3% Tax.
- **“Ordinary Units”** means the Ordinary Units issued pursuant to Article 8.
- **“Ordinary Unitholder”** means a holder of Ordinary Units.
- **“PEPR”** means ProLogis European Properties, a *fonds commun de placement*, governed by Part II of the 2002 Law pursuant to these Management Regulations, and such term shall where the context so requires include all companies or other entities which are wholly-owned or partially owned as to more than fifty per cent. (50%) directly or indirectly by ProLogis European Properties.
- **“PEPR Board”** has the meaning set out in Article 4.
- **“PLD”** means PLD International Incorporated, a corporation established under the laws of the State of Delaware, United States of America.
- **“Portfolio”** means the Distribution Facilities owned by PEPR, the interest of PEPR, if any, in any ProLogis Private Equity Fund or ProLogis Joint Venture and such other assets and rights from time to time held directly or indirectly by PEPR in accordance with these Management Regulations.
- **“Preferred Unitholder”** means a holder of Preferred Units.
- **“Preferred Units”** means Units that provide to holders a preferred cash distribution and a preferred reimbursement of Invested Capital (or such other amounts as specified by the Management Company on the issue thereof) upon a winding-up of PEPR.
- **“Private Equity Fund Investment Agreement”** means the agreement between the Management Company and PLD in relation to the right of the Management Company acting on behalf of PEPR to invest in ProLogis Private Equity Funds and ProLogis Joint Ventures.
- **“ProLogis”** means ProLogis, a real estate investment trust organised in the State of Maryland, United States of America.
- **“ProLogis Board Member”** means a member of the PEPR Board appointed by the Management Company.
- **“ProLogis Joint Venture”** means any single investor joint venture sponsored by PLD, or an entity which is directly or indirectly controlled by PLD, and investing primarily in Distribution Facilities in Europe.
- **“ProLogis Private Equity Fund”** means any regulated or unregulated multi-investor real estate private equity fund sponsored by PLD, or an entity which is directly or indirectly controlled by PLD, and investing primarily in Distribution Facilities in Europe.
- **“ProLogis Related Party”** means (a) an entity that directly or indirectly is controlled by ProLogis or (b) an entity at least 35 per cent. (35%) of whose economic interest is owned directly or indirectly by ProLogis; for the avoidance of doubt, PEPR shall not be a ProLogis Related Party.
- **“Property Contribution Agreement”** means the agreement between the Management Company and PLD under which PLD has agreed to contribute to PEPR, upon stabilisation, and PEPR has agreed to acquire, Distribution Facilities from a property portfolio.
- **“Prospectus”** means the prospectus in connection with the IPO and subsequent prospectuses for the placement of Units in PEPR issued from time to time.
- **“Regulated Market”** means a market functioning regularly, which is regulated, recognised and open to the public.
- **“Residual Value”** means the total net proceeds (taking into account any distributions in specie) resulting from a winding-up of all PEPR’s assets after repayment of all creditors.
- **“Schedule”** means the schedule to these Management Regulations.

- “**Series**” means a series of Units within a particular Class of Units.
- “**Tenant Transfer**” means the cancellation of a tenant’s lease of a Distribution Facility owned by PEPR or a direct or indirect subsidiary of PEPR and the subsequent lease within three months of such cancellation by such tenant of another property owned directly or indirectly by ProLogis or a ProLogis Related Party or a fund managed by ProLogis or a ProLogis Related Party and including the ProLogis Private Equity Funds and the ProLogis Joint Ventures, and in which PEPR’s ownership interest is not at least equal to its interest in the original Distribution Facility.
- “**Unitholders**” means the holders of Units.
- “**Units**” means co-ownership participations in PEPR which may be issued in different Classes or Series by PEPR pursuant to these Management Regulations, including, but not limited to the Ordinary Units and the Preferred Units.
- “**Valuation Day**” means any Business Day which is designated by the Management Company as being a day by reference to which the assets of PEPR shall be valued in accordance with Article 9, provided that there shall be at least semi-annual Valuation Days and that the Management Company shall be permitted to designate Valuation Days more frequently than semi-annually, in relation to the issuance of Units pursuant to Article 8, or in relation to any other circumstances if deemed appropriate by the Management Company, or if otherwise required by Luxembourg law or any other applicable law or regulation. The last Valuation Day was on 31 March 2010. The next Valuation Day will be 30 June 2010.

Article 1. Legal Structure

ProLogis European Properties, a *fonds commun de placement* organised under the sponsorship of ProLogis, is an unincorporated co-proprietorship of securities and other assets, managed for the account and in the exclusive interest of its Unitholders by the Management Company. PEPR is, in particular, subject to Part II of the 2002 Law. The assets of PEPR, which are held in custody by the Custodian shall be segregated from those of the Management Company.

By the acquisition of Units of any Class (or any Series thereof) in PEPR, a Unitholder is deemed to have fully accepted these Management Regulations, which determine the contractual relationship both among the Unitholders and among the Unitholders, the Management Company and the Custodian.

Article 2. The Management Company

The Management Company is a company incorporated on 6 July 1999 as a *société à responsabilité limitée* under the laws of Luxembourg with an unlimited duration and having its registered office at 34-38 Avenue de la Liberté, L-1930 Luxembourg. Its articles of incorporation have been amended on 19 August 2003.

The Management Company, or its designees, has the exclusive right to manage PEPR and is vested with the broadest powers to administer and manage PEPR, subject to the restrictions set forth in these Management Regulations, including, without limitation, Articles 4, 6, 7 and 20, in the name and on behalf of the Unitholders, including but not limited to, the purchase, sale and receipt of those investments specified in Article 6 and of securities and the exercise of all the rights attaching directly or indirectly to the assets of PEPR. The activities of the Management Company shall be limited to the administration and management of PEPR and the Management Company shall not administer or manage any other investment fund or company.

The Management Company, when managing the Portfolio, shall have due regard to the status of ProLogis as a real estate investment trust and shall have no obligation to adopt or implement any management decision which shall adversely affect the United States Federal income tax treatment of ProLogis’ direct or indirect investment in PEPR.

The fees paid by PEPR to the Management Company or its designee are described in Article 13.

The Management Company is responsible for implementing the Investment Objective and Policy of PEPR subject to the restrictions set out in Articles 6 and 7. The Management Company shall manage the Portfolio prudently with the same degree of care as would be expected of an absolute owner having particular regard to the quality and financial standing of the customers and the length of the lease terms.

The Management Company may appoint, without prejudice to its ultimate responsibility for these functions and subject to any limitations under the laws of Luxembourg, the Investment Managers, the duties of which are described in Article 5. The Managers shall discharge the duties of the Management Company. The Management

Company shall be liable for the acts or omissions of the Investment Managers, the Managers and any other agents it shall appoint to perform the Management Company's functions under these Management Regulations as if such acts or omissions were those of the Management Company itself.

The Management Company may appoint such other agents, including transfer agents, listing agents and paying agents, to perform such services in connection with its obligations under these Management Regulations as the Management Company deems necessary or convenient for the performance of its duties hereunder, subject to any limitations under the laws of Luxembourg or contained herein, on such terms and conditions as are reasonable under the circumstances.

The Management Company shall perform all administrative agency duties for PEPR under Luxembourg law, and in particular, the calculation of the NAV of PEPR in accordance with Article 9. The Management Company shall act as domiciliary and service agent and as registrar and transfer agent for the wholly-owned subsidiaries of PEPR organised in Luxembourg (the "**Domiciliary and Service Agent**") and in such capacity will be responsible for all domiciliary and service agency duties and all registrar and transfer agency duties required by Luxembourg law.

The Management Company may only be terminated as prescribed in Article 17. The Management Company shall not terminate PEPR except with the approval of the PEPR Board, as set forth in Article 4 and the consent of Unitholders, as set forth in Article 20.2.

The Management Company shall comply with its obligations contained in these Management Regulations, the 2002 Law, in particular Article 14 thereof, the IML Circular 91/75 and all other applicable Luxembourg laws and regulations. The Management Company shall manage PEPR in accordance with the principle of equal treatment of Unitholders.

The accounts of the Management Company shall be prepared in Euro.

Article 3. The Custodian and Other Agents

RBC Dexia Investor Services Bank S.A. has been appointed on 21 April 2006 as Custodian of the assets of PEPR and its wholly-owned subsidiaries. The Custodian has its principal office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand-Duchy of Luxembourg, and may perform any banking activities in Luxembourg. The Custodian shall carry out the usual duties regarding custody, cash and securities deposits. In particular, upon proper instructions of the Management Company, the Custodian will execute all financial transactions and provide such banking facilities for PEPR and its wholly-owned subsidiaries as the Management Company may require.

The Custodian will further, in accordance with the 2002 Law:

- a) ensure that the sale, issue, redemption and cancellation of Units effected on behalf of PEPR are carried out in accordance with the 2002 Law and these Management Regulations;
- b) carry out the instructions of the Management Company, unless they conflict with the 2002 Law, any other applicable law or these Management Regulations;
- c) ensure that, in transactions involving the assets of PEPR and its wholly-owned subsidiaries, any consideration is remitted to it within the usual time limits in respect of the specified assets; and
- d) ensure that the income and assets attributable to PEPR and its wholly-owned subsidiaries are applied in accordance with these Management Regulations.

The Custodian may entrust the safekeeping of all or part of the assets of PEPR and its wholly-owned subsidiaries, in particular, securities traded abroad or listed on a foreign stock exchange or admitted to recognised clearing systems such as Clearstream International, to such clearing systems or to any bank or trust company or recognised clearing agency (a "**Correspondent**"); provided, however, that cash of wholly-owned subsidiaries may be held with the prior approval of the Custodian by such banks as may be indicated by the Management Company; and provided further that the Management Company shall ensure that such banks forward any information to the Custodian necessary to enable it to properly execute its custodial functions. The Custodian's liability in relation to its duties shall not be affected by the fact that it has entrusted the safekeeping of all or part of the assets in its care to a third party.

The rights and duties of the Custodian are governed by an agreement entered into on 21 April 2006 for an unlimited period of time, which may be terminated at any time by the Management Company or the Custodian upon 90 days' prior written notice; provided, however, that such termination by the Management Company is subject to the requirement that within two months a new custodian assumes the responsibilities and functions of the Custodian under

these Management Regulations; and provided, further, that the appointment of the Custodian shall, if terminated by the Management Company, continue thereafter for such period as may be necessary to allow for the complete transfer of all assets of PEPR and its wholly-owned subsidiaries held by the Custodian to the new custodian. In case of termination by the Custodian, the Management Company shall appoint a new custodian who shall assume the responsibilities and functions of the Custodian under these Management Regulations, provided that the Custodian's termination shall not become effective until (i) a new custodian is appointed by the Management Company and (ii) all assets of PEPR and its wholly-owned subsidiaries held by the Custodian have been transferred to the new custodian.

All cash other than cash deposited with such banks as may be indicated by the Management Company to the Custodian and other securities constituting the assets of PEPR and its wholly-owned subsidiaries shall be held by the Custodian on behalf of the Unitholders on the terms of these Management Regulations. The Custodian may, under its own responsibility and with the approval of the Management Company, entrust any Correspondent with the custody of such cash and securities as are not listed on the Luxembourg Stock Exchange or currently traded in Luxembourg. Registrable assets (excluding real estate property) of PEPR and its wholly-owned subsidiaries will be registered in the name of PEPR, in the name of the Custodian or the Correspondent or the nominee of either or in the name of a recognised clearing agency. The Custodian and Correspondent will have the normal duties of a bank with respect to the deposits of cash and securities of PEPR and its wholly-owned subsidiaries. The Custodian and the Correspondent and such other banks as may be indicated by the Management Company with the prior approval of the Custodian may dispose of the assets of PEPR and its wholly-owned subsidiaries and make payments to third parties on behalf of PEPR and its wholly-owned subsidiaries only upon receipt of proper instructions from or as previously properly instructed by the Management Company or any agent appointed by the Management Company.

Upon receipt of proper instructions from or as previously properly instructed by the Management Company, the Custodian and the Correspondent and such other banks as indicated by the Management Company with the prior approval of the Custodian will perform all acts of disposal with respect to the assets of PEPR and its wholly-owned subsidiaries.

Subject to Luxembourg law, the Custodian is authorised and has the obligation in its own name to:

- a) protect the assets of PEPR and its wholly-owned subsidiaries against any claims of third parties;
- b) assert the rights of the Unitholders against the Management Company or against a former custodian; and
- c) take action against enforcement measures of third parties if PEPR or its wholly-owned subsidiaries are not liable to such parties.

Subject to Luxembourg law, the Management Company, acting in its own name and on behalf of PEPR, is authorised and has the obligation to bring claims of the Unitholders against the Custodian.

Nothing in this Article 3 shall preclude the direct assertion of claims from Unitholders against the Custodian or the Management Company, respectively, to the extent that such action is permitted by Luxembourg law.

The Custodian shall be entitled, out of the net assets of PEPR and its wholly-owned subsidiaries, to such fees as shall be determined from time to time by agreement between the Management Company and the Custodian, provided that fees for services performed in Luxembourg are comparable with those charged by other banks in Luxembourg for the provision of similar services. In addition to the above fees, the Custodian shall be reimbursed by PEPR and its wholly-owned subsidiaries for all reasonable out of pocket expenses. Any Correspondent (other than affiliates of the Custodian) and such other banks as indicated by the Management Company with the prior approval of the Custodian shall be entitled to such fees out of the net assets of PEPR and its wholly-owned subsidiaries as shall be determined from time to time with the agreement of the Management Company, provided that fees for the provision of services of Correspondents are comparable with those charged by other banks or trust companies in the jurisdictions in which such Correspondent or other banks operate.

Article 4. The PEPR Board

There shall be a PEPR Board, comprised of four Independent Board Members and two ProLogis Board Members. The appointment and term of the Independent Board Members shall be as prescribed below in this Article 4. The ProLogis Board Members shall be appointed by the Management Company and their appointment and term shall be as prescribed below in this Article 4. The prior approval of the PEPR Board shall be required in respect of all of the items in a) to q) below.

In respect of resolutions proposing the following items, only the Management Company, either on its own initiative or upon its due consideration of a suggestion of any two Independent Board Members, may table resolutions before the PEPR Board:

- a) any acquisition or disposal of assets or any portfolio of assets of PEPR in an aggregate amount in any rolling six-month period of more than five per cent. (5%) of the gross asset value of PEPR as calculated on the most recent Valuation Day prior to the date such asset or portfolio of assets is acquired or sold, and any disposal or redemption of interests in any ProLogis Private Equity Fund or ProLogis Joint Venture;
- b) any amendments to these Management Regulations in the circumstances where the prior approval of the PEPR Board is required under Article 16;
- c) the annual approval of (i) the appointment and the terms and conditions of the appointment of the Independent Appraiser and (ii) the appointment of the external auditors of PEPR, in both cases for terms of one year. Neither appointment shall be terminated by the Management Company without the prior approval of the PEPR Board;
- d) any issue of Units in PEPR in accordance with Article 8 and the terms of any such issuance (including the currency of denomination of the Units, the appointment of any placement agents or distributors designated in respect of such issuance and the approval of their fees, which must be on an arm's length basis) and any increase in the level of leverage of PEPR (within the limits laid down by Article 7);
- e) any major debt financings or refinancing (defined as debt facilities or financings or refinancings which, if fully drawn, would amount to in excess of twenty per cent. (20%) of the total gross asset value of PEPR as at the most recent Valuation Day);
- f) any amendments to the definition of Distributable Cash Flow in respect of the size from time to time of the contingency reserve, or the policy regarding the amortisation of debt;
- g) the approval of the annual accounts, the incentive fee calculation for the relevant year, the annual operating and capital expenditure budget and funding policy of PEPR. If such budget and policy are not approved in whole or in part by the PEPR Board, the Management Company shall manage PEPR on the basis of an annual operating and capital expenditure budget and funding policy corresponding to the most recently approved budget and policy with respect to any items of the proposed budget and funding policy that were not approved, provided that the Management Company may vary the relevant items by a percentage amount of up to five per cent. (5%);
- h) any transactions between PEPR and any ProLogis Related Party, including without limitation a sale of assets by PEPR to ProLogis or to a ProLogis Related Party, but excluding the entry into and (save as prescribed below) performance of these Management Regulations, the Investment Management Agreement, the Private Equity Fund Investment Agreement and the Property Contribution Agreement. With regard to related party transactions, the Management Company will provide the PEPR Board, for approval, on an annual basis, with a schedule detailing both ProLogis rates and prevailing market rates for leasing commissions and construction management fees;
- i) any decision to waive any material right which would otherwise exist for the benefit of PEPR, or any decision not to enforce any material right of PEPR under the terms of the Investment Management Agreement, including any decision to waive the obligation of an Investment Manager to assume the obligations under the terminated lease of the vacated space in case of a Tenant Transfer;
- j) any changes to the method of calculating NAV as prescribed by these Management Regulations;
- k) the approval of legal fees and tax compliance fees payable to ProLogis Related Parties, and the approval in accordance with the first paragraph of Article 5 of any fees (other than those referred to in the Investment Management Agreement as at the date of these Management Regulations) which may be paid to the Investment Managers out of the net assets of PEPR and not deducted from the Management Company's base management fee;
- l) any decision to terminate the Investment Management Agreement, other than for cause;
- m) any decision to extend the term of the Investment Management Agreement; and
- n) any decision to table before the general meeting of Unitholders a resolution to wind-up PEPR, as provided in Article 20.2.

In respect of the following three items only, any two members of the PEPR Board or the Management Company may table a resolution:

- o) any decision (i) to exercise the right of PEPR under the Private Equity Fund Investment Agreement to subscribe for up to thirty per cent. (30%) of the equity securities and securities convertible into equity securities issued by any ProLogis Private Equity Fund or to exercise the right to participate in a ProLogis Joint Venture or (ii) to exercise the right of PEPR under the Property Contribution Agreement to (a) approve

the substitution of a property to be contributed thereunder with another property; (b) decide not to accept a property on account of material disclosures made with respect thereto; (c) serve a notice reducing the maximum Euro amount to be allocated to the purchase of properties where, in the reasonable opinion of the Management Company, the occurrence of certain events has made it impracticable or inadvisable for PEPR to proceed with the acquisition of properties under the Property Contribution Agreement or subsequently serve a notice increasing such Euro amount to its original level where, in the reasonable opinion of the Management Company, it is no longer impracticable or inadvisable for PEPR to proceed with the acquisition of properties under the Property Contribution Agreement and following service of such a notice, to approve the list of properties by which PLD proposes to satisfy the increased Euro amount by contribution in accordance with the Property Contribution Agreement; or (d) to agree to an extension of the date after which, in certain circumstances, PLD must propose further properties for contribution to PEPR and approve the contribution of such further properties;

- p) any decision to terminate the Investment Management Agreement for cause; and
- q) any decision to table before a meeting of Ordinary Unitholders a resolution to remove the Management Company without cause, as provided in Article 17.

The PEPR Board shall consider in good faith and reasonable commercial judgement the proposals of the Management Company in respect of all of the above matters and any other decision or determination it is required to make acting in compliance with these Management Regulations, the Prospectus, Luxembourg laws and regulations and in the interest of the Unitholders. The affirmative vote of four members of the PEPR Board is required for the approval of any of the above matters in this Article 4 or any other decision or determination by the PEPR Board pursuant to these Management Regulations, except for (i) decisions related to the approval of the incentive fee calculation for the relevant year under item g) above, which shall require the approval of a simple majority of the Independent Board Members, (ii) decisions related to the waiver of the obligation of an Investment Manager to assume the obligations under the terminated lease of the vacated space in case of a Tenant Transfer as referred to in item i) above, which shall require the approval of a simple majority of the Independent Board Members, (iii) decisions related to item q) above which shall require the approval of a simple majority of Independent Board Members to terminate the Management Company and as a consequence table a resolution before a meeting of Ordinary Unitholders to remove the Management Company in accordance with Article 17, (iv) decisions related to the creation of advisory committees which require the unanimous consent of all Board Members and (v) decisions related to the appointment of members of the nomination committee, which must be made as described below.

The PEPR Board shall meet at least annually in Luxembourg. The PEPR Board shall meet at least quarterly, unless the PEPR Board shall agree otherwise, to review PEPR's performance and may meet more frequently. The PEPR Board may meet upon call by the Management Company or any two Board Members at the place indicated in the notice of meeting. The PEPR Board may meet by telephone conference. Written notice of any meeting of the PEPR Board shall be given to all Board Members at least 10 Business Days prior to the date set for such meeting, except in circumstance of emergency, in which case the nature of such circumstances shall be set forth in the notice of the meeting. This notice requirement may be waived by consent in writing, facsimile, e-mail or any other similar means of communication from all Board Members. Separate notices shall not be required for meetings held at times and places fixed in a resolution adopted by the Board Members. A written resolution in substitution for a meeting that is signed by all the Board Members shall be effective as a decision of the PEPR Board. The Management Company shall forward to the PEPR Board all relevant information within a period of time which is reasonably sufficient in the view of the Management Company to permit the PEPR Board to make an informed decision on the relevant matter prescribed above. In addition, the Management Company shall respond so far as practicable to a reasonable request for information made by a Board Member to assist that Board Member to discharge its functions under this Article 4.

The PEPR Board shall be entitled to designate advisory committees composed of one or more of the Board Members in order to assist the PEPR Board and to make recommendations to the PEPR Board in relation to decisions to be taken concerning the items referred to in a) to q) above. Such committees shall not have any authority to make decisions in lieu of the PEPR Board.

The minutes of a meeting of the PEPR Board shall be approved at the next following meeting of the PEPR Board. Apart from the functions prescribed in this Article 4, the PEPR Board is available for consultation by the Management Company and may make suggestions and requests to the Management Company. However, other than decisions relating to any of the above matters, the Management Company is neither bound by such suggestions or requests nor obligated to take direction from the PEPR Board.

Except for the initial term prescribed below in this Article 4, the term of office of each Independent Board Member shall be for a term of three years and until the ratification or appointment of his successor.

The Independent Board Members shall be designated Class I, Class II and Class III. The initial Class I Independent Board Members shall be appointed for a term of one year and until ratification or appointment of their successors, the initial Class II Independent Board Members for a term of two years and the initial Class III Independent Board Members for a term of three years. The initial Class I, Class II and Class III Independent Board Members shall be approved by the Management Company.

At the annual general meeting of the Unitholders of PEPR at which the term of the Class I, II or III Independent Board Members is to expire, successors to the class of Independent Board Member whose term is to expire shall be elected for a three-year term. The successor Independent Board Member shall be proposed by a nomination committee composed of two Independent Board Members and one ProLogis Board Member. The ProLogis Board Member serving on the nomination committee shall be appointed by unanimous consent of the ProLogis Board Members. The Independent Board Members serving on the nomination committee shall be appointed by the affirmative vote of at least three Independent Board Members. The members of the nomination committee shall be appointed on an annual basis, for a term expiring on the date of the annual general meeting electing the candidate(s) designated by the nomination committee. The designated candidate(s) shall be elected by a simple majority of the Units voting or represented at that meeting of Unitholders at which there shall be no quorum requirement.

The Board Members who are ProLogis Board Members shall serve at the discretion of the Management Company for such time as determined by the Management Company. The Management Company shall have the right by notice to all Board Members to designate any ProLogis Board Member, or successor thereof and to remove such ProLogis Board Member and substitute another ProLogis Board Member at any time.

An Independent Board Member shall hold office until the annual general meeting of Unitholders for the year in which his term expires and until his successor shall be elected subject, however, to prior death, resignation or removal from office.

A Board Member may resign at any time by giving written notice thereof to the Management Company. The acceptance of a resignation shall not be necessary to make it effective. An Independent Board Member may be removed with or without cause by a vote of sixty-seven per cent. (67%) of the aggregate Units present or represented at a general meeting of Unitholders.

Any vacancy on the PEPR Board caused by the resignation (whether automatic or otherwise), removal or death of any Board Member shall be filled (in the case of an Independent Board Member) by an appointee approved by a majority vote of the remaining Independent Board Members upon proposal by the Management Company or (in the case of a ProLogis Board Member) by direction of the Management Company. The successor Independent Board Member shall hold office until the next annual general meeting of Unitholders. At such meeting, the provisions for the election of successor Independent Board Members shall apply, save that the Independent Board Member elected at an annual general meeting to fill a vacancy shall have the same remaining term as that of his predecessor.

Article 5. Investment Managers

Under the Investment Management Agreement, the Investment Managers will, subject to the overall supervision, approval, direction and liability of the Management Company, and subject to compliance with the Investment Objective and Policy, carry out property management functions in relation to the day to day administration and operation of the Portfolio (excluding the ProLogis Private Equity Funds and the ProLogis Joint Ventures) and advise the Management Company on possible additions to, or potential divestments of the Portfolio subject to the proviso that the Investment Management Agreement may contain such terms and conditions and provide for such fees to be paid out of the net assets of PEPR, as the parties thereto shall deem fit. Except to the extent provided in the Investment Management Agreement as at the date of these Management Regulations or as subsequently approved by the PEPR Board, any fees paid to the Investment Managers out of the net assets of PEPR shall be deducted from the Management Company's base management fee and may not in aggregate exceed the base management fee as prescribed in Article 13.

No Investment Manager will be appointed that is organised or carries on business in the United States.

Pursuant to the terms of the Investment Management Agreement, the Investment Management Agreement has a term expiring on 15 September 2016 and is renewable at the sole discretion of the Management Company for subsequent five year periods. Furthermore, pursuant to the terms of the Investment Management Agreement, the Investment Management Agreement shall automatically terminate if the Management Company is no longer the management company of PEPR.

Article 6. Investment Objective and Policy

The Investment Objective and Policy is to generate capital appreciation and a high level of distributable current income for its Unitholders through active management of direct investments in Distribution Facilities and by investing in ProLogis Private Equity Funds and ProLogis Joint Ventures, subject to the approval of such investments by the PEPR Board if such approval is required under Article 4. PEPR may hold its investments in Distribution Facilities either directly or indirectly through companies or entities that are subsidiaries and which may be either wholly or partially owned by PEPR, and through investments in ProLogis Private Equity Funds or ProLogis Joint Ventures and, subject to the following paragraph, in other investment funds and investment companies.

In implementing its Investment Objective and Policy, PEPR may not invest more than fifteen per cent. (15%) of its net asset value in investment funds and investment companies which are neither ProLogis Private Equity Funds nor ProLogis Joint Ventures. Furthermore, PEPR may not hold more than forty-nine per cent. (49%) of the shares or units of such investment funds or investment companies.

Distribution Facilities may be sold during the life of PEPR where such sale is considered to be in the best interest of PEPR and appropriate having regard to the Investment Objective and Policy, and subject to the approval of the PEPR Board in accordance with Article 4, if such approval is required.

On a sale of any Distribution Facility, the Management Company shall have regard to the Gross Property Value appraisal by the Independent Appraiser at the date which is on or after the most recent Valuation Day in agreeing the applicable sales price for such Distribution Facility.

Article 7. Risk Diversification Rules and Borrowing Restrictions

The Management Company shall comply with the diversification requirements set out in this Article 7 in the management of PEPR. Pending investment or reinvestment of sale proceeds of Distribution Facilities or distribution, sales and/or redemption proceeds of ProLogis Private Equity Funds and ProLogis Joint Ventures, the cash assets of PEPR will be invested in liquid Euro or Sterling denominated money market instruments, time deposits or debt securities.

In relation to the investment of the liquid cash assets of PEPR in money market instruments or debt securities, PEPR may not invest more than ten per cent. (10%) of its net assets in money market instruments or debt securities of one single issuer. Furthermore, PEPR may not hold more than ten per cent. (10%) of any single class of money market instrument or debt security of a single issuer nor may it invest more than ten per cent. (10%) of its net assets in money market instruments or debt securities which are neither listed on a stock exchange nor dealt on a Regulated Market. The above restrictions are, however, not applicable to (i) securities issued by companies which are wholly or partly owned and controlled by PEPR, (ii) any ProLogis Private Equity Fund or ProLogis Joint Venture created in the form of a Luxembourg regulated investment fund, and (iii) investments of PEPR which are subject to the twenty per cent. (20%) risk diversification rule referred to in the next paragraph.

In order to achieve a minimum spread of investment risks, PEPR will not invest more than twenty per cent. (20%) of its net asset value, directly or indirectly through companies or entities which are wholly-owned subsidiaries of PEPR in a single real estate property or a company, or other investment vehicle which is partly owned by PEPR and which PEPR does not control.

Subject to the terms and conditions of the Private Equity Fund Investment Agreement, PEPR shall have (i) the right to subscribe up to thirty per cent. (30%) of the equity securities and securities convertible into equity securities issued by any ProLogis Private Equity Fund, and (ii) the right to participate in ProLogis Joint Ventures. Such investment will not be subject to any of the restrictions set forth in the above paragraphs, provided that the relevant ProLogis Private Equity Fund or Prologis Joint Venture has been created in the form of a Luxembourg regulated investment fund.

PEPR shall not be required to pay a subscription fee or placement fee with respect to any investment which it makes in a ProLogis Private Equity Fund or ProLogis Joint Venture.

PEPR will not enter into or invest in options, futures or other derivative transactions for speculative purposes and may only enter into such transactions for hedging purposes to mitigate currency and/or interest rate risks.

Hedging arrangements may be entered into in respect of the currency risk associated with distributions attributable to a Class of Units or Series thereof denominated in a currency other than Euro.

PEPR may incur indebtedness whether secured or unsecured. However, save as prescribed below, PEPR and its consolidated subsidiaries may not incur additional indebtedness (whether secured or unsecured) which would cause the value of total indebtedness of PEPR and its consolidated subsidiaries in the aggregate to exceed sixty per cent. (60%) of the aggregate, as at the most recent Valuation Day prior to the incurrence of such indebtedness, of (i) the Gross Property Value of Distribution Facilities or other properties and property rights beneficially owned directly or indirectly by PEPR and its consolidated subsidiaries and (ii) the value of debt and equity interests of PEPR in real estate companies or in other real estate investment vehicles, which are not consolidated in the accounts of PEPR, including both non consolidated ProLogis Private Equity Funds and non consolidated ProLogis Joint Ventures.

For the purposes of effective cash management, PEPR may exceed such indebtedness limit for temporary or short term purposes for a period not to exceed six (6) months, provided that such total indebtedness shall not exceed sixty-five per cent. (65%) of such aggregate valuation at any time.

Article 8. Issue of Units

The Management Company shall, subject to the consent of the PEPR Board and subject, except as provided below, to the consent of at least fifty per cent. (50%) of all Unitholders, except Preferred Unitholders, present or represented at the relevant general meeting of Unitholders, have the ability to issue Units of the same Class or different Classes or Series within such Classes subject to the terms of these Management Regulations and the Schedule by amending, where appropriate, these Management Regulations provided that such amendments are not inconsistent with the terms of these Management Regulations in respect of the Classes of Units or Series of Units within such Classes as are specifically prescribed below. No quorum requirements have to be complied with in relation to such general meeting. Fractional Units shall have no right to vote but shall have the right to participate pro-rata in distributions of Distributable Cash Flow and allocation of Residual Value in the event of the winding-up of PEPR.

Notwithstanding the preceding paragraph, the Management Company shall, subject to the consent of the PEPR Board, be entitled in each fiscal year to cause PEPR to issue Units of different Classes or Series within such Classes for an aggregate issue price up to ten per cent. (10%) of the total economic value of issued Units at the start of the relevant fiscal year, without the approval of the Unitholders.

Units will be denominated in such currency as the Management Company with the approval of the PEPR Board shall determine.

In accordance with the terms of these Management Regulations the following Classes of Units are in issue:

- Ordinary Units are denominated in Euro and were issued partly paid with an initial issue price per Unit of €10 in minimum investment amounts of 100,000 Units (or such lesser amount as approved by the Management Company) to investors. The balance of the issue price of all Ordinary Units has been called. Ordinary Units shall be issued in one Series only.
- Class A(1) Preferred Units are denominated in Euro and were issued on 24 December 2009 fully paid with an initial issue price per Unit of €5.93 being equal to the NAV per Ordinary Unit as of 30 September 2009, are convertible into Ordinary Units at the conversion rate and at the times specified below and are subject to redemption by the Management Company as specified below. Class A(1) Preferred Units are entitled to a cumulative preferred cash distribution and reimbursement of Invested Capital as set out in Article 15, Article 20 and the Schedule. In respect of the Class A(1) Preferred Units the conversion rate is 1 Ordinary Unit for each Class A Preferred Unit, subject to the adjustment as described below. In accordance with Article 18.2 of these Management Regulations, a change to the Management Regulations which only impacts Class A(1) Preferred Units requires a vote by a simple majority of Class A(1) Preferred Units to approve such change.

If a split or reverse split of Ordinary Units is effected, the conversion rate of Preferred Class A(1) Units into Ordinary Units will be adjusted accordingly. The Management Company will seek confirmation from the external auditor of PEPR on the accuracy of the adjustment of the conversion rate.

Class A(1) Preferred Units are convertible into Ordinary Units at any time at the option of the holder thereof by sending a conversion notice to the Management Company at its registered address. Ordinary Units issued following the conversion of the Class A(1) Preferred Units will be subject to these Management Regulations, will be fully fungible with the other existing Ordinary Units of PEPR and will carry all rights attached to such Ordinary Units as from their delivery date. However, in the event of winding-up of PEPR, the right to convert the Class A(1) Preferred Units will lapse at 17.00hrs Luxembourg time on the Business Day prior to the record date of the first payment of Residual Value. The record date in relation to such payment will be announced by the Management Company at least 14 days in advance. In the event of redemption at the initiative of the Management Company, the right to convert shall lapse on the seventh Business Day prior to the date set for redemption.

Further, Class A(1) Preferred Units will automatically convert into Ordinary Units on the first date after the seventh anniversary of the date of first issue of the Class A(1) Preferred Units on which the arithmetic mean, calculated over the period of 20 consecutive Business Days of the opening trading prices of the Ordinary Units on the Euronext Amsterdam Stock Exchange or, if different, the primary stock exchange on which the Ordinary Units are listed is above 130 per cent of the issue price of the Class A(1) Preferred Units, adjusted as appropriate in order to take into account any split or reverse split of Ordinary Units. Such conversion however only occurs if there are no accrued and unpaid preferred distributions outstanding within the meaning of Article 15.(i) but will occur automatically on the first date on which there are no such accrued and unpaid distributions outstanding.

In the event of an issue at the initiative of the Management Company of additional Ordinary Units or Preferred Units convertible into Ordinary Units, the Management Company will reserve preferential subscription rights to both the Ordinary Units and Class A(1) Preferred Units on a rateable basis based on the then applicable conversion ratio.

The Management Company shall have the ability, subject to the terms of the Management Regulations, to issue Classes of Units entitled to a preferred cash distribution subject to amending these Management Regulations in accordance with the terms hereof in order to define the preferred distributions such Units are entitled to. Preferred Units, if any, will be issued in Series and may be convertible and/or subject to redemption in accordance with the terms prescribed by the Management Company on issue.

Preferred Units, if any, will be entitled to a preferred cash distribution as set out in Article 15, Article 20 and the Schedule.

Where the Management Company so determines at the time of issue, the Preferred Units of the relevant Series shall be convertible, in whole or in part at the option of the Preferred Unitholders into Ordinary Units at the conversion rate specified by the Management Company on issue provided that the issue price of the relevant Series of Preferred Units divided by such conversion rate must at least be equal to the applicable NAV per Ordinary Unit at the date of the issue of the relevant Series of Preferred Units.

PEPR will not be required to pay any accrued but unpaid cash distributions or interest thereon on any Preferred Units for which a conversion notice has been given to PEPR.

Where the Management Company so determines at the time of issue, Preferred Units may be subject to redemption by the Management Company.

Class A(1) Preferred Units are issued for an unlimited period of time but may be redeemed at the initiative of the Management Company following delivery of a redemption notice on Class A(1) Preferred Unitholders as follows:

- a) in whole on the last Business Day in the year 2016 or the last Business Day of every calendar quarter thereafter,
- b) in whole in the event of a change in legal form of PEPR pursuant to Article 20 hereof within the period of 24 months following the date of issue of the Class A(1) Preferred Units,

- c) in whole in the event of an increase of the rate of preferred return to take into account a deduction or withholding of tax imposed upon PEPR in respect of the payment of preferred distributions, (1) arising as a result of a change in or amendment to Luxembourg tax law which change or amendment becomes effective after the date hereof and (2) such obligation cannot be avoided by PEPR taking reasonable measures available to it,
- d) in whole if PEPR ceases to be controlled by ProLogis or a ProLogis Related Party, or
- e) in whole if ProLogis increases its ownership directly or indirectly to more than fifty per cent. of the Ordinary Units of PEPR,

provided that in relation to items d) and e) above, PEPR is also subject to a rating downgrade as such term is defined in Part I and II of the Schedule to these Management Regulations.

The notice of redemption shall be given no less than 30 days and no more than 60 days prior to the date fixed for redemption and shall set forth the date of redemption. Furthermore, the Class A(1) Preferred Units cannot be redeemed if the NAV of the Class A(1) Preferred Units is below their issue price plus accrued and unpaid preferred distributions.

Notwithstanding the foregoing, Class A(1) Preferred Units cannot be redeemed at any time unless (i) in the event of a redemption other than in relation to a change in the legal form of PEPR within 24 months of the date of issue of the Class A(1) Preferred Units, the aggregate redemption price is less than the net proceeds received by PEPR from the issue (in the period commencing 180 days prior to the date of redemption) of further Ordinary Units or other Classes of Units ranking equal or junior to the Class A(1) Preferred Units in the waterfall for distribution of Distributable Cash Flow under Article 15 and the waterfall for allocation of Residual Value under Article 20; and (ii) in the event of a redemption in relation to a change in the legal form of PEPR within 24 months of the date of issue of the Class A(1) Preferred Units, the aggregate redemption price is less than the net proceeds received by PEPR from the issue (completed in the period commencing 180 days prior to the date of redemption) of Ordinary Units. In the event of any redemption, the Preferred Units will, in accordance with Articles 12 and 20, be entitled to the allocation as set forth in the Schedule.

Units shall be issued in registered and definitive form only.

The Management Company is authorised to make an application for listing of each Class of Units (and Series thereof) on the Luxembourg Stock Exchange, the Euronext Amsterdam Stock Exchange and such other major stock exchanges as the Management Company may determine.

Units will be issued in the manner described herein. Any Prospectus in respect of such Units shall set forth all material terms governing such Units including, without limitation, the initial issue price per Unit, minimum investment amount, details of funding and conversion rights (if any).

The Management Company shall at all times consider the adequacy of the financial resources of PEPR. The Management Company shall at each meeting of the PEPR Board advise the PEPR Board of PEPR's available financial resources.

The initial issue price of any new Class of Units (or Series thereof) shall be determined by the Management Company and shall be set forth in the Prospectus in respect of such Class of Units (or Series thereof). Any Series of such Units shall be issued on the same date and at the same issue price.

The minimum number or value of Units that may be subscribed for by an investor shall be determined by the Management Company and set forth in the Prospectus in respect of such Units.

Where new Units are issued in accordance with the provisions of these Management Regulations, the existing holders of the same Class or Series thereof shall be reserved the right to subscribe for new Units or Series of such Class or similar Classes on a preferential and rateable basis in accordance with the provisions contained in the Law of 10 August 1915 on Commercial Companies governing preferential subscription rights for shares issued by public limited companies and such law shall be deemed to apply to PEPR. At the time of resolving to issue new Units, the general meeting of Unitholders or the Management Company, where applicable, can decide to waive the right of existing holders of the same or similar Classes to subscribe to the new Units on a preferential and rateable basis. The Management Company may also waive such preferential subscription rights when the new Units are being issued pursuant to the Management Company's power to cause PEPR to issue new Units in each fiscal year for an aggregate issue price of up to

ten per cent. (10%) of the total economic value of issued Units at the start of the relevant fiscal year without the approval of Unitholders, as described in the second paragraph of this Article.

Where Ordinary Units are issued in accordance with these Management Regulations, ProLogis and ProLogis Related Parties shall, notwithstanding that preferential subscription rights have generally been waived with respect to such issuance pursuant to the preceding paragraph, have a preferential subscription right to subscribe for Ordinary Units such as to ensure a ProLogis ownership of Ordinary Units at or above twelve point five per cent. (12.5%) of the Ordinary Units in issue until 30 June 2008, and no less than ten per cent. (10%) thereafter.

Where PEPR offers Units of the same Class (or of an additional Series thereof) for subscription after the date of first issue of Units of such Class (or Series thereof), the price per Unit at which such Units are offered shall be the NAV per Unit of the first Series of Units of the relevant Class as determined in compliance with Article 9 hereof as of such Valuation Day as is determined in accordance with such policy as the Management Company may from time to time determine.

The price at which Units may be issued may be increased by (i) a market premium (*commission*) based on the difference, if positive, between the economic value of each Unit of the same or similar Class, as determined by the Management Company taking into account relevant market and financial factors, minus the NAV per Unit of such same or similar Class, charged for the benefit of PEPR, and (ii) a placement fee of up to five per cent. (5%) charged to investors for the benefit of PEPR or placement agents, as determined by the Management Company, provided that if this placement fee is charged for the benefit of PEPR, then investors investing at the same time shall be treated on an equal basis. The contributions in cash corresponding to the issue price so determined shall be made within a period as determined by the Management Company. Subject to the provisions of these Management Regulations, the Management Company shall make such arrangements as it deems appropriate for the sale of Units, including the requirement of purchasers of Units to enter into subscription agreements containing terms not inconsistent with the provisions of these Management Regulations.

The Management Company may, at its discretion, discontinue temporarily, cease permanently or limit the issue of Units at any time to persons or corporate bodies resident or established in certain particular countries and territories. The Management Company may exclude certain persons or corporate bodies from the acquisition of Units, if such measure is necessary for the protection of the Unitholders as a whole or PEPR. The Management Company may reject in its absolute discretion any application for Units.

The Management Company may enter into distribution agreements with any persons to act as duly authorised distributors of Units. Such distribution agreements may contain such terms and conditions and provide for fees (subject to PEPR Board approval under Article 4) on an arms' length basis as the parties thereto shall negotiate, including the provision of authority to such duly authorised distributors to charge purchasers of Units sales commissions and retain such commissions, but, without prejudice to the Management Company's ability to decide that sales commission to distributors are payable from the net assets of PEPR. Any such person may, with the consent of the Management Company, enter into sub-distributor agreements with other persons, compensation for which shall be paid from the fee of such person.

Article 9. Calculation of NAV per Unit

The NAV per Unit of each Class (or any Series thereof) shall be expressed in the relevant currency of denomination of such Units and shall be determined as at any Valuation Day by dividing (i) the net assets of PEPR attributable to each Class of Units (or any Series thereof), being the value of the portion of assets less the portion of liabilities attributable to such Class (or Series thereof), on any such Valuation Day, by (ii) the number of Units in the relevant Class (or Series) then outstanding, in accordance with the valuation rules set forth below, provided that the assets attributable to each Class of Units (or Series) shall be determined in accordance with the rules applicable to the distribution of Residual Value upon a winding-up of PEPR set forth in Article 20 and the Schedule.

The NAV per Unit may be rounded up or down to the nearest unit of currency of denomination of such Unit as the Management Company shall determine. If since the time of determination of the NAV of a Class of Units (or Series thereof) there has been a material change in relation to (i) a substantial part of the properties or property rights of PEPR or (ii) the quotations in the markets on which a substantial portion of the investments of PEPR are dealt in or quoted, PEPR may, in order to safeguard the interests of the Unitholders and PEPR, cancel the first valuation and carry out a second valuation.

The accounts of the real estate companies or other real estate investment vehicles in which PEPR has a majority interest will be consolidated with the accounts of PEPR in accordance with IFRS and accordingly the underlying assets and liabilities are valued in accordance with the valuation rules described below. The minority interests in quoted real estate companies and unquoted real estate companies or other real estate investment vehicles are valued respectively on the basis of the last available quotation and the probable net realisation value estimated by the Management Company with prudence and good faith.

The assets and liabilities of PEPR for these purposes shall be determined in the following manner:

For the purpose of the valuation of real estate, the Management Company for and on behalf of PEPR shall appoint an independent real estate appraisal professional who is licensed where appropriate and operates, or has subcontracted, with the approval of the Management Company, its duties to any entity who operates, in the jurisdiction where any relevant property is located and whose appointment is approved by the PEPR Board in accordance with Article 4 on an annual basis; in circumstances where this professional is conflicted, the Management Company may appoint one (or several) additional independent real estate appraisal professional(s), meeting the same criteria, for the valuation of the real estate (the “**Independent Appraiser**”). The Independent Appraisers currently appointed are Jones Lang LaSalle Limited, DTZ Zadelhoff and CB Richard Ellis Limited. The Independent Appraiser shall not be affiliated with ProLogis. With respect to each property, such valuation may be carried out once a year and used during the next following twelve months for the purposes of calculating the NAV unless, in the opinion of the Management Company, there is a change in the general economic situation or in the condition of the relevant properties or property rights held by PEPR or by any of the companies in which PEPR has a shareholding which requires new valuations to be carried out under the same conditions as the annual valuations.

The value of the assets and liabilities of PEPR, including, for the avoidance of doubt, investments made by PEPR in any ProLogis Private Equity Funds and ProLogis Joint Ventures, shall be determined in accordance with IFRS, and in relation to Distribution Facilities (directly or indirectly through subsidiaries other than ProLogis Private Equity Funds and ProLogis Joint Ventures) owned by PEPR, such valuation will be effected by the Independent Appraiser.

For the purpose of this Article 9:

1. Units of PEPR to be redeemed (if any) shall be treated as existing and taken into account until the date fixed for redemption, and from such time and until paid by PEPR the price therefor shall be deemed to be a liability of PEPR;
2. Units to be issued by PEPR shall be treated as being in issue as from the date of issue and from such time and until received by PEPR the price therefor shall be deemed to be a debt due to PEPR;
3. all investments, cash balances and other assets expressed in currencies other than the currency of denomination of the relevant Units shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the NAV; and
4. where on any Valuation Day, PEPR has contracted to:
 - purchase any asset, the value of the consideration to be paid for such asset shall be shown as a liability of PEPR and the value of the asset to be acquired shall be shown as an asset of PEPR;
 - sell any asset, the value of the consideration to be received for such asset shall be shown as an asset of PEPR and the asset to be delivered by PEPR shall not be included in the assets of PEPR;

provided, however, that if the exact value or nature of such consideration or such asset is not known on such Valuation Day, then its value shall be estimated by PEPR.

For the avoidance of doubt, the provisions of this Article 9 are rules for determining NAV per Unit and are not intended to affect the treatment for accounting or legal purposes of the assets and liabilities of PEPR or any Units issued by the Management Company.

Article 10. Unit Certificates

The Management Company or the agent appointed in relation thereto will maintain a register of Unitholders and will issue, in representation of Units, certificates in registered and definitive form. A Unit certificate will be issued for any whole and/or fractional number of Units. Each certificate shall be signed for and on behalf of the Management Company (by one or several Managers and by the Custodian), which may be by facsimile.

Lost, stolen or destroyed Unit certificates may be replaced in accordance with Luxembourg law.

Article 11. Transfer of Units and Restrictions

Units of any Class may be owned or transferred by Unitholders subject to the restrictions indicated hereafter and as specified elsewhere in these Management Regulations.

1. Restrictions on Ownership of Units

Section 1. Definitions.

For the purposes of this Article 11, the following terms shall have the following meanings:

“Beneficial Ownership” shall mean beneficial ownership as defined under Rule 13d-3 of the U.S. Securities Exchange Act of 1934, as amended, and, with respect to such meaning, Beneficial Ownership by any Person shall include Beneficial Ownership by other Persons who are part of the same group as the original Person for the purposes of Rule 13d-3. The terms **“Beneficial Owner”**, **“Beneficially Owns”** and **“Beneficially Own”** shall have the correlative meanings.

“ERISA” shall mean the U.S. Employee Retirement Income Security Act of 1974, as amended.

“ERISA Investor” shall mean any “employee benefit plan” within the meaning of Section 3(3) of ERISA that is subject to Title I of ERISA, (b) any “plan” (as defined in Section 4975(e)(1) of the IRC (as defined in Article 22), including without limitation, an individual retirement account), that is subject to Section 4975 of the IRC (as defined in Article 22), (c) an entity whose underlying assets include assets of a plan described in (a) or (b) by reason of a plan’s or plans’ investment in such entity or (d) an entity that otherwise constitutes a Benefit Plan Investor (as defined in the Plan Asset Regulation promulgated by the U.S. Department of Labor) that is subject to Title I of ERISA or Section 4975 of the U.S. Internal Revenue Code, including but not limited to, an insurance company general account, an insurance company separate account, a collective investment fund or a governmental plan (whether foreign or domestic) or a plan maintained by a foreign corporation, as applicable.

“Excess Units” shall mean Ordinary Units in excess of the Ownership Limit whether resulting from subscription of Ordinary Units, transfer or otherwise.

“Excess Units Fiduciary” shall mean a person unaffiliated with PEPR identified by the Management Company as a fiduciary for the purposes herein.

“Excluded Holder” shall mean ProLogis and a ProLogis Related Party, or any other Person, as identified by the Management Company.

“Ownership Limit” shall mean nine point nine per cent. (9.9%) in number of PEPR’s outstanding Ordinary Units held by a single Person or fifty per cent. (50%) in number of PEPR’s outstanding Ordinary Units held in aggregate by five or fewer Persons. The number of the outstanding Ordinary Units shall be determined by the Management Company in good faith, which determination shall be conclusive for all purposes hereof.

“Person” shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated association or government or any agency or political sub-division thereof.

“Prohibited Unitholder” shall mean any of (i) a Non-Exempt Unitholder, (ii) an ERISA Investor or (iii) a U.S. person purchasing Units from another Unitholder.

“Purported Beneficial Transferee” shall mean, with respect to any purported Transfer which results in Excess Units, the beneficial holder of the Ordinary Units, if such Transfer had been valid under Section 2 of this Article 11.

“Transfer” shall mean any sale, transfer, gift, assignment, devise or other disposition of Ordinary Units. The terms **“Transfers”** and **“Transferred”** shall have the correlative meanings.

Section 2. Ownership Limitation.

- A. A single Person who is a Beneficial Owner (other than an Excluded Holder) and owns Ordinary Units in excess of the Ownership Limit applicable to a single Person shall be prohibited from exercising voting rights in respect of Excess Units, and accordingly any purported votes of such Excess Units (save by the Excess Units Fiduciary) shall be disregarded and shall have no effect.
- B. Any five or fewer Persons who are Beneficial Owners (other than an Excluded Holder) and who collectively own Ordinary Units in excess of the Ownership Limit shall be prohibited from exercising voting rights in respect of Excess Units, and accordingly any purported votes of such Excess Units (save by the Excess Units Fiduciary) shall be disregarded and shall have no effect.
- C. The transfer of Ordinary Units that shall result in a breach of the provisions in (A) and (B) above shall result in such Ordinary Units becoming Excess Units and such Ordinary Units shall be transferred to an Excess Units

Fiduciary and accordingly the voting rights in respect of the Excess Units shall be transferred to such Excess Units Fiduciary so that the Ordinary Units will cease to be Excess Units. Where a Person holds Ordinary Units in breach of the Ownership Limit, the Management Company may compulsorily transfer such Excess Units to the Excess Units Fiduciary.

- D. Nothing contained in this Article 11 shall preclude the settlement of any transaction entered into through the facilities of any securities exchange. However, any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article 11.

Section 3. Excess Units.

In determining which Ordinary Units are Excess Units, Ordinary Units in excess of the applicable Ownership Limit which are Beneficially Owned by any Person whose Transfer caused the relevant Ownership Limit to be exceeded shall become Excess Units. Where several such Persons exist, the creation of Excess Units shall be pro rata.

Where the Ownership Limit applies to five or fewer persons, the creation of Excess Units shall also be pro rata.

Section 4. Notice to PEPR.

Any Person who acquires or attempts to acquire Ordinary Units in violation of Section 2 herein, or any Person who is a transferee such that Excess Units result under Section 2 herein, shall immediately give written notice to PEPR. Persons required to give notice under this Section 4 shall provide PEPR with such other information as PEPR may reasonably request in order to allow PEPR to apply the ownership, voting and transfer restrictions of this Article 11.

Section 5. Information Reporting.

Every Person owning Ordinary Units shall provide to PEPR information as PEPR may reasonably request in order to allow PEPR to apply the ownership, voting and transfer restrictions of this Article 11.

Section 6. Ambiguities.

In the case of an ambiguity in the application of any of the provisions of this Article 11, including any definition contained in Section 1, the Management Company shall have the power to determine the application of the provisions of this Article 11 with respect to any situation based on the facts known to it.

Section 7. Increase or Decrease in Ownership Limit.

Subject to the limitations provided in Section 8 of this Article 11, the Management Company may from time to time increase the percentage of the Ownership Limit. For the avoidance of doubt, the Management Company may also, with the approval of the general meeting of Unitholders decrease the percentage of the Ownership Limit. Any such decrease may only be made prospectively as to subsequent Unitholders.

Section 8. Waivers by the Management Company.

Notwithstanding Section 2 herein, the Management Company may exempt a person from the Ownership Limit if the Management Company obtains such representations and undertakings from such person as the Management Company may deem appropriate. In particular, the Management Company has exempted from the Ownership Limit Unitholders which hold more than nine point nine per cent. (9.9%) in number of PEPR's outstanding Ordinary Units immediately prior to the date of the IPO, provided that any such Unitholders shall be subject to an ownership limit of twenty per cent. (20%) in number of PEPR's outstanding Ordinary Units, and if such Unitholders acquire Ordinary Units in excess of such ownership limit, such Units shall be treated as Excess Units in accordance with this Article. For the avoidance of doubt, the above twenty per cent. (20%) ownership limit shall be without prejudice to the status of ProLogis and any ProLogis Related Party as Excluded Holders not subject to any ownership limit.

Section 9. Severability.

If any provision of this Article 11 or any application of any such provision is determined to be void, invalid or unenforceable by any court having jurisdiction over the issue, the validity and enforceability of the remaining provisions shall be affected only to the extent necessary to comply with the determination of such court.

Section 10. Rights in Respect of Excess Units.

The Excess Units Fiduciary shall hold the Excess Units transferred to it pursuant to this Article 11 for the exclusive benefit of the Purported Beneficial Transferee in accordance with the terms of this Section 10:

- a) the Excess Units Fiduciary shall be entitled to vote or decline to vote the Excess Units without reference to the Purported Beneficial Transferee and the Purported Beneficial Transferee shall not have the right to direct the Excess Units Fiduciary as to how such Ordinary Units shall be voted;
- b) the Excess Units Fiduciary shall hold all distributions and the proceeds of the redemption of Excess Units for the benefit of the Purported Beneficial Transferee and shall account to it for all such payments; and
- c) the Excess Units Fiduciary shall transfer Ordinary Units to the order of the Purported Beneficial Transferee. The proceeds of any sale on such transfer shall be remitted to the Purported Beneficial Transferee by the Excess Units Fiduciary.

2. Restrictions on ProLogis' Transfer of Units

Subject as provided below, ProLogis agrees that it shall directly or indirectly through one or more entities, each of which shall be a ProLogis Related Party, maintain an aggregate ownership at or above twelve point five per cent. (12.5%) of the Ordinary Units in issue until 30 June 2008, and no less than ten per cent. (10%) thereafter.

For the purposes of determining whether ProLogis has satisfied the ownership requirement above, holdings of Ordinary Units which are held indirectly by ProLogis shall be calculated on the basis of the maximum economic interest in such holding of Ordinary Units as can be attributed back to ProLogis on the basis of the economic interest owned directly or indirectly by ProLogis, in and through each such ProLogis Related Party.

Although ProLogis as a Unitholder and any Unitholder who is a ProLogis Related Party may sell, transfer or otherwise dispose of their Ordinary Units to any ProLogis Related Party, no other sale, transfer or disposal of Ordinary Units by ProLogis or any ProLogis Related Party shall be permitted that would otherwise cause a breach of this Part 2 of Article 11. The Management Company shall provide quarterly reports to Unitholders describing transfers in such quarter of Ordinary Units by ProLogis or by any ProLogis Related Party to any person (other than to ProLogis or to any ProLogis Related Party) and in such report the Management Company shall confirm that ProLogis has complied with the ownership requirement above.

Where ProLogis and any ProLogis Related Party shall fail to comply with the ownership requirement of this Part 2 of Article 11 by reason of a sale, transfer or disposal of Ordinary Units by ProLogis or any ProLogis Related Party then:

- a) the base management fee which would otherwise be payable to the Management Company pursuant to Article 13 shall not accrue or be payable in respect of the period during which the breach of the ownership obligations under this Part 2 of Article 11 occurred and in any period it shall continue; and
- b) the Ordinary Unitholders shall be entitled to terminate the Management Company pursuant to Article 17 at any time during which the breach of such ownership obligations shall continue.

Where the breach of such ownership obligations shall occur by reason of any event other than a sale, transfer or disposal by ProLogis or any ProLogis Related Party, then the Ordinary Unitholders shall be entitled to terminate the Management Company in accordance with paragraph (b) of this Part 2 of Article 11 but no other remedy or claim for loss shall apply in respect of such breach.

3. General Transfer Restrictions

PEPR will not recognise any attempted resale or other transfer of Units unless made in accordance with the transfer restrictions imposed in any subscription for Units, including, for the avoidance of doubt, transfer restrictions under ERISA, the U.S. Securities Act of 1933, as amended, and the U.S. Investment Company Act of 1940, as amended.

4. Prohibited Unitholders

PEPR shall be entitled not to register the transfer of Units if it reasonably determines that an entity which owns or owned such Units, directly or indirectly, is (i) a Non-Exempt Unitholder and PEPR or any Relevant Entity (as defined in Article 15) may be liable to pay any French 3% Tax as a result of such ownership and there are no reasonably satisfactory

alternative arrangements for the payment of such French 3% Tax by the relevant Non-Exempt Unitholder, (ii) an ERISA Investor, or (iii) a U.S. Person purchasing Units from another Unitholder.

The Management Company shall adopt such measures as are reasonably practicable in order to avoid the acquisition of Units by Prohibited Unitholders. Furthermore, the Management Company shall adopt such steps as are available to it under the Management Regulations and as are reasonably practicable (having regard to the nature of PEPR post-IPO as a publicly traded vehicle) to (i) monitor whether Units are owned, directly or indirectly, by Prohibited Unitholders, and (ii) prevent such Prohibited Unitholders from owning such Units.

5. Ownership Limit Override

The above restrictions on ownership of Ordinary Units, and general transfer restrictions (other than transfer restrictions related to Prohibited Unitholders, as described in Article 11.4 above) shall not apply if any Person has offered to all holders of all Classes of Ordinary Units the acquisition of their Ordinary Units at a price set out in the offer and Unitholders holding more than ninety-five per cent. (95%) of all such Ordinary Units, excluding Ordinary Units held by ProLogis or any ProLogis Related Party, have accepted the transfer of their Ordinary Units to such offeror. In such case, the transfer of Ordinary Units shall not be voidable and unenforceable against PEPR.

6. General

In the absence of any indication of joint holding and save in respect of a specific Class or Series of Ordinary Units identified in a Prospectus where a separate agreement has been made with the person in whose name such Ordinary Units are registered in the Ordinary Unit register, the Management Company or any duly appointed agent thereof may regard, and shall be fully protected in dealing with, the person in whose name Ordinary Units are registered in the Ordinary Unit register as being the absolute owner of such Ordinary Units, and shall be entitled to disregard, and take no notice of, any right, interest or claim of any other person in or to such Units.

In order to give effect to the provisions on the restrictions on Transfer of Ordinary Units described above, any certificates evidencing the Ordinary Units will be endorsed with a legend describing the substance of those provisions and restrictions.

Article 12. Redemption of Units and Compulsory Transfer of Units

Units shall not be redeemable at the option of Unitholders.

Units shall be redeemed by the Management Company in accordance with the provisions set out in Articles 8 and 20. In addition, Units may be called by the Management Company for redemption or be compulsorily transferred to any other person in the following circumstances:

- i. if the continued participation of a Unitholder is likely to cause PEPR or the Management Company to violate any material law, regulation, or interpretation or would result in PEPR, the Management Company or any Unitholder suffering material taxation, economic or other disadvantages which they would not have suffered had such person not been or ceased to be a Unitholder;
- ii. if such Unitholder has materially violated any provision of these Management Regulations, including for the avoidance of doubt the breach of the Ownership Limit or any other restrictions on ownership of Units;
- iii. if the Units were acquired or are being held, directly or indirectly, by or for the account or benefit of any person in violation of the provisions of these Management Regulations or the transfer restrictions set forth in the relevant Prospectus or offering document;
- iv. if in the opinion of the Management Company (a) such redemption would be appropriate to protect PEPR from registration of the Units under the U.S. Securities Act of 1933, as amended, or from registration of PEPR under the U.S. Investment Company Act of 1940, as amended; or (b) the holding of such Units would cause material regulatory or tax or other fiscal disadvantage to PEPR;
- v. if the Units were acquired or are being held by or for the account of any employee benefit plan subject to Title I of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended; and
- vi. such other circumstances as the Management Company may determine, where continued ownership would be materially prejudicial to the interests of PEPR or the Unitholders.

Units which are to be redeemed by PEPR or compulsorily transferred may be redeemed by PEPR or compulsorily transferred upon the Management Company giving to the registered Unitholder not less than thirty (30) days' notice in

writing of the intention to redeem or compulsorily transfer such Units specifying the date of such redemption or compulsory transfer, which must be a Business Day.

The amount payable on such redemption of Units shall be the NAV of the Units of the relevant Class (or Series thereof) on the most recent Valuation Day prior to redemption. Such redemption amount shall be payable without interest, as soon as practicable (having regard to the liquidity of the Portfolio and the interest of Unitholders) after the effective date of the redemption and may be paid in cash or, subject to the approval of each relevant individual Unitholder, marketable securities. Costs associated with the redemption or compulsory transfer may, if the Management Company so decides, be charged to the Unitholder whose Units are redeemed or transferred and such costs shall be deducted from the redemption or transfer proceeds payable to the Unitholder in circumstances where the Management Company has exercised its power to redeem or compulsorily transfer Units pursuant to paragraph (ii) or (iii) of this Article 12.

The amount payable on compulsory transfer shall be the lesser of (i) the NAV or (ii) the best price reasonably obtainable from any other person as determined by the Management Company at its reasonable discretion.

Any Units in respect of which a notice of redemption has been given shall not be entitled to participate in any distributions by PEPR in respect of the period after the date specified as the date of redemption in the notice of redemption.

At the date specified in the notice of redemption or compulsory transfer, the Unitholder whose Units are being redeemed or compulsorily transferred shall be bound to deliver to the Management Company or any duly appointed agent thereof the certificate issued in representation of the relevant Units for cancellation.

In order to give effect to the provisions on redemption and compulsory transfer of Units described above, any certificates evidencing the Units will be endorsed with a legend describing the substance of those provisions and restrictions.

Should PEPR be determined to be subject to ERISA, it may redeem Units held directly or indirectly by ERISA Investors as necessary to make ERISA inapplicable to PEPR.

Article 13. Charges and Expenses of PEPR

PEPR will bear the following charges and expenses in respect of it:

- i. the fees and expenses of the Management Company as further set forth below;
- ii. operating expenses including all taxes, duties, stamp duties, governmental and similar charges, commissions, foreign exchange costs, bank charges, registration fees relating to investments, insurance and security costs as well as expenses of the issue, exercise and redemption of Units;
- iii. brokerage and other transaction fees and expenses (including, without limitation, legal, accounting, surveyors' and other professional fees) incurred on transactions with respect to the acquisition or disposal or proposed acquisition or disposal of the Portfolio and related expenses and valuation fees charged by the Independent Appraisers in connection with the acquisition or disposal of Distribution Facilities;
- iv. the fees and expenses of the Custodian and any Correspondent, the Listing and Paying Agent, Registrar and Transfer Agent, any paying agent, any distributors and permanent representatives in places of registration of PEPR, as well as any other agent employed by the Management Company for and on behalf of PEPR plus any applicable value added taxes;
- v. reasonable fees, travel and other out-of-pocket expenses incurred by the Independent Board Members in their role as Board Members;
- vi. accounting, due diligence, legal, surveyors', building contractors', estate managers' and other service providers' fees and expenses in relation to the Portfolio and all other fees and expenses incurred by the Management Company acting in respect of PEPR, including for the avoidance of doubt the reimbursement by the Management Company of out of pocket expenses incurred by the Investment Managers in respect of the Portfolio, and investments in the ProLogis Private Equity Funds and the ProLogis Joint Ventures, or proposed disposals or additions to the Portfolio or PEPR's investment in the ProLogis Private Equity Funds and the ProLogis Joint Ventures. Such fees and expenses shall be in line with market standards and may, for the avoidance of doubt, include fees and expenses of a ProLogis Related Party (e.g. leasing fees and commissions, construction management fees, legal fees and tax compliance fees; the legal fees, and tax compliance fees being subject to the prior approval of the PEPR Board in accordance with Article 4. k) and leasing fees and commissions and construction management fees being at or below market rates as shown by the schedule

- provided annually to the PEPR Board in accordance with Article 4. h)), when assisting the Management Company subject to the Management Company having specifically requested such assistance, but, for the avoidance of doubt, such fees and expenses shall not include fees and expenses of a ProLogis Related Party with respect to services provided in relation to Distribution Facilities owned by a ProLogis Private Equity Fund or a ProLogis Joint Venture and not owned directly by PEPR;
- vii. all fees and expenses relating to the placement and issue of Units in PEPR (including fees related to the IPO and underwriting commissions, but excluding fees related to other secondary placings of existing Units), and all fees and expenses relating to the arrangement of debt facilities of and for PEPR. Such fees and expenses shall include fees and expenses of a ProLogis Related Party assisting the Management Company subject to the Management Company having specifically requested such assistance, other than fees of a ProLogis Related Party relating to the arrangement of debt facilities of and for PEPR. The expenses shall include, but shall not be limited to, placement agents' fees and out-of-pocket expenses, legal, accounting, surveyors', valuation and other professional fees and expenses;
 - viii. reporting and publishing expenses, including the cost of preparing and/or filing these Management Regulations and all other documents concerning PEPR, including any Prospectus and explanatory memoranda and registration statements with all authorities having jurisdiction over PEPR or the offering of Units of PEPR; the cost of preparing, in such languages as are required for the benefit of the Unitholders, including the beneficial holders of the Units, and distributing annual and all other periodic reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities and the costs and expenses of local representatives appointed in compliance with the requirements of such authorities;
 - ix. the cost of preparing and distributing public notices to the Unitholders and the cost of convening Unitholders' Meetings;
 - x. expenses incurred in determining PEPR's NAV;
 - xi. the costs of preparing, printing and distributing all valuations, statements, accounts and performance and investment reports;
 - xii. auditor's fees and expenses;
 - xiii. the costs of amending and supplementing these Management Regulations, and all similar administrative charges;
 - xiv. costs incurred to enable PEPR to comply with legislation and official requirements provided that such costs are incurred substantially for the benefit of the Unitholders and any fees and expenses involved in registering and maintaining the registration of PEPR with any Governmental agencies or listing of Units on the Luxembourg Stock Exchange, Euronext Amsterdam, or on stock exchanges in any other country, including for the avoidance of doubt the costs linked to the realisation of the IPO; and
 - xv. all other costs and expenses in connection with the operations or administration of PEPR and the Portfolio and the achievement of the Investment Objective and Policy.

Where appropriate, the fees and expenses borne by PEPR may be charged to PEPR's subsidiaries.

Subject to the provisions in Part 2 of Article 11, PEPR pays the Management Company or its designee a management fee quarterly, in arrears in cash on each calendar quarter-end day immediately following the closing of the IPO equal to a percentage of the value of PEPR's interest (held directly or indirectly through its wholly-owned subsidiaries) in Distribution Facilities and in the net cash proceeds of sales of Distribution Facilities pending reinvestment, determined as of the most recent Valuation Day as follows:

- (i) 0.60% per annum of the Gross Property Value of the Portfolio, excluding for the avoidance of doubt the interest of PEPR in the ProLogis Private Equity Funds and ProLogis Joint Ventures, as a base management fee;
- (ii) 0.10% per annum of the value of PEPR's interests in cash deposits, money market instruments or debt securities other than debt securities issued by companies or entities which are wholly or partly owned and controlled by PEPR, excluding for the avoidance of doubt cash deposits, money market instruments or debt securities held by a ProLogis Private Equity Fund or a ProLogis Joint Venture, or cash balances subject to cash pooling arrangements in the framework of commercial mortgage-backed securities transactions, as a cash management fee.

Subject to the following paragraph, PEPR shall pay the Management Company an incentive fee (if any, but which will not be less than zero) on 31 December 2008 and every year thereafter calculated on a rolling three years basis, equal to:

- a) 20% of the excess of IFRS net income per Unit (before the deduction of the incentive fee payable in the current fiscal year) for the relevant incentive period (equal to the previous three fiscal years, or for the first incentive fee calculation, fractional years since the date of IPO), above the sum of the product of a) NAV per Unit at the beginning of each fiscal year during the relevant incentive period (for fiscal year 2006, this was the NAV per Unit on the date of IPO), and b) a hurdle rate of 9% per annum; multiplied by
- b) the weighted average number of Units outstanding during the relevant incentive period; less
- c) an amount equal to the incentive fee payable on the above basis for any period during the relevant incentive period for which the Management Company has already been paid an incentive fee (or the amount that it would have been paid but for the provisions of the following paragraph) (excluding the current calculation), provided that such amount is greater than zero.

PEPR shall maintain a notional account in its records (the “**Fee Credit Account**”) and on each occasion that PEPR pays or bears an incentive fee, carried interest or similar performance related fee with respect to PEPR’s investment in a ProLogis Private Equity Fund or ProLogis Joint Venture, the amount of such fee which is paid or borne by PEPR shall be added to the Fee Credit Account. On each occasion that PEPR is required to pay an incentive fee in accordance with these Management Regulations (the “**Fee Amount**”), (i) if, as at the date on which the Fee Amount is payable, the amount of the Fee Credit Account is equal to or exceeds the Fee Amount, then no additional incentive fee shall be payable by PEPR in that fiscal year and the Fee Credit Account shall be reduced by the Fee Amount; or (ii) if, as at the date on which the Fee Amount is payable, the amount of the Fee Credit Account is less than the Fee Amount, then the Fee Amount payable with respect to the relevant fiscal year shall be reduced by the amount of the Fee Credit Account and, following such reduction, the Fee Credit Account shall be reduced to zero. For the avoidance of doubt, the Fee Credit Account is notional only and does not constitute an amount owing to PEPR or any Unitholder in any circumstances. The Fee Credit Account shall not bear interest.

For the avoidance of doubt, the incentive fee payable on 31 December 2008 will (i) reflect that no prior incentive fees would have been paid to the Management Company and (ii) the hurdle rate will be adjusted to reflect that PEPR will have been operating for less than three years since the date of IPO.

Except to the extent provided for in the Investment Management Agreement as at the date of these Management Regulations or as subsequently approved by the PEPR Board, any fees paid to the Investment Managers pursuant to Article 5 shall be deducted from the base management fee payable by PEPR to the Management Company which is specified above in accordance with the terms of the Investment Management Agreement.

In respect of Distribution Facilities, property management fees and expenses shall not be borne by PEPR. Such fees and expenses being at the lower of (i) the market rate or (ii) three per cent. (3%) of the aggregate rental revenue of the Portfolio may be charged by ProLogis or a ProLogis Related Party (through PEPR as landlord) to customers of PEPR.

Article 14. Fiscal Year, Audit and Information

The Management Company or any agent thereof shall maintain the principal records and books of PEPR in Luxembourg. The fiscal year and the accounts of PEPR will begin on 1 January and end on 31 December in each year during the term of PEPR except that the first fiscal period of PEPR ended on 31 December 2000 and the last fiscal year of PEPR shall terminate on the date of the final distribution in winding-up PEPR. The first interim report of PEPR, being a non-audited report, was published for the period ending 31 December 1999. The first annual report, being an audited report, was published for the period ending 31 December 2000.

The accounts of PEPR will be audited by independent auditors who shall be appointed by the Management Company with the approval of the PEPR Board and the annual general meeting of Unitholders. The accounts of PEPR will be prepared in Euro and in accordance with IFRS.

The Management Company shall, subject to reasonable notice, give Unitholders and their appointed agents access to all financial information of PEPR reasonably requested by such Unitholders to enable Unitholders to prepare tax returns and other regulatory filings. Any expenses incurred by the Management Company or PEPR in preparing specific information for or giving access to a Unitholder to such information shall be reimbursed together with value added tax (if applicable) by the relevant Unitholder, and in the absence of such reimbursement, such expenses may be deducted by the Management Company from distributions made to such Unitholder pursuant to these Management Regulations. The Management Company shall in consultation with the PEPR Board seek to develop an information circular containing material information about PEPR and its activities which will be issued on a quarterly basis to Unitholders.

Each Unitholder shall provide from time to time such information to PEPR as may be reasonably requested for the purpose of determining to what extent any Units are owned, directly or indirectly, by a Non-Exempt Unitholder, and provide any other information necessary to PEPR in view of fulfilling its tax compliance requirements, and PEPR shall provide such assistance as any Unitholder may reasonably request in connection therewith.

Article 15. Distributions

Distributions of Distributable Cash Flow (substantially all of which will be distributed in respect of the Units, subject to any legal restrictions on distributions) will be made quarterly (within 45 days following the relevant end of quarter) (or more frequently as the Management Company so determines, including in the case of accrued and unpaid returns on Preferred Units) in the following sequence:

- i. Preferred Units will receive pro-rata payment of amounts of accrued and unpaid preferred returns plus interest on any such accruals at the rate of preferred return specified in Part 1 of the Schedule;
- ii. Preferred Units will receive pro-rata payment of an amount in respect of each Preferred Unit, calculated to provide a return at the rate of preferred return specified in Part I of the Schedule on the average Invested Capital per Preferred Unit over the period from the preceding payment date;
- iii. Preferred Units which are subordinated to Preferred Units in paragraphs (i) and (ii) above (if any) will then receive payment on the same basis as in paragraphs (i) and (ii) in the order of subordination; and
- iv. all other Units will receive hundred per cent. (100%) of all remaining Distributable Cash Flow which the Management Company has decided should be distributed; provided, however, that at the time of issue of a new Class of Units, other than Preferred Units, the formula of distribution of Distributable Cash Flow amongst these Units shall be set out in an amendment to these Management Regulations.

If a cash distribution on any Class of Preferred Units is unpaid and accruing, no cash distributions will be made in respect of any other Class of Units (or Series thereof) which may be issued by the Management Company until all such unpaid amounts, together with interest thereon, have been paid.

To the extent PEPR or any entity which (i) owns, directly or indirectly, wholly or partially, any relevant asset and which (ii) is owned, wholly or partially, directly or indirectly, by PEPR (a “**Relevant Entity**”) is liable to pay any French 3% Tax because of the ownership, directly or indirectly, by any Non-Exempt Unitholder of Units and such French 3% Tax is not paid by the relevant Non-Exempt Unitholder on its own account, the Non-Exempt Unitholder shall pay the amount of the French 3% Tax to PEPR or as the Management Company may direct prior to the time it becomes payable by PEPR or any such Relevant Entity. To the extent not so paid, PEPR may and shall use reasonable efforts to either (a) deduct and set off the amount of such French 3% Tax from distributions on (i) any Units owned, directly or indirectly, by the relevant Non-Exempt Unitholder and (ii) any Units in relation to which the direct owner of the Units remains the same but the relevant Non-Exempt Unitholder has ceased to be the owner, direct or indirect, of such direct owner or (b) recover the amount of French 3% Tax from the relevant Non-Exempt Unitholder. In addition, the Management Company may, at any time, take such steps in accordance with Articles 11 and 12 of these Management Regulations as it deems appropriate.

The Management Company shall have the ability to decide that the proceeds from (i) the sale of any asset in the Portfolio, including, without limitation, Distribution Facilities, or (ii) any refinancing of the Portfolio or any asset of the Portfolio will be either distributed as Distributable Cash Flow or held for investment and re-investment.

Article 16. Amendments to the Management Regulations

The Management Company may amend these Management Regulations in the interest of the Unitholders with the prior approval of the PEPR Board and the consent of the Custodian, but for the avoidance of doubt without the consent of Unitholders, provided that such amendment:

1. relates to the issuance of new Units subject to compliance with the ten per cent. (10%) threshold of the aggregate issue price of Units issued in a fiscal year, as set out in Article 8; or
2. relates to the increase of the percentage of the Ownership Limit; or
3. would be necessary
 - a) in order to comply with fiscal or other statutory or official requirements affecting PEPR, or as otherwise specifically provided for in these Management Regulations;
 - b) in order to reflect a change of custodian, or other service providers to PEPR; or

- c) in order to cure any ambiguity or to correct or supplement any provision of the Management Regulations that may be inconsistent with any other provision of such Management Regulations,

provided that any such amendment in 1 and 2 above would not, in the judgement of the Management Company, to any material extent, release any person from any liability or duty to Unitholders, disproportionately alter the interest of a Unitholder in relation to distributions of Distributable Cash Flow or Residual Value, or would increase the costs and charges payable by PEPR.

In any other circumstances, the prior approval of the PEPR Board and an affirmative vote of sixty-seven per cent. (67%) of all Units, other than Preferred Units, is required for any amendment of these Management Regulations. No such amendment shall become effective in the absence of the consent of the Custodian to such change.

Where practicable, Unitholders will be given 15 Business Days notice of all amendments that are adopted without their consent in accordance with the foregoing.

Additions to the Schedule and amendments to these Management Regulations will become effective on the date of their signature by the Management Company and the Custodian.

Article 17. Replacement of the Management Company

On 15 September 2016 and every fifth year thereafter, Ordinary Unitholders will have the opportunity to remove the Management Company, without cause, by a sixty-seven per cent. (67%) vote of Ordinary Units. Any successor to the Management Company will have to be approved by the Luxembourg Supervisory Authority prior to its appointment. The meeting of Ordinary Unitholders to vote on the termination of the Management Company under this paragraph may only be convened at the initiative of a simple majority of Independent Board Members (following a simple majority of Independent Board Members having voted to terminate the Management Company's appointment) or by the Management Company pursuant to Article 18.1. At the end of the first quarter of 2016 and every fifth year thereafter, in the quarterly report, the Management Company will notify Ordinary Unitholders that, subject to a simple majority of Independent Board Members voting to remove the Management Company without cause and voting to convene a meeting of Ordinary Unitholders, the Ordinary Unitholders will have the right to remove the Management Company later that year in the manner referred to above.

The Management Company may be terminated by action of Ordinary Unitholders at any time in the event of (i) gross negligence, wilful misconduct or fraud by the Management Company; or (ii) failure by ProLogis or a ProLogis Related Party to observe the ownership requirements and restrictions on transfer of Units set out in Part 2 of Article 11. The decision to terminate the Management Company in each such event is subject to the approval of a simple majority of Ordinary Units.

In circumstances where no successor Management Company can be found within two months of such termination, pursuant to Luxembourg law PEPR will be wound up in accordance with the winding-up provisions in Article 20.

The Management Company shall not resign or terminate PEPR save with the consent of the affirmative vote of Units as prescribed in Article 20.2. except if the net asset value of PEPR falls below €1,250,000 in which case Unitholders' consent is not required.

Following any decision to terminate the Management Company or any approval of the resignation of the Management Company, PEPR and its subsidiaries shall cease to use the name "ProLogis" and any other intellectual property rights with respect to the name (including ProLogis trademarks, trade colour, logos or markings).

Article 18. Unitholders' Meetings

1. General

The general meeting of Unitholders shall be convened by the Management Company. Except for any resolution related to the change of legal form of PEPR as provided in Article 20 or the replacement of the Management Company without cause in accordance with the first paragraph of Article 17, it may also be convened upon the request of (i) Unitholders representing at least one fifth of the Invested Capital, provided that Invested Capital in respect of Units of any Class shall be disregarded to the extent such Units are not entitled to vote on any point on the agenda of the

proposed general meeting or (ii) in relation to Class specific meetings of Unitholders representing at least one fifth of the Invested Capital of the relevant Class of Units.

Notice of any such meeting of Unitholders containing the agenda, the time and the place for the meeting shall be sent by the Management Company or any agent thereof to all Unitholders at their registered addresses not less than 21 days prior to the date of the meeting. The agenda shall be prepared by the Management Company except in the instance where the meeting is called upon the request of Unitholders, in which instance the Management Company may prepare a supplementary agenda.

Unitholders may participate in any general meetings of Unitholders in person or by written proxy granted specifically for the Unitholders' meeting at which it is to be exercised.

The quorum at a general meeting shall be Unitholders present or represented holding at least fifty per cent. (50%) of all Units outstanding on the date of the meeting unless otherwise stated herein, provided however that Classes of Preferred Units, if any, shall be disregarded in order to determine whether the meeting is quorate to the extent such Units are not entitled to vote. For Class specific meetings, the quorum shall be fifty per cent. (50%) of all Units of the relevant Class, unless otherwise stated herein.

No decisions can be taken if the quorum is not reached and in such case the meeting shall be dissolved. If such a quorum is not reached at the first general meeting, a second general meeting shall automatically be held on the day falling 14 days after the date of such inquorate meeting (provided that day is a Business Day in Luxembourg, and if that is not the case, it shall be held on the first Business Day falling thereafter) and such meeting shall not be subject to quorum requirements.

Except as otherwise provided in this Article, each Unitholder present in person or represented by written proxy at a general meeting of Unitholders and having a right to vote pursuant to these Management Regulations shall have one vote for each Unit held, provided that if Units are not fully paid-in, the voting rights attached thereto shall be proportionate to Invested Capital. Units of the same Class and of the same Class issued in Series shall vote as a single Class. Fractional Units shall have no rights to vote.

The Management Company shall be responsible for ensuring that the resolutions adopted at Unitholders' meetings are implemented.

The quorum and majority requirements applicable to general meetings of Unitholders set out in these Management Regulations are as follows:

| <u>Agenda Items</u> | <u>Quorum required</u> | <u>Majority required</u> |
|---|------------------------|--------------------------|
| 1. Winding-up of PEPR | 50% | 67% |
| 2. Change of the Legal Form* | No | 67% |
| 3. Termination of the Management Company for cause | 50% | 50% |
| 4. Replacement of Management Company | 50% | 67% |
| 5. Amendment to the Management Regulations..... | 50% | 67% |
| 6. Issuance of Units..... | No | 50% |
| 7. Election of Independent Board Members | No | 50% |
| 8. Appointment of independent auditor..... | No | 50% |
| 9. Approval of financial accounts for previous fiscal year..... | No | 50% |

* As an exception to all other agenda items of the general meeting of Unitholders, Preferred Units shall be taken into account, in addition to Ordinary Units, for the determination of the majority requirement relating to the change of legal form, i.e. the conversion of PEPR, being a *fonds commun de placement*, into an investment company with variable capital, SICAV, in compliance with Article 132 of the 2002 Law.

2. Right to Vote

Units shall be entitled to vote in respect of the matters identified in these Management Regulations, as set forth below:

The approval or removal of Independent Board Members shall be subject to a vote of Ordinary Units at the annual general meeting of the Unitholders. In addition, Ordinary Units shall at the annual general meeting, by simple majority of the Units voting at that meeting at which there shall be no quorum requirement, approve the appointment of the independent auditor and approve the financial accounts of PEPR for the previous fiscal year. The annual general

meeting shall be held on such Business Day as proposed by the Management Company but prior to the end of June of each calendar year.

Except as otherwise provided in Article 16, any change to the Management Regulations requires the approval of sixty-seven per cent. (67%) of all Classes of Units, other than Preferred Units, present or represented at a meeting convened to approve the change. Where any such change only impacts on a specific Class or Classes of Units, such Class or Classes of Units shall only be required to vote by a simple majority to approve such change.

The Management Company may be terminated by a vote of Ordinary Units as prescribed in Article 17.

Article 20 contains specific provisions in respect of Unitholder votes in respect of a change of legal form, duration and winding-up of PEPR.

3. Further Issues

In the event that any new Classes of Units or Series within such Classes are issued pursuant to Article 8 and Article 16 such Units shall, in the case of Preferred Units, have no greater voting rights than the rights set out in these Management Regulations and, in the case of other Units, shall have no greater voting rights than the Ordinary Units.

Article 19. Publications and Communications

The audited annual and unaudited semi-annual reports and all other periodic reports of PEPR including, without limitation, the summary quarterly unaudited reports that are prepared by the Management Company will be mailed to Unitholders at their request at their registered addresses and also made available to the Unitholders at the registered offices of the Management Company and the Custodian.

Any amendments of these Management Regulations, including the dissolution of PEPR, will be published in the *Mémorial, Recueil des Sociétés et Associations* of Luxembourg and in such newspapers as shall be determined by the Management Company or required by authorities having jurisdiction over PEPR or the sale of its Units. Notices to Unitholders shall be published in such newspaper as shall be determined by law and by a decision of the Management Company or required by authorities having jurisdiction over PEPR or the sale of its Units.

All communications of investors with PEPR should be in writing and addressed to the Management Company at 34-38, Avenue de la Liberté, L-1930 Luxembourg.

Article 20. Change of Legal Form, Duration of PEPR and Winding-up Provisions

1. Change of Legal Form

Subject as mentioned below, any change in legal form of PEPR must be tabled by the Management Company before a general meeting of Unitholders and approved at such general meeting of Unitholders by an affirmative vote of sixty-seven per cent. (67%) of all Units present or represented, unless the consent of all Units is required by Luxembourg law or the Luxembourg Supervisory Authority. No quorum requirements have to be complied with in relation to such general meeting.

In the event of a change in tax law or regulations of the United States of America governing the Federal taxation of real estate investment trusts which shall adversely affect the United States tax treatment of ProLogis' or any ProLogis Related Party's direct or indirect investment in PEPR, the Management Company may take steps to change the legal form of PEPR or the legal domicile of PEPR subject to applicable laws including, without limitation, any required Unitholder consents.

2. Duration of PEPR—Liquidation

The life of PEPR is unlimited. Any resolution to wind-up PEPR shall require a resolution tabled at the initiative of the Management Company (with the prior approval of PEPR Board as provided in Article 4. n) and adopted by sixty-seven per cent. (67%) of all Units present or represented at the general meeting of Unitholders.

In the event of a winding-up of PEPR, the Management Company will seek to complete the winding-up process as soon as practicable in compliance with the provisions set forth under Luxembourg law but in any event within three years

of commencement. During the winding-up period the Independent Appraiser will continue to provide appraisals of the Gross Property Value on Valuation Days and subsequent asset disposals shall be made having had regard to such appraisals of the Gross Property Value. Any distributions to Unitholders including ProLogis or a ProLogis Related Party will be made in cash.

In the event of a winding-up of PEPR, the Management Company will dispose of the assets of PEPR in the best interests of the Unitholders, and the Custodian, upon instructions given by the Management Company, will distribute the net proceeds of winding-up, after deduction of all winding-up expenses, among the Unitholders, as mentioned hereafter.

Minimum size of PEPR

Pursuant to the 2002 Law, the net assets of PEPR may not be less than €1,250,000. Such legal minimum must be reached within a period of six months following the approval of PEPR by the Luxembourg Supervisory Authority.

The Management Company must inform the Luxembourg Supervisory Authority without delay if the net assets of PEPR shall fall below two-thirds of the legal minimum.

If the net assets of PEPR fall below such legal minimum, the Luxembourg Supervisory Authority may require the Management Company to wind-up PEPR. The winding-up shall be carried out by one or more liquidators in accordance with the 2002 Law specifying the steps to be taken to enable Unitholders to participate in the distribution of liquidation proceeds and provide for a deposit in escrow at the *Caisse de Consignation* at the close of the liquidation.

Amounts not claimed within the statutory liquidation period shall be forfeited in accordance with the provisions of Luxembourg law.

3. Winding-up

In the event of winding-up of PEPR, allocation of Residual Value shall be made in the following sequence to Units issued by PEPR:

- i. Preferred Units with the same ranking will receive pro-rata payment of amounts of accrued and unpaid preferred returns plus interest on any such accruals at the appropriate rate specified in Part II of the Schedule;
- ii. Preferred Units with the same ranking will receive payment of a preferred return on the issue price per Unit for the period from the preceding date on which Distributable Cash Flow was distributed at the rate specified in Part II of the Schedule;
- iii. Preferred Units with the same ranking will receive a return of the issue price per Preferred Unit;
- iv. Preferred Units which are subordinated to Preferred Units in paragraphs (i) to (iii) inclusive, will then receive payment on the same basis as in paragraphs (i) to (iii) inclusive in the order of subordination;
- v. all Units other than Preferred Units will receive a payment of Residual Value to each Unit pro rata to the number of outstanding Units; and Preferred Units shown in Part II of the Schedule to be eligible for allocation under this paragraph (v) will receive amounts calculated in accordance with Part II of the Schedule.

Article 21. Indemnification and Standard of Care

Subject to the provisions of Articles 15, 19 and 20 of the 2002 Law, in performing its functions under these Management Regulations the Management Company shall act with due diligence and in good faith in the best interests of the Unitholders and the Custodian shall use reasonable care in the exercise of its functions. The Management Company and the Custodian and their respective managers, directors, officers, employees, partners and agents (including any Correspondent) and the PEPR Board as a body or any Board Member shall not be liable for any error of judgement or mistake of law, for any loss suffered by PEPR or for any actions taken or omitted to be taken in connection with the matters to which these Management Regulations relate, except for, in the case of each considered individually, any loss resulting from:

- a) in the case of the Management Company or Custodian, the non-fulfilment or improper fulfilment of the Management Company's or Custodian's, as the case may be, obligations under Luxembourg law; and

- b) in the case of the PEPR Board as a body or any Board Member, gross negligence, wilful misconduct or fraud in the exercise of its functions.

The Management Company, the Custodian, any Correspondent, and any distributors appointed by the Management Company and their respective managers, directors, officers, employees, partners, members and shareholders and Board Members and, in the case of individuals among the foregoing, their personal representatives (collectively “**Indemnitees**” and individually an “**Indemnitee**”) shall be indemnified and held harmless out of the assets of PEPR against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by an Indemnitee in or about the conduct of PEPR’s business affairs or in the execution or discharge of his duties, powers, authorities or discretions in accordance with the terms of the appointment of the Indemnitee, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning PEPR or its affairs in any court whether in Luxembourg or elsewhere, unless such actions in the conduct of PEPR’s affairs or in the execution or discharge of his duties shall have resulted from:

- a) an intentional, material violation of these Management Regulations, wilful misconduct, fraud, malfeasance by an Indemnitee;
- b) in the case of the Management Company or the Custodian and Indemnitees performing functions for and on behalf of the Management Company or the Custodian, the non-fulfilment or improper fulfilment of the Management Company’s or the Custodian’s, as the case may be, obligations under Luxembourg law;
- c) in the case of any Correspondent and Indemnitee performing functions for and on behalf of any Correspondent, negligence; and
- d) in the case of the PEPR Board as a body or any Board Member, gross negligence, wilful misconduct or fraud.

No Indemnitee shall be liable (i) for the acts, receipts, neglects, defaults or omissions of any other Indemnitee or (ii) for any loss on account of defect of title to any property of PEPR or (iii) for any loss occasioned by any default, breach of duty, breach of trust, error of judgement or oversight on his part or (iv) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his office or in relation thereto, if the Indemnitee in good faith determined that such act or omission was in, or not opposed to, the best interests of Unitholders, and such act or omission does not constitute:

- a) a material violation of these Management Regulations, wilful misconduct, fraud, malfeasance by such Indemnitee;
- b) in the case of the Management Company or the Custodian and an Indemnitee performing functions for and on behalf of the Management Company or Custodian, the non-fulfilment or improper fulfilment of the Management Company’s or Custodian’s obligations under Luxembourg law;
- c) in the case of any Correspondent and Indemnitee performing functions for and on behalf of any Correspondent, negligence;
- d) in the case of the PEPR Board as a body or any Board Member, gross negligence, wilful misconduct or fraud.

This Article in so far as it relates to the PEPR Board or any Board Member may not be amended without the consent of the PEPR Board.

Article 22. United States Federal Income Tax Matters

PEPR intends to be treated as a partnership for United States (“**U.S.**”) Federal income tax purposes. As such, any investor which owns a Unit or Units during PEPR’s U.S. tax year will be a “partner” for the purposes of the discussion set forth below. Each partner and collectively all of the partners agree to be bound by the provisions set forth herein.

Each U.S. partner’s share of taxable profits and losses, as computed for PEPR at the end of each U.S. tax year (computed under U.S. tax accounting rules and in accordance with the U.S. Internal Revenue Code (“**IRC**”) Section 704(b)), shall be allocated as follows:

After giving effect to the special allocations set forth in the next paragraph, profits and losses (or items thereof) shall be allocated among the U.S. partners based on the number of Units held by each U.S. partner, in a manner consistent with the economic interest in PEPR’s profit and losses represented by such Units as set forth in these Management Regulations.

Notwithstanding anything to the contrary in the Management Regulations, profits and losses shall be allocated as though the Management Regulations contained (and there is hereby incorporated herein by reference) a qualified income offset provision which complies with U.S. tax regulation Section 1.704-1(b)(2)(ii)(d) and minimum gain chargeback and partner minimum gain chargeback provisions which comply with the U.S. tax regulation Section 1.704-2.

Notwithstanding this requirement, the partners will share certain items in order to comply with the requirements of IRC Section 704(c) and Section 721(c) and the partnership, in accordance with U.S. tax regulation Section 1.704-3, will allocate income, gain, loss, and deduction with respect to property contributed to PEPR by ProLogis so as to take into account any variation between the adjusted tax basis of the property and its fair market value at the time of the contribution. As a result of this special allocation requirement, it is intended that any gain recognised on property contributed to PEPR by ProLogis will be specially allocated back to ProLogis to the extent of the Section 704(c) gain on property.

All elections and accounting methods for purpose of the U.S. Federal income tax requirements, including the method of allocating items with respect to contributed property under U.S. tax regulation Section 1.704-3, will be made by the Tax Matters Partner designated below.

PEPR's tax year for purposes of the U.S. Federal income tax accounting rules and for the purpose of the allocations (set forth above) is and will be the calendar year, unless otherwise required by applicable law.

ProLogis will be the designated Tax Matters Partner as defined in IRC Section 6231, and is authorised and required to represent PEPR (at PEPR's expense) in connection with all examinations of PEPR's affairs by the U.S. tax authorities, including without limitation judicial and administrative proceedings.

Article 23. Applicable Law, Jurisdiction and Language

Any claim arising between the Unitholders, the Management Company, ProLogis and any ProLogis Related Party and the Custodian shall be settled according to the laws of the Grand-Duchy of Luxembourg and subject to the jurisdiction of the District Court of Luxembourg, provided, however, that the Management Company and the Custodian may subject themselves and PEPR to the jurisdiction of courts of the countries in which the Units are offered or sold, with respect to claims by investors resident in such countries and, with respect to matters relating to subscriptions, redemptions and conversions by Unitholders resident in such countries, to the laws of such countries.

These Management Regulations have been established in the English language which shall be determinative in their interpretation.

PROLOGIS MANAGEMENT SARL
By:

RBC DEXIA INVESTOR SERVICES BANK S.A.
By:

SCHEDULE
PART I—DISTRIBUTION OF DISTRIBUTABLE CASH FLOW UNDER ARTICLE 15

| Class/Series | Category | First Distribution Date | Preferred Units: Rate of preferred return and whether cumulative | Preferred Units: Entitlement to allocation and whether subordinated to any Class of Preferred Units together with ranking | Other Units: Entitlement to allocation |
|----------------------------|-----------------|---|---|---|--|
| Ordinary Units | Ordinary | Within 45 days after the calendar quarter-end day following the closing of the IPO | -- | -- | As specified in paragraph (iv) of Article 15 on the basis of the Distribution Formula. |
| Class A(1) Preferred Units | Preferred | Within 45 days after 31 December 2009 The first distributions are calculated by multiplying the rate of preferred return by the issue price of the Class A(1) Preferred Units and by the actual number of days elapsed from the date of issue until year end divided by 365. | Cumulative - 10.5% per annum paid quarterly in accordance with Article 15, computed on the basis of actual days elapsed in a 360 day year of twelve 30 day months. The rate of preferred return is increased (i) by 5% if PEPR is no longer Controlled by ProLogis or a ProLogis Related Party or if ProLogis increases its ownership directly or indirectly to more than fifty per cent. of the Ordinary Units of PEPR, provided that in relation to both events referred to above, PEPR is also subject to a rating downgrade (a "rating downgrade" shall be deemed to have occurred in respect of any such event (a) if, within the period ending 120 days after the occurrence of either of the | As specified in paragraphs (i) and (ii) of Article 15. Class A(1) Preferred Units are not and shall not be subordinated to any other Class of Units and accordingly rank prior to the Ordinary Units and rank first of the Preferred Units and share pro-rata with other classes of Preferred Units with the same ranking | -- |

events referred to above, any rating previously assigned to PEPR by any rating agency is (i) withdrawn or (ii) changed from a rating better than Ba1 by Moody's, or its equivalent for the time being, to a rating of Ba1 by Moody's, or its equivalent for the time being, or worse or (iii) if the rating assigned to PEPR by any rating agency shall be Ba1 by Moody's or its equivalent for the time being, or worse, lowered one full rating notch (from Ba1 to Ba2 by Moody's or such similar lower or equivalent rating) or (b) if at the time of such event, there is no rating assigned to the Issuer and no rating agency assigns during the 120 days period referred to above an investment grade credit rating to PEPR (unless PEPR is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of any of the events referred to above)), (ii) further by 1% from the date which is ten years after the issue date of the Class A(1) Preferred Unit and (iii) further, if PEPR is obliged to make a deduction or

withholding of tax in respect of the payment of preferred distributions by such amount as is necessary to ensure that the Class A(1) Unitholders receive a sum, net of any deduction or withholding, equal to the sum they would have received had no such deduction or withholding been made. In the case of deferral, preferred cash distributions shall cumulate and accrue interest at the rate of preferred return compounded quarterly. Upon conversion into Ordinary Units, at the option of the Preferred Unitholder, the Management Company may, subject to availability of Distributable Cash Flow, in its absolute discretion, elect to pay, at the time of conversion or thereafter, to the Preferred Unitholder the accrued preferred return as specified in paragraphs (i) and (ii) of Article 15. Unitholders having converted at the same time are treated on a rateable basis. Upon redemption at the initiative of the Management Company in the event of a change of the legal form of PEPR, Class A(1) Preferred Units are entitled to an additional

special preferred
distribution
equal to 5% of
their issue price
payable in cash.

PART II—ALLOCATION OF RESIDUAL VALUE UNDER ARTICLE 20

| Class/Series | Category | Preferred Units: Rate of preferred return and whether cumulative | Preferred Units: Entitlement to allocation and whether subordinated to any Class of Preferred Units together with ranking | Preferred Units: Entitlement to allocation under paragraph (v) of Article 20 | Other Units: Entitlement to participate in paragraph (v) of Article 20 |
|----------------------------------|-----------------|--|---|---|---|
| Ordinary Units | Ordinary | -- | -- | -- | Yes |
| Class A(1) Preferred Units | Preferred | Cumulative 10.5% per annum payable quarterly in accordance with Article 15, computed on the actual days elapsed in a 360 day year of twelve 30 day months. The rate of preferred return is increased (i) by 5% if PEPR is no longer Controlled by ProLogis or a ProLogis Related Party or if ProLogis increases its ownership directly or indirectly to more fifty per cent. of the Ordinary Units of PEPR provided that in relation to both events referred to above, PEPR is also subject to a rating downgrade (a "rating downgrade" <i>shall be deemed to have occurred in respect of any such event (a) if, within the period ending 120 days after the occurrence of either of the events referred to above, any rating previously assigned to PEPR by any rating agency is (i) withdrawn or (ii) changed from a rating better than Bal by</i> | As specified in paragraphs (i), (ii) and (iii) of Article 20. Class A(1) Preferred Units are not and shall not be subordinated to any other Class of Units and accordingly rank first of the Preferred Units and share pro-rata with other classes of Preferred Units with the same ranking. | | -- |

Moody's, or its equivalent for the time being, to a rating of Ba1 by Moody's, or its equivalent for the time being, or worse or (iii) if the rating assigned to PEPR by any rating agency shall be Ba1 by Moody's or its equivalent for the time being, or worse, lowered one full rating notch (from Ba1 to Ba2 by Moody's or such similar lower or equivalent rating) or (b) if at the time of such event, there is no rating assigned to the Issuer and no rating agency assigns during the 120 days period referred to above an investment grade credit rating to PEPR (unless PEPR is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of any of the events referred to above)), (ii) further by 1% from the date which is ten years after the issue date of the Class A(1) Preferred Unit and (iii) further, if PEPR is obliged to make a deduction or withholding of tax in respect of the payment of preferred distributions by such amount as is necessary to ensure that the Class A(1) Unitholders receive a sum, net of any

deduction or withholding, equal to the sum they would have received had no such deduction or withholding been made.

In the case of deferral, preferred cash distributions shall cumulate and accrue interest at the rate of preferred return compounded quarterly.

Upon conversion into Ordinary Units, at the option of the Preferred Unitholder, the Management Company may, subject to availability of Distributable Cash Flow, in its absolute discretion, elect to pay, at the time of conversion or thereafter, to the Preferred Unitholder the accrued preferred return as specified in Article 20.

Unitholders having converted at the same time are treated on a rateable basis.

Upon redemption at the initiative of the Management Company in the event of a change of the legal form of PEPR, Class A(1) Preferred Units are entitled to an additional special preferred distribution equal to 5% of their issue price payable in cash

IMPORTANT INFORMATION

The delivery of this Prospectus shall not under any circumstances create any implication that there has been no change in the affairs of PEPR since the date hereof.

An investment in PEPR should be regarded as a long-term investment. There can be no assurance that PEPR's investment objectives or strategies will be achieved. Further, any statements contained in this Prospectus with respect to PEPR's past performance may not be indicative of its future operating results.

Generally, investment values can decrease as well as increase. Past performance is not indicative of future returns.

All Unitholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Management Regulations which are set out in Part XI—"Management Regulations of PEPR" of this Prospectus, which will apply from the Settlement Date, and with which investors should make themselves familiar.

Investors must not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors must inform themselves as to: (i) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Preferred Units; (ii) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Preferred Units which they might encounter; and (iii) the income tax consequences and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Preferred Units. Investors must rely upon their own representatives, including their own legal advisors, tax consultants and accountants, as to legal, tax, investment or any other related matters concerning PEPR and an investment therein.

Investors should note that Morgan Stanley and/or its affiliates have acted and, in some cases, continue to act, in various capacities in relation to PEPR, ProLogis, certain of the ProLogis Related Parties and the issuers of certain securities in which each of ProLogis and certain of the ProLogis Related Parties invests or may invest, including as manager, servicer, security trustee, equity holder and/or secured lender to affiliates. Morgan Stanley is currently a lender under a ProLogis unsecured credit facility. In addition, it is anticipated that Morgan Stanley will act for ProLogis in connection with future fund raisings for the formation of the ProLogis Private Equity Funds and may be entitled to fees in connection therewith, some of which may be paid by PEPR. Each such role confers specific rights to and obligations on Morgan Stanley and/or its affiliates. In carrying out these rights and obligations the interests of Morgan Stanley and/or its affiliates may not be aligned with the interests of a potential investor in Preferred Units.

In relation to investments in ProLogis Private Equity Funds, PEPR will pay fees, if any, similar to any other outside investor, provided that PEPR will not be required to pay any subscription or placement fee with respect to any investment it makes in a ProLogis Private Equity Fund. Furthermore, PEPR will not be required to pay any subscription or placement fee with respect to any investment in a ProLogis Joint Venture.

Available Information

For so long as any of the Units are in issue and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, PEPR will, during any period in which it is not subject to Section 13 or 15(d) under the Exchange Act, nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of a Unit, including a Preferred Unit, or to any prospective purchaser of Units designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

Service of Process and Enforcement of Civil Liabilities

PEPR is governed by Part II of the Law of 2002 and is managed by the Management Company. Service of process upon the Managers, the majority of whom reside outside the U.S., may be difficult to obtain within the U.S. Furthermore, since all directly and indirectly owned assets of PEPR are outside the U.S., any judgment obtained in the U.S. against it may not be collectible within the U.S. There is doubt as to the enforceability in The Netherlands and Luxembourg, in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated upon U.S. federal securities laws.

Profile of the Typical Investors

An investment in the Preferred Units is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear a loss of their entire investment.

Overseas Unitholders

Unitholders who are not resident in, or citizens, of the Grand-Duchy of Luxembourg should see the section of this Prospectus entitled “Selling Restrictions”.

Presentation of Financial and Other Information

The consolidated financial information incorporated by reference in this Prospectus reflects without material adjustment the 2008 Accounts, 2007 Accounts and 2006 Accounts. Similarly, the financial information incorporated by reference in this Prospectus reflects without material adjustment the unaudited results of PEPR for the nine-month period ended 30 September 2009.

The financial information in this Prospectus has been derived from PEPR’s 2008 Accounts, 2007 Accounts and 2006 Accounts, its consolidated unaudited interim results for the nine-month period ended 30 September 2009, which are incorporated by reference in this Prospectus, and from PEPR’s management accounts.

As a result of changes to the accounting presentation made by PEPR in the preparation of its 2008 Accounts, PEPR reclassified certain amounts in the 2007 comparative financial information included in the 2008 Accounts for purposes of comparability. Accordingly, the financial information for the year ended 31 December 2007 included in the 2008 Accounts differs in certain minor respects from the financial information for 2007 included in PEPR’s 2007 Accounts. All financial information for the years ended 31 December 2007 and 31 December 2006 in this Prospectus is, unless otherwise stated, presented after giving effect to such reclassification for purposes of comparability.

Certain financial information in this Prospectus has been rounded and, as a result, the totals of the data presented may vary slightly from the actual arithmetic totals of such information.

Information attributed to or sourced from third parties in this Prospectus has been accurately reproduced, and, as far as PEPR and the Management Company are aware of and are able to ascertain from information published by the stated sources, no facts have been omitted which would render the information inaccurate or misleading.

Forward-looking Statements

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Management Company concerning, amongst other things, the Investment Objective and Policy (as further described in this Prospectus), financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of PEPR and the markets in which it or any ProLogis Private Equity Fund or ProLogis Joint Venture may invest and issue securities. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. PEPR’s actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition, liquidity and distribution policy of PEPR, and the development of its financing strategies, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to, the risk factors set forth below in the section entitled “Risk Factors” in this Prospectus.

Investors are advised to read this Prospectus in its entirety before making any investment decision in respect of Units and, in particular, the sections of this Prospectus entitled “Summary”, “Risk Factors”, Part I—“PEPR and its Business”, Part III— “Operating and Financial Review and Prospects” and Part IV—“Management of PEPR” and the financial information for the years ended 31 December 2008, 31 December 2007 and 31 December 2006 and the results for the nine-month period ended 30 September 2009 incorporated by reference in this Prospectus for a further discussion of the factors that could affect PEPR’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur.

Subject to its legal and regulatory obligations, the Management Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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SUMMARY

The following constitutes a summary of the essential characteristics and risks associated with PEPR and any decision to invest in any Preferred Units should be based on a consideration of this Prospectus as a whole. This summary should be read as an introduction to this Prospectus and contains information included elsewhere in this Prospectus. It is expressly pointed out that this summary is not exhaustive. Reading this summary should, in no way, be considered a substitute for reading this Prospectus in its entirety. Prospective investors should read this Prospectus thoroughly and completely, including the section entitled "Risk Factors", and PEPR's consolidated financial statements and other financial information and related notes, before making any decision with respect to investing in the Units. No civil liability will attach to the Management Company in respect of this summary or any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Union or the European Economic Area, the claimant may, under the national legislation of such state where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Introduction

PEPR was established in 1999 and is an externally managed real estate investment fund organised as a Luxembourg closed-ended FCP. It is regulated in Luxembourg by the Luxembourg Supervisory Authority.

PEPR is one of Europe's largest owners of high quality Distribution Facilities. As at 30 September 2009, PEPR owned and managed 232 Distribution Facilities comprising 4.9 million square metres of leasable space in 11 countries with an overall occupancy rate of 96.3 per cent. PEPR's Portfolio was valued by its Independent Appraisers at €2.8 billion (net of purchaser's costs) as at 30 September 2009. The Euro conversion was calculated by the Management Company. The geographic diversification of PEPR's Portfolio enables it to provide leading global companies with a pan-European platform through which to deliver their goods to markets across the European Union and beyond.

The majority of PEPR's customers are third party logistics companies who serve clients in a wide variety of industries and, as a result, offer a wide range of goods and services, including managing supply chains for a variety of their own customers across multiple industries. As at 30 September 2009, third party logistics companies represented 56 per cent. of PEPR's Annualised Rental Income. PEPR also services a broad range of customers in the retail and manufacturing sectors (respectively, 13 and 11 per cent. of PEPR's Annualised Rental Income as at 30 September 2009).

Investment Objective and Policy

PEPR's long term Investment Objective and Policy is to generate capital appreciation and a high level of distributable current income for its Unitholders through active management of direct investments in Distribution Facilities and by investing in ProLogis Private Equity Funds and ProLogis Joint Ventures, subject to the approval of such investments by the PEPR Board if such approval is required under Article 4 of the Management Regulations. PEPR may hold its investments in Distribution Facilities either directly or indirectly through companies or entities that are subsidiaries and which may be either wholly or partially owned by PEPR, and through investments in ProLogis Private Equity Funds or ProLogis Joint Ventures and, subject to the following paragraph, in other investment funds and investment companies.

In implementing its Investment Objective and Policy, PEPR may not invest more than 15 per cent. of its NAV in investment funds and investment companies which are neither ProLogis Private Equity Funds nor ProLogis Joint Ventures. Furthermore, PEPR may not hold more than 49 per cent. of the shares or units of such investment funds or investment companies.

A more detailed description of PEPR's Investment Objective and Policy as well as risk diversification rules and borrowing restrictions applicable to PEPR are provided in Articles 6 and 7 of the Management Regulations, which are set out in Part XI of this Prospectus.

Currently PEPR does not intend to invest in or participate in a ProLogis Private Equity Fund or a ProLogis Joint Venture under the Private Equity Fund Investment Agreement for the foreseeable future.

PEPR aims to structure its investments in a tax-efficient manner, while using efficient financing to optimise the yield from the Portfolio and to deliver stable returns to Unitholders.

Business Highlights

In the current challenging economic conditions, the Management Company believes PEPR benefits from the following key advantages:

Stable Operational Cash Flow

Despite the dislocation of the global credit markets experienced since 2008 and the ongoing economic recession, PEPR has been able to maintain a high level of recurring operational cash flow due to its policy of active asset management and ownership of prime assets. Key features of PEPR's cash flows include:

- *Historically High Occupancy Rates.* Management of the Portfolio has generated high levels of lease renewals and new lettings and has thus secured consistently high levels of occupancy. Occupancy of the Portfolio has averaged 96.6 per cent. since 2000 and, at 30 September 2009, was 96.3 per cent.;
- *Favourable Lease Terms.* As at 30 September 2009, the Portfolio comprised 373 leases to 206 customers. At the same date PEPR's average lease term to expiry across the Portfolio was 5.5 years and its average lease term to next break was 3.4 years. PEPR seeks to negotiate staggered lease maturities to reduce the possibility of having multiple leases at one site or in a single country become subject to renewal or termination at the same time;
- *Sustained Occupier Demand in a Challenging Business Environment.* The average retention rate for the Portfolio was 79.8 per cent. in the nine-month period to 30 September 2009. This high retention rate results from the Management Company's ongoing effort to anticipate potential departures as early as possible and to manage a solution that works for both parties;
- *Portfolio Size and Geographical Diversity.* The Management Company believes the Portfolio represents one of the largest single networks of Distribution Facilities in Europe. As at 30 September 2009, the Portfolio contained 232 prime location properties covering over 4.9 million square metres across 11 countries throughout Europe; and
- *Large Diversification of Customer Base.* PEPR's largest customer accounted for only 7.4 per cent. of Annualised Rental Income as at 30 September 2009. This diversification makes PEPR more resilient to the loss of any particular tenant.

High Quality Portfolio

The Management Company believes that PEPR's Distribution Facilities are prime, high quality facilities. The Management Company believes that PEPR's Portfolio benefits considerably from PEPR's relationship with ProLogis and from the properties contributed by ProLogis. Properties developed by ProLogis, representing 73.3 per cent. of the number of properties in the Portfolio and approximately 75.2 per cent. by Gross Property Value less purchaser's costs as at 30 September 2009, are among the most modern in their respective markets, with an average age of 6.7 years (compared to an average age of 7.9 years for the Portfolio as a whole).

Strong and Diversified Customer Base

ProLogis' established worldwide relationships with a number of large users of Distribution Facilities enhance PEPR's ability to maintain a strong and diverse customer base. PEPR's 206 customers (as at 30 September 2009) include some of the largest and most established users of Distribution Facilities in Europe.

As at 30 September 2009, PEPR's largest customer accounted for 7.4 per cent. of Annualised Rental Income and its top 10 customers (by Annualised Rental Income) accounted for a total of 35.5 per cent. of PEPR's Annualised Rental Income. As at the same date, third party logistics companies represented 56 per cent. of PEPR's Annualised Rental Income, while retailers and manufacturers accounted for 12.8 and 10.5 per cent. respectively of PEPR's Annualised Rental Income. Additionally, as at 30 September 2009, no one country accounted for more than 29.1 per cent. of PEPR's Annualised Rental Income.

As at 6 November 2009, 7 of PEPR's top 20 customers had a credit rating of "investment grade" from either S&P or Moody's.

Highly Experienced Management Company and Management Team

ProLogis is a leading provider of Distribution Facilities and distribution services in North America, Europe and Asia, with strengths in property and asset management, investment discipline, global customer relationships, property development and technical and structural innovation. ProLogis, through the Management Company, uses its expertise, resources and local knowledge on behalf of PEPR to seek the best lease terms available in particular markets and manage costs effectively.

Strong ProLogis Commitment

Since September 2006, ProLogis has maintained an interest of approximately 25 per cent. in PEPR. If ProLogis acquires all of the Preferred Units made available in the Offer, based on its commitment to purchase from Morgan Stanley any Preferred Units subscribed by Morgan Stanley as Underwriter, it would increase its ownership stake in PEPR on a fully diluted basis by approximately 4 per cent. for a total ownership stake of approximately 29 per cent. For further information please see Part I—“PEPR and its Business” of this Prospectus. ProLogis aims to maintain alignment with PEPR’s Unitholders over the longer term through the requirement in the Management Regulations that ProLogis maintains an aggregate ownership of not less than 10 per cent. of the issued Units either directly or indirectly through ProLogis Related Parties.

Defensive Asset Class

The Management Company believes that Distribution Facilities typically provide stable cash flows and a less volatile yield performance and have distinctive characteristics relative to other real estate asset classes. The Management Company believes that less volatile rental cycles, limited ongoing capital expenditure requirements, lowered customer turnover, relatively high levels of lease renewal, limited costs in connection with reconfigurations for new customers and a relatively high proportion of single customer buildings make Distribution Facilities an attractive asset class relative to other real estate asset classes.

Management of PEPR

PEPR is managed by its Management Company, ProLogis Management S.à r.l., which has the exclusive right to manage PEPR in accordance with the Management Regulations and Luxembourg law. ProLogis indirectly owns all of the outstanding share capital of the Management Company.

PEPR Board

The PEPR Board is comprised of four Independent Board Members and two ProLogis Board Members. The PEPR Board may not take any management decision in place of the Management Company, but the prior approval of the PEPR Board is required for certain matters, including significant acquisitions and disposals and other specified decisions relating to the management, operation and structure of PEPR, as set out in more detail in Part IV—“Management of PEPR” of this Prospectus.

Debt Management

The business environment in which PEPR operates has been characterised since 2008 by a general credit market dislocation, a lack of liquidity and declining property values. PEPR has managed to maintain resilient operational performance despite these developments and the uncertain global economic outlook.

Despite resilient operational performance, these adverse economic developments have significantly affected PEPR’s results of operations in 2008 and the first nine months of 2009, primarily as a result of downward fair market valuation adjustments and impairment charges recorded during these periods. In addition, in view of PEPR’s substantial refinancing requirements, PEPR’s corporate credit rating was downgraded by Moody’s, to Baa3 in March 2009 and to Ba1 in June 2009.

While the optimisation of capital resources has been a focus of the Management Company and PEPR’s Board since PEPR’s inception, since 2008 the Management Company and PEPR’s Board have had an active focus on debt management and have initiated a range of measures designed to address some of the adverse effects of difficult current economic conditions on PEPR’s business. These measures, each of which is described more fully elsewhere in this Prospectus, include:

- The renegotiation, at the end of 2008, of the terms of PEPR’s unsecured lending facility, amending, among other things, the terms of certain financial covenants contained therein;
- The suspension of dividend distributions by PEPR starting from December 2008 and for the foreseeable future pursuant to the terms of PEPR’s unsecured credit facilities, as amended in December 2008, which prohibits certain cash distributions for so long as PEPR remains below certain financial thresholds;
- The sale of PEPR’s entire interest in PEPF II in two transactions in December 2008 and February 2009, realising net proceeds of €54.2 million and relieving PEPR of the obligation to fund a further €522.3 million of investments in PEPF II before August 2010;

- The prepayment in April 2009 of an aggregate of €335.9 million of CMBS debt (due July 2009), three months earlier than required, funded through a combination of asset disposals and other cash from operations, cash inflows from the unwinding of related derivatives and a drawdown under PEPR's €900.0 Million Facility. The prepayment of CMBS debt released security on approximately €550.9 million worth of assets;
- The agreement in May 2009 to dispose of a portfolio of nine Distribution Facilities in The Netherlands and Germany for gross proceeds of €119.5 million;
- The sale in June 2009 of five Distribution Facilities in the UK generating total net proceeds of £63.1 million, equivalent to €72.8 million;
- The renegotiation in July 2009 of the €151.1 million secured bank loan facility, extending the loan maturity from March 2010 to March 2013 and reducing the amount to €126.0 million; the differential of €25.1 million of principal amount having been repaid;
- The agreement in July 2009 with EuroHypo AG for a new £86.1 million (€95.0 million) secured bank loan facility, secured on 15 Distribution Facilities in the UK, maturing in July 2013 and used, among other things, to pay down existing debt;
- The prepayment on 5 August 2009 of an aggregate of €98.6 million of CMBS debt (due May 2010), funded through a combination of asset disposals, cash flow from operations, cash inflows from the unwinding of related derivatives and new secured bank loans. The prepayment of CMBS debt released security on approximately €81.4 million worth of assets retained in the business and security on four properties that had been sold earlier in the quarter.
- The renegotiation in September and November 2009 of the terms of PEPR's unsecured lending facility, the revised terms of which come into effect following the raising of a minimum of €60.0 million of new equity at any time by PEPR;
- The agreement and funding in October 2009 with a single lender for a new SEK 332.5 million (€32.5 million) and €15.5 million secured bank loan facility, secured on four Distribution Facilities in Sweden, maturing in October 2014 and used to pay down existing debt; and
- The prepayment on 5 November 2009 of an aggregate of €359.1 million of CMBS debt (due May 2010), funded through a combination of cash flow from operations, €20.2 million of cash inflows from the unwinding of related derivatives, a new secured bank loan and €244.0 million drawing under the €900.0 Million Facility. The prepayment of CMBS debt released security of approximately €482.9 million worth of assets (at September 2009 values).

Working Capital

The Management Company believes that PEPR currently has sufficient working capital in order to meet its present requirements (i.e., the period of twelve months from the date of this Prospectus).

PEPR will have certain liquidity requirements arising in December 2010 for which it does not presently have sufficient capital resources. In particular, two of the three tranches under the €900.0 Million Facility —€300.0 million in the aggregate outstanding as of 30 September 2009, and €544.0 million in the aggregate outstanding as of 5 November 2009, following the repayment of CMBS debt in an aggregated amount of €359.1 million —will mature on 13 December 2010 (further details of which are set out in section 9.12 of Part VII). As at 30 September 2009, the remaining balance of the two tranches of €300.0 million (€56.0 million as of 5 November 2009) was available to draw down subject to, amongst other things, compliance with certain financial covenants, and the Management Company estimates that it will repay €77.0 million between December 2009 through December 2010, resulting in approximately €467.0 million outstanding under the credit facility on the December 2010 maturity date, assuming no further new secured or other financings and a successful closing of the fully underwritten Offer of Preferred Units. Prior to such maturity date, the Management Company believes that it will be able to negotiate new credit terms in relation to the €900.0 Million Facility, or to secure new refinancing with a new syndicate of lenders as described more fully elsewhere in this Prospectus. The Management Company can, however, give no assurance that the syndicate of bank lenders will extend all or part of the €900.0 Million Facility and, if not, that PEPR will be able to secure either a replacement facility on similar terms and conditions, or alternative financing.

The Management Company is actively pursuing a number of options to either reduce its future working capital requirements or to generate further working capital in order to meet anticipated future liquidity requirements, further

details of which are set out in the section entitled “Liquidity and Capital Resources” in Part III—“Operating and Financial Review and Prospects” of this Prospectus.

Investors should note that E&Y stated in its audit report on the 2008 Accounts, without qualifying its opinion, that conditions referred to in Note 1 to the 2008 Accounts indicated the existence of a material uncertainty about PEPR’s ability to continue as a going concern. Investors should also note that E&Y stated in its review report on 2009 Nine-Month Accounts, without qualifying its conclusion, that conditions referred to in Note 1 to PEPR’s 2009 Nine-Month Accounts indicate the existence of a material uncertainty about PEPR’s ability to continue as a going concern. Investors should read E&Y’s audit opinion and Note 1 to the 2008 Accounts and E&Y’s review report and Note 1 to 2009 Nine-Months Accounts for a further discussion of this material uncertainty.

Distributions and Distribution Policy

The Management Regulations provide that PEPR will distribute substantially all of its Distributable Cash Flow on a quarterly basis, or more frequently if determined by the Management Company.

The Management Company suspended dividend payments in December 2008, and the Management Company does not contemplate paying dividends on Ordinary Units for the foreseeable future and intends to use the corresponding distributable cash to pay down debt instead. However, the Management Company intends to distribute a Preferred Dividend to the extent that Distributable Cash Flow is available.

The terms of PEPR’s unsecured credit facilities restrict cash distributions depending on the level of additional equity PEPR is able to raise. No dividends may be paid until a successful renegotiation of PEPR’s unsecured credit facilities is achieved or PEPR raises at least €60.0 million by issuing new equity (which, for the avoidance of doubt, may include the issuance of the Preferred Units). Subject to raising at least €60.0 million in new equity, PEPR will be permitted to make Preferred Dividend payments, provided they do not exceed 50 per cent. of Distributable Cash Flow. Payments of dividends on all Units is also permitted, if PEPR is able to raise at least €200 million in new equity (which, for the avoidance of doubt, may include any amounts raised in equity issuances subsequent to November 2009, including the Preferred Units), again provided these payments do not exceed 50 per cent. of Distributable Cash Flow. For further information see “Part VII—Additional Information—Material Contracts—€900.0 Million Facility” of this Prospectus.

Risk Factors

An investment in Units is subject to a number of risks. For a full description of the risks relating to an investment in Units see “Risk Factors” below. Key risks include the following:

Risks Relating to the Business

- As set out in further detail in the section entitled “Liquidity and Capital Resources” in Part III—“Operating and Financial Review and Prospects” of this Prospectus, PEPR has certain liquidity requirements arising in December 2010 for which it does not currently have sufficient working capital resources. Whilst the Management Company is actively pursuing a number of steps to (i) amend the terms of its existing indebtedness or refinance that indebtedness in order to reduce its working capital requirements, and (ii) generate the further working capital required to fund its operations, there can be no assurance that such steps will be successful to enable PEPR to meet such liquidity requirements. A failure by PEPR to obtain the capital required could result in defaults under the instruments governing PEPR’s indebtedness, which could have a material adverse effect on PEPR’s business.
- Changes in general economic conditions and other events or circumstances that affect the markets in which PEPR’s properties are located or that are served by customers leasing PEPR’s facilities may negatively impact financial results.
- Real estate investments are not as liquid as other types of assets and are subject to risks including oversupply, competition and regulatory changes that could adversely affect PEPR’s business.
- PEPR faces significant competition in each of its markets.
- PEPR may, in the future, rely on ProLogis for external growth.
- PEPR’s investments are concentrated in the industrial logistics sector which has been adversely affected by the current economic downturn.

- PEPR's operating results could be adversely affected if a significant number of its customers are unable to meet their lease obligations or credit institutions are unable to meet their obligations under derivative contracts, particularly as a result of the changes in the general economic conditions.
- PEPR's operating results and Distributable Cash Flow will depend on the continued generation of lease revenues from customers, and PEPR's business may be adversely affected if it is unable to renew leases or re-lease space on favourable terms as leases expire.
- Property valuation is inherently subjective and uncertain.
- PEPR's insurance coverage does not include all potential losses.
- PEPR is exposed to various environmental risks that may result in unanticipated losses that could affect its operating results and financial condition.
- PEPR is subject to governmental regulations and actions that could, in the future, materially affect its operating results and financial condition.
- Risks associated with development activities may negatively affect PEPR.
- Annualised rental income may not reflect actual results.
- Increased maintenance and redevelopment costs could negatively affect PEPR's results of operations.
- The structure of PEPR may impact the availability of a takeover or controlled premium to Unitholders.
- PEPR is subject to litigation in the course of its business.

Risks Relating to PEPR

- Changes in PEPR's tax structure or applicable tax laws, regulations or interpretations by tax authorities could have a material adverse effect on PEPR.
- PEPR and its Unitholders may be subject to the French 3% Tax if PEPR does not qualify for an exemption from this tax which applies to entities (and their 100 per cent. subsidiaries) whose securities are listed on a regulated market and are significantly and actively traded on that market.
- The tax liability of certain Unitholders, including those tax resident in Germany, United Kingdom, Luxembourg and US Unitholders could exceed the cash distributions (if any) they receive from PEPR.

Financing Risks

- The disruption in the international capital markets could materially and adversely affect PEPR's investment strategies, financial condition and the returns realised on its investments.
- Covenants in PEPR's debt financing agreements limit PEPR's flexibility in its operations. Breaches of these covenants could result in defaults under such debt financing agreements (even if PEPR has satisfied its payment obligations) adversely affecting PEPR's financial condition.
- PEPR's inability to service or refinance its debt or rely on third party debt financing to fund future investments could have a material adverse effect on PEPR.
- PEPR is exposed to currency exchange rate fluctuations, particularly between the Euro and Sterling as it has a material interest in Distribution Facilities in the UK.
- An increase in interest rates payable by PEPR may make investing in new properties more expensive and may result in PEPR incurring increased levels of margin when re-financing its debt.

Risks Relating to PEPR's Relationship with ProLogis

- The interests of ProLogis may not always be aligned with the interests of Unitholders.

- ProLogis and other funds managed by ProLogis may have investment objectives and policies comparable to those of PEPR and may compete with PEPR.
- The individuals acting for the Management Company who manages PEPR may also be involved in managing one or more of the ProLogis Private Equity Funds and ProLogis Joint Ventures.
- The Managers will have conflicts of interest in relation to any claims and rights PEPR may have against ProLogis.
- PEPR depends significantly on the efforts and abilities of the Managers, the officers and employees of the Management Company and the Investment Managers, and the loss of these persons' services could have a material adverse effect on PEPR.
- The Management Company can only be removed or replaced by a vote of 67 per cent. of Units on 15 September 2016 and every fifth year thereafter.

Risks Relating to the Ordinary Units and the Preferred Units

- There are no precedents for the listing of Preferred Units on Euronext.
- In December 2008, the Management Company, in compliance with PEPR's lenders' requirements, indefinitely suspended all distributions by PEPR in order to manage working capital requirements and to repay debt.
- Preferred Dividend payments are subject to similar restrictions and, accordingly, no dividends will be paid until a successful renegotiation of PEPR's unsecured credit facilities is achieved or PEPR raises at least €60.0 million by issuing new equity (which, for the avoidance of doubt, may include the issuance of the Preferred Units) in accordance with the terms of the recent amendment to the €900.0 Million Facility. Following the raising of additional new equity there will be a cash distribution restriction on Units until total new equity raised is at least €200.0 million, save for cash distributions on the new equity itself. In both cases, until the €900 Million Facility is amended or repaid, the amount of cash distributions that can be made cannot exceed 50 per cent. of Distributable Cash Flow in any four quarter period.
- If the Management Company decides that PEPR will resume paying distributions, provided distributions are permitted under the credit facilities, PEPR will depend on: (i) intercompany loan payments, distributions and other payments from its subsidiaries that hold Distribution Facilities, as PEPR holds no Distribution Facilities directly; and (ii) distributions from investments in associates including the ProLogis Private Equity Funds and the ProLogis Joint Ventures, if any such investment is made in the future by PEPR.
- The governance rights attached to the Ordinary Units and the Preferred Units are different from rights that typically attach to ordinary shares in a company.
- The trading market for the Ordinary Units has had limited liquidity, and there can be no assurance that the market for the Preferred Units will be any different.
- Subordination of Ordinary Units.
- Unitholders' rights may be limited in several important ways.
- Unitholders who do not acquire new Preferred Units during the Offer will experience dilution in their ownership of PEPR.
- Any future issues of PEPR Units would further dilute the holdings of current PEPR Unitholders and the further offering or significant sale of Units could adversely affect the market price of PEPR's Units.
- Redemption of Preferred Units may occur under certain circumstances.
- There is no protection of Ordinary Unitholders in case of a delisting of the Ordinary Units.

PEPR Trading Information

Ordinary Units

ISIN: LU0100194785

Common Code: 010019478

Euronext Amsterdam Symbol: PEPR

Preferred Units

ISIN: LU0467842786

Euronext Amsterdam Symbol: PEPRC

Summary of terms of the offer

The following is qualified in its entirety with regard to the more detailed information included elsewhere in this Prospectus and the Management Regulations, and should be read in conjunction therewith. A copy of PEPR's current Management Regulations may be found in Part XI of this Prospectus or may be obtained from the registered offices of the Management Company.

The Fund

PEPR is organised as a closed-ended *fonds commun de placement* governed by Part II of the Law of 2002. A *fonds commun de placement* is an unincorporated co-proprietorship of securities and other assets which is established by the adoption of a set of management regulations between its management company and custodian.

The Offer

The Offer is for up to 10,298,510 Preferred Units by means of allocated PSRs. Each Ordinary Unit gives the holder the right to one PSR. PSRs may only be exercised in multiples of 37 in exchange for two Preferred Units against payment of the issue price of €5.93 (the “**Issue Price**”) per Preferred Unit. Unexercised PSRs, including those PSRs in multiples of less than 37 which have not been exchanged for Preferred Units, will be sold at a public auction via the Luxembourg Stock Exchange with the proceeds, if any, (after costs) given to the holder or may be transferred prior to auction. The exercise of PSRs is irrevocable and may not be withdrawn, cancelled or modified. For further details, please see Part VI – “The Offer” of this Prospectus.

In case of PSRs which were available for sale at the public auction but have not been exercised or for which the Management Company has not received payment of the subscription proceeds prior to the end of the Business Day following the date of the public auction the Management Company will cause PEPR to issue, at the Issue Price, a number of Preferred Units to be sold at the Issue Price to Morgan Stanley as Underwriter pursuant to the Underwriting Agreement that is equal to the number of Preferred Units that would have been issued had all such PSRs been exercised and the respective Issue Price been paid. Morgan Stanley, as Underwriter, will subscribe and pay itself or procure another person to subscribe and pay for such number of Preferred Units. An affiliate of ProLogis has entered into a sub-underwriting agreement with Morgan Stanley agreeing to subscribe for or purchase all Preferred Units underwritten by Morgan Stanley.

The Offer consists of a public offer in The Netherlands and in Luxembourg, and a private placement outside the U.S. to certain institutional and other sophisticated investors and a private placement in the U.S. to “accredited investors” within the meaning of Regulation D under the Securities Act and/or “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act. All offers and sales outside the U.S. will be made in reliance on Regulation S under the Securities Act.

Form of Preferred Units

The Preferred Units will be denominated in Euro, fully paid-up, issued in registered form and will be listed on the Official List and traded on the regulated market of the Luxembourg Stock Exchange as well as listed and traded on Euronext Amsterdam.

The Preferred Units will rank *pari passu* with each other, but senior to Ordinary Units, with respect to participation in profits (including as to any payments of

Preferred Dividends) and allocation of Residual Value upon winding up of PEPR.

The Preferred Units are subordinated in order of repayment priority to all debt of PEPR. In case of winding-up of PEPR, holders of the Preferred Units will receive, in accordance with Article 20 of the Management Regulations and Part II of the Schedule, on a pro-rata basis with any other pari passu securities (i) payment of accrued and unpaid Preferred Dividends plus interest on any such amounts, (ii) payment of a preferred return on the issue price per Preferred Unit for the period from the preceding payment date up to the date on which payment of such Preferred Dividend is made and (iii) payment per Preferred Unit equal to the Issue Price.

The rights attached to the Preferred Units are set out in the Management Regulations, which will be construed in accordance with and are governed by the laws of Luxembourg, in particular the Law of 2002. Luxembourg law may differ from laws in other jurisdictions and investors should therefore not assume that the Preferred Units have the same features as preferred units, shares or other similar instruments in companies or other legal entities in their own jurisdictions. See “Risk Factors Units differ from shares”. For a description of the tax treatment of the Preferred Units, see Part VIII – “Tax Considerations” of this Prospectus.

Preferred Dividends

Holders of Preferred Units, in priority to holders of Ordinary Units, shall receive pro-rata out of Distributable Cash Flow a cumulative cash distribution per annum of 10.5 per cent. of the Issue Price (the “**Preferred Return**”) paid quarterly in arrears, computed on the basis of actual days elapsed in a 360 day year of twelve 30 day months (the “**Preferred Dividend**”). Within 45 days after 31 December 2009, initial distributions of Preferred Dividends will be calculated by multiplying the rate of Preferred Return by the Issue Price and the actual number of days elapsed from the date of issue of the Preferred Units until year end, divided by 360.

The Preferred Return will be increased by 1 per cent. from the date which is ten years after the initial issue date of the Preferred Units.

If a holder of Preferred Units voluntarily elects to convert its Preferred Units into Ordinary Units, and any applicable Preferred Dividends have (i) accrued in prior periods and remain unpaid, or (ii) have accrued since the applicable preceding payment date, the Management Company may, in its absolute discretion, elect to pay, at the time of conversion or thereafter, part or all of the outstanding Preferred Dividends to the holders of Preferred Units, provided there is sufficient Distributable Cash Flow available.

All Unitholders converting at the same time will be treated on a rateable basis.

Upon compulsory redemption at the initiative of the Management Company within 24 months of the date of issue of the Preferred Units due to a change in the legal form of PEPR and provided there is sufficient Distributable Cash Flow available, Preferred Units will be entitled to an additional special preferred distribution per Preferred Unit payable in cash equal to five per cent. of the Issue Price.

No distributions will be paid to holders of Ordinary Units unless all Preferred Dividends owed on any Preferred Units are fully paid.

Preferred Dividends are deferrable in accordance with the terms of the Management Regulations (i.e., whenever the Management Company deems it appropriate for purposes of the prudent amortisation of debt or where Distributable Cash Flow is insufficient). Deferred Preferred Dividends will accrue interest at the rate of Preferred Return. In the case of deferral, Preferred Dividends shall accumulate and accrue interest at the Preferred Return compounded quarterly.

See “Risk Factors – PEPR’s distributions, including the payment of Preferred Dividends, may be suspended indefinitely” and “ – PEPR’s distributions, including the payment of Preferred Dividends, will depend on payments made to it by its subsidiaries and be subject to the decision of the Management Company”.

Voting Rights

Preferred Unitholders will not have any voting rights save in relation to (i) any decision relating to the change in legal form of PEPR, and (ii) any change to the Management Regulations which exclusively impacts the Preferred Units as a class, which shall be subject to approval by a vote of a simple majority of Preferred Units constituted by a quorum of fifty per cent. (50%) of all outstanding Preferred Units. If a quorum is not attained, a second meeting shall automatically be held on the Business Day falling 14 days after the date of such inquorate meeting, and such meeting shall not be subject to quorum requirements. Any change in legal form of PEPR must be approved at a general meeting of Unitholders with all classes voting together (including holders of Preferred Units) by an affirmative vote of sixty-seven per cent. of all Units present or represented, without any quorum requirement.

See “Risk Factors – The conversion ratio of the Preferred Units will not be adjusted for several potential dilutive events and the Management Regulations may be changed in a way that adversely affects the rights of Preferred Unitholders” and “– Unitholders’ rights may be limited in several important ways”.

Change of Control

If at any point PEPR ceases to be Controlled by ProLogis or a ProLogis Related Party or if ProLogis increases its ownership directly or indirectly to more than 50 per cent. of the Ordinary Units of PEPR and provided that in relation to both events referred to above, PEPR is also subject to a rating downgrade (a “rating downgrade” shall be deemed to have occurred in respect to any such event (a) if, within the period ending 120 days after the occurrence of either of the events referred to above, any rating previously assigned to PEPR by any rating agency is (i) withdrawn or (ii) changed from a rating better than Ba1 by Moody’s, or its equivalent for the time being, to a rating of Ba1 by Moody’s, or its equivalent for the time being, or worse or (iii) if the rating assigned to PEPR by any rating agency shall be Ba1 by Moody’s or its equivalent for the time being, or worse, lowered one full rating notch (from Ba1 to Ba2 by Moody’s or such similar lower or equivalent rating) or (b) if at the time of such event, there is no rating assigned to the Issuer and no rating agency assigns during the 120 days period referred to above an investment grade credit rating to PEPR (unless PEPR is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of any of the events referred to above)), (i) the Preferred Return will at such time be automatically increased by five per cent., and (ii) PEPR will have the right to compulsorily redeem the Preferred Units in whole, but not in part, provided, however, that if the NAV of the Preferred Units is less than their Issue Price plus any accrued and unpaid Preferred Dividends, the Preferred Units may not be redeemed. In the event of any such redemption, the Preferred Units will be entitled to the allocation as set forth in Part II of the Schedule to the Management Regulations for allocation of Residual Value.

Redemption

Preferred Units shall be issued for an unlimited period of time, but may be redeemed as follows at the option of the Management Company following delivery of a redemption notice to holders of Preferred Units and at a redemption price equal to the NAV of the Preferred Units on the most recent Valuation Day prior to redemption:

- a) in whole on the last Business Day in the year 2016 or the last Business Day of every calendar quarter thereafter,
- b) in whole in the event of a change in legal form of PEPR pursuant to Article 20 of the Management Regulations within the period of 24 months following the date of issue of the Class A(1) Preferred Units,
- c) in whole in the event of an increase of the rate of preferred return to take into account a deduction or withholding of tax imposed upon PEPR in respect of the payment of preferred distributions, (1) arising as a result of a change in or amendment to Luxembourg tax law which change or amendment becomes effective after the date hereof and (2) such obligation cannot be avoided by PEPR taking reasonable measures available to it,
- d) in whole if PEPR ceases to be controlled by ProLogis or a ProLogis Related Party, or
- e) in whole if ProLogis increases its ownership directly or indirectly to

more than fifty per cent. of the Ordinary Units of PEPR

provided that in relation to items d) and e) above, PEPR is also subject to a rating downgrade which shall be deemed to have occurred in respect to any such event (a) if, within the period ending 120 days after the occurrence of either of the events referred to above, any rating previously assigned to PEPR by any rating agency is (i) withdrawn or (ii) changed from a rating better than Ba1 by Moody's, or its equivalent for the time being, to a rating of Ba1 by Moody's, or its equivalent for the time being, or worse or (iii) if the rating assigned to PEPR by any rating agency shall be Ba1 by Moody's or its equivalent for the time being, or worse, lowered one full rating notch (from Ba1 to Ba2 by Moody's or such similar lower or equivalent rating) or (b) if at the time of such event, there is no rating assigned to the Issuer and no rating agency assigns during the 120 days period referred to above an investment grade credit rating to PEPR (unless PEPR is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of any of the events referred to above).

The redemption notice must be given by mail no less than 30 days and no more than 60 days prior to the date fixed for redemption and shall set forth the date of redemption. The Preferred Units cannot be redeemed if the NAV of the Preferred Units is less than the Issue Price plus any accrued and unpaid Preferred Dividends.

Notwithstanding the foregoing, Preferred Units cannot be redeemed unless (i) in the event of a redemption other than in relation to a change in the legal form of PEPR the aggregate redemption price is less than the net proceeds received by PEPR from an issue (completed within 180 days prior to the redemption) of Ordinary Units or other classes of Units ranking equal or junior to the Preferred Units; and (ii) in the event of a redemption in relation to a change in the legal form of PEPR the aggregate redemption price is less than the net proceeds received by PEPR from the issue (completed within 180 days prior to redemption) of Ordinary Units.

In the event of any redemption, the Preferred Units will be entitled to the allocation as set forth in Part II of the Schedule to the Management Regulations for allocation of Residual Value.

Conversion

Each Preferred Unitholder shall have the right at any time to convert its Preferred Units into Ordinary Units by sending a conversion notice to the Management Company at its registered address. The conversion ratio shall be one (1) Ordinary Unit for every Preferred Unit. Upon conversion of Preferred Units into Ordinary Units at the option of the holder of Preferred Units, the Management Company may, subject to availability of Distributable Cash Flow, in its absolute discretion, elect to pay the converting holder, at the time of conversion or thereafter, any Preferred Dividends that (i) have accrued and remain unpaid in prior periods or (ii) have accrued since the applicable preceding payment date.

Ordinary Units issued upon conversion of the Preferred Units will be fungible with existing Ordinary Units and entitled to all rights pertaining to such Ordinary Units. In the event of a winding-up or liquidation of PEPR, the right to convert Preferred Units will terminate at 17.00hrs Luxembourg time on the Business Day prior to the record date of the first payment of Residual Value. The record date in relation to such payment will be announced by the Management Company at least 14 days in advance.

In the event of a redemption of the Preferred Units at the initiative of the Management Company, the right to convert shall terminate on the seventh Business Day prior to the date set for redemption.

Preferred Units will automatically convert into Ordinary Units on the first date after the seventh anniversary of the day of first issue of the Preferred Units on which the arithmetic mean (calculated over 20 consecutive Business Days) of the opening trading prices of the Ordinary Units on Euronext Amsterdam or, if different, the primary stock exchange on which the Ordinary Units are listed, is above 130 per cent

of the Issue Price of the Preferred Units, adjusted as appropriate in order to take into account any split or reverse split of Ordinary Units. If, on such date, there are any accrued and unpaid Preferred Dividends outstanding, automatic conversion will occur on the first later date on which there are no such accrued and unpaid distributions outstanding.

If a split or reverse split of Ordinary Units is effected, the conversion rate of Preferred Units into Ordinary Units will be adjusted accordingly. The Management Company will seek confirmation from the external auditor of PEPR on the accuracy of the adjustment of the conversion rate.

See “Risk Factors – The conversion ratio of the Preferred Units will not be adjusted for several potential dilutive events and the Management Regulations may be changed in a way that adversely affects the rights of Preferred Unitholders”.

Allocation of Residual Value

Residual Value in the event of winding-up or liquidation of PEPR, or prior to such winding-up or liquidation, in the event of a redemption of Units, shall be allocated to Preferred Units together with any other preferred units with the same ranking and Ordinary Units in the following order:

- Preferred Units will receive pro-rata payment of amounts of accrued and unpaid Preferred Dividends plus interest on any such accrued amounts as further set forth in Part II to the Schedule to the Management Regulations;
- Preferred Units will receive payment of a Preferred Dividend for the period from the preceding payment date as further set forth in Part II to the Schedule to the Management Regulations;
- Preferred Units will receive a return equal to the Issue Price; and
- Ordinary Units will receive a pro-rata payment of any balance of the Residual Value, as set forth in Part II to the Schedule to the Management Regulations.

The Preferred Units do not have any other rights of participation in the profits or assets of PEPR. The Preferred Units are the only preferred units of the Company in existence as of the date of this Prospectus.

Capital Structure

On the date of this Prospectus, PEPR has in issue 190,522,441 Ordinary Units. After the Offer, PEPR will have in issue 190,522,441 Ordinary Units and a maximum of 10,298,510 Preferred Units all of which will be denominated in Euro and be fully paid. No additional Ordinary Units will be issued in the Offer.

Issue Price

€5.93 per Preferred Unit

Publication of the results of the Offer

The results of the Offer will be published on PEPR’s website (www.prologis-ep.com) on or about 23 December 2009.

Delivery

Delivery of the Preferred Units in The Netherlands is expected to take place on or about 24 December 2009 through the book-entry facilities of Euroclear Netherlands in accordance with its normal settlement procedures applicable to equity securities and against payment for the Preferred Units in immediately available funds. Delivery of the Preferred Units in Luxembourg is expected to take place on 24 December 2009 through the book-entry facilities of Clearstream, Luxembourg in accordance with its normal settlement procedures applicable to equity securities and against payment for the Preferred Units in immediately available funds. Each existing Unitholder is being allocated one PSR for each Ordinary Unit held. PSRs may only be exercised in multiples of 37 in exchange for two Preferred Units against the payment of the Issue Price per Preferred Unit. However, Ordinary Unitholders directly registered in the register of Unitholders electing to subscribe for Preferred Units will be entitled to elect to receive delivery of their Preferred Units by being directly registered in the register of Unitholders.

Payment Date for the Issue

Expected to be on 17 December 2009, the end of the first Business Day following

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| proceeds from investors that exercised their PSRs during the 30 day period | the end of the initial subscription period of 30 days. |
| Payment Date for subscription proceeds from investors that exercised their PSRs bought at the public auction | The end of the Business Day following the public auction. |
| Payment Date for subscription proceeds from Morgan Stanley | The end of the Business Day following the end of the subscription period for investors having acquired unexercised PSRs at the public auction |
| Total Gross Proceeds | €61,070,164. |
| Use of Proceeds | PEPR intends to use the net proceeds from the Offer (after underwriting fees and other offering expenses) in an amount of €54.7 million to repay a corresponding amount of debt under its CMBS facilities. Depending on its short-term liquidity management requirements, PEPR may instead use the net proceeds from the Offer to repay in part outstanding loans under its revolving credit facility and use future drawings under that credit facility to repay the CMBS debt. The CMBS debt to be repaid has a maturity of May 2010 and currently bears interest at the rate of between 3.58 per cent. and 4.61 per cent. |
| Estimated Expenses of the Offer | The costs and expenses of the Offer (including underwriting discounts and commissions) estimated to be borne by PEPR are approximately €6.4 million. |
| Transfer Restrictions | The Preferred Units are subject to certain ownership limitations and transfer restrictions. These are described under Part IX —“ERISA, Transfer Restrictions, Eligible Investors and Certificates” and Part XI —“Management Regulations of PEPR” of this Prospectus. |
| Listing and Trading | <p>PEPR’s existing Ordinary Units are currently listed on the Official List and admitted to trading on the regulated markets of the Luxembourg Stock Exchange and Euronext Amsterdam under the following ISIN code: LU0100194785.</p> <p>Application has been made for admission of the Preferred Units to listing and trading on the regulated market of the Luxembourg Stock Exchange as well as listed and traded on Euronext Amsterdam.</p> <p>PEPR expects that listing and trading in the Preferred Units on Euronext Amsterdam will commence on or about 24 December 2009 and delivery will take place on or about 24 December 2009.</p> |
| Payments to Preferred Unitholders | <p>All payments on the Preferred Units will be made by PEPR free of any fees and costs, through the Luxembourg Listing and Paying Agent or the Dutch Paying Agent respectively to holders of the Preferred Units to the bank account designated by the Preferred Unitholder to PEPR.</p> <p>Where a payment date of a Preferred Dividend is not a Business Day, payment will be made on the immediately preceding Business Day.</p> |
| Tax Gross Up | If PEPR has to make a deduction or withholding of tax amounts in respect of the payment of Preferred Dividends, the rate of Preferred Return shall be increased to ensure that the Preferred Unitholders receive the amount, net of any deduction or withholding, equal to the sum they would have received had no such deduction or withholding been made. |
| Dutch Paying Agent | Kempen & Co. N.V. will act as paying agent in relation to Euronext Amsterdam. |

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| Luxembourg Listing and Paying Agent and Transfer Agent | RBC Dexia Investor Services Bank S.A. will act as listing agent, paying agent and transfer agent in relation to the Luxembourg Stock Exchange. |
| Currency | The currency of the Preferred Units is Euro. |
| Governing law | The governing law of the Preferred Units is Luxembourg law. The rights attaching to the Preferred Units are set out in the Management Regulations which will be construed in accordance with and will be governed by the laws of the Grand-Duchy of Luxembourg and subject to the jurisdiction of the District Court of Luxembourg. |
| Underwriter | Morgan Stanley & Co. International plc is acting as Underwriter in connection with the Offer. |
| Auditor | The external auditor (<i>réviseur d'entreprises</i>) of PEPR is Ernst & Young S.A., which is a member of the Luxembourg Institute of Independent Auditors (<i>Institut des réviseurs d'entreprises</i>). The audited accounts of PEPR incorporated in this Prospectus by reference are audited in accordance with International Auditing Standards as adopted by the " <i>Institut des Réviseurs d'Entreprises</i> ". |
| Contacts | PEPR's contact details are as follows: ProLogis European Properties c/o ProLogis Management S.à r.l. 34-38 Avenue de la Liberté L-1930 Luxembourg Grand Duchy of Luxembourg Attention: Peter Cassells Tel: + 352 2620 5740 / Fax: + 352 2620 5744 |

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, are incorporated in, and form part of, this Prospectus to the extent described further below:

- 1) the audited consolidated financial statements for the year ended 31 December 2008 (the “**2008 Accounts**”);
- 2) the audited consolidated financial statements for the year ended 31 December 2007 (the “**2007 Accounts**”);
- 3) the audited consolidated financial statements for the year ended 31 December 2006 (the “**2006 Accounts**”); and
- 4) the unaudited consolidated condensed interim financial statements for the nine-month period ended 30 September 2009 (the “**2009 Nine-Month Accounts**”).

Written or telephone requests for the documents incorporated by reference should be directed to:

Jennifer van der Eem
T: +44 (0)20 7518 8708
F: +44 (0)20 7518 8719
E: jvandereem@prologis.com

These documents are also available on PEPR’s website at www.prologis-ep.com, and on the Luxembourg Stock Exchange’s website at www.bourse.lu. This Prospectus is also available on PEPR’s website at www.prologis-ep.com and on the Luxembourg Stock Exchange’s website at www.bourse.lu.

Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.

The following information appears on the pages of these documents as set out below:

1. the 2008 Accounts:
 - a) consolidated balance sheet Set out on page 18 of the 2008 Accounts
 - b) consolidated income statement Set out on page 19 of the 2008 Accounts
 - c) consolidated statement of changes in equity Set out on page 21 of the 2008 Accounts
 - d) consolidated statement of cash flows Set out on page 23 of the 2008 Accounts
 - e) notes Set out on pages 25 to 72 of the 2008 Accounts
 - f) independent auditor’s report Set out on page 17 of the 2008 Accounts
2. the 2007 Accounts:
 - a) consolidated balance sheet Set out on page 24 of the 2007 Accounts
 - b) consolidated income statement Set out on page 25 of the 2007 Accounts
 - c) consolidated statement of changes in equity Set out on page 27 of the 2007 Accounts
 - d) consolidated statement of cash flows Set out on page 29 of the 2007 Accounts
 - e) notes Set out on pages 31 to 72 of the 2007 Accounts
 - f) independent auditor’s report Set out on page 23 of the 2007 Accounts
3. the 2006 Accounts:
 - a) consolidated balance sheet Set out on page 2 of the 2006 Accounts
 - b) consolidated income statement Set out on page 3 of the 2006 Accounts
 - c) consolidated statement of changes in equity Set out on page 5 of the 2006 Accounts
 - d) consolidated statement of cash flows Set out on page 7 of the 2006 Accounts
 - e) notes Set out on pages 8 to 52 of the 2006 Accounts
 - f) independent auditor’s report Set out on page 1 of the 2006 Accounts
4. the 2009 Nine-Month Accounts:
 - a) consolidated statement of financial position Set out on page 7 of the 2009 Nine-Month Accounts

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| b) consolidated income statement | Set out on page 5 of the 2009 Nine-Month Accounts |
| c) consolidated statement of comprehensive income | Set out on page 6 of the 2009 Nine-Month Accounts |
| d) consolidated statement of changes in equity | Set out on page 8 of the 2009 Nine-Month Accounts |
| e) consolidated condensed statement of cash flows | Set out on page 10 of the 2009 Nine-Month Accounts |
| f) notes | Set out on pages 12 to 27 of the 2009 Nine-Month Accounts |
| g) report on review of interim financial information | Set out on pages 3 and 4 of the 2009 Nine-Month Accounts |

RISK FACTORS

General

An investment in the Units is suitable only for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear a loss of their entire investment. There can be no assurance that PEPR's investment objectives or strategies will be achieved, or that PEPR will be able to generate net cash flow. Investors should carefully review and evaluate the risks and the other information contained in this Prospectus. Investors should immediately seek their own personal financial advice from an appropriately authorised professional financial advisor or other advisors such as legal advisors, tax consultants and accountants.

Investors should be aware that the value of the Units and the income from such securities may decrease and that investors may not realise their initial investment. In addition, the Units issued by PEPR prior to the issue of Preferred Units traded at a significant discount to NAV per Unit. The market price of Units may, in the future, be less than the NAV per Unit.

An investment in PEPR involves a number of complex tax considerations. Changes in law, regulations or interpretations by the courts or tax authorities in any of the countries in which PEPR will have investments or in Luxembourg (or in any other country in which a subsidiary of PEPR is located), or changes in tax treaties negotiated by those countries, could adversely affect the returns to investors on their investment in PEPR. Furthermore, the tax consequences of investing in Units of PEPR may differ significantly from investments in other types of investment vehicles. Investors should therefore consult their professional advisors on the potential tax consequences of subscribing for, purchasing, holding, converting, selling or transferring Units under the applicable laws of their country and/or state of citizenship, domicile or residence

The risks set out below are the risks which the Management Company currently considers to be material but are not the only risks relating to PEPR or an investment in the Units. There may be additional material risks that the Management Company does not currently consider to be material or of which it is not aware. The order in which the risk factors are set out below does not represent the likelihood of their occurrence or the severity of the consequences thereof and any of which could have a material adverse effect on PEPR's results of operations, net cash flow and the market price and NAV per Unit.

Risks Relating to the Business

PEPR faces substantial refinancing risks

As set out in detail in the section entitled "*Liquidity and Capital Resources*" in Part III—"Operating and Financial Review and Prospects" of this Prospectus, PEPR has certain liquidity requirements arising in December 2010, for which it does not currently have sufficient working capital. The primary liquidity requirements arising in 2010 consist of the repayment of €90.6 million (the outstanding amount as at 30 September 2009 was €449.7 million out of which €359.1 million has been repaid on 5 November 2009) of CMBS debt maturing in May 2010 and two tranches (amounting as of 30 September 2009 in aggregate to €300.0 million, with an additional €244.0 million drawn in October 2009) under the €900.0 Million Facility maturing in December 2010. Recognising these working capital requirements in its audit report on the 2008 Accounts and in its review report on 2009 Nine-Month Accounts, E&Y stated, without qualifying its opinion or conclusion, that there exists a material uncertainty about PEPR's ability to continue as a going concern.

While the Management Company is actively pursuing a number of steps to (i) amend the terms of PEPR's existing indebtedness or refinance indebtedness in order to reduce its working capital requirements, and (ii) generate the future capital required to fund its operations, there can be no assurance that such steps will enable PEPR to meet the liquidity requirements arising in December 2010.

A failure by PEPR to obtain the amount of working capital required could result in defaults under the instruments governing PEPR's indebtedness, which could have a material adverse effect on PEPR's business since PEPR would risk: (i) in the case of secured debt obligations, the loss of some or all of its pledged assets to foreclosure or sale to satisfy those debt obligations; and (ii) in the case of unsecured debt obligations, being placed into administration or other similar insolvency procedures. In addition, a default under one debt instrument may give rise to cross-defaults of instruments governing other indebtedness of PEPR.

Changes in general economic conditions and other events or circumstances that affect the markets in which PEPR's properties are located or that are served by customers leasing PEPR's facilities may continue to negatively impact financial results

PEPR is exposed to the general economic conditions and to the local, regional, national and international economic conditions and other events and occurrences that affect the markets in which it owns properties, in particular the markets where it has concentrations of properties. As at 30 September 2009, 61 of PEPR's properties (representing approximately 29 per cent. of the MV of the Portfolio and approximately 29 per cent. of Annualised Rental Income) were located in France and 39 of its properties (representing approximately 16 per cent. of the MV of the Portfolio and approximately 17 per cent. of Annualised Rental Income) were located in the UK. In addition, PEPR has significant investments in markets in Western Europe, including but not limited to Germany, Italy, The Netherlands and Spain and Central and Eastern Europe, including Poland, the Czech Republic and Hungary.

The adverse economic conditions, as experienced particularly in France, the UK, The Netherlands, Central and Eastern Europe and other key markets in which PEPR holds properties, as well as factors such as occupational and consumer demand, market rents, investor sentiment, the availability and cost of credit and the liquidity of the global financial markets have all had a significant adverse effect on PEPR's business, in particular in relation to the valuation and liquidity of underlying real estate investments. The Management Company expects such factors to continue to negatively impact upon the operations of PEPR and its assets for the foreseeable future. Whilst governments around the world have announced (and implemented) monetary and fiscal stimulus packages, there can be no assurance that such measures will be successful in reinvigorating economic growth globally or in the markets in which PEPR operates, and in spite of ongoing efforts to stabilise the economy, many countries remain in recession.

These adverse economic conditions have resulted in, and could continue to result in, a decline in rental rates and a reduction in demand for distribution space, which has affected, and may continue to adversely affect, PEPR's operating results. Furthermore, an increased number of tenants may default as a result of the poor economic environment, resulting in an increase in the vacancy levels in the Portfolio. Any further material reduction in demand for distribution space or material increase in the vacancy levels in the Portfolio could continue to adversely affect PEPR's results of operations, net cash flow and the market price and NAV per Unit.

Real estate investments are subject to risks that could adversely affect PEPR's business

Real estate investments are subject to a number of risks, some of which are outside the control of PEPR, including risks relating to:

- changes in the general economic climate;
- local conditions, such as an oversupply of distribution space or a reduction in demand for distribution space in an area;
- the relative attractiveness of PEPR's Distribution Facilities to potential customers;
- competition from other available Distribution Facilities, including those owned by, and under management of, affiliates of the Management Company and ProLogis and ProLogis Related Parties;
- PEPR's ability to provide adequate maintenance of, and insurance on, the Distribution Facilities;
- PEPR's ability to achieve optimal rental growth and control operating costs, including energy costs;
- governmental regulations, including zoning, usage and tax laws, and costs or operational limitations resulting from changes in these laws;
- potential liability under, and changes in, environmental, zoning and other laws;
- greater uncertainty of market values given recent market stagnation and volatility of property prices; and
- the relative illiquidity of real estate investments compared with other types of assets, which may affect PEPR's ability to react promptly to changes in economic or other conditions.

The above factors may affect PEPR's results of operations, net cash flow and the market price and NAV per Unit.

Real estate investments are not as liquid as other types of assets, which may affect PEPR's ability to react promptly to certain changes

Real estate investments are not as liquid as other types of investments and this lack of liquidity may limit PEPR's ability to react promptly to changes in economic, real estate market or other conditions. For example, in the current environment of falling real estate values in Europe and general lack of available credit, PEPR may not be able to sell properties at prices that reflect their current NAV or at all. In addition, significant expenditures associated with real estate investments, such as mortgage payments, real estate taxes and maintenance costs, are relatively fixed, despite circumstances causing a reduction in income from such investments.

PEPR is subject to (i) leverage restrictions under the Management Regulations, and (ii) financial covenants pursuant to its indebtedness, as described more fully in Part III—"Operating and Financial Review and Prospects—Principal Factors Affecting Results of Operations" of this Prospectus. If PEPR is required to sell assets to comply with either its leverage restrictions or its financial covenants, the lack of liquidity of property investments and the volatility of property prices may adversely affect its ability to do so, or its ability to achieve market prices in such a sale.

PEPR faces significant competition in each of its markets

PEPR has a number of competitors in Europe. Its competitors include local companies owning Distribution Facilities and other companies that own, or seek to own, Distribution Facilities across a number of countries in Europe. Competitors may own or operate Distribution Facilities that are more conveniently located, have more suitable space, or are otherwise more attractive to potential customers. Some of these competitors also have greater financial or other resources than PEPR. ProLogis may also have investment objectives and policies comparable to those of PEPR and may compete with PEPR, in particular with Distribution Facilities developed or redeveloped by ProLogis. Competition may result in a reduction of rental income or PEPR incurring increased costs to refurbish or build Distribution Facilities that are more attractive to current or potential customers. In the current economic downturn, competition may increase as companies seek to attract or retain customers. The impact of competition may adversely affect PEPR's results of operations, net cash flow and the market price and NAV per Unit.

PEPR may, in the future, rely on ProLogis for external growth

Whilst it is not the Management Company's current intention in the existing economic climate for PEPR to pursue a strategy of growth through material acquisitions, in the longer term PEPR may implement such a strategy by investing in the ProLogis Private Equity Funds and ProLogis Joint Ventures. Should this be the case, there can be no assurance that ProLogis will be able to continue to develop new Distribution Facilities on attractive terms for the ProLogis Private Equity Funds or that the ProLogis Private Equity Funds will generate a return for PEPR or that PEPR will be able to conclude any ProLogis Joint Ventures.

Although PEPR has rights, subject to limitations, to subscribe for up to 30 per cent. of the equity securities and securities convertible into equity securities issued by any ProLogis Private Equity Fund, and a right to participate in ProLogis Joint Ventures under the Private Equity Fund Investment Agreement, there can be no assurance that PEPR will have the necessary capital resources or debt financing available to make such investments. Investors should note that, in December 2008 and February 2009, PEPR disposed of its entire investment in the ProLogis Private Equity Fund, PEPF II, and no longer has access to the European Distribution Facilities contributed by ProLogis to PEPF II. In addition, the Management Company expects that the ability of PEPR to make or commit to making any investment in a new ProLogis Private Equity Fund or ProLogis Joint Venture will be materially reduced given PEPR's current strategy to reduce the amount of debt upon which it relies in order to strengthen its balance sheet and its readiness to pursue opportunities as they arise.

Investors should further be aware that, due to the limitations that apply to PEPR's rights to invest under the Private Equity Fund Investment Agreement (as described more fully in paragraph 9.3 in Part VII—"Additional Information" of this Prospectus), PEPR's rights to invest in the ProLogis Private Equity Funds and ProLogis Joint Ventures may be terminated by PLD (subject to certain exceptions) if PEPR declines three successive investment opportunities to invest in ProLogis Private Equity Funds, including investments declined due to unavailability of financing. Also, PEPR's right to invest in ProLogis Joint Ventures lapses (subject to certain exceptions) if it declines three successive opportunities to invest in certain ProLogis Joint Ventures. If PEPR's rights under the Private Equity Fund Investment Agreement lapsed, it would lose its right to access the ProLogis pipeline of European Distribution Facilities, which may adversely affect PEPR's results of operations, net cash flow and the market price and NAV per Unit. In addition, there can be no assurance that any new Distribution Facilities acquired by the ProLogis Private Equity Funds or the ProLogis Joint Ventures will achieve the same or similar results as the Distribution Facilities currently held in the Portfolio. As at the date of this Prospectus, PEPR has not declined any opportunities to invest in ProLogis Private Equity Funds or ProLogis Joint Ventures.

PEPR has limited rights with respect to the control, disposition or management of the ProLogis Private Equity Funds and, despite the fact that these investments may become a significant part of the Portfolio, investors in PEPR will have little or no control over the management or operations of the ProLogis Private Equity Funds. Furthermore, PEPR's investment in a ProLogis Private Equity Fund or ProLogis Joint Venture may involve risks not present in investments made directly by PEPR in Distribution Facilities.

PEPR's investments are concentrated in the industrial logistics sector, which has been adversely affected by the current economic downturn

PEPR's real estate investments are concentrated in the industrial logistics sector, which has been adversely affected by the current economic downturn. As at 30 September 2009, 56 per cent. of PEPR's customers (by Annualised Rental Income) were third party logistics companies, 12.8 per cent. were retailers and 10.5 per cent. were manufacturers. This concentration has exposed PEPR to the economic downturn in this sector to a greater extent than it may have been if its business activities had been more diversified. PEPR's business has been affected as a result of the existing adverse economic conditions and their impact on the industrial logistics sector. The Management Company expects such conditions to continue to negatively impact upon the operations of PEPR and its assets for the foreseeable future.

PEPR's operating results and net cash flow will depend on the continued generation of lease revenues from customers

PEPR's results of operations, net cash flow and the market price and NAV per Unit would be adversely affected if a significant number of customers, or one or more of its largest customers, were unable to meet their lease obligations. The current poor economic environment may increase this risk. PEPR could be adversely affected by further credit events or downturns in its customers' businesses, or by its customers seeking the protection of bankruptcy, insolvency or similar laws, causing the loss of the customer, a failure by the customer to make rental payments when due or a restructuring that might reduce cash flow to PEPR from the lease. In addition, if one or more significant customers received lease terms significantly less favourable to PEPR, renewal terms with other customers or terms with new customers could be affected, reducing PEPR's rental income. In the event of default by a significant number of customers, or one or more of its largest customers, PEPR may experience delays and incur substantial costs in enforcing its rights as lessor.

Credit Risk

PEPR's results of operations, net cash flow and the market price and NAV per Unit could be adversely affected if a significant number of its customers are unable to meet their lease obligations or credit institutions are unable to meet their obligations under derivative contracts, particularly as a result of the changes in the general economic conditions described above. Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Where commercially reasonable, PEPR obtains collateral in the form of bank deposits and/or bank or parent company guarantees.

PEPR's credit exposure is represented by exposure to customers and financial counterparties. In the latter case, this is reduced by the effects of any netting arrangements with counterparties and the balance of hedging instruments receivable. The Management Company has also taken steps to strengthen the credit risk evaluation of new and existing customers.

PEPR's business may be adversely affected if it is unable to renew leases or re-lease space on favourable terms as leases expire

PEPR's results of operations, net cash flow and the market price and NAV per Unit will be adversely affected if PEPR is unable to lease, on economically favourable terms, a significant amount of space in the Portfolio. The current negative market conditions have affected both PEPR's ability to re-lease the space and the rental rates that have been obtained in new leases. If the demand for Distribution Facilities continues to fall, any resulting oversupply could have a further adverse affect on PEPR's results of operations, net cash flow and the market price and NAV per Unit. Furthermore, upon the expiration of leases for space located in the Portfolio, leases may not be renewed by existing customers, the space may not be re-leased to new customers or the terms of renewal or re-leasing (including the cost of required renovations or concessions to customers) may be less favourable to PEPR than current lease terms.

Property valuation is inherently subjective and uncertain

The valuation of real estate is inherently subjective due to the individual nature of each property and characteristics of local, regional and national real estate markets, which change over time and may be adversely affected by a number of factors, including the risk factors described in this section. As a result, valuations are subject to uncertainty, and the absence of comparable market transactions in a stagnant investment market makes valuations more

difficult generally and increases the reliance on a valuer's judgements. The Valuation Reports in Part X—"Valuation Reports" of this Prospectus were made as of the date indicated therein and on the basis of assumptions which may not prove to reflect the true position. Potential investors should read these assumptions, which are outlined in the Valuation Reports, carefully. There is no assurance that the valuations of the Portfolio contained in this Prospectus and in PEPR's future reports to Unitholders will reflect subsequent sales prices even if any such sales were to occur shortly after the relevant valuation date, particularly in a volatile market.

Potential investors should also be aware that valuations of Distribution Facilities within the Portfolio were made by the Independent Appraisers as at 30 September 2009 without conducting a physical inspection of all such Distribution Facilities on or about such date.

The valuations of the Portfolio as at 30 September 2009 contained in this Prospectus as well as the NAV of PEPR as at 30 September 2009 (which relies on such valuations) could differ had full physical inspections of all of PEPR's Distribution Facilities been performed as at such date.

PEPR's insurance coverage does not include all potential losses

PEPR currently has the benefit of insurance coverage, including property, liability, fire, flood, earthquake, environmental, terrorism, extended coverage and rental loss, that the Management Company considers appropriate for the markets where each of PEPR's Distribution Facilities and business operations are located. The insurance coverage contains policy specifications and insured limits that the Management Company believes are customary for similar properties, business activities and markets. While the Management Company believes that PEPR's Distribution Facilities are adequately insured, there are certain losses, including losses from acts of war or riots, that are not generally insured against, partially or in full, because it is not deemed economically feasible or prudent to do so. If an uninsured loss or a loss in excess of insured limits occurs with respect to one or more of PEPR's Distribution Facilities, PEPR could experience a significant loss of capital invested and potential revenues in these Distribution Facilities and could potentially remain obligated under any recourse debt associated with such Distribution Facility.

PEPR is exposed to various environmental risks that may result in unanticipated losses that could affect its operating results and financial condition

Under various laws and regulations, a current or previous owner, developer or operator of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, under, in or emanating from its property. The costs of removal or remediation of such substances could be substantial. A current or previous owner could also be liable in respect of damages to persons who are exposed to hazardous or toxic substances at, on, under, in or emanating from its property, and a current or previous owner of property from which hazardous or toxic substances have migrated or are migrating may be liable in respect of damages to owners of properties to which such substances have migrated or are migrating. Such damages could be substantial. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. If PEPR were found to be liable for any such removal or remediation costs or damages, PEPR's results of operations, net cash flow and the market price and NAV per Unit could be adversely affected.

PEPR purchases various limited environmental insurance policies to mitigate its exposure to environmental liabilities, but there may be risks that are not covered by such insurance or which exceed the policy limits of such insurance. While environmental investigations indicate that there are hazardous or toxic substances at, on, under, in or emanating from some of PEPR's properties, the Management Company is not aware of any environmental liability that it believes would have a material adverse effect on PEPR's business, financial condition or results of operations. However, the Management Company cannot give any assurance that such conditions do not exist or may not arise in the future. The presence of such hazardous substances or other conditions in the Portfolio could adversely affect PEPR's ability to sell its real estate investments or to borrow using such investments as collateral. Clean up or regulatory costs may also have an adverse effect on PEPR's results of operations, net cash flow and the market price and NAV per Unit.

Moreover, PEPR is subject to the risk that environmental laws and regulations may become more onerous over time, which could in turn create additional costs and limit PEPR's future activities.

PEPR is subject to governmental regulations and actions that could, in the future, materially affect its operating results and financial condition

As the owner of the Distribution Facilities in 11 European countries, PEPR is subject to a wide range of European Community, national and local laws and regulations. These include zoning, health and safety, environmental, tax, planning, foreign ownership limitations and other laws and regulations. Changes in these laws and governmental regulations, or their interpretation by agencies or the courts, could occur. Such regulatory changes and other economic and political factors, including civil unrest, governmental changes and restrictions on the ability to transfer capital in the

foreign countries in which PEPR has invested, could have a material adverse effect on PEPR's operating results and financial condition and the market price and NAV per Unit.

Risks associated with development activities may negatively affect PEPR

PEPR owns certain properties that contain a portion of undeveloped land which could, at the option of the customer, be used to expand existing Distribution Facilities on such land. PEPR may engage affiliates of the Management Company or ProLogis to develop such land on behalf of PEPR. PEPR will therefore be subject to risks associated with development activities including, but not limited to, the risk that construction costs may exceed the original estimates or that construction may not be completed on schedule, which could make a project less profitable than originally estimated. Increased construction costs may result from the possibility of contract default on the part of the developer or subcontractors, the effects of local weather conditions, the possibility of local or national strikes and the possibility of shortages in materials, building supplies or fuel for equipment.

Annualised Rental Income may not reflect actual results

Annualised Rental Income figures provided in this Prospectus are presented as of the dates specified, and are for illustration only and may not reflect PEPR's actual results, which could differ significantly. Among other factors, the termination of leases, the default by some of PEPR's customers on their rental payments, PEPR's inability to renew leases or replace existing customers on comparable terms, changes in the general economic conditions and other factors described in this section of this Prospectus may affect PEPR's actual results and may cause actual results to differ from annualised amounts, possibly significantly.

Increased maintenance and redevelopment costs could negatively affect PEPR's results of operations

The average age of the properties in the Portfolio may increase over time, which could, in the long-term, result in PEPR's maintenance, refurbishment and redevelopment costs relating to the Portfolio increasing from their historic levels. These additional costs could in turn adversely affect PEPR's results of operations, net cash flow and the market price and NAV per Unit. If PEPR does not carry out maintenance, refurbishment and redevelopment, its Distribution Facilities may become less attractive to customers and rental yields may fall. Additionally, PEPR may need to expend additional funds to keep ageing properties in adequate repair.

The structure of PEPR may impact the availability of a takeover or control premium to Unitholders

The significant ownership of Units by ProLogis and ProLogis Related Parties in conjunction with the ownership by ProLogis of the Management Company, together with the fact that the Management Company has the exclusive right to manage PEPR, could have an anti-takeover effect and deter transactions in which Unitholders might otherwise receive a cash premium for their Units from a person or company seeking to acquire Control of, or a significant interest in, PEPR. Furthermore, other provisions of the Management Regulations may have the effect of restricting the management and governance of PEPR, including that the PEPR Board is divided into ProLogis Board Members and Independent Board Members. The Independent Board Members are divided into three classes of members and in each year the term of only one such class will expire, requiring the nomination and election of new members to the PEPR Board.

PEPR is subject to litigation in the course of its business

In the ordinary course of its business, PEPR may be subject to litigation from time to time. Such litigation may continue without resolution for long periods of time and the outcome of such proceedings may materially adversely affect the value of PEPR. Any litigation may also consume substantial amounts of the Management Company's time and attention, and that time and the devotion of these resources to such litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Risks Relating to PEPR

Changes in tax legislation or its interpretation could have a material adverse effect on PEPR's financial condition or prospects and the level of distributions that PEPR is able to pay could be affected

PEPR holds the Portfolio through a number of subsidiaries and other investment vehicles and has structured its investments in a manner that is intended to be tax-efficient, in particular with respect to the distribution of funds to PEPR by its subsidiaries and by PEPR to Unitholders. Maintaining a tax-efficient structure is an important factor affecting net cash flow. Tax charges and withholding taxes in various jurisdictions in which PEPR may invest will affect the level of intercompany loan principal and interest payments, distributions or other payments made to it and accordingly affect the funds available to be distributed to Unitholders. Changes in tax laws, tax treaties, regulations or interpretations by tax authorities could increase tax liabilities or affect the value of investments held by PEPR and require changes in PEPR's

structure, which could negatively affect its net cash flow and ability to pay distributions. No assurance can be given as to the level of taxation incurred directly by PEPR or in respect of its investments.

Tax residence of PEPR's Subsidiaries

It is intended that the affairs of PEPR's direct and indirect subsidiaries will be conducted such that, under the relevant applicable laws and tax treaties, the tax residence of PEPR's direct and indirect Subsidiaries will be located in the country in which they are respectively incorporated and no other. However, it cannot be guaranteed that the local tax authorities will not challenge the tax residence of any of PEPR's subsidiaries. In the event of any such successful challenge by a local tax authority, material additional tax liabilities may arise within PEPR and/or any of its relevant subsidiaries.

PEPR and its Unitholders may be subject to the French 3% Tax

According to article 990D et seq. of the French Tax Code, legal entities, organisations, trusts or similar institutions which directly or indirectly own one or more real estate assets or certain rights over real estate assets located in France are liable for an annual tax of 3 per cent. of the market value of the real property or rights over such property. Article 990E 2° b of the same Code provides for an exemption from the French 3% Tax that applies to entities, and their wholly-owned subsidiaries, whose securities are listed on a regulated market and are significantly and actively traded on that market. The French Tax Authorities consider that securities in an entity are significantly traded where at least 25 per cent. of those securities are listed. Furthermore, securities in an entity are considered as actively traded where there is at least one trade in those securities per month on average over the calendar year.

Should PEPR qualify for the listed exemption, any Unitholder in PEPR is also exempt from the French 3% Tax in respect of its unitholding in PEPR.

The Management Company considers that PEPR should, at the date of this Prospectus, fulfil the conditions above to qualify for the listed exemption. However, should PEPR not fulfil the conditions of the listed exemption as mentioned above, the French 3% Tax liability could be material to PEPR and/or its Unitholders.

The tax liability of certain Unitholders could exceed cash distributions received from PEPR

German tax resident corporate Unitholders

While not formally confirmed by the German tax authorities, the Management Company considers that PEPR should currently be treated as a foreign investment fund ("*ausländisches Investmentvermögen*") and the Units should currently be treated as foreign investment units ("*ausländische Investmentanteile*") within the scope of the provisions of the German Investment Act ("**GIA**") as well as the German Investment Tax Act ("**GITA**"). As a result, each German Unitholder will be subject to German corporate income tax and trade tax both on any distributed income and on any deemed distributed income ("**DDI**") computed under German tax rules. The DDI comprises any income of PEPR that is not distributed in relation to a specific fiscal year and includes in particular dividends, interest, rental income, other income and certain capital gains. Therefore, the amount of PEPR's income allocated to a German Unitholder on which it may be subject to German tax may exceed the amount of cash distributions actually distributed to that German Unitholder.

If, and as long as, PEPR is treated as a foreign investment fund from a German perspective, in the event that PEPR fails to meet the disclosure requirements set by the GITA, German Unitholders will be subject to a generally detrimental penalty taxation (so-called "lump-sum" taxation) on the sum of (i) the aggregated distributions during the fiscal year, (ii) 70 per cent. of any positive difference between the fair market value of the Ordinary Units at the end of PEPR's fiscal year and the beginning of that fiscal year, as well as (in case of a disposal of the Units) the interim profit ("*Zwischengewinn*"). In any case, a minimum of an amount equating to 6 per cent. of the fair market value of the Ordinary Units held by the German Unitholder at the end of PEPR's fiscal year will be subject to tax at the level of the German Unitholder regardless of any distribution received by such German Unitholder.

The GITA rules only apply if *inter alia* PEPR invests in certain eligible assets. Based on recent changes in the GIA and GITA rules, the German Financial Supervisory Authority's ("*Bundesanstalt für Finanzdienstleistungsaufsicht*", or "**BaFin**") interpretation on the applicability of the GIA to foreign investment schemes and the interpretation of these new rules by the German tax authorities, there is a significant risk that PEPR will no longer be treated as investing into eligible assets as a result of its financing structure and thus will, under the new interpretation, no longer be regarded as a foreign investment fund for German tax purposes. In this case, any income of non-German resident corporations directly or indirectly owned by PEPR which is subject to income taxes of less than 25 per cent. in the corporation's state of residence (considered to be "low taxed income") and which does not qualify as active income, could be subject to the German Controlled Foreign Companies ("**CFC**") provisions ("*Hinzurechnungsbesteuerung*"). For any low taxed income

deriving from capital investment, but not from “active” business activities, the German CFC rules may apply irrespective of the level of unitholding of the German Unitholder. As a consequence, any income of non-German resident corporations directly or indirectly owned by PEPR may be attributed under German CFC rules *pro rata* to German Unitholders and may be subject to taxation at the German Unitholder’s level under the tax regime applicable to the German Unitholder, regardless of any distributions made by PEPR.

Luxembourg tax resident corporate Unitholders

Assuming that PEPR is considered to be tax transparent for Luxembourg tax purposes, Luxembourg tax resident corporate Unitholders will, in principle, be taxable on the income and gains arising to PEPR, whether or not these are distributed to those Unitholders.

United Kingdom tax resident corporate Unitholders

The Management Company believes that PEPR will be considered to be tax transparent for UK tax purposes. Accordingly, United Kingdom tax resident corporate Unitholders will be taxable on their share of the income and gains arising to PEPR, whether or not these are distributed to those Unitholders.

ERISA considerations

PEPR intends to conduct the operations of PEPR so that the assets of PEPR will not be deemed to constitute “plan assets” of investors which are subject to the fiduciary provisions of ERISA or the prohibited transaction rules of section 4975 of the Code. If, however, PEPR were deemed to hold “plan assets” of Benefit Plan Investors (i) ERISA’s fiduciary standards would apply to PEPR and might materially affect the operations of PEPR, and (ii) any transaction with PEPR could be deemed a transaction with each Benefit Plan Investor and may cause transactions into which PEPR might enter in the ordinary course of business to constitute prohibited transactions under ERISA and/or section 4975 of the Code. In order to avoid having PEPR’s assets treated as “plan assets”, PEPR intends to prohibit the acquisition of Ordinary Units by, and transfer of Ordinary Units to, Benefit Plan Investors. Investors should refer to paragraph 1, “Certain ERISA Considerations” and paragraph 2, “Transfer Restrictions” under Part IX—“ERISA, Transfer Restrictions, Eligible Investors and Certificates” of this Prospectus.

U.S. Investment Company Act status

PEPR intends to conduct its activities such that PEPR will not be required to register under the U.S. Investment Company Act. However, if PEPR were to become subject to the Investment Company Act as a result of a failure to meet the requirements for exemption from registration under the Investment Company Act, a change in law or otherwise, the various registration requirements and other restrictions imposed by the Investment Company Act and the related substantial costs and burdens of compliance therewith could adversely affect the operating results and financial performance of PEPR and the market value and NAV per Ordinary Share. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity.

PEPR may be treated as a corporation for U.S. Federal income tax purposes if less than 90 per cent. of its gross income consists of qualifying income

PEPR will be treated as a corporation for U.S. Federal income tax purposes for any year in which it is a publicly traded partnership, unless 90 per cent. or more of its gross income for such taxable year and all prior taxable years that it is a publicly traded partnership consists of certain types of “qualifying income”. PEPR’s income from the rental of its real estate properties should generally constitute qualifying income, unless such income is received from a tenant in which PEPR is deemed to have a 10 per cent. or greater direct or indirect ownership interest (taking into account certain attribution rules which treat PEPR as owning any direct or indirect ownership interest in a tenant that is held by a 5 per cent. or greater Unitholder) or if such rental income is based on the net income or profits of the tenant. However, if any Unitholder owns 5 per cent. or more of PEPR, it is possible that ownership could result in attribution from such 5 per cent. or greater Unitholders that would cause PEPR to be deemed to own 10 per cent. or more of a tenant. Because the Management Regulations do not restrict ownership for this purpose, PEPR will not be able to control whether it has any such 5 per cent. or greater Unitholders. Therefore, it is possible that a portion of PEPR’s Gross Rental Income would not be “qualifying income,” which could cause PEPR to be treated as a corporation for U.S. Federal income tax purposes.

A U.S. Unitholder's U.S. federal income tax liability could exceed cash distributions received from PEPR

Each U.S. unitholder (a “**U.S. Unitholder**”) will be required to report separately on its U.S. Federal income tax return its allocable share of PEPR’s items of income, gains, loss, deduction or credit for the taxable year of PEPR ending within or with the taxable year of the U.S. Unitholder, regardless of whether such U.S. Unitholder has received or will receive corresponding distributions from PEPR. Therefore, the amount of PEPR’s taxable income allocated to a U.S. Unitholder, and possibly the U.S. Federal income tax payable by the U.S. Unitholder with respect to such income, may exceed the cash, if any, actually distributed to such U.S. Unitholder.

PEPR has made significant provisions for deferred tax liabilities which may be recognised on the sale of assets

As at 30 September 2009, PEPR had made, in accordance with International Accounting Standard No. 12, a provision in respect of deferred tax liabilities in the amount of €38.6 million. Such deferred tax liabilities were calculated according to the liability method based on temporary timing differences and arose mainly as a result of fair value adjustments to assets within the Portfolio. Depending on the terms of sale, an income tax liability may be triggered on a sale of assets within the Portfolio and may differ from the deferred tax liability currently provided for by PEPR. In the event the income tax liability is greater than the deferred tax liability provided for, this temporary difference may negatively affect the extent to which amounts received on a sale of assets will be available either for distribution to Unitholders or for investment in the ProLogis Private Equity Funds or the ProLogis Joint Ventures.

Financing Risks

Potential impact of disruptions in the international capital markets

While the capital and credit markets have been experiencing volatility and disruption for more than 18 months, the volatility and disruption reached unprecedented levels in late 2008 and early 2009. In some cases, the markets have produced downward pressure on stock prices and credit capacity for certain issuers. The resulting lack of credit, lack of confidence in the financial sector, increased volatility in the financial markets and reduced business activity could materially and adversely affect PEPR’s investment strategies, financial condition and the returns realised on its investments.

Covenants in PEPR's debt financing agreements could be breached and/or could adversely affect its financial condition and results of operations

The terms of PEPR’s various debt financing agreements and other indebtedness require PEPR to comply with a number of customary financial and other covenants, these include:

- **€900.0 Million Facility:** The financial covenants applying to the €900.0 Million Facility are: (a) a leverage limit of 60 per cent., which can be exceeded by up to 65 per cent. upon certain events for a maximum of six months; (b) a fixed charge coverage ratio of at least 1.5 times; (c) an unencumbered interest coverage ratio of at least 1.5 times; (d) net worth, excluding intangible assets, must exceed the sum of (i) €1.1 billion and (ii) 75 per cent. of the proceeds from any equity raised; and (e) the value of total unsecured debt as a proportion of total unencumbered assets must not exceed 65 per cent. To the extent that PEPR’s net worth, excluding intangible assets, is less than €1.5 billion, restrictions apply regarding the payment of cash dividends on stock, units and equity interests held in PEPR. Please note that the Management Company and the lenders under the facility have negotiated an amendment to the €900.0 Million Facility (as further set out in “Part VII—Additional Information—Material Contracts—€900.0 Million Facility” of this Prospectus) to (a) allow for dividend payments to investors subscribing for any new equity issuances, provided the dividend payments do not exceed 50 per cent. of Distributable Cash Flow, (b) permit payments of dividends on all Units, if PEPR is able to raise at least €200.0 million in new equity, again provided these payments do not exceed 50 per cent. of Distributable Cash Flow, and (c) amend the financial covenant referred to in (d) above to reduce the net worth threshold from €1.1 billion to €1.0 billion, at such time as PEPR conducts an equity raising which in aggregate equals, or exceeds, €60.0 million (which, for the avoidance of doubt, may include the issuance of the Preferred Units) and further reduce the threshold from €1.0 billion to €900.0 million at such time as PEPR conducts a further equity raising which in aggregate with the €60.0 million issuance equals or exceeds €120.0 million and eliminates the requirement to increase PEPR’s net worth threshold by 75 per cent. of funds raised.
- **Eurobonds:** Covenants include (a) a margin step up if the rating of the issuer of the Eurobonds falls to less than BBB– (S&P) or Baa3 (Moody’s), (b) a limitation on the amount of secured indebtedness exceeding 40 per cent. of total assets, and (c) an obligation to redeem Eurobonds at par plus accrued interest if there is a “change of control” (as defined in the Eurobond documentation) and a subsequent downgrade of the

issuer's or PEPR's credit rating (or the rating of the Eurobonds) below pre-agreed levels and noteholders exercise their rights to require redemption in these circumstances.

- **€126.0 Million Secured Bank Loan (DPB Facility Agreement):** A secured loan for an original amount of €151.1 million due to mature on 15 March 2010 and secured over certain PEPR properties was reduced to €126.0 million and its maturity extended by three years to 15 March 2013, the differential of €25.1 million of principal amount having been repaid. This loan is subject to financial covenants that: (a) the amount secured cannot exceed 65 per cent. of the value of the secured properties; and (b) interest coverage from the income receivable from the secured properties must be at least 1.3 times the debt service costs. In addition, the loan agreement provides for a cash sweep provision in case the interest coverage falls below 1.5 times or the amount secured exceeds 60 per cent. of the value of the secured properties.
- **£86.1 Million Secured Bank Loan (EuroHypo AG Senior Secured Finance Facility):** The secured loan entered into and secured over certain PEPR properties is subject to financial covenants that: (a) the amount secured cannot exceed 60 per cent. of the value of the secured properties in the first three years, reducing to 55 per cent. in the fourth year; and (b) interest coverage from the income receivable from the secured properties must be at least 1.5 times the debt service costs. In addition, the loan agreement provides for a cash sweep provision in the event the interest coverage falls below 2.25 times.
- **€48.0 Million Secured Bank Loan (Helaba Secured Facility):** A secured loan agreement with a single lender for a new €48.0 million (€15.5 million and SEK332.5 million) secured bank loan facility, secured by four Distribution Facilities in Sweden, maturing in October 2014 and currently expected to be used to pay down existing debt. The loan is subject to certain financial covenants that (a) limit the amount of the borrowings to a maximum of 65 per cent. of the value of the secured properties, and (b) require debt service coverage from the income receivable from the secured properties to be at least 1.4 times the debt service costs in year one, increasing to 1.6 times in year five, with an amortisation schedule starting at 2 per cent. in year one and increasing to 2.5 per cent. in year five.
- **CMBS:** The CMBS entered into by certain of PEPR's subsidiaries contain interest coverage tests where income received from the secured assets must exceed interest costs by at least 1.5 times (although a breach of this ratio does not constitute a default but does require cash trapping within the breached CMBS pool until the breach is remedied). Further, the securitisation arrangements limit PEPR's ability to immediately reinvest cash received upon the sale of a property in the securitisation pool. Such cash must be retained by PEPR as collateral for the respective securitisation and may not be reinvested until a formal property substitution or property release can be made by PEPR as provided by the agreement governing such securitisation.

On 30 September 2009, PEPR was in compliance with its covenants under its debt financing agreements. In addition, the Management Regulations provide that PEPR and its consolidated subsidiaries may not incur additional indebtedness which would cause the total indebtedness of PEPR and its consolidated subsidiaries to exceed 60 per cent. of the aggregate of (i) the Gross Property Value of the Distribution Facilities or other properties and property rights owned directly or indirectly by PEPR and its consolidated subsidiaries and (ii) the value of debt and equity interests of PEPR in real estate companies or other real estate investment vehicles which are not consolidated in the accounts of PEPR, including unconsolidated ProLogis Private Equity Funds and unconsolidated ProLogis Joint Ventures. However, for the purposes of effective cash management, PEPR may exceed this indebtedness limit for temporary or short term purposes for a period not to exceed six months, provided that such total indebtedness does not exceed 65 per cent. of such aggregate value at any time. If PEPR's leverage exceeds these levels, it may be required to sell properties and repay debt.

The above covenants and financial restrictions limit PEPR's flexibility in its operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness even if PEPR has satisfied its payment obligations. A default or acceleration of amounts due as a result of a default could have a material adverse effect on PEPR's business since PEPR would risk: (i) in the case of secured debt obligations, the loss of some or all of its pledged assets (which may be PEPR's assets generally and may not be limited to any particular asset, such as the real estate giving rise to the liability) to foreclosure or sale to satisfy those debt obligations; and (ii) in the case of unsecured debt obligations, being placed into administration or another similar insolvency procedures. In addition, a default under one debt instrument may give rise to cross-defaults of instruments governing other indebtedness of PEPR.

Whilst PEPR is currently in compliance with all of its financial covenants, the current recession and downward trend in real estate values have made it more difficult for PEPR to comply with its financial covenants. Although PEPR has previously been able to renegotiate certain covenants in its financing arrangements (as set out in Part III—"Operating and Financial Review and Prospects" of this Prospectus) in order to avoid a potential future breach of those covenants, no assurance can be given that further amendments (if required) will be able to be agreed with finance counterparties at all or, if agreed, will be on terms satisfactory to PEPR.

PEPR's inability to service or refinance its debt could have a material adverse effect on PEPR

PEPR has significant amounts of indebtedness outstanding, with approximately €1.7 billion in debt outstanding as at 30 September 2009. PEPR's financing structure utilises a mixture of secured and unsecured debt with maturities up to 2014, although a large portion of this debt (43 per cent.) will mature in 2010. The majority of secured debt is in the form of CMBSs which are each secured against specific pools of PEPR's properties. The unsecured debt consists of a €500.0 million Eurobond and a €900.0 Million Facility. PEPR will require replacement borrowing arrangements, among other things, to refinance the current portion of outstanding debt and execute its business strategy.

Due to its existing debt and anticipated re-financings, PEPR is subject to the risks associated with debt financing and re-financing, including: (i) the risk that available funds will be insufficient to meet required payments; and (ii) the risk that existing indebtedness will not be refinanced or additional debt obtained or that the terms of such re-financings or additional debt will not be as favourable as the terms of existing indebtedness given the current economic downturn.

Due to its significant borrowings and reliance on income from the Portfolio to service these borrowings, PEPR may not be able to meet its debt service obligations. To the extent that PEPR cannot meet its debt service obligations or refinance its debt, it risks: (i) in the case of secured debt obligations, the loss of some or all of its pledged assets (which may be PEPR's assets generally and may not be limited to any particular asset, such as the real estate giving rise to the liability) to foreclosure or sale to satisfy those debt obligations; and (ii) in the case of unsecured debt obligations, being placed into administration or another similar insolvency procedures. In addition, a default under one debt instrument may give rise to cross-defaults of instruments governing other indebtedness of PEPR.

PEPR faces constraints on its ability to rely on third party debt financing to fund future investments

PEPR will rely on debt financing to make any further investments. However, the current limited availability of credit may prevent PEPR from using debt to finance new investments. PEPR's current leverage, the covenants under PEPR's existing debt facilities and the indebtedness limitations contained in the Management Regulations may further limit PEPR's ability to make such investments.

PEPR is exposed to currency exchange rate fluctuations

PEPR will be subject to fluctuations in currency exchange rates as a consequence of the revenues of its property-owning subsidiaries being denominated in currencies other than the Euro. In particular, PEPR has a material interest in Distribution Facilities in the UK resulting in Sterling exposure, and it is also exposed to variations in Polish zloty, Czech koruna, Hungarian forint and Swedish krona. The Management Company presently does not use, and does not contemplate using, derivative transactions for hedging purposes to mitigate risks resulting from fluctuations in currency exchange rates, if any, between the Euro and any other national currency of the countries where PEPR's Distribution Facilities are located. As a result, PEPR's results of operations, balance sheet and net cash flow have been, and could in the future be, adversely affected by such fluctuations if PEPR is required to exchange one currency for another (for financial reporting purposes or on a cash basis), in particular from Sterling to Euro, at a time when exchange rates are not favourable.

Movements in the foreign exchange rate between Euro and the currency applicable to a particular Unitholder may have an impact upon such Unitholder's returns in its own currency of account.

Fluctuations and changes in interest rates may cause losses

Changes in interest rates and margins can affect PEPR's net interest expense, which is the difference between the interest expense incurred on interest-bearing liabilities and income earned on interest-earning investments. Changes in interest rates could have an adverse effect on PEPR's ability to obtain loans and other financings on favourable terms. In addition, changes in interest rates could materially affect the market price and NAV per Unit. PEPR manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps, which have the economic effect of converting borrowings from floating rate to fixed rate. A hedge may not be effective in eliminating all of the risks inherent in any particular position.

PEPR has historically incurred significant third party debt to leverage the Portfolio with the aim of increasing returns for Unitholders. It has relied on its ability to generate rental yields in excess of financing costs to make leveraged acquisitions profitable. Increases in interest rates would be likely to have a material adverse effect on the Portfolio. As interest rates are currently low in many of PEPR's markets, there is a significant risk that rates may rise, in particular as a result of rising inflation or in connection with a change in general economic conditions.

On 18 June 2009, Moody's downgraded PEPR's corporate credit rating to Ba1 from Baa3 and affirmed its negative outlook. The downgrade reflected PEPR's poorer-than-expected financial metrics and heightened liquidity risk

profile. The impact of this rating downgrade on PEPR's debt was a 25 basis point increase in the borrowing margin of the €900.0 Million Facility, which represents an annualised additional interest expense of up to €2.25 million on the basis of a fully utilised facility. The margin on the three year tranches will increase to 265 basis points over Euribor/LIBOR and the margin on the five year tranche to 270 basis points. The impact of the rating downgrade on the €500.0 million Eurobond is an increase of 1.75 per cent. to 7.625 per cent., effective as of 23 October 2009, which represents an annualised additional interest expense of €8.75 million. There can be no assurance that further rating downgrades will not occur in the future however any such downgrade will not result in a further increase in the interest rates payable on PEPR's indebtedness.

The interest rates payable by PEPR on its indebtedness are subject to change on account of a number of different factors, including changes in base rates, changes in margin due to market developments and changes in margin due to factors specific to PEPR (including, but not limited to rating downgrades or renegotiations with lenders). Any increase in interest rates payable by PEPR could make investing directly in new properties more expensive and may result in PEPR incurring increased levels of margin when re-financing its debt. Accordingly, increases in interest rates could have an adverse effect on PEPR's results of operations, net cash flow and the market price and NAV per Unit.

Risks Relating to PEPR's Relationship with ProLogis

The interests of ProLogis may not always be aligned with the interests of Unitholders

ProLogis owns, and will continue to own, a substantial percentage of the Units. As a result, the Management Company believes that ProLogis' interests are aligned with those of other Unitholders. Notwithstanding this alignment of interests, employees, directors, officers and agents of ProLogis and ProLogis Related Parties will occupy key positions in respect of the operations of PEPR, including the Managers and Investment Managers. PEPR has two employees and relies to a large extent on the Management Company's access to property managers and other resources of the ProLogis network through the Investment Management Agreement. As the employees of the ProLogis network are not exclusively working for PEPR, conflicts of interest may exist, and although these conflicts of interest are required to be resolved in accordance with ProLogis' obligations under the Investment Management Agreement, they may not necessarily be resolved entirely in favour of PEPR.

PEPR may face competition from ProLogis or its affiliates

ProLogis and other funds managed by ProLogis may have investment objectives and policies comparable to those of PEPR and may be in competition with PEPR. In particular, PEPR's Distribution Facilities may face competition from other Distribution Facilities developed or redeveloped by ProLogis, whether currently existing or developed in the future, on properties adjacent to PEPR's Distribution Facilities. Competition with ProLogis-developed Distribution Facilities not owned by PEPR could have a material adverse effect on the rental income of PEPR in relation to any affected Distribution Facility.

The individuals who manage PEPR may also be involved in managing the ProLogis Private Equity Funds and ProLogis Joint Ventures

ProLogis and its affiliates also invest in and manage other investment properties for their own accounts and for other funds, and provide real estate management and related services for other funds similar to those performed by the Management Company for PEPR. Whilst the Managers must devote sufficient time to carry on the business of PEPR in a diligent manner, they may devote a significant amount of time to the ProLogis Private Equity Funds and other ProLogis activities in Europe (including the formation of ProLogis Joint Ventures). Furthermore, some of the Managers are also responsible for managing PEPF II and are compensated based on targets in relation to the performance of PEPF II, in addition to targets in relation to the performance of PEPR. Whilst it is expected that they will allocate substantial resources to PEPR's ongoing operations, their involvement in the management of the PEPF II may lead to conflicts of interest in the allocation of time, services, functions or investment opportunities in relation to PEPR, which may result in PEPR's results of operations being less favourable than they would have been had the Managers devoted all of their time to PEPR.

The Managers will have conflicts of interest in relation to any claims and rights PEPR may have against ProLogis

The Management Company, the Managers and the employees of the Management Company may have conflicts of interest in deciding whether and how to exercise and pursue rights and claims PEPR may have under contractual arrangements with ProLogis and ProLogis Related Parties, including the Investment Management Agreement and the Private Equity Fund Investment Agreement, as set out in paragraphs 9.1 and 9.3 of Part VII—"Additional Information" of this Prospectus.

Except with respect to specific decisions identified in the Management Regulations over which the PEPR Board has an approval right, such as whether to exercise the rights of PEPR to invest under the Private Equity Fund Investment Agreement, the PEPR Board has limited ability to affect decisions made by the Management Company, the Managers and the officers and employees of the Management Company, including where conflicts of interest may be present. See Part IV—“Management of PEPR—The PEPR Board” of this Prospectus for more information.

In contributing properties to PEPR, ProLogis has made limited representations and warranties and provided limited indemnification. Although ProLogis has provided limited indemnification in connection with liabilities associated with all of the assets it contributed to PEPR, the Managers will have a conflict of interest both in determining whether to make any claims against ProLogis under the terms relating to the acquisition of the assets and in determining how to resolve any such claims.

PEPR relies on the Management Company and the Investment Managers

PEPR depends significantly on the efforts and abilities of the Managers, the officers and employees of the Management Company and the Investment Managers. The loss of these persons’ services could have a material adverse effect on PEPR. Furthermore, such a loss could be perceived negatively in the capital markets. Consistent with past practice, there are no service agreements in place between the Managers and PEPR, and as a result any of the Managers could be replaced or moved to another position within ProLogis without the consent of PEPR or the PEPR Board.

It may be difficult for Unitholders to replace the Management Company

The Management Company can only be removed or replaced (i) without cause, by a vote of 67 per cent. of Ordinary Units on 15 September 2016 and every fifth year thereafter (the meeting of Ordinary Unitholders to vote on the removal or replacement of the Management Company may only be convened at the initiative of a simple majority of the Independent Board Members following a simple majority of Independent Board Members having voted to terminate the Management Company’s appointment), or (ii) by a simple majority of Ordinary Units at any time in the event of (a) gross negligence, wilful misconduct or fraud by the Management Company or (b) failure by ProLogis or a ProLogis Related Party to observe the ownership requirements and restrictions on transfer of Units set out in the Management Regulations. As a result, PEPR and the Ordinary Unitholders may not be able to replace the Management Company and the Investment Managers because of poor performance, disagreements over investment decisions and strategic decisions or other factors until 15 September 2016 and subject to a simple majority of the Independent Board Members voting to terminate the Management Company’s appointment. The inability to replace the Management Company and the Investment Managers may adversely affect the NAV or market price of the Units.

Risks Relating to Units

There are no precedents for the listing of Preferred Units on Euronext

PEPR will be the first FCP to have preferred units admitted to listing and trading on Euronext Amsterdam and, prior to the Offer, there has been no public market for the Preferred Units. Furthermore, due to the limited size of the Offer, the Management Company does not know the extent to which investor interest will lead to the development of a trading market or how liquid that market might be or, if a trading market does develop, whether it will be sustained. It also does not know the extent to which the market, and the trading prices of the Preferred Units, may be affected by the fact that the Preferred Units represent interests in an FCP as opposed to shares in a company. If an active and liquid trading market does not develop or is not sustained, investors may have difficulty selling their Preferred Units. In addition, costs or limitations not currently foreseen may arise in the future as a result of PEPR’s status as an FCP. There can be no assurance that the prices at which the Preferred Units will trade will not decline below the Issue Price. In addition, the tax consequences of investing in Preferred Units of PEPR, as an FCP, may differ significantly from other types of equity investments. Prospective investors should consult their professional advisors on the potential tax consequences of subscribing for, purchasing, holding, converting or selling Preferred Units.

The trading market for PEPR's Ordinary Units has had limited liquidity

PEPR's Ordinary Units have had limited liquidity in the market since the initial public offering in September 2006 and an active market may not develop in the future.

The future trading market for PEPR's Preferred Units may have limited liquidity

Application has been made for admission of the Preferred Units to listing and trading on Euronext Amsterdam and for admission to listing on the Official List and trading on the regulated market of the Luxembourg Stock Exchange. However, it cannot be ensured that an active trading market will develop in the future and that holders of Preferred Units will be able to trade their Preferred Units on the secondary market. Thus, it is possible that liquidity of the Preferred Units will be limited and you may be unable to sell your Preferred Units at a particular time or at favourable prices, if at all. If the Preferred Units are traded, they may trade at a discount from their initial offering price depending on the number of holders of the Preferred Units, prevailing interest rates, the markets for similar securities, general economic conditions and PEPR's financial condition, performance and prospects.

PEPR's distributions, including the payment of Preferred Dividends, may be suspended indefinitely

Investors should note that there is no assurance that any distributions of Distributable Cash Flow will ultimately be made. In particular, investors should note that the terms of PEPR's unsecured credit facilities, as amended in December 2008, prohibit cash distributions for so long as PEPR remains below certain financial thresholds. Accordingly, the Management Company suspended dividend payments in December 2008, and the Management Company does not contemplate paying dividends on Ordinary Units for the foreseeable future and intends to use the relevant distributable cash to pay down debt instead. Preferred Dividend payments are subject to similar restrictions and, accordingly, no dividends will be paid until a successful renegotiation of PEPR's unsecured credit facilities is achieved or PEPR raises at least €60.0 million by issuing new equity (which, for the avoidance of doubt, may include the issuance of the Preferred Units) in accordance with the terms of the recent amendment to the €900.0 Million Facility.

Subordination of Ordinary Units

The Preferred Units constitute interests that are preferential to the Ordinary Units. With respect to dividend rights or rights upon PEPR's liquidation, dissolution or winding up, the Preferred Units rank senior to the Ordinary Units. However, both the Preferred Units and the Ordinary Units are subordinated to all interests of PEPR's creditors and any kind of debt.

PEPR's distributions, including the payment of Preferred Dividends, will depend on payments made to it by its subsidiaries and be subject to the decision of the Management Company

If the Management Company decides that PEPR will revert to paying distributions (see above) PEPR will depend on: (i) intercompany loan payments, distributions and other payments from its subsidiaries that hold Distribution Facilities, as PEPR holds no Distribution Facilities directly; and (ii) distributions from investments in associates including the ProLogis Private Equity Funds and the ProLogis Joint Ventures, if any such investment is made in the future by PEPR. The amount and timing of distributions to Unitholders will be determined by the Management Company in accordance with the terms of the Management Regulations and may be restricted by applicable law and regulations. The ability of PEPR's subsidiaries to make distributions of cash held by them to PEPR may be limited by applicable law, the terms of CMBS or other financings, the terms of PEPR's current or future indebtedness, or for other reasons. In addition, PEPR will not control the timing or amount of distributions made by any investment in associates including ProLogis Private Equity Funds, other funds or ProLogis Joint Ventures. These factors may negatively affect the amounts that are available for distribution to PEPR's Unitholders.

Even if sufficient funds are available for distribution, the Management Company may decide that the proceeds from (i) the sale of any asset in the Portfolio, including, without limitation, Distribution Facilities, or (ii) any refinancing of the Portfolio or any asset in the Portfolio, be held for investment and re-investment. In addition, even if distributions were permitted under the terms of PEPR's financing arrangements, the Management Company may choose not to distribute dividends (including Preferred Dividends) and continue to use the cash instead for the prudent amortisation of debt, in accordance with the Management Regulations.

If Preferred Dividends are deferred, they will cumulate and accrue interest. However, there is no assurance that such unpaid Preferred Dividends and interest accrued thereon will ever be paid by PEPR in the future.

If a Preferred Unitholder elects to convert its Preferred Units into Ordinary Units and there are accrued but unpaid Preferred Dividends relating to those Preferred Units, those accrued and unpaid Preferred Dividends or accrued Preferred Dividends will not convert into Ordinary Units. Instead, the Management Company will have absolute

discretion (provided there is Distributable Cash Flow available for distribution) to determine if and when any such unpaid Preferred Dividends may be paid.

Unitholders' rights may be limited in several important ways

The nature and extent of the rights of Unitholders are set out in the Management Regulations, which are set out in full in Part XI—"Management Regulations of PEPR" of this Prospectus. The governance rights in PEPR are limited in several important ways, including the following:

- the Management Company has the exclusive right to manage PEPR;
- the Management Regulations limit when the Management Company can be replaced;
- Ordinary Unitholders (including ProLogis and ProLogis Related Parties) have the right to elect the four Independent Board Members upon proposal by a nomination committee and the Management Company has the right to appoint the two ProLogis Board Members;
- although the Independent Board Members will represent a majority of the PEPR Board, the PEPR Board has no right with respect to the management and governance of PEPR except that it has the right to approve or be consulted with respect to certain decisions as listed in this Prospectus and in the Management Regulations.
- the Preferred Unitholders will not have any voting rights except for any decision relating to the change of the legal form of PEPR, with respect to which all classes of Units including the Preferred Units will vote together. In addition, any change to the Management Regulations which only impacts Preferred Units shall be subject to vote by a simple majority of Preferred Units. Although the matter is not free from doubt, the Management Company believes that it can be reasonably considered that the Preferred Units have the right to vote pursuant to the Management Regulations in relation to any change only impacting Preferred Units and it undertakes to act accordingly. The quorum shall be 50 per cent of all Preferred Units. If such a quorum is not reached, a second meeting shall automatically be held on the day falling 14 days after the date of such inquorate meeting (provided that day is a Business Day in Luxembourg, and if that is not the case, it shall be held on the first Business Day following thereafter) and such meeting shall not be subject to quorum requirements. Inquorate meetings will be reconvened in accordance with the Management Regulations.

Accordingly, investors in PEPR should be aware that they are entrusting substantially all aspects of the administration and management of PEPR to the Management Company. See Part IV—"Management of PEPR" of this Prospectus for information on PEPR's management and governance.

Unitholders who do not acquire new Preferred Units during the Offer will experience dilution in their ownership of PEPR

Unitholders who choose not to exercise their Preferential Subscription Rights to subscribe for Preferred Units during the Offer will experience dilution in their ownership and voting interests of PEPR to the extent other Unitholders subscribe for the Preferred Units and convert these to Ordinary Units.

Future issuances of Units could dilute the interests of existing Unitholders

Article 8 of the Management Regulations sets out the provisions applicable to the issue of new Units and the terms upon which such Units may be issued.

The Management Company shall, subject to the consent of the PEPR Board and subject to the consent of at least 50 per cent. of all Unitholders, except Preferred Unitholders, present or represented at the relevant general meeting of Unitholders, have the ability to issue Units of the same Class or different Classes or Series within such Classes subject to the terms of the Management Regulations. No quorum requirements have to be complied with in relation to such general meeting.

Without the approval of the Unitholders, the Management Company may, subject to the consent of the PEPR Board, in each fiscal year cause PEPR to issue Units of different Classes or Series for an aggregate issue price up to 10 per cent. of the total economic value of Units of PEPR at the first day of that year.

Preferred Unitholders may convert their Preferred Units into Ordinary Units at their discretion at any time subject to limited exception. Upon any such conversion, the percentage ownership interest of Ordinary Unitholders will

be diluted. Any sales in the public market of the Ordinary Units issuable upon such conversion could adversely affect prevailing market prices of the Ordinary Units. In addition, the existence of the Preferred Units may encourage short selling by market participants because the conversion of the Preferred Units could depress the price of the Ordinary Units.

Other than the proposed issue of Preferred Units under the Offer, PEPR has no current commitments to offer PEPR Units. However, it is contemplated that, following the successful completion of the Offer contemplated in this Prospectus, the Management Company will offer additional preferred units in the early part of 2010, either for the repayment of debt, to raise capital or for other purposes. If Unitholders did not take up such offer of Preferred Units or were not eligible to participate in such offer, their proportionate ownership and voting interests in PEPR on a diluted basis would be reduced and the percentage of the total assets of PEPR that their Units represent would be reduced accordingly. An additional offer or significant sale of Units by major Unitholders, could have a material adverse impact on the market price of PEPR Units as a whole.

Redemption of Preferred Units under certain circumstances

Preferred Units may be redeemed in whole at the initiative of the Management Company after the date which is seven years after the date of first issue of Preferred Units, *i.e.*, on or about 23 December 2009, by the Management Company serving a redemption notice on Preferred Unitholders. Preferred Units may also be redeemed in whole in the event of (i) a change in legal form of PEPR pursuant to Article 20 of the Management Regulations within a period of 24 months following the date of their issue, (ii) an increase of the rate of preferred return to take into account a deduction or withholding of tax imposed upon PEPR in respect of the payment of preferred distributions, and (iii) upon a change of control of PEPR or ProLogis owning directly or indirectly more than 50 per cent. of the Ordinary Units of PEPR, provided that in relation to both such events, PEPR is also subject to a rating downgrade which shall be deemed to have occurred in respect to any such event (a) if, within the period ending 120 days after the occurrence of either of the events referred to above, any rating previously assigned to PEPR by any rating agency is (i) withdrawn or (ii) changed from a rating better than Ba1 by Moody's, or its equivalent for the time being, to a rating of Ba1 by Moody's, or its equivalent for the time being, or worse or (iii) if the rating assigned to PEPR by any rating agency shall be Ba1 by Moody's or its equivalent for the time being, or worse, lowered one full rating notch (from Ba1 to Ba2 by Moody's or such similar lower or equivalent rating) or (b) if at the time of such event, there is no rating assigned to the Issuer and no rating agency assigns during the 120 day period referred to above an investment grade credit rating to PEPR (unless PEPR is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of any of the events referred to above). The redemption price is equal to the NAV of the Preferred Units on the most recent Valuation Day prior to redemption.

The Preferred Units may, therefore, be redeemed at a time when prevailing interest rates are relatively low. As a result, holders of the Preferred Units may not be able to re-invest the redemption proceeds in a comparable security with an effective rate equal to that of the Preferred Units.

There could be circumstances where PEPR would wish to redeem some or all of the Preferred Units and sufficient cash is available for that purpose, but PEPR is restricted from doing so because it has not been able to obtain proceeds from Qualifying Units sufficient for that purpose.

Delisting of the Ordinary Units

The Preferred Units do not contain provisions that protect you if the Ordinary Units are delisted. Since the Preferred Units have no stated maturity date, you may be forced to elect between converting your Preferred Units into illiquid Ordinary Units or holding your Preferred Units and receiving stated distributions on the Preferred Units when and if authorised by the Management Company. Accordingly, if the Ordinary Units are delisted, your ability to transfer or sell your Preferred Units or Ordinary Units upon conversion, may be limited and the market value of the Preferred Units will be materially adversely affected.

The conversion ratio of the Preferred Units will not be adjusted for several potential dilutive events and the Management Regulations may be changed in a way that adversely affects the rights of Preferred Unitholders.

The Preferred Units are convertible at any time at the option of the holder into Ordinary Units at a one-to-one ratio. The ratio will be adjusted to take into account any split or reverse split of the Ordinary Units. However, the conversion ratio will not be adjusted to reflect other potentially dilutive events including, among others, the proceeds from the sale of any asset in the Portfolio being distributed in accordance with the Management Regulations to Ordinary Unit Holders, mergers or demergers of PEPR.

Certain of those potentially dilutive events may require an amendment to the Management Regulations but, unless the amendment solely impacts the Preferred Units, the holders of Preferred Units may not have any right to vote

together with other Unitholders and, in any event, would not have a right to veto such amendment by voting as a class. Accordingly, the Management Regulations may be amended in a manner that adversely affects the rights of Preferred Unitholders without the need for Preferred Unitholders' approval.

The number and significance of potentially dilutive events would increase further should PEPR change its legal status from an FCP to, for example, a SICAF or a joint stock company. Preferred Unitholders will not have a veto over such a change in legal status. Where new Units are issued in accordance with the provisions of the Management Regulations, the existing holders of the same Class or Series shall have the right to subscribe for new Units or Series of such Class or similar Classes on a preferential and rateable basis in accordance with the provisions contained in the Law of 1915 governing preferential subscription rights for shares issued by public limited companies and such law shall be deemed to apply to PEPR. At the time of resolving to issue new Units, the general meeting of Unitholders or the Management Company, where applicable, can decide to waive the right of existing holders of the same or similar Classes to subscribe for the new Units on a preferential and rateable basis. The Management Company may also waive such Preferential Subscription Rights when the new Units are being issued pursuant to the Management Company's power to cause PEPR to issue new Units in each fiscal year for an aggregate issue price of up to 10 per cent. of the total economic value of issued Units at the start of the relevant fiscal year without the approval of Unitholders, as described in the the Management Regulations.

Even if Preferential Subscription Rights are waived in relation to an issue of Units, ProLogis and ProLogis Related Parties will have a preferential subscription right to subscribe for such number of Units as is required to ensure that they do not breach the minimum ownership requirement described in Part VII—"Additional Information"—"Management Regulations" of this Prospectus.

Should PEPR issue further Ordinary Units or preferred units convertible into Ordinary Units, the Management Company will reserve preferential subscription rights to both the Ordinary Units and Preferred Units on a rateable basis. However, Ordinary Unitholders may instead vote to issue Ordinary Units or preferred units convertible into Ordinary Units without granting any preferential subscription rights to Preferred Units. In that case, Preferred Unitholders would be diluted without compensation if the issue price of the new Ordinary Units is below the then current trading price.

Units differ from shares

The governance rights attached to the Ordinary Units and the Preferred Units are different from rights that typically attach to ordinary shares or preferred shares or other similar instruments in a company.

The foregoing factors are not exhaustive and do not purport to be a complete listing or explanation of all the risks and significant considerations involved in investing in the Units.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following summary consolidated financial data constitutes selected financial information for the purposes of Annex I 3.1. of the Commission (EC) Regulation 809/2004 of 29 April 2004.

The summary consolidated financial data set forth below is that of PEPR and its subsidiaries. The summary consolidated financial data should be read in conjunction with Part III—“Operating and Financial Review and Prospects” and the financial information for the years ended 31 December 2008, 31 December 2007 and 31 December 2006 and the results for the nine-month period ended 30 September 2009 incorporated by reference in this Prospectus. The financial statements and accounts from which the summary consolidated financial data set forth below have been derived were prepared in accordance with IFRS as adopted by the European Union. The summary consolidated financial data set forth may not contain all of the information that is important to you.

As a result of changes to the accounting presentation made by PEPR in the preparation of its 2008 Accounts, PEPR reclassified certain amounts in the 2007 comparative financial information included in the 2008 Accounts for purposes of comparability. Accordingly, the financial information for the year ended 31 December 2008 included in the 2008 Accounts differs in certain minor respects from the financial information for 2007 included in PEPR’s 2007 Accounts. All summary consolidated financial information for the years ended 31 December 2007 and 31 December 2006 is, unless otherwise stated, also presented after giving effect to such reclassification for the purposes of comparability.

The nine-month consolidated financial data is based upon PEPR’s unaudited interim condensed consolidated financial accounts for the nine-month period ended 30 September 2009 that have been reviewed by E&Y. In its review report on the 2009 Nine-Month Accounts E&Y included an emphasis of matter, stating, without qualifying its conclusion, that conditions referred to in Note 1 to such accounts indicate the existence of a material uncertainty about PEPR’s ability to continue as a going concern. Investors are encouraged to read E&Y’s review report and the matters referred to therein. The results for the nine-month period ended 30 September 2009 are not necessarily indicative of results for the full year.

The year-end consolidated financial data is extracted from the consolidated financial statements of PEPR that have been audited by E&Y. In its audit report on the 2008 Accounts, E&Y included an emphasis of matter, stating, without qualifying its opinion, that conditions referred to in Note 1 to such financial statements indicate the existence of a material uncertainty about PEPR’s ability to continue as a going concern. Investors are encouraged to read E&Y’s audit opinion and the matters referred to therein.

| | Nine Months Ended | | Year Ended | | |
|---|----------------------|----------------------|---------------------|---------------------|---------------------|
| | 30 September 2009 | 30 September 2008 | 31 December 2008 | 31 December 2007 | 31 December 2006 |
| | Unaudited €’000 | Unaudited €’000 | Audited €’000 | Adjusted €’000 | Adjusted €’000 |
| Summary Income Statement Data | | | | | |
| Rental income | 201,744 | 221,487 | 292,177 | 298,555 | 286,713 |
| Other property income | 357 | 195 | 1,146 | 10,321 | 4,716 |
| Total revenue | 202,101 | 221,682 | 293,323 | 308,876 | 291,429 |
| Ground rents paid | (1,897) | (1,951) | (2,576) | (2,273) | (2,173) |
| Property management fees | (11,409) | (14,145) | (18,332) | (20,176) | (18,372) |
| Other property rental expenses | (6,103) | (8,982) | (11,484) | (6,148) | (8,007) |
| Cost of rental activities | (19,409) | (25,078) | (32,392) | (28,597) | (28,552) |
| Gross profit | 182,692 | 196,604 | 260,931 | 280,279 | 262,877 |
| Fund expenses ⁽¹⁾ | (7,559) | (9,159) | (12,314) | (11,169) | (46,073) |
| Profit/(loss) on disposal of investment and development property ⁽²⁾ | (42,654) | 1,477 | 1,527 | 43,169 | 3,105 |
| Gross valuation gains on property | 5,300 | 37,471 | 39,022 | 146,459 | 471,587 |
| Gross valuation losses on property | (458,973) | (155,250) | (539,382) | (120,967) | (2,491) |
| Purchasers costs | 22,943 | 4,715 | 16,642 | (27,300) | (39,144) |
| Property fair value movements | (430,730) | (113,064) | (483,718) | (1,808) | 429,952 |
| Earnings/(losses) before net financial cost, associate, impairment and tax | (298,251) | 75,858 | (233,574) | 310,471 | 649,861 |
| Finance income | 2,323 | 4,280 | 5,319 | 4,772 | 4,673 |
| Finance expenses | (78,060) | (84,918) | (116,124) | (101,842) | (97,174) |

| | | | | | |
|---|------------------|-----------------|------------------|----------------|----------------|
| Share of loss of an associate | — | (6,191) | (76,834) | (23,919) | — |
| Loss on disposal of investment in an associate | — | — | (137,048) | — | — |
| Impairment of other financial asset, available for sale | — | — | (68,523) | — | — |
| Earnings/(losses) before tax | (373,988) | (10,971) | (626,784) | 189,482 | 557,360 |
| Benefit/(charge) for taxation | 55,880 | 10,024 | 48,866 | (18,152) | (120,262) |
| Net profit/(loss) for the period | (318,108) | (947) | (577,918) | 171,330 | 437,098 |
| Basic Earnings/(losses) per unit | | | | | |
| Ordinary Units | (1.67) | (0.01) | (3.03) | 0.89 | 1.15 |
| Class A and B units | — | — | — | — | 2.90 |
| Class C Units | — | — | — | — | 0.68 |
| Outstanding Units | 190,522,441 | 190,522,441 | 190,522,441 | 190,522,441 | 188,687,510 |
| Diluted Earnings/(losses) per unit | | | | | |
| Diluted Earnings per unit for Ordinary Units | (1.67) | (0.01) | (3.03) | 0.89 | 1.15 |
| Diluted Earnings per unit for Class A and Class B units | — | — | — | — | 2.72 |
| Diluted Earnings per unit for Class C Unitholders | — | — | — | — | 0.68 |

(1) Comprises fund management fees, fund custodian fees and other fund expenses.

(2) Comprises investment and development property disposal proceeds net of the carrying value of investment and development property disposals.

| | As at | | | |
|---|----------------------|---------------------|---------------------|---------------------|
| | 30 September 2009 | 31 December 2008 | 31 December 2007 | 31 December 2006 |
| | Unaudited €'000 | Audited €'000 | Audited €'000 | Audited €'000 |
| Summary Balance Sheet Data | | | | |
| Total non-current assets | 2,866,794 | 3,537,738 | 4,321,648 | 4,294,988 |
| <i>of which:</i> | | | | |
| <i>Investment in property</i> | 2,843,737 | 3,441,722 | 4,143,109 | 4,242,418 |
| Total current assets | 198,780 | 222,703 | 174,372 | 266,203 |
| <i>of which:</i> | | | | |
| <i>Cash and cash equivalents</i> | 104,953 | 77,101 | 78,680 | 138,049 |
| Total assets | 3,065,574 | 3,760,441 | 4,496,020 | 4,561,191 |
| Total equity | 1,133,872 | 1,410,845 | 2,241,915 | 2,248,114 |
| Total non-current liabilities | 1,321,277 | 1,854,777 | 2,092,075 | 1,631,472 |
| <i>of which:</i> | | | | |
| <i>Interest-bearing secured notes</i> | — | 543,626 | 874,574 | 1,269,331 |
| <i>Interest-bearing unsecured notes</i> | 492,883 | 492,005 | 491,168 | — |
| <i>Interest-bearing bank loans, net of current portion</i> | 776,232 | 700,216 | 534,086 | 159,056 |
| Total current liabilities | 610,425 | 494,819 | 162,030 | 681,605 |
| <i>of which:</i> | | | | |
| <i>Interest-bearing bank loans and secured notes, current portion</i> | 448,005 | 335,288 | 2,099 | 534,231 |
| Total liabilities | 1,931,702 | 2,349,596 | 2,254,105 | 2,313,077 |
| Total equity and liabilities | 3,065,574 | 3,760,441 | 4,496,020 | 4,561,191 |

| | Nine Months Ended | | Year Ended | | |
|---|----------------------|----------------------|---------------------|---------------------|---------------------|
| | 30 September 2009 | 30 September 2008 | 31 December 2008 | 31 December 2007 | 31 December 2006 |
| | Unaudited €'000 | Unaudited €'000 | Audited €'000 | Audited €'000 | Audited €'000 |
| Summary Statement of Cash Flow Data | | | | | |
| Net cash flow from operating activities ... | 109,781 | 108,256 | 114,950 | 186,130 | 139,711 |
| Net cash proceeds/ (used) in investing activities | 206,316 | (186,122) | (171,035) | (6,749) | (299,750) |
| Net cash provided/(used) from financing activities | (289,107) | 99,106 | 56,067 | (236,484) | 202,082 |
| Effects of exchange rate changes | 862 | (1,336) | (1,561) | (2,266) | (779) |
| Net increase/(decrease) in cash and cash equivalents | 27,852 | 19,904 | (1,579) | (59,369) | 41,264 |
| Cash and cash equivalents at the beginning of the period | 77,101 | 78,680 | 78,680 | 138,049 | 96,785 |
| Cash and cash equivalents at the end of the period | 104,953 | 98,584 | 77,101 | 78,680 | 138,049 |

EXPECTED TIMETABLE

| | |
|--|---|
| Offer of Preferred Units to existing Ordinary Unitholders and start of the 30 day initial subscription period | 17 November 2009 |
| End of the 30 day initial subscription period | 16 December 2009 |
| Payment Day for subscription proceeds from investors that exercised their PSRs during the 30 day period | 17 December 2009 |
| Sale by PEPR of unexercised PSRs at public auction | on or about 21 December 2009 |
| End of subscription period for investors having acquired unexercised PSRs at public auction | end of the Business Day following the public auction |
| Payment Day for subscription proceeds from investors that exercised their PSRs bought at the public auction | end of the Business Day following the public auction |
| Publication of result of the Offer on PEPR's website (www.prologis-ep.com) | on or about 23 December 2009 |
| Payment Day for subscription proceeds from Morgan Stanley | end of the Business Day following the end of subscription period for investors having acquired unexercised PSRs at the public auction |
| Issue of Preferred Units (including Preferred Units to be granted to Morgan Stanley in a number equal to the number of Preferred Units that would have been issued had all PSRs bought at the public auction been exercised) | on or about 23 December 2009 |
| Admission to listing and trading of Preferred Units on Euronext Amsterdam (Admission) | on or about 24 December 2009 |
| Admission to listing and trading of Preferred Units on Luxembourg Stock Exchange (Admission) | on or about 24 December 2009 |
| Euroclear Netherlands accounts credited in respect of Preferred Units in uncertificated form (Settlement Date) | on or about 24 December 2009 |

Each of the dates in the above timetable is subject to change. Any acceleration or extension of the timetable of the Offer will be announced in a press release (together with any related revision of the expected dates of pricing, allocation and closing) at least two hours before the proposed expiration of the accelerated timetable for the Offer or, in the event of an extended timetable for the Offer, at least two hours before the expiration of the original timetable for the Offer. Any extension of the timetable for the Offer will be for a minimum of one full Business Day. References to times are to Central European Time unless otherwise stated.

SELLING RESTRICTIONS

None of the Units nor an investment in PEPR has been approved or disapproved by any governmental or regulatory authority of any country or jurisdiction, nor has any such governmental or regulatory authority passed upon or endorsed the merits of PEPR or an investment in its Units.

The Units may not be offered, including through this Prospectus, by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such an offer or invitation. Further, the distribution of this Prospectus and the making of the Offer in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required by the Management Company to observe any restrictions as to the distribution of this Prospectus under the applicable laws and regulations of any territory, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Management Company, acting on behalf of PEPR, that would permit a public offering of Units in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in any jurisdiction where action for that purpose is required.

U.S. Selling Restrictions

THE UNITS HAVE NOT BEEN APPROVED OR RECOMMENDED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY U.S. STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY NOR HAVE SUCH AUTHORITIES CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE U.S.

The Preferred Units have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the U.S. and will only be offered in the U.S. on a private placement basis to persons reasonably believed to be Accredited Investors and/or QIBs in transactions exempt from the regulation requirements of the Securities Act and outside the U.S. to certain persons in offshore transactions pursuant to Regulation S. Initial purchasers of the Preferred Units will be required to make the representations and agreements set forth under “Transfer Restrictions” and “ERISA Considerations” below. Preferred Units may only be resold or transferred in an offshore transaction outside the U.S. pursuant to Regulation S. The offer or sale of Units has also not been registered under the securities laws of any other jurisdiction and may not be reoffered, resold, pledged or otherwise transferred except as permitted by the Management Regulations and as provided in this Prospectus. For a description of restrictions on offers, sales and transfers on the Units and the distribution of this Prospectus in other jurisdictions, see Part IX—“ERISA, Transfer Restrictions, Eligible Investors and Certificates” of this Prospectus. PEPR has not, and does not intend to, register under the Investment Company Act.

Further, no acquisition or transfer of Units may be made unless it will not result in the assets of PEPR constituting “plan assets” within the meaning of ERISA. Accordingly, investors using assets of retirement plans or benefit plans that are subject to ERISA or Section 4975 of the Code (including, as applicable, assets of an insurance company general account) will not be permitted to acquire any Units and each investor will, by its acquisition of a Unit be deemed to have represented that it is not a Benefit Plan Investor. Any acquisition or transfer of a Unit to a non-permitted investor is subject to restrictions (including compulsory transfer clauses) as provided in the Management Regulations and this Prospectus.

Notice to New Hampshire Residents Only

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421-B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Selling Restrictions Relating to Relevant Member States of the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) no Preferred Units which are the subject of the Offer contemplated by this Prospectus have been offered or will be offered to the public in that Relevant Member State other than the Offer contemplated in the Prospectus in Luxembourg once the Prospectus has been approved by the competent authority in Luxembourg and published and in The Netherlands once the Prospectus has been approved by the competent authority in Luxembourg and published and passported in accordance with the Prospectus Directive as implemented in The Netherlands and Luxembourg respectively, except that it may make an offer to the public in that Relevant Member State of any Preferred Units at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Preferred Securities shall result in a requirement for the publication by PEPR or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any Preferred Units in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Units to be offered so as to enable an investor to decide to purchase any Preferred Units, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

France

The Units of the Fund may only be offered or sold, directly or indirectly in the Republic of France, to qualified investors investing for their own account and/or to investment services providers authorised to engage in portfolio management services on a discretionary basis on behalf of third parties, all as defined in, and in accordance with Articles L.411-1, L.411-2, D.411-1 to D.411-3, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code (*Code Monétaire et Financier*). Neither this Prospectus, nor any information contained therein or any offering material relating to the Units in the Fund, may be distributed or caused to be distributed to the public in France.

This Prospectus has neither been submitted to the clearance procedure of the *Autorité des Marchés Financiers* (“AMF”), nor notified to the AMF in order to benefit from the passport procedures provided for by the EU Prospectus Directive 2003/71/EC. In the event that the Units thus purchased or subscribed to by such investors listed above, are offered or resold, directly or indirectly, to the public in France, the conditions relating to public offerings set forth in Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the Monetary and Financial Code must be complied with.

Germany

The Units which are the subject of this Prospectus are neither registered for public distribution with the BaFin according to the German Investment Act (*Investmentgesetz*) nor listed on a German exchange. No sales prospectus pursuant to the German Securities Prospectus Act (*Wertpapierprospektgesetz*) has been filed with the BaFin. Consequently, the Units must not be distributed within Germany by way of a public offer, public advertisement or in any similar manner, and this Prospectus and any other document relating to the Units as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of the Units to the public in Germany or any other means of public marketing.

Any resale of the Units in the Federal Republic of Germany may only be made in accordance with the German Securities Prospectus Act, the German Investment Act and any other laws applicable in the Federal Republic of Germany

governing the sale and offering of shares. No view on taxation is expressed. Investors in Germany are urged to consult their own tax advisors as to the tax consequences that may arise from an investment in the Units.

Italy

The Offer of Preferred Units has not been authorised by the relevant Italian authorities pursuant to Article 42 of legislative Decree no. 58, dated 24 February 1998, and any other applicable securities regulations. Accordingly, no investors in Italy may be solicited in relation to the issue of the Preferred Units.

Spain

PEPR has not been registered with the National Securities Market Commission (*Comision Nacional del Mercado de Valores*). Accordingly, Units may only be offered or sold in Spain to investors that will each acquire Units of an amount equal to or exceeding €50,000 in compliance and in accordance with the requirements set out in Law 35/2003, as amended, Law 24/1988, as amended, and any regulations issued thereunder.

United Kingdom

The PEPR Units may constitute interests in an unregulated collective investment scheme as defined in the United Kingdom Financial Services and Markets Act 2000 (the "FSMA"). Accordingly, in the United Kingdom this Prospectus is only being distributed to, and is only directed at (a) investment professionals falling within both Article 14(5) of the FSMA (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (as amended) (the "**CIS Promotion Order**") and Article 19(5) of the FSMA (Financial Promotion) Order 2005 (as amended) (the "**General Promotion Order**") who have professional experience of participating in unregulated collective investment schemes and of matters relating to investments and (b) high net worth companies and other persons falling within both Article 22(2)(a) to (d) of the CIS Promotion Order and Article 49(2)(a) to (d) of the General Promotion Order (all such persons together being referred to as "relevant persons"). Any person in the United Kingdom that is not a relevant person should not act or rely on this Prospectus or any of its contents. Any investment or investment activity to which this Prospectus relates is available in the United Kingdom only to relevant persons, and will be engaged in only with such persons.

PART I – PEPR AND ITS BUSINESS

Introduction

The financial information in this Part I has been derived from PEPR's 2008 Accounts, 2007 Accounts, 2006 Accounts and its 2009 Nine-Month Accounts, which are incorporated by reference in this Prospectus, as well as from PEPR's management accounts.

ProLogis European Properties, or PEPR, was established in 1999 in Luxembourg as a closed-ended *fonds commun de placement* (“FCP”) under the provisions of Part II of the Luxembourg law of 30 March 1988 on undertakings for collective investment, replaced by the Law of 2002 and is supervised by the Luxembourg Supervisory Authority.

In September 2006, the Ordinary Units of PEPR were admitted to listing and trading on Euronext Amsterdam under the symbol “PEPR”, and such Ordinary Units have since been traded on Euronext Amsterdam. The Ordinary Units of PEPR were also admitted to listing on the Official List of the Luxembourg Stock Exchange at the same time as the admission to the listing and trading on Euronext Amsterdam (27 September 2006) and have since been traded on the regulated market of the Luxembourg Stock Exchange.

As of 30 September 2009 190,522,441 Ordinary Units are in issue.

PEPR is externally managed by the Management Company, a Luxembourg incorporated subsidiary of ProLogis. ProLogis is a U.S. based real estate investment trust that operates a global network of industrial distribution properties and is a leading provider of Distribution Facilities and distribution services in North America, Europe and Asia. PEPR's Management Regulations require ProLogis to maintain an ownership interest of not less than 10 per cent. of PEPR's issued Units either directly or indirectly through ProLogis Related Parties.

PEPR is one of Europe's largest owners of high quality Distribution Facilities. As at 30 September 2009, PEPR owned and managed 232 Distribution Facilities comprising 4.9 million square metres of leasable space in 11 countries. As at 30 September 2009, PEPR's Portfolio had an overall occupancy rate of 96.3 per cent. as set out in the Valuation Reports included as Part X—“Valuation Reports” of this Prospectus. The Portfolio was externally valued by JLL, DTZ and CBRE at €2.8 billion (net of purchaser's costs) at 30 September 2009. The Euro conversion was calculated by the Management Company.

The geographical diversification of PEPR's Portfolio enables it to provide leading global companies with a pan-European platform through which to deliver their goods and services to markets across the European Union and beyond. PEPR's customers are logistics service providers (referred to as third party logistics companies in this Prospectus). These customers serve clients in a wide variety of industries and, as a result, offer a wide range of goods and services, including managing supply chains for a variety of their own customers across multiple industries. As at 30 September 2009, such third party logistics companies represented 56 per cent. of PEPR's Annualised Rental Income¹. PEPR also services a broad range of customers in the retail and manufacturing sectors.

The business environment in which PEPR operates has been dominated since 2008 by a general credit market dislocation, a lack of liquidity and declining property values. These developments have significantly affected PEPR's results in 2008 and the first nine months of 2009, primarily as a result of downward fair market valuation adjustments and impairment charges recorded during these periods. PEPR has initiated a range of measures to address some of the adverse effects of the difficult current economic environment on its business, including, among other things, asset disposals, dividend suspension and the renegotiation and extension of existing debt facilities.

Investment Objective, Policy and Investment Restrictions

PEPR's long term Investment Objective and Policy is to generate capital appreciation and a high level of distributable current income for its Unitholders through active management of direct and indirect investments in Distribution Facilities and by investing in ProLogis Private Equity Funds and ProLogis Joint Ventures, subject to the approval of such investment by the PEPR Board if such approval is required under Management Regulations. PEPR may hold its investments in Distribution Facilities either directly or indirectly through companies or entities that are subsidiaries and which may be either wholly or partially owned by PEPR, and through investments in ProLogis Private Equity Funds or ProLogis Joint Ventures and, subject to the following sentence, in other investment funds and investment companies. In implementing its investment objective, PEPR may not invest more than 15 per cent. of its NAV in investment funds and investment companies which are neither ProLogis Private Equity Funds nor ProLogis Joint Ventures and currently PEPR does not intend to invest, or participate in a ProLogis Private Equity Fund or a ProLogis

¹ Annualised Rental Income calculated on leases in place as at 30 September 2009.

Joint Venture under the Private Equity Fund Investment Agreement for the foreseeable future. Furthermore, PEPR may not hold more than 49 per cent. of the units of such investment funds or investment companies. A more detailed description of PEPR's Investment Objective and Policy as well as risk diversification rules and borrowing restrictions applicable to PEPR are provided in Articles 6 and 7 of the Management Regulations, which are set out in Part XI of this Prospectus. Where PEPR invests in joint ventures and investment funds, PEPR must have the possibility to exit any such joint ventures and investment funds in order to be able to proceed with a liquidation of its assets.

PEPR's Investment Objective and Policy (as described in the Management Regulations) may be varied in accordance with the procedures set out in Article 16 of the Management Regulations of PEPR.

PEPR aims to structure its investments in a tax-efficient manner, while using efficient financing to optimise the yield from the Portfolio and to deliver stable returns to Unitholders.

In case of breach of the investment restrictions, PEPR shall take any steps detailed in the Circular CSSF 02/77 of the Luxembourg Supervisory Authority in order to duly inform its Unitholders.

PEPR's strategies to achieve its Investment Objective and Policy in the current market environment

The business environment in which PEPR operates has been dominated since 2008 by a general credit market dislocation, a lack of liquidity and declining property values in Europe. These and other economic developments have significantly affected PEPR's results of operations in 2008 and the first nine months of 2009. In response, PEPR has actively sought to adapt its strategy to the changing economic environment in order to continue pursuing its Investment Objective and Policy.

It is the Management Company's opinion that, in the current economic environment, the most appropriate way to achieve the Investment Objective and Policy is for PEPR to repay debt in order to strengthen PEPR's balance sheet and enable PEPR to pursue opportunities as they arise. Consequently, since December 2008, PEPR, in addition to the continued active management of the Portfolio, has adopted a number of measures to improve liquidity and address debt maturities. These initiatives include the disposal of the entire stake in PEPF II and of less strategic properties and the deployment of proceeds to repay debt, negotiation of new secured debt facilities, renegotiation of the terms and maturity of the existing debt and temporary suspension of dividend payments.

Disposal of PEPR's interests in PEPF II and directly owned assets

Pursuant to two transactions, completed in December 2008 and February 2009 respectively, PEPR disposed of its entire 30 per cent. stake in PEPF II, a ProLogis Private Equity Fund. This action reduced the future funding commitments of PEPR by €522.3 million and generated €54.2 million in net proceeds, which were used to pay down debt. As part of the disposal, PEPR retained an option to buy back up to a 20 per cent. stake in PEPF II. The option expires in December 2009. A more detailed description of the option is set out in Part VII—"Additional Information" of this Prospectus.

In addition, PEPR intended to dispose of at least €200.0 million worth of assets in 2009, and as of the date of this Prospectus has completed two major disposals for aggregate net proceeds of approximately €187.4 million. In May 2009 PEPR agreed to the disposal of a portfolio of nine Distribution Facilities in The Netherlands and Germany, for net proceeds of €114.5 million. In June 2009, PEPR sold five Distribution Facilities in the UK generating total net proceeds of £63.1 million (€72.8 million).

Active Portfolio Management

The Portfolio will continue to be actively managed by the Management Company who is working with customers to understand their short-term and long-term space needs. The Management Company monitors the performance of the Portfolio in the aggregate, as well as elements of the Portfolio by country and by individual asset. In addition, local market officers are responsible for monitoring capital expenditures and are constantly evaluating refurbishment, renovation and expansion opportunities for the Portfolio. ProLogis has a network of 25 local offices with asset management capabilities. The team has re-leased 2.1 million square metres or 42.9 per cent. of the Portfolio² in the last three years.

PEPR does not currently intend to pursue material acquisitions but rather deploy its cash flows and liquidities to repay debt. However, in the future, PEPR will retain the flexibility to pursue attractive investment opportunities, and the Management Company believes that it will be well positioned to source these. PEPR retains the right to invest indirectly

² Expressed as a per cent. of the total leasable area of the Portfolio as of 30 September 2009.

in Distribution Facilities and continues to have the option to invest in ProLogis Joint Ventures and up to 30 per cent. of the equity securities and securities convertible into equity securities issued by any ProLogis Private Equity Fund pursuant to and subject to the terms of the Private Equity Fund Investment Agreement.

Active debt management

Over the last year, the Management Company has actively managed PEPR's debt position to improve the profile of PEPR's indebtedness.

In December 2008, the Management Company reached an agreement with the lenders under the €900.0 Million Facility to (i) lower the minimum tangible net worth required under the loan documentation from €1.95 billion to €1.1 billion and (ii) increase the annual interest payable on the amount outstanding under this facility by 125 bps applicable at the date of the change. In September and November 2009, the Management Company renegotiated the terms of the €900.0 Million Facility with the lending banks to amend the financial covenants subject to a minimum equity raise of €60.0 million as more fully described in "Part VII—Additional Information—Material Contracts—€900.0 Million Facility" of this Prospectus.

The Management Company, on behalf of PEPR, has renegotiated an existing secured bank loan³ in order to extend the loan maturity from March 2010 to March 2013 and to reduce the amount to €126.0 million, the differential of €25.1 million of principal amount having been repaid. In addition, on 17 July 2009, PEPR entered into a new €86.1 million (€95.0 million) secured loan, with a four year maturity.

The Management Company, on behalf of PEPR, has entered into a new five-year loan agreement with a single lender for a €48.0 million (€15.5 million and SEK332.5 million) secured bank loan facility, secured by four Distribution Facilities in Sweden, maturing in October 2014 and used to pay down existing debt.

The Management Company is also pursuing a maturity extension and restructuring of the terms of its €900.0 Million Facility. In April 2009, PEPR repaid CMBS debt of €335.9 million, three months earlier than contractually required. The repayment was funded using a combination of cash from operations and available capacity under its €900.0 Million Facility. The early repayment of the CMBS debt released €550.9 million worth of properties as of December 2008 against which the debt had been secured.

On 5 August 2009, the Management Company has prepaid an aggregate of €98.6 million of CMBS debt (due May 2010), funded through a combination of asset disposals, cash flow from operations, cash inflows from the unwinding of related derivatives and new secured bank loans. The prepayment of CMBS debt released security on approximately €81.4 million worth of assets retained in the business and security on four properties that had been sold earlier in the quarter.

On 5 November 2009, the Management Company has further prepaid an aggregate of €359.1 million of CMBS debt (due May 2010), funded through a combination of cash flow from operations, cash inflows from the unwinding of related derivatives, a new secured bank loan and drawing under the €900.0 Million Facility. The prepayment of CMBS debt released security of approximately €482.9 million worth of assets.

Within the context of its active debt management, PEPR may also guarantee, grant loans or otherwise assist directly or indirectly wholly owned subsidiaries and partially owned subsidiaries controlled by PEPR

Suspension of dividend payments

The terms of PEPR's €900.0 Million Facility, as amended in December 2008, prohibited cash distributions for so long as PEPR remained below certain financial thresholds. The Management Company suspended dividend payments in December 2008 and the Management Company does not contemplate paying dividends on Ordinary Units and intends to use the corresponding distributable cash, instead, to pay down debt. Preferred Dividend payments are subject to similar restrictions and, accordingly, no dividends will be paid until a successful renegotiation of PEPR's unsecured credit facilities is achieved or PEPR raises at least €60.0 million by issuing new equity (which, for the avoidance of doubt, may include the issuance of the Preferred Units) in accordance with the terms of the recent amendment to the €900.0 Million Facility. In any event, unless the €900.0 Million Facility is further amended, Preferred Dividend payments may not exceed 50 per cent. of Distributable Cash Flow. The amendments also permit payments of dividends on all Units, if PEPR is able to raise at least €200 million in new equity, again provided these payments do not exceed 50 per cent. of Distributable Cash Flow. For further information see "Part VII—Additional Information—Material Contracts—€900.0 Million Facility" of this Prospectus.

³ The secured bank loan was outstanding in the amount of €151.1 million as of 30 June 2009.

Investment Highlights

In the current challenging economic conditions, the Management Company believes PEPR benefits from the following key advantages:

Stable Operational Cash Flow

Despite the dislocation of the global credit markets and the deteriorating economic environment, PEPR has been able to maintain a high level of recurring operational cash flow due to its policy of active asset management and prime assets. Key features of PEPR's cash flows include:

- *Historically High Occupancy Rates.* Management of the Portfolio has generated high levels of lease renewals and new lettings and has thus secured consistently high levels of occupancy. Occupancy of the Portfolio has averaged 96.6 per cent. since 2000 and, at 30 September 2009, was 96.3 per cent.;
- *Favourable Lease Terms.* As at 30 September 2009, the Portfolio comprised 373 leases to 206 customers. At the same date PEPR's average lease term to expiry across the Portfolio was 5.5 years and its average lease term to next break was 3.4 years. PEPR seeks to negotiate staggered lease maturities to reduce the possibility of having multiple leases at one site or in a single country become subject to renewal or termination at the same time;
- *Sustained Occupier Demand in a Challenging Business Environment.* The average retention rate for the Portfolio was 79.8 per cent. in the nine-month period to 30 September 2009. This high retention rate results from the Management Company's ongoing effort to anticipate potential departures as early as possible and to manage a solution that works for both parties;
- *Portfolio Size and Geographical Diversity.* The Management Company believes the Portfolio represents one of the largest single networks of Distribution Facilities in Europe. As at 30 September 2009, the Portfolio contained 232 prime location properties covering over 4.9 million square metres across 11 countries throughout Europe; and
- *Large Diversification of Customer Base.* PEPR's largest customer accounted for only 7.4 per cent. of Annualised Rental Income as at 30 September 2009. This diversification makes PEPR more resilient to the loss of any particular tenant.

High Quality Portfolio

The real estate market across Europe is currently weak, with limited transaction volumes. Although the pan-European economy appears to have reached the bottom of the cycle, there is continuing pressure on valuation yields in Europe (excluding the UK) and on rental levels in the UK and Europe. Since the beginning of the liquidity crisis in mid-2007 the lending policies of those banks advancing new loans against real estate properties have tightened considerably. In this context, the interest of investors is firmly focused on prime assets resulting in yields on secondary assets continuing to slide further with the spread between prime and secondary investments widening significantly. The Management Company believes that PEPR's Distribution Facilities are prime, high quality facilities.

The Management Company believes that PEPR's Portfolio benefits considerably from PEPR's relationship to ProLogis and from the properties contributed by ProLogis. Properties developed by ProLogis, representing 73.3 per cent. of the number of properties in the Portfolio and approximately 75.2 per cent. by Gross Property Value less purchaser's costs as at 30 September 2009, are among the most modern in their respective markets, with an average age of 6.7 years (compared to an average age of 7.9 years for the Portfolio as a whole).

PEPR's Distribution Facilities are typically characterised by high clear heights, a large number of docking bays and ample room for manoeuvring lorries. ProLogis has generally avoided special purpose construction so that many ProLogis-developed Distribution Facilities are capable of meeting the requirements of a range of potential customers. Properties typically incorporate efficient configurations, advanced technical standards and high quality building materials and fixtures.

PEPR's Distribution Facilities feature sustainable technologies such as energy-efficient lighting, recycled and locally-sourced construction materials, natural light sources, air-tight building construction and low usage water systems. These features enhance the efficiency of the buildings and generate cost savings for the occupiers and, as a result, are particularly sought after in the current market environment. The Management Company believes that this trend towards sustainable Distribution Facilities will continue over the long term, beyond the current challenging environment, and will become a standard requirement for new warehouses.

Proximity to key transportation corridors has been one of PEPR's main considerations in selecting Distribution Facility locations. The Management Company believes that, given the scale of the Portfolio, PEPR is well positioned to take advantage of market opportunities offered by current long term trends in the European distribution logistics market. These long term trends include the re-engineering and optimisation of the supply chain by companies to reduce costs, the increased integration in the European Union, the long term development of economies of Central and Eastern Europe, as well as customer demands for flexible space to service markets beyond Europe. The current economic downturn has sharpened the focus of many companies on optimising their supply chain with the aim of reducing costs in line with falling revenues.

The Management Company believes that, in the short to medium term, it would be difficult for competitors to recreate the portfolio of Distribution Facilities held by PEPR because of the significant capital and local market understanding required, and the limited availability of high quality properties in strategic locations.

Strong and Diversified Customer Base

ProLogis' established worldwide relationships with a number of large users of Distribution Facilities enhance PEPR's ability to maintain a strong and diverse customer base. PEPR's 206 customers (as at 30 September 2009) include some of the largest and most established users of Distribution Facilities in Europe. A number of these customers also lease facilities from ProLogis or ProLogis Related Parties in other parts of the world.

As at 30 September 2009, PEPR's largest customer accounted for 7.4 per cent. of Annualised Rental Income and its top 10 customers (by Annualised Rental Income) accounted for a total of 35.5 per cent. of PEPR's Annualised Rental Income. As at the same date, third party logistics companies represented 56.2 per cent. of PEPR's Annualised Rental Income. Third party logistics companies serve clients in a variety of industries and as a result provide additional diversity to PEPR's customer base. At the same date retailers and manufacturers accounted for 12.8 and 10.5 per cent. respectively of PEPR's Annualised Rental Income. Additionally, as at 30 September 2009, no one country accounted for more than 29 per cent. of PEPR's Annualised Rental Income.

Despite the deteriorating economic environment, PEPR has experienced a limited number of customer defaults. Since 31 December 2007, the incidence of defaults on the Annualised Rental Income was 2.2 per cent⁴. In 2008 and 2009 (to 30 September 2009), PEPR has booked respectively provisions in the amount of €3.2 million and €1.0 million in respect of customer defaults. The largest of these defaults accounted for €1.0 million. There is no industry or geographical concentration amongst the defaults experienced. Of the 98,400 square metres subject to default, approximately 62,100 square metres have been released.

As at 6 November 2009, 7 of PEPR's top 20 customers had a credit rating of "investment grade" from either S&P or Moody's.

Highly Experienced Management Team

ProLogis is a leading provider of Distribution Facilities and distribution services in North America, Europe and Asia, with strengths in property and asset management, investment discipline, global customer relationships, property development and technical and structural innovation. ProLogis entered the European market in 1997, and has established a strong local market presence since that time. ProLogis, through the Management Company, uses its expertise, resources and local knowledge on behalf of PEPR to seek the best lease terms available in particular markets and manage costs effectively.

As at 30 September 2009, ProLogis had US\$19.5 billion of capital under management on behalf of third parties in either joint ventures or funds. ProLogis currently manages 15 funds in North America, Europe and Asia and will continue to develop its investment fund management business.

ProLogis leases its industrial facilities to a broad range of customers, including manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises with large-scale distribution needs. ProLogis aims to provide large customers with a single point of contact for multiple market space requirements, standardisation of terms and documentation, enhanced lease flexibility and consistency of build-out and other specifications across multiple facilities. This allows ProLogis to offer a one-stop solution to its customers in multiple markets.

⁴ Calculated as Annualised Rental Income lost because of defaults divided by total Annualised Rental Income.

Strong ProLogis Commitment

Since September 2006, ProLogis has maintained an interest of approximately 25 per cent. in PEPR. ProLogis aims to maintain alignment with PEPR Unitholders over the longer term through the requirement in the Management Regulations that ProLogis maintains an aggregate ownership of not less than 10 per cent. of the issued Units either directly or indirectly through ProLogis Related Parties.

The Management Company will continue to benefit from ProLogis' infrastructure, which includes a team of marketing, property management, asset management and leasing professionals providing a disciplined and unique approach to serving existing and prospective customers.

If ProLogis acquires all of the Preferred Units made available in the Offer, based on its commitment to purchase from Morgan Stanley any Preferred Units subscribed by Morgan Stanley as Underwriter, it would increase its ownership stake in PEPR by approximately 4 per cent. for a total ownership stake of approximately 29 per cent.

Currently PEPR does not intend to invest in or participate in a ProLogis Private Equity Fund or a ProLogis Joint Venture under the Private Equity Fund Investment Agreement for the foreseeable future.

Defensive Asset Class

The Management Company believes that Distribution Facilities typically provide stable cash flows and a less volatile yield performance and have distinctive characteristics relative to other real estate asset classes. The Management Company believes that the following attributes typically make Distribution Facilities an attractive asset class relative to other real estate asset classes:

- Less volatile rental cycles—according to studies done by CBRE (Source: CBRE EU 15 Rent Index), amongst others, in the past 15 years rental movements for industrial/logistics properties have been less volatile than those for other real estate asset classes; industrial assets are generally less likely to experience dramatic swings in market rent and vacancy rates caused by extended mismatches of supply and demand, in part due to short lead times for construction. Because less time is required to construct industrial space, the industrial market tends to adjust supply to meet demand more efficiently than other property types. Furthermore, when excess capacity does emerge, some owners believe that it is easier and cheaper to tear down non-competitive space and rebuild when demand picks up, in response to specific building needs and specifications at the time;
- Limited ongoing capital expenditure requirements;
- Lower customer turnover through higher lease renewal rates;
- Occupiers of distribution facilities often require certain custom features or specific industrial systems to be fitted in the space they use, which may require significant investment upfront by the customer/occupier. Consequently occupiers of distribution facilities typically incur higher costs to move than those incurred by occupiers of other real estate asset classes. Moreover, ongoing rental cost is often a minor component of the operating costs of occupiers of distribution facilities. Therefore occupiers of distribution facilities tend to show relatively high levels of renewal;
- Limited reconfiguration costs by PEPR when offering space to new customers; and
- Higher proportion of buildings leased to a single tenant.

ProLogis as Investment Manager

ProLogis

ProLogis, which indirectly owns the Management Company, was formed in 1991 and is headquartered in Denver, Colorado. ProLogis is a real estate investment trust that operates a global network of real estate properties, primarily Distribution Facilities. ProLogis' common units are listed on the New York Stock Exchange under the symbol "PLD". As at 30 September 2009, ProLogis had total assets owned, managed and/or under development, including PEPR's properties, of approximately US\$35.6 billion (based on original acquisition cost with the exception of Europe which are at latest valuations).

As at 30 September 2009, according to ProLogis' SEC filings, ProLogis' total portfolio of properties owned, managed and under development, including directly owned properties and properties owned by property funds and other

joint ventures, consisted of 2,521 properties aggregating 44.7 million square metres and serving over 4,500 customers in 18 countries in North America, Europe and Asia. ProLogis' growth has been driven by its commitment to a targeted operating strategy focused on Distribution Facilities and the pursuit of select opportunities in growth markets. ProLogis and its affiliated entities have achieved a global reach while developing local market expertise through operations in these markets, with over 1,200 real estate professionals and associates employed worldwide.

ProLogis, through its management of and investment in PEPR and PEPF II, is a leading owner-operator of Distribution Facilities in Europe.

The performance achieved by companies and funds managed by ProLogis in the past is not an indication of the future performance of PEPR. The ultimate returns realised by PEPR's Unitholders will depend on numerous factors, many of which are subject to significant uncertainty. See "Risk Factors—Risks Relating to PEPR's Relationship with ProLogis".

PEPR Portfolio

As at 30 September 2009 PEPR owned and managed 232 Distribution Facilities comprising 4.9 million square metres of leasable space in 11 countries. As at 30 September 2009, the Portfolio had a total value (as affirmed by the relevant Independent Appraisers) of €2.8 billion (the Euro conversion was calculated by the Management Company) and an implied Gross Rental Yield⁵ of 9.1 per cent. The Portfolio is largely concentrated in France, the UK and Northern Europe. Since its inception in 1999, PEPR has grown its Portfolio, widening the geographic spread by increasing the focus on Central/Eastern and Southern Europe. Over time the exposure to those markets has increased PEPR's income and ultimately its operational cash flow while diversifying the risk that would normally be faced by a smaller, more geographically concentrated portfolio.

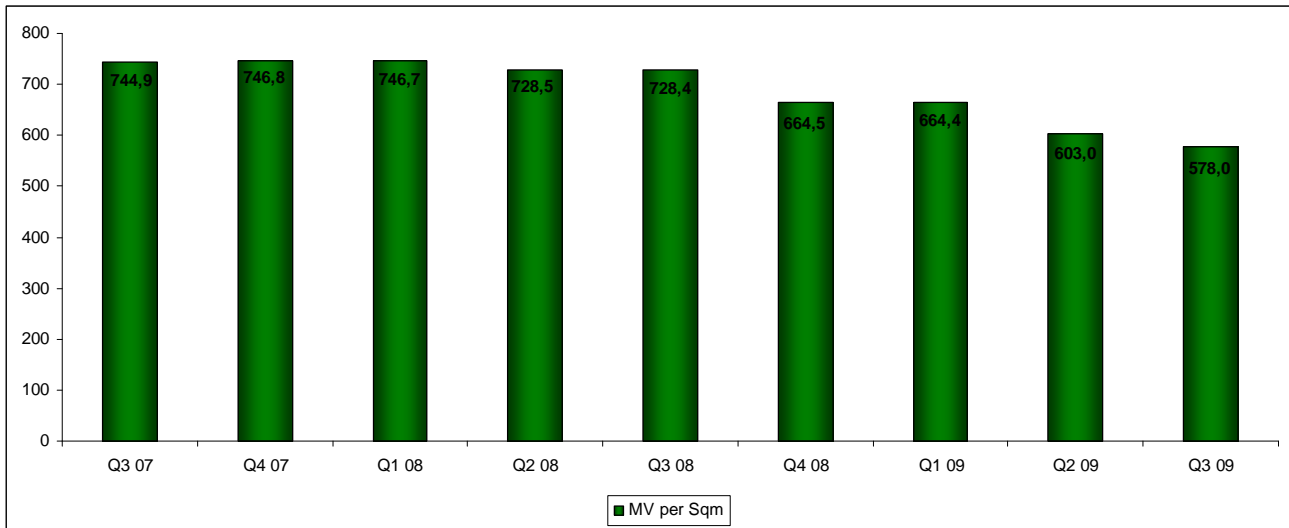
As described in more detail in Part III—"Operating and Financial Review and Prospects" of this Prospectus, the deteriorating macro-economic environment and the slowdown resulting from the dislocation in the credit market have greatly affected the general real estate market. Following its peak in June 2007 based on the Portfolio valuation as affirmed by the relevant independent appraisers, the Management Company calculated that the property values dropped by 24.6 per cent. to 30 September 2009. The relative value of PEPR's total investments in different regions has been affected both by the amount of investments made in those regions and changes in market values for existing investments.

The Like-For-Like comparison graph that follows is intended to show the evolution of PEPR's current Portfolio over the past five fiscal half years, excluding changes in foreign exchange rates as well as properties which were acquired or disposed of during the periods being compared.⁶

⁵ Defined as the total Annualised Rental Income divided by the Portfolio Open Market Value.

⁶ The Like-For-Like comparison involved the exclusion of 14 properties disposed of between Q4 2008 and Q3 2009 (MV €200.0 million; Annualised Rental Income €15.3 million), and all currency conversions were based on the exchange rates of 0.9066 for Euro/GBP or 10.139 Euro/Swedish Koruna.

Like-For-Like Comparison



PORTFOLIO OVERVIEW
AS AT 30 SEPTEMBER 2009 (unaudited)

| | Number of facilities | Market value ('MV') ¹ | % of total MV | Leasable area | % of total leasable area | Annualised rental income ² | ERV ³ | Gross portfolio yield ⁴ | Gross portfolio yield ⁵ | Occupancy level | Average age of facilities | Number of leases | Average number of years to next lease break | Average number of years to lease expiry |
|-------------------------------|----------------------|----------------------------------|---------------|----------------|--------------------------|---------------------------------------|------------------|------------------------------------|------------------------------------|-----------------|---------------------------|------------------|---|---|
| | | € million | | 000sqm | | € million | € million | Current occupancy | 100% occupancy | | years | | | |
| France | 61 | 823 | 29% | 1,590.6 | 32% | 75.8 | 69.1 | 9.2% | 9.3% | 99.0% | 8.3 | 73 | 2.5 | 5.7 |
| Italy | 18 | 261 | 9% | 522.7 | 11% | 24.6 | 21.5 | 9.4% | 9.8% | 96.1% | 9.3 | 18 | 5.2 | 5.7 |
| Spain | 13 | 251 | 9% | 309.5 | 6% | 20.3 | 20.3 | 8.1% | 8.1% | 99.8% | 6.8 | 21 | 3.5 | 5.0 |
| <i>Southern</i> | <i>92</i> | <i>1,335</i> | <i>47%</i> | <i>2,422.8</i> | <i>49%</i> | <i>120.7</i> | <i>110.9</i> | <i>9.0%</i> | <i>9.2%</i> | <i>98.5%</i> | <i>8.1</i> | <i>112</i> | <i>3.2</i> | <i>5.6</i> |
| Belgium | 5 | 51 | 2% | 98.3 | 2% | 4.4 | 4.1 | 8.6% | 8.6% | 100.0% | 5.3 | 5 | 3.3 | 9.1 |
| Germany | 20 | 223 | 8% | 328.0 | 7% | 20.2 | 19.3 | 9.1% | 9.3% | 98.0% | 5.3 | 41 | 2.5 | 3.5 |
| Netherlands | 20 | 242 | 8% | 378.5 | 8% | 23.4 | 21.8 | 9.7% | 10.4% | 94.0% | 9.3 | 33 | 2.1 | 3.8 |
| Sweden | 4 | 88 | 3% | 130.4 | 2% | 7.7 | 6.5 | 8.7% | 8.7% | 100.0% | 14.6 | 4 | 8.0 | 9.4 |
| <i>Northern</i> | <i>49</i> | <i>604</i> | <i>21%</i> | <i>935.2</i> | <i>19%</i> | <i>55.7</i> | <i>51.7</i> | <i>9.2%</i> | <i>9.6%</i> | <i>96.9%</i> | <i>8.2</i> | <i>83</i> | <i>3.1</i> | <i>4.9</i> |
| Czech Republic | 12 | 93 | 3% | 180.4 | 4% | 8.1 | 7.8 | 8.7% | 10.3% | 84.7% | 6.5 | 31 | 2.2 | 2.4 |
| Hungary | 14 | 100 | 4% | 182.1 | 4% | 9.2 | 8.2 | 9.2% | 10.2% | 88.8% | 6.4 | 33 | 2.6 | 4.8 |
| Poland | 26 | 253 | 9% | 494.5 | 10% | 22.3 | 21.2 | 8.8% | 9.5% | 92.5% | 7.3 | 77 | 2.6 | 3.1 |
| <i>Central</i> | <i>52</i> | <i>446</i> | <i>16%</i> | <i>857.0</i> | <i>18%</i> | <i>39.6</i> | <i>37.2</i> | <i>8.9%</i> | <i>9.8%</i> | <i>90.1%</i> | <i>6.7</i> | <i>141</i> | <i>2.5</i> | <i>3.3</i> |
| UK | 39 | 459 | 16% | 705.0 | 14% | 44.0 | 40.3 | 9.6% | 9.7% | 95.6% | 7.7 | 37 | 4.9 | 8.0 |
| TOTAL | 232 | 2,844 | 100% | 4,920.0 | 100% | 260.0 | 240.1 | 9.1% | 9.8% | 96.3% | 7.9 | 373 | 3.4 | 5.5 |
| Vacant space (at ERV per sqm) | | | | | | | 8.3 | | | | | | | |
| | | | | | | | 248.4 | | | | | | | |

¹ An independent revaluation of the portfolio was conducted at 30 September 2009. In accordance with IFRS fair value accounting, valuations are reported net i.e. after deduction of purchasers' costs

² Annualised rental income means the estimate of annual income based on the gross rental income for leases in place as at the latest valuation date based on rates effective at that date and on the assumption that rental income from such leases will continue to be received for the whole of the financial year. It does not take into account lease terminations, renewals, replacement of customers or other changes in rent levels in existing leases

³ ERV refers to the Estimated Rental Value calculated by the independent third-party appraisers as at the latest valuation date

⁴ Annualised rental income on occupied portfolio expressed as a percentage of market value

⁵ Annualised rental income on occupied portfolio plus ERV on vacant space expressed as a percentage of market value

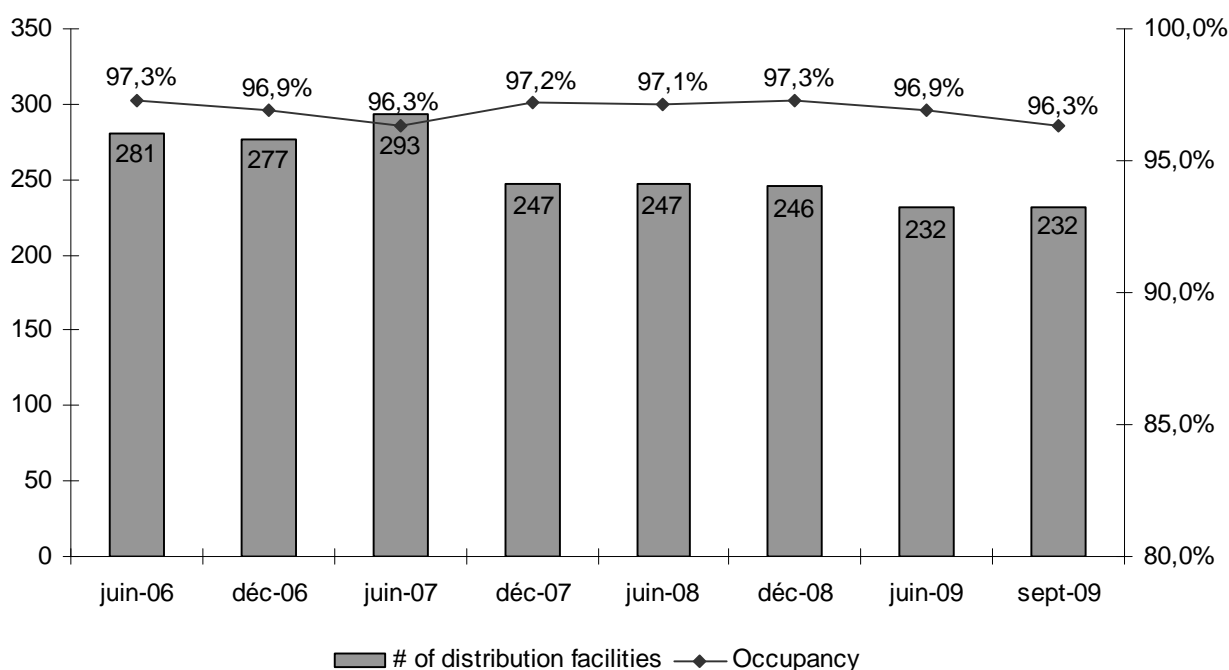
The following table highlights how certain key Portfolio metrics have evolved since PEPR's initial public offering in September 2006:

| | As at 30 September 2009 | As at 30 September 2006 |
|--|-------------------------------|-------------------------------|
| Occupancy Rate | 96.3% | 97.3% |
| Average number of years to next lease break | 3.4 | 5.2 |
| Average number of years to lease expiry | 5.5 | 7.4 |
| Number of Distribution Facilities developed by ProLogis (and as percentage of the Portfolio) | 170 (73%) | 171 (62%) |
| Average size of the building (sqm) | 21,207 | 19,270 |

Occupancy rates and lease duration

The residual average life of the lease agreements has decreased by 1.6 years in the three-year period since PEPR's initial public offering in September 2006. The Management Company believes that this level of decrease is relatively modest in light of current market conditions, and that PEPR was able to achieve it on the back of active management of the Portfolio by the Management Company. A current trend among customers is to seek to make use of current market conditions to negotiate their lease agreement, for example by offering to extend maturities or waiving break options in connection with agreeing lower rental rates. Occupancy in the Portfolio has been consistently high, averaging over 96.6 per cent. since 31 December 2000. As at 30 September 2009, occupancy rates were 96.3 per cent. As part of the active management of the Portfolio, the Management Company continuously seeks to anticipate potential departures at an early stage and to work closely with the customers in order to maximise retention.

The chart below details the number of Distribution Facilities in the Portfolio and occupancy levels as at June and December each year.



Number of Properties developed by ProLogis

At 30 September 2009, Distribution Facilities developed by ProLogis represented over 73.3 per cent. of the number of properties in the Portfolio (approximately 75.2 per cent. by Gross Property Value less purchaser's costs).

The Management Company considers the Distribution Facilities developed by ProLogis as particularly appealing because of the high quality standards applied by ProLogis in all the phases of development. In particular, Distribution Facilities developed by ProLogis in Europe generally enjoy the following features:

- Efficient configurations, advanced technical standards, high quality building materials and fixtures. There is significant occupational demand for high quality buildings in terms of relevant technology and sustainability as they allow the occupants to achieve cost efficiency in their supply chain operations;
- Very few purpose-built Distribution Facilities, and larger than average size buildings which increase their versatility, thus enlarging the pool of potential customers and thereby supporting the demand for the Portfolio;
- Real estate characteristics in line with or exceeding market requests for top-quality buildings, including high clear heights, a large number of docking bays and ample room for manoeuvring lorries;
- Leading technology in sustainable warehouse construction. Customers' demand for sustainable distribution facilities has increased, as investors seek socially responsible investments. ProLogis is a leader in this field and ProLogis-developed properties, in particular, are at the forefront of this general trend, as they include design features such as energy-efficient lighting, recycled and locally-sourced construction materials, natural light sources, air-tight building construction, use of renewable energy and low-usage water systems; and
- Strategic location: ProLogis can leverage its expertise as operator and owner of distribution facilities to identify the best locations for its development.

Large average size of the Distribution Facilities

Large and efficiently configured buildings provide for maximum flexibility in terms of use and offer the possibility to optimise space efficiently. They allow the occupier, among other things, to identify and segregate any excess space available for sublet, where permitted.

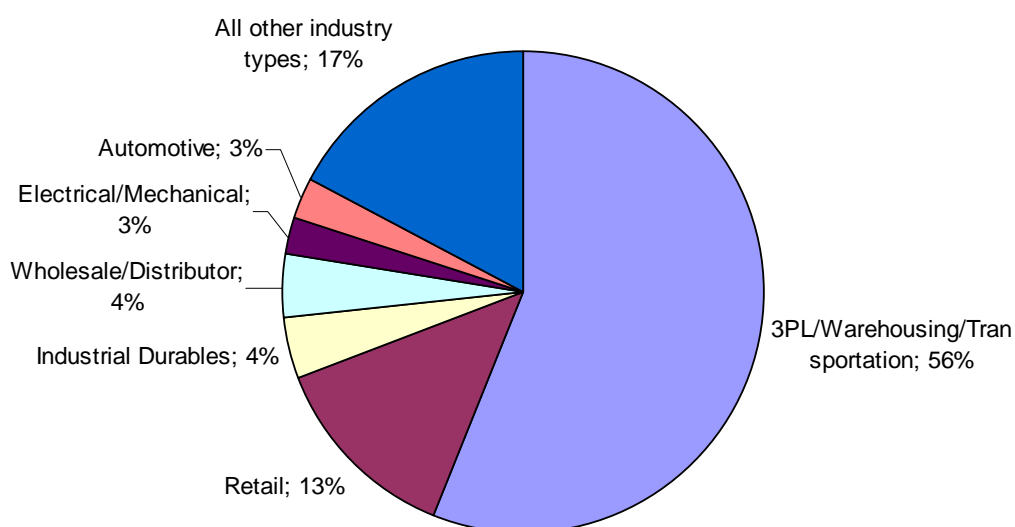
Customer Base

PEPR's customer base is strong and diverse. As at 30 September 2009, PEPR's customer base comprised 206 customers (which have entered into 373 leases) and its 10 largest customers (by Annualised Rental Income) accounted for a total of 35.5 per cent. of PEPR's Annualised Rental Income. Single customers occupy 75.4 per cent. of the 232 properties in the Portfolio. Single-tenancy is considered advantageous to PEPR as:

- It reduces facility management expenses;
- It facilitates client retention by greater flexibility in ad-hoc but limited customisation and, more generally, supports a more direct and continuous dialogue with the customer; and
- A single-leased building might often take on the flagship role in the supply chain of any one customer, therefore implying higher replacement cost to the occupants should they decide to vacate.

The customer base primarily comprises third party logistics companies, manufacturers and retailers. Third party logistics companies are the largest segment of PEPR's customer base, accounting for 56 per cent. of the Annualised Rental Income as of 30 September 2009.

The chart below illustrates the percentage of Annualised Rental Income by customer industry type, as at 30 September 2009.



The table below shows PEPR's 20 largest customers by Annualised Rental Income as at 30 September 2009.

**LARGEST 20 CUSTOMERS BY ANNUALISED RENTAL INCOME
AS AT 30 SEPTEMBER 2009**

| Customer Name ¹² | Industry Type | Share of annualised rental income | Number of leases |
|---|-----------------------|-----------------------------------|------------------|
| 1 Ceva (previously TNT Logistics) | Third Party Logistics | 7.4% | 14 |
| 2 Deutsche Post AG (DHL) | Third Party Logistics | 5.7% | 19 |
| 3 Geodis | Third Party Logistics | 5.3% | 14 |
| 4 NYK Holdings (Nippon Yusen Kaisha) | Third Party Logistics | 4.0% | 9 |
| 5 ND Logistics | Third Party Logistics | 2.8% | 6 |
| 6 Gefco (PSA Peugeot) | Third Party Logistics | 2.6% | 6 |
| 7 FM Logistic | Third Party Logistics | 2.2% | 6 |
| 8 Fagor Electrodomesticos (Brandt Appliances) | Industrial Durables | 1.9% | 3 |
| 9 ID Logistics Group | Third Party Logistics | 1.8% | 5 |
| 10 GoodYear/Dunlop | Automotive | 1.8% | 2 |
| 11 Carrefour | Retail | 1.8% | 2 |
| 12 DSV A/S | Third Party Logistics | 1.5% | 5 |
| 13 Eurofred | Third Party Logistics | 1.2% | 2 |
| 14 Deutsche Bahn (Schenker) | Third Party Logistics | 1.2% | 4 |
| 15 Schneider | Electrical/Mechanical | 1.2% | 3 |
| 16 Kuehne & Nagel | Third Party Logistics | 1.2% | 3 |
| 17 Amazon.com Inc | Retail | 1.2% | 1 |
| 18 Wincanton Logistics | Third Party Logistics | 1.1% | 6 |
| 19 Depolabo Pharma Logistique | Pharmaceuticals | 1.1% | 2 |
| 20 Sonepar (Elektroskandia) | Electrical/Mechanical | 1.1% | 1 |
| Subtotal of largest 20 customers | | 48.1% | 113 |
| Leases with 186 other customers | | 51.9% | 260 |
| Total | | 100.0% | 373 |

¹² Customers shown are either actual names or the name of the parent company of the customer.

Despite the deteriorating economic environment, PEPR has experienced a limited number of customer defaults.

Since 31 December 2007, the incidence of defaults on the Annualised Rental Income was 2.2 per cent.¹³ In 2008 and 2009 (to 30 September 2009), PEPR has booked respectively provisions in the amount of €3.2 million and €1.0 million in respect of customer default. The largest of these defaults accounted for €1.0 million. There is no industry or geographical concentration amongst the defaults experienced. Of the 98,400 square metres subject to default, approximately 62,100 square metres have been relet.

Lease Terms

PEPR's leases are structured in accordance with market standards in the relevant jurisdictions. PEPR aims to structure its leases to provide predictable income streams. Market practice for lease terms in the UK differs from Europe (excluding the UK). Broadly, in the UK, leases are granted for 10 to 15 years, with customers being obliged to pay for building maintenance and/or expenses in respect of the Distribution Facility. In Europe (excluding the UK), shorter-term leases are more typical. Leases in Europe (excluding the UK) can also contain options exercisable by customers to terminate the lease agreement on pre-agreed dates (for example, in the third, sixth and/or ninth year of the lease in France). Customers in Europe (excluding the UK) are usually responsible for minor maintenance items although capital expenditure and insurance may be recoverable from customers on an annual basis. PEPR strives to manage the lease expirations in the Portfolio by staggering lease maturities.

The table below sets out the profile of the lease break and maturity dates for the Distribution Facilities in the Portfolio as at 30 September 2009.

LEASE BREAK AND MATURITY DATES AS AT 30 SEPTEMBER 2009

| | Number of leases with next break option in year | Leased space subject to next break option ¹⁴ | Annualised rental income of leases subject to first break option | | Number of leases with expiry date in year ¹⁵ | Leased space subject to lease expiry | Annualised rental income of expiring leases | |
|--------------|---|---|--|--------------|---|--------------------------------------|---|--------------|
| | | 000sqm | (€ m) | % | | 000sqm | (€ m) | % |
| 2009 | 25 | 221 | 12.9 | 5.0 | 24 | 185 | 11.5 | 4.4 |
| 2010 | 88 | 935 | 53.1 | 20.4 | 60 | 462 | 28.0 | 10.8 |
| 2011 | 95 | 1,012 | 49.8 | 19.1 | 61 | 452 | 23.6 | 9.1 |
| 2012 | 55 | 773 | 40.8 | 15.7 | 43 | 428 | 24.7 | 9.5 |
| 2013 | 32 | 394 | 22.5 | 8.7 | 36 | 437 | 26.2 | 10.1 |
| 2014 | 29 | 431 | 26.1 | 10.1 | 31 | 508 | 26.2 | 10.1 |
| 2015 | 19 | 410 | 23.0 | 8.8 | 30 | 662 | 32.5 | 12.5 |
| 2016 | 7 | 133 | 7.7 | 2.9 | 18 | 422 | 20.9 | 8.0 |
| 2017 | 9 | 233 | 13.8 | 5.3 | 21 | 389 | 21.2 | 8.2 |
| 2018 | 4 | 44 | 1.8 | 0.7 | 11 | 152 | 7.7 | 2.9 |
| 2019+ | 10 | 151 | 8.5 | 3.3 | 38 | 640 | 37.5 | 14.4 |
| Total | 373 | 4,737 | 260.0 | 100.0 | 373 | 4,737 | 260.0 | 100.0 |

Distributions and Distribution Policy

The Management Regulations provide that PEPR will distribute substantially all of its Distributable Cash Flow on a quarterly basis, or more frequently if determined by the Management Company.

The Management Company suspended dividend payments in December 2008, and the Management Company does not contemplate paying dividends on Ordinary Units for the foreseeable future and intends to use the corresponding distributable cash, instead, to pay down debt. The terms of PEPR's unsecured credit facilities, as amended in December 2008, prohibit cash distributions for so long as PEPR remains below certain financial thresholds. Preferred Dividend payments are subject to similar restrictions and, accordingly, no dividends will be paid until a successful renegotiation of

¹³ Calculated as aggregated Annualised Rental Income lost because of defaults divided by Annualised Rental Income as of 30 September 2009.

¹⁴ Leases at earlier of next break date or expiry date

¹⁵ Leases at expiry date regardless of upcoming lease breaks

PEPR's unsecured credit facilities is achieved or PEPR raises at least €60.0 million by issuing new equity (which, for the avoidance of doubt, may include the issuance of the Preferred Units) in accordance with the terms of the recent amendment to the €900.0 Million Facility. Following the raising of additional new equity there will be a cash distribution restriction on Units until total new equity raised is at least €200.0 million, save for cash distributions on the new equity itself. In both cases, until the €900 Million Facility is amended or repaid, the amount of cash distributions that can be made cannot exceed 50 per cent. of Distributable Cash Flow in any four quarter period.

The dividend per Unit amounted to €0.81, €0.87 and €0.57 (without dividend payment suspension it would have been €0.72) for each of the years ended 31 December 2006, 31 December 2007 and 31 December 2008 respectively.

Borrowing Restrictions

Borrowing restrictions are described in Article 7 of the Management Regulations of PEPR.

Debt Policy

PEPR's objective is to use debt financing as a way to maximise returns to its Unitholders while keeping the overall level of debt to reasonable levels.

PEPR historically relied mainly on the CMBS market as a source of financing. Following the initial public offering of its Units in September 2006 and certain changes to its structure in 2007, PEPR modified its debt policy and broadened its sources of capital. In particular PEPR increased its focus on unsecured debt and in October 2007 PEPR raised €500.0 million through issuing Eurobonds. In December 2007, PEPR raised a further €900.0 million from a syndicate of banks, under the €900.0 Million Facility facility.

In May 2007 Moody's assigned PEPR an A3 credit rating. In March 2009 PEPR's credit rating was lowered by the rating agency to Baa3 and, subsequently, in June 2009 to Ba1, confirming the negative outlook, mainly on the back of the global economic slowdown and concerns over PEPR's liquidity position.

The dislocation of the credit markets has made it difficult for PEPR to source new financing in order to refinance its existing debt. Additionally, the downward trend of real estate values has negatively affected PEPR's ability to comply with the covenants contained in certain of its debt agreements, as detailed in Part III—"Operating and Financial Review and Prospects" of this Prospectus.

Since December 2008 the Management Company has implemented measures to deleverage PEPR including: (i) disposing of properties for net proceeds of approximately €187.4 million in the first 9 months of 2009; (ii) selling PEPR's entire stake in PEPF II; (iii) suspending the payment of dividends for the foreseeable future; (iv) negotiating the secured debt and (v) engaging in negotiations with lending banks to renegotiate and extend PEPR's existing debt, as set forth in Part III—"Operating and Financial Review and Prospects" of this Prospectus.

PEPR's policy is to continue hedging a large part of its interest rate exposure by swapping floating rate interest payments under its financing arrangements to fixed rate payments.

Possible Future Capital Raising

Other than the proposed issue of Preferred Units under the Offer, PEPR has no current commitments to offer PEPR Units. However, it is contemplated that, following the successful completion of the Offer contemplated in this Prospectus, the Management Company will offer additional preferred units in the early part of 2010, either for the repayment of debt, to raise capital or for other purposes.

Regulatory and Environmental Matters

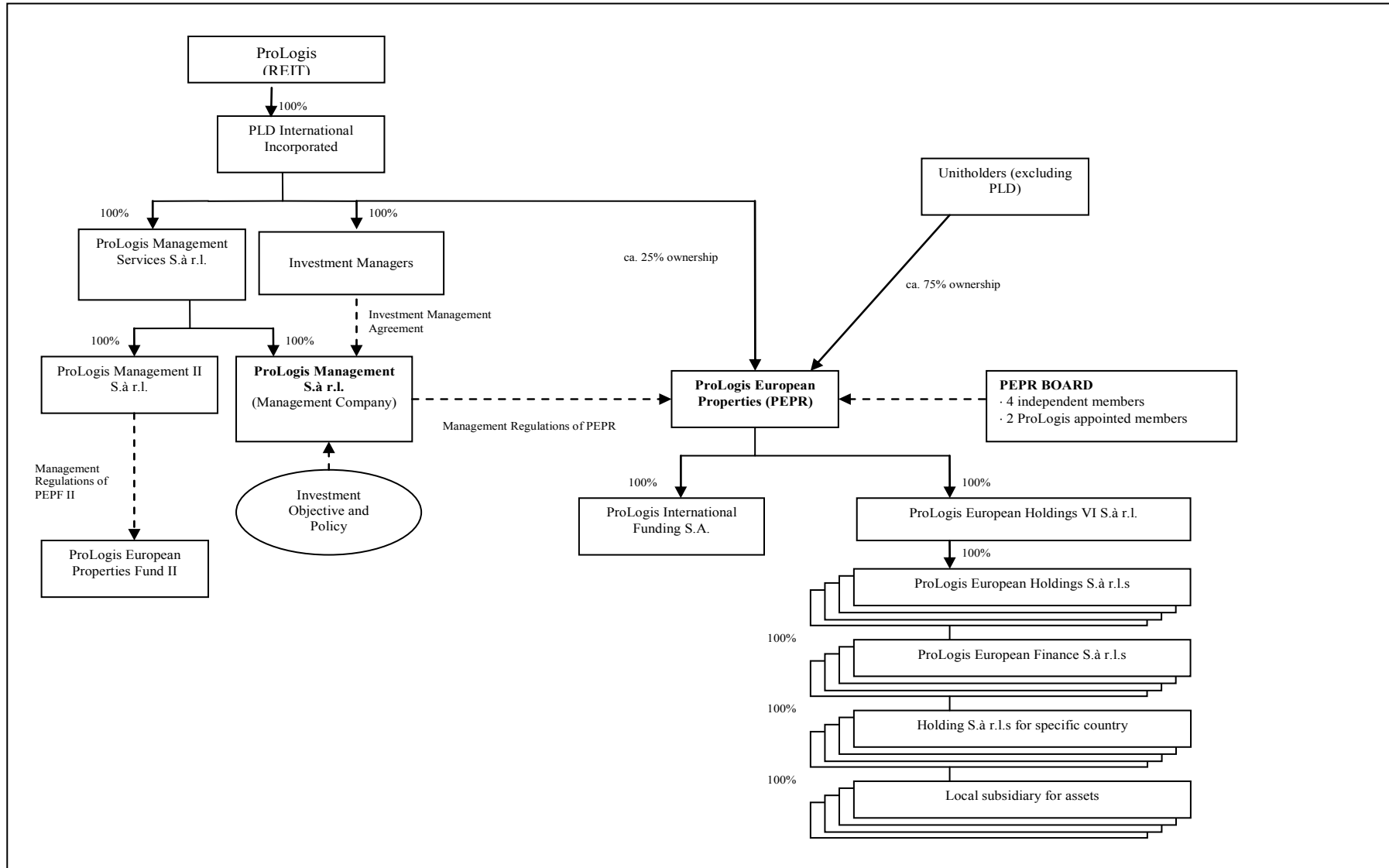
As the owner of Distribution Facilities in 11 European countries, PEPR is subject to a wide range of European Community, national and local laws and regulations. These include zoning, tax, planning, environmental, health and safety, foreign ownership limitations and other laws and regulations. These laws and regulations may become more onerous and restrictive over time. In particular, PEPR historically has been required to make capital investments in its properties to meet new environmental regulations. The Management Company is not aware of any material regulatory or environmental matters that it expects would be reasonably likely to have a material adverse effect on PEPR or the Portfolio, taken as a whole.

Financial Information

PEPR's 2008 Accounts, 2007 Accounts and 2006 Accounts prepared in accordance with IFRS as adopted by the European Union are incorporated by reference in this Prospectus. PEPR's 2009 Nine-Month Accounts are incorporated by reference in this Prospectus. As a result of changes to the accounting presentation made by PEPR in the preparation of the 2008 Accounts, PEPR reclassified certain amounts in the 2007 comparative financial information included in the 2008 Accounts for purposes of comparability. Accordingly, the financial information for the year ended 31 December 2007 included in the 2008 Accounts differs in certain minor respects from the financial information for 2007 included in PEPR's 2007 Accounts. All financial information for the years ended 31 December 2007 and 31 December 2006 in this Prospectus is, unless otherwise stated, presented after giving effect to such reclassification for purposes of comparability.

Structure

The diagram below sets out an overview of the structure of the group and PEPR's position within the group.



PART II – REAL ESTATE MARKET OVERVIEW

Key Structural Drivers

Buoyed by long term structural trends, PEPR believes that Europe's logistics property markets have shown resilience in the face of global stresses including the credit crunch and economic downturn. Markets in the UK, however, have held up less well than those on the continent.

Long term structural trends have functioned as major demand drivers for Europe's (excluding the UK) warehouse distribution markets since the mid-1990s. EU expansion has necessitated a new pan-European distribution strategy for retailers, third party logistics companies and manufacturers. Meanwhile, within the UK, the well-established, mature logistics industry mainly serves domestic consumption.

The EU's expansion has been a major driving force behind the modernisation of the European logistics industry and the creation of a market for modern Distribution Facilities on the continent. Companies operating in Member States have found themselves competing on an increasingly level and cross-border playing field. Impelled by heightened competition, these companies have redoubled their efforts to reduce their operating costs and increase their efficiency.

Out of this competitive environment, three major trends have emerged:

- manufacturers have turned to global sourcing for intermediate materials and components to incorporate into their finished products;
- manufacturers and retailers have attempted to identify their core competencies and outsource their supply chains to third party logistics companies; and
- manufacturers and retailers have strived to remove capital-intensive assets from their books and redeploy the capital into alternative, more profitable uses.

PEPR believes that these three trends, in turn, have spearheaded a restructuring of the European logistics industry. In their quest for a competitive edge, European companies have recognised the importance but intrinsic complexity of supply chains and the difficulty of getting them to operate properly. Many of these companies have also realised that logistics and supply chain operations are not among their core competencies and have in many cases turned to third party logistics companies for expertise and help.

Additionally, globalisation is another structural trend impinging on supply chains and Distribution Facilities around the world. The long-term shift of manufacturing from the more mature markets in Western Europe to emerging markets in Asia and the Central and European region has lengthened supply chains and reshuffled trading patterns. Meanwhile, companies throughout Europe have strived to broaden their distribution networks from a national to a pan-European, cross-border perspective.

The EU's Economy

In 2008, the EU had a total population of 467 million people and had an estimated aggregate GDP of €12.3 trillion (see Table 1). Germany is the most populous country with 82 million people, followed by France with 64 million people. The total landmass of the EU is 4.0 million square kilometres with France and Spain being the two largest countries in terms of land size.

During the last five years, the economies of Central European EU members have expanded at faster rates than their Western European counterparts. The global economic downturn and credit crisis have dampened GDP growth across Europe, with most of Western and Central Europe struggling with weak or negative GDP growth.

ECONOMIC PROFILES, 2008

| Country | Area | Population | Employment | Jobless Rate | GDP, ⁽¹⁾ 2008 Prices (in €) | GDP/head in PPS ⁽²⁾ |
|----------------------|-----------|----------------|----------------|-----------------|--|-----------------------------------|
| | (sq. Km) | (in thousands) | (in thousands) | (%) | (in millions) | |
| Germany | 356,910 | 82,217 | 39,359 | 7.5 | 2,491,400 | 29,100 |
| France | 547,030 | 63,983 | 25,954 | 9.0 | 1,950,085 | 26,900 |
| UK | 244,820 | 61,194 | 29,341 | 7.2 | 1,816,086 | 29,500 |
| Italy | 301,230 | 59,619 | 23,349 | 7.4 | 1,572,243 | 25,200 |
| Spain | 504,750 | 45,283 | 19,856 | 17.3 | 1,095,163 | 26,100 |
| Netherlands | 37,330 | 16,405 | 8,665 | 3.1 | 594,608 | 33,800 |
| Belgium | 30,518 | 10,667 | 4,445 | 8.0 | 344,206 | 28,800 |
| Sweden | 449,964 | 9,183 | 4,097 | 8.1 | 328,321 | 30,500 |
| Austria | 83,858 | 8,319 | 4,090 | 4.3 | 281,268 | 30,900 |
| Greece | 131,940 | 11,214 | 4,554 | 8.7 | 242,946 | 23,900 |
| Denmark | 43,094 | 5,472 | 2,860 | 5.1 | 232,499 | 29,700 |
| Ireland | 70,280 | 3,155 | 2,045 | 10.6 | 185,721 | 35,000 |
| Finland | 337,030 | 5,300 | 2,509 | 7.6 | 184,728 | 28,900 |
| Portugal | 92,080 | 10,618 | 5,176 | 9.1 | 166,227 | 18,900 |
| Luxembourg | 2,586 | 476 | 199 | 6.1 | 36,662 | 63,500 |
| EU-15 | 3,233,421 | 393,105 | 176,499 | 8.7 | 11,524,619 | 27,800 |
| Poland | 312,680 | 38,116 | 16,005 | 8.0 | 362,095 | 14,400 |
| Czech Republic | 78,703 | 10,381 | 5,034 | 5.8 | 148,556 | 20,200 |
| Slovakia | 48,845 | 5,401 | 2,466 | 10.4 | 64,884 | 18,000 |
| Slovenia | 20,296 | 2,010 | 1,001 | 5.3 | 37,126 | 22,500 |
| Lithuania | 65,200 | 3,360 | 1,507 | 12.0 | 32,292 | 15,400 |
| Latvia | 64,100 | 2,271 | 1,086 | 14.1 | 23,115 | 14,000 |
| Cyprus | 9,250 | 789 | 243 | 4.7 | 16,949 | 23,800 |
| Estonia | 45,100 | 1,341 | 653 | 12.4 | 15,860 | 16,900 |
| Hungary | 93,030 | 10,045 | 3,881 | 9.7 | 5,758 | 15,800 |
| Malta | 320 | 408 | 161 | 6.8 | 2,759 | 19,200 |
| EU-25 | 3,970,945 | 467,227 | 209,032 | 8.6 | 12,337,098 | 26,000 |
| Romania | 237,500 | 21,499 | 9,369 | 6.2 | 125,702 | 11,500 |
| Bulgaria | 110,910 | 7,606 | 3,253 | 6.3 | 34,118 | 10,100 |
| EU-27 | 4,319,355 | 496,332 | 221,762 | 8.5 | 12,352,959 | 25,100 |

Source: Eurostat data, 2008

(1) Gross Domestic Product.

(2) Purchasing Power Standard.

Market Overview

The Portfolio is located in four principal European markets: the United Kingdom, Southern Europe, Central Europe and Northern Europe.

United Kingdom

The UK's logistics property markets are renowned as the most transparent, most liquid, and most mature in all of Europe (Source: ProLogis Report: The UK Logistics Property Markets—Hale and Hardy, January 2007). The UK's island geography means that its networks are more focused on regional and national markets, as opposed to broader pan-European markets. Moreover, because of its island geography, occupiers do not generally cross national borders in search of sites.

With a GDP of €1.8 trillion, the UK economy is approximately three-quarters as large as Germany's and ranks as the world's sixth-largest economy by GDP. With the transformation of the UK economy from being production-based to service-based, an increasing portion of industrial floor space is now devoted to warehousing and distribution that serves domestic distribution rather than manufacturing needs.

The UK supports a population virtually equal to France's, albeit on a landmass that is half as big. Distribution networks and supply chains with a nationwide reach require warehouses located centrally and with ready access to the

major north-south motorways (M1 and M6). The East and West Midlands meet these criteria and have emerged as major, highly desirable locations. Additionally, the Southeast region offers proximity to London, the largest population concentration in the UK.

International trade remains a key driver of growth for the UK logistics industry. In particular, the volume of container traffic has swelled during the last decade with imported goods destined largely for the UK's consumer markets. Major UK container ports include Felixstowe, Southampton, Thamesport, Tilbury and Liverpool. These five seaports handle virtually all of the UK's deep-sea container traffic and some short-sea trade with the rest of Western Europe. These ports are all within close proximity of existing distribution hubs located in either the Southeast or Midlands regions.

PEPR believes that UK Distribution Facilities are characterized by high income stream stability. The quality of these income streams is a result of the UK's unique lease structures—i.e., their lengthy lease terms, upwards-only rent reviews and often fully repairing clauses, whereby at the end of a lease, tenants are required to deliver the premises in the same condition as when the lease began. Lease terms typically cluster in the range of 10 to 15 years, with usually shorter renewal terms. Contract rents must be reviewed every five years with an adjustment to market rents, but the adjustments are upward-only.

According to Gerald Eve's ProLogis—UK Logistics Property Market Data—Q2 2009, as of 30 June 2009, the total stock of modern Distribution Facilities in the UK's seven most active markets was 56.8 million square metres. These markets include: East Midlands, West Midlands, London, Southeast England, West England and Wales, North England and Scotland.

In response to the UK's recent acute economic difficulties and the global credit crunch, there has been a marked decline in new deliveries of Distribution Facilities since early 2008 with only 95,000 square metres completed for the entire UK during the first quarter of 2009. Those deliveries amounted to a 0.2 per cent. increase in the stock. However, the average occupancy rate in the UK continues to decrease and as of 30 June 2009 was 84.4 per cent. (Source: Gerald Eve's ProLogis—UK Logistics Property Market Data—Q2 2009).

Declining occupancy rates coupled with weak demand prospects have contributed to a decrease in headline rents starting in early 2009. Annual rents currently range from £50 per square metre in Northern England to £92 per square metre in London's Heathrow submarket (Source: Gerald Eve's ProLogis—UK Logistics Property Market Data—Q2 2009).

Even as the deepening UK recession continues to erode logistics property market values, investment capital is starting to return to the sector. One possible sign that property values may be approaching the bottom is that yields are not rising nearly as fast as they were. Yields (i.e. capitalisation rates) in the UK remained broadly stable during the second quarter of 2009 at around 8.0 per cent. (Source: CBRE—UK Prime Property Investment Yields June 2009).

PEPR has 39 Distribution Facilities in the UK, which as at 30 September 2009 generated €44.0 million in Annualised Rental Income and represented 16 per cent. of MV.

Southern Europe

France

France's central location makes it an essential location to include in any pan-European distribution/logistics strategy. Europe's primary North-South distribution corridor runs through France, connecting the Northern European ports and population centres in The Netherlands and Belgium with those in Southern Europe. Along this corridor are five major French distribution hubs—Paris/Ile-de-France (the largest), Lyon/Rhône-Alpes, Lille, Marseille, and Metz/Strasbourg in Eastern France.

France's land transport infrastructure is arguably one of the best in Europe and continues to improve. Over the past decade, the French government has funded a substantial expansion of its national network of motorways. Trucks account for about 75 per cent. of total freight shipments. Rail freight plays a lesser but still significant role—at 17 per cent. France has one of the highest rates of rail freight in the EU. France's freight railways handle mostly beverages and household appliances (Source: Eurostat table: Modal Split of Freight Transports, August 2009).

Improvements have also been made to France's ports. Marseille is France's largest seaport and Europe's third largest; Le Havre and Dunkerque are France's second and third largest ports (Source: Eurostat: Maritime Transport—Main Ports, August 2009). In recent years, all three ports have seen an increase in freight traffic as a result of reductions in freight handling charges and the completion of the Pas-de-Calais coastal motorway.

As recently as twelve years ago, France had virtually no modern Distribution Facilities available, either for lease or owner-occupied. By 30 June 2009, France's total stock of large, modern Distribution Facilities had grown to about 20.0-to-25.0 million square metres, with 11.0 million square metres located in the Greater Paris/Ile-de-France metropolitan region, 3.8 million square metres in Lyon, 2.0 million square metres in Lille and 1.7 million square metres in Marseille (Source: DTZ: Logistics Database ProLogis (Update France) Q2 2009). No other country on the Continent has as much modern distribution space as France.

Despite the steep global recession and continuing global credit squeeze, the four markets in France that ProLogis covers, continue to exhibit resilience. New additions to supply have been tapering off since 2006 and demand continues to grow, albeit at a slower pace. Consequently, while having declined slightly from the peak reached in December 2008 France's overall occupancy rate has remained among the most stable and highest in Europe at 92.9 per cent. (Source: DTZ: Logistics Database ProLogis (Update France) Q2 2009).

Nevertheless, under pressure from weak economic conditions, face rents have declined by 6 per cent. from their cyclical peaks a year ago. Yields continued to rise during the second quarter of 2009 to 8.25 per cent. (Source: King Sturge European Property Indicators Summer 2009).

PEPR has 61 Distribution Facilities in France, which as at 30 September 2009 generated €75.8 million in Annualised Rental Income and represented 29 per cent. of MV.

Spain

Spain's logistics warehouse sector has developed around the country's two major population centres, Madrid and Barcelona. Since joining the EU in 1986, Spain has benefited from high levels of EU subsidies and foreign direct investment that contributed to extensive motorway construction and property development over the past two decades (Source: Economist Intelligence Unit: Country Profile Report, August 2009).

An expanding service sector has fueled demand for logistics warehouses that serve principally domestic distribution needs. In sharp contrast to the rest of Western Europe, Spain's manufacturing industry has expanded rather than contracted during the past ten years and remains, despite its underperformance during the last year, an important engine of growth for Spain's economy and a key source of demand for Distribution Facilities.

After 20-plus years of new construction projects, Spain's infrastructure network is on par with the rest of Western Europe. Most of its motorways connect through the capital city of Madrid, which offers both a strategically central location and the country's largest population concentration for the logistics industry.

Key seaports are located in Barcelona, Bilbao, Valencia and Tarragona and connect to the country's extensive motorway network. While serving Spain's second largest population, logistics activity in Barcelona also involves acting as a depot for goods arriving and departing from its port.

The credit crisis has had a major impact on Spain's property markets, including those for logistics properties. Previously the fastest growing industry, Spain's construction industry has contracted due to a lack of available financing. With most projects in the pipeline already completed, there was almost no new supply of Distribution Facilities developed in either Madrid or Barcelona during the first half of 2009.

Spain's logistics property sector has been holding up better than other sectors, although it has weakened significantly since the beginning of this year. The total stock of modern warehouse Distribution Facilities in Madrid and Barcelona combined is 8.42 million square metres. Having remained unusually high in Madrid and Barcelona throughout 2008, occupancy rates fell sharply during the first quarter and currently average 93.8 per cent. As a result, face rents have come under pressure and have declined to €59.72 per square metre (Source: DTZ: Madrid Logistics Indicators Q2-2009 ProLogis, Barcelona Logistics Indicators Q2-2009).

Yields in Madrid and Barcelona have been slow to correct and remain among the lowest in Europe. However, the pace of cap rate expansion increased during the second quarter of 2009 and currently stands at around 7.75 per cent. (Source: JLL Key Market Indicators Q2 2009).

PEPR has 13 Distribution Facilities in Spain, which as at 30 September 2009 generated €20.3 million in Annualised Rental Income and represented 9 per cent. of MV.

Italy

Mirroring the nation's wealth gap, Italy's logistics industry is split along a north-south divide, and the two halves play entirely different strategic roles. In southern Italy, the logistics industries and property markets focus

principally on domestic requirements. In contrast, those in the north—particularly around Milan—are part of the pan-European logistics network and therefore, have a cross-border function in addition to serving the country's second largest population.

Italy's economy has been hard-hit by the global recession. Long before the current economic downturn, Italy's economy had been struggling with its reliance on manufacturing as a result of competitive pressures from Central and Eastern Europe and Asia. As a result, domestic needs and outsourcing tied to the restructuring of Europe's logistics industry have been the primary drivers of demand for modern logistics facilities in Italy.

Motorway networks serve Italy's major logistics markets in Milan, Rome, Turin and Naples. East-west motorways link Milan to Turin and Venice as well as to the French and Slovenian borders. North-west motorways link Milan, Rome and Naples while also providing a connection to the French and Austrian borders via Milan.

Italy's two main ports, Genoa and Trieste are in the northern part of the country and contribute to the movement of goods within Italy and the rest of Europe. Italian ports are well placed to serve Western, Central and Eastern Europe, especially given that Central and Eastern European countries still lack sufficient infrastructure to efficiently access ports in that region.

Italy's current cyclical economic woes are compounded by structural economic problems and an unsettled political situation. Given the long-term economic difficulties, Italy's warehouse logistics sector have held up better than expected.

Milan has a total modern logistics stock of 5.85 million square metres. The occupancy rate edged up during the first half of 2009 to 93.8 per cent. and has been remarkably resilient during the past two years (Source: DTZ: Logistics Database ProLogis (Update Italy), July 2009). Construction activity has slowed sharply, helping to maintain a balance between supply and demand and keep rents from falling.

Yields increased by 25 basis points during the second quarter of 2009 to 7.75 per cent. (Source: King Sturge European Property Indicators Summer 2009).

PEPR has 18 Distribution Facilities in Italy, which as at 30 September 2009 generated €24.6 million in Annualised Rental Income and represented 9 per cent. of MV.

Central Europe

Poland

Poland is the largest economy in the Central European region (42.3 per cent. of total "EU-8" GDP, which includes Poland, Czech Republic, Hungary, Slovakia, Slovenia, Lithuania, Latvia, and Estonia) and has the potential to dramatically expand its influence and role as an Member State. Poland's 2008 population of 38.1 million is almost four times bigger than those of the Czech Republic and Hungary combined. In landmass, Poland alone represents 43 per cent. of the total EU-8 region. After Germany, the next largest recipient of Poland's exports is other Euro-zone countries, although its largest source of imports, after Germany, is Russia (Source: Economist Intelligence Unit: Country Profile Report Poland, August 2009).

Multiple population pools outside of the capital city have fueled a robust national logistics network throughout Poland. However, Poland's cross-border distribution capabilities will remain limited until its modern motorway system is developed further. Southern Poland is an exception, where modern motorways lead into the eastern Czech Republic. Poland's key secondary markets include Katowice, Łódź, Piotrków Trybunalski, Poznań and Gdańsk.

Poland has the largest stock of modern distribution warehouse space in Central Europe. The current stock in Warsaw and secondary markets is 5.65 million square metres. Warsaw is by far the largest warehouse hub both in Poland and in Central Europe. However, Poland's secondary cities, Łódź (3 per cent. of total stock), Poznań (5 per cent.) and Katowice (8 per cent.), are quickly becoming attractive alternatives for logistics solutions.

The state of the transport infrastructure in Poland, primarily roads, continues to be the biggest impediment to further development of Poland's warehouse market. The European Commission is supporting alternative modes of freight transport to address persistent road transport problems, yet the overriding preferred mode of transport for the logistics industry remains roads and highways.

The port of Gdansk in Northern Poland could potentially play a key role in the region, which trades heavily with the EU, Russia and other parts of the world. However, the port remains unconnected to Poland's motorway network, so goods have been moving in and out of the region through the German port of Hamburg.

Weak consumer demand in Western Europe has negatively impacted the Polish economy. A drop in exports has hit Poland's distribution warehouse sector, but expanding domestic demand has helped to mitigate some of this impact.

Yields have been increasing since mid-2008 and are currently 8.75 per cent. (Source: JLL Key Market Indicators Q2 2009).

PEPR has 26 Distribution Facilities in Poland, which as at 30 September 2009 generated €22.3 million in Annualised Rental Income and represented 9 per cent. of MV.

Czech Republic

The bulk of modern Distribution Facilities in the Czech Republic are concentrated in the Prague region, which is the country's only sizeable urban centre. Prague is the first stop for trucks crossing the German border into the Central and Eastern Europe region and is quickly becoming an important regional logistics hub. Some logistics activity has ventured out to regional cities to the west and south of Prague. However, the recent macroeconomic instability has curtailed the development of these hubs.

Traditionally dependent on manufacturing, the Czech economy has expanded and diversified since joining the EU in 2004. Growing domestic demand especially in the capital city of Prague has fuelled demand for distribution space from retailers and third party logistics.

Until the last few years, secondary cities were associated with a higher leasing risk, leaving many manufacturers without the modern Distribution Facilities they required. However, with its base of skilled workers having attracted a number of automobile companies over the past ten years, demand from manufacturers is accounting for a growing portion of total demand for modern space, especially in secondary cities such as Ostrava.

In the Czech Republic, the transport infrastructure is well developed by CEE standards, but is very limited outside Prague. Most freight is transported by road, although the rail network carries as much as 20 per cent. of total freight (above the European average) (Source: Eurostat table: Modal Split of Freight Transports, August 2009).

As of midyear 2009, there were 3.28 million square metres of modern distribution warehouse space in the Czech Republic (Source: CBRE M²—Big Box CR Q2 2009). Economic growth and the logistics revolution kept occupancy stable over the last few years. However, in the current climate of contracting economic growth and ongoing speculative construction activity, the Czech occupancy rate dropped slightly during the first half of the year. Despite a drop in occupancy, face rents have remained stable in Q2 2009 (Source: CBRE M²—Big Box CR Q2 2009).

Yields continued to rise during the second quarter of the year and are currently at 8.75 per cent. (Source: JLL Key Market Indicators Q2 2009).

PEPR has 12 Distribution Facilities in the Czech Republic, which as at 30 September 2009 generated €8.1 million in Annualised Rental Income and represented 3 per cent. by MV.

Hungary

Since EU accession in 2004, the Hungarian economy has quickly rebuilt itself through its historical ties with Austria and Germany. Heavy foreign direct investment flows, especially from these two neighbouring countries, were targeted into the manufacturing and service sectors.

Already having been a more open economy during the communist period, Hungary was ready to take advantage of its new position in the global market. A comparatively high level of education of its labour pool made it possible for Hungary to establish itself as a less expensive location for Western European pharmaceutical and telecommunication companies.

Hungary is strategically located between Western Europe, Romania, the Balkans and South Eastern Europe. While already functional and efficient, the national motorway network is being expanded and improved. Road transport is so efficient by comparison to the rest of Central and Eastern Europe that Hungary has become a new distribution gateway between Austria, Romania and Greece.

Logistics activities are concentrated along Budapest's ring road. In June 2009, Budapest had a total modern warehouse inventory of approximately 1.5 million square metres (Source: CBRE Market View—Big Box Budapest Q2 2009).

Budgetary problems that began in 2007 continue to contribute to Hungary's growing economic troubles that have led to a downgrade in the country's credit rating by both Standard & Poor and Moody's. Owing to a decrease in demand coupled with continued new deliveries, Hungary's logistics property markets took a turn for the worse in early 2009 when the occupancy rate fell to 75.6 per cent. from 83.6 per cent. (Source: CBRE Market View—Big Box Budapest Q4 2008 and Q2 2009). Despite this upset in the market, rents have remained stable at €46.75 per square metre.

Yields have been increasing since mid-2008 and are currently around 9.0 per cent. (Source: JLL Key Market Indicators Q2 2009).

PEPR has 14 Distribution Facilities in Hungary, which as at 30 September 2009 generated €9.2 million in Annualised Rental Income and represented 4 per cent. of MV.

Northern Europe

Germany

Centrally located within the expanded EU, Germany has become the enlarged Europe's new east-west gateway. The Central and Eastern Europe's general dearth of adequate infrastructure has made it dependent on German motorways and the port of Hamburg (Europe's second largest port) to export goods manufactured in the region to the west (Source: Eurostat table: Modal Split of Freight Transports, August 2009). In fact, most Central and Eastern European goods destined for Western Europe are transported by truck through Germany to avoid crossing the Alps via Austria.

Germany's economy is the largest in Europe. Manufacturing is still the primary engine behind its economic growth despite contractions in this sector associated with global competition. The German labour force is among the most expensive in the world and therefore, the cost of German products is high relative to those from emerging countries (Source: Eurostat table: Labour Cost Index—Country Weights, August 2009). Compounded further by the sharp decline in external demand for German goods, the economy slipped into a recession earlier this year.

Despite the poor state of the economy, the German distribution warehouse sector has shown resilience. The German market is divided into a number of submarkets, the largest of which are Hamburg, Berlin, Frankfurt, Munich, Dusseldorf and the Rhine-Main region (Source: Fraunhofer Institute Study of German Logistics Markets, February 2009). The country's polycentric nature means that no one city dominates the market and logistics hubs are well dispersed across the country.

The German distribution warehouse sector was initially focused on serving strong domestic consumption requirements. More recently, EU expansion and other trends tied to the restructuring of Europe's logistics industry are driving demand for space particularly along transportation corridors leading out of Central Europe in the direction of Western Europe.

Most of the current stock of warehouse space is purpose-built, lacking consistent construction standards. Outsourcing and cross-border distribution are changing customer requirements so a new breed of investment grade modern Distribution Facilities is appearing throughout the country.

Yields increased by 15 basis points during the second quarter 2009 to 7.25 per cent. (Source: JLL European Monthly Commentary July 2009).

PEPR has 20 Distribution Facilities in Germany, which as at 30 September 2009 generated €20.2 million in Annualised Rental Income and represented 8 per cent. of MV.

Sweden

The Swedish distribution warehouse sector serves both the local population and the Baltic Sea Region (Western Russia, Estonia, Latvia, Lithuania, and Poland). Sweden's population of 9.2 million is concentrated in the southern part of the country in the largest cities of Stockholm, Gothenburg and Malmo. As a regional distribution hub, Sweden is evolving as a gateway between Western Europe and the emerging Eastern European and Russian markets.

The Swedish economy is principally service based, but manufacturing still accounts for roughly one-third of the national GDP. In addition to the automobile manufacturer, Volvo, Sweden has established itself on a global front for the quality of its telecommunication and high technology products, in addition to its home and clothing goods.

Exports can be transported from any of the 9 ports along the Swedish coast. Multiple ports including the largest seaports at Stockholm and Helsingborg make Sweden an optimal location for regional distribution. Goods intended for domestic consumption are transported inland along Sweden's motorway and railroad network.

Yields rose between 25 basis points and 50 basis points during the second quarter of 2009 to 7.75 per cent. (Source: JLL Key Market Indicators Q2 2009).

PEPR has 4 Distribution Facilities in Sweden, which as at 30 September 2009 generated €7.7 million in Annualised Rental Income and represented 3 per cent. of MV.

The Netherlands

Trade has been the backbone of the Dutch economy for centuries. A small landmass combined with the highest population density in Europe, The Netherlands has learned to depend on its important role in the exportation and importation of goods for Europe. Rotterdam is the largest seaport in Europe and the ninth largest in the world, accounting for 10 per cent. of the Dutch GDP.

As much as 90 per cent. of the population of 45.3 million live in urban areas. The four major cities in The Netherlands are Amsterdam, Rotterdam, The Hague and Utrecht. Income and education levels are high by European standards, contributing to a service sector that accounts for 70 per cent. of the national GDP.

The Netherlands, and more specifically the Randstad region, has established itself as an optimal location for pan-European distribution. Centrally located in Western Europe, its high quality multi-modal transportation system facilitates the movement of goods along Europe's motorway, waterway and railway networks. Inland waterways account for 45 per cent. of domestic freight transportation in The Netherlands (Source: Eurostat table: Modal Split of Freight Transports, August 2009). Amsterdam's Schiphol airport is Europe's fourth largest cargo airport and together with the port of Rotterdam, have made the Randstad region one of Europe's main distribution hubs (Source: Eurostat table: Maritime Transport Vessel Traffic, Main Ports, August 2009).

Yields continued to rise during the second quarter of 2009 and currently stand at 7.25 per cent. (Source: JLL Key Market Indicators Q2 2009).

PEPR has 20 Distribution Facilities in The Netherlands, which as at 30 September 2009 generated €23.4 million in Annualised Rental Income and represented 9 per cent. of MV.

Belgium

The focal point of Belgium's logistics warehouse sector is its seaports, Antwerp and Ghent, where goods travel in and out of Western Europe. Brussels, the biggest urban centre in Belgium, is also a magnet for retail-based Distribution Facilities.

With a population of 10.7 million, Belgium is the second most densely populated country in Europe behind The Netherlands. Lack of land available for development of distribution warehouses has limited the sector's growth in Belgium. Land around Brussels is scarce with most Distribution Facilities concentrated in the Brussels-Antwerp-Ghent triangle, where zoning is less restrictive for warehouse development. Antwerp is Europe's third largest port (Source: Eurostat table: Maritime Transport Vessel Traffic, Main Ports, August 2009).

Transport infrastructure in Belgium is among the best in Europe. Approximately 70 per cent. of freight arriving at the seaports travels inland via trucks. However, inland waterways provide an alternative transport mode, accounting for 13 per cent. of freight movement (Source: Eurostat table: Modal Split of Freight Transports, August 2009). Rail is being encouraged as a third transport mode but like the rest of Europe, still accounts for a very small portion of freight movement.

Yields rose by 20 basis points during the second quarter of 2009 to 7.5 per cent. (Source: King Sturge European Property Indicators Summer 2009).

PEPR has 5 properties in Belgium, which as at 30 September 2009 generated €4.4 million in Annualised Rental Income and represented 2 per cent. by MV.

Yield Movement

In general, yields continue to rise across Europe during the second quarter of 2009. However, in some Western European markets like the UK and The Netherlands, yields are either stabilising or rising at a slower pace, a possible indication that property values may be approaching bottom. The slowdown in Europe's distribution warehouse sector has put a new emphasis on market risk. Before the credit crisis and economic downturn worsened a year ago, yields across Europe were converging into a tighter band of approximately 100 basis points from approximately 5.5 per cent. to 6.5 per cent. This band has now widened to approximately 150-250 basis points from approximately 7.5 per cent. to over 9.5 per cent.

PART III – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The overview of financial results below provides information which the Management Company believes is relevant to an understanding of PEPR's consolidated financial position and results of operations. The financial information in this Part III has been derived from PEPR's consolidated audited financial statements for each of the years ended 31 December 2008, 2007 and 2006 and its consolidated unaudited interim results for the nine-month period ended 30 September 2009. You should read this operating and financial review in conjunction with these consolidated financial statements and the related notes, which are incorporated by reference in this Prospectus.

As a result of changes to the accounting presentation made by PEPR in the preparation of 2008 Accounts, PEPR reclassified certain amounts in its 2007 comparative financial information included in the 2008 Accounts for purposes of comparability. Accordingly, the financial information for the year ended 31 December 2007 included in the 2008 Accounts differs in certain limited respects from the financial information for 2007 included in the 2007 Accounts. The reclassification principally related to amounts included within "Profit on disposal of investment properties" and "Property fair value movements" in the consolidated income statement for the year ended 31 December 2007, which were reclassified to better reflect the economic substance of certain property disposals and to follow industry best practice. All financial information for the year ended 31 December 2007 in this Part III is presented after giving effect to such reclassification. All financial information for the year ended 31 December 2006 in this Part III is similarly presented after giving effect to such reclassification for purposes of comparability.

PEPR's consolidated audited financial statements for each of the years ended 31 December 2008, 2007 and 2006 have been audited by E&Y. In its audit report on the 2008 Accounts and in its review report on 2009 Nine-Month Accounts, E&Y stated, without qualifying its opinion or conclusion, that conditions referred to in Note 1 to the accounts indicate the existence of a material uncertainty about PEPR's ability to continue as a going concern. Investors should read E&Y's audit opinion or conclusion and Note 1 to the accounts for further clarity/information of this material uncertainty. Investors should also read the discussions in this Part III and elsewhere in this Prospectus on PEPR's liquidity and working capital position, including certain management initiatives and other recent developments since the date of the E&Y audit report for the year ended 31 December 2008 and the nine months ended 30 September 2009.

PEPR has prepared its consolidated financial statements in accordance with IFRS, as adopted by the European Union, which differs in certain respects from accounting principles generally accepted in the U.S.

Overview

PEPR is one of the largest owners of high quality European Distribution Facilities. As at 30 September 2009 PEPR owned and managed 232 Distribution Facilities comprising 4.9 million square metres of leasable space in 11 countries with an overall occupancy rate of 96.3 per cent. PEPR's Portfolio was valued by its Independent Appraisers at €2.8 billion (net of purchaser's costs) as at 30 September 2009. The Euro conversion was calculated by the Management Company. See "Part X—Valuation Reports" for the Valuation Reports of JLL, DTZ and CBRE. The geographic diversification of PEPR's Portfolio enables it to provide leading global companies with a pan-European platform through which to deliver their goods and services to markets throughout the European Union and beyond.

The majority of PEPR's customers are third party logistics companies who serve clients in a wide variety of industries and, as a result, offer a wide range of goods and services, including managing supply chains for a variety of their own customers across multiple industries. As at 30 September 2009, third party logistics companies represented 56 per cent. of PEPR's Annualised Rental Income. PEPR also services a broad range of customers in the retail and manufacturing sectors (13 and 11 per cent. of PEPR's Annualised Rental Income as at 30 September 2009). PEPR is managed by its Management Company, a Luxembourg-incorporated subsidiary of ProLogis. ProLogis is a U.S. based real estate investment trust that operates a global network of industrial properties and is a leading provider of Distribution Facilities and distribution services in North America, Europe and Asia. PEPR's Management Regulations require ProLogis to maintain an ownership interest of not less than 10 per cent. of PEPR's issued Units, either directly or indirectly through ProLogis Related Parties.

The business environment in which PEPR operates has been dominated since 2008 by a general credit market dislocation, a lack of capital liquidity and declining property values. PEPR has maintained resilient operational performance despite these developments and the uncertain global economic outlook. Portfolio occupancy remains high (96.3 per cent. as at 30 September 2009), and the Management Company believes that PEPR's modern, pan-European Portfolio should remain attractive to customers and continue to provide opportunities for investors in the long term.

Despite strong operational performance, global economic developments nonetheless significantly affected PEPR's results of operations in 2008 and the first nine months of 2009, primarily as a result of downward fair market valuation adjustments and impairment charges recorded during these periods. In addition, in view of PEPR's ongoing

refinancing requirements, PEPR's corporate credit rating was downgraded by Moody's to Baa3 in March 2009, and again to Ba1 in June 2009.

While the optimisation of capital resources has been a focus of the Management Company and PEPR's Board since PEPR's inception, since 2008 the Management Company and PEPR's Board have had an active focus on debt management and have initiated a range of measures designed to address some of the adverse effects of difficult current economic conditions on PEPR's business. These measures include the development of a plan designed to refinance €449.7 million (reduced to €90.6 million on 5 November 2009) of CMBS debt maturing in May 2010 and two tranches amounting to €600.0 million under the €900.0 Million Facility maturing in December 2010 (drawn as of 30 September 2009 to €300.0 million, and increased further to €544.0 million on 28 October 2009) as well as to ensure PEPR remains in compliance with its debt covenants. These measures, which are described more fully elsewhere in this Prospectus, include:

- The renegotiation, at the end of 2008, of certain financial covenants of PEPR's unsecured credit facility and a continuing further negotiation with the lenders under that facility to (a) reduce the consolidated tangible net worth covenant currently applying to the facility and (b) amend the definition of "Restricted Period" in the facility such that certain restrictions against payments (as more fully described in "Part VII—Additional Information—Material Contracts—€900.0 Million Facility" of this Prospectus) will apply unless PEPR raises further equity which in aggregate equals, or exceeds, €60.0 million and the consolidated tangible net worth as of the last day of the most recent fiscal quarter of PEPR is at least a minimum of €1.0 billion;
- The suspension of dividend distributions by PEPR, starting with the dividend for the fourth quarter of 2008 and for the foreseeable future;
- The sale of PEPR's entire interest in PEPF II in two transactions in December 2008 and February 2009, realising net proceeds of €54.2 million and relieving PEPR of the obligation to fund a further €522.3 million of investments in PEPF II before August 2010;
- The prepayment, in April 2009, of an aggregate €335.9 million of CMBS debt, funded through a combination of cash from operations, cash inflows from the unwinding of related derivatives and a drawdown under PEPR's €900.0 Million Facility. The prepayment of CMBS debt released security on €550.9 million worth of properties (at December 2008 values);
- The agreement, in May 2009, to dispose of nine Distribution Facilities in The Netherlands and Germany for net proceeds of €114.5 million, all received prior to 30 September 2009;
- The sale, in June 2009, of five Distribution Facilities in the UK generating total net proceeds of £63.1 million (€72.8 million), all received prior to 30 September 2009;
- The agreement and funding, in July 2009, with EuroHypo AG, for a new £86.1 million (€95.0 million) secured bank loan facility, secured on 15 Distribution Facilities in the UK, maturing in July 2013, the proceeds from which are used primarily to pay down existing debt;
- The prepayment on 5 August 2009 of an aggregate of €98.6 million of CMBS debt (due May 2010), funded through a combination of asset disposals, cash flow from operations, cash inflows from the unwinding of related derivatives and new secured bank loans. The prepayment of CMBS debt released security on approximately €81.4 million (at June 2009 values) worth of assets retained in the business and security on four properties that had been sold earlier in the quarter;
- The agreement, as of July 2009, to a three-year extension for €126.0 million of the €151.1 million secured bank loan facility with Deutsche Pfandbriefbank (formerly known as Hypo Real Estate Bank International) that matures in March 2010, the differential of €25.1 million of principal amount having been repaid;
- The agreement in October 2009 with a single lender for a new €48.0 million (€15.5 million and SEK332.5 million) secured bank loan facility, secured by four Distribution Facilities in Sweden, maturing in October 2014 used to pay down existing debt;
- The prepayment on 5 November 2009 of an aggregate of €359.1 million of CMBS debt (due May 2010), funded through a combination of cash flow from operations, €20.2 million of cash inflows from the unwinding of related derivatives, a new secured bank loan and €244.0 million drawing under the €900.0 Million Facility. The prepayment of CMBS debt released security of approximately €482.9 million worth of assets (at September 2009 values); and

- The renegotiation in September and November 2009 of the terms of PEPR's unsecured lending facility, the revised terms of which come into effect following the raising of a minimum of €60.0 million of new equity at any time by PEPR.

Furthermore, the Management Company continues to consider additional means to strengthen PEPR's balance sheet, including new secured bank loan facilities, further asset sales and the possibility of offering additional preferred units.

Principal Factors Affecting Results of Operations

Valuation losses on property

PEPR's results of operations for 2008 and the first nine months of 2009 were adversely affected by valuation losses on property recorded during the respective periods. Net of gross valuation gains and purchasers' costs recorded pursuant to IFRS, PEPR recorded net valuation losses on its Portfolio of €483.7 million in 2008 and €430.7 million in the first nine months of 2009.

In the ordinary course of business, PEPR conducts external valuations of its Portfolio bi-annually, as of 30 June and 31 December. Nevertheless, the valuation of real estate is inherently subjective and uncertain, with no assurance that the valuations will reflect the actual sales price of the asset. The turbulence in the commercial property markets has subsided to some extent and the credit markets have improved, however the relative lack of comparable market transactions heightens reliance on the external valuer's judgement. Furthermore, although external valuations are conducted bi-annually, physical inspections of Distribution Facilities are undertaken on a less frequent basis, although at a minimum of once every three years.

To facilitate the Offer of Preferred Units, PEPR has conducted an additional external portfolio valuation as of 30 September 2009. The results of this valuation exercise are reflected throughout this Prospectus.

Gains and losses on PEPR's Portfolio valuations are almost entirely attributable to external market developments outside of its control. Current trends in those factors used to value PEPR's Portfolio suggest a continuing deterioration in the market with the exception of the UK where yields on valuations have stabilised; accordingly, we expect further losses on Portfolio revaluations in the coming periods (for more information on the effects of continuing credit market instability on PEPR's business see "Risk Factors").

Active Asset Management

The Management Company works regularly with customers to understand long and short term space needs. The Portfolio continues to be actively managed despite the challenging environment of falling property prices and pressure on rental income, together with tight credit markets, both of which have adversely affected PEPR's financial flexibility and its ability to pursue new acquisitions. As a result, PEPR's strategy in the short to medium term is focused on the managing of its existing Portfolio and PEPR does not intend to pursue any material acquisitions in the short term. However, the Management Company believes that in the future it will be well positioned to source attractive investment opportunities when they arise, subject to the availability of internal and external sources of capital. Further information on PEPR's investment objective is provided in Article 6 of the Management Regulations, which are set out in Section XI—"Management Regulations of PEPR".

The Management Company continuously manages the configuration of the Portfolio by disposing of mature and non-strategic assets with a view to optimising investment allocations and improving PEPR's capital structure. Consistent with this, PEPR sold Distribution Facilities in The Netherlands, Italy and France in 2007 and 2008 in an aggregate amount equal to €403.8 million. The Management Company also initiated the disposition of certain assets at the end of 2008 to address PEPR's financial requirements. In December 2008, PEPR sold two thirds of its 30 per cent. stake in PEPF II for €43.7 million, thereby releasing it from €348.2 million in future equity commitments to PEPF II. The sale was followed in February 2009 by the disposal of the remaining one third stake for net proceeds of €10.5 million, relieving it from a further € 174.1 million of future equity commitments.

In addition, PEPR has stated its intention to dispose of at least €200.0 million worth of properties in 2009, the proceeds of which will be used primarily to repay existing debt while continuing to manage the composition of the overall Portfolio. In the first nine months of 2009, PEPR has disposed of assets for net proceeds of approximately €187.4 million.

Asset sales affect PEPR's results of operations to the extent the sale prices result in a gain or a loss compared to the carrying value of the assets, as well as future rental income (see "Occupancy Levels and Trends in Rental Income" in this Part III for more details). Gains or losses upon disposal are generally mitigated by the fact that the properties on

PEPR's books are subject to revaluation bi-annually. However, the downward trend in Europe in the property market is adversely affecting the price at which PEPR is able to dispose of properties from the Portfolio.

Active Debt Management

PEPR's growth since its inception in 1999 has relied on substantial amounts of debt financing and the continued availability of, and the ability to refinance, such indebtedness. In past years, PEPR relied primarily on the CMBS market as a source of financing. Following the initial public offering of its securities in September 2006 and consequent changes in its investment approach, PEPR broadened its sources of debt capital, in particular, increasing its focus on unsecured debt. In October 2007, PEPR raised €500.0 million through an offering of Eurobonds and, in December 2007, entered into a €900.0 Million Facility with a syndicate of banks.

Since late 2008 the Management Company has initiated further measures designed to address, particularly in the face of credit market dislocation, the substantial liquidity requirements PEPR faces to fund the repayment of indebtedness scheduled to fall due in 2009 and 2010. The Management Company implemented these measures to guard against the risk of non-compliance with existing covenants under certain debt facilities and leverage restrictions set out in its Management Regulations, and to identify new sources of capital to refinance its existing debt. Additional details of these deleveraging and other liquidity enhancing measures are described in the preceding "Overview" section of this Part III. Lower Portfolio valuations increase PEPR's risk of non-compliance with loan to value and minimum tangible net worth covenants and make it harder for PEPR to secure refinancing. Increasingly, limited availability of debt financing may prevent PEPR from refinancing its existing debt on favourable terms, if at all.

In this context, the Management Company entered into negotiations with certain of PEPR's lending banks to renegotiate and extend its debt repayment periods. These negotiations include the following efforts undertaken over the past nine months:

- The prepayment of CMBS debt of €335.9 million using the proceeds from asset sales, other cash from operations and a drawdown under PEPR's €900.0 Million Facility. This prepayment of CMBS debt released security over €550.9 million worth of assets (at December 2008 values);
- The renegotiation, in December 2008, of PEPR's €900.0 Million Facility to lower the minimum tangible net worth covenant to €1.1 billion from €1.95 billion, which led to an increase in the interest margin of 125 basis points applicable at the date of the change;
- The agreement with the lenders under the €900.0 Million Facility (as more fully described in "Part VII—Additional Information—Material Contracts—€900.0 Million Facility" of this Prospectus) to (a) reduce the consolidated tangible net worth covenant currently applying to the facility and (b) the restrictions on cash distributions;
- The extension of the March 2010 maturity date with respect to €126.0 million of PEPR's €151.1 million having been outstanding secured bank loan with Deutsche Pfandbriefbank (formerly known as Hypo Real Estate Bank International) by three years to March 2013, the differential of €25.1 million of principal amount being repaid;
- The agreement in July 2009 with EuroHypo AG for a new £86.1 million (€95.0 million) secured bank loan maturing in July 2013;
- The prepayment on 5 August 2009 of an aggregate of €98.6 million of CMBS debt (due May 2010), funded through a combination of asset disposals, cash flow from operations, cash inflows from the unwinding of related derivatives and new secured bank loans. The prepayment of CMBS debt released security on approximately €81.4 million worth of assets (at June 2009 values) retained in the business and security on four properties that had been sold earlier in the quarter;
- The agreement in October 2009 with a single lender for a new €48.0 million (€15.5 million and SEK332.5 million) secured bank loan facility, secured by four Distribution Facilities in Sweden, maturing in October 2014 used to pay down existing debt; and
- The prepayment on 5 November 2009 of an aggregate of €359.1 million of CMBS debt (due May 2010), funded through a combination of cash flow from operations, €20.2 million of cash inflows from the unwinding of related derivatives, a new secured bank loan and a €244.0 million drawing under the €900.0 Million Facility. The prepayment of CMBS debt released security of approximately €482.9 million worth of assets (at September 2009 values).

In May 2007, Moody's assigned PEPR an A3 credit rating. In March 2009 PEPR's credit rating was lowered to Baa3 and, subsequently, in June 2009 to Ba1, mainly as a result of the global economic slowdown and concerns over PEPR's liquidity position. The downgrades had the effect of increasing the interest margin payable by PEPR on its senior unsecured credit facility. In addition, as a result of the downgrading PEPR will be required to pay a 1.75 per cent. higher coupon rate, equivalent to €8.7 million annually, on its Eurobond facility.

Occupancy Levels and Trends in Rental Income

PEPR has historically experienced high occupancy rates in its Portfolio, which have averaged over 96.6 per cent. since 31 December 2006 and as at 30 September 2009 were 96.3 per cent. Based on lease break notices, existing leases set to expire, historical patterns and other current information available to PEPR, the Management Company believes that occupancy levels should continue to remain high, absent any significant deterioration in tenant creditworthiness and rent payment defaults.

As at 30 September 2009, PEPR's average lease term to expiry across the Portfolio was 5.5 years and its average lease term to next break was 3.4 years. PEPR seeks to manage its lease maturity profiles in its Portfolio to avoid significant simultaneous renewals or terminations of leases in any one market. As at 30 September 2009, the Portfolio comprised 373 leases. Given the current economic environment, PEPR generally expects its customers will be inclined to seek shorter lease terms, particularly those of its third party logistics customers as they attempt to match their lease term to the terms in their underlying customer contracts.

Customer departure rates in the Portfolio are relatively low when compared with the past, with an average retention rate currently of 79.8 per cent. for the first nine months of 2009. PEPR expects a lower retention rate during the fourth quarter of 2009. Retention rate is the ratio between the area renewed during a certain period and the total area let to the customer under lease agreement subject to an expiration or break in the period. The Management Company believes that PEPR's Portfolio of high-quality, strategically located Distribution Facilities continues to be attractive to third-party logistics, manufacturing and retail companies, particularly at a time when many companies are seeking to improve the efficiency of their logistics operations and are generally not looking to expand or relocate to new or alternative premises.

Market rents in Europe have been decreasing since mid-2008 as a consequence of the recession and worsening real estate market conditions. PEPR's Portfolio rents have also been decreasing on the whole since mid-2008 and PEPR's rental income is subject to continuing downward pressure. In the three months period to 30 September 2009 new and renewed leases resulted in a weighted average rental decline of 6.5% over the prior rental level. This downward trend is due to several factors. Firstly, most of PEPR's leases are subject to automatic price adjustments over the life of the lease based on external reference factors such as consumer price inflation (so-called "indexation" of leases). In deflationary periods, indexation leads to a decrease in rents unless the agreement contemplates a "floor". Secondly, because of the decrease in market rates, customers are expected to seek rent decreases when negotiating renewal of their lease. Thirdly, due to the economic downturn and the possible weakened financial position of certain of its customers, PEPR may experience higher rates of defaults and non-renewals compared to its historical norm. In addition, PEPR's rental income in future periods will decrease as a result of the sale of properties that have been completed in 2009 (see "Active Asset Management" in this Part III for more details) as well as due to the consequences of above mentioned factors.

Changes and Trends in the European Logistics Market

The Distribution Facilities marketplace has changed materially since 2006. The continued integration and expansion of the EU member countries have had a profound impact for pan-European businesses. The Management Company believes these political and macroeconomic changes are driving the following trends for users of large distribution facilities across Europe:

- consolidation into regional distribution markets;
- an increasing demand by users for a single provider of distribution facilities in multiple markets; and
- continued outsourcing of distribution activities to specialised logistics companies and consequent demands by such companies for modern distribution facilities to provide services to their end-customers.

The Management Company believes that PEPR should continue to benefit from the economic changes and trends in the EU. PEPR has diversified its Portfolio by acquiring Distribution Facilities across the major European markets, including the newer EU accession countries, notably Poland, the Czech Republic and Hungary, and believes the geographic breadth and strategic locations of the Distribution Facilities, coupled with high quality and diverse functionality, enables PEPR to take advantage of these market trends. The Management Company believes these trends

should continue to generate a sustained level of demand for PEPR's Distribution Facilities, which in turn could drive rent growth in the medium term.

Management Fees

Management fees and incentive fees are paid to the Management Company or the Investment Managers for property and fund management services in accordance with PEPR's Management Regulations and the Investment Management Agreement. PEPR pays the Management Company or the Investment Managers a management fee quarterly in arrears in cash on each calendar quarter-end day equal to a percentage of the value of PEPR's interest (held directly or indirectly through its wholly-owned subsidiaries) in Distribution Facilities and in the net cash proceeds of sales of Distribution Facilities pending reinvestment, determined as of the most recent Valuation Day as follows: the aggregate of (i) 0.6 per cent. per annum of the Gross Property Value of the Portfolio, excluding, for the avoidance of doubt, the interest of PEPR in the ProLogis Private Equity Funds and ProLogis Joint Ventures, which is referred to as the base management fee; and (ii) 0.1 per cent. per annum of the value of PEPR's interests in cash deposits, money market instruments or debt securities other than debt securities issued by companies or entities which are wholly or partly owned and controlled by PEPR, excluding, for the avoidance of doubt, cash deposits, money market instruments or debt securities held by a ProLogis Private Equity Fund or a ProLogis Joint Venture, or cash balances subject to cash pooling arrangements in the framework of CMBS transactions, which is referred to as a cash management fee.

The incentive fee (if any, but which will not be less than zero) paid to the Management Company or to the Investment Manager is calculated (on a rolling three-year basis) based on 20 per cent. of IFRS net income per Unit in excess of the minimum threshold return. The minimum threshold return is calculated as 9 per cent. of the IFRS NAV per Unit at the beginning of each year during each three-year period. In view of reduced Portfolio valuations, PEPR does not expect to pay any incentive fee for at least 2009. For further details on the nature and scope of the management fees and incentive fees, please refer to Part IV—"Management of PEPR".

Exchange Rate Exposure

At 30 September 2009, approximately 34.9 per cent. of the net property value of the Distribution Facilities held by PEPR was located in Member States which had not adopted the Euro. However, substantially all leases in Poland, the Czech Republic and Hungary are denominated in Euro and accordingly income generated from such Distribution Facilities is primarily Euro denominated.

Income from assets in the Portfolio located in the UK (comprising 16.1 per cent. of the Portfolio by net property value as at 30 September 2009) is subject to fluctuations in the Sterling exchange rate. PEPR's currency exposure to Sterling is by far its largest exchange rate exposure, and the weakening of Sterling relative to the Euro since the end of 2007 accounted for significant currency movements affecting PEPR's financial results in 2008. In 2008, the weakening of Sterling resulted in a €12.2 million decrease in rental income when reported in Euros. The value of properties located in the UK is similarly subject to fluctuations in the Sterling exchange rate. Exchange rate translation effects on the fair value of properties are not included within "Property fair value movements" and, accordingly, do not affect PEPR's income statement but such changes are recorded on the balance sheet as a component of equity under "Cumulative foreign currency translation adjustment". A gain or a loss is recognised in the income statement upon disposal. The negative impact of the translation of the UK investment properties on PEPR's equity or NAV arising from Sterling's depreciation against the Euro in 2008 alone was €226.9million. For the nine month period ended 30 September 2009, the effect was a positive €37.1 million.

PEPR does not enter into direct foreign exchange contracts to manage its Sterling foreign exchange risk. However, the impact of Sterling currency exposure is reduced to the extent PEPR borrows in Sterling under its credit lines and integrates cross-currency swaps into its CMBS debt transactions.

Taxation

PEPR's effective tax rate based on EPRA pre-tax earnings as a proxy for taxable income for the financial year 2008 was 13.6 per cent. and for the nine months ended 30 September 2009 was 16.8 per cent.¹⁶

The effective tax rate has historically been relatively low due to a combination of advantageous tax structuring through PEPR's FCP tax structure and tax planning in the jurisdictions in which PEPR owns Distribution Facilities. PEPR has historically benefited from tax losses carried forward for a period after the contribution of properties from ProLogis, but it is expected that this benefit will progressively diminish over time as these tax losses are absorbed by

¹⁶ One of the main reasons for this increase in the effective tax rate includes taxes on disposal, which were not meaningful in 2008. In addition, in 2008, PEPR received dividend income on its investment in PEPR II which is not subject to taxation.

taxable income (see the section entitled “PEPR has made significant provisions for deferred tax liabilities which may be recognised on the sale of assets” in “Risk Factors”). A deferred tax benefit is recognised in case of a valuation loss to the extent of previously recorded deferred tax expense in respect of valuation gains (but not beyond).

Results from Operations

The following table sets out PEPR’s interim consolidated results from operations for the nine-month periods ended 30 September 2009 and 30 September 2008 and consolidated results from operations for the financial years ended 31 December 2008, 2007 and 2006.

Consolidated Results from Operations

Consolidated Income Statement

The following sets out PEPR’s consolidated income statement for the periods indicated:

| | Nine Months Ended | | Year Ended | | |
|--|--------------------|--------------------|------------------|-------------------|-------------------|
| | 30 September 2009 | 30 September 2008 | 31 December 2008 | 31 December 2007 | 31 December 2006 |
| | Unaudited €’000 | Unaudited €’000 | Audited €’000 | Adjusted €’000 | Adjusted €’000 |
| Rental income..... | 201,744 | 221,487 | 292,177 | 298,555 | 286,713 |
| Other property income | 357 | 195 | 1,146 | 10,321 | 4,716 |
| Total revenue | 201,101 | 221,682 | 293,323 | 308,876 | 291,429 |
| Ground rents paid..... | (1,897) | (1,951) | (2,576) | (2,273) | (2,173) |
| Property management fees | (11,409) | (14,145) | (18,332) | (20,176) | (18,372) |
| Other property rental expenses..... | (6,103) | (8,982) | (11,484) | (6,148) | (8,007) |
| Cost of rental activities | (19,409) | (25,078) | (32,392) | (28,597) | (28,552) |
| Gross profit | 182,692 | 196,604 | 260,931 | 280,279 | 262,877 |
| Fund management fees..... | (3,772) | (4,700) | (6,058) | (6,690) | (6,526) |
| Fund custodian fees..... | (86) | (160) | (191) | (253) | (231) |
| Other fund expenses..... | (3,701) | (4,299) | (6,065) | (4,226) | (39,316) |
| Fund expenses | (7,559) | (9,159) | (12,314) | (11,169) | (46,073) |
| Investment and development property disposal proceeds..... | 189,097 | 27,698 | 27,609 | 376,197 | 72,501 |
| Carrying value of investment and development property disposals | (231,751) | (26,221) | (26,082) | (333,028) | (69,396) |
| Profit/(loss) on disposal of investment property | (42,654) | 1,477 | 1,527 | 43,169 | 3,105 |
| Gross valuation gains on property..... | 5,300 | 37,471 | 39,022 | 146,459 | 471,587 |
| Gross valuation losses on property..... | (453,973) | (155,250) | (539,382) | (120,967) | (2,491) |
| Purchasers’ costs | 22,943 | 4,715 | 16,642 | (27,300) | (39,144) |
| Property fair value movements | (430,730) | (113,064) | (483,718) | (1,808) | 429,952 |
| Earnings/(losses) before net financial cost, associate and impairment and tax | (298,251) | 75,858 | (233,574) | 310,471 | 649,861 |
| Finance income | 2,323 | 4,280 | 5,319 | 4,772 | 4,673 |
| Finance expense | (78,060) | (84,918) | (116,124) | (101,842) | (97,174) |
| Share of loss of an associate..... | — | (6,191) | (76,834) | (23,919) | — |
| Loss on disposal of investment in an associate | — | — | (137,048) | — | — |
| Impairment of other financial asset, available for sale..... | — | — | (68,523) | — | — |
| (Losses)/Earnings before tax | (373,988) | (10,971) | (626,784) | 189,482 | 557,360 |
| Charge for current income tax..... | (22,394) | (15,921) | (23,606) | (20,978) | (13,557) |
| Deferred income tax benefit..... | 78,274 | 25,945 | 72,472 | 2,826 | (106,705) |
| Benefit/(charge) for taxation | 55,880 | 10,024 | 48,866 | (18,152) | (120,262) |
| Net profits/(losses) for the period | (318,108) | (947) | (577,918) | 171,330 | 437,098 |

Distributable Cash Flow

The following sets out PEPR's distributable cash flow for the periods indicated:

| (Unless otherwise stated, amounts are expressed in millions of Euros) | Nine Months Ended | | Year Ended | | |
|---|-------------------|-------------------|----------------------------|------------------|------------------|
| | 30 September 2009 | 30 September 2008 | 31 December 2008 | 31 December 2007 | 31 December 2006 |
| | Unaudited €'000 | Unaudited €'000 | Unaudited €'000 | Unaudited €'000 | Unaudited €'000 |
| Net earnings/(losses) attributable to Unitholders | (317,332) | (1,414) | (576,895) | 170,343 | 436,731 |
| <i>Adjustments for items per the Management Regulations:</i> | | | | | |
| Net valuation (gains)/losses on property, net of purchasers' costs ⁽¹⁾ | 431,351 | 115,060 | 485,689 | 8,669 | (406,375) |
| (Gain)/loss on associate..... | — | 6,191 | 76,834 | 23,919 | — |
| Distributions from an associate..... | — | 9,750 | 15,918 | 1,259 | — |
| Loss on disposal of investment of an associate..... | — | — | 137,048 | — | — |
| Loss/(gain) on disposal of properties..... | 42,654 | 2,067 | 2,067 | (38,293) | — |
| Charge for current income tax relating to disposal..... | 5,708 | — | — | — | — |
| Impairment of investment, available for sale..... | — | — | 68,523 | — | — |
| Unrealised currency (gains)/losses..... | (456) | (162) | 2,000 | (812) | 2,273 |
| Amortisation of debt expenses..... | 7,445 | 4,706 | 6,402 | 12,921 | 12,635 |
| Movements on deferred tax balances..... | (78,274) | (25,945) | (72,472) | (2,826) | 106,705 |
| VAT expenses relating to initial public offering costs..... | 72 | 700 | 357 | — | — |
| Costs related to non-recurring events..... | — | — | — | — | 37,362 |
| Repayment of debt..... | — | — | — | — | (11,050) |
| Less an allowance for capital and re-letting expenses..... | (2,312) | (3,306) | (7,623) | (8,467) | (13,082) |
| Total adjustments..... | 406,188 | 109,061 | 714,743 | (3,630) | (271,532) |
| Distributable cash flow for Unitholders | 88,856 | 107,647 | 137,848 | 166,713 | 165,199 |
| Distributions made to Preferred Unitholders..... | — | — | — | — | (10,165) |
| Distributable cash flow for ordinary Units | 88,856 | 107,641 | 137,848 | 166,713 | 155,034 |
| Weighted average number of equivalent ordinary Units..... | 190,522,441 | 190,522,441 | 190,522,441 | 190,522,441 | 191,652,214 |
| Distributable cash flow per ordinary Unit for the period | €0.47 | €0.57 | €0.72⁽²⁾ | €0.87 | €0.81 |

(1) This is the sum of the "net valuation gains/(losses) on property" and "purchasers' costs" lines as they appear in the reconciliations in the fourth quarter reports for 2007 and 2008.

(2) PEPR does not contemplate paying dividends to Ordinary Units for the foreseeable future and intends to use distributable cash to pay down debt. In November 2009 the Management Company renegotiated the terms of the €900.0 Million Facility to allow for distribution payments on any new equity payments, provided they do not exceed 50 per cent. of Distributable Cash Flow. The amendments also permit payments of dividends on all Units, if PEPR is able to raise at least €200 million in new equity (which, for the avoidance of doubt, may include any amounts raised in equity issuances subsequent to November 2009, including the Preferred Units), again provided these payments do not exceed 50 per cent. of Distributable Cash Flow.

Discussion of Principal Income Statement Items

Total revenue

Total revenue is comprised primarily of rental income earned under operating leases and is net of any sales tax.

Cost of rental activities

The cost of operating the Portfolio and managing PEPR as a real estate investment vehicle.

Property management fees

Property management fees are correlated to the gross value of the Portfolio as described under "Principal Factors Affecting Results of Operations—Management Fees".

Ground rents paid and other property rental expenses

Cost of rental activities includes ground rents paid, provision for bad debt and other non-recoverable property related expenses, such as property insurance and property tax.

Fund expenses

Fund expenses include the non-property related costs associated with PEPR's business, including fund management, custodian and professional fees.

Profit/(loss) on disposal of investment properties

This reflects the profits or losses realised on the disposal of assets from the Portfolio, (i.e. the difference between the net sale proceeds and the carrying value of the asset).

Property fair value movements

This represents the change in the valuation of the Portfolio during the period. Pursuant to the Management Regulations, PEPR is required to undertake a fair value revaluation of its Portfolio at least once every year, although historically the Management Company has arranged to carry out the valuations semiannually and the Management Company intends to continue to value the Portfolio on this basis. To facilitate this Offer of Preferred Units, PEPR has conducted an additional external portfolio valuation as of 30 September 2009. When a new property is acquired, it is booked at the acquisition price and it is subsequently bi-annually revalued together with the rest of the Portfolio. In accordance with IFRS as adopted by the European Union, the estimated transfer taxes, sales taxes or other costs to be borne by prospective purchasers are deducted from Gross Property Value (i.e., the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, without such deduction) to arrive at the net property value or fair value. Also affecting property fair value movements in the income statement are capital expenditures to the building and leasing commissions and its amortisation.

Finance expense

Finance expenses comprise finance costs and principally consist of interest expenses related to PEPR's outstanding debt as well as the amortisation of associated arrangement costs.

Benefit/(charge) for taxation

PEPR's subsidiaries are subject to tax in the countries in which they operate. Current taxation charges are provided for based on taxable income from real estate operations at the applicable current tax rates. In addition, a deferred tax expense is recognised if a property valuation gain is recorded. A deferred tax benefit is recognised in case of a valuation loss to the extent of previously recorded deferred tax expense in respect of valuation gains (but not beyond).

Distributable cash flow

The amount of cash available for distribution to Unitholders as contemplated in PEPR's Management Regulations was calculated by:

- (i) adding back to net profit any item included in the income statement which does not directly affect cash, principally amortisation, unrealised currency gains and losses, general reserve movements in valuations, and movements in deferred tax; and
- (ii) deducting an allowance for non-income generating capital expenditure (essentially comprised of re-leasing costs, move in and out costs, building exterior maintenance and common area maintenance) (the Management Company also had the ability to reserve up to €10.0 million (see "Definitions—Distributable Cash Flow").

The terms of PEPR's unsecured credit facilities restrict cash distributions depending on the level of additional equity PEPR is able to raise. No dividends may be paid until a successful renegotiation of PEPR's unsecured credit facilities is achieved or PEPR raises at least €60.0 million by issuing new equity (which, for the avoidance of doubt, may include the issuance of the Preferred Units). Subject to raising at least €60.0 million in new equity, PEPR will be permitted to make Preferred Dividend payments, provided they do not exceed 50 per cent. of Distributable Cash Flow. Payments of dividends on all Units is also permitted, if PEPR is able to raise at least €200.0 million in new equity (which, for the avoidance of doubt, may include any amounts raised in equity issuances subsequent to November 2009, including the Preferred Units), again provided these payments do not exceed 50 per cent. of Distributable Cash Flow.

For further information see “Part VII—Additional Information—Material Contracts—€900.0 Million Facility ” of this Prospectus.

As such, the Management Company does not contemplate paying dividends on Ordinary Units for the foreseeable future and intends to use the corresponding distributable cash to pay down debt instead.

The distribution provisions of the Management Regulations are described in paragraph 4 of Part VII—“Additional Information”.

Nine-month period to September 2009 compared to nine-month period to September 2008

Net profit/(loss) for the period

Net loss was €318.1 million for the nine months period ended 30 September 2009, compared to a €0.9 million loss for the same period in 2008. This increase was principally a result of property fair value losses of €430.7 million compared to €113.1 million of such losses for the same period in 2008, the €42.7 million loss on property disposals in the nine months of 2009 and a €19.6 million decrease in total revenue, partially offset by a €45.9 million increase in taxation benefit.

Total revenue

Rental income and other property income

Total revenue for the nine-month period ending 30 September 2009 was €202.1 million compared to €221.7 million for the nine-month period ending 30 September 2008, representing a decrease of 8.8 per cent. This decrease was principally as a result of a €5.9 million decline in UK sourced income due to currency fluctuations, the loss of €4.0 million of income from properties sold, the loss of €1.9 million of rental income from customer defaults and a slight decrease in occupancy levels over the year from 97.9 per cent. at 30 September 2008 to 96.3 per cent. at 30 September 2009. In addition, revenue during the nine months ended 30 September 2008 included higher levels of guaranteed rental income (€9.4 million) that was agreed with a seller in relation to certain contributed buildings, which largely expired over the course of 2008.

Cost of rental activities

During the nine month period ending 30 September 2009, the cost of rental activities decreased to €19.4 million, from €25.1 million in the comparable period, largely as a result of lower management fees, which declined 19.3 per cent. to €11.4 million for the nine months of 2009 (nine months of 2008: €14.1 million) as they are directly correlated to the gross value of the Portfolio, which recorded negative valuation movements over the year.

In addition, €2.8 million of bad debt expense recorded in nine months of 2008 in relation to three customers that had defaulted on their lease obligations compared to €1 million in bad debt expense in the same period in 2009.

Fund Expenses

Fund expenses declined by 17.5 per cent. from the nine months of 2008 to the nine months of 2009, as a decline in fund management expenses, reflecting a decline in the gross value of the Portfolio (upon which such expenses are based), more than offset an increase in other fund expenses that was the result of tax and legal fees paid to the Investment Managers.

Profit/(loss) on disposal of investment properties

Net loss on disposal of €42.7 million for the nine month period ending 30 September 2009 relates to the completed portion of the sale of a portfolio of Dutch and German assets and the sale of a portfolio of UK assets. Further details on these transactions are provided in the “Overview” section above.

Property fair value movements

Total property fair value movements for the first nine months of 2009 resulted in a net loss of €430.7 million, comprising € 459.0 million of revaluation losses, partially offset by €5.3 million of revaluation gains and a €22.9 million reduction in associated provision for purchasers’ costs. This compares to a net loss on property fair value movements of €113.1 million in the comparable period.

The entire directly owned Portfolio is typically revalued as at 30 June and 31 December each year. In addition, in connection with this Offer, the Portfolio was revalued as at 30 September 2009. Prior to December 2007, one half of the Portfolio was revalued at the end of June and the remaining half at the end of December of each year. It is the intention of PEPR to revalue the entire directly owned Portfolio bi-annually on an on-going basis. To facilitate this Offer of Preferred Units, PEPR has conducted an additional external portfolio valuation as of 30 September 2009.

As discussed in more detail in the section entitled “Risk Factors—Risks Relating to the Business—Property valuation is inherently subjective and uncertain”, the valuation of the Portfolio as at 30 September 2009 was performed without conducting full appraisals (including physical inspections) of PEPR’s Distribution Facilities.

Finance income, Finance expenses and Share of (loss) of an associate

Finance income decreased from €4.3 million to €2.3 million because of lower cash balances and reduced rates of interest. Financial expenses decreased for the nine months 2009 by €6.9 million to €78.1 million compared the nine months 2008. Interest expense for the nine months ended 30 September 2009 decreased by 8.1 per cent. compared to the same period in 2008, primarily related to the early repayment of €434.5 million of CMBS debt in March and August 2009, and the decrease in PEPR’s weighted average interest rate to 4.5 per cent. for the period. This was due to the decrease in European and UK market interest rates during the period. As of 30 September 2009, 67.4 per cent. of PEPR’s debt was at fixed rates of interest and, with the remaining floating debt based on EURIBOR or LIBOR with margins varying between 265 and 270 basis points. These factors were partially offset by increased borrowing during 2008 to invest in PEPF II.

In the first 9 months of 2008 a share of €6.2 million in the loss of an associate was recorded relating to PEPR’s investment in PEPF II, which did not recur in 2009.

Benefit/(charge) for taxation

The overall tax recorded in the Income Statement for the first nine months of 2009 was a credit of €55.9 million. This included €22.4 million of current tax expenses and €78.3 million of deferred tax credit stemming primarily from the devaluation of the Portfolio which resulted in a partial reversal of deferred tax liabilities previously recorded on unrealized revaluation gains.

Distributable cash flow

Primarily as a consequence of the significant revenue and expense changes described above, distributable cash flow decreased by 17.5 per cent. from €107.6 million in the nine-month period ending 30 September 2008 to €88.9 million in the nine-month period ending 30 September 2009.

Financial Year 2008 compared to Financial Year 2007

As noted above, in 2008 PEPR changed the presentation of the profits and losses on disposal of investment properties in the income statements.

For more information on the reclassification see Note 2 to PEPR’s financial statements in its 2008 Annual Report.

Net profit/(loss) for the period

Net loss was €577.9 million in 2008, compared to net earnings of €171.3 million in 2007. This is largely due to €483.7 million of losses on property fair value movements in 2008 compared to a €1.8 million loss in 2007 and to a €205.6 million loss on the sale and impairment of PEPR’s remaining interest in PEPF II in 2008.

Total revenue

Rental income and other property income

Total revenue decreased to €293.3 million in 2008, from €308.9 million in 2007, a decrease of 5.0 per cent. This decline is primarily related to the net reduction of €10.7 million in rents following the sale of the Garonor Distribution Facility in August 2007 offset by rental income on newly acquired properties, a €12.2 million decline in UK-sourced income, principally due to the decline in value of Sterling against the Euro, the loss of €1.6 million of rental income from customer defaults in the first half of 2008 and declining rents in Central Europe. These factors were partially offset by indexation on existing leases, marginal increases in occupancy levels and the release of further rent indemnifications received when properties were originally acquired. In addition, 2007 revenue included €6.0 million related to a relatively

large UK lease termination by an existing tenant. On a Like-For-Like basis (i.e. excluding the effect of the disposal of the Garonor Distribution Facility), average annualised rent per square metre decreased 2.1 per cent. compared to 2007.

Cost of rental activities

Ground rent paid

Ground rents paid increased to €2.6 million from €2.3 million, a 13.3 per cent. increase, primarily due to the effect of indexation.

Property management fees

Property management fees decreased to €18.3 million in 2008 from €20.2 million in 2007, a decrease of 9.1 per cent. This decline was a result of negative portfolio revaluations during the year and the disposal of the Garonor Distribution Facility portfolio in the prior year.

Other property rental expenses

The increase of €5.3 million between 2007 and 2008 was primarily caused by an increase of €2.5 million of provisions for doubtful customer credits and recoveries of prior years' maintenance and utilities costs.

Fund expenses

During 2008, fund expenses increased by €1.1 million due to a non-reclaimable €1.0 million VAT expense from prior years and a €0.6 million increase in property appraisal costs as part of the process of revaluing the Portfolio twice a year rather than half of the Portfolio every six months.

Profit/(loss) on disposal of investment properties

Assets were disposed of in 2008 with net proceeds of €11.6 million for a net profit of €1.5 million, which relates to the sale of Zibido DC1, a 12,800 square metre distribution facility near Milan, in the third quarter of 2008 and the sale of 23,800 square metres of land in Zaandam, north of Amsterdam, in the first half of the year. This is compared to net profits of €43.2 million in 2007 due primarily to the sales of the Garonor Distribution Facility.

Property fair value movements

Total property fair value movements for the year resulted in a valuation loss of €483.7 million in 2008, comprising €539.4 million of revaluation losses, partially offset by €39.0 million of revaluation gains on a limited number of properties reflecting falling yields and a €16.6 million reduction in associated provision for purchasers' costs. The Portfolio revaluation movement for the 12 months to December 2008 resulted in an overall 16.9 per cent. decline in the value of the Portfolio, or a fall of 11.3 per cent. excluding disposals and foreign exchange adjustments.

The Portfolio was revalued at 30 June 2008 and again at year end 31 December 2008. The UK produced the largest movement in property values over the sixth-month period to 31 December 2008, falling 14.8 per cent. The value of the UK Portfolio in Euros was further impacted by the significant weakening of Sterling against the Euro, most notably in the last two months of 2008. As explained under section entitled "Risk Factors—Principal Factors Affecting Results of Operations—Exchange Rate Exposure", this exchange rate translation effect was not recorded within "Property fair value movements" in Part III "Operating and Financial Review and Prospects" but was recorded as an adjustment to equity. Absent a future revaluation of Sterling against the Euro, this currency movement would result in a loss upon disposal of the properties. All countries on the continent also recorded negative valuation movements, driven primarily by adverse yield movements.

Like-For-Like Portfolio Overview

The Like-For-Like comparison that follows is intended to show changes in certain operating measures, excluding changes in foreign exchange rates as well as properties which were acquired or disposed of during the periods being compared¹⁷:

| | % Like-For-Like of portfolio | Annualised Rental Income in € per leasable sqm ⁵⁾ | | | Net Market Value in € per sqm | | | Occupancy % | | |
|-------------------------|------------------------------|--|--------------|--------------|-------------------------------|------------|---------------|--------------|--------------|--------------|
| | | 31 December | | | 31 December | | | 31 December | | |
| | | 2008 | 2007 | change | 2008 | 2007 | change | 2008 | 2007 | Change |
| Southern ⁽¹⁾ | 47.3% | 49.57 | 49.82 | -0.5% | 639 | 702 | -9.0% | 99.0% | 97.3% | +1.7% |
| Northern ⁽²⁾ | 20.8% | 56.45 | 57.08 | -1.1% | 687 | 758 | -9.4% | 94.3% | 96.7% | -2.4% |
| Central ⁽³⁾ | 16.4% | 46.65 | 49.07 | -4.9% | 625 | 689 | -9.2% | 95.0% | 93.5% | +1.5% |
| UK ⁽⁴⁾ | 15.5% | 61.04 | 64.20 | -4.9% | 704 | 905 | -22.2% | 96.8% | 100.0% | -3.2% |
| Total/Averages | 100.0% | 52.30 | 53.43 | -2.1% | 657 | 743 | -11.6% | 97.1% | 97.0% | +0.1% |

(1) Southern Europe comprises France, Italy and Spain.

(2) Northern Europe comprises Belgium, Germany, The Netherlands and Sweden.

(3) Central Europe comprises the Czech Republic, Hungary and Poland.

(4) Sterling comparative figures have been re-translated using the 2008 year-end exchange rate for Market Values and an average exchange rate for 2008 for rental income.

The Like-For-Like Portfolio includes all properties owned by PEPR as at 1 January 2007 less subsequent disposals. At year-end 2008, it consisted of 227 properties, accounting for 92.6 per cent. of the Portfolio's Market Value. Over the year, the total Market Value per square metre of the Like-For-Like Portfolio decreased by 11.6 per cent., with continental European countries recording valuation decreases of some 9 per cent. and the UK hardest hit, down 22.2 per cent. The Gross Rental Yield of the Like-For-Like Portfolio increased to 8 per cent. from 7.2 per cent. at the end 2007. For more information see "Risk Factors".

Share of loss of associate

PEPR's investment in PEPF II was the only investment in associates in PEPR accounts. PEPR invested €377.7 million from the incorporation of PEPF II to 19 December 2008.

Share of loss in associates increased to €76.8 million for the financial year 2008 from €23.9 million for the financial year 2007. This increase is primarily due to the loss on property fair valuation movement in the PEPF II fund.

Impairment of other financial asset, available for sale

In December 2008, PEPR sold two thirds of its stake in PEPF II, booking a loss of €137.0 million for the financial year 2008. In addition, in December 2008, PEPR recorded a €68.5 million impairment on its remaining 10 per cent. investment in PEPF II. The remaining stake was subsequently sold in 2009, as discussed above.

Finance expense

Finance expense increased to €116.1 million in 2008 from €101.8 million in 2007, a 14.0 per cent. increase.

The interest expense component of finance expenses rose to €108.3 million in 2008 from €95.0 million in 2007, an increase of 14.0 per cent., primarily due to increased average borrowing used to invest in PEPF II and higher average interest rates. The amortisation of initial borrowing costs decreased to €6.4 million in 2008 from €12.9 million in 2007 due to the termination of two CMBS obligations in the third quarter of 2007.

The large proportion of fixed-rate debt mitigated the impact of changes in market rates in 2007 and 2008.

Benefit/(charge) for taxation

The tax recorded was a benefit of €48.9 million in 2008 in contrast to a charge of €18.2 million in 2007. A €72.5 million deferred income tax benefit resulted primarily from the Portfolio valuation declines in 2008, which in turn

¹⁷ The 2008/2007 Like-For-Like comparison involved the exclusion of 20 properties from the 2007 Portfolio (MV €540.8 million; Annualised Rental Income €32.8 million) and 19 properties from the 2008 Portfolio (MV €255.6 million; Annualised Rental Income €22.1 million), and all the Euro/GBP currency conversions were based on an exchange rate of 0.951.

resulted in a slight reversal of deferred tax liabilities previously recorded on unrealised valuation gains, partially offset by a €23.6 million tax expense.

The current income tax expense for 2008 of €23.6 million represents a 12.5 per cent. increase over 2007. PEPR's effective tax rate on profit before tax increased from 11.4 per cent. in 2007 to 13.6 per cent. in 2008, primarily due to depletion of tax losses being carried forward.

Distributable cash flow

The Management Company and the PEPR Board suspended dividend payments in December 2008 and the Management Company does not contemplate paying dividends on Ordinary Units for the foreseeable future and intends to use the corresponding distributable cash to pay down debt instead.

Financial Year 2007 compared to Financial Year 2006

Net profit/(loss) for the period

IFRS net earnings decreased to €171.3 million in 2007 from €437.1 million in 2006, a decrease of 60.8 per cent. This is largely related to the decline in property fair value movement, to €(1.8) million in 2007 from €430.0 million in 2006.

Total revenue

Rental income and other property income

Total revenue increased to €308.9 million in 2007 from €291.4 million in 2006, an increase of 6.0 per cent. This increase is primarily related to a 4.1 per cent. increase in overall rental income despite falling rental rates in many markets (Like-For-Like rents decreased by 1 per cent. over the period). The increase in overall rental income is due in large part to the addition of 14 properties in March 2007 offset by the loss of income following the disposal of the Garonor Distribution Facility in August 2007. The increase in other property income also reflected a €6.0 million lease termination fee, received in mid-2007 from a property in the UK.

Cost of rental activities

Ground rents paid

Ground rents paid increased slightly to €2.3 million in 2007 from €2.2 million in 2006 due to the effect of indexation.

Total operating expenses comprise the cost of operating the Portfolio and managing PEPR as a fund. These costs dropped dramatically by 46.7 per cent. from €74.6 million in 2006 to €39.8 million in 2007. The decline was due to the high level of IPO costs incurred in 2006. Despite increased Portfolio activity during 2007, underlying operating expenses, excluding one-off IPO costs in 2006, remained broadly flat over the year.

Property management fees

Property management fees increased to €20.2 million in 2007 from €18.4 million in 2006, an increase of 9.8 per cent. This was mainly due to a positive fluctuation in the value of the Portfolio.

Other property rental expenses

Other property rental expenses decreased to €6.1 million in financial year 2007 from €8.0 million in financial year 2006, a decline of 23.2 per cent., due primarily to recoveries from previous years.

Fund expenses

The fund expenses dropped dramatically from €46.1 million for 2006 to €11.2 million for 2007, a 75.8 per cent. decrease. This decline is explained by the one-off IPO costs in 2006. Adjusted for these costs, fund expenses remained broadly flat.

Profit/(loss) on disposal of investment properties

Net profit on disposals during the year amounted to €43.2 million, comprising the delayed €4.9 million receipt of escrowed proceeds following a sale of UK properties in 2003 and the disposal of the Garonor Distribution Facility which generated an overall profit of €38.3 million as PEPR benefitted from the reversal of valuation provisions made in prior years. These provisions were made, as required under IFRS, to reflect the devaluation of the Portfolio over the years and to account for potential purchaser's costs. As the disposal was structured as a corporate transaction, rather than a real estate sale, PEPR avoided the realisation of these valuation provisions.

Property fair value movements

Total property fair value movements were €1.8 million of losses for 2007. This includes €40.2 million in fair value movement gains and a historical valuation provision of €42.0 million on disposal of the Garonor Distribution Facility. The valuation gain of €430.0 million for 2006 is primarily due to the strong increase in Portfolio values.

The entire directly owned Portfolio was revalued as at 31 December 2008, whereas previously half the Portfolio was revalued at the end of June and the remaining half at the end of December. It is the intention of PEPR to revalue the entire directly owned Portfolio bi-annually on an on-going basis.

The value of the UK Portfolio declined to £690.7 million for 2007 from £767.8 million for 2006, a decline of 10 per cent. This decrease reflects the negative market sentiment affecting all sectors of the commercial property market. The weakening of Sterling against the Euro during the last quarter of the year also negatively impacted the UK Portfolio, causing the total UK Portfolio value to decrease by 12.3 per cent.

Like-For-Like Portfolio overview

The Like-For-Like comparison that follows is intended to show changes in certain operating measures, excluding changes in foreign exchange rates as well as properties which were acquired or disposed of during the periods being compared¹⁸:

| | % of Like-For-Like portfolio | Annualised Rental Income in € per leasable sqm | | | Net Market Value in € per sqm | | | Occupancy % | | |
|-------------------------|------------------------------|--|--------------|---------------|-------------------------------|------------|-------------|--------------|--------------|---------------|
| | | 31 December | | | 31 December | | | 31 December | | |
| | | 2007 | 2006 | Change | 2007 | 2006 | Change | 2007 | 2006 | Change |
| Southern ⁽¹⁾ | 41.5% | 50.44 | 49.93 | 1.0% | 698 | 663 | 5.2% | 97.3% | 98.8% | (1.5)% |
| Northern ⁽²⁾ | 20.7% | 56.34 | 56.95 | (1.1)% | 751 | 736 | 1.9% | 96.7% | 95.2% | 1.5% |
| Central ⁽³⁾ | 13.6% | 48.10 | 54.12 | (11.10)% | 696 | 682 | 2.0% | 93.6% | 95.8% | (2.2)% |
| UK ⁽⁴⁾ | 24.2% | 85.42 | 83.58 | 2.2% | 1,249 | 1,347 | (7.3)% | 100.0% | 99.9% | 0.1% |
| Total/Averages | 100.0% | 56.75 | 57.34 | (1.0)% | 794 | 788 | 0.7% | 97.0% | 97.7% | (0.7)% |

(1) Southern Europe comprises France, Italy and Spain.

(2) Northern Europe comprises Belgium, Germany, The Netherlands and Sweden.

(3) Central Europe comprises the Czech Republic, Hungary and Poland.

(4) Sterling comparative figures have been re-translated using the year-end 2007 exchange rate for Market Values and an average exchange rate for the year to 31 December 2007 for rental income.

On a Like-For-Like basis, average annualised rent per leasable square metre decreased by 1 per cent. over the year, primarily due to increased vacancy and flat-to-decreasing rental levels in Central Europe. Over the year, the value per square metre increased by 0.7 per cent., with occupancy dropping slightly from 97.7 per cent. to 97 per cent. As detailed earlier, the impact of revaluations on the Like-For-Like Portfolio was positive in all regions except for the UK.

The Gross Rental Yield of the same store portfolio compressed over the year to 7.1 per cent. from 7.3 per cent. at the end of December 2006.

¹⁸ The 2006/2007 Like-For-Like comparison involved the exclusion of 68 properties from the 2006 Portfolio (MH €806.9 million; Annualised Rental Income €58.0 million) and 38 properties from the 2007 Portfolio (MH €650.2 million; Annualised Rental Income €41.8 million), and all the Euro/GBP currency conversions were based on an exchange rate of 0.715 for MV and 0.717 for Annualised Rental Income

Share of gain/(loss) on associates

PEPR's investment in PEPF II was the only investment in associates in PEPR accounts. PEPF II was established in August 2007; the share of loss in associate in 2007 totalled €23.9 million. This includes a fair value write down of €25.2 million as a result of accounting for purchasers' costs, partly offset by a distribution of €1.3 million.

In December 2008 and February 2009 PEPR sold its stake in PEPF II and is therefore no longer an investor in PEPF II.

Finance expense

Net financing costs, comprising interest income received, interest expense and foreign exchange gains/losses for 2007 increased 4.9 per cent. to €97.1 million from €92.5 million in 2006, primarily due to an increase in total debt levels and higher debt servicing costs.

Finance income of €4.8 million in 2007 showed a marginal increase for the year over the €4.7 million received in 2006. Interest expense of €95.0 million was incurred for 2007, an increase of €10.0 million or 11.8 per cent. compared to €85.0 million for 2006. This is primarily due to an increase in average borrowings and higher debt servicing costs. Late in 2006, PEPR redeemed €153.2 million of preferred equity entirely with proceeds from its IPO and sale of assets, and in March 2007 acquired a €201.6 million portfolio of stabilised properties from ProLogis primarily with existing capital. Although approximately €344.0 million of CMBS debt was repaid in the third quarter of 2007, additional borrowings under existing and new debt facilities were made to fund PEPR's €133.4 million investment in PEPF II during the final months of 2007.

As a result of the debt refinancing, PEPR's weighted average interest rate for 2007 was 5.1 per cent. compared to 4.7 per cent. for 2006.

Net foreign currency gains totalled €6.1 million for 2007, compared to a gain of €0.4 million for 2006.

Benefit/(charge) for taxation

Taxes decreased substantially to €18.2 million for 2007 from €120.3 million for 2006, reflecting the impact of significant Portfolio revaluations in 2006. The operational income tax expense increased to €21.0 million for the financial year 2007, from €13.6 million for 2006. The average tax rate has remained at 10 per cent. per annum.

Distributable cash flow

Distributable cash flow increased to €166.7 million for 2007, from €165.2 million in 2006, an increase of 0.9 per cent. As with earnings, the increase is primarily as a result of the additional Distribution Facilities acquired in 2007 and 2006. Disposal of the Garonor Distribution Facility produced cash proceeds of €376.2 million, whereas spending on the acquisitions totalled €206.1 million. Other capital expenditures, including the five completed redevelopments, amounted to €61.5 million.

Liquidity and Capital Resources

Liquidity Requirements

It is expected that PEPR's liquidity requirements in the short to medium term will mainly arise from the need to pay finance costs, and repay or refinance debt, in particular the CMBS III (€174.4 million as of 30 September 2009 and €24.2 million as of November 2009) and the CMBS IV (€373.8 million as of 30 September 2009 and €66.4 million as of November 2009) maturing in May 2010 and the portion of PEPR's senior unsecured credit facility maturing in December 2010 (drawn as of 30 September 2009 for €300 million, with an additional €167.0 million expected to be drawn per December 2010).

The sources of capital available to PEPR as of 30 September 2009 to finance its liquidity requirements included:

- (i) Available cash of €105.0 million, €67.3 million of which is currently available and €37.7 million of which is restricted under the terms of the outstanding CMBS debt and as a result of a swap reserve, but will be released over time as the CMBS debts are paid down (in November 2009, the majority of the available cash has been used to repay part of the CMBS III and CMBS IV;

- (ii) Cash flow from operations, which will not be paid out to Unitholders in 2009 following the decision by the Management Company and the PEPR Board to suspend dividend distributions in December 2008, and for the foreseeable future;
- (iii) New five year secured financing facility for €48.0 million (€15.5 million and SEK332.5 million) secured against a portfolio of Swedish Distribution Facilities closed and funded in October 2009. The amount available under this facility has been utilised in November 2009 for the partial repayment of the CMBS debt;
- (iv) Access to €300.0 million in undrawn capacity under PEPR's €900.0 million facility (expiring in December 2010) out of which €244.0 million are being used in November 2009 to repay part of CMBS III and CMBS IV;
- (v) The future locked-in gains of €25.1 million (of which €20.2 million has already been received in November 2009 and used for the partial CMBS repayment) on the reimbursement of Sterling denominated debt (CMBS III and IV) due to exchange rate fluctuations; and
- (vi) The proceeds of the Offer.

The Management Company believes that PEPR has sufficient working capital in order to meet its present requirements (i.e., the period of twelve months from the date of this Prospectus).

PEPR will have certain liquidity requirements arising in December 2010 for which it does not presently have sufficient capital resources. In particular, two of the three tranches under the €900.0 Million Facility—€300.0 million in the aggregate outstanding as of 30 September 2009, and €544.0 million in the aggregate outstanding as of 5 November 2009, following the repayment of CMBS debt in an aggregated amount of €359.1 million—will mature on 13 December 2010 (further details of which are set out in section 9.12 of Part VII). As at 30 September 2009, the remaining balance of the two tranches of €300.0 million (€56.0 million as of 5 November 2009) was available to draw down subject to, amongst other things, compliance with certain financial covenants, and the Management Company estimates that it will repay €77.0 million between December 2009 through December 2010, resulting in approximately €467.0 million outstanding under the credit facility on the December 2010 maturity date, assuming no further new secured or other financings and a successful closing of the fully underwritten Offer of Preferred Units. Prior to such maturity date, the Management Company believes that it will be able to negotiate new credit terms in relation to the €900.0 Million Facility, or to secure new refinancing with a new syndicate of lenders as described more fully elsewhere in this Prospectus. The Management Company can, however, give no assurance that the syndicate of bank lenders will extend all or part of the €900.0 Million Facility and, if not, that PEPR will be able to secure either a replacement facility on similar terms and conditions, or alternative financing.

However, the Management Company is actively pursuing a number of options to either reduce PEPR's future working capital requirements or to generate further working capital in order to meet the anticipated liquidity requirements described above. Details of options currently being pursued include:

- (i) The refinancing of both tranches under the €900.0 Million Facility or the extension of a portion of the maturity of the facility beyond December 2010;
- (ii) Refinancing a portion of the debt maturing in 2010 by posting currently unsecured assets as collateral for further secured lines of credit. Although more banks have been approached, PEPR is currently in active discussions with a number of lenders with regard to six other secured finance packages targeting over €630.0 million of commitments. By refinancing this CMBS debt PEPR intends to free up capital resources that would otherwise be used to repay the CMBS upon maturity;
- (iii) The current dividend suspension on Ordinary Units, details of which are set out in the section entitled "Suspension of Dividend" in Part I—"PEPR and its Business";
- (iv) It is contemplated that, following the successful completion of the Offer contemplated in this Prospectus, the Management Company will offer additional preferred units in the early part of 2010, either for the repayment of debt, to raise capital or for other purposes; and
- (iv) The disposition of unsecured assets as favourable opportunities arise.

Depending on the success of the refinancing measures described above and the amount of cash from operations, raising additional equity capital may not be necessary. The Management Company can, however, give no assurance that any of such options will occur or, if they do, that they would raise sufficient capital to enable PEPR to meet its liquidity

requirements. If PEPR is unsuccessful in renegotiating or refinancing such indebtedness or otherwise meeting its working capital requirements, it would risk: (i) in the case of secured debt obligations, the loss of some or all of its pledged assets to foreclosure or sale to satisfy those debt obligations; and (ii) in the case of unsecured debt obligations, being placed into administration or another similar insolvency procedures. In addition, a default under one debt instrument may give rise to cross-defaults of instruments governing other indebtedness of PEPR.

Although the Management Company does not intend to undertake material dispositions of Distribution Facilities, except as otherwise disclosed in this Prospectus, PEPR has the option to dispose of its unsecured assets to contribute to or meet its liquidity requirements in full. However, the Management Company can make no assurance that, in the event of the disposal of such assets, net proceeds received will be sufficient to meet such liquidity requirements.

Investors should note that E&Y stated in its audit report on PEPR's 2008 Accounts and in its review report on PEPR's 2009 Nine-Months Accounts, without qualifying its opinion or conclusion, that conditions referred to in Note 1 to the accounts indicate the existence of a material uncertainty about PEPR's ability to continue as a going concern. Investors should read E&Y's audit opinion and Note 1 to the consolidated financial statements for the years ended 31 December 2008 and review the report and Note 1 to the interim condensed consolidated financial statements for the nine months ended 30 September 2009 for a further discussion of this material uncertainty.

Cash Flow

The following table sets out a summary of PEPR's consolidated cash flows for the 2008, 2007 and 2006 financial years, and the nine-month periods ended 30 September 2009 and 30 September 2008, including cash and cash equivalents at the end of each period.

| | Nine Months Ended | | Year Ended | | |
|--|----------------------|----------------------|---------------------|---------------------|---------------------|
| | 30 September 2009 | 30 September 2008 | 31 December 2008 | 31 December 2007 | 31 December 2006 |
| | Unaudited €'000 | Unaudited €'000 | Audited €'000 | Audited €'000 | Audited €'000 |
| Earnings/(losses) before tax | (373,988) | (10,971) | (626,784) | 189,482 | 557,360 |
| Adjustment for non-cash items and changes in operating assets..... | 483,769 | 119,227 | 741,734 | (3,352) | (417,649) |
| Net cash flow from operating activities .. | 109,781 | 108,256 | 114,950 | 186,130 | 139,711 |
| Cash flow from investing activities | | | | | |
| Acquisitions of property | — | — | — | (187,634) | (321,632) |
| Acquisition of property from third parties .. | — | — | — | (18,474) | — |
| Investment in an associate | (38,000) | (214,381) | (244,381) | (133,350) | — |
| Distributions from an associate..... | 6,168 | 6,599 | 11,009 | — | — |
| Distributions from other financial assets, available for sale | 1,270 | — | — | — | — |
| Capital expenditure and other expenditure on investment property..... | (1,797) | (4,868) | (8,095) | (54,624) | (37,043) |
| Property under construction..... | — | (4,005) | (4,005) | (6,893) | (13,576) |
| Payments from insurance company in regard of building losses net of rebuilding costs | 1,082 | 3,499 | 2,955 | 18,029 | — |
| Proceeds from disposal of units of an associate | 48,496 | — | 43,734 | — | — |
| Proceeds from disposal of units of other financial assets, available for sale | — | — | — | — | — |
| Proceeds from disposal of property under construction | — | 16,167 | 16,167 | — | — |
| Proceeds from disposal of investment in property | 189,097 | 10,867 | 11,581 | 376,197 | 72,501 |
| Net cash provided from/(used in) investing activities | 206,316 | (186,122) | (171,035) | (6,749) | (299,750) |
| Cash flow from financing activities | | | | | |
| Proceeds from secured notes: | | | | | |
| Gross (repayments)/settlements | (434,466) | — | — | (404,324) | (4,645) |
| Hedge proceeds..... | 57,588 | — | — | — | — |
| Restricted proceeds from swap contracts... | 16,620 | — | — | — | — |
| Proceeds from unsecured notes: | | | | | |
| Gross proceeds/(repayments)..... | — | — | — | 500,000 | — |
| Transaction costs | — | — | (278) | (9,030) | — |
| Proceeds from bank loans: | | | | | |
| Gross (repayments)/proceeds..... | 74,450 | 213,833 | 209,149 | (152,694) | 321,792 |
| Transaction costs | (3,299) | — | (3,180) | (7,564) | (220) |

| | | | | | |
|---|------------------|----------------|----------------|------------------|----------------|
| Unitholder related: | | | | | |
| Proceeds from capital contributions..... | — | — | — | — | 200,749 |
| Redemption of capital..... | — | — | — | — | (153,199) |
| Distributions to Unitholders..... | — | (114,727) | (149,624) | (162,872) | (162,395) |
| Net cash provided/(used) from financing activities..... | (289,107) | 99,106 | 56,067 | (236,484) | 202,082 |
| Effects of changes in exchange rates | 862 | (1,336) | (1,561) | (2,266) | (779) |
| Net increase/(decrease) in cash and cash equivalents | 27,852 | 19,904 | (1,579) | (59,369) | 41,264 |
| Cash and cash equivalents at the beginning of the period | 77,101 | 78,680 | 78,680 | 138,049 | 96,785 |
| Cash and cash equivalents at the end of the period | 104,953 | 98,584 | 77,101 | 78,680 | 138,049 |

Net cash flow from operating activities

Net cash inflow from operating activities peaked in 2007 of €186.1 million compared to €139.7 million in 2006 and €115.0 million in 2008. The reason for the peak in 2007 was due to the sale of the Garonor Distribution Facility. Net cash inflow from operating activities increased by 1.4 per cent. in the nine-month period ended 30 September 2009 compared to the nine-month period ended 30 September 2008.

Net cash provided from/(used in) investing activities

Net cash used in investing activities, increased in 2008 to €171.0 million, from €6.7 million in 2007, mainly reflecting the proceeds received in 2007 from the sale of the Garonor Distribution Facility and higher investments in PEPF II in 2008 compared to 2007, partly offset by the purchase of properties under PCA in 2007. Net cash provided from investing activities was €206.3 million in the nine-months ended 30 September 2009 mainly coming from disposition of properties, compared to net cash used in investing activities of €186.1 million in the same period in the prior year mainly due to investment in associates in 2008.

Net cash provided/(used) from financing activities

Net cash provided from financing activities, which reflects amounts raised/(repaid) on various debt facilities, net of distributions to Unitholders was €56.1 million in 2008 compared to net cash used in financing activities in 2007 of €236.5 million, due mainly to the significant amounts of bank debt repaid in 2007 and the significant amount of new bank debt drawn in 2008. For the nine-months ended 30 September 2009, net cash used in financing activities was €289.1 million due primarily to repayment of CMBS II in 2009, compared to €99.1 million in net cash from financing activities in the same period in 2008.

Cash and cash equivalents at the end of the period

A substantial portion of the PEPR's cash and cash equivalents represent restricted cash. As at 30 September 2009, €37.7 million, or 35.9 per cent. of the PEPR's cash and cash equivalents, represented restricted cash. Under PEPR's CMBS transactions, cash received from rental agreement is subject to certain restrictions during the quarter until interest payments under the CMBS arrangements for that quarter are made. The high cash balance at the end of the nine months of 2009 has been used for the part pre-payment of the CMBS III and CMBS IV on 5 November 2009.

Financing Arrangements and Commitments

The table below summarises PEPR's debt position as at **30 September 2009**¹⁹.

| Outstanding debt as at 30 September 2009 | | | | | | | | | |
|---|------------------|------------|------------------------------------|--|----------------------------------|--------------------------------------|---------------------------|--------------|----------------------------|
| Description | Rating | Issue date | Issue size | Coupon | Maturity date | Drawn amount | | Swapped rate | Comments |
| | | | | | | Local currency | Euros | | |
| <i>Listed on the London Stock Exchange (CMBS issuances)</i> | | | | | | | | | |
| Pan European Industrial Properties Series III S.A | AAA | Feb 2003 | €190.5m | €151m: +35bps €17m: +48bps | May 2010 | €97.0m £48.9m | €174.4m | 4.61% | 100% swapped LTV: 54.6% |
| Pan European Industrial Properties Series IV S.A | AAA AA AAA | Mar 2005 | €389.0m | €337m: +14bps €32m: +18bps €20m: +30bps | May 2010 | €249.8m £17.6m | €275.3m | 3.58% | 100% swapped LTV: 60.6% |
| <i>Listed on the Luxembourg Stock Exchange</i> | | | | | | | | | |
| ProLogis International Funding S.A..... | Ba1 | Oct 2007 | €500.0m | 5.875% | Oct 2014 | €500.0m | €500.0m | 5.875% | Unsecured Fixed rate |
| <i>Other</i> | | | | | | | | | |
| Bank loan | — | Feb 2004 | €126.0m | +250bps | Mar 2013 | €126.0m | €126.0m | 4.988% | LTV: 48.5% |
| Bank loan | — | July 2009 | £86.1m | +250bps | July 2013 | £86.1m | €95.0m | 5.928% | LTV: 44.5% |
| Senior unsecured credit facility | — | Dec 2007 | €900.0m | €300m: +215bps €300m: +265bps €300m: +270bps | Dec 2010 Dec 2010 Dec 2012 | €0m €300.0m €129.0m £123.5m | €0m €300.0m €265.2m | n/a | Unsecured Floating rate |
| Total | | | €2,105.5m £ 86.1m | | | | €1,735.9m | | |

¹⁹ In October 2009, PEPR entered into a €48.0 million (€15.5 million and SEK332.5 million) secured bank loan with a single lender, secured by four Distribution Facilities in Sweden, maturing in October 2014 and currently expected to be used to pay down existing debt.

As per 30 September 2009, PEPR had the following financing facilities:

- €500.0 million of 5.875 per cent. unsecured notes due 2014;
- A partly secured facility of €126.0 million provided by Deutsche Pfandbriefbank (formerly known as Hypo Real Estate Bank International). PEPR agreed, in the second quarter of 2009, to terms for a three year extension to March 2013 for €126.0 million (for which the interest rate margin will increase to 250 basis points), the differential of €25.1 million of principal amount having been repaid;
- €900.0 Million Facility provided by a bank syndicate;
- Two CMBS arrangements for an aggregate value of €449.7 million due to mature in May 2010;
- In July 2009, PEPR entered into a £86.1 million (€95.0 million) secured bank loan secured on 15 UK Distribution Facilities maturing in July 2013
- In addition, in October 2009, PEPR entered into a €48.0 million (€15.5 million and SEK332.5 million) secured bank loan with a single lender, secured by four Distribution Facilities in Sweden, maturing in October 2014 and currently expected to be used to pay down existing debt.

At 30 September 2009, 67.4 per cent. of PEPR's debt had fixed rates of interest, with the remaining floating debt based on EURIBOR or LIBOR with margins now varying between 265 and 270 basis points on the €900.0 Million Facility. The weighted average interest rate was 4.5 per cent. in the nine months of 2009. Following the recent downgrade of PEPR's credit rating to Ba1 by Moody's Investors Service, the margin applied to the Eurobond is set to increase by 175 basis points, starting from 23 October 2009.

The weighted average maturity across all debt arrangements is 2.8 years. Given the relatively short average maturity of debt and the current stagnation in global credit markets, PEPR is actively pursuing a number of options to deleverage the business and smooth its debt maturity profile (see "Liquidity Requirements" in this Part III for more details).

Summary of financial debt covenants

PEPR has to comply with a number of financial debt covenants under its credit facilities. As at 30 September 2009, PEPR was in compliance with all these covenants.

Summary of Financial Debt Covenants

| | Limit | 30 September 2009 | 31 December 2008 |
|---|------------------------------|------------------------------|-----------------------------|
| Unsecured debt: | | | |
| <i>€900.0 Million Facility</i> | | | |
| Leverage | less than 60% | 57% | 55% |
| Fixed charge coverage | at least 1.5x | 2.1x | 2.0x |
| Unencumbered interest coverage | at least 1.5x | 2.0x | 1.8x |
| Net Worth (excluding intangible assets) | at least €1.1bn | €1.2bn | €1.5bn |
| Unsecured debt as a percentage of unsecured assets | less than 65% | 59% | 61% |
| <i>€500.0 million Eurobond</i> | | | |
| Secured debt as a percentage of total assets | less than 40% | 22% | 28% |
| Fonds commun de placement structure: | | | |
| Loan to value (total debt as a percentage of Gross Portfolio Value) | less than 60% ⁽¹⁾ | 58.1% | 57.1% |

(1) Can be exceeded up to 65 per cent. for a maximum of six months.

At 30 September 2009, PEPR's loan to value ratio was 58.1 per cent., compared to the end of 2008, when it was 57.1 per cent., and 43.3 per cent. at the end of 2007. The increase is principally due to lower property values.

In addition to the covenants in the table above, the €500.0 million Eurobond documentation provides for the Eurobond to become redeemable at par if there is both a change of Control of PEPR and a subsequent downgrade of PEPR's credit rating to Ba1 or below within 120 days of that change of Control. At 30 September 2009, PEPR was rated Ba1, with negative outlook, by Moody's Investors Service.

The only financial covenant under the CMBS arrangements is that income received from the secured assets must exceed interest cost by at least 1.5 times for each quarter. A breach of this ratio does not constitute a default but does require cash trapping for the benefit of the relevant CMBS pool until the breach is remedied. As at 15 July 2009, the most recent reporting date, this ratio was 2.8 times for the €174.4 million CMBS III and 2.9 times for CMBS IV.

Further, as described in "Part VII—Additional Information—Material Contracts—€900.0 Million Facility" of this Prospectus, the Management Company has negotiated with the lenders under the €900.0 Million Facility to (a) allow for dividend payments to investors subscribing for any new equity issuances, provided the dividend payments do not exceed 50 per cent. of Distributable Cash Flow, (b) permit payments of dividends on all Units, if PEPR is able to raise at least €200.0 million in new equity, again provided these payments do not exceed 50 per cent. of Distributable Cash Flow, and (c) amend the financial covenant referred to in (d) above to reduce the net worth threshold from €1.1 billion to €1.0 billion, at such time as PEPR conducts an equity raising which in aggregate equals, or exceeds, €60.0 million (which, for the avoidance of doubt, may include the issuance of the Preferred Units) and further reduce the threshold from €1.0 billion to €900.0 million at such time as PEPR conducts a further equity raising which in aggregate with the €60.0 million issuance equals or exceeds €120.0 million and eliminates the requirement of the proceeds from any equity issuance to PEPR being required to exceed 75 per cent. of funds raised.

Distributions and distribution policy

The following table sets out the aggregate Unitholder cash distributions approved to Unitholders during each of the last three years and the nine-month periods ending 30 September 2008 and 2009.

| <i>Class of Unit⁽¹⁾</i> | Nine Months Ended | | Year Ended | | |
|------------------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 30 September 2009 | 30 September 2008 | 31 December 2008 | 31 December 2007 | 31 December 2006 |
| | Unaudited €'000 | Audited €'000 | Audited €'000 | Audited €'000 | Audited €'000 |
| Ordinary Units | — | 107,650 | 107,650 | 166,713 | 38,133 |
| Units other than Ordinary | — | — | — | — | 127,066 ⁽¹⁾ |
| Totals | — | 107,650 | 107,650 | 166,713 | 165,199 |

(1) All classes of Units other than Ordinary were either redeemed or reclassified into Ordinary Units on 27 September 2006.

The Management Company may decide to distribute an amount of Distributable Cash Flow each quarter, within forty-five days following the end of the relevant quarter or more frequently as the Management Company so determines.

The terms of PEPR's unsecured credit facilities restrict cash distributions depending on the level of additional equity PEPR is able to raise. No dividends may be paid until a successful renegotiation of PEPR's unsecured credit facilities is achieved or PEPR raises at least €60.0 million by issuing new equity (which, for the avoidance of doubt, may include the issuance of the Preferred Units). Subject to raising at least €60.0 million in new equity, PEPR will be permitted to make Preferred Dividend payments, provided they do not exceed 50 per cent. of Distributable Cash Flow. Payments of dividends on all Units is also permitted, if PEPR is able to raise at least €200.0 million in new equity (which, for the avoidance of doubt, may include any amounts raised in equity issuances subsequent to November 2009, including the Preferred Units), again provided these payments do not exceed 50 per cent. of Distributable Cash Flow. For further information see "Part VII—Additional Information—Material Contracts—€900.0 Million Facility" of this Prospectus.

The provisions of the Management Regulations under which distributions will be made are described in detail in paragraph 4 of Part VII—"Additional Information".

Historical NAV

PEPR's historical IFRS NAV per Unit as at 31 December for each of the financial years 2008, 2007 and 2006 as well as at 30 September 2009 is set out in the table below.

| | As at | | | |
|--|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 30 September 2009 | 31 December 2008 | 31 December 2007 | 31 December 2006 |
| | Unaudited €'000 | Audited €'000 | Audited €'000 | Audited €'000 |
| IFRS NAV attributable to Unitholders | 1,129,059 | 1,405,256 | 2,235,303 | 2,242,489 |
| per Unit | €5.93 | €7.38 | €11.73 | €11.88 |

Discussion of Market Risk

For more information on market and financial risk management, please see Note 3 to the 2008 Accounts.

Certain Accounting Estimates and Assumptions

Please see Notes 1 and 4 to the 2008 Accounts for more information on critical accounting estimates and assumptions.

PART IV – MANAGEMENT OF PEPR

PEPR is a Luxembourg FCP which is managed by the Management Company in accordance with its Management Regulations. In addition, PEPR has a PEPR Board which has been created pursuant to the Management Regulations and comprises four Independent Board Members and two ProLogis Board Members. The PEPR Board is responsible for reviewing certain decisions prior to their implementation by the Management Company. In all other respects, the Management Company manages the day-to-day activities of PEPR in the interest of the Unitholders.

The Management Company

The Management Company, ProLogis Management S.à r.l. was incorporated on 6 July 1999 as a *société à responsabilité limitée* under Luxembourg law and its duration is at present unlimited. It has its registered office at 34-38, Avenue de la Liberté, L-1930 Luxembourg and is registered with the Luxembourg trade and companies register under number B 70.940. Its Articles of Incorporation were published in the Luxembourg official gazette on 31 August 1999. The share capital of the Management Company is €125,000 represented by 125 shares of €1,000 par value each of which is fully paid up. ProLogis indirectly owns all of the outstanding share capital of the Management Company.

Pursuant to the Management Regulations, the Management Company or its designees have the exclusive right to manage PEPR for the account and in the interest of the Unitholders. The Management Company has responsibility for managing PEPR in accordance with the Management Regulations, Luxembourg law and other relevant legal and regulatory requirements. The Management Regulations also provide that the Management Company shall not administer or manage any other investment fund or company. The Management Company has a limited number of employees and has engaged several ProLogis Related Parties to act as Investment Managers in different countries and with respect to different aspects of the Portfolio. The Investment Managers operate properties, arrange financing and provide other services on behalf of the Management Company.

The Investment Managers also provide services to other ProLogis businesses and may provide services to the ProLogis Private Equity Funds.

The Management Company is responsible for implementing PEPR's Investment Objective and Policy subject to the restrictions set out in Articles 6 and 7 of the Management Regulations. The Management Regulations require the Management Company to manage the Portfolio prudently with the same degree of care as would be expected of an absolute owner, having particular regard to the quality and financial standing of the customers and the length of the lease terms. In managing the Portfolio, the Management Company, pursuant to the terms of the Management Regulations, is required to have due regard to the status of ProLogis as a REIT and has no obligation to adopt or implement any management decision which adversely affects the U.S. Federal income tax treatment of ProLogis' direct or indirect investment in PEPR. The Management Company is also responsible for selecting the Investment Managers, the Custodian, the paying agents, the listing agents, the Registrar and Transfer Agent and other such agents as are appropriate. The Management Company is liable for the acts or omissions of the Investment Managers, the Managers and any other agents it shall appoint under the Management Regulations as if such acts or omissions were those of the Management Company itself.

Any change in the legal form of PEPR may only be proposed by the Management Company and requires approval at a general meeting of Unitholders by an affirmative vote of 67 per cent. of all Units present or represented, unless the consent of all Units is required by Luxembourg law or the Luxembourg Supervisory Authority. Furthermore, if there is a change in the tax law or regulations of the U.S. governing the Federal taxation of REITs which adversely affects the U.S. tax treatment of ProLogis' or any ProLogis Related Party's direct or indirect investment in PEPR, the Management Company may take steps to change the legal form or legal domicile of PEPR, subject to applicable laws, including, without limitation, any required Unitholder consents.

The sole shareholder of the Management Company, ProLogis Management Services S.à r.l., acts as the Administrative Agent and performs all administrative agency duties for PEPR under Luxembourg law, in particular the calculation of the NAV. ProLogis Management Services S.à r.l., also acts as Domiciliary and Service Agent for the wholly-owned subsidiaries of PEPR organised in Luxembourg and in such capacity is responsible for all domiciliary and service agency duties required by Luxembourg law.

For the avoidance of doubt, the Management Company may terminate and replace the Administrative Agent and/or the Domiciliary and Service Agent with a new Administrative Agent and/or Domiciliary and

Service Agent or amend the terms and conditions of the agreement with the Administrative Agent and/or Domiciliary and Service Agent without the prior approval of the general meeting of Unitholders. The termination and replacement of the Administrative Agent and/or the Domiciliary and Service Agent is subject to the approval of the Luxembourg Supervisory Authority.

Meetings of the Managers of the Management Company are held in Luxembourg. The Management Company has delegated certain of its activities to the Custodian, the Luxembourg Paying and Listing Agent and the Registrar and Transfer Agent as set out in this Prospectus. The Management Company has appointed the Investment Managers to perform certain property and asset management functions, subject to the overall supervision, approval, direction and liability of the Management Company.

The Management Regulations provide that on 15 September 2016 and every fifth year thereafter, the Ordinary Unitholders will have the opportunity to remove the Management Company, without cause, by a 67 per cent. vote of the Ordinary Units. The general meeting of Ordinary Unitholders to vote on the termination of the Management Company without cause may only be convened at the initiative of a simple majority of Independent Board Members (following a simple majority of Independent Board Members having voted to terminate the Management Company's appointment) or by the Management Company. In addition, the Management Company may be terminated at any time in the event of (i) gross negligence, wilful misconduct or fraud by the Management Company or (ii) failure by ProLogis or a ProLogis Related Party to observe the ownership requirements and restrictions on transfer of Units set out in Part 2 of Article 11 of the Management Regulations. The decision to terminate the Management Company in each such event is subject to the approval of a simple majority of the Ordinary Units. At the end of the first quarter of 2016 and every fifth year thereafter, in the quarterly report, the Management Company will notify Ordinary Unitholders that, subject to a simple majority of Independent Board Members voting to remove the Management Company without cause and voting to convene a general meeting of Ordinary Unitholders, the Ordinary Unitholders will have the right to remove the Management Company later that year in the manner referred to above. Any successor Management Company must be approved by the Luxembourg Supervisory Authority prior to its appointment. In circumstances where no successor Management Company can be found within two months of such termination, in accordance with Luxembourg law, PEPR will be wound up in accordance with the winding-up provisions in the Management Regulations.

The Management Regulations also provide that the Management Company shall not resign or (unless PEPR's net asset value falls below €1,250,000) terminate PEPR except with the approval of a resolution adopted by 67 per cent. of all Units present or represented at a general meeting of Unitholders, such proposal having been recommended to the Unitholders by the PEPR Board.

PEPR pays the Management Company or its designees a management fee quarterly in arrears in cash on each calendar quarter-end day equal to a percentage of the value of PEPR's interest (held directly or indirectly through its wholly-owned subsidiaries) in Distribution Facilities and in the net cash proceeds of sales of Distribution Facilities pending reinvestment, determined as of the most recent Valuation Day as follows: the aggregate of (i) 0.6 per cent. per annum of the Gross Property Value of the Portfolio, excluding, for the avoidance of doubt, the interest of PEPR in the ProLogis Private Equity Funds and ProLogis Joint Ventures, which is referred to as the base management fee; and (ii) 0.1 per cent. per annum of the value of PEPR's interests in cash deposits, money market instruments or debt securities other than debt securities issued by companies or entities which are wholly or partly owned and controlled by PEPR, excluding, for the avoidance of doubt, cash deposits, money market instruments or debt securities held by a ProLogis Private Equity Fund or a ProLogis Joint Venture, or cash balances subject to cash pooling arrangements in the framework of CMBS transactions, which is referred to as the cash management fee.

In addition, except as described in the following paragraph, PEPR will pay the Management Company or the Investment Managers an incentive fee (if any, but which shall not be less than zero) on 31 December 2009 and every year thereafter calculated on a rolling three year basis, equal to:

- (a) 20 per cent. of the excess of IFRS net income per Unit (before the deduction of the incentive fee payable in the current fiscal year) for the relevant incentive period (equal to the three previous fiscal years) above the sum of the product of (i) NAV per Unit at the beginning of each fiscal year during the relevant incentive period and (ii) a hurdle rate of 9 per cent. per annum; multiplied by
- (b) the weighted average number of Units outstanding during the relevant incentive period; less
- (c) an amount equal to the incentive fee payable on the above basis for any period during the relevant incentive period for which the Management Company has already been paid an incentive fee (or the amount that it would have been paid but for the arrangements described in

the following paragraph) (excluding the current calculation), provided that such amount is greater than zero.

PEPR shall maintain the Fee Credit Account in its records and on each occasion that PEPR pays or bears an incentive fee, carried interest or similar performance related fee with respect to PEPR's investment in a ProLogis Private Equity Fund or ProLogis Joint Venture, the amount of such fee which is paid or borne by PEPR shall be added to the Fee Credit Account. On each occasion that PEPR is required to pay a Fee Amount, (i) if, as at the date on which the Fee Amount is payable, the amount of the Fee Credit Account is equal to or exceeds the Fee Amount, then no additional incentive fee shall be payable by PEPR in that fiscal year and the Fee Credit Account shall be reduced by the Fee Amount; or (ii) if, as at the date on which the Fee Amount is payable, the amount of the Fee Credit Account is less than the Fee Amount, then the Fee Amount payable with respect to the relevant fiscal year shall be reduced by the amount of the Fee Credit Account and, following such reduction, the Fee Credit Account shall be reduced to zero. The Fee Credit Account is notional only and does not constitute an amount owing to PEPR or any Unitholder in any circumstances. The Fee Credit Account shall not bear interest.

For the avoidance of doubt, the incentive fee and any related components for the years ending 31 December 2009, 31 December 2010 and 31 December 2011 shall be calculated on the basis of a three-year incentive period.

Details of the historical management fees and incentive fees paid to the Management Company are set out in "Management Fees" in Part III—"Operating and Financial Review and Prospects" of this Prospectus.

Under the Investment Management Agreement, the Management Company may permit the Investment Managers to invoice any asset-owning subsidiary of PEPR directly for all or a portion of the base management fees payable to the Investment Managers, and in such event an amount equal to the base management fee paid by such subsidiary to the Investment Managers will be deducted from the fee payable by PEPR to the Management Company in accordance with the terms of the Investment Management Agreement.

Article 13 of the Management Regulations specifies that certain expenses of the Management Company are to be borne by PEPR, in addition to the base management fee. These expenses are described more fully in paragraph 8 of Part VII—"Additional Information" of this Prospectus.

In respect of some of PEPR's Distribution Facilities, additional services (e.g. security and fire services) are offered to customers by third party service providers. Such additional services are charged to subsidiaries of PEPR as landlords, but are generally fully recoverable from the customer.

The Managers of the Management Company

The Management Company has three Managers appointed by its sole shareholder, ProLogis Management Services S.à r.l., itself wholly-owned by PLD. The Managers are appointed for an indefinite term of office. The business address of the Managers is at the registered address of PEPR.

The Managers have an average of 10 years of industry experience and have been with ProLogis for an average of 7 years. The Managers, who will have overall responsibility for the management of PEPR, are as follows:

- (a) Peter Cassells, Chief Executive Officer; joined ProLogis Europe in 2000. Mr. Cassells is currently the CEO of PEPR, responsible for the management of PEPR. Mr. Cassells has 9.5 years of industry experience (including finance and administration) and is based in Luxembourg. Mr. Cassells was appointed as Manager of the Management Company in September 2001.
- (b) Simon Nelson, Head of Asset Management; joined ProLogis in January 2001. Mr. Nelson is currently Head of Asset Management. Prior to joining ProLogis, Mr. Nelson was a partner and investment director at DTZ in France, covering all aspects of commercial real estate investment. Mr. Nelson received his M.A. in French and Italian from the University of Edinburgh and his M.Sc. in Property Management and Development from the University of East London. Mr. Nelson has 19 years of industry experience. Mr. Nelson was appointed as Manager of the Management Company on 28 April 2009.
- (c) Gerrit Jan Meerkerk, Fund Controller; joined ProLogis in September 2000. Prior to joining ProLogis, Mr. Meerkerk was interim manager for Arthur Andersen in The Netherlands and

later on for KPN. Overall Mr. Meerkerk has 16 years experience in finance and accounting of which 9 years in the real estate industry. Mr. Meerkerk completed his studies in Rotterdam and is based in Luxembourg. Mr. Meerkerk was appointed as Manager of the Management Company on 27 August 2008.

In their capacity as Managers, the Managers did not receive any separate remuneration for the financial year ended 31 December 2008. No amounts have been set aside or accrued by PEPR to provide pension, retirement or similar benefits for any of the Managers. With the exception of Mr. Cassells, none of the Managers or PEPR Board Members has any service contracts with PEPR or any of its subsidiaries. However, as part of his compensation and incentivisation package, Mr. Cassells has been granted 30,000 Ordinary Units which will vest in 2012. These Ordinary Units have not been created through the issuance of new Units and have been granted to Mr. Cassells in lieu of certain other compensation which he otherwise would be granted under ProLogis' equity compensation program.

The PEPR Board

Article 4 of the Management Regulations establishes the PEPR Board, which is comprised of four Independent Board Members and two ProLogis Board Members.

The terms of appointment of the Board Members are set out in Article 4 of the Management Regulations. Except for the initial term described below, the term of appointment for an Independent Board Member is three years and until the ratification or appointment of his successor. The ProLogis Board Members are appointed for such time as determined by the Management Company.

The initial Independent Board Members and the ProLogis Board Members have been approved by the Management Company. For the purposes of staggering the dates on which the Independent Board Members are required to be re-elected, the Independent Board Members are divided into three classes with one, two and three year initial terms of office, respectively. Following the expiry of their initial terms, each class of Independent Board Members will be elected for a three-year term of office in accordance with the procedure described below.

For the purposes of nominating successor Independent Board Members, the PEPR Board will have a nomination committee composed of two Independent Board Members and one ProLogis Board Member. The Independent Board Members of the nomination committee will be appointed by the affirmative vote of at least three Independent Board Members. The ProLogis Board Member of the nomination committee will be selected by unanimous consent of the ProLogis Board Members. The members of the nomination committee will be appointed on an annual basis for a term expiring on the day of the annual general meeting electing the candidate designated by the nomination committee. Successor Independent Board Members are proposed by the nomination committee and elected by a simple majority of the Units voting or represented at the annual general meeting of Unitholders. The Management Company has the right to designate any ProLogis Board Member or successor thereof and to remove such ProLogis Board Member and substitute another ProLogis Board Member at any time. The identity of the Board Members must be notified to the Luxembourg Supervisory Authority.

A Board Member may resign at any time by giving written notice thereof to the Management Company. An Independent Board Member may be removed with or without cause by a vote of 67 per cent. of the Units present or represented at a general meeting of Unitholders.

Any vacancy on the PEPR Board caused by the resignation (whether automatic or otherwise), removal or death of any Board Member shall be filled (in the case of an Independent Board Member) by an appointee approved by a majority vote of the remaining Independent Board Members upon proposal by the Management Company or (in the case of a ProLogis Board Member), by direction of the Management Company. The successor Independent Board Member shall hold office until the next annual general meeting of Unitholders. At such meeting, the provisions for the election of successor Independent Board Members shall apply, save that the Independent Board Member elected at an annual general meeting of Unitholders to fill a vacancy shall have the same remaining term as that of his predecessor.

The business address of the members of the PEPR Board is at the registered address of the Management Company.

The PEPR Board is currently composed of the following members:

- (i) Independent Board Members:

- Geoffrey Bell, currently the President of Geoffrey Bell and Company, which advises a wide range of corporations and governments on their international reserve asset and liability management programs. Mr. Bell was appointed on 22 May 2008 and for a period ending on the date of the annual general meeting of Unitholders to be held in 2011.
- Pierre Rodocanachi, formerly, until he retired, the Senior Vice President of Booz Allen & Hamilton, one of the world's largest management consulting firms. Mr. Rodocanachi was appointed on 8 September 2006 and for a period ending on the date of the annual general meeting of Unitholders to be held in 2010.
- Sylvia Tóth, currently the President of Tóco USA and Tóco d'Azur. Ms. Tóth was previously chairwoman of Content Beheer and a supervisory director at Aegon N.V., Endemol Entertainment, Creyf's and Vendex KBB N.V. Ms. Tóth was appointed on 22 May 2008 and for a period ending on the date of the annual general meeting of Unitholders to be held in 2011.
- Didier Cherpitel, formerly Chairman of the PEPR Board of Atos Origin, an international IT company, was previously Managing Director of the French operation at J.P. Morgan, a leading global financial institution, Chairman and director of the Red Cross Foundation, General Secretary of the International Federation of Red Cross and Red Crescent Societies in Geneva and Managing Director of Security Capital Group in London. Mr. Cherpitel was appointed on 27 May 2009 and for a period ending on the date of the annual general meeting of Unitholders to be held in 2012.

(ii) ProLogis Board Members:

- Robert J. Watson, currently the Chief Sustainability Officer of ProLogis. From May 2006 to June 2008, Mr. Watson was Chief Executive Officer of PEPR. Previously, Mr. Watson was president and chief operating officer of ProLogis North America as well as president and chief operating officer of ProLogis Europe. Mr. Watson was appointed on 27 September 2006 and for an unlimited duration.
- Ted R. Antenucci, currently the President and Chief Investment Officer of ProLogis. Mr. Antenucci formerly served as President of Catellus Commercial Development Corp. and Executive Vice President of Catellus Commercial Group. Prior to joining Catellus, Mr. Antenucci was Vice President of real estate for Omnitrax. Mr. Antenucci was appointed on 2 December 2008 and for an unlimited duration.

No amounts have been set aside or accrued by PEPR to provide pension, retirement or similar benefits for any of the members of the PEPR Board. An annual honorarium is paid by PEPR to Independent Board Members comprising an equivalent of €25,000 per year in Units which vest after 2 years.

The prior approval of the PEPR Board is required in respect of the following proposals, resolutions in respect of which may be tabled before the PEPR Board only by the Management Company either on its own initiative or upon due consideration of a suggestion made by any two Independent Board Members:

- any acquisition or disposal of assets or any portfolio of assets of PEPR in an aggregate amount in any rolling six-month period of more than 5 per cent. of the gross asset value of PEPR as calculated on the most recent Valuation Day prior to the date such asset or portfolio of assets is acquired or sold and any disposal or redemption of interests in any ProLogis Private Equity Fund or ProLogis Joint Venture;
- any amendments to the Management Regulations in the circumstances where the prior approval of the PEPR Board is required under Article 16 of the Management Regulations;
- the annual approval of (i) the appointment and the terms and conditions of the appointment of the Independent Appraiser and (ii) the appointment of the external auditors of PEPR, in both cases for terms of one year. Neither appointment may be terminated by the Management Company without the prior approval of the PEPR Board;
- any issue of Units in accordance with Article 8 of the Management Regulations and the terms of any such issuance (including the currency of denomination of the Units, the appointment of any placement agents or distributors designated in respect of such issuance and the approval of their fees, which must be on an arm's length basis) and any increase in the level of leverage of PEPR (within the limits laid down by Article 7 of the Management Regulations);

- any major debt financings or refinancing (defined as debt facilities or financings or refinancings, which if fully drawn, would amount to in excess of 20 per cent. of the total gross asset value of PEPR as at the most recent Valuation Day);
- any amendments to the definition of Distributable Cash Flow in respect of the size from time to time of the contingency reserve, or the policy regarding the amortisation of debt;
- the approval of the annual accounts, the incentive fee calculation for the relevant year, the annual operating and capital expenditure budget and funding policy of PEPR. If such budget and policy are not approved in whole or in part by the PEPR Board, the Management Company will manage PEPR on the basis of an annual operating and capital expenditure budget and funding policy corresponding to the most recently approved budget and policy with respect to any items of the proposed budget and funding policy that were not approved, provided that the Management Company may vary the relevant items by a percentage amount of up to 5 per cent.;
- any transactions between PEPR and any ProLogis Related Party, including, without limitation, a sale of assets by PEPR to ProLogis or to a ProLogis Related Party, but excluding the entry into and (save as prescribed in the Management Regulations) performance of the Management Regulations, the Investment Management Agreement, the Private Equity Fund Investment Agreement and the Property Contribution Agreement. With regard to related party transactions, the Management Company will provide the PEPR Board, for approval, on an annual basis, with a schedule detailing both ProLogis rates and prevailing market rates for leasing commissions and construction management fees;
- any decision to waive any material right which would otherwise exist for the benefit of PEPR, or any decision not to enforce any material right of PEPR under the terms of the Investment Management Agreement, including any decision to waive the obligation of an Investment Manager to assume the obligations under the terminated lease of the vacated space in case of a Tenant Transfer;
- any changes to the method of calculating NAV prescribed in the Management Regulations;
- the approval of legal fees and tax compliance fees payable to any ProLogis Related Party, and the approval in accordance with the first paragraph of Article 5 of the Management Regulations of any fees (other than those referred to in the Investment Management Agreement as at the date of the Management Regulations) which may be paid to the Investment Managers out of the net assets of PEPR and not deducted from the Management Company's base management fee;
- any decision to terminate the Investment Management Agreement, other than for cause;
- any decision to extend the term of the Investment Management Agreement; and
- any decision to table before the general meeting of Unitholders a resolution to wind-up PEPR, under Article 20.2 of the Management Regulations.

In addition, the prior approval of the PEPR Board is required in respect of the following proposals, and in respect of these three items only, either the Management Company or at least two Board Members may table a resolution:

- any decision (i) to exercise the rights of PEPR under the Private Equity Fund Investment Agreement to subscribe for up to 30 per cent. of the equity securities and securities convertible into equity securities issued by any ProLogis Private Equity Fund or to exercise the right to participate in a ProLogis Joint Venture or (ii) to exercise the right of PEPR under the Property Contribution Agreement to (a) approve the substitution of a property to be contributed thereunder with another property; (b) decide not to accept a property on account of material disclosures made with respect thereto; (c) serve a notice reducing the maximum Euro amount to be allocated to the purchase of properties where, in the reasonable opinion of the Management Company, the occurrence of certain events has made it impracticable or inadvisable for PEPR to proceed with the acquisition of properties under the Property Contribution Agreement or subsequently serve a notice increasing such Euro amount to its original level where, in the reasonable opinion of the Management Company, it is no longer impracticable or inadvisable for PEPR to proceed with the acquisition of properties under the Property Contribution Agreement and following service of such a notice, to approve the list of properties by which PLD proposes to satisfy the increased Euro amount by contribution in accordance with the Property Contribution Agreement; or (d) agree to an extension of the date after which, in certain circumstances, PLD must propose further properties for contribution to PEPR and approve the contribution of such further properties;
- any decision to terminate the Investment Management Agreement for cause; and

- any decision to table before a meeting of Ordinary Unitholders a resolution to remove the Management Company without cause, as provided in Article 17 of the Management Regulations.

The PEPR Board shall consider in good faith and with reasonable commercial judgment the proposals in respect of the matters above and any other decisions or determinations it is required to make acting in compliance with Luxembourg law and regulations, the Management Regulations, this Prospectus and in the interests of Unitholders. An affirmative vote of four Board Members is required for the approval of any of the matters set out above or any other determinations or decisions made by the PEPR Board pursuant to the Management Regulations except for (i) decisions related to the approval of the incentive fee calculation for the relevant year, which shall require the approval of a simple majority of the Independent Board Members; (ii) decisions related to the waiver of the obligations of an Investment Manager to assume the obligations under the terminated lease of the vacated space in case of a Tenant Transfer, which shall require the approval of a simple majority of the Independent Board Members; (iii) decisions to table before Unitholders a resolution to remove the Management Company without cause, which shall require the approval of a simple majority of the Independent Board Members to terminate the Management Company and as a consequence table a resolution before a meeting of Ordinary Unitholders to remove the Management Company in accordance with Article 17 of the Management Regulations; (iv) decisions related to the creation of advisory committees (as described below) which require the unanimous consent of all Board Members; and (v) decisions related to the appointment of members of the nomination committee, which are made as described above.

Article 4 of the Management Regulations provides that the PEPR Board will meet at least annually in Luxembourg. The PEPR Board meets at least quarterly, unless the PEPR Board agrees otherwise, to review PEPR's performance and may meet by telephone conference in accordance with Article 4 of the Management Regulations. The Management Regulations also provide that the PEPR Board may meet upon call by the Management Company or any two Board Members at the place indicated in the notice of meeting. The PEPR Board shall also be available for consultation by the Management Company and may make suggestions to, and requests of, the Management Company. However, other than decisions relating to any of the matters set out above, the Management Company is neither bound by such suggestions or requests nor obligated to take direction from the PEPR Board.

The Management Company shall forward to the PEPR Board all relevant information within a period of time which is reasonably sufficient in the view of the Management Company to permit the PEPR Board to make an informed decision on the relevant matter prescribed above.

The PEPR Board may designate advisory committees composed of one or more Board Members in order to assist the PEPR Board and to make recommendations to the PEPR Board in relation to decisions concerning the proposals referred to above. Such advisory committees may not take decisions in lieu of the PEPR Board. Decisions of the PEPR Board related to the creation of advisory committees require unanimous consent of all Board Members.

Audit Committee

The audit committee is composed of the four Independent Board Members being:

- Geoffrey Bell;
- Sylvia Tóth;
- Pierre Rodocanachi; and
- Didier Cherpitel.

The Investment Managers

The Management Company has entered into the Investment Management Agreement. The Investment Management Agreement governs the terms by which the Investment Managers will provide certain management services in relation to the properties held by PEPR. Details of the dates of incorporation and share capital of the Investment Managers are set out in the table below:

| Investment Manager | Telephone Number | Registration Number | Date of Incorporation | Share Capital |
|---|--------------------|---|-----------------------|---------------|
| ProLogis Management Services II SAS ⁽¹⁾ | +33 47 482 5555 | 331 153 072 R.C.S. Bobigny | 31 October 1984 | €40,000 |
| ProLogis Belgium Management BVBA ⁽²⁾ | +32 2710 1950 | 0477.400.841 RPR Brussels | 18 April 2002 | €760,000 |
| ProLogis Management B.V. ⁽³⁾ | +31 20 655 66 66 | 34177191 Kamer van Koophandel Amsterdam | 9 July 2002 | €18,000 |
| ProLogis Poland Management II Sp. z.o.o. ⁽⁴⁾ | +48 22 218 36 00 | KRS 0000149274 Warsaw | 29 January 2003 | PLN 50,000 |
| ProLogis Spain Management II S.L. ⁽⁵⁾ | +34 93 635 44 22 | B63061246 Registro Mercantil de Barcelona | 18 December 2002 | €103,500 |
| ProLogis Germany Management II Gmb H ⁽⁶⁾ | +49 211-542310 | HRB 58693 AG Düsseldorf | 2 February 2002 | €25,000 |
| ProLogis Italy Management II S.à r.l. ⁽⁷⁾ | +39 225 399 71 | 03640490961 Registrato a Milano | 18 July 2002 | €11,000 |
| ProLogis Hungary Management II Kft. ⁽⁸⁾ | +36 1 577 77 00 | Cg.01-09-712504 Budapest | 12 February 2003 | HUF 3,000,000 |
| ProLogis Czech Republic Management II s.r.o. ⁽⁹⁾ | +421 2 59 39 62 04 | 27083128 Prague | 16 September 2003 | CZK 200,000 |

- (1) A company incorporated for a definite period of time ending on 18 December 2083 in and under the laws of France whose registered office is at Bâtiment Saturne, Continental Square 1, 4 Place de Londres, BP 11753 Tremblay en France, Roissy Charles de Gaulle Cedex, France.
- (2) A company incorporated for an indefinite period of time in and under the laws of Belgium, whose registered office is at Park Hill—Building A, 3rd Floor, Jan Emiel Mommaertsiaan 18, 1831 Diegem, Belgium.
- (3) A company incorporated for an indefinite period of time in and under the laws of The Netherlands, whose registered office is at Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG Schiphol Airport, The Netherlands.
- (4) A company incorporated for an indefinite period of time in and under the laws of Poland, whose registered office is at ul. Zlota 59, 00-120 Warsaw, Poland.
- (5) A company incorporated for an indefinite period of time in and under the laws of Spain, whose registered office is at ProLogis Park Sant Boi, C/Coto No. 6, 08830 Sant Boi de Llobregat, Spain.
- (6) A company incorporated for an indefinite period of time in and under the laws of Germany, whose registered office is at Peter-Müller-Strasse 16-16a, 40468 Düsseldorf, Germany.
- (7) A company incorporated for an indefinite period of time in and under the laws of Italy, whose registered office is at Via Milano 150, 20093 Cologno Monzese, Italy.
- (8) A company incorporated for an indefinite period of time in and under the laws of Hungary, whose registered office is at Millennium Tower II., Lechner Ödön fasor 7., Budapest 1095, Hungary.
- (9) A company incorporated for an indefinite period of time in and under the laws of the Czech Republic, whose registered office is at Říčany-Jažlovice, Na Dlouhém 79, PSČ 251 01, the Czech Republic.

Under the Investment Management Agreement, the Investment Managers, subject to the overall supervision, approval, direction and liability of the Management Company and compliance with the Investment Objective and Policy, carry out property management functions in relation to the day-to-day administration and operations of the Portfolio for the Management Company but not, for the avoidance of doubt, in relation to any ProLogis Private Equity Funds or ProLogis Joint Ventures in which PEPR may invest.

An Investment Manager has, *inter alia*, the following general functions, subject to the approval and supervision of the Management Company:

- (a) providing information to the Management Company to enable it to give proper instructions to the Custodian;
- (b) carrying out supplementary real estate management services and such other supplementary services as may be agreed between the Investment Manager and the Management Company;

- (c) identifying, evaluating and providing information on possible additional investments in properties, the ProLogis Private Equity Funds and the ProLogis Joint Ventures;
- (d) submitting recommendations to the Management Company for approval in relation to the acquisition, investment, sale, exchange or other disposition of any or all of the properties or any investment in the ProLogis Private Equity Funds or the ProLogis Joint Ventures;
- (e) arranging the property management of each property either directly or by appointing suitable third party property managers of repute with experience of managing properties, and monitoring the activities of such managers;
- (f) arranging for independent valuations in accordance with principles specified by the Investment Manager, to be made by a professional valuer for the purpose of determining the value of properties owned by PEPR;
- (g) ensuring timely rent collections from customers and monitoring receipt of rent;
- (h) monitoring, inspecting and maintaining properties and ensuring compliance by the customer with its obligations;
- (i) conducting all appropriate negotiations in relation to surrenders of tenancies, rent reviews, granting of new tenancies, renewals of existing tenancies and any amendment or waiver of any of the terms of the leases;
- (j) preparing and submitting the appropriate tax returns in relation to properties to the relevant tax authorities;
- (k) managing the obligations and requirements of the relevant insurance policies and managing any insurance claims process;
- (l) managing the obtaining of any necessary valuations, planning permissions, etc.;
- (m) preparing financial statements, reports, etc. in compliance with financial covenants with respect to secured financings;
- (n) performing all general, registrar and company administration services and keeping all records as appropriate; and
- (o) arranging for any contracted-out services to be provided as and when appropriate.

The Investment Management Agreement requires that, for the duration of the Investment Management Agreement, ProLogis shall either provide or procure the provision of an individual to act as the chief executive officer of the Management Company.

PEPR is required to pay a base management fee to the Management Company, which, in turn, pays the Investment Managers an annual investment management fee. The annual investment management fee is calculated and paid quarterly in arrears in cash. Except to the extent provided in the Investment Management Agreement as at the date of the Management Regulations or as subsequently approved by the PEPR Board, any fees paid by the asset companies directly to the Investment Managers out of the net assets of PEPR are deducted from the base management fee that would otherwise be payable to the Management Company as prescribed in the Management Regulations; provided, however, that the fee paid to the Investment Managers may not in aggregate exceed such base management fee. In addition to the annual investment management fee, the Investment Managers are also entitled to charge the Management Company such additional fees in relation to the properties which are owned directly or indirectly by PEPR (but excluding any properties held indirectly through the ProLogis Private Equity Funds or the ProLogis Joint Ventures) and any of PEPR's investments in the ProLogis Private Equity Funds and the ProLogis Joint Ventures as shall be in line with market standards which may include, but shall not be limited to, leasing fees and commissions, construction management fees, legal fees and tax compliance fees, but which may not include any acquisition fee, disposition fee or debt and re-financing fee, as such fees will not be charged to PEPR by the Investment Managers or any other ProLogis Related Party.

The Investment Management Agreement is for an initial term which expires on 15 September 2016 and is renewable at the sole discretion of the Management Company for subsequent five-year periods with the prior approval of the PEPR Board. The Investment Management Agreement is terminable in respect of any

Investment Manager or all of them, by any or all of the Investment Managers and by the Management Company subject in relation to termination by the Management Company to the approval of the PEPR Board, at any time (i) upon 60 days' notice to the relevant Investment Managers or all of them (or to the Management Company in the case of termination by one or more of the Investment Managers); (ii) immediately upon notice to the relevant parties if the relevant parties shall commit any material breach of their obligations under the Investment Management Agreement and (if such breach shall be capable of remedy) shall fail within 30 days of receipt of notice served by the terminating parties requiring them so to do, make good such breach; and (iii) if a party or parties have failed to perform their obligations under the Investment Management Agreement to any material extent for a continuous period of six months in *force majeure* circumstances. The Investment Management Agreement will terminate automatically if ProLogis Management S.à r.l. or another ProLogis Related Party is no longer the Management Company of PEPR or in relation to the appointment of a specific Investment Manager, if such Investment Manager shall carry on business which would cause PEPR to pay taxes it would not otherwise be liable to pay.

The Investment Management Agreement requires PEPR to be compensated in certain circumstances if a Tenant Transfer occurs and within three months of the cancellation of a lease, the customer leases another property owned by ProLogis or a ProLogis Related Party or a fund managed by ProLogis or a ProLogis Related Party, including the ProLogis Private Equity Funds and the ProLogis Joint Ventures. Compensation is triggered where, in relation to a Tenant Transfer, PEPR's interest in the property to which the customer has been transferred is not at least equal to the interest PEPR had in the property which was originally leased by the customer. In such circumstances, the Investment Managers are required to assume the obligations under the terminated lease for such period until the lease could have been terminated by the customer under the terms of the lease or until the point at which the property has been re-leased at a rental income at or above the terminated lease for a period which is at least as long as the period until the original lease could be terminated in accordance with its terms. The Investment Management Agreement includes further provisions which ensure that PEPR does not receive excessive compensation under these circumstances. These provisions include, where the original leased property is re-leased but on less favourable terms, that the amount payable by the Investment Managers is reduced by the amount of rental income generated by the re-lease and where PEPR has either a direct or indirect ownership interest in the property to which the customer has been transferred, that, subject to certain exceptions, any rental income received by PEPR in relation thereto shall be offset against the amount payable by the Investment Managers.

The Investment Management Agreement contains an indemnity provision whereby the Management Company has agreed to indemnify the Investment Managers and their respective directors from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind (other than those resulting from the negligence, wilful default, bad faith or fraud on the part of the Investment Managers and their directors, or on the part of their servants or agents) which may be imposed on, incurred by or asserted against the Investment Managers in performing their duties.

Article 5 of the Management Regulations provides that no Investment Manager may be appointed if it is organised or carries on business in the U.S.

1) ProLogis Senior Management Team Members

Most members of the ProLogis Senior Management Team have worked together for a number of years, which has provided continuity in the execution of the business. The ProLogis Senior Management Team plays a significant role in PEPR's activities, including strategic oversight and investment review, and dedicates such time and attention to PEPR as is required to properly perform their functions.

| <u>Name</u> | <u>Age</u> | <u>Title</u> |
|--------------------------|------------|--|
| Walter C. Rakowich..... | 51 | Chief Executive Officer |
| Ted R. Antenucci | 45 | President and Chief Investment Officer |
| William E. Sullivan..... | 55 | Chief Financial Officer |
| Edward S. Nekritz..... | 43 | General Counsel and Head of Global Strategic Risk Management |
| Gary E. Anderson..... | 43 | Head of Global Investment Management |
| Charles Sullivan..... | 51 | Head of Global Operations |

Walter C. Rakowich

Chief Executive Officer

Walt Rakowich is Chief Executive Officer and a member of the Board of Trustees. He also serves as head of the Executive Committee, responsible for setting the strategic direction of the company and monitoring its implementation and progress.

Mr. Rakowich has been appointed to a series of executive positions since joining ProLogis in 1994. Most recently, he served as President and Chief Operating Officer from 2005 to 2008. From 1998 to 2005 he was Managing Director and Chief Financial Officer for ProLogis. Previous to this, Mr. Rakowich held the position of Senior Vice President/Director of the company's Mid-Atlantic region, where he was responsible for expanding the reach of ProLogis to the leading logistics markets in the Midwest and Atlantic states.

Prior to joining ProLogis in 1994, Mr. Rakowich spent nine years as a partner with real estate provider Trammell Crow Company and before that was a senior audit and tax consultant for Price Waterhouse in Pittsburgh, Pennsylvania. Mr. Rakowich received his MBA from Harvard Business School and his Bachelor of Science, with distinction, in Accounting from Pennsylvania State University.

Ted R. Antenucci

President and Chief Investment Officer

Ted Antenucci is ProLogis' President and Chief Investment Officer and is also a member of the Executive Committee. He also serves on the board of ProLogis European Properties. Before joining ProLogis in September 2005, Mr. Antenucci served as President of Catellus Commercial Development Corp., with responsibility for all development, construction and acquisition activities. Prior to that, Mr. Antenucci served as Executive Vice President of Catellus Commercial Group, where he managed the company's industrial development activities throughout the western United States, including northern and southern California, Denver, Chicago, Dallas, and Portland.

Prior to joining Catellus in 1995, Mr. Antenucci was Vice President of real estate for Omnitrax, one of the largest short line operators in the United States. He was in charge of Omnitrax's real estate portfolio and, as such, was responsible for sales, acquisitions, development, construction and property management for 11 short lines located throughout nine states.

Mr. Antenucci earned a Bachelor of Science in business economics from the University of California at Santa Barbara.

William E. Sullivan

Chief Financial Officer

Bill Sullivan is Chief Financial Officer of ProLogis, where he is responsible for worldwide corporate finance, including treasury, cash management, financial planning, financial reporting, accounting, tax and investor relations. He is also a member of the Executive Committee.

Prior to joining ProLogis in April of 2007, Mr. Sullivan was the founder and president of Greenwood Advisors, Inc., a financial consulting and advisory firm. Prior to Greenwood Advisors, he served as Chairman and CEO of Sitestuff, an online procurement company for the real estate industry. Mr. Sullivan held several positions with the real estate firm of Jones Lang LaSalle between 1984 and 2001, including the role of Chief Financial Officer and Executive Vice President of Investments and Technology.

Mr. Sullivan earned an MBA in Management and Finance from Northwestern University and a Bachelor of Science in Business Administration from Georgetown University. He is a member of the American Institute of Certified Public Accountants.

Edward S. Nekritz

General Counsel and Head of Global Strategic Risk Management

Ed Nekritz serves as ProLogis' General Counsel and Secretary and as head of global strategic risk management. He also serves on the company's Executive Committee.

Mr. Nekritz oversees the provision of all legal activities and is responsible for global strategic risk management, focused on identifying and mitigating overall enterprise risk. He is also responsible for ProLogis' Investment Services Group, which handles all aspects of real estate and corporate due diligence and closings on acquisitions, dispositions and financings. He also oversees ProLogis' global insurance program.

Mr. Nekritz joined ProLogis in 1995. Previously, he was with the international law firm of Mayer, Brown & Platt (now Mayer Brown) where he practiced real estate and corporate law from 1990 to 1995. Mr. Nekritz received his J.D. from the University of Chicago Law School and his A.B. with honors from Harvard College.

Gary E. Anderson

Head of Global Investment Management

Gary Anderson is ProLogis' head of Global Investment Management with overall responsibility for managing ProLogis' private funds as well as raising additional capital. Mr. Anderson is also a member of the Executive Committee. Prior to this, Mr. Anderson was President of Europe and the Middle East.

From 2003 to 2006, Mr. Anderson was the Managing Director responsible for investments and development in the company's Southwest and Mexico Regions. Prior to 2003, Mr. Anderson was Market Officer for the states of New Jersey and Pennsylvania, Market Officer for the states of Washington and Oregon, and Market Representative for the Mexico cities of Tijuana and Juarez. Prior thereto, Mr. Anderson helped develop ProLogis' global expansion strategy.

Prior to working for ProLogis, Mr. Anderson was a member of the Management Development Program at Security Capital Group, Inc., where he focused on Capital Markets, Investments and Strategy. Mr. Anderson received his MBA in Finance and Real Estate from the Anderson Graduate School of Management at UCLA and his Bachelor of Arts in Marketing from Washington State University.

Charles Sullivan

Head of Global Operations

Chuck Sullivan is ProLogis' head of Global Operations, with overall responsibility for leasing, property management, information technology, and marketing. He is also a member of the Executive Committee. Most recently, Mr. Sullivan served as the Managing Director for ProLogis' operations in North America.

Mr. Sullivan has been with the company since 1994 in various capacities. He has been the Regional Director of Operations for the Northeast and Southeast, the Country Officer for Mexico, based in Monterrey, and the Market Officer for Florida. Prior to joining ProLogis, Mr. Sullivan launched his real estate career as an industrial real estate broker with Cushman Wakefield.

Mr. Sullivan has an MBA from the University of North Carolina at Chapel Hill and a Bachelor of Arts from the University of South Florida.

2) ProLogis European Management Team Members

PEPR is integral to ProLogis' operations in Europe and ProLogis relies on key members of its European organisation, including the ProLogis European Management Team, who play a significant role in overseeing PEPR's activities. The ProLogis European Management Team possesses diversified skillsets amongst its members, and dedicates such time and attention to PEPR as is required, to properly perform such functions.

| <u>Name</u> | <u>Age</u> | <u>Title</u> |
|---------------------------|------------|--|
| Philip Dunne | 41 | President of Europe |
| David Doyle | 43 | Chief Financial Officer |
| Simon N. J. Nelson | 43 | Senior Vice President / Fund Management |
| Andrew D. Griffiths | 50 | Managing Director and Regional Head—United Kingdom |
| Ranald A. Hahn | 52 | Managing Director and Regional Head—Southern Europe |
| Christian Bischoff | 43 | Managing Director and Regional Head—Northern Europe |
| Ben Bannatyne | 37 | Managing Director and Regional Head—Central and Eastern Europe |
| Bert Angel | 53 | Senior Vice President—Global Solutions Group—Europe |
| Jonathan Gimblett | 41 | Senior Vice President and European Counsel |

Peter Cassells 44 Chief Executive Officer, ProLogis European Properties

Philip Dunne

President of Europe

Philip Dunne is President of ProLogis' business in Europe and a member of the Executive Committee. He takes responsibility for all aspects of ProLogis' European operational performance, including investments and development. Prior to this, Mr. Dunne was Chief Operating Officer for ProLogis' business in Europe and the Middle East.

Prior to joining ProLogis on December 1, 2008, Mr. Dunne was the Chief Operating Officer—EMEA at Jones Lang LaSalle, a global financial and professional services firm specialising in real estate services and investment management. In this role Mr. Dunne led the deployment and execution of business strategy across the EMEA region. In addition, Mr. Dunne spent five years as Chief Operating Officer for Jones Lang LaSalle's Central and Eastern Europe and Russia region, instrumental in the development of those businesses while overseeing all business support functions and infrastructure. Prior to joining Jones Lang LaSalle's EMEA business, Mr. Dunne worked with Jones Lang LaSalle's European Finance team based in London.

David Doyle

Chief Financial Officer

David Doyle is a Managing Director and Chief Financial Officer of ProLogis in Europe. Before joining ProLogis in July 2009, Mr Doyle was Chief Financial Officer at Colliers CRE, a leading UK property professional services firm, where he was responsible for all finance, risk management and legal affairs as well as partnering with the chief executive to develop and implement strategy. Prior to joining Colliers CRE in 2006, Mr. Doyle was Chief Financial Officer at the UK's leading internet bank, Egg plc, with accountability for all finance, legal and company secretarial matters. From 1996 to 2003, Mr. Doyle held various senior finance positions at Prudential plc, including Head of Corporate Finance, with responsibility for all group level mergers, acquisitions, dispositions and associated strategic activities.

Mr Doyle is a Fellow of the Institute of Chartered Accountants in Australia and holds a Bachelor of Business degree from the Royal Melbourne Institute of Technology.

Simon N. J. Nelson

Senior Vice President—Fund Management

Simon Nelson is a Senior Vice President with responsibility for the management of the ProLogis funds in Europe, including portfolio and asset management, acquisitions and disposals, and asset valuations. A chartered surveyor and British national, he has been based in Paris since 1992 and since 2008 has been based in The Netherlands and joined ProLogis in 2001 initially to develop the third party acquisition business in southern Europe. Previously, he was a partner at DTZ in France, where he was head of investment, covering all property sectors in the French market.

Andrew D. Griffiths

Managing Director and Regional Head—United Kingdom

Andrew Griffiths is a Managing Director and Regional Head for the UK. He is responsible for the performance and leadership of the UK operation.

Andrew joined ProLogis in November 2005 as Managing Director designate for the UK, from a rival UK industrial developer, Gazeley (wholly owned by Wal-Mart) where he was Managing Director of their UK business. Andrew has been a developer in the industrial market since the 1980's, when large space distribution development began in earnest in the UK. He is qualified as both a member of the Royal Institute of Chartered Surveyors and the Royal Town Planning Institute.

Ranald A. Hahn

Managing Director and Regional Head—Southern Europe

Ranald Hahn is a Managing Director and Regional Head for Southern Europe. He is responsible for ProLogis' operations in France, Spain and Italy. Ranald joined ProLogis in 1999, initially as Development Officer and then as Country Officer for France. In 2001, he became Senior Vice President and Regional Head for Southern Europe. Prior to joining ProLogis, Mr. Hahn, a British national, held a variety of senior positions in real estate development and marketing in Europe (excluding the UK), including latterly being Director for International Development at GSE, a major French construction company specialising in modern generation warehouses.

Christian Bischoff

Managing Director and Regional Head—Northern Europe

Christian Bischoff is a Managing Director and Regional Head for Northern Europe. He is responsible for ProLogis' operations in Germany, Belgium, The Netherlands and Sweden. Christian joined ProLogis in February 2007, after ProLogis's merger with the Parkridge Group. At Parkridge he was the Managing Director of Germany, Austria and Switzerland. He has 17 years of experience in the logistics sector, including: two years as a Country Manager for Eurinpro; five years with TNT Insight, (one of ProLogis' largest customers), as Account Director of the Automotive and Supply Chain; and in various positions at Kaufring Logistik, Timken, and the LOGSPED Group.

Ben Bannatyne

Managing Director and Regional Head—Central & Eastern Europe

Ben Bannatyne is a Managing Director and Regional Head for Central Europe since November 2008, where he has responsibility for ProLogis' operations in Poland, the Czech Republic, Slovakia, Hungary and Romania.

Prior to joining ProLogis, Mr. Bannatyne spent 11 years at Jones Lang LaSalle in Central Europe, initially working in the office and industrial leasing department based in Warsaw, Poland, before taking up the post of Managing Director of the Czech Republic. In 2003, he relocated back to Warsaw and was promoted to Managing Director for Central Europe. Ben has extensive experience in the office and industrial sector across Central Europe having been actively involved in both the capital markets advisory and leasing areas.

Bert Angel

Senior Vice President—Global Solutions Group—Europe

Since December 2003, Bert Angel has been Senior Vice President of ProLogis, where he has overall responsibility for the Global Solutions Group in Europe, located in Amsterdam. Prior to this, Mr. Angel was a First President and Vice President with the Global Solutions Group, joining the firm in 1998. For ten years previous to his work with ProLogis, Mr. Angel held the position of International Marketing and Sales Director for the Port of Rotterdam, the largest port in the world.

Jonathan Gimblett

Senior Vice President and European Counsel

Jonathan Gimblett is a Senior Vice President and European Counsel. He is responsible for the provision of legal services to ProLogis' business in Europe, reporting to the General Counsel in Denver.

Jonathan Gimblett joined ProLogis in November 2005 following 12 years working for leading law firms. Most recently, he was a consultant at the law firm Linklaters specialising in international real estate transactions. Mr. Gimblett worked at Linklaters' London, Moscow and Warsaw offices, helping establish their real estate team in Central and Eastern Europe and leading several landmark deals in the region. He is a solicitor of the Supreme Court of England and Wales.

Peter Cassells

Chief Executive Officer of ProLogis European Properties

Peter Cassells is Chief Executive Officer of PEPR. Mr. Cassells is based in Luxembourg and takes overall responsibility for the operations of PEPR.

Until February 2009, Mr. Cassells was a Senior Vice President and PEPR's Chief Financial Officer. Previously, Mr. Cassells served as First Vice President and Fund Manager of ProLogis Europe. He joined ProLogis early in 2000 at the start of the development of PEPR after having spent ten years in accounting, finance and administration roles primarily at Price Waterhouse.

PART V – MARKET INFORMATION RELATING TO EURONEXT AMSTERDAM AND LUXEMBOURG STOCK EXCHANGE

1. Euronext Amsterdam

Listing and Trading

The Preferred Units will be listed and admitted to trading on Euronext Amsterdam. The ISIN Code for the Preferred Units is LU0467842786 and the Euronext Amsterdam Symbol is PEPRC. The Ordinary Units have been admitted to listing and trading on Euronext Amsterdam on 27 September 2006. The ISIN Code of the Ordinary Units is LU0100194785. The Common Code is 010019478 and the Euronext Amsterdam Symbol is PEPR.

In relation to the Preferred Units, an application for admission to listing and trading has been made on Euronext Amsterdam. Public trading of the Preferred Units on Euronext Amsterdam can only occur after PEPR's application for admission has been approved, which is expected to occur on or about 24 December 2009.

Market Regulation

The market regulator in The Netherlands, insofar as the supervision of market conduct is concerned, is the AFM. The AFM has supervisory powers with respect to the publication of information by listed companies. It also supervises financial intermediaries (such as credit institutions and investment firms) and investment institutions. The surveillance unit of Euronext Amsterdam will continue to monitor and supervise all trading operations.

PEPR is subject to certain provisions in The Netherlands Financial Supervision Act (*Wet op het financieel toezicht*) (the "NFSA"). Pursuant to section 2.66 of the NFSA and section 2 of the Decree Designated Countries NFSA (*Besluit aangewezen staten Wft*), PEPR is exempted from the requirement to obtain a licence from the AFM to act as a collective investment scheme for so long as Luxembourg is deemed to have "adequate supervision" of collective investment schemes. Irrespective of the exception set forth above, PEPR is subject to certain ongoing requirements under the NFSA.

2. Luxembourg Stock Exchange

Listing and Trading

The Preferred Units will be listed on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange. The ISIN Code for the Preferred Units is LU0467842786. The Ordinary Units have been admitted to listing on the official list and trading on the regulated market of the Luxembourg Stock Exchange on 13 October 1999. The ISIN Code of the Ordinary Units is LU0100194785.

In relation to the Preferred Units, an application for admission to listing on the official list and trading on the regulated market of the Luxembourg Stock Exchange has been made. Public trading of the Preferred Units on the regulated market can only occur after PEPR's application for admission has been approved, which is expected to occur on or about 24 December 2009.

Market Regulation

Luxembourg is the home Member State of PEPR for the purposes of the law of 10 July 2005 *relative aux prospectus pour valeurs mobilières* implementing directive 2003/71/EC in Luxembourg. Therefore, the Luxembourg Supervisory Authority is the competent authority to approve the prospectus in view of the Offer of the Preferred Units in Luxembourg and in the Netherlands and in view of the listing and admission to trading of the Preferred Units on the regulated market of the Luxembourg Stock Exchange and in view of the admission to listing and trading of the Preferred Units on Euronext Amsterdam.

The Luxembourg Supervisory Authority is also the competent authority to supervise PEPR under Part II of the Law of 2002.

3. Settlement and Clearing

Transactions in listed securities are settled through a system of delivery against payment. This system settles transactions through electronic book-entry changes in the accounts of its participants by delivery against

payment. It thereby ensures that sellers receive cash when delivering securities and that buyers receive corresponding securities when paying and eliminates the need for physical movement of securities. Settlement takes place three trading days following the transaction (T+3). It is expected that payment for, and delivery of, the Preferred Units will be made through the book-entry facilities of Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg in accordance with their normal settlement procedures applicable to equity securities. The Preferred Units will be registered in the name of Euroclear Netherlands for safe-keeping on behalf of and for the benefit of those persons entitled to Preferred Units.

The following descriptions of the operations and procedures of Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg are provided solely as a matter of convenience. These operations and procedures are solely within the control of Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg and are subject to change. PEPR takes no responsibility for these operations and procedures and advises investors to contact their independent financial adviser to discuss these matters.

General

The Preferred Units will be held in registered form in the name of Euroclear Netherlands. Ownership of interests in the Preferred Units included in the book-entry custody and settlement system operated by Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg (the “Book-Entry Interests”) will be limited to persons that hold interests through participants of Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg (the “Admitted Institutions”). Investors in the Preferred Units will hold interests in the Preferred Units through their accounts with Admitted Institutions. Book-Entry Interests will be shown on and transfers thereof will be done only through records maintained in book-entry form by Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg and the Admitted Institutions. PEPR will not have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Transfers of Book-Entry Interests between investors holding securities accounts with Admitted Institutions or their participants will be effected in accordance with the rules and procedures of Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg and any applicable clearing rules and will be settled in immediately available funds. Transfers of Book-Entry interest in the Preferred Units will be subject to the restrictions and certification requirements discussed under the section entitled “Selling Restrictions” of this Prospectus.

Action by Owners of Book-Entry Interests

Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg will take any action permitted to be taken by a holder of Book-Entry Interests only at the direction of one or more participants to whose accounts the Book-Entry Interests are credited and only in respect of such portion of the aggregate principal amount of the Preferred Units as to which such participant or participants has or have given such direction. Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Preferred Units. Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg may exercise the rights of those to whom the book-entry deposits belongs, provided this is in the interest of proper management.

Clearance and Settlement under the Book-Entry System

The Preferred Units are expected to be admitted for listing and trading on Euronext Amsterdam as well as to listing on the Official List of the Luxembourg Stock Exchange and trading on the regulated market of the Luxembourg Stock Exchange. Any permitted secondary market trading activity in such Preferred Units will therefore, be required by Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg to be settled in immediately available funds. PEPR will not be responsible for the performance by Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg, the Admitted Institutions, or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

Payments on the Preferred Units and Currency of Payment for the Preferred Units

PEPR will declare any payment in respect of the Preferred Units (including dividends) in Euros. All amounts payable by PEPR in respect of the Preferred Units will be paid in Euros. All payments by PEPR will be made through a paying agent to the Admitted Institutions which will, in turn, distribute such amounts to their participants in accordance with their customary procedures.

Settlement and clearing of Ordinary Units traded on Euronext Amsterdam and on the Luxembourg Stock Exchange is also carried out in accordance with the process described above.

PART VI – THE OFFER

Pursuant to the Offer, the terms of which are further described below, up to 10,298,510 Preferred Units are being offered for subscription.

The Offer consists of a public offer in The Netherlands and in Luxembourg, and a private placement outside the U.S. to certain institutional and other sophisticated investors and a private placement in the U.S. to “accredited investors” within the meaning of Regulation D under the Securities Act and/or “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act. All offers and sales outside the U.S. will be made in reliance on Regulation S under the Securities Act

According to Article 8 of the Management Regulations, the Management Company is authorized to issue new Units in each fiscal year for an aggregate issue price of up to 10% of the total economic value of Units in issue at the start of the fiscal year in which the issuance will take place. The Management Company calculates the total economic value to be at least equal to the trading price per Ordinary Unit, which at the beginning of the fiscal year 2009 was €3.21.

The total economic value of the 190,522,441 Ordinary Units in issue as at 1 January 2009 was €611.6 million. The Management Company, on behalf of PEPR, therefore proposes to issue up to €61.1 million Preferred Units with an Issue Price being of €5.93 per Preferred Unit, which represents the NAV per Ordinary Unit as at 30 September 2009.

Holders of Ordinary Units are being granted a preferential subscription right on a rateable basis in accordance with the provisions contained in the Law of 1915 governing preferential subscription rights for shares issued by public limited companies. Whilst PEPR is an FCP, this right is deemed to apply to PEPR.

Holders of Ordinary Units are not required to exercise their entire (or even any) of their Preferential Subscription Rights (as described below). The specific procedure to be followed by existing Unitholders who wish to exercise their Preferential Subscription Rights is set out in more detail in the section below entitled “Preferential Subscription Rights”.

Form of Preferred Units

The Preferred Units will be denominated in Euro, fully paid-up, issued in registered form and will be listed on the Official List and traded on the regulated market of the Luxembourg Stock Exchange as well as listed and traded on Euronext Amsterdam.

The Preferred Units will rank *pari passu* with each other, but senior to Ordinary Units, with respect to participation in profits (including as to any payments of Preferred Dividends) and allocation of Residual Value upon winding up of PEPR.

The Preferred Units are subordinated in order of repayment priority to all debt of PEPR. In case of winding-up of PEPR, holders of the Preferred Units will receive, in accordance with Article 20 of the Management Regulations and Part II of the Schedule, on a pro-rata basis with any other *pari passu* securities (i) payment of accrued and unpaid Preferred Dividends plus interest on any such amounts, (ii) payment of a preferred return on the issue price per Preferred Unit for the period from the preceding payment date up to the date on which payment of such Preferred Dividend is made and (iii) payment per Preferred Unit equal to the Issue Price.

The rights attached to the Preferred Units are set out in the Management Regulations, which will be construed in accordance with and are governed by the laws of Luxembourg, in particular the Law of 2002. Luxembourg law may differ from laws in other jurisdictions and investors should therefore not assume that the Preferred Units have the same features as preferred units, shares or other similar instruments in companies or other legal entities in their own jurisdictions. See “Risk Factors – Units differ from shares”. For a description of the tax treatment of the Preferred Units, see Part VIII – “Taxation” of this Prospectus.

Preferential Subscription Rights

Pursuant to the terms of the Management Regulations, holders of Ordinary Units have the right to subscribe for the Preferred Units on a preferential and rateable basis in accordance with the provisions contained in the Law of 1915.

The Management Company will allocate Preferential Subscription Rights to holders of Ordinary Units, entitling those holders to subscribe for Preferred Units for an aggregate total amount of 10,298,510. Ordinary Unitholders may subscribe for two Preferred Units for every 37 Ordinary Units they hold. Preferential Subscription Rights in multiples of less than 37 may not be exchanged for Preferred Units, but will be sold at a public auction via the Luxembourg Stock Exchange with the proceeds, if any, (after costs) given to the holder or may be transferred prior to auction.

Only Holders of Ordinary Units which are registered in PEPR's register of Unitholders on 16 November 2009 are entitled to exercise all or part of their Preferential Subscription Rights during a period of 30 days which will start on 17 November 2009 and end on 16 December 2009 by sending a duly executed Preferred Unit Subscription Agreement specifying the number of Preferred Units subscribed for to the registered office of the Management Company (to the attention of Mr. Peter Cassells). The start of the subscription period will also be announced by way of publication of a notice in the *Luxemburger Wort* on 17 November 2009.

The Preferential Subscription Rights are freely transferable by the holders of Ordinary Units during the 30 days period (i.e. until 16 December 2009) subject to the restrictions on transfer of Units set forth in the Management Regulations. Any transfer of Preferential Subscription Rights shall be notified to the Management Company in order to enable the Management Company to cause RBC Dexia Investor Services Bank S.A. to update the register of Preferential Subscription Rights. Furthermore, the Management Company has the right to approve any transfer of Preferential Subscription Rights to ensure compliance with Article 11 of the Management Regulations as well as to ensure that the obligations of the transferee of the Preferential Subscription Rights are met.

The Preferential Subscription Rights which have not been exercised at the end of the 30 day period referred to above and for which the subscription proceeds have not been received by the Management Company on the Business Day following the end of the 30 day period will be sold by public auction on the Luxembourg Stock Exchange in compliance with its internal rules and regulations on or about 21 December 2009. Investors (who, for the avoidance of doubt, may not be U.S. Persons) that wish to participate in the public auction cannot appear personally but must instruct a member of the Luxembourg Stock Exchange to represent them at the public auction and to bid on their behalf. Pursuant to the Underwriting Agreement Morgan Stanley has committed to bid for the Preferential Subscription Rights sold at the public auction, to exercise all Preferential Subscription Rights so purchased and to pay the subscription price within the applicable subscription period.

Investors having acquired Preferential Subscription Rights during the public auction process have the right to exercise all or part of such rights by sending a duly executed Preferred Units Subscription Agreement, specifying the number of Preferred Units subscribed for to the registered office of the Management Company prior to the end of the Business Day following the public auction (expected to be on or about 22 December 2009). Acquired but unexercised Preferential Subscription Rights as well as Preferential Subscription Rights for which the subscription proceeds have not been received by the Management Company prior to the end of the Business Day following the date of the public auction will be forfeited. The Management Company has the right to approve subscriptions acquired in the auction process for Preferred Units to ensure compliance with Article 11 of the Management Regulations, as well as to ensure that the payment in respect of the Preferred Units will be met.

The proceeds of the sale of the Preferential Subscription Rights at the public auction, after deduction of the expenses thereof, will be held by the Management Company on behalf of PEPR at the disposal of those Unitholders that have not exercised their respective Preferential Subscription Rights for a period of five years. Any balance not claimed will revert to PEPR.

Preferred Units Subscription Agreements will be duly signed by the Management Company on the Closing Date and each subscriber of Preferred Units.

For all subscription amounts received the Management Company on behalf of PEPR it will pay interest at the rate of 10.5% per annum from the date that the payment was due to be made; i.e. in case of investors exercising PSRs within the 30 day period the Business Day following the end of the 30 day period and in case of investors exercising PSRs purchased at the public auction the Business Day following the date of the public auction, until but excluding the day on which the Preferred Units will be issued.

In case of Preferential Subscription Rights that have been purchased at the public auction but that have not been exercised or for which the Management Company has not received payment of the subscription proceeds prior to the end of the Business Day following the date of the public auction the Management Company will cause PEPR to issue a number of Preferred Units to be sold at the Issue Price to Morgan Stanley

as Underwriter pursuant to the Underwriting Agreement that is equal to the number of Preferred Units that would have been issued had all Preferential Subscription Rights been exercised and the respective subscription price been paid. Morgan Stanley, as Underwriter, will subscribe and pay itself or procure another person to subscribe and pay for such number of Preferred Units.

However, there can be no assurance that Morgan Stanley will be successful in purchasing any Preferential Subscription Rights at the auction, or that, after costs, there will be any proceeds from such auction to be claimed by Unitholders that have not exercised their respective Preferential Subscription Rights.

Method and time limit for payment of the Issue Price and transfer of PSRs by investors that exercised their PSRs during the 30 day period

Unitholders wishing to exercise their PSRs during the 30 day period have to enter into a subscription agreement with the Management Company. Moreover, they have to pay the Issue Price by wire transfer of same-day funds on or prior to 17 December 2009 to an account that will be communicated to the holders of the PSRs at the beginning of the 30 day period. Investors that hold interests via the clearing systems of Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg and that wish to exercise their PSRs have to effect the exercise of their PSRs via such clearing system.

Unitholders that wish to transfer their PSRs have to enter into a transfer agreement with a transferee and inform the Registrar and Transfer Agent as well as the Management Company of the transfer of the PSRs and the details of the transferee during the 30 day period. Investors that hold interests via the clearing systems of Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg and that wish to transfer their PSRs have to effect the transfer of their PSRs via such clearing system. In both cases, a transferee that wishes to exercise its PSRs has to comply with the procedures set out in the preceding paragraph.

Method and time limit for payment of the Issue Price by investors that exercised their PSRs bought at the public auction

Investors wishing to exercise their PSRs bought at the public auction have to enter into a subscription agreement with the Management Company prior to the end of the Business Day following the public auction. Moreover, they have to pay the Issue Price by wire transfer of same-day funds at the end of the Business Day following the public auction to an account that will be communicated to the holders of such PSRs following the public auction.

Investors that wish to transfer the PSRs bought at the public auction have to enter into a transfer agreement with a transferee and inform the Registrar and Transfer Agent as well as the Management Company of the transfer of the PSRs and the details of the transferee prior to the end of the Business Day following the public auction. Investors that hold interests via the clearing systems of Euroclear Netherlands as well as Euroclear and/or Clearstream, Luxembourg and that wish to transfer their PSRs bought at the public auction have to effect the transfer of their PSRs via such clearing system. In both cases, a transferee that wishes to exercise its PSRs has to comply with the procedures set out in the preceding paragraph.

Method and time limit for payment of the subscription price by the Underwriter or sub-underwriter

In case of Preferential Subscription Rights that have been purchased at the public auction but that have not been exercised or for which the Management Company has not received payment of the subscription proceeds prior to the end of the Business Day following the date of the public auction the Management Company will cause PEPR to issue a number of Preferred Units to Morgan Stanley at a subscription price per Preferred Unit equal to the Issue Price (please refer to paragraph 9.4 of Part VII-“Additional Information” of this Prospectus for further details of the Underwriting Agreement and the sub-underwriting arrangements) that is equal to the number of Preferred Units that would have been issued had all Preferential Subscription Rights purchased at the public auction been exercised and the respective Issue Price for all exercised Preferential Subscription Rights been paid in due course. Morgan Stanley as Underwriter has to enter into a subscription agreement with the Management Company and pay itself for such number of Preferred Units until the end of the Business Day following the end of the subscription period for investors having acquired unexercised PSRs at the public auction or procure another person to enter into a subscription agreement with the Management Company and pay for such number of Preferred Units before the end of the Business Day following the end of the subscription period for investors having acquired unexercised PSRs at the public auction. ProLogis Cayman II Limited has agreed with Morgan Stanley to purchase any PSRs acquired by Morgan Stanley at the public auction and to exercise such PSRs and pay for the underlying Preferred Units within the time period described in the prior sentence.

Method and time limit for delivery of the Preferred Units

Delivery of the Preferred Units in The Netherlands is expected to take place on the Settlement Date through the book-entry facilities of Euroclear Netherlands in accordance with their normal settlement procedures applicable to equity securities. Delivery of the Preferred Units in Luxembourg is expected to take place on the Settlement Date through the book-entry facilities of Euroclear and/or Clearstream, Luxembourg in accordance with their normal settlement procedures applicable to equity securities. For further details of the applicable procedures concerning the settlement and clearing please refer to paragraph “3. Settlement and Clearing of Part V – Market Information relating to Euronext Amsterdam and Luxembourg Stock Exchange”.

Ordinary Unitholders directly registered in the register of Unitholders electing to subscribe for Preferred Units will be entitled to elect to receive delivery of their Preferred Units by being directly registered in the register of Unitholders and a certificate confirming their registration will be sent by the Management Company to the Unitholders.

Preferred Dividends

Holders of Preferred Units, in priority to holders of Ordinary Units, shall receive pro-rata out of Distributable Cash Flow a cumulative cash distribution per annum of 10.5 per cent. of the Issue Price (the “Preferred Return”) paid quarterly in arrears, computed on the basis of actual days elapsed in a 360 day year of twelve 30 day months (the “Preferred Dividend”). Within 45 days after 31 December 2009, initial distributions of Preferred Dividends will be calculated by multiplying the rate of Preferred Return by the Issue Price and the actual number of days elapsed from the date of issue of the Preferred Units until year end, divided by 360.

The Preferred Return will be increased by 1 per cent. from the date which is ten years after the initial issue date of the Preferred Units.

If a holder of Preferred Units voluntarily elects to convert its Preferred Units into Ordinary Units, and any applicable Preferred Dividends have (i) accrued in prior periods and remain unpaid, or (ii) have accrued since the applicable preceding payment date, the Management Company may, in its absolute discretion, elect to pay, at the time of conversion or thereafter, part or all of the outstanding Preferred Dividends to the holders of Preferred Units, provided there is sufficient Distributable Cash Flow available.

All Unitholders converting at the same time will be treated on a rateable basis.

Upon compulsory redemption at the initiative of the Management Company within 24 months of the date of issue of the Preferred Units due to a change in the legal form of PEPR and provided there is sufficient Distributable Cash Flow available, Preferred Units will be entitled to an additional special preferred distribution per Preferred Unit payable in cash equal to five per cent. of the Issue Price.

No distributions will be paid to holders of Ordinary Units unless all Preferred Dividends owed on any Preferred Units are fully paid.

Preferred Dividends are deferrable in accordance with the terms of the Management Regulations (i.e., whenever the Management Company deems it appropriate for purposes of the prudent amortisation of debt or where Distributable Cash Flow is insufficient). Deferred Preferred Dividends will accrue interest at the rate of Preferred Return. In the case of deferral, Preferred Dividends shall accumulate and accrue interest at the Preferred Return compounded quarterly.

See “Risk Factors – PEPR’s distributions, including the payment of Preferred Dividends, may be suspended indefinitely” and “– PEPR’s distributions, including the payment of Preferred Dividends, will depend on payments made to it by its subsidiaries and be subject to the decision of the Management Company”.

Offer Restrictions

The Preferred Units may only be offered (i) in the U.S. to persons reasonably believed to be Accredited Investors and/or QIBs and (ii) outside the U.S. to investors that are not U.S. Persons in offshore transactions pursuant to Regulation S. Initial purchasers of the Preferred Units will be required to make the representations and agreements set forth under Part IX – “Erisa, Transfer Restrictions, Eligible Investors And Certificates” of this Prospectus. A Preferred Unitholder may only sell, transfer, assign, pledge, or otherwise dispose of its Preferred Units and the Ordinary Units issuable upon conversion outside the U.S. to transferees that are not U.S. Persons pursuant to Regulation S.

Underwriting and Sub-underwriting

The Offer is underwritten subject to the terms and conditions of the Underwriting Agreement. Further details of the Underwriting Agreement and the sub-underwriting arrangements are set out in paragraph 9.4 of Part VII-“Additional Information” of this Prospectus.

Redemption

Preferred Units shall be issued for an unlimited period of time, but may be redeemed as follows at the option of the Management Company following delivery of a redemption notice to holders of Preferred Units:

- a) in whole on the last Business Day of 2016 or the last Business Day of any calendar quarter thereafter;
- b) in whole in the event of a change in legal form of PEPR within 24 months of the date of issue of the Preferred Units;
- c) in whole in the event of an increase of the rate of Preferred Return resulting from a deduction or withholding of tax imposed upon PEPR in respect of the payment of Preferred Dividends (i) arising as a result of a change in, or amendment to, Luxembourg tax law; which change or amendment becomes effective after the initial issue date of the Preferred Units; and (ii) which cannot be avoided by PEPR taking reasonable measures;
- d) in whole if PEPR ceases to be Controlled by ProLogis or a ProLogis Related Party; or
- e) in whole if ProLogis increases its ownership directly or indirectly to more than 50 per cent. of the Ordinary Units of PEPR,

provided that in relation to items d) and e) above, PEPR is also subject to a rating downgrade (a “rating downgrade” shall be deemed to have occurred in respect to any such event (a) if, within the period ending 120 days after the occurrence of either of the events referred to above, any rating previously assigned to PEPR by any rating agency is (i) withdrawn or (ii) changed from a rating better than Ba1 by Moody’s, or its equivalent for the time being, to a rating of Ba1 by Moody’s, or its equivalent for the time being, or worse or (iii) if the rating assigned to PEPR by any rating agency shall be Ba1 by Moody’s or its equivalent for the time being, or worse, lowered, one full rating notch (from Ba1 to Ba2 by Moody’s or such similar lower or equivalent rating) or (b) if at the time of such event, there is no rating assigned to the Issuer and no rating agency assigns during the 120 days period referred to above an investment grade credit rating to PEPR (unless PEPR is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of any of the events referred to above).

The redemption notice must be given by mail no less than 30 days and no more than 60 days prior to the date fixed for redemption and shall set forth the date of redemption. The Preferred Units cannot be redeemed if the NAV of the Preferred Units is less than the Issue Price plus any accrued and unpaid Preferred Dividends.

Notwithstanding the foregoing, Preferred Units cannot be redeemed unless (i) in the event of a redemption other than in relation to a change in the legal form of PEPR the aggregate redemption price is less than the net proceeds received by PEPR from an issue (completed within 180 days prior to the redemption) of Ordinary Units or other classes of Units ranking equal or junior to the Preferred Units; and (ii) in the event of a redemption in relation to a change in the legal form of PEPR the aggregate redemption price is less than the net proceeds received by PEPR from the issue (completed within 180 days prior to redemption) of Ordinary Units.

In the event of any redemption, the Preferred Units will be entitled to the allocation as set forth in Part II of the Schedule to the Management Regulations for allocation of Residual Value.

Conversion

Each Preferred Unitholder shall have the right at any time to convert its Preferred Units into Ordinary Units by sending a conversion notice to the Management Company at its registered address. The conversion ratio shall be one (1) Ordinary Unit for every Preferred Unit. Upon conversion of Preferred Units into Ordinary Units at the option of the holder of Preferred Units, the Management Company may, subject to availability of Distributable Cash Flow, in its absolute discretion, elect to pay the converting holder, at the time of conversion or thereafter, any Preferred Dividends that (i) have accrued and remain unpaid in prior periods or (ii) have accrued since the applicable preceding payment date.

Ordinary Units issued upon conversion of the Preferred Units will be fungible with existing Ordinary Units and entitled to all rights pertaining to such Ordinary Units. In the event of a winding-up or liquidation of PEPR, the right to convert Preferred Units will terminate at 17.00hrs Luxembourg time on the Business Day prior to the record date of the first payment of Residual Value. The record date in relation to such payment will be announced by the Management Company at least 14 days in advance.

In the event of a redemption of the Preferred Units at the initiative of the Management Company, the right to convert shall terminate on the seventh Business Day prior to the date set for redemption.

Preferred Units will automatically convert into Ordinary Units on the first date after the seventh anniversary of the date of first issue of the Preferred Units on which the arithmetic mean (calculated over 20 consecutive Business Days) of the opening trading prices of the Ordinary Units on Euronext Amsterdam or, if different, the primary stock exchange on which the Ordinary Units are listed, is above 130 per cent of the Issue Price of the Preferred Units, adjusted as appropriate in order to take into account any split or reverse split of Ordinary Units. If, on such date, there are any accrued and unpaid Preferred Dividends outstanding, automatic conversion will occur on the first later date on which there are no such accrued and unpaid distributions outstanding.

If a split or reverse split of Ordinary Units is effected, the conversion rate of Preferred Units into Ordinary Units will be adjusted accordingly. The Management Company will seek confirmation from the external auditor of PEPR on the accuracy of the adjustment of the conversion rate.

See “Risk Factors – The conversion ratio of the Preferred Units will not be adjusted for several potential dilutive events and the Management Regulations may be changed in a way that adversely affects the rights of Preferred Unitholders”.

Dealings

Application will be made for the Preferred Units to be admitted to listing and trading on Euronext Amsterdam and to listing on the Official List and trading on the regulated market of the Luxembourg Stock Exchange. It is expected that trading in the Preferred Units on Euronext Amsterdam will commence on or about 24 December 2009. The Settlement Date on which the delivery of the Preferred Units is scheduled to take place is expected to be on or about 24 December 2009.

Euronext Amsterdam N.V. does not accept any responsibility or liability for any loss or damage incurred by any Person as a result of the cancellation of any transactions by Euronext Amsterdam.

It is expected that trading of the Preferred Units on the Luxembourg Stock Exchange will commence on or about 24 December 2009.

Costs and Expenses of the Offer

The costs and expenses of the Offer (including commissions) will be borne by PEPR and are expected to be approximately €6.4 million.

Reasons for the Offer and Use of Proceeds

As previously indicated, the business environment in which PEPR operates has been deteriorating since 2007 and has been significantly impacted by the dislocation of the credit market in 2008, resulting in an overall lack of liquidity and declining property values in the regions in which PEPR operates.

In light of this situation, in mid-2008, the Management Company undertook a process of considering the alternatives open to PEPR to address its working capital needs.

The gross proceeds from the Offer will be €61,070,164. PEPR intends to use the net proceeds from the Offer (after underwriting fees and other offering expenses) in an amount of €54.7 million to repay a corresponding amount of debt under its CMBS facilities. Depending on its short-term liquidity management requirements, PEPR may instead use the net proceeds from the Offer to repay in part outstanding loans under its revolving credit facility and use future drawings under that credit facility to repay the CMBS debt. The CMBS debt to be repaid has a maturity of May 2010 and currently bears interest at the rate of between 3.58 per cent. and 4.61 per cent.

Dilution of voting rights and ownership

The issue of Preferred Units will not cause an immediate dilution. However, in case of a maximum conversion; i.e. if all Preferred Units were to be converted into Ordinary Units, the dilution would amount to 5.1 per cent. This results from the ratio that one Ordinary Unit entitles the holder to one Preferential Subscription

Right and that Preferential Subscription Rights may only be exercised in multiples of 37 in exchange for two Preferred Units.

PART VII – ADDITIONAL INFORMATION

1. Organisation and Units

PEPR was established in Luxembourg on 10 September 1999 as a closed-ended FCP. PEPR's office is c/o ProLogis Management S.à r.l., 34-38, Avenue de la Liberté, L-1930 Luxembourg, with the following telephone number: (+352) 26205740.

The Management Company is responsible for managing the assets of PEPR. Except as otherwise set out herein, where the Management Company or the Managers are referred to in this Prospectus as taking any action, it shall be understood as taking such action for and on behalf of PEPR. PEPR has the ability to issue Units in Classes or Series and Unitholders are bound by the Management Regulations as described in more detail below.

The base currency of PEPR is the Euro. The provisions of the Management Regulations which confer Preferential Subscription Rights upon the issue or sale of any Units are detailed below. The Units are created under Luxembourg law, are denominated in Euro and are in registered and definitive form. Units shall not be redeemable at the option of Unitholders. The Management Company has the power to redeem Units under the circumstances described in Article 12 of the Management Regulations.

2. Changes in Capitalisation of PEPR

The changes in the capitalisation of PEPR are shown in the table hereinafter:

| Equity movements | 31 December 2006 | 31 December 2007 | 30 September 2008 | 31 December 2008 | 30 September 2009 |
|-------------------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
| No. of Units..... | — | 188,687,510 | 190,522,441 | 190,522,441 | 190,522,441 |
| increase | — | 1,834,931 | — | — | — |
| Total No. of Units | 188,687,510 | 190,522,441 | 190,522,441 | 190,522,441 | 190,522,441 |
| in (1,000)..... | — | €1,883,571 | €1,911,810 | €1,911,810 | €1,911,810 |
| increase | — | €28,239 | — | — | — |
| Capital contributions..... | €1,883,571 | €1,911,810 | €1,911,810 | €1,911,810 | €1,911,810 |
| Costs of raising capital..... | €(37,721) | €(37,721) | €(37,721) | €(37,721) | €(37,721) |
| Net capital contributed..... | €1,845,850 | €1,874,089 | €1,874,089 | €1,874,089 | €1,874,089 |

3. Listing and Admission to Trading of the Units

The Ordinary Units have been admitted to listing and trading on Euronext Amsterdam since 27 September 2006 and have been admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the regulated market of the Luxembourg Stock Exchange since 13 October 1999. The Preferred Units will be admitted to listing on the Official List of the Luxembourg Stock Exchange and trading on the regulated market of the Luxembourg Stock Exchange on or about 24 December 2009 and admitted to listing and trading on Euronext Amsterdam on or about 24 December 2009.

4. Management Regulations

The rights and obligations of the Unitholders, the Management Company and the Custodian are determined by the Management Regulations, which are governed by Luxembourg law. Unitholders are bound by the terms of the Management Regulations which determine the contractual relationship among Unitholders, the Management Company and the Custodian.

The full text of the Management Regulations is set out in Part XI – “Management Regulations of PEPR” of this Prospectus and should be reviewed in full by investors. However, investors' attention is drawn in particular to the provisions summarised below. The Management Regulations have been deposited with the Luxembourg *Registre du Commerce et des Sociétés*.

4.1 Calculation of NAV

The NAV per Unit of each Class (or any Series thereof) is determined as at any Valuation Day by dividing (i) the net assets of PEPR attributable to each Class of Units (or any Series thereof), being the value of the portion of assets less the portion of liabilities attributable to such Class (or any Series thereof) on any such Valuation Day, by (ii) the number of Units in the relevant Class (or Series) then outstanding, in accordance with

the valuation rules set out in Article 9 of the Management Regulations, provided that the assets attributable to each Class of Units (or Series) shall be determined in accordance with the rules applicable to the distribution of Residual Value upon a winding-up of PEPR as set out in Article 20 of and Schedule to the Management Regulations.

The value of the assets and liabilities of PEPR (including, for the avoidance of doubt, investments made by PEPR in any ProLogis Private Equity Fund or any ProLogis Joint Venture) is determined in accordance with IFRS as adopted by the EU and Distribution Facilities owned by PEPR (directly or indirectly through subsidiaries other than the ProLogis Private Equity Funds and ProLogis Joint Ventures) are valued by the Independent Appraiser.

4.2 Issue of New Units and Pre-emption Rights

Article 8 of the Management Regulations sets out the rights of the Management Company to issue new Units and the terms upon which such Units will be issued. The Management Company may cause PEPR to issue new Units subject to the consent of the PEPR Board. An issue of new Units also requires prior approval by a vote of at least 50 per cent. of all Unitholders (except Preferred Unitholders) present or represented at the relevant general meeting of Unitholders, except that, in any fiscal year, PEPR may issue Units with an aggregate issue price of up to 10 per cent. of the total economic value of issued Units at the start of such fiscal year without the approval of Unitholders. Where new Units are issued, the existing holders of the same Class or Series thereof must be reserved the right to subscribe for new Units or Series of such Class or similar Classes on a preferential and rateable basis in accordance with the provisions contained in the Luxembourg Law of 10 August 1915 on Commercial Companies governing preferential subscription rights for shares issued by public companies, which shall be deemed to apply to PEPR, provided that (i) Unitholders may waive such preferential subscription rights in respect of all applicable Units by a vote of the holders of at least 50 per cent. of the Units present or represented at the relevant general meeting of Unitholders; and (ii) if such new Units are to be issued without the need for the approval of Unitholders because they fall within the 10 per cent. allowance for issuances in any fiscal year referred to above, then the Management Company may waive such pre-emption rights.

Even if preferential subscription rights are waived generally in relation to an issue of Ordinary Units, ProLogis and ProLogis Related Parties will have a preferential subscription right to subscribe for such number of Ordinary Units as is required to ensure that they do not breach the minimum ownership requirement described under “ProLogis Unitholding” below.

Where PEPR issues Units of an existing Class, the price per Unit at which such Units are issued will be the NAV per Unit of the first Series of the relevant Class as determined in accordance with the Management Regulations as of such Valuation Day as is determined in accordance with such policy as the Management Company may determine from time to time.

The price at which Units are issued may be increased by (i) a market premium (commission) charged for the benefit of PEPR based on the difference, if positive, between the economic value of each Unit of the same or similar Class to that being issued, as determined by the Management Company taking into account relevant market and financial factors, minus the NAV per Unit of such same or similar Class; and (ii) a placement fee of up to 5 per cent. charged to investors for the benefit of PEPR or placement agents, as determined by the Management Company, provided that if this placement fee is charged for the benefit of PEPR, then investors investing at the same time will be treated on an equal basis.

4.3 Distribution to Unitholders

Distributions to Unitholders are determined in accordance with Article 15 of the Management Regulations.

Distributions, as well as the amount of such distributions, are decided by the Management Company, provided that in no event shall any distributions be made which would result in the net assets of PEPR falling to below the minimum amount required under Luxembourg law, which as at the date of this Prospectus is €1,250,000.

Distributions of Distributable Cash Flow (substantially all of which will be distributed in respect of the Units, subject to any legal restrictions on distributions) will be made quarterly within 45 days following the end of the relevant quarter (or more frequently as the Management Company so determines, including in the case of accrued and unpaid returns on Preferred Units) in the following sequence:

- (i) Preferred Units will receive pro rata payment of amounts of accrued and unpaid preferred returns plus interest on any such accruals at the rate of preferred return specified in Part I of the Schedule to the Management Regulations;
- (ii) Preferred Units will receive pro rata payment of an amount in respect of each Preferred Unit, calculated to provide a return at the rate of preferred return specified in Part I of the Schedule to the Management Regulations on the average paid-up capital per Preferred Unit over the period from the preceding payment date;
- (iii) Preferred Units which are subordinated to Preferred Units in paragraphs (i) and (ii) above (if any) will then receive payment on the same basis as in paragraphs (i) and (ii) in the order of subordination; and
- (iv) all other Units will receive 100 per cent. of all remaining Distributable Cash Flow which the Management Company has decided should be distributed; provided, however, that at the time of issue of a new Class of Units, other than Preferred Units, the formula of distribution of Distributable Cash Flow amongst these Units shall be set out in an amendment to the Management Regulations.

The Management Company may withhold from distributions to any Unitholder amounts equal to any French 3 % real estate holding tax suffered by PEPR or a Relevant Entity in the circumstances described in Article 15 of the Management Regulations.

The Management Company has the ability to decide that the proceeds from (i) the sale of any asset in the Portfolio, including, without limitation, Distribution Facilities, or (ii) any refinancing of the Portfolio or any asset in the Portfolio will be either treated as Distributable Cash Flow (and distributed as described above) or held for investment and re-investment.

If not claimed by a Unitholder within five years following the decision of the Management Company to distribute dividends, the entitlement to such dividends shall lapse in favour of PEPR.

Allocation of Residual Value upon a winding up of PEPR is determined in accordance with Article 20.3 of the Management Regulations and shall be made in the following sequence:

In the event of winding-up of PEPR, allocation of Residual Value shall be made in the following sequence to Units issued by PEPR:

- (i) Preferred Units with the same ranking will receive pro rata payment of amounts of accrued and unpaid preferred returns plus interest on any such accruals at the appropriate rate specified in Part II of the Schedule to the Management Regulations;
- (ii) Preferred Units with the same ranking will receive payment of a preferred return on the issue price per Unit for the period from the preceding date on which Distributable Cash Flow was distributed at the rate specified in Part II of the Schedule to the Management Regulations;
- (iii) Preferred Units with the same ranking will receive a return of the issue price per Preferred Unit;
- (iv) Preferred Units which are subordinated to Preferred Units in paragraphs (i) to (iii) inclusive, above, will then receive payment on the same basis as in paragraphs (i) to (iii) inclusive above, in the order of subordination; and
- (v) all Units other than Preferred Units will receive a payment of Residual Value to each Unit pro rata to the number of outstanding Units, and Preferred Units shown in Part II of the Schedule to the Management Regulations to be eligible for allocation under this paragraph (v) will receive amounts calculated in accordance with Part II of the Schedule to the Management Regulations.

Residual Value not claimed by Unitholders on termination of a winding-up of PEPR are paid to the public trust office (*Caisse de Consignation*) to be held for the benefit of the persons entitled thereto.

4.4 Ownership Limitations

Article 11 of the Management Regulations details the restrictions on the ownership of Units. Any single Person who owns Ordinary Units in excess of the Ownership Limitation shall be prohibited from exercising voting rights in respect of those Excess Units, and accordingly, any purported votes of such Excess Units shall be disregarded and shall have no effect. The Ownership Limitation means, in relation to a single Person, 9.9 per cent. in number of the outstanding Ordinary Units or 50 per cent. in number of the outstanding Ordinary Units held in aggregate by five or fewer Persons, except that (i) the Ownership Limitation does not apply to ProLogis and ProLogis Related Parties; and (ii) the ownership limit applicable to Unitholders (other than ProLogis and ProLogis Related Parties) which hold more than 9.9 per cent. in number of the outstanding Ordinary Units immediately prior to the Offer, is 20 per cent. in number of the outstanding Ordinary Units. Any Excess Units will be

compulsorily transferred to the Excess Units Fiduciary in accordance with the Management Regulations and accordingly the voting rights in respect of such Excess Units shall be transferred to such Excess Units Fiduciary. In the case of Excess Units being held by several Persons, the creation of Excess Units will be determined pro rata among all such Persons.

Written notice must be given to PEPR immediately in the event that Excess Units result from any acquisition or transfer of Ordinary Units, and any Person owning Ordinary Units must provide PEPR with such information as PEPR may reasonably request in order to apply the ownership, voting and transfer restrictions set out in Article 11 of the Management Regulations.

The Management Company has the power to exempt a Person from the Ownership Limitation if the Management Company obtains such representations and undertakings from such Person as the Management Company may deem appropriate.

The Excess Units Fiduciary holds Excess Units for the exclusive benefit of the relevant Unitholder(s) and has the power to determine whether and in what manner to vote or decline to vote the Excess Units without reference to or the direction of the Unitholder. All distributions and proceeds of the redemption of Excess Units will be held for the benefit of the relevant Unitholder(s) and the Excess Units Fiduciary will account to it for such payments. The proceeds of any sale or transfer of the Excess Units will be remitted to the relevant Unitholder(s).

The Ownership Limitations, and general transfer restrictions other than transfer restrictions related to French 3 % real estate holding tax and certain other prohibited Unitholders, as described under the heading “Prohibited Unitholder Transfer Restriction” below, shall not apply if any Person has offered to all holders of all Classes of Ordinary Units the acquisition of their Ordinary Units at a price set out in the offer and Unitholders holding more than 95 per cent. of all such Ordinary Units, excluding Ordinary Units held by ProLogis or any ProLogis Related Party, have accepted such offer.

4.5 ProLogis Unitholding

The Management Regulations provide that ProLogis will directly or indirectly, through one or more entities each of which shall be a ProLogis Related Party, maintain an aggregate ownership at or above 12.5 per cent. of the issued Ordinary Units until 30 June 2008 and no less than 10 per cent. of the Ordinary Units in issue thereafter. ProLogis and ProLogis Related Parties may not sell, transfer or dispose of Ordinary Units if as a result it would cause a breach of this ownership requirement. The Management Company will provide quarterly reports to Unitholders describing any transfers of Ordinary Units by ProLogis or any ProLogis Related Party (other than to ProLogis or any ProLogis Related Party) which have occurred during such quarter, and the Management Company will confirm in such reports that ProLogis has complied with the ownership requirements.

Failure to comply with this ownership requirement will result in the base management fee which would otherwise be payable to the Management Company ceasing to accrue or be payable in respect of the period in which the breach of the ownership requirement occurred and in any period it may continue, and Ordinary Unitholders shall have the right to terminate the Management Company with the approval of a vote passed by a simple majority of Ordinary Units at any time during which such a breach continues (unless such failure occurs by reason of any event other than a sale, transfer or disposal by ProLogis or a ProLogis Related Party, in which case Ordinary Unitholders will only have the right to terminate the Management Company but no other remedy or claim for loss will apply).

4.6 Prohibited Unitholder Transfer Restriction

PEPR shall be entitled not to register the transfer of Units if it reasonably determines that an entity which owns or owned such Units, directly or indirectly, is (i) a Non-Exempt Unitholder, and PEPR or any Relevant Entity may be liable to pay any French 3 % real estate holding tax as a result of such ownership and there are no reasonably satisfactory alternative arrangements for the payment of such French 3 per cent. real estate holding tax by the relevant Non-Exempt Unitholder; (ii) an ERISA Investor or (iii) a U.S. Person purchasing Units from another Unitholder (each, a “**Prohibited Unitholder**”).

The Management Company shall adopt such measures as are reasonably practicable in order to avoid the acquisition of Units by Prohibited Unitholders.

The Management Company will take reasonably practicable steps (having regard to the nature of PEPR as a publicly traded vehicle) in accordance with its powers under the Management Regulations to (i) monitor whether Units are owned, directly or indirectly, by Prohibited Unitholders, and (ii) prevent such Prohibited Unitholders

from owning Units, and to the extent that PEPR or a Relevant Entity has suffered French 3 % real estate holding tax as a result of Non-Exempt Unitholders owning Units (directly or indirectly), will use reasonable efforts to recover such tax from the relevant Non-Exempt Unitholders (which may include withholding amounts from distributions with respect to Units owned directly or indirectly by such Non-Exempt Unitholders).

4.7 Compulsory Transfers and Redemptions

Units are not redeemable at the option of Unitholders.

PEPR may redeem or compulsorily transfer Units in the following circumstances:

- (i) if the continued participation of a Unitholder is likely to cause PEPR or the Management Company to violate any material law, regulation, or interpretation or would result in PEPR, the Management Company or any Unitholder suffering material taxation, economic or other disadvantages which they would not have suffered had such person not been or ceased to be a Unitholder;
- (ii) if such Unitholder has materially violated any provision of the Management Regulations, (including the Ownership Limitations referred to above or any other restrictions on ownership of Units);
- (iii) if the Units were acquired or are being held, directly or indirectly, by or for the account or benefit of any person in violation of the provisions of the Management Regulations or the transfer restrictions set forth in the relevant prospectus or offering document;
- (iv) if in the opinion of the Management Company (a) such redemption would be appropriate to protect PEPR from registration of the Units under the Securities Act, or from registration of PEPR under the Investment Company Act; or (b) the holding of such Units would cause material regulatory or tax or other fiscal disadvantage to PEPR;
- (v) if the Units were acquired or are being held by or for the account of any employee benefit plan subject to Title I of ERISA or Section 4975 of the Code; and
- (vi) such other circumstances as the Management Company may determine, where continued ownership would be materially prejudicial to the interests of PEPR or the Unitholders.

The amount payable on such redemption of Units is the NAV of the Units of the relevant Class (or Series thereof) on the most recent Valuation Day prior to redemption. Such amount is payable without interest as soon as practicable (having regard to the liquidity of the Portfolio and the interest of Unitholders) after the effective date of the redemption and may be paid in cash or, subject to the approval of each relevant individual Unitholder, marketable securities.

Costs associated with redemption or a compulsory transfer may, if the Management Company so decides, be charged to the relevant Unitholder and such costs shall be deducted from the redemption or transfer proceeds payable to the Unitholder where the Management Company has exercised its power to redeem or compulsorily transfer Units pursuant to paragraphs (ii) or (iii), above.

The amount payable on a compulsory transfer will be the lesser of NAV or the best price reasonably obtainable from any other person as determined by the Management Company at its reasonable discretion.

4.8 Voting Rights

Each Ordinary Unitholder present in person or represented by written proxy at a general meeting of Ordinary Unitholders and having a right to vote under the Management Regulations shall have one vote for each Ordinary Unit held, subject to the provisions in respect of Excess Units detailed above. Fractional Units shall have no rights to vote. Ordinary Units are entitled to vote in respect of the approval or removal of the Independent Board Members, the issuance of new Units where the Ordinary Unitholders' consent is required pursuant to Article 8 of the Management Regulations, the approval of any change to the Management Regulations where such consent is required in accordance with Article 16 of the Management Regulations, the termination of the Management Company in accordance with Article 17 of the Management Regulations, the appointment of the independent auditor, the approval of the previous fiscal year's financial accounts and in respect of a change of legal form and liquidation of PEPR.

PEPR's major Ordinary Unitholders do not have different voting rights. The Preferred Unitholders will not have any voting rights except for any decision relating to the change of the legal form of PEPR. Any change to the Management Regulations which only impacts Preferred Units shall be subject to vote by a simple majority of Preferred Units. The quorum shall be 50 per cent of all Preferred Units. If such a quorum is not reached, a

second meeting shall automatically be held on the day falling 14 days after the date of such inquorate meeting (provided that day is a Business Day in Luxembourg, and if that is not the case, it shall be held on the first Business Day following thereafter) and such meeting shall not be subject to quorum requirements.

4.9 Meetings of Unitholders

Article 18 of the Management Regulations sets out in detail the provisions regarding general meetings of Unitholders. The general meeting of Unitholders shall be convened by the Management Company. Except for a meeting called to consider a change of legal form of PEPR (which may only be convened by the Management Company) or a resolution to remove the Management Company without cause (which may only be convened at the initiative of a simple majority of Independent Board Members following a simple majority of Independent Board Members having voted to terminate the Management Company's appointment or by the Management Company), general meetings may also be convened upon the request of (i) Unitholders representing at least one-fifth of the Units in issue, provided that any Units which are not entitled to vote on any point on the agenda for such meeting shall be disregarded or (ii) in relation to Class specific meetings of Unitholders, Unitholders representing at least one-fifth of the Units of the relevant Class. Notice of any meeting of Unitholders will be sent by the Management Company to the Unitholders at their registered address not less than 21 days prior to the date of the meeting. Unitholders may participate in any meeting in person or by written proxy. Except as noted below, a quorum at any general meeting shall be Unitholders, present or represented holding at least 50 per cent. of the Units outstanding on the date of the meeting, provided that Classes of Preferred Units, if any, shall be disregarded in order to determine whether the meeting is quorate to the extent such Units are not entitled to vote. For Class specific meetings, the quorum is 50 per cent. of all Units of the relevant Class, unless otherwise stated in the Management Regulations. If a quorum is not present at a general meeting, such meeting will be dissolved and a second general meeting will automatically be held on the day falling 14 days after the date of the inquorate meeting (or, if that day is not a Business Day in Luxembourg, on the first Business Day falling thereafter), and no quorum requirements shall apply to such second meeting. No quorum is required where the meeting has been convened to vote on a resolution related to the change of legal form of PEPR, the election of Independent Board Members, the issue of Units, the appointment of independent auditors or to approve PEPR's financial accounts for the previous fiscal year.

The Management Company shall be responsible for ensuring that the resolutions adopted at general meetings of Unitholders are implemented.

4.10 Amendments to the Management Regulations

The Management Company may amend the Management Regulations in the interest of Unitholders with the prior approval of the PEPR Board and the consent of the Custodian but, for the avoidance of doubt, without the consent of Unitholders, provided that such amendment:

- (i) relates to the issuance of new Units subject to compliance with the 10 per cent. threshold of the aggregate issue price of Units issued in a fiscal year in accordance with Article 8 of the Management Regulations;
- (ii) relates to the increase of the percentage of the Ownership Limitation; or
- (iii) would be necessary (a) in order to comply with fiscal or other statutory or official requirements affecting PEPR, or as otherwise specifically provided for in the Management Regulations, (b) in order to reflect a change of custodian or other service provider to PEPR or (c) in order to cure any ambiguity or to correct or supplement any internal inconsistencies in the Management Regulations,

provided that in the case of amendments made under (i) and (ii) the change would not, in the judgement of the Management Company, to any material extent, release any person from any liability or duty to Unitholders, disproportionately alter the interest of a Unitholder in relation to distributions of Distributable Cash Flow or Residual Value or increase the costs and charges payable by PEPR.

Where practicable, Unitholders will be given 15 Business Days' notice of all amendments that are adopted without their consent.

In any other circumstances, the prior approval of the PEPR Board and an affirmative vote of 67 per cent. of all Units, other than Preferred Units, is required for any amendment to the Management Regulations. No such amendment will become effective without the consent of the Custodian to the change.

4.11 Liability of the Management Company, the PEPR Board and the Custodian

Subject to the provisions of Articles 15, 19 and 20 of the Law of 2002, in performing its functions under the

Management Regulations, the Management Company shall act with due diligence and in good faith in the best interests of the Unitholders, and the Custodian shall use reasonable care in the exercise of its functions. The Management Company and the Custodian and their respective managers, directors, officers, employees, partners and agents (including any correspondent) and the PEPR Board as a body or any Board Member shall not be liable for any error of judgement or mistake of law, for any loss suffered by PEPR or for any actions taken or omitted to be taken in connection with the matters to which the Management Regulations relate, except for, in the case of each considered individually, any loss resulting from (i) in the case of the Management Company or the Custodian, the non-fulfilment or improper fulfilment of the Management Company's or the Custodian's obligations under Luxembourg law; and (ii) in the case of the PEPR Board as a body or any Board Member, gross negligence, wilful misconduct or fraud in the exercise of its functions. Certain matters relating to indemnification are set out at Article 21 of the Management Regulations.

Under Article 23 of the Management Regulations, any claim arising between the Unitholders, the Management Company, ProLogis, any ProLogis Related Party and the Custodian shall be settled according to Luxembourg law and subject to the jurisdiction of the District Court of Luxembourg, provided that the Management Company and the Custodian may subject themselves and PEPR to the jurisdiction of courts of the countries in which the Units are offered or sold, with respect to claims by investors resident in such countries and, with respect to matters relating to subscriptions, redemptions and conversions by Unitholders resident in such countries, to the laws of such countries.

5. Disclosure of Interests

5.1 Managers' Interests

None of the Managers have any convictions in relation to fraudulent offences during the past five years. None of the Managers have been the subject of any official public incrimination or sanction by statutory or regulatory authorities (including designated professional bodies) during the past five years, and none of the Managers have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer during the past five years.

Within the past five years, none of the Managers have been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of an administrative, management or supervisory body or a senior manager.

With the exception of the Chief Executive Officer of PEPR who holds 7,100 Units and Gerrit Jan Meerkerk, a Manager who holds 900 Units in PEPR, none of the Managers nor any Person connected with the Managers have an interest in any Units. Both, Peter Cassells and Gerrit Jan Meerkerk intend to exercise their preferential subscription rights. For further details of the compensation and incentivisation which will be provided to the Chief Executive Officer of the Management Company, see Part IV—"Management of PEPR" of this Prospectus.

There are no outstanding loans granted by PEPR to any Manager, nor are there any guarantees provided by PEPR for the benefit of any Manager.

Over the five years preceding the date of this Prospectus, the Managers have held the following directorships, managerial positions (apart from their role as Managers of PEPR) and/or partnerships:

| Name | Current | Previous |
|-------------------|--|--|
| Simon Nelson..... | ProLogis France XXXVI Eurl ProLogis France XXXVII Eurl ProLogis France XXXIV Eurl SCI ProLogis Copernic SCI ProLogis Plessis Pate ProLogis France XXXV Eurl ProLogis France XXXIII Eurl ProLogis France XXXI Eurl ProLogis France XXXVIII Eurl ProLogis France XXIX Eurl ProLogis France XL Eurl ProLogis France XXVIII Eurl ProLogis Sofinvest S.à r.l. ProLogis France XXX Eurl ProLogis Angeloir S.à r.l. | Harbor Park Inगतlanfejlesztő Kft Wingprojekt 2 Kft Mobilporfolio Kft |

ProLogis France L Eurl
ProLogis France XLVIII Eurl
ProLogis France XLVII Eurl
ProLogis France XLIII Eurl
ProLogis France XLVI Eurl
ProLogis France XLV Eurl
ProLogis France XLII Eurl
ProLogis France XXXIX Eurl
ProLogis Artoilog S.à r.l.
ProLogis France XLI Eurl
SCI ProLogis Crepy Paris Nord
SCI ProLogis Croisee des Autoroutes Lorraines
SCI ProLogis du Carrefour de l'Europe
ProLogis Management Services Eurl
ProLogis France III Eurl
ProLogis France XII Eurl
ProLogis France VIII Eurl
ProLogis France VI Eurl
ProLogis France V Eurl
SCI ProLogis d'Ormes
ProLogis France XV Eurl
ProLogis France VII Eurl
ProLogis France II Eurl
ProLogis France I Eurl
ProLogis France LXXV Eurl
ProLogis France IX Eurl
ProLogis France XXII Eurl
ProLogis France XXV Eurl
ProLogis Bre Francilienne Compans S.à r.l.
ProLogis France LI Eurl
SNC ProLogis Aulnay Extension Ouest
ProLogis Management S.à r.l.
ProLogis France XIII Eurl
ProLogis France XXIII Eurl
ProLogis France XIV Eurl
ProLogis France XXI Eurl
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ProLogis France XXIV Eurl
ProLogis France LXXXVII Eurl
ProLogis France XCVIII Eurl
ProLogis Finance III Eurl
ProLogis France XCII Eurl
ProLogis France XCIII Eurl
ProLogis France XCIV Eurl
ProLogis France XCV Eurl
ProLogis France XCVI Eurl
ProLogis Bre Francilienne S.à r.l.
ProLogis France LXXXVI Eurl
ProLogis France CIV Eurl
ProLogis France LXXXVIII Eurl
ProLogis France LXXXIX Eurl
ProLogis France XC Eurl
ProLogis France XCI Eurl
ProLogis France XCIX Eurl
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ProLogis France CI Eurl
ProLogis France LXXXV Eurl
ProLogis France LXXXVII Eurl
ProLogis France LXVI Eurl
ProLogis France LXVII Eurl
ProLogis France LXX Eurl
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ProLogis France LXXII Eurl
ProLogis France LXXIII Eurl
ProLogis Finance II Eurl
ProLogis Management II S.à r.l
ProLogis Finance Eurl
ProLogis France XCVII Eurl

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| ProLogis France LXXIX Eurl | |
| ProLogis France LXXX Eurl | |
| ProLogis France LXXXI Eurl | |
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| ProLogis France LXXXIV Eurl | |
| ProLogis France CII Eurl | |
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| ProLogis France LXVIII Eurl | |
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| ProLogis France LXIX Eurl | |
| ProLogis France LV Eurl | |
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| ProLogis France LIII Eurl | |
| ProLogis France LII Eurl | |
| ProLogis Bre Orbium S.à r.l. | |
| ProLogis Bre Francilienne 2 S.à r.l. | |
| ProLogis France LVIII Eurl | |
| ProLogis France CXIII Eurl | |
| ProLogis France XLIV Eurl | |
| ProLogis Finance V SAS | |
| ProLogis France CXV Eurl | |
| ProLogis France CX Eurl | |
| ProLogis France LXII Eurl | |
| ProLogis France CXII Eurl | |
| ProLogis France CIX Eurl | |
| ProLogis France CXIV Eurl | |
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| ProLogis France CVIII Eurl | |
| ProLogis France CXVI Eurl | |
| ProLogis France CV Eurl | |
| ProLogis France CVI Eurl | |
| ProLogis France CXX Eurl | |
| ProLogis France CXIX Eurl | |
| ProLogis France CXVIII Eurl | |
| ProLogis France CXVII Eurl | |
| ProLogis UK Holdings S.A. | |
| Peter Cassells ProLogis France CIII Eurl | |
| ProLogis France CVI Eurl | |
| ProLogis France LX Eurl | |
| ProLogis France LXI Eurl | |
| ProLogis France LXII Eurl | |
| ProLogis International Funding S.A. | |
| ProLogis France LXVIII Eurl | |
| ProLogis Spain XXX S.L. | |
| ProLogis Spain XXIX S.L. | |
| ProLogis Spain XXVIII S.L. | |
| ProLogis Spain XXVII S.L. | |
| ProLogis Spain XXVI S.L. | |
| ProLogis France CIX Eurl | |
| ProLogis France CVIII Eurl | |
| ProLogis Finance IV Eurl | |
| ProLogis France CV Eurl | |
| ProLogis France LVIII Eurl | |
| ProLogis France CXX Eurl | |
| ProLogis France CXIX Eurl | |
| ProLogis Korean Developments BVBA | |
| ProLogis Korean Developments S.à r.l. | |
| ProLogis France XXVII Eurl | |
| SNC Melun 7 | |
| ProLogis France IV Eurl | |
| Garonor SAS | |
| ProLogis France X Eurl | |
| ProLogis France XI Eurl | |
| ProLogis France XVI Eurl | |
| SNC Garonor Le Havre | |
| Imlog S.R.L. | |
| ProLogis France XXXII Eurl | |
| SCI de Magasins Generaux de Vitrolles | |
| SCI Ile de France | |
| Cryologistic Investments S.à r.l. | |
| Lima (Bradford) S.à r.l. | |
| ProLogis Management II S.à r.l. | |
| ProLogis European Holdings X S.à r.l. | |
| ProLogis European Holdings XI S.à r.l. | |

ProLogis France CXVIII Eurl
ProLogis France CXVII Eurl
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ProLogis France CXIII Eurl
ProLogis France CXII Eurl
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ProLogis France CXV Eurl
ProLogis France LI Eurl
ProLogis France CVII Eurl
ProLogis Italy VI 3 S.R.L.
ProLogis Bre Francilienne Compans S.à r.l.
ProLogis Bre Francilienne S.à r.l.
ProLogis Bre Francilienne 2 S.à r.l.
ProLogis Bre Orbium S.à r.l.
ProLogis Spain XV S.L.
ProLogis France XCVI Eurl
ProLogis Italy XXIII S.R.L.
Crux Immobiliare S.R.L.
ProLogis Singapore Investments Inc.

TCL Holdings S.A.
ProLogis Italy XXV S.R.L.
ProLogis Italy VI 1 S.R.L.
ProLogis France LIX Eurl
ProLogis Italy VI 4 S.R.L.
ProLogis France LII Eurl
ProLogis France LIII Eurl
ProLogis France LIV Eurl
ProLogis Italy XX S.R.L.
ProLogis Italy XXI S.R.L.
ProLogis Italy XXII S.R.L.
ProLogis CHESNES NORD
ProLogis France LV Eurl
ProLogis France LVI Eurl
ProLogis France LVII Eurl
ProLogis France XLIV Eurl

ProLogis Management Services S.à r.l
ProLogis France LXXIX Eurl
ProLogis France LXXX Eurl
ProLogis France LXXXI Eurl
ProLogis Spain Solar S.L.
ProLogis France LXXXII Eurl
ProLogis France LXXXIII Eurl
ProLogis France LXXXIV Eurl
Astra S.R.L.
ProLogis France CIV Eurl
CP Developments Limited
ProLogis Italy XXIX S.R.L
ProLogis Spain XXV (P) S.L.

ProLogis Finance V SAS
ProLogis France XCVII Eurl
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ProLogis France XCVIII Eurl
ProLogis Finance III Eurl

ProLogis France XCII Eurl
ProLogis France XCIII Eurl
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ProLogis Spain XXIII S.L.
ProLogis Spain XXII S.L.
ProLogis Spain XXI S.L.
ProLogis Italy XXVIII S.R.L.
ProLogis Italy XXVII S.R.L.
ProLogis Italy XXVI S.R.L.
ProLogis Spain XX S.L.

ProLogis European Holdings
XII S.à r.l.
ProLogis European Finance
XI S.à r.l.
ProLogis European Finance
XII S.à r.l.
ProLogis Belgium I BVBA
ProLogis Belgium II BVBA
ProLogis Belgium III BVBA
ProLogis Belgium V BVBA
ProLogis Belgium VI BVBA
ProLogis Belgium VII BVBA
ProLogis Belgium VIII BVBA
ProLogis Belgium IX BVBA
ProLogis Belgium X BVBA
ProLogis Belgium XI BVBA
ProLogis Belgium XII BVBA
ProLogis Czech Republic II Sro
ProLogis Czech Republic III Sro
ProLogis Czech Republic IV Sro
ProLogis Czech Republic IX Sro
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ProLogis Poland L Sp. z o.o.
ProLogis Poland LI Sp. z o.o.
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ProLogis Poland XI Sp. z o.o.
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ProLogis Poland XIX Sp. z o.o.
ProLogis Poland XL Sp. z o.o.

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 ProLogis Finance II Eurl

 ProLogis France LXXV Eurl

 ProLogis Spain XIV S.L.
 ProLogis France LXXXVI Eurl

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 ProLogis Spain IX S.L.

 ProLogis Spain X S.L.
 ProLogis Spain XI S.L.

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 ProLogis Italy Ia S.R.L.
 ProLogis Italy Ib S.R.L.

 ProLogis Italy Ic S.R.L.

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 ProLogis France XXVIII Eurl
 ProLogis France IX Eurl

 ProLogis France III Eurl

 ProLogis UK Holdings S.A.

 ProLogis Spain XVI S.L.
 ProLogis France VII Eurl
 ProLogis France L Eurl
 ProLogis France II Eurl
 ProLogis Italy VI 2 S.R.L.
 ProLogis Italy VII S.R.L.

ProLogis Poland XLI Sp. z o.o.
 ProLogis Poland XLII Sp. z o.o.
 ProLogis Poland XLIV Sp. z o.o.
 ProLogis Poland XLIX Sp. z o.o.
 ProLogis Poland XLV Sp. z o.o.
 ProLogis Poland XLVI Sp. z o.o.
 ProLogis Poland XLVII Sp. z o.o.
 ProLogis Poland XLVIII Sp. z o.o.
 ProLogis Poland XV Sp. z o.o.
 ProLogis Poland XVI Sp. z o.o.
 ProLogis Poland XVII Sp. z o.o.
 ProLogis Poland XVIII Sp. z o.o.
 ProLogis Poland XX Sp. z o.o.
 ProLogis Poland XXI Sp. z o.o.
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 ProLogis Poland XXV Sp. z o.o.
 ProLogis Poland XXVI Sp. z o.o.
 ProLogis Poland XXVII Sp. z o.o.
 ProLogis Poland XXVIII Sp. z o.o.
 ProLogis Poland XXX Sp. z o.o.
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 ProLogis Poland XXXII Sp. z o.o.
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 ProLogis Poland XXXVI Sp. z o.o.
 ProLogis Poland XXXVII Sp. z o.o.
 ProLogis Poland XXXVIII Sp. z o.o.
 ProLogis Poland LXXXV Sp. z o.o.
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 ProLogis Poland LXXXI Sp. z o.o.
 ProLogis Poland LXXXII Sp. z o.o.
 ProLogis Poland LXXXIII Sp. z o.o.
 ProLogis Poland LXXXIV Sp. z o.o.
 ProLogis Poland LXXXV S.à r.l.
 ProLogis Poland LXXXVI Sp. z o.o.
 ProLogis Poland LXXXVIII Sp. z o.o.
 ProLogis Poland LXXXIX Sp. z o.o.
 ProLogis Poland XC Sp. z o.o.
 ProLogis Poland XCI Sp. z o.o.
 ProLogis Poland XCII Sp. z o.o.
 ProLogis Poland XCIII Sp. z o.o.
 ProLogis Poland XCIV Sp. z o.o.
 PDC Wroclaw II Sp. z o.o.

ProLogis Sofinvest S.à r.l.
 ProLogis France XXIV Eurl
 ProLogis France XII Eurl
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 ProLogis France XXIII Eurl
 ProLogis Italy II S.R.L.
 ProLogis Management S.à r.l.
 ProLogis Spain I S.L.
 ProLogis Spain II S.L.
 ProLogis Spain Management S.L.

 ProLogis Spain III S.L.
 ProLogis Spain IV S.L.
 ProLogis Spain V S.L.
 ProLogis Spain VI S.L.
 ProLogis Spain VII S.L.

 SNC ProLogis Aulnay Extension Ouest
 ProLogis Spain VIII S.L.
 ProLogis France XXII Eurl
 ProLogis Spain XIII S.L.
 ProLogis Italy VIII S.R.L.

 ProLogis Italy VIIb S.R.L.

 ProLogis Spain XII S.L.
 ProLogis Management Services Eurl

 ProLogis France XLV Eurl

 ProLogis France XLVI Eurl

 ProLogis France XLIII Eurl

 ProLogis Spain Management II S.L.
 ProLogis Italy IXa S.R.L.

 ProLogis Italy X S.R.L.

 ProLogis Italy XI S.R.L.

 ProLogis European Finance VII S.à r.l.

 ProLogis Italy XIII S.R.L.
 ProLogis France XLII Eurl
 ProLogis Central European Finance S.L.
 ProLogis France XLVIII Eurl
 ProLogis France XLIX Eurl
 ProLogis Italy XIV S.R.L.
 ProLogis Italy XV S.R.L.
 ProLogis Italy XVI S.R.L.
 ProLogis France Developments Inc.
 ProLogis France I Eurl
 ProLogis
 PLD International Inc.
 ProLogis Russia Incorporated
 ProLogis Russia Finance Incorporated
 ProLogis Italy XII S.R.L.
 ProLogis France XXXVI Eurl
 ProLogis France XXIX Eurl
 ProLogis France XXX Eurl
 ProLogis France XXXI Eurl
 ProLogis European Finance VI S.à r.l.

PDC Strykow Sp. z o.o.
 PDC Warsaw Sp z oo
 PDC Wroclaw Sp z oo
 PDC Poznan Sp. z o.o.
 ProLogis Poland XCIX (P) Sp. z o.o.
 PDC Piotrkow Sp. z o.o.
 ProLogis Poland CIII Sp. z o.o.
 ProLogis Joita Romania SrL
 ProLogis RO Two (P) SrL
 ProLogis RO Three SrL
 ProLogis RO Four SrL
 ProLogis Sweden Gothenburg AB
 ProLogis Sweden I AB
 ProLogis Sweden Norrkoping AB
 ProLogis Sweden Orebro AB
 ProLogis Sweden Holding AB
 ProLogis Sweden Gothenburg II AB
 ProLogis Sweden Haninge AB
 ProLogis Sweden II AB
 ProLogis Sweden III AB
 ProLogis Sweden Sigtuna I AB
 ProLogis Sweden Gothenburg IV AB
 ProLogis Sweden IV AB
 ProLogis Sweden V AB
 ProLogis Slovak Republic I s.r.o.
 ProLogis Slovak Republic II s.r.o.
 ProLogis Slovak Republic III s.r.o.
 ProLogis Slovak Republic IV s.r.o.
 ProLogis Slovak Republic V s.r.o.
 ProLogis Slovak Republic VI s.r.o.
 ProLogis Slovak Republic VII s.r.o.
 ProLogis Slovak Republic VIII s.r.o.
 ProLogis Slovak Republic IX s.r.o.
 ProLogis Slovak Republic X s.r.o.
 ProLogis Slovak Republic XI s.r.o.
 ProLogis Slovak Republic XIII(P) s.r.o.
 ProLogis Slovak Republic XIV(P) s.r.o.
 ProLogis Slovak Republic XV(P) s.r.o.
 ProLogis Deutschland GmbH
 ProLogis Verwaltung GmbH
 ProLogis Management Limited
 TCL Holding AB
 TCL S.à r.l.
 ProLogis Japan SG Holding BV
 ProLogis Korea SG Holding BV

ProLogis European Holdings VI S.à r.l.
ProLogis France XXXIII Eurl
ProLogis France XXXIV Eurl
ProLogis France XXXV Eurl
SCI ProLogis Plessis Pate
SCI ProLogis Le Parc
ProLogis Italy VIa S.R.L.
SCI ProLogis Copernic
SCI ProLogis Crepy Paris Nord
ProLogis Angeloir S.à r.l.
ProLogis Artoilog S.à r.l.
ProLogis Directorship S.à r.l.
ProLogis Italy IX S.R.L.
SCI ProLogis Plessis Pate 2
ProLogis France XL Eurl
SCI ProLogis Croisee des Autoroutes Lorraines
SCI ProLogis du Carrefour de l'Europe
ProLogis France XXXIX Eurl
ProLogis France XXXVIII Eurl
ProLogis France XXXVII Eurl
ProLogis France XLI Eurl

ProLogis Singapore Holding PTE Ltd
ProLogis Singapore Management PTE Ltd
ProLogis Singapore 1 PTE Ltd
ProLogis Mauritius Limited
Cadobah SCI

Gerrit Jan Meerkerk ... ProLogis Belgium Management B.v.b.a.
ProLogis Deutschland GmbH
ProLogis European Holdings XI S.à r.l.
ProLogis Management II S.à r.l.
ProLogis Management Services S.à r.l.

ProLogis Belgium Finance B.V.
ProLogis Italy II B.V.
ProLogis Italy B.V.
PLD UK Finance B.V.
ProLogis Pan-European
Funding B.V.

ProLogis Sweden Gothenburg IV AB
ProLogis Germany Services GmbH
ProLogis Germany 2 GmbH
ProLogis Sweden Gothenburg AB
ProLogis Sweden Sigtuna I AB
ProLogis European Finance XII S.à r.l.
ProLogis Sweden II AB
ProLogis Sweden Haninge AB
ProLogis European Developments B.V.
ProLogis Management Cologne Park GmbH
ProLogis International Funding S.A.
ProLogis Sweden Gothenburg II AB
ProLogis Directorship II B.V.
ProLogis Sweden IV AB
ProLogis AT Management GmbH
ProLogis Belgium XV BVBA
ProLogis Belgium XIV BVBA
ProLogis Belgium XIII BVBA
ProLogis AT Two GmbH
ProLogis AT One GmbH
ProLogis Sweden Holding II AB
ProLogis European Finance XI S.à r.l.
ProLogis Sweden V AB
ProLogis European Holdings XII S.à r.l.
ProLogis Belgium XII B.v.b.a.
ProLogis Belgium XI B.v.b.a.
ProLogis Belgium X B.v.b.a.
ProLogis Japan SG Holding II B.V.
ProLogis European Holdings X S.à r.l.
ProLogis Sweden III AB
ProLogis Sweden Management AB
ProLogis Germany 1 GmbH
ProLogis Developments B.V.
ProLogis Management S.à r.l.
ProLogis Germany Management GmbH
ProLogis European Holdings VI S.à r.l.
ProLogis B.V.

ProLogis Finance B.V.
 ProLogis Belgium III B.v.b.a.
 ProLogis Belgium II B.v.b.a.
 ProLogis Belgium I B.v.b.a.
 ProLogis UK Holdings S.A.
 ProLogis Verwaltung GmbH
 ProLogis Singapore Investments Inc.
 ProLogis Sweden Norrköping AB
 ProLogis Sweden I AB
 Lima (Bradford) S.à r.l.
 ProLogis Belgium VIII B.v.b.a.
 ProLogis Moscow I B.V.
 ProLogis Directorship B.V.
 ProLogis Germany Management II GmbH
 ProLogis Central European Finance S.L.
 ProLogis Belgium VII B.v.b.a.
 ProLogis Directorship S.à r.l.
 ProLogis Moscow Management B.V.
 ProLogis Management B.V.
 ProLogis Sweden Örebro AB
 ProLogis Spain XIII S.L.
 ProLogis Belgium V B.v.b.a.
 ProLogis Belgium VI B.v.b.a.
 ProLogis Holding AB
 Parkridge Holdings Russia I BV
 Parkridge Holdings Russia II BV
 Parkridge Holdings Ukraine I BV
 Parkridge Holdings Ukraine II BV
 ProLogis Japan SG Holding BV
 Parkridge Korea SG Holding II BV
 ProLogis Korea SG Holding BV
 ProLogis Singapore Holding PTE Ltd
 ProLogis Singapore Management PTE Ltd
 ProLogis Singapore 1 PTE Ltd
 ProLogis Mauritius Limited

5.2 PEPR Board Members' Interests

None of the members of the PEPR Board have any convictions in relation to fraudulent offences during the past five years. None of the members of the PEPR Board have been the subject of any official public incrimination or sanction by statutory or regulatory authorities (including designated professional bodies) during the past five years, and none of the members of the PEPR Board have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer during the past five years.

Within the past five years, none of the members of the PEPR Board have been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of an administrative, management or supervisory body or a senior manager.

There are no outstanding loans granted by PEPR to any members of the PEPR Board, nor are there any guarantees provided by PEPR for the benefit of any members of the PEPR Board.

Over the five years preceding the date of this Prospectus, the members of the PEPR Board have held the following directorships, managerial positions (apart from their role as members of the PEPR Board) and/or partnerships:

| Name | Current | Previous |
|---------------------|--|----------|
| Geoffrey Bell | Independent Director, Axis Capital Holdings Ltd President, Geoffrey Bell and Company Executive Secretary, Consultative Group of International Economic and Monetary Affairs (Group of 30) Member of the Advisory Group of Swiss Reinsurance Member of the Court of Governors of the London School of Economics | |

| | | |
|-------------------------|--|--|
| Sylvia Tóth..... | President, Tóco USA and Tóco d'Azur Chairwoman, Sylvia Tóth Charity Foundation Chairwoman, Supervisory Board, Rotterdam Philharmonic Orchestra Chairwoman, National Youth Orchestra Chairwoman, Young Pianist Foundation Chairwoman, Gergiev Festival Rotterdam Chairwoman, The Hague Sculpture Foundation Member, Board of management, Catharijne Foundation Founding of the Sylvia Tóth Centrum at Wilhelmina Children's Hospital (with University Medical Centre Utrecht board of management) Board member, Foundation Water Right | Non-executive director, VendexKBB NV (1999–2004) |
| Pierre Rodocanachi | Management Patrimonial Conseil, Chief Operating Officer LPCR, Chairman of the Supervisory Board Vivendi, Director and Chairman of the Human Resources Committee and member of the Audit Committee | Carrefour, Director and Chairman of the Audit Committee OBC (Odier Bungener Courvoisier) Bank, Director and Chairman of the Audit Committee "Commentaire" (a political economy journal), Director DMC (Dollfus Mieg & Cie), Director, member of the Executives/Compensation commission |
| Didier Cherpitel..... | Founder and Chairman of Managers sans Frontières Director of François-Xavier Bagnoud Director of WISE Director of Swiss Philanthropic Foundation Director & Treasurer of the Fondation Mérieux in Lyon Director of Fidelity International Ltd Director of INSEAD, Fontainebleau, French Board Director of WENDEL, Paris Director of IFFIm/GAVI Alliance | Chairman of the Supervisory Board of ATOS ORIGIN (2004–2008) Director of the Red Cross Foundation (2000–2005) Director of Fondation Médecins Sans Frontières Member of the "Conseil de Déontologie" of the Comité de La charte |
| Ted R. Antenucci | 7 Points Associates, LLC ANT II, LLC ANT, LLC Atlanta- Douglas Hill, LLC Catellus Aberdeen, LLC Catellus Austin Mixed Use LLC Catellus Austin Office LLC Catellus Austin Retail II LLC Catellus Austin Retail LLC Catellus Austin, LLC Catellus Bergstrom Business Center, LLC Catellus China Commercial Development Incorporated Catellus Commercial Development Corporation Catellus Commercial Group, LLC Catellus Construction Corporation Catellus Corporate Center Tracy, LLC Catellus Fiber Optics, LLC Catellus Finance 1, L.L.C. Catellus Finance Company, LLC Catellus Glenview- 2700 Patriot Blvd, LLC Catellus Internationale Centre South, LLC Catellus Land and Development Corporation Catellus McKinney Falls, LLC Catellus North Avenue Development Company, LLC Catellus Portfolio I, LLC Catellus Prairie Glen, Inc. | Acquiring Corp. Catellus Austin North (1) LLC Catellus Austin North (10) LLC Catellus Austin North (2) LLC Catellus Austin North (3) LLC Catellus Austin North (4) LLC Catellus Austin North (5) LLC Catellus Austin North (6) LLC Catellus Austin North (7) LLC Catellus Austin North (8) LLC Catellus Austin North (9) LLC Catellus Beaumont, LLC Catellus Union Station, Inc. Catellus Urban Development Corporation Port Reading- Woodbridge I, LLC Port Reading- Woodbridge II, LLC ProLogis 200 E Stanley LLC ProLogis Canada Investment 18 Trust ProLogis Canada Investment 19 Trust ProLogis Canada Investment 20 Trust ProLogis Canada Investment 21 Trust ProLogis Canada Investment 22 Trust ProLogis Canada Investment 23 Trust ProLogis Canada Investment 24 Trust ProLogis Canada Investment 25 Trust ProLogis Canada Investment 26 Trust |

| | |
|---|-------------------------------------|
| Catellus REIT, LLC | ProLogis Canada Investment 27 Trust |
| Catellus Residential Communities, Inc. | ProLogis Canada Investment 28 Trust |
| Catellus Residential Construction, Inc. | ProLogis Canada Investment 29 Trust |
| Catellus Residential Group, Inc. | ProLogis Canada Investment 30 Trust |
| Catellus Residential Home Corp. I, Inc. | ProLogis Canada Investment 31 Trust |
| Catellus Residential Marbella, Inc. | |
| Catellus Residential Ocean Ridge, Inc. | |
| Catellus Residential Ridgemoor Homes, Inc. | |
| Catellus Residential Ridgemoor, Inc. | |
| Catellus RVL, LLC | |
| Catellus Third and King, L.L.C. | |
| Catellus Tracy, LLC | |
| Catellus Urban Construction, Inc. | |
| Catellus Urban Renewal North Avenue I, LLC | |
| Catellus West, LLC | |
| CCG Ontario Operations, LLC | |
| CCG Ontario, LLC | |
| CDC Fort Worth, LLC | |
| CF Capital, LLC | |
| CS Integrated Investment Management LLC | |
| CS Integrated Investments Southwest LLC | |
| CS Integrated LLC | |
| CSI/Frigo LLC | |
| Distribution Funding Trust I | |
| Distribution Funding Trust II | |
| Distribution Funding Trust III | |
| Distribution Funding Trust IV | |
| Fourth and B, LLC | |
| Harbor Drive Company, LLC | |
| Harbor Drive New Orleans, LLC | |
| Harbor Drive San Diego, LLC | |
| Japan Investments (1) Incorporated | |
| Japan Investments (2) Incorporated | |
| Japan Investments (3) Incorporated | |
| Japan Investments (4) Incorporated | |
| KCC Ontario I, LLC | |
| KCC Ontario II, LLC | |
| Keystone New Jersey Associates, LLC | |
| Keystone Realty Services, Inc. | |
| Korea Investments (1) Incorporated | |
| Korea Investments (2) Incorporated | |
| Mission Bay N2 Parcel 1, LLC | |
| Mission Bay N3a Parcel 2, LLC | |
| Mission Bay S26(A), LLC | |
| Mission Bay S26A/S28, LLC | |
| PACGWL LLC | |
| Pacific Commons Retail I, LLC | |
| Pacific Market Investment Company, LLC | |
| Palmtree Acquisition Corporation | |
| PLD Finance Management LLC | |
| PLD International Finance LLC | |
| PLD International Incorporated | |
| PLDCB LLC | |
| PMIC Operations, LLC | |
| Port Reading-Carteret, LLC | |
| Port Reading-Woodbridge Urban Renewal I L.L.C. | |
| Port Reading-Woodbridge Urban Renewal II L.L.C. | |
| ProLogis | |
| ProLogis 118 Moonachie LLC | |
| ProLogis 1250 Valley Brook LLC | |
| ProLogis 1275 Valley Brook LLC | |
| ProLogis 200-250 Kennedy LLC | |
| ProLogis 230 Brighton LLC | |
| ProLogis 300-350 Kennedy LLC | |
| ProLogis 309 Kennedy LLC | |
| ProLogis 409 Kennedy LLC | |

ProLogis 510 Commercial LLC
ProLogis BC Investment 1 Trust
ProLogis California I LLC
ProLogis Canada (2) Incorporated
ProLogis Canada Development Incorporated
ProLogis Canada Incorporated
ProLogis Canada Investment 1 Trust
ProLogis Canada Investment 10 Trust
ProLogis Canada Investment 11 Trust
ProLogis Canada Investment 12 Trust
ProLogis Canada Investment 13 Trust
ProLogis Canada Investment 14 Trust
ProLogis Canada Investment 15 Trust
ProLogis Canada Investment 16 Trust
ProLogis Canada Investment 17 Trust
ProLogis Canada Investment 18 Trust
ProLogis Canada Investment 2 Trust
ProLogis Canada Investment 3 Trust
ProLogis Canada Investment 4 Trust
ProLogis Canada Investment 5 Trust
ProLogis Canada Investment 6 Trust
ProLogis Canada Investment 7 Trust
ProLogis Canada Investment 8 Trust
ProLogis Canada Investment 9 Trust
ProLogis Canada Leasing Corporation
ProLogis Canada Management Corporation
ProLogis Canada Management Holding Incorporated
ProLogis Capital Management Incorporated
ProLogis China Development Incorporated
ProLogis Development Services Incorporated
ProLogis Houston Holdings, Inc
ProLogis India Development Incorporated
ProLogis India Management Incorporated
ProLogis Industrial Properties II, LLC
ProLogis Industrial Properties III, LLC
ProLogis Industrial Properties, LLC
ProLogis IV, Inc.
ProLogis Japan Finance Incorporated
ProLogis Japan Holdings LLC
ProLogis Japan II Incorporated
ProLogis Japan Incorporated
ProLogis Japan Management Incorporated
ProLogis JF3 LLC
ProLogis Korean Development Incorporated
ProLogis Logistics Services Incorporated
ProLogis Management Incorporated
ProLogis Management Services Incorporated
ProLogis Mexico Trust
ProLogis Middle East Development Incorporated
ProLogis NA Industrial Fund GP LLC
ProLogis NA Industrial Fund II GP LLC
ProLogis NA Industrial Fund III GP LLC
ProLogis NA Industrial Fund IV GP LLC
ProLogis NA Industrial Fund V GP LLC
ProLogis NA2 GP Trust
ProLogis NA2 II GP Trust
ProLogis NA2 II Trust
ProLogis NA2 III GP Trust
ProLogis NA2 Mexico Trust Incorporated
ProLogis NA2 MS Investment Trust
ProLogis NA2 Pennsylvania Trust
ProLogis NA2 RPP GP LLC
ProLogis NA2 Sub Holdings LLC
ProLogis NA2 US Trust Incorporated
ProLogis NA3 III GP LLC
ProLogis One Nixon Lane LLC
ProLogis RACER I LLC
ProLogis Russia Finance Incorporated
ProLogis Russia Incorporated
ProLogis Singapore Investments Incorporated
ProLogis Tokyo Finance II LLC

ProLogis Tokyo Finance LLC
ProLogis-A4 Canada I ULC
ProLogis-A4 MD I Business Trust
ProLogis-DS Mexico Incorporated
ProLogis-France Developments Incorporated
ProLogis-Illinois, LLC
Prologis-Kansas City (1) Incorporated
ProLogis-North Carolina (1) Incorporated
ProLogis-North Carolina (2) Incorporated
ProLogis-North Carolina (3) Incorporated
Santa Fe Towers Land Company, LLC
Stapleton D-4, LLC
Union Station Venture One Corporation
Hercules, LLC
Pittman Development Group (Not a ProLogis company or affiliate)

Robert J. Watson

Palmtree Acquisition Corporation

ProLogis
ProLogis Development Services Incorporated
ProLogis Logistics Services Incorporated
ProLogis Management Incorporated

ProLogis NA2 Mexico Trust Incorporated
ProLogis NA2 US Trust Incorporated
Keystone Cranbury East, LLC
Keystone Cranbury West, LLC
Catellus Austin Mixed Use LLC
ProLogis Mexico Trust
Keystone Cranbury East, LLC
Keystone Cranbury West, LLC
Allagash Property Trust
Brazos Property Trust
Cimmaron Property Trust
Deerfield Property Trust
Elkhorn Property Trust
Solution Insurance Ltd.
Keystone Realty Services, Inc.
ProLogis-Billabong Trust
ProLogis Russia Incorporated
ProLogis Russia Finance Incorporated
ProLogis European Properties Fund
ProLogis Poland Management Spzoo
ProLogis Czech I Sro
ProLogis Finance BV
Garonor Services SAS
ProLogis Directorship S. `a r.l. (and all subsidiaries)
ProLogis Management BV
PLD International Incorporated
ProLogis France Developments Incorporated
ProLogis Canada Development Incorporated
ProLogis Canada Incorporated
ProLogis Canada Investment 1 through 10 Trusts
ProLogis Canada Management Holding Corporation
ProLogis Houston Holdings Incorporated
ProLogis IV, Inc.
ProLogis-North Carolina (1) Incorporated
ProLogis-North Carolina (2) Incorporated
ProLogis Management Services Incorporated
ProLogis-DS Mexico Incorporated
ANT, LLC
ANT II, LLC
Catellus Aberdeen, LLC
Catellus Austin Land LP LLC

Catellus Austin Retail GP LLC
 Catellus Austin, LLC
 Catellus Bergstrom Business
 Center, LLC
 Catellus Commercial
 Development Corporation
 Catellus Commercial Group, LLC
 Catellus Construction Corporation
 Catellus Fiber Optics, LLC
 Catellus Finance 1, LLC
 Catellus Internationale Centre
 South, LLC
 Catellus Land and Development
 Corporation
 Catellus McKinney Falls, LLC
 Catellus North Avenue
 Development Company, LLC
 Catellus Portfolio I, LLC
 Catellus Prairie Glen, Inc.
 Catellus REIT, LLC
 Catellus Residential Communities,
 Inc.
 Catellus Residential Construction,
 Inc.
 Catellus Residential Group, Inc.
 Catellus Residential Homes Corp
 I, Inc.
 Catellus Residential Marbella, Inc.
 Catellus Ocean Ridge, Inc.
 Catellus Residential Ridgemoor
 Homes, Inc.
 Catellus Tracy, LLC
 Catellus Third and King, LLC
 Harbor Drive New Orleans, LLC
 Catellus Union Station, Inc.
 Catellus Urban Development
 Corporation
 Catellus Residential Ridgemoor,
 Inc.
 Catellus Urban Construction, Inc.
 Catellus Urban Renewal North
 Avenue I, LLC
 Catellus West, LLC
 CCG Ontario Operations, LLC
 CCG Ontario, LLC
 CDC Fort Worth, LLC
 Harbor Drive Company, LLC
 Mission Bay S26(a), LLC
 Harbor Drive San Diego, LLC
 Mission Bay N2 Parcel I, LLC
 Mission Bay N3a, Parcel 2, LLC
 Mission Bay S26(a)/S28, LLC
 PMIC Operations, LLC
 Port Reading-Carteret, LLC
 Port Reading-Woodbridge I, LLC
 Santa Fe Towers Land Company,
 LLC
 SF Pacific Properties, LLC
 Union Station Venture One
 Corporation
 Catellus RVL, LLC
 ProLogis International Funding
 SA
 ProLogis Management Limited
 ProLogis Management Sarl

5.3 Ownership of Units of the PEPR Board Members in PEPR:

**Unitholding as at
21 October 2009**

| | |
|--------------------------|-----------------------|
| Geoffrey Bell | 17,489 |
| Sylvia Tóth..... | 17,488 |
| Pierre Rodocanachi | 17,488 |
| Didier Cherpitel | 26,273 |
| Robert Watson | 84,748 ⁽²⁾ |
| Ted Antenucci..... | — ⁽¹⁾ |

(1) Prologis Board Members are not compensated in Units of PEPR for their services as Board Members.

(2) The Units in the name of Robert Watson are those granted to him as CEO of PEPR as described in the prospectus for the initial public offering as of 11 September 2006, supplemented by distributions on those Units paid in kind in the form of additional Units.

The PEPR Board Members do not intend to subscribe in the Offer.

5.4 Other significant Unitholders' Interest

Save as disclosed herebelow, the Management Company is not aware of any Person who, as at 30 September 2009 (being the latest practicable date prior to the date of this Prospectus), directly or indirectly is interested in 5 per cent. or more of PEPR's equity.

| Rank | Institution | Current position | % Total Units Outstanding | Country | Source |
|------|--|------------------|---------------------------|---------------|----------------------------|
| 1 | ProLogis | 47,322,769 | 24.84 | United States | RBC Dexia register |
| 2 | APG Asset Management..... | 23,086,774 | 12.12 | Netherlands | Capital Precision analysis |
| 3 | Government of Singapore Investment Corp. Pte Ltd. | 14,767,000 | 7.75 | Singapore | RBC Dexia register |
| 4 | PGGM Vermogensbeheer BV . | 10,369,443 | 5.44 | Netherlands | Capital Precision analysis |

With the exception of ProLogis and the Management Company, the Management Company is not aware of any Person who, as at the date of this Prospectus, directly or indirectly, jointly or severally, exercises Control over PEPR and is not aware of any arrangements, the operations of which may at a subsequent date result in a change of Control of PEPR. In managing PEPR, the Management Company is governed by the Management Regulations, which set out its powers and restrictions imposed on it. Further details are set out in Part IV—"Management of PEPR" and Part XI—"Management Regulations of PEPR" of this Prospectus.

6. Conflicts of interests

The potential conflicts of interest of the Independent Appraiser as well as the description of any arrangements that have been put in place to deal with such conflicts of interest are set out below in the section entitled "Independent Appraiser".

The potential conflicts of interest of the Investment Managers are described in the section entitled "The interests of ProLogis may not always be aligned with the interests of Unitholders" which is set out in the "Risk Factors".

The potential conflicts of interest of the Managers are described in the sections entitled "The interests of ProLogis may not always be aligned with the interests of Unitholders", "The individuals who manage PEPR may also be involved in managing the ProLogis Private Equity Funds and ProLogis Joint Ventures" and "The Managers will have conflicts of interest in relation to any claims and rights PEPR may have against ProLogis" which are set out in the "Risk Factors".

The potential conflicts of interest of the two ProLogis Board Members correspond to those of the Managers set out in the sections entitled "The interests of ProLogis may not always be aligned with the interests of Unitholders", "The individuals who manage PEPR may also be involved in managing the ProLogis Private Equity Funds and ProLogis Joint Ventures" and "The Managers will have conflicts of interest in relation to any claims and rights PEPR may have against ProLogis" which are set out in the "Risk Factors".

The Independent Board Members do not have any potential conflicts of interest between their duties to PEPR and their private interests or other duties.

7. Other Service Providers

7.1 Independent Appraiser

JLL, DTZ and CBRE are the appointed Independent Appraisers for the purpose of appraising the Market Value of the Portfolio. The Independent Appraisers are paid a fee for such services out of the net assets of PEPR. All Distribution Facilities are valued by the Independent Appraiser by way of semi-annual valuations of the Portfolio or, as the Management Company may reasonably require, if there is a change in the general economic situation or in the condition of the properties which requires a new valuation to be conducted. Additionally, the Independent Appraiser values or revalues individual properties in the Portfolio on their acquisition or disposal (including in relation to contributions in kind or, subject to Unitholders' approval, redemptions in specie). A new valuation is not necessary if the sale of the property takes place within six months after the last valuation thereof. Each such valuation will be made on the basis of MV. If a conflict of interest arises where, for instance, an Appraiser has been retained by a seller to value properties which PEPR is attempting to acquire, an alternative Appraiser will be engaged as the Independent Appraiser.

It is the Management Company's intention to continue to manage the allocation of the Portfolio valuations amongst different valuers in order to ensure an objective and accurate appraisal of the underlying Portfolio value. Over time this may involve rotation of assets among valuers and/or the use of additional valuation firms, having due regard to local knowledge and expertise.

7.2 The Custodian

RBC Dexia Investor Services Bank S.A. is the Custodian of PEPR's, and PEPR's wholly-owned subsidiaries' title to assets in the Portfolio pursuant to the Custodian Agreement.

RBC Dexia Investor Services Bank S.A. is a Luxembourg law governed *société anonyme* registered with the Luxembourg Register of Commerce and Companies under number B 47.192 and has been incorporated in Luxembourg on 30 March 1994 under the name "First European Transfer Agent S.A.". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector and specialises in custody, fund administration and related services. As of 31 December 2008, its total equity was €596,141,880.

Requests should be directed to Artan Xërxa, Client Service Manager, Real Estate and Private Equity, telephone number: (+352) 26059258.

RBC Dexia Investor Services Bank S.A. is fully owned by RBC Dexia Investor Services Limited, a company under the laws of England and Wales that is controlled by Dexia Banque Internationale à Luxembourg, *société anonyme*, Luxembourg, Grand-Duchy of Luxembourg, and Royal Bank of Canada, Toronto, Canada.

In accordance with the Custodian Agreement, Article 3 of the Management Regulations and Luxembourg law, the Custodian carries out the usual duties regarding custody, cash and securities deposits and may entrust its correspondents with the safekeeping of certain assets, provided that any cash of wholly-owned subsidiaries of PEPR may be held with the prior approval of the Custodian by such banks as indicated by the Management Company. The Custodian's liability in relation to its duties is not affected by entrusting the safekeeping of all or part of the assets in its care to a third party.

The Custodian is authorised to, and is obligated to, in its own name:

- protect the assets of PEPR and its wholly-owned subsidiaries against any claims of third parties; and
- take action against enforcement measures of third parties if PEPR or its wholly-owned subsidiaries are not liable to such parties.

Subject to Luxembourg law, the Management Company is authorised, and has the obligation to bring in its own name, claims of the Unitholders against the Custodian.

Under the Law of 2002, the Custodian must:

- ensure that any sale, issue, redemption and cancellation of Units effected on behalf of PEPR are carried out in accordance with the Law of 2002 and the Management Regulations;

- carry out the instructions of the Management Company unless they conflict with the Law of 2002, any other applicable law or the Management Regulations;
- ensure that in transactions involving PEPR's assets or its wholly-owned subsidiaries, the consideration is remitted to the Custodian within the usual time limits in respect of the specified assets; and
- ensure that PEPR's income and assets and those of its wholly-owned subsidiaries are applied in accordance with the Management Regulations.

The Custodian Agreement is subject to the right of the Management Company or the Custodian to terminate on 90 days' notice in writing subject to certain conditions set out in Article 3 of the Management Regulations. The Custodian Agreement may also be terminated by either party on 10 days' notice in writing: (i) if the other party has committed a material breach of the Custodian Agreement and fails to make good such breach within 30 days of receipt of such notice or such period as may be reasonably required to make good such breach; (ii) if either party shall have become insolvent, or otherwise unable to pay its debts, or have gone into liquidation, whether voluntarily or compulsorily (except a voluntary liquidation on terms previously approved in writing by the other party), or have had a receiver appointed over all or part of its assets or has received notice of any winding-up proceedings; or (iii) upon PEPR and/or the Management Company ceasing to be authorised under the Luxembourg laws on collective investment undertakings or ceasing to be authorised to act as such under Luxembourg law. The termination and replacement of the Custodian is subject to the approval of the Luxembourg Supervisory Authority.

The Custodian receives a fee out of PEPR's net assets, payable quarterly in arrears, which fee is determined from time to time by agreement between the Management Company and the Custodian and calculated in accordance with usual banking practice in Luxembourg for the provision of similar services. Transaction fees, disbursements and out-of-pocket expenses properly incurred by the Custodian in carrying out its duties under the Custodian Agreement are also payable to the Custodian. Any entity to which the Custodian entrusts the safekeeping of all or part of PEPR's assets (other than affiliates of the Custodian) and such other banks as appointed by the Management Company to hold cash of wholly-owned subsidiaries of PEPR with the prior approval of the Custodian shall be entitled to such fees out of PEPR's net assets as shall be determined from time to time with the agreement of the Management Company, provided that fees for the provision of such services by correspondents are comparable with those charged by other banks or trust companies in the jurisdictions in which such entity or other banks operate.

The Custodian Agreement contains indemnity provisions pursuant to which the Custodian has agreed to fully indemnify the Management Company, PEPR and PEPR's subsidiaries, and their respective subsidiaries and officers for any and all losses, costs, expenses, claims or liabilities relating to or arising from the Custodian Agreement and caused or occasioned by the Custodian's acts or omissions as a result of negligence, bad faith, wilful misconduct or reckless disregard in the execution of the Custodian Agreement or a breach of its duties and obligations under the Custodian Agreement or a breach of a material term of the Custodian Agreement.

7.3 Paying Agent in The Netherlands

Kempen & Co. N.V. acts as the Dutch Paying Agent pursuant to the Dutch Paying Agency Agreement.

Under the Dutch Paying Agency Agreement, the Dutch Paying Agent has agreed to make available all necessary facilities and information to enable Unitholders in The Netherlands to exercise their rights and to perform such duties commonly performed by a paying agent or required by the applicable rules and regulations of Euronext Amsterdam.

The Management Company shall pay to the Dutch Paying Agent a fee of €22,500 per annum (together with a fee of €3,500 per quarterly dividend payment) out of PEPR's net assets plus any costs incurred by the Dutch Paying Agent in carrying out its duties to the Management Company.

The Dutch Paying Agency Agreement contains an indemnity whereby PEPR has agreed to indemnify and hold harmless, save and exonerate the Dutch Paying Agent from and against any and all claims, demands, expenses (including reasonable counsel fees and expenses) and liabilities of any and every nature which the Dutch Paying Agent may sustain or incur or which may be asserted against the Dutch Paying Agent as a result of any action taken or omitted by the Dutch Paying Agent, in the absence of bad faith, gross negligence or wilful misconduct.

The Dutch Paying Agent Agreement may be terminated in writing by either party on 90 days' notice in writing to the other party, provided that such termination shall not take effect without a successor paying agent being appointed by PEPR.

7.4 Paying and Listing Agent in Luxembourg

RBC Dexia Investor Services Bank S.A. acts as the Luxembourg Paying and Listing Agent pursuant to the Luxembourg Paying and Listing Agent Agreement.

The Luxembourg Paying and Listing Agent has the following principal functions: (i) as paying agent, to pay dividends, redemption proceeds and other distributions; and (ii) as listing agent, to list the Units on the Luxembourg Stock Exchange or any other stock exchanges as directed by the Management Company.

The fees and expenses of the Luxembourg Paying and Listing Agent are paid out of PEPR's net assets, and the Luxembourg Paying and Listing Agent is entitled to receive from PEPR on demand reimbursement for its cash disbursements, which are limited to reasonable out-of-pocket expenses in line with Luxembourg market practice. The Luxembourg Paying and Listing Agent Agreement may be terminated by any party thereto on 90 days' notice. The Luxembourg Paying and Listing Agent Agreement may also be terminated by either party on 10 days' notice in writing: (i) if the other party has committed a material breach of the Luxembourg Paying and Listing Agent Agreement and fails to make good such breach within 30 days of receipt of such notice or such a period as may be reasonably required to make good such breach; (ii) if either party shall have become insolvent, or otherwise unable to pay its debts, or have gone into liquidation, whether voluntarily or compulsorily (except a voluntary liquidation on terms previously approved in writing by the other party), or have had a receiver appointed over all or part of its assets or has received notice of any winding-up proceedings; or (iii) upon PEPR and/or the Management Company ceasing to be authorised under the Luxembourg laws on collective investment undertakings or ceasing to be authorised to act as such under Luxembourg law. The Luxembourg Paying and Listing Agent Agreement contains an indemnity provision whereby the Management Company on behalf of PEPR has agreed to indemnify and hold harmless the Luxembourg Paying and Listing Agent from any and all costs, liabilities, expenses and losses resulting directly or indirectly from the fact that the Luxembourg Paying and Listing Agent and its employees, officers and directors have acted pursuant to the Luxembourg Paying and Agent Agreement and in accordance with proper instructions if and where required, other than in respect of such costs, liabilities and expenses arising from the negligence or wilful default of the Luxembourg Paying and Listing Agent or of its agents or correspondents.

7.5 Registrar and Transfer Agent

RBC Dexia Investor Services Bank S.A. acts as the Registrar and Transfer Agent of PEPR pursuant to the Registrar and Transfer Agent Agreement. In such capacity, the Registrar and Transfer Agent is responsible for processing issues, redemptions and transfers of the Units.

The fees and expenses of the Registrar and Transfer Agent are paid out of PEPR's net assets, and the Registrar and Transfer Agent is entitled to receive from PEPR on demand reimbursement for its cash disbursements properly incurred in such capacity in line with Luxembourg market practice. The Registrar and Transfer Agent Agreement continues for the life of PEPR, subject to the right of any party thereto to terminate upon three months' written notice. The termination and replacement of the Registrar and Transfer Agent is subject to the approval of the Luxembourg Supervisory Authority. The Registrar and Transfer Agent Agreement contains an indemnity provision whereby the Management Company on behalf of PEPR has agreed to indemnify out of the net assets of PEPR and hold harmless the Registrar and Transfer Agent and its officers and directors against all claims, actions, demands, damages, costs, liabilities and expenses resulting directly or indirectly from the fact that the Registrar and Transfer Agent or administrative officers appointed by the Management Company on behalf of PEPR have acted as agents of the Management Company pursuant to the receipt of proper instructions, except in the case of the Registrar and Transfer Agent's gross negligence, wilful misfeasance or reckless disregard for its duties under the Registrar and Transfer Agent Agreement.

7.6 Investment Managers

Under the Investment Management Agreement, the Investment Managers, subject to the overall policy, supervision and responsibility of the Management Company, carry out property management functions in relation to the day-to-day administration of the Portfolio as more particularly described in the paragraph headed "The Investment Managers" in Part IV—"Management of PEPR" of this Prospectus.

8. Funding and Operating Costs

As set out more fully in Article 13 of the Management Regulations, PEPR is responsible for all fees and expenses relating to the placement and issue of Units, the admission to listing and/or trading of the Units on a regulated market, and all fees and expenses relating to arrangement of debt facilities of and for PEPR, including fees of placement agents and underwriters and, including in each case fees and expenses of a ProLogis Related Party assisting the Management Company, subject to the Management Company having specifically requested such assistance, other than fees of a ProLogis Related Party relating to the arrangement of debt facilities of and for PEPR (including, but not limited to placement agents' and underwriters' fees and out-of-pocket expenses, legal, accounting, surveyors', valuation, and other professional fees and expenses) including the costs of indemnifying such agents, underwriters and professionals, and for its operating costs. Such operating costs include, without limitation, brokerage and other transaction fees and expenses (such as legal, accounting, surveyor's, valuation, and other professional fees) incurred on transactions with respect to the acquisition or disposal or proposed acquisition or disposal of the Portfolio. Such costs also include costs of accounting, due diligence, lawyers, surveyors, building contractors, estate managers and other service providers in relation to the Portfolio, and all other fees and expenses incurred by the Management Company acting in respect of PEPR (including, for the avoidance of doubt, the reimbursement by the Management Company of out-of-pocket expenses incurred by the Investment Managers in respect of the Portfolio) and such fees and expenses will be in line with market standards and may include fees and expenses of a ProLogis Related Party when assisting the Management Company (e.g. leasing fees and commissions, construction management fees, legal fees and tax compliance fees, subject in the case of legal fees and tax compliance fees, to the prior approval of the PEPR Board and subject, in the case of leasing fees and commissions and construction and management fees, to such fees or commissions being at or below market rates as shown in the schedule provided annually to the PEPR Board in accordance with the Management Regulations), subject to the Management Company having specifically requested such assistance and except for any such fees and expenses of a ProLogis Related Party with respect to services provided in relation to Distribution Facilities owned by a ProLogis Private Equity Fund or a ProLogis Joint Venture and not owned directly by PEPR. PEPR shall also pay expenses and valuation fees charged by the Independent Appraiser in connection with the acquisition or disposal of Distribution Facilities. Where appropriate, the fees and expenses borne by PEPR may be charged to PEPR's subsidiaries.

PEPR bears certain other operating expenses including, without limitation, stamp duties, taxes, commissions, governmental and similar charges, foreign exchange costs, bank charges, registration fees relating to investments, insurance and security costs, expenses of the issue, exercise and redemption of Units and fees and expenses of the Management Company and its auditors. PEPR is also responsible for the costs of preparing, printing and distributing all valuations, statements, accounts and performance and investment reports, and for the cost of preparing and distributing public notices to the Unitholders and the cost of convening Unitholder meetings. PEPR is also responsible for costs incurred to enable PEPR to comply with legislation and official requirements, provided that such costs are incurred substantially for the benefit of the Unitholders, and any fees and expenses involved in registering and maintaining the registration of PEPR with any governmental agencies or the listing and admission to trading of the Units or Preferential Subscription Rights on the regulated market of the Luxembourg Stock Exchange, Euronext Amsterdam or on stock exchanges in any other country.

PEPR also bears all other costs and expenses in connection with the operations or administration of PEPR and the Portfolio and the achievement of the Investment Objective and Policy.

The estimated amount of all material fees which are payable directly or indirectly by PEPR for any services under arrangements entered into on or prior to the date of this Prospectus are set out in section 10.11 in this Part VII—"Additional Information" of this Prospectus.

9. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) are contracts which have been entered into by PEPR, and which are or may be material or are contracts entered into by PEPR which contain any provisions under which PEPR has any obligation or entitlement which are or may be material to PEPR at the date of this Prospectus:

9.1 Investment Management Agreement

On 15 September 1999, the Management Company, acting on its own behalf, entered into the Investment Management Agreement with ProLogis and the Investment Managers. The Investment Management Agreement was subsequently amended and restated on 22 January 2001 (with effect as at 18 December 2000), 10 May 2001, 31 March 2004 (with effect as at 15 January 2004), and 11 September 2006 (with effect from

27 September 2006). Further details of the principal terms of the Investment Management Agreement are set out in the section headed “The Investment Managers” in Part IV—“Management of PEPR” of this Prospectus.

9.2 Commitment to PEPF II and subsequent transfer of interests and commitment to various parties including ProLogis

(a) In accordance with the provisions of the Private Equity Fund Investment Agreement, the Management Company, acting on behalf of PEPR, committed to subscribe €900.0 million for Class B(6) Units in PEPF II (30 per cent. of the total commitments to PEPF II) pursuant to a subscription agreement entered into between PEPR and ProLogis Management II S.à r.l., as management company of PEPF II.

(b) Subsequently, the Management Company, acting on behalf of PEPR, entered into a Units Purchase and Assignment of Unfunded Commitment Agreement with ProLogis Cayman III Limited, ProLogis Cayman IV Limited (the “Purchasers”) and ProLogis dated 22 December 2008 to transfer two thirds of the units held by PEPR in PEPF II at such date and two thirds of PEPR’s outstanding commitment to PEPF II. Pursuant to such agreement, PEPR has the option to repurchase before 22 December 2009 all or some of the units and the corresponding outstanding commitment transferred to the Purchasers. The price to be paid by PEPR is the price that was paid by the Purchasers per transferred unit and corresponding transferred commitment plus any payments made by the Purchasers pursuant to capital calls made by PEPF II in the intervening period. If PEPR repurchases any units and the corresponding commitment, it must maintain ownership of such units for at least 12 months following such repurchase.

(c) The Management Company, acting on behalf of PEPR, also entered into Units Purchase and Assignment of Unfunded Commitment Agreements with twenty other parties dated between 3 February 2009 and 23 February 2009 in order to transfer the remaining one third of the units held by PEPR in PEPF II and the remaining one third of PEPR’s outstanding commitment to PEPF II.

9.3 Private Equity Fund Investment Agreement

Under the Private Equity Fund Investment Agreement, PLD has granted to PEPR the right to participate in offers for subscription of equity securities and securities convertible into equity securities by any ProLogis Private Equity Fund, provided that (a) the amount of commitments targeted in the offer is in excess of €5.0 million; (b) the relevant ProLogis Private Equity Fund has equity capital and commitments in respect thereof, including target commitments sought in the offer, of more than €50.0 million; and (c) the ProLogis Private Equity Fund is not an “excluded venture”, as described in more detail below.

In respect of the first subscription offer by a ProLogis Private Equity Fund in which PEPR has the right to participate under the Private Equity Fund Investment Agreement, PEPR has the right to subscribe for a number of securities representing up to 30 per cent. of the total equity capital of the fund and commitments in respect thereof (including target commitments sought in the offer). In respect of subsequent offers by the same ProLogis Private Equity Fund to which PEPR’s investment right applies, PEPR has the right to subscribe for an amount of securities representing up to 30 per cent. of the target commitments sought in the offer. PEPR will not be required to pay any subscription fee or placement fee with respect to any investment in a ProLogis Private Equity Fund made by it pursuant to the Private Equity Fund Investment Agreement.

PLD must notify PEPR of a subscription offer by a ProLogis Private Equity Fund in which PEPR has the right to participate not less than 45 days prior to the closing date on which the relevant ProLogis Private Equity Fund accepts subscriptions in such subscription offer and PEPR may exercise its right to participate by submitting validly completed subscription documents not less than 15 days prior to such closing date, indicating the number of securities for which it wishes to subscribe, subject to the limit referred to in the preceding paragraph and to any minimum investment requirement applicable to the offer. PEPR’s subscription may only be rejected if permitted by the terms of the relevant ProLogis Private Equity Fund and either (i) PEPR is unable to make customary representations, warranties or covenants required from investors generally; or (ii) in the written opinion of appropriately qualified legal or tax counsel (as appropriate) in the relevant jurisdiction, acceptance of PEPR’s subscription would or would be reasonably likely to cause the breach of a material legal, regulatory or tax requirement applicable to the relevant ProLogis Private Equity Fund or to PLD, ProLogis or to the relevant fund manager.

PLD is required to give PEPR a notice not less than three Business Days prior to the closing date stating its best estimate as at the date of such notice of the amount of commitments that are expected to be raised in the subscription offer. If this estimate is different from the amount of target commitments which were originally sought in the subscription offer, there are certain provisions in the Private Equity Fund Investment Agreement allowing or requiring PEPR to adjust the amount that it invests in the relevant ProLogis Private Equity Fund. In

addition, if the equity capital of the relevant ProLogis Private Equity Fund plus the estimated amount of commitments is less than €50.0 million, PLD may cancel PEPR's subscription right under the Private Equity Fund Investment Agreement in respect of that particular subscription offer.

Under the Private Equity Fund Investment Agreement, PEPR also has the right to invest in ProLogis Joint Ventures which have a target Gross Property Value of at least €50.0 million, except for a ProLogis Joint Venture which is (a) being recapitalised and neither PLD nor a PLD Related Party has complete and unrestricted control with respect thereto; or (b) an "excluded venture", as described below. If an investment right applies to a ProLogis Joint Venture, PLD is required to give notice to PEPR summarising the terms of the proposed ProLogis Joint Venture and to give PEPR a reasonable period to decide whether to exercise the investment right (having regard both to the need to obtain the consent of the PEPR Board and also the nature of the investment opportunity and the time available to decide whether to proceed). If PEPR does not exercise its right to invest in a ProLogis Joint Venture, PLD may proceed to establish the ProLogis Joint Venture with another person provided that, in the opinion of PLD, the overall final terms are no more beneficial to such person than the terms offered to PEPR. PEPR will not be required to pay any subscription fee or placement fee with respect to any investment in a ProLogis Joint Venture made by it pursuant to the Private Equity Fund Investment Agreement.

An "excluded venture" means a ProLogis Private Equity Fund or ProLogis Joint Venture (1) which is originated by and presented to PLD by a person who is not a PLD Related Party; or (2) where each of the investors in such ProLogis Private Equity Fund or ProLogis Joint Venture either (a) controls land on which any Distribution Facilities in which such ProLogis Private Equity Fund or ProLogis Joint Venture will invest are sited (or are to be sited); (b) is instrumental in obtaining (i) any necessary governmental approvals with respect to the acquisition or development of the underlying assets of such ProLogis Private Equity Fund or ProLogis Joint Venture; or (ii) a tenant or tenants for greater than 50 per cent. of the leasable area of the Distribution Facilities in which such ProLogis Private Equity Fund or ProLogis Joint Venture will invest; or (c) will provide management or property management services with respect to the ProLogis Private Equity Fund or ProLogis Joint Venture or its underlying assets.

PLD may terminate the Private Equity Fund Investment Agreement with immediate effect by notice in writing to PEPR if, in relation to three consecutive subscription offers by ProLogis Private Equity Funds with respect to which PEPR had investment rights pursuant thereto, PEPR did not exercise its investment right on or before the final date 15 days before which subscriptions must be accepted, except that for this purpose (1) PEPR will only be deemed not to have exercised its investment right with respect to a ProLogis Private Equity Fund if a relevant subscription offer subsequently closed in circumstances where the ultimate terms applicable to investors committing to invest the same amount as or less than the amount that PEPR was permitted to commit are, in the opinion of PLD, not materially more beneficial to such investors than the terms offered to PEPR, and PLD provided to the PEPR Board and the Management Company a summary of the terms offered to such investors, and (2) PEPR will not be deemed to have elected not to exercise its investment right if either (a) the relevant investment would or would be reasonably likely to, in the written opinion of its appropriately qualified legal counsel or tax advisors, as applicable, result in a breach of law or regulation applicable to PEPR or the Unitholders, or would otherwise result in a material legal, regulatory or tax disadvantage to PEPR or the Unitholders, or (b) if PEPR's subscription to the relevant ProLogis Private Equity Fund was rejected as described above.

In addition, PLD may terminate the Private Equity Fund Investment Agreement with immediate effect by notice in writing to PEPR if the Management Company of PEPR ceases to be a PLD Related Party. PLD may also terminate the Private Equity Fund Investment Agreement with immediate effect by notice in writing to PEPR if any person has made an offer to all Unitholders to acquire their Units at a price set out in the offer and Unitholders holding more than 95 per cent. of all such Units, excluding Units held by ProLogis or any ProLogis Related Party, have accepted the transfer of their Units to such offeror.

PEPR may terminate the agreement upon giving 20 Business Days' written notice to PLD.

PLD may, by giving notice in writing to PEPR, cancel PEPR's entitlement to participate in further ProLogis Joint Ventures pursuant to the Private Equity Fund Investment Agreement if, in relation to three consecutive opportunities to invest in ProLogis Joint Ventures pursuant to the agreement, PEPR does not exercise its rights, provided that for these purposes, (1) PEPR will only be deemed not to have exercised such rights if a relevant ProLogis Joint Venture is subsequently established with another person on terms which, in the opinion of PLD, are not materially more beneficial to such person than the terms offered to PEPR, and PLD provided to the PEPR Board and the Management Company a summary of the terms on which such ProLogis Joint Venture was ultimately established with such person; and (2) PEPR will not be deemed to have elected not to exercise its investment right if it informs PLD or the relevant PLD Related Party that the reason that it did not invest in the relevant ProLogis Joint Venture is that such investment would or would be reasonably likely to, in

the written opinion of its appropriately qualified legal counsel or tax advisors, as applicable, result in a breach of law or regulation applicable to PEPR or its Unitholders, or would otherwise result in a material legal, regulatory or tax disadvantage to PEPR or its Unitholders.

9.4 Underwriting Agreement

The Underwriting Agreement was entered into on 13 November 2009 between PEPR, the Management Company (on its own behalf and on behalf of PEPR), and Morgan Stanley (as the sole Underwriter) and contains, inter alia, the following provisions:

(i) Morgan Stanley, as sole Underwriter, has agreed, subject to certain conditions, to bid for the Preferential Subscription Rights at the public auction to be held on 21 December 2009 by the Luxembourg Stock Exchange, for such aggregate amount as determined by Morgan Stanley, to exercise or procure investors to exercise, all Preferential Subscription Rights so purchased and to pay the subscription price within the applicable time period. The amount offered by Morgan Stanley to bid for the Preferential Subscription Rights will not necessarily be sufficient for a successful bid by Morgan Stanley for all or part of such Preferential Subscription Rights;

(ii) PEPR will pay to Morgan Stanley an underwriting, management and advisory commission equal to 3.5 per cent. of the amount equal to the product of (A) the aggregate number of Preferred Units issued by PEPR underlying all Preferential Subscription Rights issued by PEPR and (B) the Issue Price, together with the amount of any value added tax or similar tax in respect thereof;

(iii) in case of Preferential Subscription Rights which were available for sale at the public auction but have not been exercised or for which the Management Company has not received payment of the subscription proceeds prior to the end of the Business Day following the date of the public auction the Management Company will cause PEPR to issue a number of Preferred Units to Morgan Stanley at a subscription price per Preferred Unit equal to the Issue Price (the "Underwritten Units") and Morgan Stanley as Underwriter will subscribe and pay itself or procure another person to subscribe to and pay for such number of Preferred Units that is equal to the number of Preferred Units that would have been issued had all Preferential Subscription Rights purchased at the public auction been exercised and the respective subscription price for all exercised Preferential Subscription Rights been paid;

(iv) whether or not the transactions contemplated in the Underwriting Agreement are consummated or the Underwriting Agreement is terminated, PEPR has agreed to pay or cause to be paid all expenses incidental to the performance of the obligations of PEPR, the Management Company and Morgan Stanley under the Underwriting Agreement;

(v) the obligations of Morgan Stanley pursuant to the Underwriting Agreement are subject to certain conditions including, amongst others, the representations and warranties of each of the Management Company and PEPR contained in the Underwriting Agreement being true and correct as at the Settlement Date, and each of the Management Company and PEPR having complied with all the agreements and satisfied all the conditions on their part to be performed or satisfied on or before the date of this Prospectus, the date of the public auction, or the Closing Date, as applicable. In certain circumstances, Morgan Stanley may terminate the Underwriting Agreement at any time on or before the Settlement Date. These circumstances include a downgrade or notice of potential downgrade or review of PEPR's corporate rating, a material adverse change in the finances of PEPR or the Management Company, and certain changes in political or market conditions (as more fully set out in the Underwriting Agreement); and

(vi) the Management Company and PEPR have given customary warranties in relation to the business, the accounting records and the legal compliance of the Management Company and PEPR in relation to the contents of this Prospectus and have also given a customary indemnity, including against liabilities under applicable securities laws, to Morgan Stanley as sole Underwriter.

Morgan Stanley and/or its affiliates have performed, and may in the future perform various financial advisory and other services for ProLogis, PEPR, and/or their affiliates, for which Morgan Stanley and/or its affiliates have received and are likely to continue to receive customary fees and expenses. See "Important Information" above. In connection with the Offer, Morgan Stanley and any affiliate acting as an investor for its own account may receive Preferential Subscription Rights (if they are current Unitholders) in connection with the Offer, and may exercise such Preferential Subscription Rights to acquire Preferred Units as part of the Offer and in that capacity, may retain, purchase or sell Preferential Subscription Rights, Preferred Units, Ordinary Units and any other securities of PEPR or other investments for its own account and may offer to sell such securities (or other investments) otherwise than in connection with the Offer. Morgan Stanley does not intend to

disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Sub-underwriting and Shareholder Commitments

Morgan Stanley, as sole Underwriter, has entered into sub-underwriting arrangements with ProLogis Cayman II Limited, pursuant to which ProLogis Cayman II Limited has agreed to (i) purchase from Morgan Stanley, for an aggregate amount equal to the price paid by Morgan Stanley at the public auction, and duly exercise all Preferential Subscription Rights purchased by Morgan Stanley and (ii) purchase from Morgan Stanley, or subscribe for as directed by Morgan Stanley all Underwritten Units at a subscription price per Underwritten Unit equal to the Issue Price. In connection with this sub-underwriting commitment from ProLogis Cayman II Limited, Morgan Stanley as sole Underwriter will pay ProLogis Cayman II Limited, out of the total underwriting fee Morgan Stanley will receive, a fee equal to 1.75 per cent. of the amount equal to the product of (A) the aggregate number of Preferred Units issued by PEPR underlying all Preferential Subscription Rights issued by PEPR at the Settlement Date and (B) the Issue Price, together with the amount of any value added tax or similar tax in respect thereof.

ProLogis has agreed with PEPR that it will fully exercise all Preferential Subscription Rights allotted to it pursuant to its interest in PEPR's Ordinary Units and subscribe for all Preferred Units underlying such rights.

Prologis has entered into a Lock-Up Agreement with Morgan Stanley as sole underwriter pursuant to which ProLogis has agreed that, without the prior written consent of Morgan Stanley, it will not, and it will procure that any entity that is controlled by, controls, or under common control with ProLogis (other than PEPR) will not, during the period commencing on the date of execution of the Underwriting Agreement and ending 45 days after the date of closing of the Offer, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Units, Preferred Units or other class of equity interest in the Fund (together, "Lock-up Units") or any securities convertible into or exercisable or exchangeable for Lock-up Units, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Units, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Units, or such other securities, in cash or otherwise.

9.5 Dutch Paying Agency Agreement

The Management Company, acting on its own behalf and on behalf of PEPR, entered into the Dutch Paying Agency Agreement dated 11 September 2006 with Kempen & Co. N.V. Further details of the principal terms of the Dutch Paying Agency Agreement are set out in the section headed "Paying Agent in The Netherlands" in paragraph 7.3 of Part VII—"Additional Information" of this Prospectus.

9.6 Custodian Agreement

On 16 February 2005, the Management Company, acting in its own name and on behalf of PEPR, and in the interest of the Unitholders in PEPR, entered into the Custodian Agreement with Dexia Banque Internationale à Luxembourg (the former custodian) to take effect as at 31 December 2004. The Custodian Agreement was amended by a novation agreement dated 21 April 2006 appointing RBC Dexia Investor Services Bank S.A. as Custodian. Further details of the terms of the Custodian Agreement are set out in the section headed "The Custodian" in paragraph 7.2 of Part VII—"Additional Information" of this Prospectus.

9.7 Luxembourg Paying and Listing Agent Agreement

On 16 February 2005, the Management Company, acting in its own name and on behalf of PEPR, entered into the Luxembourg Paying and Listing Agent Agreement with Dexia Banque Internationale à Luxembourg (the former paying and listing agent) to take effect as of 31 December 2004. The Luxembourg Paying and Listing Agent Agreement was amended by a novation agreement dated 21 April 2006 appointing RBC Dexia Investor Services Bank S.A. as Luxembourg Paying and Listing Agent. Further details of the Luxembourg Paying and Listing Agent Agreement are set out in the section headed "Paying and Listing Agent in Luxembourg" in paragraph 7.5 of Part VII—"Additional Information" of this Prospectus.

9.8 Registrar and Transfer Agent Agreement

On 15 September 1999, the Management Company, acting in its own name and on behalf of PEPR, entered into the Registrar and Transfer Agent Agreement with First European Transfer Agent (the former

registrar and transfer agent). Further details of the principal terms of the Registrar and Transfer Agent Agreement are set out in the section headed “Registrar and Transfer Agent” in Part VII—“Additional Information” of this Prospectus.

9.9 Domiciliary and Service Agent Agreement

On 26 March 2008, the Management Company, acting on its own behalf and on behalf of PEPR, the wholly-owned Luxembourg subsidiaries of PEPR and ProLogis Management Services S.à r.l. entered into the Domiciliary and Service Agent Agreement pursuant to which ProLogis Management Services S.à r.l. agreed to provide domiciliary services and certain other services with effect as at 24 October 2007. Such other services include holding all corporate papers relating to the Management Company, PEPR, PEPR’s wholly-owned Luxembourg subsidiaries and the PEPR Board and acting as agent for the service of process in the name of, and on behalf, of the Management Company, PEPR and PEPR’s wholly-owned Luxembourg subsidiaries. The Domiciliary and Service Agent Agreement provides that ProLogis Management Services S.à r.l. is entitled to receive a fee out of the net assets of PEPR for its services at such a rate as may be agreed in writing by the parties. The agreement may be terminated by any party at any time on 90 days’ notice in writing. In addition, any of the wholly-owned subsidiaries, the Management Company or ProLogis Management Services S.à r.l. may terminate the agreement by notice in writing with immediate effect where one of the other parties has committed a breach of a material clause of the agreement or where such party has been grossly negligent and has not remedied such breach within 30 days’ notice thereof.

9.10 Administrative Agent Agreement

On 26 March 2008, the Management Company, acting on its own behalf and on behalf of PEPR, certain of the wholly-owned subsidiaries of PEPR and ProLogis Management Services S.à r.l., entered into the Administrative Agent Agreement to take effect as of 24 October 2007, pursuant to which ProLogis Management Services S.à r.l. agreed to provide certain administrative and accounting services to PEPR, the Management Company and certain wholly-owned subsidiaries of PEPR. ProLogis Management Services S.à r.l. is entitled to receive from PEPR, the Management Company and the relevant wholly-owned subsidiaries of PEPR, on demand, reimbursement for its cash disbursements incurred in acting as Administrative Agent, which are limited to reasonable out-of-pocket expenses. The agreement may be terminated by any party on 90 days’ notice in writing.

9.11 Eurobond

On 23 October 2007, ProLogis International Funding S.A. (“PIF”), a finance subsidiary of PEPR issued €500.0 million 5.875 per cent. Eurobonds maturing on 23 October 2014 which were guaranteed by PEPR. The interest payable on the Eurobonds increases, or decreases if previously increased, depending upon a rating change of PIF’s senior unsecured debt. If the rating falls beneath BBB- (S&P) or Baa3 (Moody’s) the interest increases by a further 1.75 per cent. per annum. If there is a subsequent rating improvement, the interest rate will reduce accordingly.

The Eurobonds contain a restriction on secured indebtedness relating to PEPR and its subsidiaries. Such secured indebtedness cannot exceed 40 per cent. of PEPR’s total assets (as appearing in its most recently published consolidated annual or interim financial statements prepared in accordance with IFRS as adopted by EU). There is also a right for Unitholders to require redemption of the Eurobonds if a change of control of PEPR occurs and there is a subsequent rating downgrade below pre-agreed levels. Other covenants and events of default reflect those typically agreed on eurobond transactions. Events of default include cross default on other indebtedness incurred or guaranteed by PEPR exceeding €40.0 million.

9.12 €900.0 Million Facility

On 11 December 2007, PEPR entered into an unsecured senior credit facility with a syndicate of bank lenders providing for loans of up to €900.0 million. As at 30 September 2009, €565.2 million had been advanced and the balance of €300.0 million²⁰ was available to be drawn down subject to such additional drawing not resulting in any breaches of, amongst other things, the financial covenants. Financial covenants include (i) a consolidated tangible net worth covenant—where consolidated tangible net worth at any time must not be less than the sum of (a) €1.1 billion and (b) an amount equal to 75 per cent. of the aggregate increases in Unitholders

²⁰ Due to currency movements the drawn portion and remaining capacity does not total to €900.0 million.

equity after 30 December 2008, (ii) a consolidated leverage ratio—where consolidated debt to total asset value as at the last day in any fiscal quarter must not be greater than 60 per cent. (subject to a permitted increase to 65 per cent. for a consecutive six-month period in on any 2 occasions during the period the facility is available (iii) a fixed charge coverage ratio—where the ratio of (a) adjusted EBITDA minus capital expenditure to (b) debt service on indebtedness plus distributions or amounts payable on equity other than units or stock, determined on each quarter but calculated over a four quarter basis, must not be less than 1.50 to 1.0, (iv) an unsecured interest coverage ratio—where the ratio of (a) adjusted EBITDA attributed to unencumbered properties to (b) interest expense due to lenders under the facility, interest on the Eurobonds (referred to in 9.12 above) and other unsecured debt of PEPR and its subsidiaries, as of the last day of the quarter, must not exceed 1.50 to 1.0, and (v) an unencumbered property value ratio—where (a) the sum of all the debt amounts owing under the facility, the Eurobonds and other unsecured debt of PEPR and its subsidiaries, as of the last day of the quarter to (b) total asset value of unencumbered properties, must not exceed 65 per cent. To the extent that the consolidated tangible net worth (financial covenant (i) above) is less than €1.5 billion, restrictions apply regarding payment of cash dividends on stock, Units and equity interests held in PEPR (the “**Consolidated Tangible Net Worth Restrictions**”).

The Management Company has negotiated with the lenders under the €900.0 Million Facility to make the necessary amendments to the facility to (a) allow for dividend payments to investors subscribing for any new equity issuances if at least €60.0 million in new equity is raised, provided the dividend payments do not exceed 50 per cent. of Distributable Cash Flow, (b) permit payments of dividends on all Units, if PEPR is able to raise at least €200.0 million in new equity (which, for the avoidance of doubt, may include any amounts raised in equity issuances subsequent to November 2009, including the Preferred Units), again provided these payments do not exceed 50 per cent. of Distributable Cash Flow, and (c) reduce the threshold of the consolidated tangible net worth covenant (referred to in paragraph (i) above) from €1.1 billion to €1.0 billion at such time as a further equity raising is conducted by PEPR which in aggregate equals, or exceeds, €60.0 million (which, for the avoidance of doubt, may include the Preferred Units) and further reduce the threshold from €1.0 billion to €900.0 million at such time as PEPR conducts a further equity raising which in aggregate with the €60.0 million issuance equals or exceeds €120.0 million and eliminates the requirement to increase the Company’s net worth threshold by 75 per cent. of funds raised.

Amounts drawn down under the facility are identified as Tranche I, Tranche II or Revolving Loans. Tranche II Loans were advanced as term loans with a final maturity date of 11 December 2012. Tranche I Loans were term loans but with a final maturity of 13 December 2010. Revolving Loans are revolving in nature and can be redrawn, though have a final repayment date of 13 December 2010.

Events of default include customary events including a change of control (which excludes ownership by ProLogis or a ProLogis affiliate but includes ProLogis ceasing to own and control at least 80 per cent. of the economic and voting rights in the Management Company or ProLogis or its affiliates ceasing to be the Management Company of PEPR) and cross default for indebtedness of PEPR and its subsidiaries in excess of an aggregate amount of €50.0 million.

9.13 HVB Facility Agreement

On 16 February 2004, certain subsidiaries of PEPR, in their capacity as borrowers (for the purpose of this paragraph 9.13 the “**Borrowers**”) entered into five separate loan agreements (subsequently varied on 23 February 2005) for varying amounts with the lender now known as Deutsch Pfandbriefbank AG, (then called Hypo Real Estate Bank International Aktiengesellschaft mit unbeschränkter Haftung Niederlassung Deutschland, the “**DP Lender**”) for the purpose of financing or refinancing the acquisition and maintenance of, *inter alia*, properties in Poland, Hungary and the Czech Republic, by such Borrowers (such loan agreements, as amended or restated shall, for the purposes of this paragraph 9.13, together be referred to as the “**Loan Agreements**”). As security for the obligations of the Borrowers under the Loan Agreements, the Borrowers and other group companies granted certain security, including mortgages over real estate financed or refinanced and share pledges over the companies owing the mortgaged real estate pursuant thereto or pursuant to other security documents to the DP Lender.

Each of the Loan Agreements contains a number of financial covenants, including interest service coverage ratios and loan to value ratios.

Events of Default under the Loan Agreements include, *inter alia*, a cross default provision which operates if an Event of Default (as defined therein) is continuing under any of the Loan Agreements between the DP Lender and any of the Borrowers.

On 2 July 2009, certain of the Borrowers together with other subsidiaries of PEPR entered into an agreement to further amend the Loan Agreements, with the DP Lender providing for a further extension of the term of the loans from 15 March 2010 to 15 March 2013 though the principal amount of the loan will following amendment be reduced from €151.1 million to €126.0 million, the differential of €25.1 million of principal amount having been repaid.

9.14 EuroHypo Senior Secured Finance Facility

On 17 July 2009, certain wholly-owned subsidiaries of PEPR, in their capacity as borrowers (for the purpose of this paragraph 9.14 the “**Obligors**”), entered into a senior secured finance facility with Eurohypo AG, London branch to provide a 4 year term loan facility of approximately £86.1 million. The purpose of the facility is to finance a portfolio of 15 properties owned by the Obligors.

As security for the obligations of the Obligors under the facility agreement, the Obligors have granted certain security, including first legal mortgages over the properties and charges over the Units of each Obligor that is an asset owning.

The facility agreement contains a number of financial covenants, including interest service cover ratios and loan to value ratios.

9.15 Helaba Secured Facility

The agreement concluded in October 2009 with a single lender for a new €48.0 million (€15.5 million and SEK332.5 million) secured bank loan facility, secured by four Distribution Facilities in Sweden, maturing in October 2014 and currently expected to be used to pay down existing debt. The loan is subject to certain financial covenants that (a) limit the amount of the borrowings to a maximum of 65 per cent. of the value of the secured properties, and (b) require debt service coverage from the income receivable from the secured properties to be at least 1.4 times the debt reserve costs in year one, increasing to 1.6 times in year five, with an amortisation schedule starting at 2 per cent. in year one and increasing to 2.5 per cent. in year five.

9.16 CMBS Transactions

9.16.1 CMBS Issue III

In February 2003, a €190,500,000 securitisation of properties in France, The Netherlands, Spain and the UK was completed with ProLogis European Finance IV S.à r.l., a wholly-owned subsidiary of PEPR. ProLogis European Finance IV S.à r.l. was advanced a loan by Pan-European Industrial Properties Series III S.A. pursuant to three issues of asset backed securities, with the Class A notes, the Class B notes and the Class C notes. Pan-European Industrial Properties Series III S.A. entered into hedging arrangements and advanced gross proceeds to ProLogis European Finance IV S.à r.l. by way of loan with Euro and Sterling tranches of €108,246,411 and £51,959,592 at a blended interest rate of 4.2988 per cent. and 5.0198 per cent., respectively. The loan is repayable by ProLogis European Finance IV S.à r.l. on 15 May 2010. In addition to the securities issued, the principal documents constituting the issue were the issuer/borrower loan agreement dated 26 February 2003 between, *inter alia*, ProLogis European Finance IV S.à r.l., Pan-European Industrial Properties Series III S.A and J.P. Morgan Corporate Trustee Services Limited, the security trust deed dated 26 February 2003 between, *inter alia*, ProLogis European Finance IV S.à r.l. and J.P. Morgan Corporate Trustee Services Limited and the cash pooling deed dated 26 February 2003 between ProLogis European Finance IV S.à r.l., J.P. Morgan Corporate Trustee Services Limited, JPMorgan Chase Bank, ABN AMRO Bank N.V. and certain others wholly-owned subsidiaries of PEPR. Under the securitisation arrangements, security was granted by subsidiaries of ProLogis European Finance IV S.à r.l., in the form of mortgages over real estate, share charges, pledges over relevant intercompany receivables and bank accounts.

9.16.2 CMBS Issue IV

In March 2005, a €389,000,000 securitisation of properties in France, The Netherlands, Spain, Germany, Italy and the UK was completed with ProLogis European Finance VII S.à r.l., a wholly-owned subsidiary of PEPR. ProLogis European Holdings VII S.à r.l. was advanced a loan by Pan-European Industrial Properties Series IV S.A. (Compartment I) pursuant to three issues of asset backed securities, with the Class A, the Class B notes and the Class C notes. Pan-European Industrial Properties Series IV S.A. entered into hedging arrangements and advanced gross proceeds to ProLogis European Finance VII S.à r.l. by way of loan with Euro and Sterling tranches of €327,020,000 and £42,840,000 at a blended interest rate of 3.30 per cent. and 5.11 per cent., respectively. The loan is repayable by ProLogis European Finance VII S.à r.l. on 15 May 2010. In addition to the securities issued, the principal documents constituting the issue were the issuer/borrower loan agreement

dated 16 March 2005 between, *inter alia*, ProLogis European Finance VII S.à r.l., Pan-European Industrial Properties Series IV S.A. (Compartment I) and ABN AMRO Trustees Limited, the security trust deed dated 12 December 2002 (as amended and restated) between, *inter alia*, ProLogis European Finance VII S.à r.l. and ABN AMRO Trustees Limited and the cash pooling deed dated 12 December 2002 (as amended and restated) between ProLogis European Finance VII S.à r.l., ABN AMRO Trustees Limited, ABN AMRO Bank N.V. and certain other wholly-owned subsidiaries of PEPR. Under the securitisation arrangements, security was granted by subsidiaries of ProLogis European Finance VII S.à r.l., in the form of mortgages over real estate, share charges, pledges over relevant intercompany receivables and bank accounts.

10. General

- 10.1** PEPR is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which PEPR is aware) in the twelve months preceding the date of this document which may have or have had in such period a significant effect on PEPR and/or its financial position or profitability.
- 10.2** PEPR intends to conduct its activities such that PEPR will not be required to register under the Investment Company Act.
- 10.3** Details of PEPR's principal subsidiaries which are directly or indirectly owned by PEPR and consolidated into the most recent financial statements of PEPR as well as subsequent changes are set out in the schedule to this Part VII. Such subsidiaries generally have an accounting period identical to that of PEPR, generally have the same auditors as PEPR, and generally are managed by ProLogis Directorship S.à r.l. In some jurisdictions, as an exception to the above, ProLogis Directorship S.à r.l. may not act as manager of certain principal subsidiaries of PEPR. In such case the relevant principal subsidiaries are managed by representatives of ProLogis.
- 10.4** Each of JLL, DTZ and CBRE have given and not withdrawn their consent to the inclusion in this Prospectus of the Valuation Report prepared by them and set out in Part X of this Prospectus in the form and context in which it is included, and have authorised the contents of its above mentioned report for the purpose of this Prospectus. Each of DTZ, JLL and CBRE accepts responsibility for the content of its valuation report and to the best of its knowledge and belief, having taken all reasonable care to ensure that the same is the case, the information contained in its valuation report or reports is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 10.5** E&Y has given and not withdrawn its consent to the inclusion in this Prospectus of the financial information and its audit and review reports thereon prepared by it and incorporated by reference hereto, and has authorised the contents of its above mentioned report for the purpose of this Prospectus.
- 10.6** Save as disclosed herein, no amount or benefit has been paid or given by PEPR to the Management Company, and, other than as expressly disclosed in this Prospectus, none is intended to be given.
- 10.7** The Preferred Units will be admitted to listing on Euronext Amsterdam and to trading on Euronext Amsterdam's regulated markets and to listing on the Official List and trading on the regulated market of the Luxembourg Stock Exchange.
- 10.8** Other than as specifically detailed in this Prospectus, there has been no significant change in the financial or trading position of PEPR since 30 September 2009, the date to which the consolidated unaudited interim results incorporated by reference in this Prospectus were prepared.
- 10.9** PEPR communicates the valuation of its NAV in its quarterly earning announcements. PEPR's Distribution Facilities are valued by the Independent Appraiser on a semi-annual basis. Consequently, the Management Company, in preparing quarterly calculations of NAV (other than the annual calculation), bases such calculations on the semi-annual valuation of the Distribution Facilities subject to any adjustments which it considers necessary. The Management Company currently only contemplates the publication of the NAV being suspended in *force majeure* circumstances. If the publication of quarterly results were unduly delayed or cancelled, PEPR would make a market announcement.

The most recent NAV per Unit as of 30 September 2009 amounts to €5.93 per Unit. Such NAV has not been audited.

10.10 PEPR complies with the “*Ten Principles of Corporate Governance*”, which have been adopted by the Luxembourg Stock Exchange and constitute the corporate governance regime applicable in Luxembourg.

10.11 As at the date of this Prospectus, the maximum amounts payable, excluding value added taxes, in respect of all material fees over a 12 month period to each of the Management Company, the Investment Managers, the Custodian, the Luxembourg Paying and Listing Agent, the Dutch Paying Agent and the Registrar and Transfer Agent are as follows:

| | |
|---|---------------|
| Management Company and Investment Managers | €22.7 million |
| Custodian and Luxembourg Paying and Listing Agent | €0.1 million |
| Dutch Paying Agent..... | €0.1 million |
| Registrar and Transfer Agent..... | €0.1 million |
| Estimated total | €23.0 million |

The amount of the material fees is calculated as follows:

Management Company and Investment Managers

- base management fee: 0.60 per cent. per annum of Gross Property Value of the Portfolio
- cash management fee: 0.10 per cent. per annum on cash deposits, money market instruments or debt securities
- legal and tax compliance fee: time spent at an hourly rate between €125 and €225
- property management fee: 1.0 per cent. - 3.8 per cent. per annum (varies per country) of annual lease amount for those leases with a recharge clause to tenants
- leasing commissions: 9.3 per cent. - 30.0 per cent. (varies per country and lease term) of annual lease amount for a new lease arranged by Investment Managers
- construction management fee: 3.3 per cent. - 12.0 per cent. (varies depending the size/amount) of the total project (extension or renewal)

Custodian and Luxembourg Paying and Listing Agent

- custodian and supervisory fee: a blended 0.0085 per cent. per annum on IFRS reported equity value per the end of each quarter
- other: fixed fees per certain administrative transactions

Dutch Paying Agent

- paying agency services: fixed annual fee
- other: fixed fees per certain administrative transactions

Registrar and Transfer Agent

- Shareholder services fee: fixed fees per certain administrative transactions

10.12 The Management Company, on behalf of PEPR, has appointed KPMG as the tax representative of PEPR in Austria. In this capacity KPMG is responsible for, amongst others, submitting tax filings in respect of PEPR with the Austrian Ministry of Finance. The Management Company expects to continue having a tax representative in Austria, if necessary, to exercise its discretion in appointing alternative representatives from time to time.

11. Indebtedness and Capitalisation

The indebtedness and capitalisation of PEPR as at 30 September 2009 were as follows:

PEPR Capitalisation and Indebtedness

| | <u>€'000</u> |
|--|------------------|
| Total Current Debt (net of costs of raising debt) (including current portion of long-term debt) ⁽¹⁾ | |
| — <i>Guaranteed and Secured</i> ⁽²⁾ | 448,005 |
| — <i>Unguaranteed/Unsecured</i> | — |
| Total | <u>448,005</u> |
| Total Non-Current Debt (net of costs of raising debt) (excluding current portion of long-term debt) | |
| — <i>Guaranteed</i> | — |
| — <i>Secured</i> ⁽³⁾ | 217,878 |
| — <i>Unguaranteed/Unsecured</i> | 1,051,238 |
| Total | <u>1,269,116</u> |
| Unitholders' Equity | |
| Capital (net of costs of raising capital) | 1,874,089 |
| Other reserves: | |
| — <i>Cumulative foreign currency translation</i> | (135,222) |
| — <i>Cashflow hedge valuation reserve</i> | (9,890) |
| Total | <u>1,728,977</u> |

(1) As at 30 September 2009, PEPR carried debt which is both guaranteed and secured.

(2) The facility provided by Banc of America and ABN AMRO Bank is secured by way of pledges on the Units of certain of PEPR's subsidiaries, intercompany receivable and a PEPR guarantee.

(3) The CMBS issuances are secured upon the Distribution Facilities which are owned by wholly-owned subsidiaries of PEPR. A secured facility provided by Deutsche Pfandbriefbank (formerly known as Hypo Real Estate Bank International) is secured on certain Distribution Facilities located in Central Europe.

PEPR Net Indebtedness

| | <u>€'000</u> |
|--|---------------|
| Liquidity | |
| — <i>Cash (including restricted cash of €37.7 million)</i> | 104,953 |
| Current Financial Receivables | |
| — <i>Amounts due from related party</i> | — |
| — <i>Accounts receivable, net</i> | 63,177 |
| — <i>VAT recoverable</i> | 4,494 |
| — <i>Amount to receive from escrow account</i> | 1,850 |
| — <i>Insurance receivable</i> | 1,073 |
| | <u>70,594</u> |
| Current Financial Debt | 448,005 |
| Net Current Financial Indebtedness | 272,458 |
| Non-current financial indebtedness | 1,269,116 |
| Net Financial indebtedness | 1,541,574 |

Working Capital

The Management Company believes that PEPR currently has sufficient working capital in order to meet its present requirements (i.e., the period of twelve months from the date of this Prospectus).

PEPR will have certain liquidity requirements arising in December 2010 for which it does not presently have sufficient capital resources. In particular, two of the three tranches under the €900.0 Million Facility — €300.0 million in the aggregate outstanding as of 30 September 2009, and €544.0 million in the aggregate outstanding as of 5 November 2009, following the repayment of CMBS debt in an aggregated amount of €359.1 million — will mature on 13 December 2010 (further details of which are set out in section 9.12 of Part VII). As at 30 September 2009, the remaining balance of the two tranches of €300.0 million (€56.0 million as of 5 November 2009) was available to draw down subject to, amongst other things, compliance with certain financial covenants, and the Management Company estimates that it will repay €77.0 million between December 2009 through December 2010, resulting in approximately €467.0 million outstanding under the credit facility on the

December 2010 maturity date, assuming no further new secured or other financings and a successful closing of the fully underwritten Offer of Preferred Units. Prior to such maturity date, the Management Company believes that it will be able to negotiate new credit terms in relation to the €900.0 Million Facility, or to secure new refinancing with a new syndicate of lenders. The Management Company can, however, give no assurance that the syndicate of bank lenders will extend all or part of the €900.0 Million Facility and, if not, that PEPR will be able to secure either a replacement facility on similar terms and conditions, or alternative financing. If PEPR is unsuccessful in refinancing the €900.0 Million Facility, it would require prior to December 2010 access to additional capital resources of approximately €467.0 million to satisfy its repayment obligations under the credit facility. The Management Company can, however, give no assurance that this or any similar option will be successfully implemented or, if they are, that they would raise sufficient capital to enable PEPR to meet its working capital requirements for the period after November 2010. The Management Company is actively pursuing a number of options to either reduce PEPR's future working capital requirements or to generate further working capital in order to meet anticipated future liquidity requirements, further details of which are set out in the section entitled "Liquidity and Capital Resources" in Part III—"Operating and Financial Review and Prospects" of this Prospectus.

Investors should note that E&Y stated in its audit report on PEPR's 2008 Accounts, without qualifying its opinion, that conditions referred to in Note 1 to PEPR's 2008 Accounts indicate the existence of a material uncertainty about PEPR's ability to continue as a going concern. Investors should also note that E&Y stated in its review report on 2009 Nine-Month Accounts, without qualifying its conclusion, that conditions referred to in Note 1 to PEPR's report on 2009 Nine-Month Accounts indicate the existence of a material uncertainty about PEPR's ability to continue as a going concern. Investors should read E&Y's audit opinion and Note 1 to the 2008 Accounts and E&Y's review report and Note 1 to 2009 Nine-Month Accounts.

12. Documents Available for Inspection

Copies of the following documents are available for inspection at the offices of the Management Company during usual business hours (Saturdays, Sundays and public holidays excepted) from the date of publication of this Prospectus for either a period of 14 days or until the Settlement Date, whichever is the longer period:

- 12.1** the Management Regulations;
- 12.2** the audited consolidated accounts of PEPR for the years ended 31 December 2008, 31 December 2007 and 31 December 2006 prepared in accordance with IFRS as adopted by EU which have been audited by E&Y, which is a member of the Luxembourg Institute of Independent Auditors and independent auditor of PEPR;
- 12.3** the consolidated unaudited results of PEPR for the nine-month period ended 30 September 2009;
- 12.4** the Valuation Reports set out in Part X of this Prospectus;
- 12.5** the Investment Management Agreement;
- 12.6** the Private Equity Fund Investment Agreement; and
- 12.7** this Prospectus.

Schedule—Principal Subsidiaries of PEPR

| Company name | Principal activity | Registered office | Country | Proportion of Capital Held |
|--|-----------------------------|---|----------------|----------------------------|
| ProLogis Belgium I Bvba | Real Estate Holding Company | Park Hill—Building A, 3rd Floor, Jan Emiel Mommaertslaan 18, 1831 Diegem, Belgium | Belgium | 100 |
| ProLogis Belgium II Bvba | Real Estate Holding Company | Park Hill—Building A, 3rd Floor, Jan Emiel Mommaertslaan 18, 1831 Diegem, Belgium | Belgium | 100 |
| ProLogis Belgium V Bvba | Real Estate Holding Company | Park Hill—Building A, 3rd Floor, Jan Emiel Mommaertslaan 18, 1831 Diegem, Belgium | Belgium | 100 |
| ProLogis Belgium VI Bvba | Real Estate Holding Company | Park Hill—Building A, 3rd Floor, Jan Emiel Mommaertslaan 18, 1831 Diegem, Belgium | Belgium | 100 |
| ProLogis Belgium VIII Bvba | Real Estate Holding Company | Park Hill—Building A, 3rd Floor, Jan Emiel Mommaertslaan 18, 1831 Diegem, Belgium | Belgium | 100 |
| ProLogis Czech Republic II sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic III sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic IV sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic VII sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic X sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic XI sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic XII sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic XIII sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Czech Republic XIV sro | Real Estate Holding Company | Říčany-Jazlovice, Na Dlouhem 79, PSC 2501, Czech Republic | Czech Republic | 100 |
| ProLogis Angloir S.à r.l. | Real Estate Holding Company | Bâtiment Saturne—Continental Square 1–4 Place de Londres—BP 11753 Tremblay en France—, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Artoilog S.à r.l. | Real Estate Holding Company | Bâtiment Saturne—Continental Square 1–4 Place de Londres—BP 11753 Tremblay en France—, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Bre Francilienne 2 S.à r.l. | Real Estate Holding Company | Bâtiment Saturne—Continental Square 1–4 Place de Londres—BP 11753 Tremblay en France—, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Bre Francilienne Compans S.à r.l. | Real Estate Holding Company | Bâtiment Saturne—Continental Square 1–4 Place de Londres—BP 11753 Tremblay en France—, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Bre Francilienne S.à r.l. | Real Estate Holding Company | Bâtiment Saturne—Continental Square 1–4 Place de Londres—BP 11753 Tremblay en France—, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Bre Orbium S.à r.l. | Real Estate Holding Company | Bâtiment Saturne—Continental Square 1–4 Place de Londres—BP 11753 Tremblay en France—, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Chesnes Nord Eurl | Real Estate Holding Company | Bâtiment Saturne—Continental Square 1–4 Place de Londres—BP 11753 Tremblay en France—, Roissy Charles de Gaulle Cedex, France | France | 100 |

| | | | | |
|--|-----------------------------|---|--------|-----|
| ProLogis France XXIV Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXV Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXVI Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXX Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXI Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXIV Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXIX Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXV Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXVI Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXVII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis France XXXVIII Eurl | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Sofinvest Societe Financiere D'Investissements S.à r.l. | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI Plessis ProLogis Pate 2 | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis Copernic | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis Crepy Paris Nord | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |

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| SCI ProLogis Croisee des Autoroutes Lorraines | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis d’Ormes | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis du Carrefour de l’Europe | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis Le Parc | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SCI ProLogis Plessis Pate | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| SNC ProLogis Aulnay Extension Ouest | Real Estate Holding Company | Bâtiment Saturne–Continental Square 1–4 Place de Londres–BP 11753 Tremblay en France–, Roissy Charles de Gaulle Cedex, France | France | 100 |
| ProLogis Deutschland GmbH | Real Estate Holding Company | Peter-Müller-Strasse 16–16a, 40468 Düsseldorf, Germany | Germany | 100 |
| ProLogis Verwaltung GmbH | Real Estate Holding Company | Peter-Müller-Strasse 16–16a, 40468 Düsseldorf, Germany | Germany | 100 |
| ProLogis Verwaltung GmbH & Co Köln Eifelort KG | Real Estate Holding Company | Peter-Müller-Strasse 16–16a, 40468 Düsseldorf, Germany | Germany | 100 |
| Harbor Park Ingatlanfejlesztő Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| Harbor Park Ingatlanmuködtető Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 55.665 ²¹ |
| ProLogis Finance Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Hungary Finance Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Hungary Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Hungary TEN Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Hungary THREE Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Hungary TWO Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Italian Finance Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| WINGPROJEKT 2 Kft | Real Estate Holding Company | Millennium Tower II. Lechner Ödön fasor 7. 1095 Budapest, Hungary | Hungary | 100 |
| ProLogis Italy Ia Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy Ib Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |
| ProLogis Italy Ic Srl | Real Estate Holding Company | Via Milano 150, 20093, Cologno Monzese, Italy | Italy | 100 |

²¹ Although PEPR indirectly owns 55.665 per cent. of the registered capital of Harbor Park Ingatlanmüködtető Kft., it is entitled to exercise 82 per cent. of the votes in the company.

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| ProLogis UK XLVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand-Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand-Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XVI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand-Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand-Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand-Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXIV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand-Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXVI S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand-Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXVIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand-Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXXIV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand-Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXXV S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand-Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK XXXVII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand-Duchy of Luxembourg | Luxembourg | 100 |
| ProLogis UK CCLXVIII S.à r.l. | Real Estate Holding Company | 34–38, Avenue de la Liberté, L-1930 Luxembourg, Grand-Duchy of Luxembourg | Luxembourg | 100 |
| PLD Germany V BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.75 |
| PLD Germany VII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.8 |
| ProLogis Germany II BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.8 |
| ProLogis Germany III BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Germany IV BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Germany XII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.8 |
| ProLogis Germany XIX BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Germany XLI BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XLIII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Finance BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |

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| ProLogis Germany XXII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XLVI BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XV BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.75 |
| ProLogis Germany XVII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.40 |
| ProLogis Germany XXI BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXIII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXIX BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXV BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXXVI BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXXVII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXVIII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXXI BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXXIII BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXXIX BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXXV BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Germany XXXVI BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 94.44 |
| ProLogis Poland Finance BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Realty I BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Realty II BV | Real Estate Holding Company | Schiphol Boulevard 115, Tower F, 6th Floor, 1118 BG, Luchthaven Schiphol, Netherlands | The Netherlands | 100 |
| ProLogis Poland I Sp. z o.o. | Real Estate Holding Company | ul. Żłota 59, 00-120 Warsaw, Poland | Poland | 100 |

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| ProLogis Spain VIII SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain X SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain XI SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain XII SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Spain XIII SL | Real Estate Holding Company | ProLogis Park Sant Boi, C/Coto No.6, Sant Boi de Llobregat, SP 08830, Spain | Spain | 100 |
| ProLogis Holding AB | Real Estate Holding Company | c/o Matrisen AB P.O. Box 22059, 104 22 Stockholm, Sweden | Sweden | 100 |
| ProLogis Sweden Gothenburg AB | Real Estate Holding Company | c/o Matrisen AB P.O. Box 22059, 104 22 Stockholm, Sweden | Sweden | 100 |
| ProLogis Sweden I AB | Real Estate Holding Company | c/o Matrisen AB P.O. Box 22059, 104 22 Stockholm, Sweden | Sweden | 100 |
| ProLogis Sweden Norrkoping AB | Real Estate Holding Company | c/o Matrisen AB P.O. Box 22059, 104 22 Stockholm, Sweden | Sweden | 100 |
| ProLogis Sweden Orebro AB | Real Estate Holding Company | c/o Matrisen AB P.O. Box 22059, 104 22 Stockholm, Sweden | Sweden | 100 |
| 1 & 2 Buncefield Lane (No. 2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| 1 & 2 Buncefield Lane Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis (Plot 1200 Central Park Rugby No. 1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis (Plot 1200 Central Park Rugby No. 2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Apex Park DC 3 (No. 1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Apex Park DC 3 (No. 2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Corby Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Grange Park Plot 4 Zone A (No. 2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Grange Park Plot 4 Zone A (No. 1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Grange Park Plot 6 Zone A (No. 1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Grange Park Plot 6 Zone A (No. 2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Grange Park Plot 6 Zone A (No. 3) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Keresley Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Kettering (Number 1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Marston Gate Plot 1 (No. 1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Marston Gate Plot 1 (No. 2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |

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| ProLogis Marston Gate Plot 3 (No. 1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Marston Gate Plot 3 (No. 2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Wakefield DC 2 (No. 1) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Wakefield DC 2 (No. 2) Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Wakefield Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| ProLogis Park Bromford Gate Management Company Limited | Real Estate Holding Company | 1 Monkspath Hall Road, Solihull, West Midlands, B90 4FY, United Kingdom | United Kingdom | 100 |
| Bermuda Park Unit Trust | Real Estate Holding Company | Whiteley Chambers, Don Street, St. Helier, JE4 9WG Jersey | Jersey | 100 |

PART VIII – TAX CONSIDERATIONS

General

The comments below are of a general and non-exhaustive nature based on the Management Company's understanding of the current fiscal law and practice applying as at the date of this Prospectus in Luxembourg, The Netherlands, Germany, France, the UK and the U.S., each of which is subject to change. The following summary does not therefore constitute legal or tax advice.

An investment in PEPR involves a number of complex tax considerations. Changes in law, regulations or interpretations by the courts or tax authorities in any of the countries in which PEPR and its direct or indirect subsidiaries will have investments or in Luxembourg (or in any other country in which a subsidiary of PEPR is located), or changes in tax treaties negotiated by those countries, could adversely affect the returns to Unitholders on their investment in PEPR.

The following section does not address the tax consequences of subscribing for, purchasing, holding, converting, selling or transferring Units in all jurisdictions (the analysis is limited to that for certain investors tax resident in Germany, Luxembourg, The Netherlands, the United Kingdom and the United States). The tax consequences of investing in Units of PEPR may differ significantly from investments in other types of investment vehicle. Unitholders should consult their professional advisors on the potential tax consequences of subscribing for, purchasing, holding, converting, selling or transferring Units under the applicable laws of their country and/or state of citizenship, domicile or residence.

Taxation of PEPR and Unitholders

This section summarises the taxation treatment of PEPR and of the returns of the investment in PEPR, by Unitholders tax resident in certain jurisdictions. The summary is based on laws, regulations and practice in force as at the date of this Prospectus, and is presented for guidance only. Depending on individual facts and circumstances, the taxation treatment of specific Unitholders may differ from the guidance below. In any case, Unitholders should obtain advice from their own advisors on the tax implications for them of subscribing for, purchasing, holding, converting, selling or transferring Units and receiving distributions in respect of Units.

Taxable Unitholders in any jurisdictions where PEPR is treated as tax transparent should note that certain detailed information may be required by them in order to ascertain the level of taxable income and gains for the purpose of filing local tax returns, and that the detailed information required may not be routinely provided by PEPR. The Management Company will comply with all reasonable requests for additional information requested by Unitholders to prepare their tax returns, but may require the reimbursement of any costs incurred in preparing that information.

PEPR

PEPR is an FCP regulated in Luxembourg under Part II of the Law of 2002 as a common fund. As such, the income and gains of PEPR will not be subject to income tax in Luxembourg. PEPR is subject to an annual subscription tax in Luxembourg of 0.05 per cent. per annum of the net assets attributable to any Units which may be in issue at the time of the calculation of the subscription tax. Such annual subscription tax is payable by PEPR quarterly on the basis of the value of the aggregate net assets of Units as of the end of the preceding calendar quarter.

Distributions to Unitholders will not be subject to withholding tax in Luxembourg, unless they fall under the rules of EC Council Directive 2003/48/EC on the taxation of savings income and related bilateral agreements (see below).

PEPR owns real estate indirectly through indirect subsidiaries, which subsidiaries are held through a series of Luxembourg holding companies owned by a single Luxembourg holding company owned directly by PEPR. The cash received by PEPR is expected to substantially comprise interest income arising on loans made by PEPR to its direct Luxembourg subsidiary. Such interest income is funded by income and gains derived from indirect subsidiaries of PEPR and income derived from ProLogis Private Equity Funds and ProLogis Joint Ventures, if any. Cash may also be received as repayments of loan principal.

The Management Company seeks to manage PEPR in a tax-efficient manner, within the constraints of local fiscal law and practice. Real estate income earned by the asset-owning subsidiaries will be subject to taxation in the jurisdiction in which the real estate is located. Local tax is payable by the asset-owning entities on

net rental income after deducting management fees, tax depreciation and interest on debt finance (from both internal and external sources) in that entity. Where the asset-owning entity is financed with debt from PEPR or its subsidiaries, cash will be repatriated to PEPR in the form of interest payments, usually through intermediate companies. Interest payments will, where possible, be made gross without deduction of withholding tax in the jurisdictions in which the assets are located by virtue of local law, the relevant double taxation agreements or the EU Council Directive 2003/49/EC (“On a Common System of Taxation Applicable to Interest and Royalty Payments Made between Associated Companies of Different Member States”), as implemented in the relevant domestic regulations, assuming the conditions set forth therein will be met.

The after-tax income, net of interest on debt financing, generated by each asset-owning entity will be distributed to PEPR, through intermediate holding companies. In most jurisdictions in which PEPR invests and expects to invest, dividend payments should not be subject to withholding tax by virtue of the EU Council Directive 90/435/EC as implemented in the relevant domestic regulations, assuming the conditions set forth therein will be met. Such dividend income should generally not be taxable in the recipient company under the relevant participation exemption for dividend income, provided the necessary conditions are met.

The amounts available for distribution in PEPR are calculated with respect to Distributable Cash Flow, net profit. In some circumstances, for example, because of the need to depreciate an asset in the accounting records of the asset-owning entities, cash flows may arise which cannot be distributed from the asset-owning entities and intermediate holding companies by way of a dividend. To repatriate this cash to PEPR, the subsidiaries of PEPR may repay intercompany debt and/or make upstream loans to PEPR as necessary.

To the extent dividends are paid to PEPR by its direct Luxembourg subsidiary, a 15 per cent. withholding tax will *prima facie* be levied on those payments. It is not currently intended that dividends will be paid to PEPR if it is determined that withholding tax would be payable. If this is the case alternative cash repatriation structures may be used.

Unitholders not resident in Luxembourg could be liable to tax in Luxembourg if:

- PEPR has invested directly, or indirectly through a tax transparent vehicle, in Luxembourg real estate; or
- Such Unitholders realise a gain on the disposal of a “substantial holding” (i.e. the Unitholder, together with any spouse and children has held, at any time during a period of five years prior to the sale, more than a 10 per cent. share through PEPR directly, or indirectly through a tax transparent vehicle, in a Luxembourg resident company) whereby:
 - a) the Unitholder has held that substantial holding (directly or indirectly) for less than six months; or
 - b) the Unitholder was tax resident in Luxembourg for more than fifteen years prior to the disposal and became non-Luxembourg tax resident less than 5 years before the disposal.

French 3% Tax on Real Property

According to article 990D et seq of the French Tax Code, legal entities, organisations, trusts or similar institutions which directly or indirectly own one or more real estate assets or certain rights over real estate assets located in France are liable for an annual tax of 3 per cent. of the market value of the real property or rights over such property.

Article 990E of the same Code provides for a number of exemptions, some of which are subject to filing requirements and others of which are available without any filing obligation. Article 990E 2° b of the same Code provides for an exemption (the so-called “listing exemption”) from the French 3% Tax that applies to entities whose shares, rights or units are “significantly and actively traded” on a French or foreign regulated market (within the meaning of EU regulations). This exemption, which also applies to such entities’ 100 per cent. direct or indirect subsidiaries (or at least 99 per cent. held if such subsidiaries are required by law to have more than one member, shareholder or unitholder), does not have any associated filing obligation.

According to the French administrative guidelines dated 7 August 2008 (BOI 7Q-1-08, § 61), a regulated market means a market approved by Member States in accordance with article 16 of the Directive 93/22/EEC and listed as such by the EU Commission. The French Tax Authorities consider that securities in an entity are deemed to be “significantly traded” where at least 25 per cent. of those securities are

listed on such a regulated market. Securities in an entity are considered as “actively traded” where there is at least one trade in those securities per month on average over the calendar year.

The Management Company considers that PEPR should, as at the date of this Prospectus, fulfil all the conditions mentioned above to benefit from the listing exemption. Accordingly, under article 990D second paragraph of the French Tax Code any Unitholder in PEPR would also be considered as exempt from the French 3% Tax in respect of its holding of Units, regardless of such Unitholder’s own specific status.

However, should PEPR not fulfil the conditions mentioned above, exemption from the French 3% Tax may be sought through the annual filing of a French 3% Tax form (form 2746-SP) or potentially the one-off filing of a commitment to provide information to the French Tax Authorities upon request. In cases where an exemption is not available, the liability to the French 3% Tax will have to be determined at the level of each Unitholder, and any Unitholder will be primarily responsible for the payment of such tax attributable to it. However, failure of a Unitholder to pay French 3% Tax liability and/or failure to seek certain exemptions or to comply with its filing obligations may result in the joint liability of PEPR and its subsidiaries to pay the tax. The amount of any annual French 3% Tax charge which would be payable by PEPR would depend on the market value of French real estate held by PEPR (through its indirect subsidiaries) and the proportionate interest held by those Unitholders who have failed to pay the French 3% Tax for which they are responsible. Such a liability could be material to PEPR.

Management Regulations

The Management Regulations provide that, to the extent PEPR or any Relevant Entity is liable to pay French 3% Tax as a result of the ownership, directly or indirectly, by any Non-Exempt Unitholder of Units and the French 3% Tax is not paid by the relevant Non-Exempt Unitholder on its own account, the Non-Exempt Unitholder shall pay the amount of the French 3% Tax to PEPR or as the Management Company may direct prior to the time it becomes payable by PEPR or any such Relevant Entity.

To the extent that the tax is not paid, PEPR may, and shall use reasonable efforts to, either (a) deduct and set off the amount of the French 3% Tax from distributions to be made on (i) any Units owned, directly or indirectly, by the relevant Non-Exempt Unitholder, and (ii) any Units in relation to which the direct owner of the Units remains the same but the relevant Non-Exempt Unitholder has ceased to be the owner, direct or indirect, of such direct owner; or (b) recover the amount of French 3% Tax from the relevant Non-Exempt Unitholder.

PEPR shall be entitled not to register the transfer of Units if it reasonably determines that an entity which owns or owned such Units, directly or indirectly, is a Non-Exempt Unitholder and PEPR or any Relevant Entity may be liable to pay any French 3% Tax as a result of such ownership and there are no reasonably satisfactory alternative arrangements for the payment of such French 3% Tax by the relevant Non-Exempt Unitholder. The Management Company shall adopt such steps as are available to it under the Management Regulations and as it deems appropriate and as are reasonably practicable (having regard to the nature of PEPR as a publicly traded vehicle) to (i) monitor whether Units are owned, directly or indirectly, by such Non-Exempt Unitholders, and (ii) prevent such Non-Exempt Unitholders from owning such Units.

In addition, Unitholders shall be obligated to provide such information as may be reasonably requested by the Management Company for the purposes of determining whether Units are held by Non-Exempt Unitholders.

Austrian Tax Representative responsibilities

It is assumed for the purposes of this document that PEPR qualifies as a property investment fund under the Austrian Property Investment Funds Act (the “APIFA”).

The Management Company has appointed a tax representative of PEPR in Austria. In this capacity the tax representative will be responsible for, amongst others, submitting tax filings in respect of PEPR with the Austrian Ministry of Finance. The Management Company expects to continue having a tax representative in Austria and, if necessary, to exercise its discretion in appointing alternative representatives from time to time.

Taxation treatment of Unitholders tax resident in certain jurisdictions

The following commentary provides guidance as to the taxation treatment of tax exempt and taxable entities which are tax resident in certain jurisdictions. The commentary does not provide guidance for individual investors (other than in The Netherlands). The tax treatment of all investors will depend upon their specific

circumstances and Unitholders should obtain advice from their own tax advisors on the tax implications for them of investing, holding and disposing of Units and receiving distributions in respect of Units.

Germany

This general summary is limited to certain ongoing German tax implications for certain German tax resident Unitholders.

The following summary is based on the GIA, the GITA currently in effect and the BaFin interpretation on the applicability of the GIA to foreign investment schemes (*Rundschreiben 14/2008* dated 22 December 2008). An amendment of the interpretation of GITA by the German tax authorities (*Schreiben betr. Investmentsteuergesetz (InvStG), Zweifels- und Auslegungsfragen* dated 2 June 2005) has been published on 18 August 2009. The definitions of the terms “foreign investment fund” (“*ausländisches Investmentvermögen*”) and “foreign investment unit” (“*ausländischer Investmentanteil*”) in the GIA determine the scope of application of the GITA as the German tax authorities apply the interpretations of the BaFin interpretation for tax purposes.

Under the definition of a foreign investment unit provided by section 2(9) GIA, any foreign investment scheme would be subject to the GIA and thus to the GITA rules if it offers its investors a redemption right (with respect to their rights in the foreign investment scheme) or if it is subject to investment supervision in its country of residence. On the basis of the latter condition and as result of the CSSF supervision over PEPR, the Management Company believes that the Units should qualify as foreign investment units.

The GIA/GITA rules only apply if PEPR invests directly or indirectly through its subsidiaries in a pool comprised of certain eligible assets (including real estate and real estate companies) and the investment is made in compliance with certain risk diversification considerations. It is assumed that the portfolio of real estate investments held by PEPR together with its subsidiaries currently fulfils the requirements of risk diversification. However, according to recent changes in the interpretation of the GIA/GITA rules, the BaFin and the German tax authorities no longer adopt a “look-through” approach regarding eligible assets, such that only shares directly held by PEPR will be considered in determining whether it has invested in eligible assets. Section 2(4) No. 6 and section 68 GIA treat as eligible assets interests in companies that are strictly limited by their constitutional documents to acquire and hold only real property (and other assets necessary for the management of such real property) or shares in other companies which in turn fulfil these requirements.

However, PEPR currently indirectly holds financing companies which own neither real estate assets nor shares in companies which in turn own real estate, but have the sole purpose of providing loans to real estate owning companies. The requirements under the proposed new interpretation may therefore not be fulfilled and so when the new interpretation comes into effect PEPR may no longer be treated as a foreign investment fund subject to the GITA rules. The German tax authorities apply a grandfathering period in relation to the new GITA interpretation which would apply in any event to treat PEPR as a foreign investment fund subject to the GITA rules for all fiscal years beginning before 31 May 2011.

While not formally confirmed by German tax authorities, the Management Company assumes that PEPR currently qualifies (under the existing German tax authority interpretation) as a foreign investment fund and the Units qualify as foreign investment units as currently defined in the GIA, such that the GITA rules will apply. The tax consequences for the German Unitholders in PEPR depend on whether or not PEPR complies with the regulations, reporting and certification requirements set out in section 5(1)-(3) GITA (together the “GITA Disclosure Requirements”). PEPR intends to comply with the GITA Disclosure Requirements to the extent necessary for the relevant German Unitholders to avoid the generally disadvantageous “lump sum” taxation under section 6 GITA as detailed below.

German Unitholders should note that due to the size and nature of the PEPR structure, costs associated with the fulfilment of the GITA Disclosure Requirements in connection with their investment in PEPR could be significant and would have to be borne by the respective German Unitholders.

Where the GITA rules apply and the GITA Disclosure Requirements are met, German corporate Unitholders are subject to tax at the appropriate rate on their share of PEPR’s income as it arises, regardless of whether it is distributed income (*ausgeschüttete Erträge*) or deemed distributed income (*DDI or ausschüttungsgleiche Erträge*). The current applicable tax rates for such income are German Corporate Income Tax at 15 per cent., Solidarity Surcharge on the Corporate Income Tax at 5.5 per cent. and German Trade Tax at between 7 per cent. and 17 per cent. (depending primarily on the municipality where the German corporate Unitholder is resident).

Special rules may apply in determining the taxable basis for German tax resident health and life insurance companies where the taxable basis can be reduced by a deductible provision for future premium refunds and payouts. Therefore, German tax resident health and life insurance companies are typically subject to a low effective tax rate.

If the current GITA rules apply, PEPR's income will include interest, dividends, other income, capital gains, and profits from investment funds, less certain expenses. However, provided the GITA Disclosure Requirements are met, income arising from certain capital gains (including those resulting from a sale of shares in a subsidiary) may not be taxable at the level of the German Unitholders until it is actually distributed by PEPR to the German Unitholders.

If PEPR does not distribute any relevant profits of a fiscal year or declare a distribution to Unitholders within four months following the end of the fiscal year, such non-distributed profits will be treated as DDI for German tax purposes.

Provided that the relevant GITA Disclosure Requirements are fulfilled, foreign tax leakage incurred directly in relation to income on which a German Unitholder is subject to tax (e.g. withholding taxes paid on dividends from a Luxembourg holding company to PEPR) may be credited against the German income tax of the German Unitholder, depending on the tax credit capacity of the German Unitholder as well as the provisions of the relevant double taxation treaty. Alternatively, these taxes may be treated as deductible expenses when calculating PEPR's income under the GITA in accordance with section 4(4) GITA. In any event, it is PEPR's intention to minimize taxes such as dividend or interest withholding tax.

For German corporate Unitholders, capital gains on the disposal or redemption of Units in PEPR are subject to ordinary taxation, except for any amounts previously taxed as DDI and any portion which relates to an "equity gain in the broader sense" (*Aktiengewinn im weiteren Sinne*), as defined under section 8(1) GITA, provided that the disclosure requirements under section 5(2) GITA are met. An 'equity gain in the broader sense' consists of:

- (i) any gains relating to shares (or other equity type interests) held by PEPR (*Aktiengewinn im engeren Sinne*) which should be exempt from tax for German corporate Unitholders under the German participation exemption rules;

and

- (ii) any gains arising from real estate held by PEPR (*ImmobilienGewinn*) where taxation rights in respect of such property belong to jurisdictions other than Germany.

The German participation exemption rules do not apply to German tax resident health and life insurance companies.

According to section 5(3) GITA, interim gains (*Zwischengewinn*) based on updated valuations must be calculated and published by PEPR on each occasion when a Unitholder may redeem Units against PEPR in accordance with their redemption rights. Interim gains comprise any interest and interest-like income which has not been distributed by PEPR to its Unitholder or is not part of the Unitholder's DDI. Where these interim gains are not published, German Unitholders will be subject to a disadvantageous "lump sum" taxation when disposing of their Units in PEPR.

PEPR intends to monitor all existing and new subsidiaries with regard to their independent qualification as a foreign investment company under the GIA/GITA rules. If any subsidiary is or becomes subject to the GIA/GITA rules, PEPR intends to ensure that the subsidiary concerned will comply with the GITA Disclosure Requirements in the same manner as proposed for PEPR. In certain instances, PEPR may cause certain subsidiaries which qualify as a "foreign investment company" as defined by the GIA (e.g. subsidiaries which are subject to investment supervision in their country of residence), to qualify as a "Foreign Special Fund" within the meaning of section 16 GITA in order to reduce disclosure requirements under the GITA and related costs.

In the event that PEPR (or any of its subsidiaries which qualify as a "foreign investment fund") does not comply with the GITA Disclosure Requirements, PEPR (or its subsidiaries) may be deemed to be a "non-transparent" fund pursuant to section 6 GITA. In such cases, German Unitholders may be subject to the so-called "lump sum" taxation on the greater of:

- (i) an amount equal to 6 per cent. of the value of the Units of PEPR (or its subsidiary) at the end of the fiscal year,

and

- (ii) the sum of any distributions, interim gains and 70 per cent. of the increase in the value of the Units (relating to PEPR or its subsidiary as relevant) during the fiscal year.

Given the German tax authorities' interpretation of the amended GIA and GITA regime, there remains a significant risk that PEPR will no longer be treated as investing in eligible assets. The German tax authorities and the BaFin are currently considering whether shareholder financing structures in foreign investment fund structures will have a detrimental effect on the qualification of investment vehicles as "foreign investment fund". There is therefore a significant risk that PEPR will in future no longer be regarded as a foreign investment fund from a German tax perspective and thus the general German tax rules, including the German CFC rules ("*Hinzurechnungsbesteuerung*") according to sections 7-14 German Foreign Transactions Tax Act ("*Außensteuergesetz*") would apply.

In this case, any income of non-German resident corporations directly or indirectly owned by PEPR which is subject to income taxes of less than 25 per cent. in the corporation's state of residence (considered to be "low-taxed income") and which does not qualify as active income, would be subject to the German CFC rules ("*Hinzurechnungsbesteuerung*"). If these provisions were to apply, any low-taxed passive income deriving from capital investment may be subject to the German CFC rules irrespective of the level of unitholding of the German Unitholder. As a consequence, any income of non-German resident corporations directly or indirectly owned by PEPR may be attributed under German CFC rules *pro rata* to German Unitholders and may be subject to taxation at the German Unitholder's level under the tax regime applicable to the German Unitholder, regardless of any distributions made by PEPR.

Taxation implications relating to the Issuance and Conversion of Preferred Units

A German Unitholder should account for the Preferential Subscription Rights as separate assets for German statutory and tax accounting purposes. The historical costs of the Units in PEPR already held by German Unitholder should be reduced by the value (if any) attributable to the Preferential Subscription Rights. Any such value attributed to the Preferential Subscription Rights should be part of the acquisition costs of the Preferred Units in case the German Unitholder chooses to exercise all or part of its Preferential Subscription Rights.

Should a German Unitholder elect not to exercise the Preferential Subscription Rights there should be no taxable income deriving from the waiver. Any costs attributed to the Preferential Subscription Rights should be reallocated to the costs of the Units in PEPR already held by the German Unitholder.

Profit, if any (calculated by reference to any base cost attributed above), deriving from the disposal of the transferrable Preferential Subscription Rights should be subject to German corporate income and trade tax at the German Unitholder level. The profit should be calculated as the difference between the sales price received and the costs attributed to the Preferential Subscription Rights and related transaction costs.

Any Conversion of Preferred Units to Ordinary Units should not be a taxable event for a German Unitholder. In addition, assuming that at the date of any Conversion, there will be a dilution of the existing Ordinary Unitholders, for German tax purposes, German Unitholders should not be regarded as disposing of part of their Ordinary Units as a consequence of this dilution.

Luxembourg

This general summary is limited to the tax consequences applicable to Luxembourg tax resident tax-exempt and taxable corporate Unitholders.

PEPR will, in principle, be treated as a tax transparent entity for Luxembourg tax purposes. Subsidiary corporate entities will be treated as corporate entities for Luxembourg tax purposes.

Given that the Fund should be considered as tax transparent, Luxembourg resident Unitholders should in principle be taxable on their share of total profits arising in PEPR (whether or not distributed) as though the profits are realised by those Unitholders directly.

In such circumstances, the tax consequences for Luxembourg tax resident corporate Unitholders should be as follows:

- Tax-exempt corporate investors will not be subject to Luxembourg income tax on their share of the income of the Fund;
- Taxable corporate investors will be subject to income tax, at a rate of 28.59 per cent, including municipal business tax for Luxembourg City in 2009, on their share of taxable income of the Fund; and
- All tax resident Luxembourg corporate Unitholders are subject to net worth tax at a rate of 0.5 per cent per annum on their share of PEPR's net assets.

In accordance with the tax transparent nature of PEPR, the Unitholders will be taxable on their respective share of income and losses recognised in PEPR's income statement. However, see further comments below in relation to the tax treatment following the Issuance of the Preferred Units.

Taxation implications relating to the Issuance and Conversion of Preferred Units

Any profit arising to Luxembourg tax resident corporate Ordinary Unitholders who dispose of their transferrable Preferential Subscription Rights will be taxable in the hands of the Unitholder as a capital gain on a financial asset. The applicable rate will be 28.59%, including municipal business tax for Luxembourg City in 2009.

There should be no Luxembourg taxation implications on the Issuance of the Preferred Units.

Luxembourg tax resident corporate Unitholders will be taxed on their respective share of income and gains. In addition, from the date of Issuance of the Preferred Units until the date of Conversion, if any, there may be movements in the allocation of net assets between Ordinary and Preferred Unitholders on an ongoing basis for Luxembourg tax purposes. For Luxembourg tax purposes, this transfer of PEPR's net assets between Preferred and Ordinary Unitholders may result in additional reportable gains and losses for Luxembourg Unitholders (i.e. gains/losses in addition to those recognised in PEPR's income statement).

As at the date of any Conversion there may be a dilution of the existing Ordinary Unitholders. For Luxembourg tax purposes, this dilution should be considered as a transfer of a proportion of PEPR's assets from Ordinary Unitholders to Preferred Unitholders for nil consideration. The resulting losses recognised by Ordinary Unitholders should be deductible for Luxembourg tax purposes while the corresponding increase in the value of the Preferred Unitholder's share in PEPR should be taxable.

The Management Company considers that owing to some of the characteristics of the Preferred Units, there is a risk that Luxembourg tax authorities may treat the Preferred Units as debt instruments for tax purposes. If this were the case, Preferred Unitholders would not be taxed based on tax transparency in respect of their Preferred Units and the distributions received in respect of those Preferred Units. Instead all distributions (other than on any redemption) derived by Preferred Unitholders would qualify as interest income. In this case, Ordinary Unitholders would continue to be taxable on their respective share of income/gains from PEPR (albeit after deduction of interest payable to Preferred Unitholders).

The Netherlands

This general summary is limited to the tax consequences applicable to the following Unitholders:

- (i) Dutch pension funds which qualify as tax exempted entities pursuant to article 5(1)(b) Dutch Corporate Income Tax Act 1969 ("CITA") which own Units in PEPR directly (i.e. not via another taxable entity);
- (ii) Dutch tax resident individuals who own Units in PEPR as portfolio investments taxable in Box III as defined in the Dutch Individual Income Tax Act 2001 ("IITA").

Dutch tax exempted pension funds

Pursuant to article 5(1)(b) CITA, entities whose sole purpose is, broadly, to protect their beneficiaries' interests by means of a pension scheme or early retirement scheme, are generally exempt from Dutch corporate income tax. However, the CITA provides that these entities (i.e. pension funds) are not tax exempt to the extent that they undertake activities which are not directly connected to the core purpose of a pension fund as described above. Such activities can only be defined in a general decree to be issued by the Dutch tax authorities. However as at the date of this Information Memorandum, this general decree has not yet been issued and it is uncertain if it will be issued and, if issued, what it will say.

Additional conditions also apply to achieve tax exempt status, including the condition that (except for a distribution of up to 5 per cent. of the nominal paid in capital or deposits) the pension fund's annual profit may only be allocated for:

- (i) the benefit of the policy holders,
- (ii) another tax exempt pension fund (pursuant to article 5(1)(b) CITA), or
- (iii) a non-profit entity for the common good.

Furthermore under article 5(2)(a) and (b) CITA, pension funds are generally not tax exempt if, broadly:

- (i) a beneficiary of the fund (or a member of his/her close family group) holds a direct or indirect shareholder interest of at least 10 per cent. in the pension fund, or
- (ii) if the pension fund activities are mainly undertaken for the benefit of employees of companies in which a beneficiary of the pension fund (or a member of his/her close family group) holds a direct or indirect shareholder interest of at least 10 per cent.

Any income and/or capital gain/loss incurred as a result of the ownership of Units in PEPR should be tax exempt at the level of Dutch pension funds which qualify as tax exempt entities pursuant to article 5(1)(b) CITA.

Taxation implications relating to the Issuance and Conversion of Preferred Units

The Issuance of Preferential Subscription Rights and Preferred Units should not, in itself, have any Dutch corporate income tax consequences for Dutch pension funds on the basis they are considered tax exempt entities pursuant to article 5(1)(b) CITA.

Any net income and/or capital gain realised as a consequence of the ownership of Preferential Subscription Rights and/or the Preferred Units in PEPR (including any net income and/or capital gain realised upon any Conversion) should be tax exempt for Dutch Unitholders that qualify as a pension fund pursuant to article 5(1)(b) CITA.

Dutch resident individuals

Dutch individual income tax is levied on the taxable income of individuals who are Dutch tax residents. Under the IITA, there are three categories or "Boxes" of taxable income, Box I, II and III, each having its own treatment and tax rate. Box III taxes general savings and investments held as portfolio investments provided the income of these savings and investments are not taxable in Box I or Box II. The analysis below applies only to Dutch tax resident individuals who own Units in PEPR as a portfolio investment which are taxable in Box III, as defined in the IITA.

In Box III, the taxation of savings and investments is based on the average net investment basis for the relevant year. The net investment basis is the difference between the fair market value of the assets and the fair market value of the liabilities in Box III (with the exception of certain specific assets and liabilities as defined in the IITA). The basis for taxation in Box III (being the "**Capital Yield Tax Base**") is the average of the net investment basis on 1 January and 31 December each year, to the extent this average exceeds a tax free amount as defined in the IITA. In a bill published on 15 September 2009 relating to the Fiscal Simplification Act 2010, it has been proposed that from 1 January 2011 onwards, a single reference date, i.e. 1 January, will apply for determining the Capital Yield Tax Base in Box III.

The taxable yield in Box III is determined at a notional amount equalling 4 per cent per year of the Capital Yield Tax Base. As a result, the amount of investment return actually received (e.g. cash distributions, gains etc.) on such assets is not relevant for determining the taxable basis in Box III. The notional yield of 4 per cent. of the Capital Yield Tax Base is subject to 30 per cent. income tax. This translates into Dutch individual income tax of 1.2 per cent. on the average Capital Yield Tax Base.

For Dutch tax resident individuals who own Units in PEPR as a portfolio investment, the Capital Yield Tax Base in Box III should therefore include the fair market value of the Units less the fair market value of any debts of that Dutch tax resident individual relating to the acquisition and holding of these Units.

For Dutch tax resident individuals who own Preferential Subscription Rights in PEPR as a portfolio investment, the Capital Yield Tax Base in Box III should therefore include the fair market value of the Preferential Subscription Rights less the fair market value of any debts of that Dutch tax resident individual relating to the acquisition and holding of these Preferential Subscription Rights.

For Dutch tax resident individuals who own Preferred Units in PEPR as a portfolio investment, the Capital Yield Tax Base in Box III should therefore include the fair market value of the Preferred Units less the fair market value of any debts of that Dutch tax resident individual relating to the acquisition and holding of these Preferred Units.

The receipt, disposal or exercise of Preferential Subscription Rights and the Issuance and any Conversion of Preferred Units should not have any further tax consequences under the IITA for Dutch tax resident individuals who own these Preferential Subscription Rights and Preferred Units in PEPR as portfolio investments taxable in Box III.

United Kingdom

General

The following general summary summarises the tax consequences applicable to (i) tax exempt United Kingdom tax resident Unitholders and (ii) taxable United Kingdom tax resident corporate Unitholders, which, in either case, are the beneficial owners of their units. However, it does not purport to summarise the tax consequences applicable to all potential categories of United Kingdom tax resident corporate Unitholders. For example, the summary does not apply to the following categories of United Kingdom tax resident corporate Unitholder: (i) those holding Units on trading account and (ii) UK life insurance companies. Note also that the summary does not apply to United Kingdom tax resident individual (as opposed to corporate) Unitholders.

Classification of PEPR

PEPR has not sought a ruling from HM Revenue & Customs (“**HMRC**”) that it will be treated as a transparent entity (as opposed to being treated as an opaque entity) for United Kingdom tax purposes. However, the Management Company considers it likely that PEPR should be treated as a transparent entity for United Kingdom tax purposes, and the following summary assumes that PEPR is and will be treated as a transparent entity for United Kingdom tax purposes.

Taxation of income and gains

Tax exempt United Kingdom tax resident Unitholders (both Ordinary and Preferred Unitholders) will not be subject to United Kingdom taxation on their share of the income arising to PEPR, or on their share of capital gains accruing to PEPR or on the profits arising on their disposal of Units to the extent that the basis of their exemption applies to the income and gains arising in PEPR and to profits arising on their disposal of Units.

Taxable United Kingdom tax resident corporate Unitholders (both Ordinary and Preferred Unitholders) will be subject to United Kingdom corporate income tax, at their own appropriate rate, on their share of income and gains arising in PEPR (whether or not distributed), as though the income and gains were received by those Unitholders directly. For example, where interest income has accrued to PEPR, it will be allocated to the United Kingdom tax resident corporate Unitholders whether or not such interest income has been received and further distributed by PEPR. Therefore, the amount of PEPR’s income allocated to a UK Unitholder on which it may be subject to UK tax may exceed the amount of cash distributions actually distributed to the UK Unitholder. However, to the extent income is received and distributed by PEPR, the allocation of such income to United Kingdom tax resident corporate Unitholders should in principle follow the cash distribution.

Those Unitholders will also be subject to tax on profits arising on disposal of Units (to the extent such profits have not previously been taxed) at their appropriate rate.

Offshore funds tax rules

The United Kingdom has a series of specific tax rules which can apply to investments constituting a “material interest” in an “offshore fund” (defined in Chapter V of Part XVII of the Income and Corporation Taxes Act 1988 (“**ICTA**”) and section 489 Corporation Tax Act 2009 (“**CTA**”). Even if PEPR is considered to be an “offshore fund”, it is unclear whether the entitlement which United Kingdom tax resident corporate Unitholders have in respect of their Units in PEPR will be regarded as a “material interest” in that fund for the purposes of section 759 ICTA.

A consequence of Units being treated as a material interest in an offshore fund is that gains arising on a disposal or part disposal of Units by United Kingdom tax resident corporate Unitholders may be treated as income rather than gains for United Kingdom corporation tax purposes. Another consequence of this treatment is that, depending on the nature of the assets in PEPR, United Kingdom tax resident corporate Unitholders may be taxed on a current basis on the fair market value of their Units in PEPR.

However, on the basis that it is constituted as a closed-ended fund and that a Unitholder should not anticipate realising the value of its Units at a value referable to PEPR's assets within a period of seven years from the time of making their investment, the Management Company considers that Unitholders holding Units should not be regarded as having a material interest in an offshore fund.

The attention of United Kingdom tax resident corporate Unitholders is drawn to the fact that new "offshore funds" tax provisions introduced by Finance Act 2008 ("FA2008") and Finance Act 2009 ("FA2009") which, broadly, will have the same effect as the rules described above (i.e. to tax gains as income), will become effective from 1 December 2009.

Section 40D(1)(a) FA2008 provides that where arrangements comprise more than one class of interest, the arrangements relating to each class are to be treated as separate arrangements for determining whether such arrangements meet the new definition of an offshore fund under section 40A FA2008.

The Management Company believes that neither the Ordinary Units class nor the Preferred Units class meet the new definition of an "offshore fund" included at section 40A FA2008. This is on the basis that the Management Company believes that a reasonable Unitholder would not expect to be able to realise its investment in either the Preferred or Ordinary Units on a basis calculated by reference to NAV at the time of realisation (other than where such realisation is as a result of a liquidation of PEPR).

Therefore any gains realised by United Kingdom tax resident corporate Unitholders on their disposal of Units should continue to be respected as gains and not re-classified as income. Furthermore, even if under the new provisions such gains would be re-classified as income then transitional provisions should apply to those Units which are acquired before 1 December 2009 such that, other things being equal, the tax treatment under the current provisions, as described above, should continue to apply to such Units.

Under Sch 22 para 15 FA2009, should PEPR meet the new definition of an offshore fund in accordance with section 40A FA2008, each United Kingdom tax resident corporate Unitholder may elect to treat PEPR as a company for the purposes of UK corporation tax on chargeable gains. Such an election (a "Para 15 Election") could be made with retrospective effect from 1 April 2003. As noted above the Management Company believes that PEPR does not meet the new definition of an offshore fund in accordance with section 40A FA2008 and on that basis, it would not be possible for United Kingdom tax resident corporate Unitholders to make Para 15 Election in respect of their Units.

Other United Kingdom tax consequences

Section 13 Taxation of Capital Gains Act 1992 ("TCGA") provides for a certain tax treatment where gains arise within certain of PEPR's direct or indirect subsidiaries and such subsidiary would be a "close company" for UK tax purposes if it was UK resident. Broadly a close company is one which is controlled by five or fewer participators. In these circumstances, any capital gains accruing to such company including:

- (i) on the sale of the investment properties, or
- (ii) on the sale of an interest in a subsidiary holding an investment property,

may be apportioned to the United Kingdom tax resident corporate Unitholders in the year in which the gain arises, subject to any relevant double taxation agreement.

An apportionment under section 13 TCGA would not be made to certain Unitholders, including (but not limited to):

- (i) a Unitholder who is not UK tax resident and not, therefore, subject to UK capital gains tax in any event,
- (ii) a Unitholder whose proportionate interest (together with that of any connected persons) in the underlying company is less than 10 per cent.,

- (iii) a Unitholder that is an exempt approved pension scheme.

United Kingdom tax resident corporate Unitholders which have an interest in PEPR, such that 25 per cent. or more of the profits of certain direct or indirect subsidiaries of PEPR for an accounting period could be apportioned to them, or to persons connected or associated with them, may be liable to UK corporation tax in respect of their share of such profits in accordance with the provisions of Chapter IV of Part XVII of ICTA (relating to controlled foreign companies). These provisions only apply if, *inter alia*, such company is controlled by persons tax resident in the United Kingdom.

Stamp duty and stamp duty reserve tax

There is generally no liability to United Kingdom stamp duty reserve tax on the issuance of Units by PEPR provided (as the Management Company anticipates) the register of the Units and, to the extent the Underlying Assets of PEPR (as defined below) comprise stock or marketable securities and are not exempt loan capital, any register of such stock or securities, is maintained outside the United Kingdom.

Any instrument effecting or evidencing the transfer, or, arguably, the issuance, of the Units which is executed in the United Kingdom may not (except in criminal proceedings) be given in evidence or be available for any purpose whatsoever in the United Kingdom unless duly stamped. The rate of stamp duty is 0.5 per cent. of the value of the consideration for the transfer or issuance.

No charge to United Kingdom stamp duty will arise in relation to the transfer or issuance of the Units provided that all instruments effecting or evidencing the transfer or issuance (and all matters or things done in relation to the transfer or issuance) are executed and retained outside the United Kingdom and no matters or things are done in the United Kingdom in relation to the transfer or issuance.

No charge to United Kingdom stamp duty reserve tax should arise in respect of an agreement to transfer the Units provided (as the Management Company anticipates) the register of the Units and, to the extent the Underlying Assets of PEPR (as defined below) comprise stock or marketable securities and are not exempt loan capital, any register of such stock or securities, is maintained outside the United Kingdom.

Taxation implications relating to the Issuance and Conversion of the Preferred Units

Unitholders are strongly advised to consult their professional advisors on the potential tax consequences relating to the Issuance and Conversion of the Preferred Units.

The UK tax treatment on the receipt and disposal of transferrable Preferential Subscription Rights and on the Issuance and Conversion of Preferred Units is complicated and uncertain as there is no specific legislation, case law or published HMRC guidance as to how an additional subscription in PEPR would be treated. HMRC have, however, expressed their view in Tax Bulletin 83 that a Luxembourg FCP is transparent for UK tax purposes. The following is the Management Company's view of the UK taxation issues and relates only to tax exempt United Kingdom tax resident Unitholders and certain taxable United Kingdom tax resident corporate Unitholders based on HMRC's published statement that an FCP is tax transparent. Furthermore, the Management Company considers that, based on the Luxembourg civil law relating to an FCP, PEPR should not be a "partnership" for UK tax purposes.

The Management Company considers that the receipt by the Ordinary Unitholders of the Preferential Subscription Rights should be treated for UK tax purposes as a right received in respect of the assets held by PEPR, i.e. on a tax transparent basis, as the receipt of a proportionate right received in respect of each of the shareholding in PEPR's direct Luxembourg subsidiaries and the net loan receivables (the "Net Loan Receivables") held by PEPR (together the "Underlying Assets of PEPR"). The Management Company considers that, on balance, such receipt should not be a taxable event.

Taxable United Kingdom tax resident corporate Unitholders

Any disposal by a taxable United Kingdom tax resident corporate Unitholder of any Preferential Subscription Rights should be treated as a taxable event. To the extent that the disposal proceeds are related to Preferential Subscription Rights received in respect of the shares in PEPR's direct Luxembourg subsidiaries, the Unitholder should be treated as making as a part disposal of those shares for the purposes of section 122 TCGA 1992. To the extent that the disposal proceeds are related to Preferential Subscription Rights received in respect of the Net Loan Receivables, the UK tax treatment should be determined by the loan relationships legislation in part 5, CTA 2009: broadly, the tax treatment of loan relationship debits and credits by a United Kingdom tax

resident corporate Unitholder should be determined by reference to that United Kingdom tax resident corporate Unitholder's accounts as prepared in accordance with generally accepted accounting practice.

The Issuance of the Preferred Units should not trigger a disposal of any Ordinary Units by the Ordinary Unitholders in relation to their share of the shareholding in PEPR's direct Luxembourg subsidiaries for the purposes of corporation tax on chargeable gains, i.e. on a tax transparent basis, there should be no disposal or part disposal of the Underlying Assets of PEPR on the basis that there is no change in the value of such Ordinary Units. The UK tax treatment of the Ordinary Unitholders in relation to their share of Net Loan Receivables should be determined by the loan relationships legislation in part 5, CTA 2009, as described above.

On any Conversion of Preferred Units there may be a dilution of the existing Ordinary Unitholders. On such a Conversion there should be no taxable disposal for the Preferred Unitholders in relation to their share of the shareholding in PEPR's direct Luxembourg subsidiaries for the purposes of corporation tax on chargeable gains.

The taxation of United Kingdom tax resident corporate Preferred Unitholders in relation to the Net Loan Receivables on such a Conversion should be determined by reference to the related treatment in their accounts in accordance with the loan relationship rules in part 5, CTA 2009.

For a United Kingdom tax resident corporate Ordinary Unitholder, any such Conversion should be treated as a part disposal, which the Management Company considers should be for nil consideration, of their share of the shareholding in PEPR's direct Luxembourg subsidiaries for the purposes of corporation tax on chargeable gains. The taxation of the part disposal of Net Loan Receivables should be determined by reference to the related treatment in their accounts in accordance with the loan relationship rules in Part 5, CTA 2009.

Tax exempt United Kingdom tax resident Unitholders

Tax exempt United Kingdom tax resident Unitholders should not be subject to United Kingdom taxation on any profits arising on the disposal of Preferred Subscription Rights, the Issuance of Preferred Units or on any Conversion to the extent that the basis of their exemption applies to any profits arising on such events.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), Member States are required to provide the tax authorities of another Member State with details of Interest payments made by a "Paying Agent" within their jurisdiction to (i) an individual with a permanent address in that other Member State ("**Beneficial Owners**"), or (ii) certain other entities established in that other Member State ("**Residual Entities**"). However, for a transitional period, Luxembourg, Belgium and Austria have chosen to operate a withholding system in relation to such payments (unless during that period they elect otherwise). Belgium will abandon the withholding system as from 1 January 2010 and instead will automatically apply an exchange of information system. For Luxembourg and Austria the end of the relevant transitional period is dependent upon the conclusion by certain non-EU countries of certain agreements relating to information exchange with certain other countries.

A number of non-EU countries ("**Third Countries**") and territories ("**Dependent and Associated territories**") have adopted similar measures. EU-based Paying Agents are also obliged to operate a withholding system or an exchange of information system with regards to payments of interest to individuals with a permanent address in certain Dependent and Associated Territories, and payments of Interest to Residual Entities in those Dependent and Associated Territories.

The current rate of the withholding tax under the EU Savings Directive is 20 per cent. and will be automatically increased to 35 per cent. with effect from 1 July 2011. Any withholding tax applied under the EU Savings Directive (or under any other agreements concluded with the Third Countries and Dependent and Associated Territories) is creditable or deductible (any excess being refundable) in the hands of Beneficial Owners who suffered such withholding tax.

In those jurisdictions operating a withholding system, Paying Agents are required to propose to Beneficial Owners an alternative procedure to such withholding. Under the Directive, two alternative procedures are provided for, (i) exchange of information and (ii) the tax certificate procedure. Withholding jurisdictions can choose to allow one or both alternative procedures. For example, in Luxembourg, it is up to the discretion of the Paying Agent to offer one or both alternative procedures.

According to the Luxembourg Laws of 21 June 2005 transposing the EU Savings Directive and

ratifying the bilateral agreements concluded with the Dependent and Associated Territories, during the transitional period a Luxembourg Paying Agent may be required to withhold tax on Interest payments to (i) Residual Entities or (ii) Beneficial Owners resident in a EU Member State or a relevant Dependent and Associated Territory (unless the Beneficial Owner has opted for an alternative procedure).

Therefore where Unitholders are (i) individuals (qualifying as Beneficial Owners) with a permanent address in a EU Member State or in certain Dependent and Associated Territories, (ii) Residual Entities or (iii) entities without legal personality (and not treated as Beneficial owner) outside the EU and outside the Dependent and Associated Territories, there may be EU Savings Directive implications in relation to distributions by PEPR and upon redemption or sale of Units, i.e. savings withholding tax and/or exchange of information requirements depending on the jurisdiction in which the Paying Agent is located.

As far as payments to PEPR are concerned, it should be noted that the EU Savings Directive provides for exemptions where the Residual Entity is an Undertaking for Collective Investment in Transferable Securities (“UCITS”) or a Residual Entity having opted to be treated as a UCITS for the purposes of the EU Savings Directive. According to the Luxembourg Law of 21 June 2005 transposing the EU Savings Directive, FCPs are automatically treated as UCITS. No savings withholding tax as per the EU Savings Directive (or exchange of information obligations) should thus apply relating to Interest payments made to PEPR.

On 13 November 2008 the European Commission published proposed amendments to the EU Savings Directive, which, if implemented, would broaden the scope of the requirements described above. Possible (future) EU Savings Directive implications and developments should be monitored on a continuing basis.

Please note that for the purposes of this section, the terms “Residual Entity” “Paying Agent”, “Interest”, “Transitional Period” and “Beneficial Owner” have the meaning included within the EU Savings Directive and guidelines as implemented in the relevant jurisdictions.

United States

U.S. Internal Revenue Service Circular 230 Notice

The discussion herein is not intended or written by PEPR, the Management Company or the Management Company’s counsel to be used, and cannot be used, by any person for the purpose of avoiding tax penalties that might be imposed under U.S. tax laws. This discussion is provided to support the promotion or marketing by PEPR of the Offer of the Preferred Units as described herein, and accordingly is written in support of the promotion or marketing of such Offer of the Preferred Units . Each taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor concerning the potential tax consequences of the issuance of Preferred Units.

The following is a summary of certain U.S. Federal income tax considerations relevant to an investment in PEPR as a Unitholder. The summary does not purport to be a comprehensive description of all U.S. Federal income tax considerations that may be relevant to a decision to invest in PEPR, and does not purport to deal with the tax consequences applicable to certain special categories of investors, some of which may be subject to special rules. The summary deals only with taxpayers that are the beneficial owners of Units that are “U.S. Unitholders”, as defined below, that will hold such Units as capital assets for U.S. Federal income tax purposes, and that invest in connection with this Offer. The summary does not address the tax treatment of Unitholders under the tax laws of any country other than the U.S. in which U.S. Unitholders may be resident or otherwise subject to taxation. This summary also does not address the tax treatment of any U.S. Unitholder, PEPR, or any investment under the laws or regulations of any state or locality of the U.S. PEPR has not obtained an opinion of counsel with respect to any tax issues other than, as discussed below, in respect of the classification of PEPR as a partnership for U.S. Federal income tax purposes.

This summary of certain U.S. Federal income tax considerations, relevant to an investment in PEPR as a U.S. Unitholder, is based upon the Code, judicial decisions, U.S. Treasury Regulations, and U.S. Internal Revenue Service (the “IRS”) rulings in existence on the date hereof, all of which are subject to change, possibly with retroactive effect. This summary does not discuss the impact of various proposals to amend the Code which could change certain of the tax consequences of an investment in PEPR.

For the purposes of this discussion, a “**U.S. Unitholder**” is a beneficial owner of Units and is also one of the following: (i) a citizen or individual resident of the U.S., (ii) a corporation or other entity taxable as a corporation created or organised in or under the laws of the U.S. or any political subdivision thereof, (iii) an estate, the income of which is subject to U.S. Federal income tax regardless of source or (iv) a trust if (A) a U.S.

court is able to exercise primary supervision over the administration of the trust and (B) one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has a valid election in effect under applicable regulations to be treated as a U.S. person. With respect to an entity treated as a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of a partner in the partnership will depend on the status of the partner and the activities of the partnership.

EACH PROSPECTIVE U.S. UNITHOLDER SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE SPECIFIC U.S. FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF AN INVESTMENT IN PEPR.

Classification of PEPR

Based on certain representations made by PEPR to counsel as to the organisation and operation of PEPR (including that PEPR made a timely and properly completed election to be classified as a partnership for U.S. Federal income tax purposes and that PEPR satisfied and will satisfy the “qualifying income test” under Code Section 7704 described below), in the opinion of Mayer Brown LLP, special U.S. tax counsel to the Management Company, under existing U.S. Federal income tax law, PEPR is classified as a partnership for U.S. Federal income tax purposes and not as an association taxable as a corporation. However, PEPR has not sought a ruling from the IRS that it was or will be classified for U.S. Federal income tax purposes as a partnership rather than as an association taxable as a corporation.

Under Treasury Regulations commonly known as the “check-the-box” regulations, an eligible foreign business entity that has two or more members may elect to be classified as a partnership for U.S. Federal income tax purposes. An eligible foreign business entity is one that (i) is respected as a separate “entity” for U.S. Federal income tax purposes, (ii) meets the definition of a “business entity” under U.S. Federal income tax law, and (iii) is not listed as a “per se corporation” under the check-the-box regulations.

Section 7704 of the Code provides that a “publicly traded partnership” shall be treated as a corporation for U.S. Federal income tax purposes unless such partnership has met and continues to meet certain requirements regarding the types of gross income received by such partnership. Section 7704 defines a “publicly traded partnership” as any partnership where interests in such partnership are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof.

PEPR will likely constitute a publicly traded partnership. However, a publicly traded partnership will not be treated as a corporation for any taxable year if 90 per cent. or more of the gross income of such partnership for such taxable year and all prior taxable years consists of certain types of income (the “**qualifying income test**”), including, among other items, rents from real property. PEPR’s income from the rental of its real estate properties should generally constitute qualifying income, unless such income is received from a tenant in which PEPR is deemed to have a 10 per cent. or greater direct or indirect ownership interest (taking into account certain attribution rules which treat PEPR as owning any direct or indirect ownership interest in a tenant that is held by a 5 per cent. or greater Unitholder) or if such rental income is based on the net income or profits of the tenant. However, if a Unitholder owns a 5 per cent. or greater interest in PEPR and also owns, directly or indirectly, a 10 per cent. or greater interest in a tenant of PEPR, any Gross Rental Income received from that tenant will not be qualifying income, which could cause PEPR to be treated as a corporation for U.S. Federal income tax purposes. Additionally, PEPR may not be able to determine whether any such Unitholder owns an interest in a tenant, and therefore may not be able to determine whether PEPR should be treated as a partnership or a corporation for U.S. Federal income tax purposes. PEPR has represented to counsel that it met and will meet the qualifying income test, and, based on that representation, Mayer Brown LLP has rendered its opinion that PEPR will not be treated as a publicly traded partnership taxable as a corporation.

If PEPR were classified as a publicly traded partnership taxable as a corporation for U.S. Federal income tax purposes, distributions to U.S. Unitholders in general would be dividends to the extent of the earnings and profits of PEPR, with distributions in excess thereof treated first as a tax-free return of capital and thereafter as capital gain. PEPR’s items of income, gain, loss and deduction would not be passed through to U.S. Unitholders, and PEPR would be subject to U.S. corporate income tax and branch profits tax with respect to its income, if any, that is effectively connected with a U.S. trade or business. In addition, a change in PEPR’s status for U.S. Federal income tax purposes could be treated by the IRS as a taxable event in certain circumstances, in which event U.S. Unitholders could have a tax liability (in the case of tax-exempt entities, to the extent that unrelated business taxable income is realised) under circumstances in which they would not receive a cash distribution from PEPR. In addition, if PEPR were reclassified as an association taxable as a corporation for U.S. Federal income tax purposes, a U.S. Unitholder’s interest in PEPR would constitute an interest in a passive foreign investment company and would be subject to the rules applicable to such interests. See “Tax Treatment of PEPR’s Investments—*Passive Foreign Investment Companies*” below. If PEPR were taxable as a corporation

for U.S. Federal income tax purposes, distributions made to U.S. Unitholders would be treated as taxable dividend income (as determined for U.S. Federal income tax purposes), which would not be eligible for reduced rates of taxation, to the extent of PEPR's current or accumulated earnings and profits (as determined for U.S. Federal income tax purposes) or a non-taxable distribution to the extent of PEPR's current or accumulated earnings and profits previously included in income under the QEF rules (see "Tax Treatment of PEPR's Investments—*Passive Foreign Investment Companies*" below). In the absence of earnings and profits (as determined for U.S. federal income tax purposes) or to the extent such distribution exceeds current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), distributions made to U.S. Unitholders would be treated as a non-taxable return of capital, to the extent of the U.S. Unitholder's tax basis in the Units, and thereafter as taxable capital gain. In addition, any withholding taxes or income taxes that are imposed on PEPR with respect to its investments (or any underlying income taxes assessed on PEPR's subsidiaries and underlying investments) would not be creditable or refundable to U.S. Unitholders unless a U.S. Unitholder is a corporation and considered to own at least 10 per cent. of the voting Units of PEPR which would generally not be the case.

The following discussion assumes that PEPR will be classified as a partnership for U.S. Federal income tax purposes. PEPR believes, and it is assumed for purposes of the following discussion, that PEPR will not be engaged in the conduct of a U.S. trade or business or otherwise receive any U.S. source income.

Tax Considerations Relating to the PSRs

PEPR intends to take the position that the distribution of the PSRs does not give rise to taxable income to PEPR or the U.S. Unitholders. Each U.S. Unitholder is urged to consult its own tax advisor regarding the U.S. federal income tax consequences of the receipt of the PSRs.

Although not free from doubt, any gain or loss on the sale of the PSRs will likely be treated as a short-term capital gain or loss if the PSRs are capital assets in the hands of the seller. Although not completely certain, the tax basis of the PSRs received by a U.S. Unitholder from PEPR likely will be zero and the distribution of PSRs will not change the tax basis of the existing Ordinary Units. If the PSRs received by a U.S. Unitholder are not exercised but are allowed to expire, no loss will be allowed to the U.S. Unitholder, unless the PSRs had been acquired by purchase, in which case there will be a capital loss equal to the cost basis of the PSRs.

No gain or loss will be recognized by a U.S. Unitholder or PEPR on the purchase of Preferred Units through the exercise of the PSRs. The initial tax basis of the Preferred Units purchased thereby will be equal to the sum of the price paid for the Preferred Units plus the share of PEPR's non-recourse liabilities allocated to the Preferred Units, and the amount, if any, paid for the PSRs. See "Taxation of U.S. Unitholders—U.S. Unitholder's Basis" below.

Sale of Preferred Units

The tax consequences to a U.S. Unitholder of a sale of the Preferred Units is generally the same as the consequences of selling Units generally. See "Taxation of U.S. Unitholders—Sale or Transfer of Units" below. The holding period of Preferred Units purchased through the exercise of the PSRs generally will begin on the date of exercise.

The IRS has ruled that a partner who acquires interests in a partnership in separate transactions must combine those interests and maintain a single adjusted tax basis for all those interests. Therefore, a partner has a single aggregate basis in all of the partner's partnership interests and, to determine gain or loss upon a sale or other taxable disposition of a part of such partnership interests, the portion of the partner's basis allocated to the interests being sold equals the partner's share of partnership liabilities transferred in the sale plus the partner's aggregate tax basis (excluding basis attributable to partnership liabilities) multiplied by the ratio of the fair market value of the interests sold to the fair market value of all of the partner's partnership interests. Therefore, U.S. Unitholders who exercise their PSRs will be required to determine their tax basis in, and the tax consequences to them of a sale of, Preferred Units or Ordinary Units based upon their aggregate tax basis in their interests in PEPR.

Redemption of Preferred Units

A holder of Preferred Units who does not own any Ordinary Units may recognize a taxable gain or loss upon the retirement of the Preferred Units in exchange for cash. Such gain or loss would equal the difference, if any, between the amount of cash paid to the holder and his tax basis in the Preferred Units. Such gain or loss generally will be treated as a long-term capital gain or loss provided the holder has held the Preferred Units for a period of one year or more.

If the holder also owns Units, the holder generally will not recognize gain or loss upon receipt of a redemption distribution except that gain would be recognized to the extent the amount of cash paid exceeds the holder's basis in all of his Units. However, the holder may recognize ordinary income or loss to the extent redemption proceeds are treated as an exchange for all or part of the holder's share of PEPR's unrealized receivables or certain inventory items under Section 751 of the Code.

Conversion of Preferred Units

The conversion of Preferred Units into Ordinary Units generally will not be treated as a taxable event for U.S. federal income tax purposes. The initial tax basis in the Ordinary Units obtained upon the conversion of the Preferred Units will be equal to the U.S. Unitholder's basis of the converted Preferred Units. In the year of conversion (and subsequent years, if necessary), a Preferred Unitholder will receive an additional allocation of gross taxable income or loss to cause the Ordinary Units obtained in such conversion to have economic parity with the previously outstanding Ordinary Units.

Taxation of U.S. Unitholders

Each U.S. Unitholder will be required to report separately on its U.S. Federal income tax return its allocable share of PEPR's items of income, gain, loss, deduction or credit for the taxable year of PEPR ending within or with the taxable year of the U.S. Unitholder, regardless of whether such U.S. Unitholder has received or will receive corresponding distributions from PEPR. Therefore, the amount of PEPR's taxable income allocated to a U.S. Unitholder, and possibly the U.S. Federal income tax payable by the U.S. Unitholder with respect to such income, may exceed the cash, if any, actually distributed to such U.S. Unitholder.

PEPR will not be subject to U.S. Federal income tax, nor does PEPR itself have any U.S. Federal income tax or information return filing requirements because it is expected that PEPR will continue to not be engaged in the conduct of a U.S. trade or business, either in its own right or through the use of agents nor is it expected to have any U.S. source income. However, PEPR will provide U.S. Unitholders with Schedules K-1 prepared on the basis of the allocations set forth in the Management Regulations, setting forth the U.S. Federal income tax information necessary for them to file their respective U.S. tax returns. However, PEPR will only be able to provide a Schedule K-1 to those U.S. Unitholders who notify PEPR in writing of their status as U.S. Unitholders. Finally, PEPR may file U.S. tax information returns and/or U.S. partnership income tax returns to make certain elections.

Allocation of Profits and Losses

For U.S. Federal income tax purposes, PEPR will allocate to each U.S. Unitholder its allocable share of PEPR's items of income, gain, loss, deduction and credit. For U.S. Federal income tax purposes, a U.S. Unitholder's allocable share of PEPR's income, gain, loss, deduction and credit will be governed by the Management Regulations. The U.S. Treasury Regulations provide that allocations of PEPR's income, gain, loss, deduction or credit will be respected for U.S. Federal income tax purposes if such allocations have "substantial economic effect" or are determined to be in accordance with a U.S. Unitholder's interest in PEPR. As PEPR will not maintain capital accounts, the allocations will not have substantial economic effect. However, PEPR believes that the allocations set forth in the Management Regulations are in accordance with the U.S. Unitholder's interest in PEPR. Nevertheless, it is possible that the IRS could assert that, for U.S. Federal income tax purposes, such allocations should not be given effect and reallocate PEPR's items in a different manner. If this were to occur, a U.S. Unitholder may receive different allocations of PEPR's items than the allocations set forth in the Management Regulations.

U.S. Unitholder's Basis

A U.S. Unitholder's basis in its interest in PEPR is relevant for determining, among other things, the taxability of cash distributions made by PEPR, the deductibility of the U.S. Unitholder's share of PEPR's losses, if any, and for computing the gain or loss that the U.S. Unitholder will recognize upon a taxable transfer of its Units and upon receipt of certain PEPR distributions. Generally, the tax basis of a U.S. Unitholder's interest in Units will be equal to its contributions made to PEPR in exchange for such interest, its share of PEPR's income and its share of any liabilities to which PEPR's assets are subject (to the extent that such liabilities do not exceed the fair market value of the properties subject to such liabilities) reduced (but not below zero) by the U.S. Unitholder's share of PEPR distributions and losses and its share of any decrease in the amount of PEPR's liabilities. Distributions of cash from PEPR to a U.S. Unitholder will reduce the adjusted basis of the U.S. Unitholder's interest by the amount of such cash distribution. To the extent a U.S. Unitholder has made a QEF election with respect to any passive foreign investment company ("PFIC") in which PEPR invests, appropriate adjustments to its adjusted basis in its Units would be made to reflect any income that is included as a result of

such QEF election and any distributions that are made attributable to such income (see “Tax Treatment of PEPR’s Investments—*Passive Foreign Investment Companies*” below). To the extent distributions exceed the adjusted basis of a U.S. Unitholder’s interest, such U.S. Unitholder will be treated as having recognised gain from the sale or exchange of such interest in accordance with “Sale or Transfer of Units” below.

Alternative Minimum Tax

Depending on a U.S. Unitholder’s own tax situation, an investment in PEPR could create or increase such Unitholder’s liability under the alternative minimum tax provisions of the Code. Prospective investors are urged to consult their tax advisors in this regard.

No Section 754 Election to Adjust Basis upon Transfer

Because of the complexities of the tax accounting required, PEPR has not filed and does not presently intend to file an election under Section 754 of the Code to adjust the basis of PEPR assets in case of a transfer of an interest in PEPR. However, the Management Company may decide to cause PEPR to make such an election. The effect of that election would be that, solely with respect to a transferee of an interest in PEPR, the basis of PEPR’s assets would either be increased or decreased by the difference between the transferee’s basis for its interest and such transferee’s proportionate share unit of PEPR’s adjusted basis for all assets. In addition, the basis adjustments associated with a Section 754 election are mandatory in certain situations. For example, PEPR must make such basis adjustments following a transfer of an interest in PEPR if PEPR has a built-in loss of US\$250,000 or more, whether or not a Code Section 754 election is in effect. Any increase or decrease resulting from such adjustment would be allocable among the applicable PEPR’s assets in accordance with rules established under the Code. After such adjustment has been made, the transferee’s share of the adjusted basis of PEPR’s assets would equal the adjusted basis of its interest in PEPR.

Limits on Deductions for Losses and Expenses

A U.S. Unitholder’s deduction of its share of PEPR’s losses will be limited to its tax basis in its Units and, if such Unitholder is an individual or a corporate holder that is subject to the “at risk” rules, to the amount for which such Unitholder is considered to be “at risk” with respect to PEPR’s activities, if that is less than the Unitholder’s tax basis in its Units. In general, a Unitholder will be at risk to the extent of its tax basis in Units, reduced by (i) the portion of that basis attributable to its share of PEPR’s liabilities for which the Unitholder will not be personally liable (other than PEPR’s liabilities that are treated as qualified non-recourse financing under the Code) and (ii) any amount such Unitholder borrows to acquire or hold the Units, if the lender of those borrowed funds owns an interest in PEPR, is related to such Unitholder, or can look only to the Units for repayment. A Unitholder’s at risk amount will generally increase by its allocable share of income and gain and decrease by cash distributions to the Unitholder and its allocable share of losses and deductions. A Unitholder must recapture losses deducted in previous years to the extent that distributions cause such Unitholder’s at risk amount to be less than zero at the end of any taxable year. Losses disallowed or recaptured as a result of these limitations will carry forward and will be allowable to the extent that the Unitholder’s tax basis or at risk amount, whichever is the limiting factor, subsequently increases. Upon the taxable disposition of a Unit, any gain recognised by the Unitholder can be offset by losses that were previously suspended by the at risk limitation but may not be offset by losses suspended by the basis limitation. Any excess loss above that gain, previously suspended by the at risk or basis limitations, may no longer be used. Prospective investors should consult their tax advisors as to the effects of the at risk rules.

Passive Activity Income

Section 469 of the Code provides that, in general, in the case of an individual, estate and trust, certain types of personal service corporations, certain types of closely held “C” corporations and regulated investment companies holding an interest in a “qualified publicly traded partnership”, for any taxable year the aggregate losses from business activities in which the taxpayer does not materially participate (which, except as provided in regulations, will include an interest in activities engaged in by PEPR) (such business activities are referred to herein as “passive activities”) are deductible only to the extent of the aggregate income from passive activities. In the case of certain closely held C corporations, the net aggregate loss from passive activities (and the net aggregate credit, in a deduction equivalent sense) may offset net active income, but not portfolio income (as defined below). It is expected that, except for “Portfolio Income Items” described below, income or loss of U.S. Unitholders from the activities of PEPR will be treated as income or loss from passive activities.

If PEPR holds assets producing gross income from interest, dividends, annuities or royalties not derived in the ordinary course of a trade or business (“**Portfolio Assets**”), the gross income (and gain or loss) from and expenses allocable to such Portfolio Assets (“**Portfolio Income Items**”) will be considered to arise from an

activity which is separate from any passive activity engaged in by PEPR. Also, that portion of any gain from the sale of an interest in PEPR will be considered a Portfolio Income Item to the extent attributable to assets of PEPR that constitute Portfolio Assets.

The passive loss limitations are applied separately with respect to each publicly traded partnership. Consequently, any passive losses generated by PEPR will only be available to offset PEPR passive income generated in the future and will not be available to offset income from other passive activities or investments (including other publicly traded partnerships) or salary or active business income. Passive losses which are not deductible because they exceed a U.S. Unitholder's share of PEPR's income may be deducted in full when that U.S. Unitholder disposes of its entire investment in PEPR in a fully taxable transaction with an unrelated party. In addition, the passive activity loss rules are applied after other applicable limitations on deductions such as the at risk rules and the basis limitation.

A U.S. Unitholder's share of PEPR's net income may be offset by any suspended passive losses from PEPR, but it may not be offset by any other current or carryover losses from other passive activities, including those attributable to other publicly traded partnerships. The IRS has announced that Treasury Regulations will be issued which characterize net passive income from a publicly traded partnership as investment income for purposes of the limitations on the deductibility of investment interest.

Dual Consolidated Loss

Certain U.S. corporate investors should be aware that they could be subject to the rules of Section 1503(d) which provide that a dual consolidated loss of a U.S. corporation cannot reduce the taxable income of any other member of the U.S. corporation's affiliated group. The Code defines a dual consolidated loss as a net operating loss of a U.S. corporation that is subject to an income tax of a non-U.S. country on its income without regard to the source of its income, or is subject to tax on a residence basis. Section 1503(d) further states that, to the extent provided in regulations, similar rules apply to any loss of a separate unit of a U.S. corporation as if such unit were a wholly-owned subsidiary of the U.S. corporation.

Final regulations issued under Section 1503(d) generally define a separate unit as an interest in an integral business operation carried on outside the United States or an interest in a hybrid entity separate unit which is an entity that is not taxable as an association for U.S. Federal income tax purposes, but is subject to income tax in a non-U.S. jurisdiction as a corporation (or otherwise at the entity level) either on its worldwide income or on a residence basis. The final regulations also apply to a separate unit owned indirectly through a partnership, a disregarded entity, or a grantor trust, regardless of whether the above entities are U.S. persons.

Because some of PEPR's investments may be treated as separate units under the final regulations, Section 1503(d) of the Code may limit the ability of a corporate U.S. Unitholder to deduct any portion of a dual consolidated loss of such investment that is properly allocated to such corporate U.S. Unitholder.

Prospective U.S. Unitholders should consult their own tax advisors regarding the application of these rules to their investment in PEPR.

Functional Currency of PEPR

Pursuant to Code Section 985(a), unless otherwise provided in regulations, all determinations under Subtitle A of the Code (Sections 1-1563 of the Code relating to income taxes) are to be made in the taxpayer's functional currency. This rule applies to a taxpayer and to each qualified business unit ("QBU") which may have a functional currency separate from its owner. A QBU is defined as a separate and clearly identified unit of a trade or business of the taxpayer that maintains separate books and records. A partnership is a QBU of its partners and the activities of a partnership, including those activities conducted through disregarded entities, may constitute QBUs if such activities constitute a trade or business and a separate set of books and records is maintained with respect to the activities.

The functional currency of a taxpayer or a QBU of a taxpayer is relevant when applying certain foreign currency provisions of the Code (for example, Code Section 987 and Code Section 988). PEPR has made a representation to counsel that its functional currency for U.S. tax purposes is the Euro. For U.S. Federal income tax purposes, if a U.S. Unitholder's functional currency is not the Euro, the distributive share of PEPR's income or loss generally will be translated from Euros into the U.S. Unitholder's functional currency at the "appropriate exchange rate", which is generally the average exchange rate for PEPR's taxable year. In addition, a U.S. Unitholder will generally be required to account for foreign currency gain or loss in connection with cash distributions from PEPR. In general, foreign currency gain or loss is treated as ordinary income or loss. The calculation of foreign currency gain or loss in the context of an investment by a U.S. person in a partnership with

a functional currency other than the dollar is extremely complicated, and the applicable method of separating gain or loss on invested capital from gain or loss on income previously taken into account is uncertain. Therefore, potential investors should consult with their tax advisors with respect to the tax treatment of foreign currency gain or loss.

Other Possible Tax Consequences to U.S. Unitholders

In the case of U.S. Unitholders that are individuals or, regarding certain deductions, estates or trusts, the ability to utilise certain specific items of deduction attributable to the investment activities of PEPR (as opposed to its activities that represent a trade or business for U.S. Federal income tax purposes) may be limited, among other things, under the investment interest limitation in Code Section 163(d), and the 70 per cent. disallowance of miscellaneous itemised deductions (including investment expenses). The extent to which any of the foregoing provisions of the Code will be applicable will depend upon the nature of PEPR's future operations and the tax situations of each of the taxable U.S. Unitholders.

Sale or Transfer of Units

Upon a sale of its Units, a U.S. Unitholder will recognise a gain or loss equal to the difference between (i) the proceeds of such sale plus its share of PEPR's liabilities and (ii) its tax basis allocable to such sold Units. Such gain or loss recognised on a sale of Units by a U.S. Unitholder who does not hold such Units as a "dealer" and who has held such Units for more than one year will generally be a long-term capital gain or loss, as the case may be, which, if incurred by an individual, is subject to preferential income tax rates except that the portion of the selling U.S. Unitholder's gain allocable to (or amount realised, in excess of basis, attributable to) "inventory items" and "unrealised receivables" of PEPR as defined in Section 751 of the Code will be treated as ordinary income and the portion attributable to PEPR's unrecaptured Code Section 1250 gain will be subject to U.S. Federal income tax at a maximum 25 per cent. rate. For corporate taxpayers, there are no preferential tax rates to be applied to long-term capital gain. Capital losses of a corporate taxpayer may be offset only against capital gains, but unused capital losses may be carried back three years (subject to certain limitations) and carried forward five years.

Allocations between Transferors and Transferees

Because of the complexities of allocating PEPR's items of income, gain, loss, deduction and credit among U.S. Unitholders where there is a large number of Unit transfers per year, PEPR may use certain simplifying conventions for purposes of making such allocations. As a result, if a U.S. Unitholder transfers its Units, such U.S. Unitholder may be allocated income, gain, loss, deduction and credit realised after the date of such transfer, or may not be allocated income, gain, loss, deduction and credit realised prior to the date of such transfer.

Termination of PEPR

Under Section 708(b) of the Code, a termination of PEPR will be deemed to occur if at any time no part of the business of PEPR continues to be carried on by any of its Unitholders or if PEPR otherwise ceases to qualify as a partnership for U.S. Federal income tax purposes.

Liquidation of PEPR

Upon liquidation of PEPR, any gain or loss on the sale of PEPR's assets will be allocated in accordance with the Management Regulations.

In the event of the liquidation of PEPR, each taxable U.S. Unitholder will recognise gain to the extent that the cash and marketable securities received in the liquidation exceeds its adjusted basis for its interest. See "Sale or Transfer of Units" above.

Upon liquidation, a loss would be recognised only in the event the U.S. Unitholder receives only cash, unrealised receivables (within the meaning of Section 751(c) of the Code) or inventory items (within the meaning of Section 751(d) of the Code) and then only if (and to the extent that) such Unitholder's adjusted basis for its Units exceeds the sum of money distributed and its share of the adjusted basis for unrealised receivables and inventory items. During the year of liquidation, each U.S. Unitholder may be allocated income from the operations of PEPR.

Election by PEPR to be Treated as an Electing Large Partnership

PEPR has elected, to be treated as an “electing large partnership” for U.S. Federal income tax purposes. This election is available to partnerships, such as PEPR, that have 100 or more partners and meet other requirements set forth in the Code. The election entitles PEPR to use a simplified flow-through reporting system under which the number of tax items that U.S. Unitholders are required to account for separately are significantly reduced. Special audit procedures also apply as a result of the election to be treated as an electing large partnership. Partners in an electing large partnership have no individual right to notice of the adjustment proceedings, to participate in the proceedings or to file petitions for judicial review of a final administrative adjustment to partnership items. Adjustments to partnership items will flow through to the partners for the year that the adjustment “takes effect” within the meaning of Section 6242 of the Code. Moreover, a partner in an electing large partnership must report all partnership items consistently with their treatment on the partnership’s tax return. If an underpayment results from the failure to report an item consistently with the treatment of that item on the partnership return, the amount of the underpayment will be assessed immediately to the partner as if the underpayment were due to a mathematical or clerical error. These consequences would only apply to U.S. Unitholders.

Tax Treatment of PEPR’s Investments

Passive Foreign Investment Companies

Because of certain restrictions imposed on the investments made by U.S. REITs, including ProLogis, it is unlikely that PEPR will invest in any entity that is classified as a corporation for U.S. Federal income tax purposes. However, if PEPR were to invest in any foreign corporation and such corporation were treated as a PFIC, certain adverse consequences to U.S. Unitholders may occur. A foreign corporation is considered a PFIC for the taxable year of the foreign corporation if (i) 75 per cent. or more of its gross income for the taxable year consists of “passive income” (the “**Income Test**”) or (ii) the average percentage of its assets (by value) for such taxable year that produce or are held for the production of passive income is at least 50 per cent. (the “**Asset Test**”). In general, rental income is treated as passive income as opposed to active income for purposes of determining whether a foreign corporation is a PFIC if the corporation does not actively conduct the leasing or the on-site operations of the property giving rise to such income. If PEPR were to invest in an entity that were classified as a corporation for U.S. Federal income tax purposes, it is uncertain at this time whether such entity would or would not be treated as a PFIC.

A foreign corporation that is characterized as a PFIC for any taxable year included in the holding period of a direct or indirect U.S. Unitholder generally will be treated as a PFIC with respect to such U.S. Unitholder for all subsequent taxable years, even if the foreign corporation ceases to be a PFIC under the Income Test and Asset Test described above, unless the U.S. Unitholder makes a timely qualified electing fund (“**QEF**”) election with respect to such corporation in the manner described below.

If a foreign corporation is treated as a PFIC, and a U.S. Unitholder is treated as owning Units of such PFIC and it does not make a QEF election, as described below, then such U.S. Unitholder will be subject to special rules with respect to its distributive share of (i) any gain realized on the sale or other disposition of the shares of such foreign corporation and (ii) any “excess distribution” (generally, any distributions from that foreign corporation allocable to a U.S. Unitholder during a single taxable year that are greater than 125 per cent. of the average annual distributions allocable to such U.S. Unitholder in respect of its interest in the foreign corporation during the three preceding taxable years or, if shorter, its holding period with respect to the shares of the foreign corporation). Under these rules, (i) the gain or excess distribution will be allocated ratably over a U.S. Unitholder’s holding period with respect to the shares of the foreign corporation, (ii) the amount allocated to the taxable year in which the U.S. Unitholder realizes the gain or excess distribution will be taxed as ordinary income, (iii) the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year, and (iv) the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such prior year.

A U.S. Unitholder may elect to treat a foreign corporation as a QEF if the foreign corporation agrees to provide certain information and documentation to PEPR. If PEPR determines that it will be treated as a corporation for U.S. federal income tax purposes as discussed above in the section above entitled “Classification of PEPR” and further determines that it is likely to be treated as a PFIC, PEPR agrees to provide such information and documentation as would be required by a U.S. Unitholder to make a QEF election to U.S. Unitholders who have notified PEPR in writing of their status as a U.S. Unitholder. U.S. Unitholders that makes a QEF election with respect to a foreign corporation for the first taxable year during their holding period in which such foreign corporation is a PFIC (i) will not be subject to the special PFIC rules described above and (ii) will be currently taxable on their allocable shares of such corporation’s ordinary earnings and net capital

gain, at ordinary income and net capital gain rates, respectively, for each taxable year during which such corporation is otherwise a PFIC, whether or not the corporation makes any distributions. U.S. Unitholders that first make QEF elections during subsequent years of their holding period (i) will remain subject to the special PFIC rules described above and (ii) will be currently taxable on their allocable shares of such corporation's ordinary earnings and net capital gain, at ordinary income and net capital gain rates, respectively, whether or not the corporation is a PFIC or makes any distributions. A U.S. Unitholder's basis in its Units will be increased to reflect taxed but undistributed income. Distributions of income that had been taxed previously will result in a corresponding reduction of basis in the Units and will not be taxed again at the time of the distribution. If a U.S. Unitholder is treated as directly or indirectly owning shares in a PFIC, then such U.S. Unitholder must file IRS Form 8621 in certain circumstances.

The tax rules applicable to PFIC investments are extremely complex. Therefore, potential investors should consult with their tax advisors regarding the application of these rules with respect to an investment in PEPR.

Non-U.S. Income Taxes

PEPR is subject to non-U.S. income tax with respect to its business and operations. In addition, dividends, interest and other income received by PEPR from sources within non-U.S. countries may be subject to withholding taxes or other income taxes imposed by such countries. Tax treaties may reduce or eliminate the amount of such income taxes. PEPR has attempted to structure its business and operations in a manner that minimises the income tax burden with respect to its investment in a particular country, to the extent reasonably practicable.

Any non-U.S. income taxes paid or withheld on a U.S. Unitholder's allocable share of PEPR's income may, subject to various conditions and limitations, be eligible for deduction or credit against the U.S. Unitholder's U.S. Federal income tax liability. U.S. Unitholders will be informed by PEPR as to their proportionate share of the non-U.S. income taxes paid by PEPR. However, PEPR will only be able to provide this information to those U.S. Unitholders who notify PEPR in writing of their status as U.S. Unitholders. Because of these limitations, U.S. Unitholders may be unable to claim a credit for the full amount of their proportionate share of the non-U.S. income taxes paid by PEPR. If a U.S. Unitholder elects to credit non-U.S. income taxes, the amount of credit that may be claimed in any year may not exceed the amount of U.S. Federal income taxes which the U.S. Unitholder would otherwise pay with respect to its taxable income from non-U.S. sources. This limitation is applied separately to certain categories of income (called "baskets"), consisting of a passive category and a general category. The characterisation of income into a specific basket depends on the nature of the activities to which such income is attributable and the identity of the U.S. taxpayer. Thus, each U.S. Unitholder should consult its tax advisor with respect to the application of the non-U.S. income tax credit to its allocable share of PEPR's income. A U.S. Unitholder that is tax-exempt will not ordinarily benefit from such credit or deduction unless such credit or deduction is generated from income subject to unrelated business income taxation for U.S. Federal income tax purposes.

Tax-Exempt U.S. Unitholders

In General

U.S. Unitholders that are subject to Section 501(a) of the Code are generally exempt from U.S. Federal income tax (collectively, "**Tax-Exempt Entities**"). Tax-Exempt Entities otherwise exempt from U.S. Federal income taxation may, however, be subject to unrelated business income tax ("**UBIT**") if income is derived from either (a) an "unrelated trade or business" carried on by PEPR or (b) "debt-financed" property owned by PEPR. (Both of these categories are discussed in more detail below.) For each Tax-Exempt Entity, the UBIT only applies to unrelated business taxable income in excess of US\$ 1,000 for any taxable year.

If a Tax-Exempt Entity is a partner in a partnership which regularly carries on a trade or business which would be subject to UBIT if carried on directly by the exempt entity, the exempt entity's share of the partnership's gross income from such unrelated trade or business (whether or not distributed) and its share of the partnership deductions directly in connection with such gross income must be included in the computation of unrelated business taxable income by the exempt entity.

In determining the amount of PEPR's income, if any, that may be subject to UBIT, deductions would be allowed for expenses, depreciation and similar items which would be deductible normally by a commercial enterprise (subject to certain modifications) and are proximately and primarily related to carrying on the "taxable" activity of PEPR. (It should be noted, however, that Code Section 168(h)(6) could require PEPR to compute cost recovery deductions under Code Section 168(g), pursuant to which, among other things, non-

residential real property is depreciable over a 40 year period rather than a 39 year period.) Net losses from one taxable activity of PEPR may be used to offset net income from other taxable activities of such entity.

Unrelated Trade or Business

The first category of income subject to UBIT is income derived from an unrelated trade or business. To constitute an unrelated trade or business, an activity must be regularly carried on by a tax-exempt organisation (or by a partnership in which such an organisation holds an interest) and not substantially related to the organisation's tax-exempt purposes. Although an activity may be characterised as an "unrelated trade or business" subject to UBIT, income that qualifies under one of several exclusions and that is not attributable to debt-financed property is not subject to UBIT.

Income excludable from UBIT generally includes (a) dividends and interest, (b) rents from real property, (c) rent from personal property leased in connection with real property (provided that the amount of rent attributable to the personal property does not exceed 10 per cent. of the total rent received under the lease) and (d) gains or losses from the sale, exchange or other disposition of property (except for property that is determined to be inventory or property held primarily for sale to customers in the ordinary course of the trade or business). The exclusion from UBIT for rents from real property is not applicable if (a) more than 50 per cent. of the total rents received or accrued under the lease of space in the property is attributable to personal property, (b) the determination of the amount of rent depends in whole or in part on the income or profits derived by any person from the property leased (other than an amount based on a fixed percentage of receipts or sales) or (c) services are rendered to the occupant primarily for its convenience or are in addition to those customarily rendered in connection with the rental of space for occupancy only.

If PEPR was at any time determined to be holding one or more of its assets primarily for sale to customers in the ordinary course of business ("**Dealer Property**") or if one or more of its assets constituted property of a kind which would properly be includable in inventory if on hand at the end of the year ("**Inventory Property**"), any gain or loss realised upon the sale or exchange of those assets generally would be subject to UBIT to U.S. Unitholders that are Tax-Exempt Entities. Subject to the discussion below, PEPR intends to acquire, obtain, hold, own and dispose of investments in a manner such that the investments would not be treated as Dealer Property or Inventory Property. However, whether property is Dealer Property or Inventory Property depends on all of the facts and circumstances related to such property, and there can be no assurance that the IRS will not contend that one or more of PEPR's assets constitutes Dealer Property or Inventory Property. If the IRS were successful in such a contention, any gain from such sale may be subject to UBIT.

Debt-Financed Property

Notwithstanding these general exclusions from UBIT, unrelated business taxable income generally includes income derived from property to the extent that there is "acquisition indebtedness". Acquisition indebtedness is the amount of any indebtedness incurred directly or indirectly to acquire or improve the property, including (a) indebtedness incurred in acquiring or improving property, (b) indebtedness incurred before the acquisition or improvement of property if such indebtedness would not have been incurred but for the acquisition or improvement of the property and (c) indebtedness incurred after the acquisition or improvement of property if such indebtedness would not have been incurred but for such acquisition or improvement and such indebtedness was reasonably foreseeable at the time of the acquisition or improvement.

An exception to the rule regarding income derived from property with acquisition indebtedness (the "**Debt-financed Exception**") exists in the case of certain "qualified organisations" (i.e., U.S. qualified pension trusts and U.S. qualified educational endowments). Under this exception, indebtedness incurred by a qualified organisation (through a "flow through" entity such as PEPR) in acquiring or improving real property generally will not be treated as acquisition indebtedness if certain conditions are met, including the requirement that PEPR meet the requirements of Code Section 514(c)(9)(E) (the "fractions rule").

Code Section 514(c)(9)(E) sets forth the so-called "fractions rule" under which (i) the allocation of items to a qualified organisation cannot result in any such partner having a share of the overall partnership income for any taxable year greater than its share of overall partnership loss for the taxable year in which its overall share of partnership loss will be the smallest, and (ii) the allocations have substantial economic effect under Code Section 704(b)(2). As discussed in "Allocations of Profits and Losses" above, PEPR's allocations do not have substantial economic effect under Code Section 704(b)(2) and, accordingly, the allocations do not comply with the fractions rule. As a result, the Debt-financed Exception to the UBIT rules do not apply to PEPR.

TAX-EXEMPT U.S. UNITHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF AN INVESTMENT IN PEPR.

Non-U.S. Partnership Transactional Reporting Requirements

Under U.S. Treasury regulations, a U.S. Unitholder will have to file a report with the IRS on Form 8865 if the U.S. Unitholder transfers cash or property to PEPR and either holds a 10 per cent. or greater interest in PEPR immediately after the transfer or has transferred more than US\$ 100,000 to PEPR in the previous 12 months. Form 8865 will also have to be filed if a U.S. Unitholder acquires or disposes of a 10 per cent. or greater interest in PEPR, if a U.S. Unitholder controls PEPR, or if the U.S. Unitholder owns a 10 per cent. or greater interest in PEPR while PEPR is controlled in the aggregate by U.S. Unitholders that own a 10 per cent. or greater interest. PEPR intends to provide U.S. Unitholders with the necessary information to comply with the foregoing filing requirements. However, PEPR will only be able to provide this information to those U.S. Unitholders who notify PEPR in writing of their status as U.S. Unitholders.

U.S. Unitholders engaging in certain transactions, including certain loss transactions above a threshold, may be required to include reportable transaction disclosure information with their annual U.S. Federal income tax returns. It is possible that PEPR may engage in transactions that subject a U.S. Unitholder to such disclosure. If a U.S. Unitholder disposes of Units at a taxable loss, it may also be subject to such disclosure. Potential investors should consult their own tax advisors regarding such reporting requirements.

Possible Legislative or Other Actions Affecting Tax Aspects

Prospective investors should recognise that the present U.S. Federal income tax treatment of investment in PEPR may be modified by legislative, judicial or administrative action at any time and that any such action may affect investments and commitments previously made. The rules dealing with U.S. Federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Treasury Department, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. Revisions in U.S. Federal tax laws and interpretations thereof could adversely affect the tax aspects of investment in PEPR.

Taxation of Non-U.S. Unitholders

Based on the expected organisation and operation of PEPR, Unitholders who are not U.S. Unitholders and are not otherwise subject to U.S. Federal income tax (“**Non-U.S. Unitholders**”) generally will not be subject to U.S. Federal income tax as a result of an investment in PEPR. Although PEPR does not currently expect to invest in U.S. real estate, Non-U.S. Unitholders will be subject to U.S. Federal income tax to the same extent as U.S. Unitholders on investments that PEPR makes in “U.S. real property interests” for U.S. Federal income tax purposes and will be required to file a U.S. tax return if any such investments are made. Moreover, while the sale of interests in PEPR generally will not be subject to U.S. Federal income tax, the sale of an interest in PEPR could be subject to U.S. tax to the extent that PEPR interests represent an interest in U.S. real property.

Administrative Matters

Tax Matters Partner

The Management Company will act as PEPR’s “tax matters partner”. As the tax matters partner, ProLogis will have the authority, subject to certain restrictions, to act on PEPR’s behalf in connection with any administrative or judicial review of PEPR’s items of income, gain, loss, deduction or credit.

Information Reporting and Backup Withholding

For each calendar year, PEPR will report to U.S. Unitholders and to the IRS the amount of distributions that PEPR pays, and the amount of tax (if any) that PEPR withholds on these distributions. However, PEPR will only be able to provide this information to those U.S. Unitholders who notify PEPR in writing of their status as U.S. Unitholders. Under the backup withholding rules, U.S. Unitholders may be subject to backup withholding tax (at the applicable rate, currently 28 per cent.) with respect to distributions paid unless: (i) a U.S. Unitholder is a corporation or comes within another exempt category and demonstrates this fact when required; or (ii) a U.S. Unitholder provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding tax and otherwise complies with the applicable requirements of the backup withholding tax rules. If a U.S. Unitholder is an exempt holder, it should indicate its exempt status on a properly completed IRS Form W-9. A Non-U.S. Unitholder may qualify as an exempt recipient by submitting a properly completed IRS Form W-8BEN. Backup withholding is not an additional tax; the amount of any backup withholding from a payment to a U.S. Unitholder will be allowed as a credit against such U.S. Unitholder’s U.S. Federal income tax liability and may entitle it to a refund.

If a Unitholder does not, in a timely manner, provide PEPR with IRS Form W-8 or W-9, as applicable, or such form is not properly completed, PEPR may become subject to U.S. backup withholding taxes in excess of what would have been imposed had PEPR received certifications from all investors. Such excess U.S. backup withholding taxes may be treated by PEPR as an expense that will be borne by all investors on a pro rata basis (since PEPR may be unable to allocate any such excess withholding tax cost to the holders that failed to provide, in a timely manner, the proper U.S. tax certifications).

PART IX – ERISA, TRANSFER RESTRICTIONS, ELIGIBLE INVESTORS AND CERTIFICATES

1. Certain ERISA Considerations

The fiduciary and prohibited transaction provisions of Sections 404 and 406 of ERISA, and the corresponding provisions of Section 4975 of the Code, could affect the business and operations of PEPR and therefore investments in PEPR by employee benefit plans subject to the fiduciary provisions of ERISA or Section 4975 of the Code or other entities deemed to hold “plan assets” of any of the foregoing (each a “**Benefit Plan Investor**”) will not be permitted.

ERISA Status

The Management Company will use its reasonable best efforts to operate PEPR and conduct PEPR’s business and affairs so that the assets of PEPR will not constitute plan assets within the meaning of the Regulation (as defined below). If PEPR’s assets are not treated as plan assets, the provisions of ERISA regarding delegation of fiduciary duties, fiduciary standards of conduct and the prohibited transaction rules of ERISA and the Code will not apply to the assets of PEPR. Accordingly, no Units may be purchased by, or transferred to Benefit Plan Investors.

ERISA Restrictions if PEPR Holds Plan Assets

If PEPR is deemed to hold plan assets of the investors that are ERISA plans, any transaction PEPR enters into would be deemed to be a transaction with each Benefit Plan Investor. Such treatment could generally prohibit PEPR from entering into transactions (such as acquisitions, sales or financings) with “parties in interest” to any Benefit Plan Investor. If PEPR were subject to ERISA, certain aspects of the structure and terms of PEPR could violate ERISA. Under a regulation (the “**Regulation**”) issued by the U.S. Department of Labor (the “**DOL**”), generally, an ERISA plan’s assets would be deemed to include an undivided interest in each of the underlying assets of PEPR unless investment in PEPR by Benefit Plan Investors (as defined below) is not “significant”, or if PEPR constitutes an “operating company”, including a “real estate operating company”.

No Investment by Benefit Plan Investors

For the purpose of this rule, the term “benefit plan investors” currently includes all employee benefit plans subject to ERISA, IRAs, Keogh Plans and other plans subject to Section 4975 of the Code, and entities whose underlying assets are deemed to include plan assets by reason of the investment in that entity by benefit plan investors, such as group trusts, bank collective investment trusts, insurance company separate accounts and certain insurance company general accounts. To avoid the application of ERISA and Section 4975 of the Code to PEPR, the Management Company will reject subscriptions from any prospective investor that is a Benefit Plan Investor. Under the Management Regulations, the Management Company will have the right to (i) restrict any transfer of Units in PEPR so as to prevent any Benefit Plan from becoming an investor; and (ii) require that any Benefit Plan Investors withdraw from PEPR.

Governmental Plans and Non-U.S. Plans

Governmental plans, as defined in Section 3(32) of ERISA, are not subject to the fiduciary provisions of ERISA and are also not subject to the prohibited transaction provisions under Section 4975 of the Code. However, state laws or regulations governing the investment and management of the assets of such plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code, as discussed above. In addition, exemptions or exceptions available to such rules for ERISA plans may not be available for governmental plans. Accordingly, fiduciaries of governmental plans, in consultation with their advisors, should consider the impact of their respective state pension codes on investments in PEPR and the considerations discussed above, to the extent applicable. Similarly, non-U.S. plans are not subject to the fiduciary provisions of ERISA or the prohibited transaction provisions of Section 4975 of the Code. However, foreign laws or regulations governing the investment and management of the assets of such plans may contain similar fiduciary and prohibited transaction requirements. Accordingly, fiduciaries of non-U.S. plans, in consultation with their advisors, should consider the impact of their respective laws on investments in PEPR.

2. Transfer Restrictions

The Units (including Ordinary Units issuable upon conversion) have not been and will not be registered under the Securities Act or any U.S. state securities or “blue sky” laws or the securities laws of any other

jurisdiction and, accordingly, the Units may not be reoffered, resold, pledged or otherwise transferred in the U.S., except as may be approved by Management Company.

Each purchaser of Preferred Units within the U.S. will be required to represent and agree in an investor representation letter (whether as part of a Preferred Unit subscription request or otherwise) as follows:

- (a) The purchaser (i) is an Accredited Investor and/or a QIB and (ii) is acquiring the Preferred Units for its own account or for the account of a QIB with respect to which it exercises sole investment discretion.
- (b) The purchaser confirms that each of it and such account, if any, for which it is purchasing the Preferred Units was not formed for the specific purpose of acquiring the Preferred Units. If either the purchaser or such account is a “dealer” described in Rule 144A(a)(1)(ii) under the Securities Act, the purchaser confirms that it or any such account, if any, owns and invests on a discretionary basis at least \$25 million in securities of issuers that are not affiliated with it or such account, as the case may be. If either the purchaser or any such account is a “plan”, “employee benefit plan” or a “trust fund” that holds the assets of such a plan (each as described in Rule 144A(a)(1) under the Securities Act), the plan beneficiaries do not make investment decisions with respect to the plan.
- (c) The purchaser understands and acknowledges that the Preferred Units are being offered in a transaction not involving any public offering in the U.S. within the meaning of the Securities Act, that the Preferred Units have not been and will not be registered under the Securities Act and are being offered and sold to the purchaser in a transaction exempt from the Securities Act. The purchaser is purchasing Preferred Units for investment purposes and not with a view to resale or distribution within the meaning of the U.S. securities laws.
- (d) The purchaser hereby acknowledges and agrees that it will not resell or transfer any Units (including Ordinary Units issuable upon conversion), except outside the U.S. in an offshore transaction pursuant to Regulation S in compliance with applicable securities laws in any jurisdiction.
- (e) The purchaser has reviewed this Prospectus relating to the Preferred Units and all documents incorporated by reference in this Prospectus and has conducted its own investigation with respect to PEPR and the Preferred Units and has received all information that it believes is necessary or appropriate in connection with the purchase of the Preferred Units. The purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Preferred Units. The purchaser has the ability to bear the economic risk of its investment in the Preferred Units, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to its investment in the Preferred Units, and is able to sustain a complete loss of its investment in the Preferred Units.
- (f) The purchaser agrees that if it breaches any covenant contained herein or makes any misrepresentation herein PEPR may require the purchaser to sell its Preferred Units or Ordinary Units issuable upon conversion to PEPR or a person designated by PEPR at the initial issue price stated in the Offer.
- (g) The purchaser acknowledges that for as long as the Preferred Units or Ordinary Units issuable upon conversion are “restricted securities” for U.S. federal securities law purposes, they may not be deposited into any depository receipt facility / bank. Furthermore, the purchaser will make no directed selling efforts in the U.S. with respect to the Preferred Units. The terms “U.S. person”, “offshore transaction” and “directed selling efforts” have the meanings set forth in Regulation S.
- (h) The purchaser understands that a certificated Preferred Unit or Ordinary Units issuable upon conversion, if any, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR, EXCEPT AS SET OUT IN THE PROSPECTUS (THE “PROSPECTUS”) OF PROLOGIS EUROPEAN PROPERTIES (“PEPR”), THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT (X) IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S AND (Y) (1) UPON DELIVERY OF ALL CERTIFICATIONS, OPINIONS AND OTHER DOCUMENTS THAT PEPR MAY REQUIRE AND (2) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. FURTHER, NO PURCHASE, SALE OR TRANSFER OF THIS

SECURITY MAY BE MADE THAT WOULD RESULT IN THE ASSETS OF PEPR CONSTITUTING “PLAN ASSETS” WITHIN THE MEANING OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT ARE SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”). EACH PURCHASER OR TRANSFEREE OF THIS SECURITY WILL BE REQUIRED TO REPRESENT, OR WILL BE DEEMED TO HAVE REPRESENTED, THAT (i) IT IS NOT AND IS NOT USING ASSETS OF A PLAN THAT IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE AND (ii) IF IT IS A “QUALIFIED INSTITUTIONAL BUYER” OR AN “ACCREDITED INVESTOR” THAT IT WILL BE SUBJECT TO RESTRICTIONS AS PROVIDED IN THE PROSPECTUS AND MANAGEMENT REGULATIONS.

THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE PROSPECTUS TO THE TRANSFEREE.

- (i) The purchaser understands that no transfer of a Preferred Unit or Ordinary Units issuable upon conversion will be effective, and PEPR will not recognise any such transfer to an ERISA Plan as more fully set forth in “ERISA Considerations” above.
- (j) The purchaser acknowledges and agrees that PEPR, Morgan Stanley and their respective voting affiliates will be entitled to rely on the representations, warranties and agreements set forth above.
- (k) The purchaser will hold in confidence and not distribute to any other person the Prospectus or any other materials provided by PEPR or Morgan Stanley in connection with the Offer.

3. Eligible Investors

The Preferred Units may only be offered (i) in the U.S. to persons reasonably believed to be Accredited Investors or QIBs and (ii) outside the U.S. to investors that are not U.S. Persons in offshore transactions pursuant to Regulation S. Initial purchasers of the Preferred Units will be required to make the representations and agreements set forth under “Transfer Restrictions” and “ERISA Considerations” above. A Preferred Unitholder may only sell, transfer, assign, pledge, or otherwise dispose of its Preferred Units or Ordinary Units issuable upon conversion outside the U.S. to transferees that are not U.S. Persons pursuant to Regulation S. Please see “Transfer Restrictions” above.

PART X – VALUATION REPORTS

| As of 13 November 2009 | Number of Distribution Facilities Appraised | Gross | | Gross | |
|------------------------|--|---------------------|-------------------|----------------------|----------------------|
| | | Property Value £ | Market Value £ | Property Value € | Market Value € |
| CBRE..... | 20 | 236,027,875 | 221,932,000 | 260,344,005 | 244,795,941 |
| DTZ..... | 12 | | | 222,733,037 | 213,415,792 |
| JLL..... | 200 | | | 2,503,538,235 | 2,385,525,718 |
| | 232 | | | 2,986,615,277 | 2,843,737,451 |

1. Valuation Certificate and Valuation Reports for Distribution Facilities valued by JLL

| | |
|--|--|
| Legal & Commercial Name: | Legal: Jones Lang LaSalle Limited Commercial: JLL/Jones Lang LaSalle |
| Place of Registration and its registration number: | Registered in England and Wales No 1188567 |
| Date of incorporation, the length of life, except where indefinite: | 25 October 1974, Indefinite |
| Domicile and legal form, the legislation under which it operates, its country of incorporation and the address and telephone number of its registered office (or principal place of business if different from its registered office): | Domiciled in the UK as a private limited company operating under English Law. 22 Hanover Square, London, W1S 1JA T: 0044 (020) 7493 6040 |



22 Hanover Square London W1S 1JA
tel +44 (0) 20 7493 6040 fax +44 (0) 20 7408 0220

www.joneslanglasalle.co.uk

ProLogis Management S.à.r.l.
For and on Behalf of ProLogis European Properties Fund
34-38 Avenue de la Liberté
L-1930—Luxembourg
Luxembourg

Morgan Stanley & Co International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

13 November 2009

Dear Sirs

Valuation of Freehold and Long Leasehold Properties of ProLogis European Properties

Instructions

In accordance with our engagement letter with ProLogis Management S.à.r.l. (the “**Company**”), we, (Jones Lang LaSalle), Chartered Surveyors, have considered the properties referred to in the attached schedule (the “**Schedule**”), in order to advise you of our opinion of the Market Value (as defined below) as at the date of the prospectus, of the freehold or leasehold interests (as appropriate) of ProLogis European Properties (“**PEPR**”) in each of these properties (the “**Properties**”).

The effective date of the valuation is 30 September 2009.

Purpose of Valuation

We understand that this valuation report and schedule (together, the “**Valuation Report**”) are required for inclusion in a prospectus which investors will rely on in making their decision to invest in PEPR.

We can confirm that we have prepared our Valuation as external valuers as defined in the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards.

Basis of Valuation and Assumptions

We set out below the basis and assumptions we have used in preparing our Valuation followed by a summary of the aggregate values in each Country. Attached to this Valuation Report is a detailed schedule of the individual properties.

We confirm that the valuations have been made on the basis of Market Value in accordance with the appropriate sections of both the current Practice Statements (“**PS**”), and United Kingdom Practice Statements (“**UKPS**”) contained within the RICS Valuation Standards, 6th Edition (the “**Red Book**”). This is an internationally

accepted basis of valuation.

Market Value is defined as:

“The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

We can confirm that Market Value is entirely consistent with the normal valuation basis followed in each Country. Our valuation has also been undertaken in accordance with the relevant provisions of the Prospectus Directive and related guidance and has been undertaken by us as External Valuers as defined in the RICS Valuation Standards. The subject properties are held as investments and we have therefore used the appropriate property investment valuation methodology to calculate the Market Values.

Material Change

We hereby confirm that as at the date of this Valuation Report:

(i) we have not become aware (after having made enquiry of PEPR) of any material change since 30 September 2009 in any matter relating to any specific property covered by our Valuation Report which in our opinion would have a material effect on the value as at today's date,

(ii) in relation to market conditions and movements in the property markets in which the properties covered by our Valuation Report are located, we do not consider that the movement in respect of the subject properties constitutes material change since 30 September 2009.

Valuation

On the basis outlined in this Report, we are of the opinion that the aggregate of the individual gross Market Values as at 30 September 2009 of the freehold and long leasehold interests subject to and with the benefit of various occupational leases, as summarised in the attached valuation schedules is:

€2,503,538,235

Two Billion, Five Hundred and Three Million, Five Hundred and Thirty Eight Thousand, Two Hundred and Thirty Five Euros

On the basis outlined in this Report, we are of the opinion that the aggregate of the individual net Market Values as at 30 September 2009 of the freehold and long leasehold interests subject to and with the benefit of various occupational leases, as summarised in the attached valuation schedules is:

€2,385,525,718

Two Billion, Three Hundred and Eighty Five Million, Five Hundred and Twenty Five Thousand, Seven Hundred and Eighteen Euros

The Net value above represents the price that a vendor would receive. A Gross price would represent the total that a purchaser would have to pay, including property transfer taxes and fees. It is therefore the Net value that equates to the RICS definition of Market Value.

Realisation Costs

Our Valuation is exclusive of VAT and no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal of any property. Our net valuation is, however, net of purchaser's acquisition costs which vary between countries.

Estimated Net Annual Rents Receivable

We have calculated the net annual rents receivable from the properties having had regard to the definition of net annual rent as the current income or income estimated by the valuer:-

1. Ignoring any special receipts or deductions arising from the property;
2. Excluding value added tax and before taxation (including tax on profits and any allowances for interest on capital or loans);
3. After making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent.

Where premises are let on effective full repairing and insuring leases, the net annual rent receivable stated in this schedule are the presently contracted rents payable under those leases without any deduction for the cost of management or any other expenses.

We have calculated the aggregate net annual rents receivable from the subject properties as at 30 September 2009 as defined above to be:

€207,678,176

Two Hundred and Seven Million, Six Hundred and Seventy Eight Thousand, One Hundred and Seventy Six Euros

Estimated Net Annual Rental Value

We have calculated the current estimated net annual rent for the purposes of the valuations, which is our opinion of the best rent at which a new letting of an interest in property would have been completed at the date of valuation assuming:

- a. a willing landlord;
- b. that, prior to the date of valuation there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the letting;
- c. that the state of the market, levels of value and other circumstances were, on any earlier assumed date of entering into an agreement for lease, the same as on the valuation date;
- d. that no account is taken of any additional bid by a prospective tenant with a special interest;
- e. that where relevant the length of term and principal conditions assumed to apply to the letting and other tenants terms are the same as those set out in the rent review clause contained in the occupational lease which we confirm are not exceptionally onerous or beneficial for letting of the type and class of the subject property and;
- f. that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

We have calculated the aggregate net estimated annual rents receivable from the subject properties as at 30 September 2009 as defined above to be:

€204,225,253

Two Hundred and Four Million, Two Hundred and Twenty Five Thousand, Two Hundred and Fifty Three Euros

Assumptions and Sources of Information

An assumption is stated in the Glossary to the Red Book to be a “supposition taken to be true” (“**assumption**”). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a Valuer as part of the valuation process. In undertaking our valuations, we have made a number of assumptions and have relied on certain sources of information. Where appropriate, PEPR advisers have confirmed that our assumptions are correct so far as they are aware. We believe that the assumptions we have made are reasonable, taking into account our knowledge of the properties, and the contents of reports made available to us. However, in the event that any of these assumptions prove to be incorrect then our valuations should be reviewed. The assumptions we have made for the purposes of our valuations are referred to below.

Inspections

We have valued the properties in the past for accounts purposes and have inspected them at various intervals internally.

We have been advised by the Directors of the Company that there have been no material changes to any of the properties since our inspections.

Information

We have made an assumption that the information PEPR and its professional advisers have supplied to us in respect of the properties is both full and correct.

It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

Title

We have not had access to the title deeds of the properties. We have assumed that the title is marketable and that the properties are free from encumbrances, mortgages and charges.

Floor Areas

We have measured the properties and also have relied on the areas which have been supplied to us and on measured surveys which have been carried out on certain properties to verify floor areas.

Plant and Machinery

Landlords’ fixtures such as lifts, escalators, air-conditioning and other normal service installations have been treated as an integral part of each property and are included within our valuations. Plant and machinery, tenant’s fixtures and specialist trade fittings have been excluded from our valuations.

No specialist tests have been carried out on any of these service systems and for the purposes of our valuations we have assumed that all are in good working order and in compliance with any relevant statute bye-law or

regulation.

Environmental Investigations and Ground Conditions

We were not instructed to carry out site surveys or environmental assessments nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated. Unless we have been provided with information to the contrary, we have assumed that the properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect the present or future use of the properties.

We were not instructed to carry out structural surveys of the properties but we have reflected any apparent wants of repair in our opinion of the value as appropriate. Properties have been valued on the basis of the Company's advice save where we have been specifically advised to the contrary, no deleterious materials have been used in the construction of any of the subject buildings.

Planning

We have made verbal Town Planning enquiries only. In the course of our enquiries, we are advised by the Local Planning Authority that there are no adverse Town Planning, Highway or other schemes or proposals. Information supplied to us by Planning Officers is, however, given without liability on their part and we cannot therefore accept responsibility for incorrect information or material omissions in the information supplied.

We have not seen planning consents and have assumed that the properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices. We have assumed that all buildings comply with all statutory and Local Authority requirements including building, fire and health and safety regulations.

Tenure and Tenancies

We have read copies of the leases and have relied on the tenancy summaries provided by the Company for the purposes of our valuation.

We have not conducted credit enquires into the financial status of any of the tenants. However, in undertaking our valuations we have reflected our understanding of the market perception of the financial status of the tenants. We have also assumed that each tenant is capable of meeting its leasehold obligations and that there are no undisclosed breaches of covenant.

Exchange rates

We have indicated the Market Values of the subject properties in the attached valuation schedule in Euros. We have used the exchange rate of the £ Sterling (GBP) against the Euro of 1 Euro = £0.9066.

Responsibility

Our Valuation and the schedule are confidential to the addressees as set out on the first page of this certificate for the specific purpose to which they refer and form part of the prospectus. Before this Valuation Report, or any part thereof, is reproduced or referred to in any other document, circular or statement and before its contents, or any part thereof, are otherwise disclosed orally or otherwise to a third party, the Valuer's written approval as to form and context of such publication or disclosure must first be obtained.

For the avoidance of doubt, such approval is required whether or not Jones Lang LaSalle are referred to by name and whether or not the contents of our Valuation Report are combined with other reports.

Yours faithfully

Dermot Charleson MRICS
Director
For and on behalf of
Jones Lang LaSalle Ltd
22 Hanover Square
London W1S 1JA

Andrew Renshaw FRICS
Director
For and on behalf of
Jones Lang LaSalle Ltd
22 Hanover Square
London W1S 1JA

PROLOGIS EUROPEAN PROPERTIES FUND
SCHEDULE
Properties Held as Investments
Valuation as at 30 September 2009

| Property Name | Location, Description & Tenancy | Year of Construction | Total Lettable Area (sq. m.) | Gross Value | Market Value |
|--------------------------|--|----------------------|------------------------------|--------------|--------------|
| Belgium | | | | | |
| Liege Dist. Ctr. #1 | A logistics warehouse with 10.8 m clear height and 28 loading docks plus 2 access ramps. Located in Milmort on the northern perimeter of Liege. The property is adjacent to and enjoys excellent access to the E313 motorway linking Liege and Antwerp. Let to Skechers EDC sprl. Freehold. | 2001 | 22.458 | € 13.360.000 | € 11.880.000 |
| Tongeren Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10.80 m and 15 loading docks plus 2 access ramps. Located on the Industrial zone Tongeren-Oost, close to Junction 32 of the E313(A13). This zone lies approximately 3 km to the north-east of the centre of Tongeren, 14 km north of Liege, 15 km south of Hasselt and 10 km west of Maastricht (NL). Let to SKF N.V. Freehold. | 2000 | 21.070 | € 10.680.000 | € 9.710.000 |
| Vilvoorde Dist. Ctr. #1 | A modern logistics warehouse with a minimum eaves height of 10.6 m and 20 loading docks plus 2 access ramps. The property is well located in an established logistics area in the vicinity of the Brussels Airport. Let to A.L.S. Logistics Services Belgium BVBA. The site is held leasehold for 99 years from 9 December 2004 with no ground rent payable for the entire term. | 2006 | 19.446 | € 11.800.000 | € 10.730.000 |
| Willebroek Dist. Ctr. #1 | A modern logistics warehouse with a minimum eaves height of 10.8 m and 16 loading docks plus 1 access ramp. The property has excellent access onto the A12. This is one of the most important logistic axes in Belgium, close to the Antwerp Harbour and particularly the Willebroek Container Terminal. Let to Decathlon Benelux N.V. Freehold. | 2006 | 17.030 | € 10.380.000 | € 9.440.000 |

| | | | | | |
|-------------------------------------|---|------|---------------|---------------------|---------------------|
| Willebroek Dist. Ctr. #2 | A modern logistics warehouse with a minimum eaves height of 10.8 m and 18 loading docks plus 1 access ramp. The property has excellent access onto the A12. This is one of the most important logistic axes in Belgium, close to the Antwerp Harbour and particularly the Willebroek Container Terminal. Let to Decathlon Benelux N.V. Freehold. | 2006 | 18.262 | € 10.560.000 | € 9.600.000 |
| Sub Total (Belgium): | | | 98.266 | € 56.780.000 | € 51.360.000 |
| Czech Republic | | | | | |
| Prague D1 East Dist. Ctr. #1 | A logistics warehouse with a 10 m minimum eaves height and 17 loading docks plus 5 access ramps. Situated approximately 16 km south-east of Prague, the Capital of the Czech Republic in an established industrial location. The park is located close to Exit 11 of the D1 highway. Let to Asbisc Enterprises plc, Prestigio Europe, spol. s r.o. and Raben Polska. Freehold. | 2002 | 14.986 | € 8.900.000 | € 8.450.000 |
| Prague D1 East Dist. Ctr. #2 | A logistics warehouse with a 10 m minimum eaves height and 40 loading docks plus 4 access doors. Situated approximately 16 km south-east of Prague, the Capital of the Czech Republic in an established industrial location. The park is located close to Exit 11 of the D1 highway. Let to Papyrus Bohemia s.r.o., Freshfruit Logistic s.r.o. and Gefco Česká Republika s.r.o. Freehold. | 2002 | 24.429 | € 14.540.000 | € 13.800.000 |
| Prague D1 East Dist. Ctr. #3 | A logistics warehouse with a 10 m minimum eaves height and 48 loading docks plus 8 access doors. Situated approximately 16 km south-east of Prague, the Capital of the Czech Republic in an established industrial location. The park is located close to Exit 11 of the D1 highway. Let to Teleplan Prague s.r.o. and NYK Logistics (Czech Republic) s.r.o. Freehold. | 2003 | 26.874 | € 14.380.000 | € 13.650.000 |
| Prague D1 East Dist. Ctr. #3 - ASTI | ASTI Income associated with Prague D1 East Dist. Ctr #3. | N/A | 0 | € 150.000 | € 150.000 |

| | | | | | |
|--|--|------|--------|-------------|-------------|
| Prague D1 East Dist. Ctr. #4 | A logistics warehouse with a minimum eaves height of 10 m and 24 loading docks plus 4 access doors. Situated approximately 16 km south-east of Prague, the Capital of the Czech Republic in an established industrial location. The park is located close to Exit 11 of the D1 highway and has a frontage directly facing the road. Let to DHL Express (Czech Republic) s.r.o. and U.T.C. spol. s.r.o. Freehold. | 2004 | 17.466 | € 8.960.000 | € 8.500.000 |
| Prague D1 East Dist. Ctr. #5 | A modern logistics warehouse a minimum eaves height of 10 m and 16 loading docks plus 2 access doors. Situated approximately 16 km south-east of Prague, the Capital of the Czech Republic in an established industrial location. The park is located close to Exit 11 of the D1 highway. Let to L'oreal Česká republika s.r.o. Freehold. | 2005 | 13.754 | € 7.480.000 | € 7.100.000 |
| Prague D1 East Dist. Ctr. #6 | A modern logistics warehouse with a minimum eaves height of 10 m and 16 loading docks plus 2 access doors. Situated approximately 16 km south-east of Prague, the Capital of the Czech Republic in an established industrial location. The park is located close to Exit 11 of the D1 highway. Leased to Kenvelo Czech Republic spol. s r.o. Freehold. | 2005 | 13.169 | € 7.220.000 | € 6.850.000 |
| Prague D1 East Dist. Ctr. #6 (Extension) | A modern logistics warehouse constructed in 2006 as an extension of DC6 with a minimum eaves height of 10 m and 9 loading docks plus 1 access door. Situated approximately 16 km south-east of Prague, the Capital of the Czech Republic in an established industrial location. The park is located close to Exit 11 of the D1 highway. Let to Kenvelo Czech Republic spol. s r.o. and DHL Express (Czech Republic) s.r.o. Freehold. | 2006 | 7.243 | € 3.580.000 | € 3.400.000 |
| Prague D1 East Dist. Ctr. #7 | A modern logistics warehouse with a minimum eaves height of 10 m and 19 loading docks plus 3 access doors. Situated approximately 16 km south-east of Prague, the Capital of the Czech Republic in an established industrial location. The park is located close to Exit 11 of the D1 highway. Let to Cargologix s.r.o. Freehold. | 2005 | 11.390 | € 6.320.000 | € 6.000.000 |

| | | | | | |
|---|---|------|----------------|---------------------|---------------------|
| Prague D1 East Dist. Ctr. #7 (Extension) | A modern logistics warehouse as an extension of DC7 with a minimum eaves height of 10 m and 20 loading docks plus 2 access doors. Situated approximately 16 km south-east of Prague, the Capital of the Czech Republic in an established industrial location. The park is located close to Exit 11 of the D1 highway. Let to Raben Logistics Czech a.s. Freehold. | 2006 | 9.531 | € 4.480.000 | € 4.250.000 |
| Prague D1 West Dist. Ctr. #1 | A logistics warehouse with a 10 m minimum eaves height and 36 loading docks plus 4 access doors. Situated approximately 16 km south-east of Prague, the Capital of the Czech Republic in an established industrial location. The park is located close to Exit 11 of the D1 highway. Let to DHL Solutions s.r.o. Freehold. | 2000 | 21.221 | € 11.280.000 | € 10.700.000 |
| Prague D1 West Dist. Ctr. #2 | A logistics warehouse with a 10 m minimum eaves height and 22 loading docks plus 3 access doors. Situated approximately 16 km south-east of Prague, the Capital of the Czech Republic in an established industrial location. The park is located close to Exit 11 of the D1 highway. Let to Nagel Česka s.r.o. Freehold. | 1999 | 13.695 | € 7.480.000 | € 7.100.000 |
| Prague D1 West Dist. Ctr. #3 | A logistics warehouse with a 10 m minimum eaves height and 16 loading docks plus 3 access doors. Situated approximately 16 km south-east of Prague, the Capital of the Czech Republic in an established industrial location. The park is located close to Exit 11 of the D1 highway. Let to DHL Solutions s.r.o. Freehold. | 2000 | 6.627 | € 3.580.000 | € 3.400.000 |
| Sub Total (Czech Republic): | | | 180.384 | € 98.350.000 | € 93.350.000 |

France

| | | | | | |
|-----------------------|---|------|--------|--------------|--------------|
| Angers Dist. Ctr. #1 | A temperature and humidity-controlled warehouse with a minimum eaves height of 9.5 m and 24 loading docks plus 2 access doors. The property is located approximately 18 km to the north-east of Angers, just outside the village of Seiches-sur-le-Loir and within 4 km of junction 12 of the A11 motorway. Let to Depolabo Pharma Logistique. Freehold. | 2000 | 20.624 | € 11.790.000 | € 11.100.000 |
| Blois Dist. Ctr. #1 | A modern logistics warehouse with a minimum eaves height of 10 m and 63 loading docks plus 3 access doors. Located in the principal light industrial and logistics zone of Parc d'Activité A10 Sud, just outside of Blois in the district of La Chaussée St.Victor. The motorway A10 junction is located 500 m from the site. Let to SOPEG. Freehold. | 2005 | 55.421 | € 29.960.000 | € 29.430.000 |
| Orléans Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 20 loading docks plus 1 access door. The Prologis Park Orléans logistic platform is located in Ingré, in the logistic park of 'Pole 45'. The park is situated approximately 10 minutes from the town centre of Orléans using either the A10 or A71 motorways and then other principal roads such as the RN 60 and RN 157. Let to ND Logistics. Freehold. | 1995 | 20.144 | € 7.860.000 | € 7.400.000 |
| Orléans Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10 m and 37 loading docks plus 2 access doors. The Prologis Park Orléans logistic platform is located in Ingré, in the logistic park of 'Pole 45'. The park is situated approximately 10 minutes from the town centre of Orléans using either the A10 or A71 motorways and then other principal roads such as the RN 60 and RN 157. Let to ND Logistics. Freehold. | 2001 | 28.089 | € 15.450.000 | € 14.550.000 |
| Orléans Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 10 m and 22 loading docks plus 2 access doors. The Prologis Park Orléans logistic platform is located in Ingré, in the logistic park of 'Pole 45'. The park is situated approximately 10 minutes from the town centre of Orléans using either the A10 or A71 motorways and then other principal roads such as the RN 60 and RN 157. Let to ND Logistics. Freehold. | 2001 | 18.131 | € 9.400.000 | € 8.850.000 |

| | | | | | |
|-----------------------|--|------|--------|--------------|--------------|
| Orléans Dist. Ctr. #4 | One of a pair of linked, high quality logistics warehouses with a minimum eaves height of 10 m and 58 loading docks plus 1 access ramp. Located in the logistics park Meung-sur-Loire approximately 20 km south-west of Orléans in the region of the 'Loiret'. The logistic area 'ZI Synergie Val de Loire' is a landscaped industrial park adjoining J15 the A10 motorway. Let to Brandt Appliances SAS. Freehold. | 2003 | 37.286 | € 21.580.000 | € 20.320.000 |
| Orléans Dist. Ctr. #5 | One of a pair of linked, high quality warehouses with a minimum eaves height of 10 m and 51 loading docks plus 2 access ramps. Located in the logistics park Meung-sur-Loire approximately 20 km south-west of Orléans in the region of the 'Loiret'. The logistic area 'ZI Synergie Val de Loire' is a landscaped industrial park adjoining J15 the A10 motorway. Let to Brandt Appliances SAS. Freehold. | 2003 | 32.039 | € 18.480.000 | € 17.400.000 |
| Orléans Dist. Ctr. #6 | A logistics warehouse with minimum eaves height of 10 m and 25 loading docks plus 1 access door. Located in the logistics park Meung-sur-Loire approximately 20 km south-west of Orléans in the region of the 'Loiret'. The logistic area 'ZI Synergie Val de Loire' is a landscaped industrial park adjoining J15 the A10 motorway. Let to ID Logistics France. Freehold. | 2003 | 20.710 | € 11.390.000 | € 10.725.000 |
| Orléans Dist. Ctr. #7 | A modern logistics warehouse with a minimum eaves height of 10 m and 46 loading docks plus 1 access door. Located in the logistics park Meung-sur-Loire approximately 20 km south-west of Orléans in the region of the 'Loiret'. The logistic area 'ZI Synergie Val de Loire' is a landscaped industrial park adjoining J15 the A10 motorway. Let to DHL Stock Express, ID Logistics France and Transalliance. Freehold. | 2004 | 33.149 | € 19.280.000 | € 18.150.000 |
| Belfort Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 40 loading bays plus 4 access doors. The property is located in a developing industrial zone, ZAC "de l'aéroport de Belfort Fontaine", approximately 1 km from the town centre of Fontaine and the RD60 road connects the area with the A36 motorway, approximately 4 km away. Let to Gefco. Freehold. | 2004 | 30.300 | € 16.260.000 | € 15.315.000 |

| | | | | | |
|---------------------|--|------|--------|--------------|--------------|
| Metz Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 8 m and 10 loading docks plus 1 access door. Located in a dominant position at the intersection of 4 major axes (A4, A31, A3 and A30) and facilitates easy access to the rest of France, Germany, Luxembourg, Belgium and Switzerland. Let to Fremarc. Freehold. | 1992 | 17.862 | € 6.070.000 | € 5.715.000 |
| Vatry Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 9.7 m and 64 loading docks plus 4 access doors. Europort Vatry is a logistics zone situated approximately 140 km due east of Paris. The nearest sizeable towns are Chalons-en-Champagne (30 km to the north) and Vitry-le-François (30km to the east). The zone stands some 3 km to the west of the A26 motorway. Let to Ceva Logistics France SAS. Freehold. | 2001 | 42.472 | € 20.340.000 | € 19.150.000 |
| Vatry Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 9.7 m and 26 loading docks plus 2 access doors. Europort Vatry is a logistics zone situated approximately 140 km due east of Paris. The nearest sizeable towns are Chalons-en-Champagne (30 km to the north) and Vitry-le-François (30km to the east). The zone stands some 3 km to the west of the A26 motorway. Let to Ceva Logistics France SAS. Freehold. | 2001 | 20.265 | € 9.660.000 | € 9.100.000 |
| Arras Dist. Ctr. #1 | A temperature-regulated warehouse with a minimum eaves height of 9.5 m and 21 loading docks plus 1 access door. Located approximately 45 km to the south-east of the city of Lille, close to the town of Arras and bordering the A1 motorway. Approaching from the south (Paris), the site is accessed via the shared exit-road that serves both the motorway service station and the town of Arras at junction 15. Let to Depolabo Pharma Logistique. Freehold. | 2001 | 25.079 | € 14.280.000 | € 13.450.000 |

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| Le Havre Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 9.95 m and 44 loading bays, 4 access doors plus 4 three-quarter height waste disposal doors. Located in the “Parc du Hode”, in the docks area of Le Havre, directly connected to the A13 motorway (Paris-Le Havre) and to the A29 motorway to Northern Europe. Part let to XP Log and ProLogis Management Sces II SAS Syndic. Freehold. | 2002 | 32.484 | € 15.470.000 | € 14.570.000 |
| Le Havre Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 9.95 m and 42 loading docks plus 2 access doors. Located in the “Parc du Hode”, in the docks area of Le Havre, directly connected to the A13 motorway (Paris-Le Havre) and to the A29 motorway to Northern Europe. Let to Gefco. Freehold. | 2002 | 32.669 | € 17.910.000 | € 16.860.000 |
| Le Havre Dist. Ctr. #3 | A modern logistics warehouse with a minimum eaves height of 9.95 m and 42 loading docks plus 2 access doors. Located in the “Parc du Hode”, in the docks area of Le Havre, directly connected to the A13 motorway (Paris-Le Havre) and to the A29 motorway to Northern Europe. Part let to Gefco and Cedilec. Freehold. | 2003 | 31.859 | € 16.080.000 | € 15.800.000 |
| Le Havre Dist. Ctr. #4A | A modern logistics warehouse with a minimum eaves height of 10 m and 24 loading docks plus 1 access door. Located in the “Parc du Hode”, in the docks area of Le Havre, directly connected to the A13 motorway (Paris-Le Havre) and to the A29 motorway to Northern Europe. Let to XP Log. Freehold. | 2006 | 18.238 | € 10.730.000 | € 10.540.000 |
| Le Havre Dist. Ctr. #4B | A modern logistics warehouse with a minimum eaves height of 10 m and 14 loading docks plus 1 access door. Located in the “Parc du Hode”, in the docks area of Le Havre, directly connected to the A13 motorway (Paris-Le Havre) and to the A29 motorway to Northern Europe. Let to Schenker SA. Freehold. | 2006 | 12.719 | € 7.030.000 | € 6.910.000 |

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| Le Havre Dist. Ctr. #5 | A logistics warehouse with a minimum eaves height of 9.5 m and 9 loading docks plus 1 access door. Situated in an area controlled by the PAH (Port Autonome du Havre), close to the Pont de Normandie (D929) and the A29 motorway. The site lies some 12 km to the east of Le Havre on the northern side of the canal du Havre and west of the Pont de Tancarville. Let to Daher International. The site is held leasehold for a term of 40 years from 14 March 2002. | 1999 | 7.422 | € 3.290.000 | € 3.100.000 |
| Le Havre Dist. Ctr. #6 | A logistics warehouse with a minimum eaves height of 9.5 m and 7 loading docks plus 1 access door. Situated in an area controlled by the PAH (Port Autonome du Havre), close to the Pont de Normandie (D929) and the A29 motorway. The site lies some 12 km to the east of Le Havre on the northern side of the canal du Havre and west of the Pont de Tancarville. Let to Daher International. The site is held leasehold for a term of 40 years from 14 March 2002. | 1998 | 7.790 | € 3.210.000 | € 3.025.000 |
| Lille Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 9.9 m and 24 loading docks plus 2 access doors. The property is situated approximately 8 km to the south-east of the city, close to the village of Lesquin and approximately 2 km from the airport at Lille-Lesquin. The site forms part of the Centre Régional de Transport "zone d'activité", which benefits from its excellent positioning between the A1, A23 (north-south) and the A27 (east-west). Let to Conectis. 9,279 sq m currently vacant. Freehold. | 1999 | 19.025 | € 9.740.000 | € 9.175.000 |
| Lille Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 9.9 m and 22 loading docks plus 2 access doors. The property is situated approximately 8 km to the south-east of the city, close to the village of Lesquin and approximately 2 km from the airport at Lille-Lesquin. The site forms part of the Centre Régional de Transport "zone d'activité", which benefits from its excellent positioning between the A1, A23 (north-south) and the A27 (east-west). Let to Auchan Logistique Nord. Freehold. | 1999 | 16.000 | € 8.500.000 | € 8.000.000 |

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| Lille Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 9.95 m and 30 loading docks plus 2 access doors. Located on rue des Clawiers, ZAC de l'Épinette, within the commune of Seclin, about 5 kms south of Lille, in northern France. The property is in a well-established industrial zone just off Junction 19 of the A1 motorway. Let to Exel Rome. Freehold. | 2001 | 17.928 | € 8.960.000 | € 8.440.000 |
| Lille Dist. Ctr. #4 | A logistics warehouse with a minimum eaves height of 11 m and 152 loading docks. Located in the Industrial Multimodal area of Lomme-Senequin, in the municipality of Lomme (59), at approximately 3 km west of Lille in the north of France. The property is located within the Lille ring road, in close vicinity to the D710 orbital, accessible by junctions 5, 6 or 7. In particular the property is situated in close proximity to the A25. Let to Calberson. Freehold. | 1997 | 27.680 | € 16.820.000 | € 15.840.000 |
| Aulney Dist. Ctr. #25 | A cross-docking warehouse with a minimum eaves height of 10 m and 165 loading docks plus 2 access doors. Located in Garonor, approximately 24 km from central Paris and benefits from a strategic location at the heart of northern Ile-de-France affording excellent access to the national and European motorway network. The property is particularly well-located, enjoying a 500m frontage directly onto the A1 and direct access via Exit 5 from the motorway. Let to TNT Express International SNC. Freehold. | 2000 | 16.890 | € 22.990.000 | € 21.650.000 |
| Aulney Dist. Ctr. #26 | A logistics warehouse with a minimum eaves height of 9.5 m and 20 loading docks. Located in Garonor, approximately 24 km from central Paris and benefits from a strategic location at the heart of northern Ile-de-France affording excellent access to the national and European motorway network. The property is particularly well-located, enjoying a 500m frontage directly onto the A1 and direct access via Exit 5 from the motorway. Let to CEF. Freehold. | 2000 | 8.672 | € 6.060.000 | € 5.710.000 |

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| Evry Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 9.9 m and 60 loading docks plus 5 access doors. Located in the ZAC de la Remise, approximately 1.2 km east of the centre of the municipality of Lisses, in the Brie region to the south-west of Paris. The Zone is located adjacent to the A6 motorway, which connects Paris to the south of France. In addition, the N104 ring road La Francilienne lies adjacent linking through to the A4 and A5 to the east and the A10 to the west. Let to Geodis Logistics IdF. Freehold. | 2002 | 30.083 | € 19.060.000 | € 17.950.000 |
| Evry Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 9.9 m and 68 loading docks plus 6 access doors. Located in the ZAC de la Remise, approximately 1.2 km east of the centre of the municipality of Lisses, in the Brie region to the south-west of Paris. The Zone is located adjacent to the A6 motorway, which connects Paris to the south of France. In addition, the N104 ring road La Francilienne lies adjacent linking through to the A4 and A5 to the east and the A10 to the west. Let to ID Logistics France. Freehold. | 2004 | 36.338 | € 23.620.000 | € 23.200.000 |
| Evry Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 9.9 m and 46 loading docks plus 2 access doors. Located in the ZAC de la Remise, approximately 1.2 km east of the centre of the municipality of Lisses, in the Brie region to the south-west of Paris. The Zone is located adjacent to the A6 motorway, which connects Paris to the south of France. In addition, the N104 ring road La Francilienne lies adjacent linking through to the A4 and A5 to the east and the A10 to the west. Let to Bourgey Montreuil Presse SAS and PLD International Master Lease Evry 3. Freehold. | 2004 | 22.600 | € 14.660.000 | € 14.400.000 |

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| Evry Dist. Ctr. #4 | A logistics warehouse with minimum eaves height of 8 m in part and some 14 m in the palette storage area and 39 loading docks plus 4 access doors. Located in the ZAC de la Remise, approximately 1.2 km east of the centre of the municipality of Lisses, in the Brie region to the south-west of Paris. The Zone is located adjacent to the A6 motorway, which connects Paris to the south of France. In addition, the N104 ring road La Francilienne lies adjacent linking through to the A4 and A5 to the east and the A10 to the west. Let to Geodis Logistis IdF. Freehold. | 1981 | 39.858 | € 20.630.000 | € 19.425.000 |
| Evry Dist. Ctr. #5 | A logistics warehouse with a minimum eaves height of 10 m and 64 loading docks plus 2 access doors. Located in the ZAC de la Remise, approximately 1.2 km east of the centre of the municipality of Lisses, in the Brie region to the south-west of Paris. The Zone is located adjacent to the A6 motorway, which connects Paris to the south of France. In addition, the N104 ring road La Francilienne lies adjacent linking through to the A4 and A5 to the east and the A10 to the west. Let to Geodis Logistics IdF. Freehold. | 1991 | 36.073 | € 19.660.000 | € 18.515.000 |
| Lognes Dist. Ctr. #1 | A modern logistics warehouse with a minimum clear height of 12.5 m and 13 loading docks plus 2 access doors. Located within the commune of Lognes, in the department of Seine et Marne (77) to the east of Paris, at the junction of the A104 and the A4 motorway. The property is situated in the commercial and industrial area 'ZAC du Mandinet' which was created between 1977 and 1979. Let to Burton. Freehold. | 2005 | 13.047 | € 9.820.000 | € 9.650.000 |
| Mitry Mory Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 9.8 m and 28 loading docks plus 2 access doors. Located in the Activity zone, "ZA du Parc", of the town Compans. This location is close to the A104 ("Francilienne") by the RN2. The nearest motorway connections (A1, A3 and A86) are approximately 10 and 20km away by the A104. Very close to Charles de Gaulle airport. Part let to Bio Rad and Design Sportswear. 464 sq m currently vacant. Freehold. | 2005 | 29.435 | € 20.340.000 | € 19.150.000 |

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| Mitry Mory Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 9.90 m and 27 loading docks plus 2 access doors. Located in the Activity zone, "ZA du Parc", of the town Compans. This location is close to the A104 ("Francilienne") by the RN2. The nearest motorway connections (A1, A3 and A86) are approximately 10 and 20km away by the A104. Very close to Charles de Gaulle airport. Let to Exacompta. Freehold. | 2000 | 21.443 | € 14.550.000 | € 13.700.000 |
| Mitry Mory Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 9.50 m and 32 loading docks plus 4 access doors. Located in the Activity Zone of Mitry-Compans. This location is close to the A104 ("Francillienne") by the RN2. The nearest motorway connections (A1, A3 and A86) are approximately 10 and 20 km away by the A104. Very close to Charles de Gaulle airport. Let to Exel Gallieni and Eurodep. Freehold. | 2001 | 34.323 | € 23.790.000 | € 22.400.000 |
| Plessis Pâté Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 9.90 m and 24 loading docks plus 1 access door. Located in the Activity zone of "La Tremblaie" in Le Plessis Paté. Located close to the A104 "Francilienne" and the A6 motorway. This site is approximately 20 minutes from Orly airport and 45 minutes from Roissy Charles de Gaulle airport. Let to Norauto France SAS. Freehold. | 2000 | 21.743 | € 13.460.000 | € 12.670.000 |
| Plessis Pâté Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 9.90 m and 18 loading docks plus 2 access doors. Located in the Activity zone of "La Tremblaie" in Le Plessis Paté. Located close to the A104 "Francilienne" and the A6 motorway. This site is approximately 20 minutes from Orly airport and 45 minutes from Roissy Charles de Gaulle airport. Let to Kuehne & Nagel Logistics. Freehold. | 2001 | 18.850 | € 12.110.000 | € 11.400.000 |

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| Savigny Le Temple Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 9.5 m and 21 loading docks plus 1 access door. Situated in a strategic position, just south of the new town of Melun Sénart, approximately 35 kms to the south-west of Paris, close to the N104 La Francilienne (ring-road) and hence the national motorway network (A6, A5 & A4). The international airports of Orly and Roissy Charles de Gaulle are situated 20 minutes to the north-west via the A6 and 40 minutes to the north via La Francilienne respectively. Let to ND Logistics. Freehold. | 1991 | 32.427 | € 19.540.000 | € 18.400.000 |
| Cavaillon Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 8.60 m in the original building and 10 m in the part of the original building dating from 1997 and the extension. A total of 33 loading docks and 3 access doors. Cavaillon is located 20km south-east of Avignon city centre and 13km south-east of the city's airport. Cavaillon is accessed via junction 25 of the A7 motorway, the principal arterial road running north-south and linking Lyon-Orange-Valence to Marseilles. Let to ID Logistics France. Freehold. | 1991 | 30.177 | € 12.480.000 | € 11.750.000 |
| Clesud Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 9.95 m and 28 loading docks plus 2 access doors. Situated within the Clésud 'Zone d'Aménagement Concertée' (ZAC). The zone has the benefit of being in close proximity (10km) to the A54 motorway, complete with a full interchange at junction 13. The A54 motorway runs into the A7 at Salon to the east (direction Italy or Paris) and into the A9 at Nîmes to the west, permitting easy onward access to Spain. It is also 45 km from Marseille. Let to ITM Logistics International. Freehold. | 2001 | 21.434 | € 10.750.000 | € 10.120.000 |

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| Clesud Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 9.95 m and 36 loading docks plus 4 access doors. Situated within the Clésud 'Zone d'Aménagement Concertée' (ZAC). The zone has the benefit of being in close proximity (10km) to the A54 motorway, complete with a full interchange at junction 13. The A54 motorway runs into the A7 at Salon to the east (direction Italy or Paris) and into the A9 at Nîmes to the west, permitting easy onward access to Spain. It is also 45 km from Marseille. Let to ITM Logistics International. Freehold. | 2002 | 27.320 | € 13.700.000 | € 12.900.000 |
| Clesud Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 9.95 m and 37 loading docks plus 4 access doors. Situated within the Clésud 'Zone d'Aménagement Concertée' (ZAC). The zone has the benefit of being in close proximity (10km) to the A54 motorway, complete with a full interchange at junction 13. The A54 motorway runs into the A7 at Salon to the east (direction Italy or Paris) and into the A9 at Nîmes to the west, permitting easy onward access to Spain. It is also 45 km from Marseille. Let to ND Logistics. Freehold. | 2002 | 26.371 | € 13.280.000 | € 12.500.000 |
| Clesud Dist. Ctr. #4 | A logistics warehouse with a minimum eaves height of 9.95 m and 36 loading bays plus 4 access doors. Situated within the Clésud 'Zone d'Aménagement Concertée' (ZAC). The zone has the benefit of being in close proximity (10km) to the A54 motorway, complete with a full interchange at junction 13. The A54 motorway runs into the A7 at Salon to the east (direction Italy or Paris) and into the A9 at Nîmes to the west, permitting easy onward access to Spain. It is also 45 km from Marseille. Let to ID Logistics and SLS. Freehold. | 2003 | 26.118 | € 12.650.000 | € 11.910.000 |

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| Clesud Dist. Ctr. #5 | A modern logistics warehouse with a minimum eaves height of 10.3 m and 24 loading docks plus 2 access doors. Situated within the Clésud 'Zone d'Aménagement Concertée' (ZAC). The zone has the benefit of being in close proximity (10km) to the A54 motorway, complete with a full interchange at junction 13. The A54 motorway runs into the A7 at Salon to the east (direction Italy or Paris) and into the A9 at Nîmes to the west, permitting easy onward access to Spain. It is also 45 km from Marseille. Let to UTI Logistics France. Freehold. | 2006 | 19.665 | € 9.070.000 | € 8.910.000 |
| Clesud Dist. Ctr. #6 | A modern logistics warehouse with a minimum eaves height of 10.3 m and 32 loading docks plus 2 access doors. Situated within the Clésud 'Zone d'Aménagement Concertée' (ZAC). The zone has the benefit of being in close proximity (10km) to the A54 motorway, complete with a full interchange at junction 13. The A54 motorway runs into the A7 at Salon to the east (direction Italy or Paris) and into the A9 at Nîmes to the west, permitting easy onward access to Spain. It is also 45 km from Marseille. Let to Dinadis. Freehold. | 2005 | 25.695 | € 11.420.000 | € 10.750.000 |
| Isle d'Abeau Dist. Ctr. #2 | A logistics warehouse constructed in 1998 with a minimum eaves height of 9.95 m and 30 loading docks plus 2 access doors. Isle d'Abeau is located approximately 25 km south-east of central Lyon and 8 km south of the Lyon-Saint Exupéry airport. It lies adjacent to the A43 Grenoble-Chambery motorway, which runs in an east-west direction. Isle d'Abeau is 13 km from the A46 motorway, which bypasses Lyon to the east and provides a convenient link to the major A6 and A7 motorways north and south respectively. Let to Schneider Electric Industries SAS. Freehold. | 1998 | 20.955 | € 10.490.000 | € 9.880.000 |

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| Isle d'Abeau Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 10 m and 16 loading docks plus 2 access doors. Isle d'Abeau is located approximately 25 km south-east of central Lyon and 8 km south of the Lyon-Saint Exupéry airport. It lies adjacent to the A43 Grenoble-Chambery motorway, which runs in an east-west direction. Isle d'Abeau is 13 km from the A46 motorway, which bypasses Lyon to the east and provides a convenient link to the major A6 and A7 motorways north and south respectively. Let to Dimotrans. Freehold. | 1999 | 12.620 | € 6.160.000 | € 5.800.000 |
| Isle d'Abeau Dist. Ctr. #4 | A logistics warehouse with a minimum eaves height of 10 m and 26 loading docks plus 2 access doors. Isle d'Abeau is located approximately 25 km south-east of central Lyon and 8 km south of the Lyon-Saint Exupéry airport. It lies adjacent to the A43 Grenoble-Chambery motorway, which runs in an east-west direction. Isle d'Abeau is 13 km from the A46 motorway, which bypasses Lyon to the east and provides a convenient link to the major A6 and A7 motorways north and south respectively. Let to MGF (Magasins généraux de France). Freehold. | 2000 | 20.921 | € 10.620.000 | € 10.000.000 |
| Isle d'Abeau Dist. Ctr. #5 | A logistics warehouse with a minimum eaves height of 10 m and 32 loading docks plus 2 access doors. Isle d'Abeau is located approximately 25 km south-east of central Lyon and 8 km south of the Lyon-Saint Exupéry airport. It lies adjacent to the A43 Grenoble-Chambery motorway, which runs in an east-west direction. Isle d'Abeau is 13 km from the A46 motorway, which bypasses Lyon to the east and provides a convenient link to the major A6 and A7 motorways north and south respectively. Let to MGF Logistics Rhone Alpes. Freehold. | 2000 | 24.143 | € 12.430.000 | € 11.700.000 |

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| Isle d'Abeau Dist. Ctr. #6 | A logistics warehouse with a minimum eaves height of 9.95 m and 26 loading docks plus 2 access doors. Isle d'Abeau is located approximately 25 km south-east of central Lyon and 8 km south of the Lyon-Saint Exupéry airport. It lies adjacent to the A43 Grenoble-Chambery motorway, which runs in an east-west direction. Isle d'Abeau is 13 km from the A46 motorway, which bypasses Lyon to the east and provides a convenient link to the major A6 and A7 motorways north and south respectively. Let to NYK Logistics. Freehold. | 2000 | 21.582 | € 10.090.000 | € 9.500.000 |
| Isle d'Abeau Dist. Ctr. #7 | A logistics warehouse with a minimum eaves height of 9.95 m and 40 loading docks plus 4 access doors. Isle d'Abeau is located approximately 25 km south-east of central Lyon and 8 km south of the Lyon-Saint Exupéry airport. It lies adjacent to the A43 Grenoble-Chambery motorway, which runs in an east-west direction. Isle d'Abeau is 13 km from the A46 motorway, which bypasses Lyon to the east and provides a convenient link to the major A6 and A7 motorways north and south respectively. Let to Brandt Appliances SAS. Freehold. | 2001 | 34.344 | € 17.470.000 | € 16.450.000 |
| Isle d'Abeau Dist. Ctr. #8 | A logistics warehouse with a minimum eaves height of 9.95 m and 54 loading docks plus 5 access doors. Isle d'Abeau is located approximately 25 km south-east of central Lyon and 8 km south of the Lyon-Saint Exupéry airport. It lies adjacent to the A43 Grenoble-Chambery motorway, which runs in an east-west direction. Isle d'Abeau is 13 km from the A46 motorway, which bypasses Lyon to the east and provides a convenient link to the major A6 and A7 motorways north and south respectively. Let to Darty Rhône Alpes. Freehold. | 2004 | 43.196 | € 23.590.000 | € 23.170.000 |

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| Isle d'Abeau Dist. Ctr. #9 | A logistics warehouse with a minimum eaves height of 9.95 m and 42 loading docks plus 4 access doors. Isle d'Abeau is located approximately 25 km south-east of central Lyon and 8 km south of the Lyon-Saint Exupéry airport. It lies adjacent to the A43 Grenoble-Chambery motorway, which runs in an east-west direction. Isle d'Abeau is 13 km from the A46 motorway, which bypasses Lyon to the east and provides a convenient link to the major A6 and A7 motorways north and south respectively. Let to DHL Solutions France SAS and Geodis Logistics Rhone Alpes. 110 sq m currently vacant. Freehold. | 2002 | 34.151 | € 17.660.000 | € 16.630.000 |
| Isle d'Abeau Dist. Ctr. #10 | A modern logistics warehouse with a minimum eaves height of 10.4 m and 32 loading docks plus 2 access doors. Isle d'Abeau is located approximately 25 km south-east of central Lyon and 8 km south of the Lyon-Saint Exupéry airport. It lies adjacent to the A43 Grenoble-Chambery motorway, which runs in an east-west direction. Isle d'Abeau is 13 km from the A46 motorway, which bypasses Lyon to the east and provides a convenient link to the major A6 and A7 motorways north and south respectively. Let to Lu France SAS. Freehold. | 2005 | 20.805 | € 12.420.000 | € 12.200.000 |
| Isle d'Abeau Dist. Ctr. #11 | A logistics warehouse with a minimum eaves height of 10 m and 32 loading docks plus 2 access doors. Isle d'Abeau is located approximately 25 km south-east of central Lyon and 8 km south of the Lyon-Saint Exupéry airport. It lies adjacent to the A43 Grenoble-Chambery motorway, which runs in an east-west direction. Isle d'Abeau is 13 km from the A46 motorway, which bypasses Lyon to the east and provides a convenient link to the major A6 and A7 motorways north and south respectively. Let to Dimotrans and FM Logistic. Freehold. | 2004 | 20.328 | € 10.250.000 | € 9.650.000 |

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| Isle d'Abeau Dist. Ctr. #14 | A modern logistics warehouse with a minimum eaves height of 10 m and 26 loading docks plus 3 access doors. Isle d'Abeau is located approximately 25 km south-east of central Lyon and 8 km south of the Lyon-Saint Exupéry airport. It lies adjacent to the A43 Grenoble-Chambery motorway, which runs in an east-west direction. Isle d'Abeau is 13 km from the A46 motorway, which bypasses Lyon to the east and provides a convenient link to the major A6 and A7 motorways north and south respectively. Let to UPS SCS. Freehold. | 2005 | 18.667 | € 12.170.000 | € 11.950.000 |
| Isle d'Abeau Dist. Ctr. #15 | A logistics warehouse with a minimum eaves height of 9.5 m and 21 loading docks plus 1 access door. Isle d'Abeau is located approximately 25 km south-east of central Lyon and 8 km south of the Lyon-Saint Exupéry airport. It lies adjacent to the A43 Grenoble-Chambery motorway, which runs in an east-west direction. Isle d'Abeau is 13 km from the A46 motorway, which bypasses Lyon to the east and provides a convenient link to the major A6 and A7 motorways north and south respectively. Let to DHL Solution France SAS. Freehold. | 1999 | 17.855 | € 9.450.000 | € 8.900.000 |
| Sub Total (France): | | | 1.453.514 | € 805.980.000 | € 765.805.000 |
| Germany | | | | | |
| Hamburg Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 40 loading docks. Located in the Hamburg district of Altenwerder, in the harbour expansion area south of the river Elbe and has good access to the motorways A7 (approximately 2 km) and A1 (approximately 10 km). Let to NYK Logistics (Deutschland) GmbH. 365 sq m vacant. The site is held leasehold for a term of 30 years from 1 March 2004. | 2004 | 31.293 | € 22.150.000 | € 20.700.000 |

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| Hamburg Dist. Ctr. #2 | A modern logistics warehouse with minimum eaves height of 10.5 m and 37 loading docks. Located in the Hamburg district of Altenwerder, in the harbour expansion area south of the river Elbe and has good access to the motorways A7 (approximately 2 km) and A1 (approximately 10 km). Let to Stute Verkehrsgesellschaft GmbH and Kraftverkehr Nagel GmbH & Co. KG. The site is held leasehold for a term of 30 years from 1 March 2004. | 2005 | 21.600 | € 15.620.000 | € 14.600.000 |
| Lauenau Dist. Ctr. #1 | A cross-docking hall, warehouse and an office building. The loading bay has a minimum eaves height of 6 m whilst the warehouse has a minimum eaves height of 8.5 m. A total of 83 loading docks and 2 access doors. Lauenau is situated in the south of the federal state Saxony (directly bordering North Rhine-Westphalia) in the rural district of Schaumburg. Let to GEFCO Deutschland GmbH. Freehold. | 2004 | 10.478 | € 11.980.000 | € 11.300.000 |
| Alzenau Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 33 loading docks plus 2 access doors. The town of Alzenau is situated in the north-west of the state of Bavaria close to the Rhine-Main area of Frankfurt am Main/Hesse. The property is located 200m from the federal motorway exit "Industriegebiet Alzenau-Süd" of the A45 (Gießen-Aschaffenburg), 10 km from the interchange with A3. Let to NYK Logistics (Deutschland) GmbH. Freehold. | 2004 | 16.001 | € 12.080.000 | € 11.400.000 |
| Bingen Dist. Ctr. # 1 | A modern front-loading logistics warehouse with a minimum eaves height of 12.3 m and 36 loading docks plus 2 access doors. Located approximately 9 km south of Bingen. The property is situated approximately 3 km from the junction of the A60 and A61 motorways. Let to well known freight forwarding company, G.L. Kayser Spediteurs. 1787 GmbH & Co KG. Freehold. | 2006 | 28.660 | € 15.320.000 | € 14.450.000 |

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| Frankfurt Riederhof Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 22 loading docks plus 4 access doors. The property is situated in the Frankfurt district Riederhof, directly bordering the river Main (close to the inner harbour "Osthafen") with direct access to the motorway A661. Multi let to Simon Hegele GmbH, Emerson Network Power GmbH, Brita GmbH, Soma GmbH, Aldhofer Logistics GmbH, PC Service Walter Haschke + Partner, Simpson Strong Tie GmbH and ProLogis Germany Management GmbH. Freehold. | 2003 | 21.156 | € 19.660.000 | € 18.550.000 |
| Gernsheim Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10.5 m and 38 loading docks plus 1 access door. Gernsheim is situated in the middle of the state of Hesse close to the cities of Darmstadt (20 km) and Frankfurt am Main (50 km). The property is located 2.5 km from the motorway exit "Gernsheim" of the A67 and 10 km distance from the motorway junction with A5. Let to Tchibo Logistik GmbH. Freehold. | 2004 | 15.290 | € 11.770.000 | € 11.100.000 |
| Malsfeld Dist. Ctr. #1 | A modern logistics building with a minimum eaves height of 10 m and 28 loading docks plus 2 access doors. Located in the industrial area of "Gewerbegebiet Mittleres Fuldata" in the municipality of Malsfeld, and has good transport connections via local motorway access to the A7 motorway that runs on a north-south axis from Flensburg (close to the Danish border) to Nesselwang (close to the Swiss border). Let to the freight forwarding company Geodis Logistics Deutschland GmbH. Freehold. | 2006 | 20.600 | € 10.440.000 | € 9.850.000 |
| Martinszehnten Dist. Ctr. #1 | A modern logistics warehouse with a clear eaves height of 9 m and 29 loading docks plus 1 access door. Located north of the city of Frankfurt in the district of Frankfurt-Kalbach, approximately 12km north of the city centre. The site can be accessed via the Nieder-Eschbach exit of motorway A661, which is located some 2km to the west. Let to Theodor Wille Intertrade GmbH and ProLogis Germany Management GmbH. 852 sq m currently vacant. Freehold. | 2006 | 8.971 | € 10.340.000 | € 9.750.000 |

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| Cologne Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 28 loading docks plus 4 access doors. Cologne (Köln) is located in the mid-west of Germany and approximately 50 km south of the North Rhine-Westphalian state capital Düsseldorf. The property is located to the south of Cologne, close to the A4 motorway. Let to Adloq Logistik GmbH, ProLogis Germany Management GmbH and Rewe Zentral AG. Vacant storage of 4,747 sq m. Freehold. | 2001 | 19.235 | € 11.550.000 | € 10.900.000 |
| Cologne Dist. Ctr. #2 | A logistics warehouse with offices with a minimum eaves height of 10 m and 36 loading docks plus 4 access doors. Cologne (Köln) is located in the mid-west of Germany and approximately 50 km south of the North Rhine-Westphalian state capital Düsseldorf. The property is located to the south of Cologne, close to the A4 motorway. Let to tts Global Logistics GmbH and Prologis Germany Management GmbH. Freehold. | 2004 | 26.378 | € 17.700.000 | € 16.700.000 |
| Cologne Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 10 m and 30 loading docks plus 1 access door. Cologne (Köln) is located in the mid-west of Germany and approximately 50 km south of the North Rhine-Westphalian state capital Düsseldorf. The property is located to the south of Cologne, close to the A4 motorway. Let to Gerolsteiner Brunnen GmbH & Co. KG. Freehold. | 2002 | 10.062 | € 5.300.000 | € 5.000.000 |
| Krefeld Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10 m and 18 loading docks plus 2 access doors. Krefeld is situated in the state of North Rhine-Westphalia close to the cities of Cologne (57 km), Düsseldorf (25 km), Duisburg (23 km) and Aachen (77 km). The property is located adjacent to the federal motorway exit "Krefeld - Fichtenhain" of the A44. Let to KYB Europe GmbH. Freehold. | 2003 | 11.378 | € 8.320.000 | € 7.850.000 |

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| Muggensturm Dist. Ctr. #1 | A logistics warehouse with a minimum eave height of 9 m and 20 loading docks plus 1 access door. Situated in the state of Baden Wuerttemberg in the south west of Germany, between Karlsruhe (30 km) and Rastatt (10 km). The A5 motorways to Frankfurt (North) and Basel (South) and A8 to Stuttgart and Munich (South) are easy to reach (3.5 km and 25 km respectively). Let to C& A Mode KG. Freehold. | 2003 | 6.672 | € 4.130.000 | € 3.900.000 |
| Muggensturm Dist. Ctr. #2 | A logistics warehouse with a minimum eave height of 9 m and 12 loading docks plus 8 access doors. The town of Muggensturm is situated in the state of Baden Wuerttemberg in the south west of Germany, between Karlsruhe (30 km) and Rastatt (10 km). The A5 motorways to Frankfurt (North) and Basel (South) and A8 to Stuttgart and Munich (South) are easy to reach (3.5 km and 25 km respectively). Let to Rhenus AG & Co. KG and C& A Mode KG. Freehold. | 2004 | 17.495 | € 9.960.000 | € 9.400.000 |
| Munich Dist. Ctr. #2A | A modern logistics warehouse with a minimum eaves height of 10 m and 28 loading docks plus 2 access doors. Situated in the logistics area “Logistikpark – Römerweg” in Mintraching, municipality of Neufahrn. Road access is excellent with direct connection to the major motorways, A92 - exit Freising-Süd and to the motorway junction A92/A9 is approximately 6 km. Let to Kochtrans Patrick G. Koch GmbH, Simon Hegele GmbH, Spedicam GmbH, Intervet International GmbH and Prologis Germany Management GmbH. Freehold. | 2006 | 17.136 | € 17.070.000 | € 16.100.000 |
| Munich Dist. Ctr. #2B | A modern logistics warehouse with a minimum eaves height of 10 m and 11 loading docks plus 1 access door. Situated in the logistics area “Logistikpark – Römerweg” in Mintraching, municipality of Neufahrn. Road access is excellent with direct connection to the major motorways, A92 - exit Freising-Süd and to the motorway junction A92/A9 is approximately 6 km. Let to DSV Stuttgart GmbH & Co. KG and ProLogis Germany Management GmbH. Freehold. | 2005 | 10.339 | € 9.860.000 | € 9.300.000 |

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| Neustadt Dist. Ctr. #1 | A modern logistics warehouse with a minimum eaves height of 12 m and 20 loading docks plus 4 access doors. Located south-west of the Neustadt an der Donau, close to the B16 trunk road which connects with Regensburg in the north-east and A9 motorway in the west close to Ingolstadt. Let to Covidien AG. Freehold. | 2001 | 19.523 | € 12.830.000 | € 12.100.000 |
| Saarwellingen Dist. Ctr. #1 | A modern logistics warehouse with a minimum eaves height of 8 m and 6 loading docks. Situated in the industrial area of Saarwellingen opposite the Ford car factory and "supplier park". Direct access to the motorway A8 is provided via two motorway junctions whilst Saarwellingen is also linked with Saarbrücken via the motorway A620 and with the French motorway system via the A6. Let to TDS Deutschland GmbH. Freehold. | 2000 | 6.413 | € 4.610.000 | € 4.350.000 |
| Saarwellingen Dist. Ctr. #3 | A modern logistics warehouse with a minimum eaves height of 12 m and 16 loading docks plus 1 access door. The property is situated in the industrial area of Saarwellingen opposite Ford car factory and "supplier park". Direct access to the motorway A8 is provided via two motorway junctions whilst Saarwellingen is also linked with Saarbrücken via the motorway A620 and with the French motorway system via the A6. Let to the freight forwarding company Schenker Deutschland AG. Freehold. | 2005 | 9.298 | € 6.470.000 | € 6.100.000 |
| Sub Total (Germany): | | | 327.978 | € 237.160.000 | € 223.400.000 |
| Hungary | | | | | |
| Budaors Dist. Ctr. #1 | A modern logistics warehouse with a minimum eaves height of 10 m and 23 loading docks plus 3 access doors. Located within the greenfield area of Torokbalint, a small town located directly on the border with Budapest's XXII district. The property is situated close to the motorway network and has good access to the M1 and M7 motorways, as well as to the M0 ring-road. Let to Geodis Calberson Hungaria Kft. Freehold. | 2005 | 29.136 | € 17.200.000 | € 16.900.000 |

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| Budapest Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 26 loading docks plus 4 access doors. Prologis Park Budapest is situated 5 km south-east of Budapest, the Capital of Hungary, close to the City of Gyal and the M5 highway. This area is one of Budapest's major distribution locations due to its strong infrastructure offering proximity to the national motorway network, principally the M0 and M5 orbital motorway. Part let to Jöbstl Hungária Szállítmányozási Kft. and Iron Mountain Magyarország Kft. Freehold. | 2002 | 20.706 | € 10.280.000 | € 10.100.000 |
| Budapest Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10 m and 24 loading docks plus 3 access doors. Prologis Park Budapest is situated 5 km south-east of Budapest, the Capital of Hungary, close to the City of Gyal and the M5 highway. This area is one of Budapest's major distribution locations due to its strong infrastructure offering proximity to the national motorway network, principally the M0 and M5 orbital motorway. Part let to Nagel Hungaria Logisztikai Kft. Freehold. | 2003 | 14.679 | € 7.330.000 | € 7.200.000 |
| Budapest Dist. Ctr. #2 - ASTI | ASTI Income associated with Budapest Dist. Ctr #2. | N/A | 0 | € 150.000 | € 150.000 |
| Budapest Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 10 m and 25 loading docks plus 3 access doors. Prologis Park Budapest is situated 5 km south-east of Budapest, the Capital of Hungary, close to the City of Gyal and the M5 highway. This area is one of Budapest's major distribution locations due to its strong infrastructure offering proximity to the national motorway network, principally the M0 and M5 orbital motorway. Let to Nagel Hungária Logisztikai Kft. and Geodis Calberson Hungaria Kft. Freehold. | 2003 | 14.253 | € 6.820.000 | € 6.700.000 |

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| Harbor Park #A | <p>Building A comprises a logistics warehouse with a minimum eaves height of 8.4 m and 26 loading docks. Harbor Park is located in the industrial-commercial area of district XXII, at the south-western gateway of Budapest, approximately 12 km from central Budapest. The property has strong road network connections and can be accessed directly from AutoRoute M6 (E73) which continues towards the City of Pecs (south-west Hungary) and into Croatia. Let to Fiege Kft., Szeko Zollex Vámügynöki Kft., Trans-Sped Log. Szolg. Központ Kft. and Crosseuropa Nemzetközi Fuvarozási Kft. Freehold.</p> | 2001 | 8.685 | € 4.680.000 | € 4.600.000 |
| Harbor Park #B | <p>Building B comprises a logistics warehouse with a minimum eaves height of 8.4 m and 20 loading docks. Harbor Park is located in the industrial-commercial area of district XXII, at the south-western gateway of Budapest, approximately 12 km from central Budapest. The property has strong road network connections and can be accessed directly from AutoRoute M6 (E73) which continues towards the City of Pecs (south-west Hungary) and into Croatia. Part let to Herlitz Hungaria Kft. and Pécsi Direkt Kft. Freehold.</p> | 2001 | 6.558 | € 3.870.000 | € 3.800.000 |
| Harbor Park #C | <p>Building C comprises a logistics warehouse with a minimum eaves height of 11.6 m and 24 loading docks. Harbor Park is located in the industrial-commercial area of district XXII, at the south-western gateway of Budapest, approximately 12 km from central Budapest. The property has strong road network connections and can be accessed directly from AutoRoute M6 (E73) which continues towards the City of Pecs (south-west Hungary) and into Croatia. Let to Budapest Papír Kft. and AVEX Kereskedelmi és Szolgáltató Kft. Freehold.</p> | 2003 | 9.853 | € 5.700.000 | € 5.600.000 |

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| Harbor Park #D | <p>Building D comprises a logistics warehouse with a minimum eaves height of 8.7 m and 16 loading docks. Harbor Park is located in the industrial-commercial area of district XXII, at the south-western gateway of Budapest, approximately 12 km from central Budapest. The property has strong road network connections and can be accessed directly from AutoRoute M6 (E73) which continues towards the City of Pecs (south-west Hungary) and into Croatia. Let to Fiege Kft. Freehold.</p> | 2002 | 8.480 | € 4.070.000 | € 4.000.000 |
| Harbor Park #E | <p>Building E comprises a logistics warehouse with a minimum eaves height of 8.7 m and 22 loading docks plus 1 access door. Harbor Park is located in the industrial-commercial area of district XXII, at the south-western gateway of Budapest, approximately 12 km from central Budapest. The property has strong road network connections and can be accessed directly from AutoRoute M6 (E73) which continues towards the City of Pecs (south-west Hungary) and into Croatia. Let to Sanofi-Aventis Zrt., TRIMEX TRADE Kft., Magyar Telekom Nyrt., Pannon GSM Tavkozlesi Zrt. and Multireklám Zrt. Freehold.</p> | 2002 | 12.297 | € 7.840.000 | € 7.700.000 |
| Harbor Park #F | <p>Building F comprises a logistics warehouse with a minimum eaves height of 10.4 m and 31 loading docks plus 1 access door. Harbor Park is located in the industrial-commercial area of district XXII, at the south-western gateway of Budapest, approximately 12 km from central Budapest. The property has strong road network connections and can be accessed directly from AutoRoute M6 (E73) which continues towards the City of Pecs (south-west Hungary) and into Croatia. Let to Anda Present Kft., Lekkerland Export-Import Kft. and GTS Datanet Távközlési Kft. Freehold.</p> | 2005 | 17.281 | € 9.110.000 | € 8.950.000 |

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| Harbor Park #I1 | Building I comprises a logistics warehouse with a minimum eaves height of 10.8 m and 20 loading docks. Harbor Park is located in the industrial-commercial area of district XXII, at the south-western gateway of Budapest, approximately 12 km from central Budapest. The property has strong road network connections and can be accessed directly from AutoRoute M6 (E73) which continues towards the City of Pecs (south-west Hungary) and into Croatia. Let to Fiege Kft. Freehold. | 2004 | 10.090 | € 4.990.000 | € 4.900.000 |
| Harbor Park #I2 | Building I comprises a logistics warehouse with a minimum eaves height of 10.8 m and 20 loading docks. Harbor Park is located in the industrial-commercial area of district XXII, at the south-western gateway of Budapest, approximately 12 km from central Budapest. The property has strong road network connections and can be accessed directly from AutoRoute M6 (E73) which continues towards the City of Pecs (south-west Hungary) and into Croatia. Let to B-Fiesta Száll. és Logisztikai Kft. and Fiege Kft. Freehold. | 2003 | 8.749 | € 4.780.000 | € 4.700.000 |
| Harbor Park #J | Building J comprises a logistics warehouse with a minimum eaves height of 9.5 m and 24 loading docks. Harbor Park is located in the industrial-commercial area of district XXII, at the south-western gateway of Budapest, approximately 12 km from central Budapest. The property has strong road network connections and can be accessed directly from AutoRoute M6 (E73) which continues towards the City of Pecs (south-west Hungary) and into Croatia. Let to Buvihir Hirlapkereskedelmi Zrt., Hensel Hungária Villamossági Kft. and Trilak Festékgyártó Kft. Freehold. | 2004 | 9.273 | € 6.010.000 | € 5.900.000 |

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| Harbor Park #K | Building K comprises a logistics warehouse with a minimum eaves height of 10 m and 14 loading docks. Harbor Park is located in the industrial-commercial area of district XXII, at the south-western gateway of Budapest, approximately 12 km from central Budapest. The property has strong road network connections and can be accessed directly from AutoRoute M6 (E73) which continues towards the City of Pecs (south-west Hungary) and into Croatia. Let to Ringier Kiadó Kft. Freehold. | 2005 | 11.974 | € 8.450.000 | € 8.300.000 |
| Harbor Park #K - ASTI | ASTI Income associated with Harbour Park Building K. | N/A | 0 | € 200.000 | € 200.000 |
| Sub Total (Hungary): | | | 182.014 | € 101.480.000 | € 99.700.000 |
| Italy | | | | | |
| Bologna Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 43 loading docks plus 2 access doors. Located in the Interporto of Bologna, 3 km from the A13 motorway (Bologna-Padua) and 20 km north of Bologna. The property is approximately 13km from the Bologna Airport and 3km from the A13 Bologna-Padua motorway exit of "Bologna-Interporto". Let to Indesit Company S.p.A. Freehold. | 2004 | 49.090 | € 27.110.000 | € 25.700.000 |
| Castel S. Giovanni Dist. Ctr. #1 | A modern logistics warehouse with a minimum eaves height of 10 m and 30 loading docks plus 1 access door. Located along State Road 412, known as "Val Tidone", within the ProLogis Park in Castel San Giovanni. The warehouse is located approximately 0.5 km from the "Castel San Giovanni" gate of the A21 Motorway (Turin-Brescia). The site is 15km west of Piacenza, 20km from the intersection with the A1 (Milan-Bologna) motorway, and approximately 20km from the city of Pavia. Let to ND Logistics Italia S.p.A. Freehold. | 2005 | 25.750 | € 13.540.000 | € 12.830.000 |

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| Lodi Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 40 loading docks plus 1 access door. Located along the state road S.S. 234 "Codognese", within the municipality of Somaglia, in the Lodi district, some 28 km from Milan. The area is approximately 3km from the A1 Milan-Bologna motorway exit at "Casalbusterlengo", 15km from the A21 Piacenza-Brescia motorway and near the state road S.S. 9 "Via Emilia" (about 8 km away). Let to CEVA Logistics Italia S.r.l. Freehold. | 2003 | 40.726 | € 21.920.000 | € 20.780.000 |
| Lodi Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10 m and 40 loading docks plus 1 access door. Located along the state road S.S. 234 "Codognese", within the municipality of Somaglia, in the Lodi district, some 28 km from Milan. The area is approximately 3km from the A1 Milan-Bologna motorway exit at "Casalbusterlengo", 15km from the A21 Piacenza-Brescia motorway and near the state road S.S. 9 "Via Emilia" (about 8 km away). Let to CEVA Logistics Italia S.r.l. Freehold. | 2003 | 40.335 | € 22.680.000 | € 21.500.000 |
| Lodi Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 10 m and 20 loading docks plus 1 access door. Located along the state road S.S. 234 "Codognese", within the municipality of Somaglia, in the Lodi district, some 28 km from Milan. The area is approximately 3km from the A1 Milan-Bologna motorway exit at "Casalbusterlengo", 15km from the A21 Piacenza-Brescia motorway and near the state road S.S. 9 "Via Emilia" (about 8 km away). Let to CEVA Logistics Italia S.r.l. Freehold. | 2003 | 20.864 | € 11.180.000 | € 10.600.000 |
| Milan West Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 9 m and 92 loading docks plus 3 access doors. Located in the industrial area of Via Monzoro, within the Municipality of Cornaredo, north-west of Milan, some 15 km from the city centre. The unit is accessible via the A4 Turin-Venice Motorway (15 minutes drive time) and via the western city bypass "Tangenziale Ovest", which is approximately 4 km from the property. Let to Sittam S.r.l. Freehold. | 2000 | 22.500 | € 17.510.000 | € 16.600.000 |

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| Piacenza Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 30 loading docks plus 1 access door. Located in the area of Le Mose, 7 km south-east of the city of Piacenza, 50 km from the tangenziale (ring road) of Milan and 150 km from Bologna. The site is strategically located, just 3 km south of the intersection of the A1 (Milano – Bologna) and the A21 (Torino – Brescia) autostrade. Let to Piacenza Logistica S.r.l. Freehold. | 2001 | 20.655 | € 12.030.000 | € 11.400.000 |
| Piacenza Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10 m and 30 loading docks plus 2 access doors. Located in the area of Le Mose, 7 km south-east of the city of Piacenza, 50 km from the tangenziale (ring road) of Milan and 150 km from Bologna. The site is strategically located, just 3 km south of the intersection of the A1 (Milano – Bologna) and the A21 (Torino – Brescia) autostrade. Freehold. | 2001 | 20.630 | € 9.790.000 | € 9.280.000 |
| Piacenza Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 10 m and 45 loading docks plus 3 access doors. Located in the area of Le Mose, 7 km south-east of the city of Piacenza, 50 km from the tangenziale (ring road) of Milan and 150 km from Bologna. The site is strategically located, just 3 km south of the intersection of the A1 (Milano – Bologna) and the A21 (Torino – Brescia) autostrade. Let to Di.Far.Co Real Estate s.n.c. Freehold. | 2002 | 30.933 | € 18.040.000 | € 17.100.000 |
| Piacenza Dist. Ctr. #4 | A logistics warehouse with a minimum eaves height of 10 m and 15 loading docks plus 1 access door. Located in the area of Le Mose, 7 km south-east of the city of Piacenza, 50 km from the tangenziale (ring road) of Milan and 150 km from Bologna. The site is strategically located, just 3 km south of the intersection of the A1 (Milano – Bologna) and the A21 (Torino – Brescia) autostrade. Let to Di.Far.Co Real Estate C. s.n.c. Freehold. | 2003 | 11.753 | € 6.860.000 | € 6.500.000 |

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| Romentino Dist. Ctr. #1 | A modern logistics warehouse a minimum eaves height of 10 m and 20 loading docks plus 2 access doors. Located approximately 5 km west of Novara and some 30 km west of Milan, within the Municipality of Romentino. The property is situated approximately 20 km from Malpensa International Airport and 3 km from the Interporto of Novara (CIM). Let to Ubaldini Stampa Autotrasporti S.r.l. Freehold. | 2005 | 20.551 | € 11.710.000 | € 11.100.000 |
| Romentino Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10 m and 50 loading docks plus 4 access doors. Located approximately 5 km west of Novara and some 30 km west of Milan, within the Municipality of Romentino. The property is situated approximately 20 km from Malpensa International Airport and 3 km from the Interporto of Novara (CIM). Let to NYK Logistics Italy S.p.A. Freehold. | 2004 | 33.522 | € 19.060.000 | € 18.065.000 |
| Turin Dist. Ctr. #1 | A warehouse/transit warehouse with a minimum eaves height of 9.6 m and 40 loading docks plus 1 access door. Located in the municipality of Trofarello approximately 15 km from the centre of Turin and 163 km west of Milan. The property is situated on Via Molino della Splua 2 within the industrial zone of Trofarello, approximately 2 km from the Vadò Exit of the Turin ring road linking the A21 Turin-Piacenza Motorway to the A4 Turin-Venice Motorway. Let to Geodis Immobiliare S.p.A. Freehold. | 1996 | 29.304 | € 11.920.000 | € 11.300.000 |
| Sub Total (Italy): | | | 366.613 | € 203.350.000 | € 192.755.000 |

The Netherlands

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| Schiphol Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 8 m and 24 loading docks plus 8 access doors. Situated on the "Airport Business Park Oude Meer", at Cessnalaan / Capronilaan, Schiphol-Rijk, in the centre of The Netherlands. This prime distribution park is located approximately 4 km to the south-east of the Schiphol International Airport terminal. Let to Twoway Holland B.V., Japan Radio Company Ltd and ITG Global Logistics B.V. Freehold. | 1998 | 11.667 | € 14.340.000 | € 13.400.000 |
| Schiphol Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 8 m and 18 loading docks plus 3 access doors. Situated on the "Airport Business Park Oude Meer", at Cessnalaan, Schiphol-Rijk, in the centre of The Netherlands. This prime distribution park is located approximately 4 km to the south-east of the Schiphol International Airport terminal. Let to DSV Solutions Nederland B.V. Freehold. | 1998 | 13.667 | € 17.550.000 | € 16.400.000 |
| Schiphol Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 8 m and 32 loading docks plus 8 access doors. Located on the Schiphol Zuid-Oost business park in the centre of The Netherlands. This prime distribution park is situated approximately 1 km to the south-east of the terminal. Let to DHL Danzas Air & Ocean (Netherlands) B.V. The site is held leasehold for a term of 40 years from 1 July 1998. | 1999 | 19.435 | € 16.490.000 | € 15.000.000 |
| Schiphol Dist. Ctr. #4 | A logistics warehouse with a minimum eaves height of 9 m and 18 loading docks plus 5 access doors. Situated on the "Airport Business Park Oude Meer", at Bellsingel, Schiphol-Rijk, in the centre of The Netherlands. This prime distribution park is located approximately 4 km to the south-east of the Schiphol International Airport terminal buildings, approximately 15 km to the south of Amsterdam. Let to DHL Danzas Air&Ocean (Netherlands) B.V. Freehold. | 2000 | 14.377 | € 18.620.000 | € 17.400.000 |

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| Eemhaven Dist. Ctr. #1 | A logistics building with a minimum eaves height of 8 m and 12 loading docks plus 2 access doors. Situated approximately 10 km south-west of Rotterdam close to Pernis and occupies a prominent site in "Distripark Eemhaven" in close proximity to the A15, which leads towards Germany. Let to Nippon Express Nederland BV. The site is held leasehold for a term of 99 years from 1 October 1997. | 1992 | 12.847 | € 6.990.000 | € 6.400.000 |
| Eemhaven Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10 m and 26 loading docks plus 4 access doors. Situated approximately 10 km south-west of Rotterdam close to Pernis and occupies a prominent site in "Distripark Eemhaven" in close proximity to the A15, which leads towards Germany. Let to Nippon Express (Netherlands) B.V., Vat Logistics (Rotterdam) B.V., Transport Groep Nederland (TGN) B.V. and Handelsveem B.V. The site is held leasehold for a term of 99 years from 1 October 1997. | 1998 | 17.367 | € 10.170.000 | € 9.400.000 |
| Eemhaven Dist. Ctr. #3 | A logistics building with a minimum eaves height of 10.8 m and 10 loading docks plus 1 access door. Situated approximately 10 km south-west of Rotterdam close to Pernis and occupies a prominent site in "Distripark Eemhaven" in close proximity to the A15, which leads towards Germany. Let to Menlo Worldwide BV. The site is held leasehold for a term of 99 years from 1 September 1999. | 2000 | 8.539 | € 5.870.000 | € 5.400.000 |
| Eemhaven Dist. Ctr. #4 | A logistics warehouse with a minimum eaves height of 5.4 m for the warehouse and 10.0 m for the rear warehouse. A total of 10 loading docks plus 3 access doors. Situated approximately 10 km south-west of Rotterdam close to Pernis and occupies a prominent site in "Distripark Eemhaven" in close proximity to the A15, which leads towards Germany. Part let to JCL Netherlands B.V., Caretrex Logistiek B.V., Gondrand Traffic B.V., International Lashing Service B.V., Handelsveem B.V., Customs Support Holland B.V. and Ziegler Nederland B.V. The site is held leasehold for a term of 99 years from 10 March 1994. | 1995 | 17.174 | € 12.620.000 | € 11.800.000 |

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| Maasvlakte Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 20 loading docks plus 5 access doors. Situated close to the European Container Terminal at Europort, between the Dardanellestraat and the Bosporusstraat, on the "Distripark Maasvlakte", to the south-west of Rotterdam. Links to the international motorway are provided by the N15 / A15. Let to Nippon Express (Nederland) B.V. The site is held leasehold for a term of 99 years from 1 December 1998. | 1999 | 21.108 | € 7.630.000 | € 7.000.000 |
| Maasvlakte Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10.0 m and 20 loading docks plus 5 access doors. Situated close to the European Container Terminal at Europort, between the Dardanellestraat and the Bosporusstraat, on the "Distripark Maasvlakte", to the south-west of Rotterdam, connected to the A15 motorways via the N15 trunk road. Let to Henry Bath B.V. The site is held leasehold for a term of 99 years from 1 December 1998. | 2000 | 20.838 | € 7.200.000 | € 6.600.000 |
| Maasvlakte Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 10 m and 25 loading docks plus 2 access doors. Situated close to the European Container Terminal at Europort, between the Dardanellestraat and the Bosporusstraat, on the "Distripark Maasvlakte", to the south-west of Rotterdam, connected to the A15 motorways via the N15 trunk road. Let to ADM Specialty Ingredients (Europe) B.V. The site is held leasehold for a term of 50 years from 3 February 2005 with a further renewal period of 25 years. | 2005 | 25.771 | € 12.210.000 | € 11.200.000 |
| Moerdijk Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10.8 m and 24 loading docks plus 4 access doors. Situated between the Tradeboulevard and the Mark S. Clarklaan, on the "Pan Euro Log Park" part of the "Moerdijk Business Park", to the south of Rotterdam. Moerdijk Business Park is also easily accessible by road, with direct links to the international motorway (A17/A59/A16). Let to Schenker High Tech Logistics B.V. and Spar Holding B.V. Freehold. | 2000 | 24.302 | € 16.480.000 | € 15.400.000 |

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| Moerdijk Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10.8 m and 18 loading docks plus 6 access doors. Situated between the Tradeboulevard and the Mark S. Clarklaan, on the "Pan Euro Log Park" part of the "Moerdijk Business Park", to the south of Rotterdam. Moerdijk Business Park is also easily accessible by road, with direct links to the international motorway (A17/A59/A16). Let to Spar Holding B.V. Freehold. | 2000 | 16.868 | € 12.520.000 | € 11.700.000 |
| Moerdijk Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 10.6 m and 15 loading docks plus 1 access door. Situated between the Tradeboulevard and the Mark S. Clarklaan, on the "Pan Euro Log Park" part of the "Moerdijk Business Park", to the south of Rotterdam. Moerdijk Business Park is also easily accessible by road, with direct links to the international motorway (A17/A59/A16). Let to DHL Supply Chain Moerdijk. Freehold. | 2001 | 14.440 | € 9.790.000 | € 9.150.000 |
| Tilburg Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10.8 m and 25 loading docks plus 5 access doors. Situated on the Theseusstraat on the "Vossenber industrial park", to the north west of Tilburg in the Province of Noord-Brabant. The nearest motorway (A58) is approximately 7.5 km away from the Industrial estate. Let to DHL Exel Supply Chain B.V. Freehold. | 2000 | 28.440 | € 21.510.000 | € 20.100.000 |
| Tilburg Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10.8 m and 25 loading docks plus 5 access doors. Situated on the Theseusstraat on the "Vossenber industrial park", to the north west of Tilburg in the Province of Noord-Brabant. The nearest motorway (A58) is approximately 7.5 km away from the Industrial estate. Let to DHL Exel Supply Chain B.V. Freehold. | 2001 | 28.351 | € 20.010.000 | € 18.700.000 |
| Veghel Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 7.5 m and 20 loading docks plus 2 access doors. Situated at De Amert 603 on the "De Amert" industrial estate, to the north-west of Veghel, in the Province of Noord-Brabant. The nearest motorways (A2 and A50) are approximately 15 km from the property. Let to Alloga (Benelux) B.V. Freehold. | 2000 | 20.027 | € 13.050.000 | € 12.200.000 |

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| Venlo Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10.6 m and 30 loading docks plus 4 access doors. Situated at Marco Poloweg, an extension to the "Trade Port West" business park, to the north-west of Venlo. The property is located approximately 1 km from the A67 motorway and approximately 8 km from Venlo City Centre. Let to DHL Global Forwarding. Freehold. | 1999 | 21.329 | € 11.450.000 | € 10.700.000 |
| Venlo Dist. Ctr. #2A | A logistics warehouse with a minimum eaves height of 10.8 m and 24 loading dock doors plus 2 access doors. Situated at Tasmanweg, on an extension to the modern "Trade Port West" business park, to the north-west of Venlo, in the south-east of The Netherlands. The business park is located approximately 1 km from the "Ind. Venlo" junction of the A67 (Oberhausen / Eindhoven) motorway, and approximately 8 km from Venlo city centre. Let to Geodis Logistics Netherlands B.V. Freehold. | 2002 | 20.829 | € 11.980.000 | € 11.200.000 |
| Venlo Dist. Ctr. #2B | A logistics warehouse with a minimum eaves height of 10.8 m and 24 loading docks plus 2 access doors. Situated at Tasmanweg, on an extension to the modern "Trade Port West" business park, to the north-west of Venlo, in the south-east of The Netherlands. The business park is located approximately 1 km from the "Ind. Venlo" junction of the A67 (Oberhausen / Eindhoven) motorway, and approximately 8 km from Venlo city centre. Let to UPS SCS (Nederland) B.V. Freehold. | 2002 | 20.829 | € 14.020.000 | € 13.100.000 |
| Sub Total (The Netherlands): | . | | 378.202 | € 260.500.000 | € 242.250.000 |

Poland

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| Piotrkow Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 52 loading dock doors plus 1 access door. Located in central Poland approximately 130 km south of Warsaw, with connections to Łódź (49 km), Katowice (159 km) and Kraków (180 km). The city is located at the crossroads of important communication routes (E75/A1, E67/8, E375/12, 91). The property is located approximately 2km from Piotrków Trybunalski city centre, at the crossroads of the A1 motorway and the major route E67. Let to Carrefour Polska Sp. z o.o. Freehold. | 2002 | 23.714 | € 13.750.000 | € 13.550.000 |
| Piotrkow Dist. Ctr. #1 - ASTI | ASTI Income associated with Piotrkow Dist. Ctr. #1. | N/A | 0 | € 1.070.000 | € 1.050.000 |
| Piotrkow Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10 m and 45 loading docks plus 2 access doors. Located in central Poland approximately 130 km south of Warsaw, with connections to Łódź (49 km), Katowice (159 km) and Kraków (180 km). The city is located at the crossroads of important communication routes (E75/A1, E67/8, E375/12, 91). The property is located approximately 2km from Piotrków Trybunalski city centre, at the crossroads of the A1 motorway and the major route E67. Let to Unilever Polska S. A. Freehold. | 2003 | 50.303 | € 22.030.000 | € 21.700.000 |
| Piotrkow Dist. Ctr. #2 - ASTI | ASTI Income associated with Piotrkow Dist. Ctr. #2. | N/A | 0 | € 250.000 | € 250.000 |
| Piotrkow Dist. Ctr. #3 | A modern logistics warehouse with a minimum eaves height of 10 m and 4 loading dock doors plus 6 access doors. Located in central Poland approximately 130 km south of Warsaw, with connections to Łódź (49 km), Katowice (159 km) and Kraków (180 km). The city is located at the crossroads of important communication routes (E75/A1, E67/8, E375/12, 91). The property is located approximately 2km from Piotrków Trybunalski city centre, at the crossroads of the A1 motorway and the major route E67. Let to NOMI S.A. Freehold. | 2005 | 12.072 | € 5.610.000 | € 5.525.000 |

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| Bedzin Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 12 m and 84 loading dock doors plus 2 access doors. Będzin is located in the south of Poland, in the Silesia region, the most industrialised and urbanised of the Polish regions. Two major international highways run through the region's territory: the north-south E-75 (A1) and the west-east E-40 (A4). The subject property is connected to the Highway E-75 linking Katowice and Gdańsk via a 2 km service road. The park is located 1.5 km from the Będzin city centre. Let to Carrefour Polska Sp. z o.o. Freehold. | 2002 | 34.084 | € 21.920.000 | € 21.600.000 |
| Sosnowiec Dist. Ctr. #1 | A modern logistics warehouse with a minimum eaves height of 10 m and 44 loading dock doors plus 5 access doors. Located in southern Poland in the Silesia voivodeship (administrative district), approximately 10 km north-east of the region's capital of Katowice. The region benefits from excellent road infrastructure with the park close to E-40 and E-75 Highways. Let to Wincanton Polska Sp. z o.o., ABC Data Sp. z o.o. and Lekkerland Polska S.A. Freehold. | 2005 | 28.952 | € 14.210.000 | € 14.000.000 |
| Sosnowiec Dist. Ctr. #2 | A modern logistics warehouse with a minimum eaves height of 10 m and 27 loading dock doors plus 2 access doors. Located in southern Poland in the Silesia voivodeship (administrative district), approximately 10 km north-east of the region's capital of Katowice. The region benefits from excellent road infrastructure with the park close to E-40 and E-75 Highways. Let to Delta Plus Polska Sp. z o.o., DSV Solutions Sp. z o.o. and Wincanton Polska Sp. z o.o. Freehold. | 2005 | 18.148 | € 8.830.000 | € 8.700.000 |

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| Wroclaw Dist. Ctr. #2 | A modern logistics warehouse with a minimum eaves height of 10 m and 25 loading docks plus 7 access doors. Wroclaw is the capital of the Lower Silesia voivodship, situated in south-west Poland, approximately 344 km from Warsaw. The site is located in the western part of Bielany Wroclawskie near the bielanski road junction (A4-Motorway, Highway E-261 and Highway E-67) approximately 10 km south of Wroclaw. Let to JAS-FBG S.A., "TORFARM" S.A., Wincanton Polska Sp. z o.o and DSV Road Sp. z o.o. Freehold. | 2005 | 18.605 | € 9.080.000 | € 8.950.000 |
| Wroclaw Dist. Ctr. #8 | A modern logistics warehouse with a minimum eaves height of 10 m and 27 loading docks plus 5 access doors. Wroclaw is the capital of the Lower Silesia voivodship, situated in south-west Poland, approximately 344 km from Warsaw. The site is located in the western part of Bielany Wroclawskie near the bielanski road junction (A4-Motorway, Highway E-261 and Highway E-67) approximately 10 km south of Wroclaw. Let to Hi-P Poland Sp. z o.o. Freehold. | 2007 | 19.282 | € 10.050.000 | € 9.900.000 |
| Wroclaw Dist. Ctr. #8 - ASTI | ASTI Income associated with Wroclaw Dist. Ctr. #8. | N/A | 0 | € 2.490.000 | € 2.450.000 |
| Blonie Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 9.65 m and 20 loading docks plus 4 access doors. Situated in the village of Kopytów, within the gmina of Blonie, approximately 25-km west of Warsaw. The property is more specifically located on E-30 highway linking Warsaw and Poznan, close to the junction with the Warsaw ring road. Let to L'Oreal Polska Sp. z o.o. Freehold. | 1999 | 16.918 | € 7.460.000 | € 7.350.000 |
| Blonie Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10 m and 26 loading docks plus 4 access doors. Situated in the village of Kopytów, within the gmina of Blonie, approximately 25-km west of Warsaw. The property is more specifically located on E-30 highway linking Warsaw and Poznan, close to the junction with the Warsaw ring road. Let to Iron Mountain Polska Sp. zo.o., New Idea Mebel Sp. z o.o. and Antalis Poland Sp. z o.o. Freehold . | 2000 | 19.490 | € 8.730.000 | € 8.600.000 |

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| Blonie Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 10 m and 22 loading docks plus 4 access doors. Situated in the village of Kopytów, within the gmina of Blonie, approximately 25-km west of Warsaw. The property is more specifically located on E-30 highway linking Warsaw and Poznan, close to the junction with the Warsaw ring road. Let to Wincanton Polska Sp. z o.o. and PPG Deco Polska Sp. z o.o. Freehold. | 2002 | 17.624 | € 7.660.000 | € 7.550.000 |
| Blonie Dist. Ctr. #4 | A logistics warehouse with a minimum eaves height of 10 m and 22 loading docks plus 3 access doors. Situated in the village of Kopytów, within the gmina of Blonie, approximately 25 km west of Warsaw. The property is more specifically located on E-30 highway linking Warsaw and Poznan, close to the junction with the Warsaw ring road. Let to Bertelsmann Media Sp. z o.o. and Optimum Distribution Sp. z.o.o. Freehold. | 2003 | 17.452 | € 8.170.000 | € 8.050.000 |
| Warsaw Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 7.1 m and 12 loading docks. The city of Warsaw is situated in the central part of Poland (310 km from Poznań, 295 km from Kraków, 339 from Gdańsk and 524 from Szczecin). Situated within Włochy, in the south-west district of Warsaw on ulica Szyszkowa 20, approximately 6.6 km from the Warsaw city centre. Let to Johnson & Johnson Poland Sp. z o.o., Lantmannen Axa Poland Sp. z o.o., Blaks S.A., Freyssinet Polska Sp. z o.o., Nu Air Polska Sp. z o.o., Alcatel- Lucent Polska Sp. z o.o. and LG Electronics Polska Sp. z o.o. Freehold. | 1995 | 11.174 | € 10.150.000 | € 10.000.000 |

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| Warsaw Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 6.3 m and 9 loading docks plus 1 access door. The city of Warsaw is situated in the central part of Poland (310 km from Poznań, 295 km from Kraków, 339 from Gdańsk and 524 from Szczecin). Situated within Włochy, in the south-west district of Warsaw on ulica Szyszkowa 20, approximately 6.6 km from the Warsaw city centre. Let to NSS Sp. z o.o., Ewals Cargo Polska Sp. z o.o., Saturn Planet Sp. z o.o., DPD Polska Sp. z o.o., Nu Air Polska Sp. z o.o., Janssen Cilag Polska Sp. z o.o., Air Italy Polska Sp. z o.o., SprintAir S.A. and LG Electronics Polska Sp. z o.o. Freehold. | 1995 | 8.487 | € 6.930.000 | € 6.825.000 |
| Warsaw Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 6 m and 15 loading docks. The city of Warsaw is situated in the central part of Poland (310 km from Poznań, 295 km from Kraków, 339 from Gdańsk and 524 from Szczecin). Situated within Włochy, in the south-west district of Warsaw on ulica Szyszkowa 20, approximately 6.6 km from the Warsaw city centre. Let to Toshiba Tec Poland S.A., SM Logistic Sp. z o.o., P4 Sp. z o.o., Novartis Poland Sp. z o.o., Maurice Ward & Co. Sp. z o.o. and Slot Sp. z o.o. Freehold. | 1997 | 7.333 | € 5.280.000 | € 5.200.000 |
| Warsaw Dist. Ctr. #4 | A logistics warehouse with a minimum eaves height of 7 m and 18 loading docks. The city of Warsaw is situated in the central part of Poland (310 km from Poznań, 295 km from Kraków, 339 from Gdańsk and 524 from Szczecin). Situated within Włochy, in the south-west district of Warsaw on ulica Szyszkowa 20, approximately 6.6 km from the Warsaw city centre. Let to Novo Nordisk Pharma Sp. z o.o. and DPD Polska Sp. z o.o. Freehold. | 1997 | 11.941 | € 9.740.000 | € 9.600.000 |

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| Teresin Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 16 loading docks plus 7 access doors. Located in the ProLogis Park Teresin approximately 40 km from Warsaw city centre and about 12 km from Sochaczew, in close proximity to the E-30 Warsaw-Berlin highway. Let to Whirlpool Polska Sp. z o.o. and DHL Exel Supply Chain (Poland) Sp. z o.o. Freehold. | 2000 | 26.503 | € 10.760.000 | € 10.600.000 |
| Teresin Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10 m and 29 loading docks plus 7 access doors. Located in the ProLogis Park Teresin approximately 40 km from Warsaw city centre and about 12 km from Sochaczew, in close proximity to the E-30 Warsaw-Berlin highway. Let to Rhenus Contract Logistics S.A. Freehold. | 2001 | 27.139 | € 11.320.000 | € 11.150.000 |
| Teresin Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 10 m and 24 loading docks plus 7 access doors. Located in the ProLogis Park Teresin approximately 40 km from Warsaw city centre and about 12 km from Sochaczew, in close proximity to the E-30 Warsaw-Berlin highway. Let to Schenker Sp. z o.o. Freehold. | 2003 | 27.452 | € 11.720.000 | € 11.550.000 |
| Teresin Dist. Ctr. #5 | A modern logistics warehouse with a minimum eaves height of 10 m and 8 loading docks plus 2 access doors. Located in the ProLogis Park Teresin approximately 40 km from Warsaw city centre and about 12 km from Sochaczew, in close proximity to the E-30 Warsaw-Berlin highway. Let to Viva Manufacturing (Poland). Sp. z o.o. Freehold. | 2005 | 24.420 | € 11.570.000 | € 11.400.000 |
| Poznan Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 4 access doors. Situated approximately 10 km to the west of Poznan city centre via the E30 motorway. The subject property is a part of ProLogis Park Poznań and is situated in close proximity to Highway E-30 with direct access provided by a service road. Let to Coca Cola HBC Polska Sp. z o.o. Freehold. | 2002 | 5.619 | € 3.860.000 | € 3.800.000 |

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| Poznan Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10 m and 7 loading docks plus 2 access doors. Situated approximately 10 km to the west of Poznan city centre via the E30 motorway. The subject property is a part of ProLogis Park Poznań and is situated in close proximity to Highway E-30 with direct access provided by a service road. Let to Iron Mountain Polska Sp. z o.o and Schnellecke Polska Sp. z o.o. Freehold. | 2003 | 5.791 | € 2.610.000 | € 2.575.000 |
| Poznan Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 10 m and 46 loading docks plus 4 access doors. Situated approximately 10 km to the west of Poznan city centre via the E30 motorway. The subject property is a part of ProLogis Park Poznań and is situated in close proximity to Highway E-30 with direct access provided by a service road. Let to Magna Automotive (Poland) Sp. z o.o., Swarzędz Meble S.A. and PLD International Incorporated. Freehold. | 2001 | 19.676 | € 9.240.000 | € 9.100.000 |
| Poznan Dist. Ctr. #4 | A logistics warehouse with a minimum eaves height of 10 m and 21 loading docks plus 2 access doors. Situated approximately 10 km to the west of Poznan city centre via the E30 motorway. The subject property is a part of ProLogis Park Poznań and is situated in close proximity to Highway E-30 with direct access provided by a service road. Let to Rhenus Contract Logistics S.A. Freehold. | 2004 | 12.081 | € 5.230.000 | € 5.150.000 |
| Poznan II Dist. Ctr. #1 | A modern logistics warehouse with a minimum eaves height of 10 m and 25 loading docks plus 3 access doors. Situated approximately 10 km to the west of Poznan city centre via the E30 motorway. The subject property is a part of ProLogis Park Poznań II and is situated in close proximity to Highway E-30 with direct access provided by a service road. Part let to IBP Conex Limited and Firma Adam's. Freehold. | 2005 | 15.462 | € 7.760.000 | € 7.650.000 |

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| Poznan II Dist. Ctr. #2 | A modern logistics warehouse with a minimum eaves height of 10 m and 25 loading docks plus 5 access doors. Situated approximately 10 km to the west of Poznan city centre via the E30 motorway. The subject property is a part of ProLogis Park Poznań II and is situated in close proximity to Highway E-30 with direct access provided by a service road. Let to "TORFARM" S.A., Univeg Logistics Poland Sp. z o.o., Wincanton Polska Sp. z o.o., Philip Morris Polska S.A. and Lekkerland Polska S.A. Freehold. | 2005 | 17.199 | € 8.810.000 | € 8.675.000 |
| Sub Total (Poland): | | | 496.920 | € 256.290.000 | € 252.500.000 |
| Spain | | | | | |
| Sant Boi Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 22 loading docks plus 4 access doors. Located within Prologis Park on the San Boi Industrial Estate, San Boi de Llobregat, with a frontage onto the A16 motorway to Tarragona. San Boi lies approximately 9 km to the south-west of Barcelona. Access from the A16 is very good with a junction and access road adjacent to Building 1. Let to Consum,S.COOP.V Freehold. | 2002 | 20.494 | € 20.250.000 | € 19.700.000 |
| Sant Boi Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 10 m and 32 loading docks plus 4 access doors. Located within Prologis Park on the San Boi Industrial Estate, San Boi de Llobregat, with a frontage onto the A16 motorway to Tarragona. San Boi lies approximately 9 km to the south-west of Barcelona. Access from the A16 is very good with a junction and access road adjacent to Building 1. Let to Rhenus Logistics, S.A., Schneider Electric Espana, S.A. and ProLogis Spain Management SL. 669 sq m vacant. Freehold. | 2001 | 25.380 | € 24.770.000 | € 24.100.000 |

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| Sant Boi Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 10 m and 32 loading docks plus 4 access doors. Located within Prologis Park on the San Boi Industrial Estate, San Boi de Llobregat, with a frontage onto the A16 motorway to Tarragona. San Boi lies approximately 9 km to the south-west of Barcelona. Access from the A16 is very good with a junction and access road adjacent to Building 1. Let to Schneider Electric Espana, S.A.. Freehold. | 2001 | 28.146 | € 28.370.000 | € 27.600.000 |
| Sant Boi Dist. Ctr. #4 | A logistics warehouse with a minimum eaves height of 10 m and 32 loading docks plus 4 access doors. Located within Prologis Park on the San Boi Industrial Estate, San Boi de Llobregat, with a frontage onto the A16 motorway to Tarragona. San Boi lies approximately 9 km to the south-west of Barcelona. Access from the A16 is very good with a junction and access road adjacent to Building 1. Let to Chronoexpres S.A. Freehold. | 2002 | 24.880 | € 25.550.000 | € 24.850.000 |
| Sant Boi Dist. Ctr. #5 | A logistics warehouse with a minimum eaves height of 10 m and 16 loading docks plus 2 access doors. Located within Prologis Park on the San Boi Industrial Estate, San Boi de Llobregat, with a frontage onto the A16 motorway to Tarragona. San Boi lies approximately 9 km to the south-west of Barcelona. Access from the A16 is very good with a junction and access road adjacent to Building 1. Let to Salvador Escoda S.A. Freehold. | 2002 | 14.840 | € 14.910.000 | € 14.500.000 |
| Alcalá Dist. Ctr. #1 | A modern cross docking warehouse with a minimum eaves height of 8 m and 75 loading docks plus 4 access doors. Alcalá de Henares is situated to the east of the Madrid region of Spain and is strategically located next to the motorway M50, a greater ring road and the A-2 (Madrid – Barcelona). The property is located around 20 km east of Madrid via the A-2 and 15 km to the Madrid-Barajas International Airport at the entrance of the provincial town of Alcalá de Henares. Let to CAT Espana Logistica Cargo SL. Freehold. | 2005 | 10.651 | € 10.900.000 | € 10.600.000 |

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| Alcalá Dist. Ctr. #2 | A modern logistics warehouse with a minimum eaves height of 10 m and 33 loading docks plus 4 access doors. Alcalá de Henares is situated to the east of the Madrid region of Spain and is strategically located next to the motorway M50, a greater ring road and the A-2 (Madrid – Barcelona). The property is located around 20 km east of Madrid via the A-2 and 15 km to the Madrid-Barajas International Airport at the entrance of the provincial town of Alcalá de Henares. Let to ATC Group Operadores Logísticos S.A. and Goodyear Dunlop Tyres España S.A. Freehold. | 2005 | 23.779 | € 18.090.000 | € 17.600.000 |
| Alcalá Dist. Ctr. #3 | A modern logistics warehouse with a minimum eaves height of 10 m and 33 loading docks plus 4 access doors. Alcalá de Henares is situated to the east of the Madrid region of Spain and is strategically located next to the motorway M50, a greater ring road and the A-2 (Madrid – Barcelona). The property is located around 20 km east of Madrid via the A-2 and 15 km to the Madrid-Barajas International Airport at the entrance of the provincial town of Alcalá de Henares. Let to Nova Line Plus Iberica S.A. and CEVA Logística España S.L. Freehold. | 2005 | 23.778 | € 18.660.000 | € 18.150.000 |
| Alcalá Dist. Ctr. #4 | A modern logistics warehouse with a minimum eaves height of 10 m and 42 loading docks plus 4 access doors. Alcalá de Henares is situated to the east of the Madrid region of Spain and is strategically located next to the motorway M50, a greater ring road and the A-2 (Madrid – Barcelona). The property is located around 20 km east of Madrid via the A-2 and 15 km to the Madrid-Barajas International Airport at the entrance of the provincial town of Alcalá de Henares. Let to Covidien Spain S.L., IMAZ Logistics S.L., and Legrand Española S.L. Freehold. | 2002 | 36.257 | € 29.870.000 | € 29.060.000 |

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|------------------------------|--|------|----------------|----------------------|----------------------|
| Alcalá Dist. Ctr. #5 | A modern logistics warehouse with a minimum eaves height of 10 m and 27 loading docks plus 4 access doors. Alcalá de Henares is situated to the east of the Madrid region of Spain and is strategically located next to the motorway M50, a greater ring road and the A-2 (Madrid – Barcelona). The property is located around 20 km east of Madrid via the A-2 and 15 km to the Madrid-Barajas International Airport at the entrance of the provincial town of Alcalá de Henares. Let to Transcommerce Net S.A., Mahle Sistemas de Filtracion SL and Abbott Laboratories S.A. Freehold. | 2002 | 20.271 | € 16.550.000 | € 16.100.000 |
| Coslada Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 6.5 m and 62 loading docks plus 1 access door. Located on the Coslada Industrial Park, approximately 5 km east of Madrid and a short distance to the N-II (Madrid-Barcelona) and the well known logistic location CTC and “Puerto Seco”, two of Madrid’s main distribution centres. Let to Geodis Iberica S.A. Freehold. | 1998 | 11.590 | € 11.260.000 | € 10.950.000 |
| Penedés Dist. Ctr. #1 | A modern logistics warehouse with a minimum eaves height of 10 m and 28 loading docks plus 2 access doors. Located in Santa Oliva, approximately 70 km south-west of Barcelona and 15 km north-east of Tarragona. It is part of an industrial park that is called “L’Albornar” and has direct access to the AP-7 motorway and is close to the C-32 motorway, both of which link Barcelona and Tarragona. Let to Eurofred S.A. Freehold. | 2006 | 26.756 | € 16.600.000 | € 16.150.000 |
| Penedés Dist. Ctr. #1 - ASTI | ASTI Income associated with Penedés Dist. Ctr. #2. | N/A | 0 | € 540.000 | € 530.000 |
| Valls Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 45 loading docks plus 10 access doors. Located approximately 90 km south-west of Barcelona in the North East of Spain. The property is located within the Valls Industrial Estate, approximately 2km from the town of Valls. Let to Eurofred S.A. Freehold. | 2002 | 42.631 | € 21.330.000 | € 20.750.000 |
| Sub Total (Spain): | | | 309.453 | € 257.650.000 | € 250.640.000 |

United Kingdom

| | | | | | |
|----------------------------------|--|------|--------|-------------|-------------|
| Central Park Rugby Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 12 m and 16 loading docks plus 2 access doors. Situated on Central Park Distribution Park, close to junction 1 of the M6 and approximately 5 km to the north of Rugby, 43 km east of Birmingham and 16 km east of Coventry. Let to The Pallet Network Ltd. Freehold. | 2003 | 20.810 | £11.260.000 | £10.650.000 |
| Kettering Dist. Ctr. #1 | A modern logistics warehouse with a minimum eaves height of 11.5 m and 29 loading docks plus 4 access doors. Located on ProLogis Park Kettering which is situated at the junction of the A43 and A6003 approximately 1.6 km from junction 7 of the A14 to the north of Kettering town centre. Let to BSH Home Appliances Ltd. Freehold. | 2005 | 39.716 | £21.460.000 | £20.300.000 |
| Leicester Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 10 m and 6 loading docks plus 3 access doors. Located approximately 5 km from Leicester city centre on a prominent and elevated site fronting both the A47 and the A563 Outer Ring Road which provides mainly dual carriageway access to Junction 21 of the M1 Motorway, 5 km to the south. Let to Crown Packaging UK plc. Freehold. | 2001 | 16.897 | £10.150.000 | £9.600.000 |
| Marston Gate Dist. Ctr. #1 | A logistics warehouse with a minimum eaves height of 12 m and 9 loading docks plus 2 access doors. Located to the west of Milton Keynes in a strategic location between London, approximately 83 km to the south, and Birmingham 112 km to the north. The property is located on the Marston Gate Distribution Park, close to Junction 13 of the M1 motorway. Let to Aid-Pack Systems Ltd. Freehold. | 2001 | 9.290 | £5.780.000 | £5.470.000 |
| Marston Gate Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 13 m and 20 loading docks. Located to the west of Milton Keynes in a strategic location between London, approximately 83 km to the south, and Birmingham 112 km to the north. The property is located on the Marston Gate Distribution Park, close to Junction 13 of the M1 motorway. Let to NYK Logistics (UK) Ltd. Freehold. | 1999 | 17.439 | £11.310.000 | £10.700.000 |

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|----------------------------|--|------|--------|-------------|-------------|
| Marston Gate Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 12 m and 9 loading docks plus 2 access doors. Located to the west of Milton Keynes in a strategic location between London, approximately 83 km to the south, and Birmingham 112 km to the north. The property is located on the Marston Gate Distribution Park, close to Junction 13 of the M1 motorway. Freehold. | 2001 | 9.651 | £4.330.000 | £4.100.000 |
| Marston Gate Dist. Ctr. #5 | A logistics warehouse with a minimum eaves height of 11.5 m and 20 loading docks plus 4 access doors. Located to the west of Milton Keynes in a strategic location between London, approximately 83 km to the south, and Birmingham 112 km to the north. The property is located on the Marston Gate Distribution Park, close to Junction 13 of the M1 motorway. Let to Wolseley UK Ltd. Freehold. | 1999 | 21.230 | £14.170.000 | £13.400.000 |
| Marston Gate Dist. Ctr. #6 | A logistics warehouse with a minimum eaves height of 10 m and 85 loading docks plus 1 access door. Located to the west of Milton Keynes in a strategic location between London, approximately 83 km to the south, and Birmingham 112 km to the north. The property is located on the Marston Gate Distribution Park, close to Junction 13 of the M1 motorway. Let to Fedex UK Ltd. Freehold. | 1999 | 7.810 | £6.340.000 | £6.000.000 |
| Marston Gate Dist. Ctr. #8 | A logistics warehouse with a minimum eaves height of 12 m and 30 loading docks plus 4 access doors. Located to the west of Milton Keynes in a strategic location between London, approximately 83 km to the south, and Birmingham 112 km to the north. The property is located on the Marston Gate Distribution Park, close to Junction 13 of the M1 motorway. Let to Amazon.co.uk Ltd. Freehold. | 2000 | 46.717 | £28.550.000 | £27.000.000 |
| Wembley Dist. Ctr. #1 | A modern warehouse with a minimum eaves height of 12 m and 12 loading docks plus 1 access doors. Located on the northern side of East Lane (A4088) in Wembley, close to the North Wembley Underground Station. The property is approximately 20 km north-west of Central London and is close to the industrial area of Park Royal. Let to H&M Hennes Ltd. Freehold. | 1999 | 12.712 | £12.050.000 | £11.400.000 |

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|-----------------------------|--|------|-------|------------|------------|
| Bromford Gate Dist. Ctr. #1 | A logistics warehouse, forming part of a prime industrial/distribution park providing 5 units with a minimum eaves height of 8 m and 2 access doors. Situated in an extremely prominent location in a prime location, adjacent to the A38, A4040 and A47 trunk roads. The Birmingham city centre lies approximately 5.5 km to the south-west and is accessed via the A38 (M), or the A47 Heartlands Spine Road, which are both trunk roads. Let to Hampson Aerospace Machining Ltd. Freehold. | 1999 | 5.899 | £4.280.000 | £4.050.000 |
| Bromford Gate Dist. Ctr. #2 | A logistics warehouse, forming part of a prime industrial/distribution park providing 5 units with a minimum eaves height of 10 m and 6 access doors.. Situated in an extremely prominent location in a prime location, adjacent to the A38, A4040 and A47 trunk roads. The Birmingham city centre lies approximately 5.5 km to the south-west and is accessed via the A38 (M), or the A47 Heartlands Spine Road, which are both trunk roads. Let to Iforce Ltd. Freehold. | 1999 | 5.944 | £3.730.000 | £3.530.000 |
| Bromford Gate Dist. Ctr. #3 | A logistics warehouse, forming part of a prime industrial/distribution park providing 5 units with a minimum eaves height of 10 m and 6 loading docks plus 4 access doors.. Situated in an extremely prominent location in a prime location, adjacent to the A38, A4040 and A47 trunk roads. The Birmingham city centre lies approximately 5.5 km to the south-west and is accessed via the A38 (M), or the A47 Heartlands Spine Road, which are both trunk roads. Let to TDG Ltd. Freehold. | 1999 | 8.841 | £5.390.000 | £5.100.000 |
| Bromford Gate Dist. Ctr. #4 | A logistics warehouse, forming part of a prime industrial/distribution park providing 5 units with a minimum eaves height of 10 m and 6 loading docks plus 2 access doors.. Situated in an extremely prominent location in a prime location, adjacent to the A38, A4040 and A47 trunk roads. The Birmingham city centre lies approximately 5.5 km to the south-west and is accessed via the A38 (M), or the A47 Heartlands Spine Road, which are both trunk roads. Let to Claire's Accessories (UK) Ltd. Freehold. | 1999 | 8.001 | £5.710.000 | £5.400.000 |

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|-----------------------------|--|------|--------|-------------|-------------|
| Bromford Gate Dist. Ctr. #5 | A logistics warehouse, forming part of a prime industrial/distribution park providing 5 units with a minimum eaves height of 10 m and 6 access doors.. Situated in an extremely prominent location in a prime location, adjacent to the A38, A4040 and A47 trunk roads. The Birmingham city centre lies approximately 5.5 km to the south-west and is accessed via the A38 (M), or the A47 Heartlands Spine Road, which are both trunk roads. Let to MLM Distribution Ltd. Freehold. | 1999 | 4.918 | £2.910.000 | £2.750.000 |
| Fort Dunlop Dist. Ctr. #2 | A logistics warehouse with a minimum eaves height of 13 m and 32 loading docks plus 6 access doors. Located to the north-west of Birmingham (5.5 km) in the Fort Dunlop development which is situated in a prime location, adjacent to the A38, A4040 and A37 trunk roads. The property has excellent access to the motorway with junction 5 of the M6, 3.2 km to the east and junction 6, 2.4 km to the northwest. Let to Goodyear Dunlop Tyres UK Ltd. Freehold. | 2002 | 51.729 | £35.740.000 | £33.800.000 |
| Fort Dunlop Dist. Ctr. #3 | A logistics warehouse with a minimum eaves height of 12 m and 16 loading docks plus 2 access doors.. Located to the north-west of Birmingham (5.5 km) in the Fort Dunlop development which is situated in a prime location, adjacent to the A38, A4040 and A37 trunk roads. The property has excellent access to the motorway with junction 5 of the M6, 3.2 km to the east and junction 6, 2.4 km to the northwest. Let to IForce Trading Ltd. Freehold. | 2005 | 15.399 | £10.470.000 | £9.900.000 |
| Hams Hall Dist. Ctr. #3A | A logistics warehouse with a minimum eaves height of 12 m and 16 loading docks plus 2 access doors. Located on the Hams Hall Distribution Park approximately 1.6 km to the south east of Junction 9 of the M42 motorway, which is accessed via the A446 dual carriageway. Junction 4 of the M6 motorway lies approximately 6.4 km to the south. Let to Leggett Freightways Ltd. Freehold. | 1999 | 11.229 | £6.770.000 | £6.400.000 |

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|--------------------------|--|------|-------|------------|------------|
| Hams Hall Dist. Ctr. #3B | A logistics warehouse with a minimum eaves height of 10 m and 8 loading docks plus 1 access door. Located on the Hams Hall Distribution Park approximately 1.6 km to the south east of Junction 9 of the M42 motorway, which is accessed via the A446 dual carriageway. Junction 4 of the M6 motorway lies approximately 6.4 km to the south. Let to CEVA Logistics Ltd. Freehold. | 1999 | 7.983 | £4.490.000 | £4.250.000 |
|--------------------------|--|------|-------|------------|------------|

| | | | | |
|------------------------------------|------------|----------------|---------------------|---------------------|
| Sub Total (United Kingdom): | GBP | 322.215 | £204.890.000 | £193.800.000 |
|------------------------------------|------------|----------------|---------------------|---------------------|

| | | | | |
|-------------|--|-----------|-----------------|-----------------|
| Euro Total: | | 3.793.343 | € 2.277.540.000 | € 2.171.760.000 |
| GBP Total: | | 322.215 | £204.890.000 | £193.800.000 |

Exchange Rate - 30 September 2009: 1 Euro (EUR) = 0.9066
British Pound (GBP)

| | | | | |
|--------------------------|--|------------------|------------------------|------------------------|
| Euro Grand Total: | | 4.115.559 | € 2.503.538.235 | € 2.385.525.718 |
|--------------------------|--|------------------|------------------------|------------------------|

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|---------------------|--|------------------|------------------------|------------------------|
| Belgium | | 98.266 | € 56.780.000 | € 51.360.000 |
| Czech Republic | | 180.384 | € 98.350.000 | € 93.350.000 |
| France | | 1.453.514 | € 805.980.000 | € 765.805.000 |
| Germany | | 327.978 | € 237.160.000 | € 223.400.000 |
| Hungary | | 182.014 | € 101.480.000 | € 99.700.000 |
| Italy | | 366.613 | € 203.350.000 | € 192.755.000 |
| Netherlands | | 378.202 | € 260.500.000 | € 242.250.000 |
| Poland | | 496.920 | € 256.290.000 | € 252.500.000 |
| Spain | | 309.453 | € 257.650.000 | € 250.640.000 |
| United Kingdom | | 322.215 | £204.890.000 | £193.800.000 |
| Grand Total: | | 4.115.559 | € 2.503.538.235 | € 2.385.525.718 |

Exchange Rate 0,9066

2. Valuation Certificate and Valuation Reports for Distribution Facilities valued by DTZ

| | |
|--|--|
| Legal & Commercial Name: | DTZ Zadelhoff v.o.f |
| Place of Registration and its registration number: | Netherlands 33174864 |
| Date of incorporation, the length of life, except where indefinite: | Date: 06-12-1983, Indefinite. |
| Domicile and legal form, the legislation under which it operates, its country of incorporation and the address and telephone number of its registered office (or principal place of business if different from its registered office): | Domiciled in The Netherlands, Apollolaan 150, 1077 BG Amsterdam. 0031 (0) 20 66 44 644 Legal form Vennootschap onder Firma (Partnership Firm) Registered office: KVK Amsterdam, Postbus 2852, 1000CW Amsterdam Dutch company incorporated and operating under Dutch law |

VALUATION REPORT

Amsterdam, 13 November 2009

ProLogis Management S.à r.l.
For and on behalf of:
ProLogis European Properties (PEPR)
34-38 Avenue de la Liberté
L-1930 Luxembourg
Luxembourg

Morgan Stanley & Co International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Dear Sirs,

Valuation of 12 Properties of the ProLogis European Properties Property Portfolio.

France:

- Brumath DC1
- Isle d'Abeau DC12
- Crepy DC1

Italy :

- Arena Po DC1
- Arena Po DC2
- Cortemaggiore DC1
- Lodi DC4
- Lodi DC5

Sweden:

- Norrkoping DC1 (DFDS)
- Norrkoping DC2 (K&N)
- Gothenburg DC1
- Örebro DC1

Instructions

In accordance with the request from ProLogis Management S.a.r.l. we have provided our opinions of value of the above properties owned by ProLogis European Properties (PEPR), subject to and with the benefit of various occupational leases. This subject letter is an assessment of values based on valuations of the subject properties done for ProLogis in a valuation cycle embedded in ProLogis normal annual valuation management system. This valuation report reflects the latest update values as at 30 September 2009 with the exchange rates stated in this report.

Purpose of Valuation

This Valuation Report has been prepared for inclusion in a Prospectus in connection with the issuing of Preferred Units. We can confirm that we have prepared this advice as External Valuers as defined in the Royal Institution of Chartered Surveyors Valuation Standards (RICS Valuation Standards 6th edition, March 2009).

Basis of Valuation and Assumptions

We set out below the basis and assumptions we have used in preparing our assessment followed by a summary of the aggregate values for the properties. Attached to this Valuation Report is a detailed schedule of the individual properties.

Market Value

We confirm that the valuations have been prepared in accordance with the appropriate sections of the Practice Statements ("PS") contained within the RICS Valuation Standards, 6th Edition (the "Red Book").

We have assessed Market Value in accordance with Practice Statement 3.2 of the Red Book. Under these provisions, the term "Market Value" means "The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

In undertaking our valuation on the basis of Market Value we have applied the interpretative commentary which has been settled by the International Valuation Standards Committee (IVSC) and which is included in Practice Statements 3.2.1 – 3.2.12 (inclusive). The RICS considers that the application of the Market Value definition, when applied with the interpretative commentary settled by the IVSC, results in the same valuation figure as the application of the Market Value definition. This is an internationally accepted basis of valuation.

The commentary included in PS 3.2 is reproduced below:-

- “3.2 The term 'property' is used because the focus of these Standards is the valuation of property. As these Standards encompass financial reporting, the term Asset may be substituted for general application of the definition. Each element of the definition has its own conceptual framework.
- 3.2.2 *'The estimated amount ...'* Refers to a price expressed in terms of money (normally in the local currency) payable for the property in an arm's-length market transaction. Market Value is measured as the most probable price reasonably obtainable in the market at the date of valuation in keeping with the Market Value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of Special Value.
- 3.2.3 *'... a property should exchange ...'* Refers to the fact that the value of an asset is an estimated amount rather than a predetermined or actual sale price. It is the price at which the market expects a transaction that meets all other elements of the Market Value definition should be completed on the date of valuation.
- 3.2.4 *'... on the date of valuation ...'* Requires that the estimated *Market Value* is time-specific as of a given

date. As markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the actual market state and circumstances as of the effective valuation date, not as of either a past or future date. The definition also assumes simultaneous exchange and completion of the contract for sale without any variation in price that might otherwise be made.

- 3.2.5 '*... between a willing buyer ...*' Refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than on an imaginary or hypothetical market which cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present property owner is included among those who constitute 'the market'. A valuer must not make unrealistic assumptions about market conditions or assume a level of Market Value above that which is reasonably obtainable.
- 3.2.6 '*... a willing seller ...*' Is neither an over-eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the property at market terms for the best price attainable in the (open) market after proper marketing, whatever that price may be. The factual circumstances of the actual property owner are not a part of this consideration because the 'willing seller' is a hypothetical owner.
- 3.2.7 '*... in an arm's-length transaction ...*' Is one between parties who do not have a particular or special relationship (for example, parent and subsidiary companies or landlord and tenant) which may make the price level uncharacteristic of the market or inflated because of an element of Special Value, (defined in IVSC Standard 2, para. 3.11). The *Market Value* transaction is presumed to be between unrelated parties each acting independently.
- 3.2.8 '*... after proper marketing ...*' Means that the property would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the *Market Value* definition. The length of exposure time may vary with market conditions, but must be sufficient to allow the property to be brought to the attention of an adequate number of potential purchasers. The exposure period occurs prior to the valuation date.
- 3.2.9 '*... wherein the parties had each acted knowledgeably, prudently ...*' Presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the property, its actual and potential uses and the state of the market as of the date of valuation. Each is further presumed to act for self-interest with that knowledge and prudently to seek the best price for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the date of valuation, not with benefit of hindsight at some later date. It is not necessarily imprudent for a seller to sell property in a market with falling prices at a price which is lower than previous market levels. In such cases, as is true for other purchase and sale situations in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.
- 3.2.10 '*... and without compulsion*' Establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.
- 3.3 *Market Value* is understood as the value of a property estimated without regard to costs of sale or purchase and without offset of any associated taxes."

We can confirm that the Market Value is entirely consistent with the normal valuation basis followed in France, Italy and Sweden. Our valuation has also been undertaken by External Valuers as defined in the Red Book. The subject properties are not occupied as a business but are held as investments and we have therefore used the property investment valuation methodology to calculate the Market Values and not the existing use values.

Valuations

On the basis outlined in this Valuation Report, we are of the opinion that the aggregate of the individual Gross Market Values as at 30 September 2009 of the 12 freehold equivalent interests subject to and with the benefit of various occupational leases, as summarized in the attached valuation schedules is:

EUR 222,733,037 (*Gross of purchasing costs*)
Two Hundred and Twenty Two Million Seven Hundred and Thirty Three Thousand and Thirty Seven Euros (*costs to the vendor*)

On the basis outlined in this Valuation Report, we are of the opinion that the aggregate of the individual Net Market Values as at 30 September 2009 of the 12 freehold equivalent interests subject to and with the benefit of various occupational leases, as summarized in the attached valuation schedules is:

EUR 213,415,792 (*Net of purchasing costs*)
Two Hundred and Thirteen Million Four Hundred and Fifteen Thousand Seven Hundred and Ninety Two Euros (*costs to the purchaser*)

Realization Costs

Our valuations are exclusive of VAT and no allowances have been made for any expenses of realization nor for taxation which might arise in the event of a disposal of a property.

Net Annual Rents Receivable (Net rental income)

We have calculated the net annual rents receivable from the properties. We define (net annual rent) as the current income or income estimated by the valuer:

- (i) ignoring any special receipts or deductions arising from the property;
- (ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital and loans); and
- (iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it, insure it in a condition to command its rent.

Where premises are let on effective full repairing and insuring leases, the net annual rent receivable stated in this schedule are the presently contracted rents payable under those leases without any deduction for the costs of management or any other expenses.

We have calculated the aggregate net annual rents receivable from the subject properties as at 30 September 2009 as defined above to be:

EUR 18,950,684 *per annum*
Eighteen Million Nine Hundred and Fifty Thousand Six Hundred and Eighty Four Euros *per annum*

We confirm that no single property provided a significant proportion of the aggregate net annual rents receivable.

Estimated Net Annual Rental Value (Net rental value)

We have calculated the current estimated net annual rent for the purposes of the valuations, which is our opinion of the best rent at which a new letting of an interest in property would have been completed at the date of valuation assuming:

- (a) a willing landlord;

- (b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the rent and other letting terms and for the completion of the letting;
- (c) that the state of the market, levels of values and other circumstances were, on any earlier assumed date of entering into an agreement for lease, the same as on the date of valuation;
- (d) that no account is taken of any additional bid by a prospective tenant with a special interest;
- (e) a stated length of term and stated principal conditions applying or assumed to apply to the letting and that the other terms are not exceptionally onerous or beneficial for a letting of the type and class of the subject property;
- (f) that no premium passed and that any rent free period is in respect only of the time which would have been needed by the incoming tenant to make the subject property fit for occupation; and
- (g) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

We have calculated the aggregate estimated net annual rental value of the subject properties as at 30 September 2009 as defined above to be:

EUR 16,561,137 *per annum*
(Sixteen Million Five Hundred and Sixty One Thousand One Hundred and Thirty Seven Euros *per annum*)

Assumptions and Sources of Information

Inspections

We have valued the properties in the past and have inspected them at various intervals internally.

We have been advised by the Directors of ProLogis Management Sàrl that there have been no material changes to any of the properties since our inspections.

No Material Changes

We hereby confirm that as at the date of this Valuation Report:

- (i) we have not become aware (after having made enquiry of PEPR) of any material change since 30 September 2009 in any matter relating to any specific property covered by our Valuation Report which in our opinion would have a material effect on the value as at today's date,
- (ii) in relation to market conditions and movements in the property markets in which the properties covered by our Valuation Report are located, based on observed transactions involving comparable properties which have occurred and independent data published, in each case, since 30 September 2009, we do not consider that the movement in respect of the subject properties constitutes material change.

Title

We have assumed that for each asset there exists good and marketable freehold equivalent title in each case and that the properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoing. We have also assumed that the Properties are free from mortgages, charges or other encumbrances.

Condition of structure and services, deleterious materials, plant and machinery and goodwill

Due regard has been paid to the apparent state of repair and condition of each property, but condition surveys have not been undertaken, nor have woodwork or other parts of the structures which are covered, unexposed or inaccessible, been inspected. Therefore, we are unable to report that the properties are structurally sound or are free from any defects. We have assumed the properties are free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects other than such as may have been mentioned in the body of our Report.

We have not arranged for investigations to be made to determine whether high alumina cement concrete, calcium chloride additive or any other deleterious material has been used in construction or any alterations, and therefore we cannot confirm that the properties are free from risk in this regard. For the purposes of these valuations, it has been assumed that any investigation would not reveal the presence of such materials in any adverse condition.

No mining, geological or other investigations have been undertaken to certify that the sites are free from any defect as to foundations. We have assumed that the load bearing qualities of the site of each property are sufficient to support the buildings constructed thereon.

No tests have been carried out as to electrical, electronic, heating, or any other services nor have the drains been tested. However, we have assumed all services to be functioning satisfactorily.

No allowance has been made in these valuations for any items of plant or machinery not forming part of the service installations of the buildings. We have specifically excluded all items of plant, machinery and equipment installed wholly or primarily in connection with any of the occupants' businesses. We have also excluded furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools. Further, no account has been taken in our valuations of any goodwill that may arise from the present occupation of the properties.

It is a condition of DTZ Zadelhoff or any related company, or any qualified employee, providing advice and opinions as to value, that the client and/or third parties (whether notified to us or not) accept that the valuation report in no way relates to, or gives warranties as to the condition of the structure, foundations, soil and services of any of the properties.

Environmental matters

We have been instructed not to make any investigations, in relation to the presence or potential presence of contamination in land or buildings, and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value. We have not carried out any investigation into past uses, either of the Properties or any adjacent land to establish whether there is any potential for contamination from such uses or sites, and have therefore assumed that none exists.

In practice, purchasers in the property market may not make such an assumption about contamination and a purchaser of the properties may require appropriate investigations to be made so as to assess any risk before completing a transaction.

We have no basis upon which to assess the reasonableness of this assumption. If it were to prove invalid then we reserve the right to review and/or amend our valuation.

We have made no allowance in the valuation for any effect in respect of actual or potential contamination of land or buildings.

Areas

We have been provided with information setting out the site and floor areas of the properties. As instructed, we have relied on these areas and have not checked them on site. We have assumed that the floor areas supplied to us have been calculated in accordance with local standards by a qualified expert.

Statutory requirements and planning

It has been assumed that the buildings have been constructed in full compliance with valid town planning and building regulations approvals, that where necessary they have the benefit of a current Fire Certificate, and that the Properties are not subject to any outstanding statutory notices as to their construction, use or occupation. It has been further assumed that the existing use of each property is duly authorised or established and that no adverse planning condition or restriction applies.

We would draw your attention to the fact that employees of town planning departments not always give information on the basis that it should be relied upon and that formal searches should be made if more certain information is required. We assume that, if you should need to rely upon the information given about town planning matters, your solicitors would be instructed to institute such formal searches.

Leasing

Where there are third party leases in place we have relied upon lease and tenancy information supplied by ProLogis Management Sàrl.

We have not undertaken investigations into the financial strength of any tenants. Unless we have become aware by general knowledge or we have been specifically advised to the contrary, we have assumed that:

- (h) the tenants are financially in a position to meet their obligations;
- (i) there are no material arrears of rent or breaches of covenant; and
- (j) there are no current or anticipated tenant disputes.

Our valuations reflect the type of tenants actually in occupation, or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their creditworthiness.

We have also assumed that wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary increases, all notices have been served validly within the appropriate time limits.

Information

We have assumed that the information supplied to us in respect of the properties is both full and correct. It follows that our valuations reflect the extent of the instruction in terms of inspections undertaken and information provided.

We have drawn your attention to the fact that we have been supplied with limited information. Should further information be provided, this may have an effect on value and our valuations should be reviewed in this context.

Reported Currencies

We have indicated the Market Values of the subject properties in the attached valuation schedule in Euros and some Swedish properties in Swedish Krona. For the Swedish properties we have used an exchange rate of 10.139 on the request of ProLogis Management Sàrl.

Confidentiality and Disclosure

The contents of this Valuation Report and the schedule are confidential to the addressees as set out on the first page of the Valuation Report for the specific purpose to which they refer and form part of the Prospectus. Consequently and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of the contents beyond that owed to the addressees and to those persons (including PEPR Investors) who may rely on our Valuation Report and the schedule.

All valuations will be carried out on the general conditions of DTZ Zadelhoff v.o.f., which are attached to this letter. Regarding Section IV, article 3, of the General Conditions of DTZ Zadelhoff v.o.f., the 1 year lapse period of the liability does not apply to these valuations. DTZ Debenham Tie Leung Limited agrees, to the extent the amount of a final judgement or settlement on a claim by client arising from the valuation exceeds the amount which is paid under the professional liability policy of DTZ Zadelhoff v.o.f ("deficit"), DTZ Debenham Tie Leung Limited shall cover (only) the deficit due under such a judgement or settlement. DTZ Zadelhoff v.o.f. is a general partnership consisting of partners participating through legal entities with limited liability.

In witness of DTZ Debenham Tie Leung Limited's approval, DTZ Debenham Tie Leung Limited shall also sign this Valuation Report even though DTZ Debenham Tie Leung Limited does not take part in the valuation.

Before this report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained (such approval not to be unreasonably withheld). For the avoidance of doubt such approval is required whether or not DTZ Zadelhoff are referred to by name and whether or not the contents of our Report are combined with others.

Yours faithfully,
DTZ Zadelhoff v.o.f.
On its behalf,

DTZ Debenham Tie Leung Limited

F.G. Van Hoeken MSC MRE MRICS RT
Partner
Registered Valuer and Chartered Surveyor
BV01.20.501.5.025148
Kingdom
Apollolaan 150, The Netherlands

Peter Stoughton-Harris
Managing Director European Valuations
DTZ Debenham Tie Leung Ltd
Warwick Street, London W1B 5NL United

Appendices:

- Summary Sheet
- Valuation Schedule France
- Valuation Schedule Italy
- Valuation Schedule Sweden
- General Conditions DTZ Zadelhoff v.o.f.

ProLogis European Properties Fund
Properties as at 30 September 2009
Total Portfolio Summary

| Country | No. of Properties | Total Current Net Rental Income (pa) | Total Current Net ERV (pa) | Total Current Gross Capital Value | Total Current Net Capital Value |
|--------------------------|-------------------|--------------------------------------|----------------------------|-----------------------------------|---------------------------------|
| France | 3 | € 5.461.974 | € 5.194.164 | € 60.736.554 | € 56.840.000 |
| Italy | 5 | € 6.285.302 | € 5.296.896 | € 71.180.000 | € 68.332.632 |
| Sweden (€) | 1 | € 2.427.000 | € 1.803.563 | € 27.398.000 | € 26.600.000 |
| Sweden (SEK) | 3 | 48.428.000 kr | 43.258.189 kr | 643.000.000 kr | 625.000.000 kr |
| Total Euro: | 9 | € 14.174.276 | € 12.294.623 | € 159.314.554 | € 151.772.632 |
| Total SEK: | 3 | 48.428.000 kr | 43.258.189 kr | 643.000.000 kr | 625.000.000 kr |
| Exchange Rate | 10,139 | SEK per 1 EUR | | | |
| Grand Total Euro: | 12 | € 18.950.684 | € 16.561.137 | € 222.733.037 | € 213.415.792 |

PROPERTY INFORMATION

| ProLogis Property Name | Description | Year of Construction | Site Area (sq m) | Current Gross Capital Value | Current Net Capital Value |
|--|--|--|----------------------------|---------------------------------|-------------------------------|
| Sweden | | | | | |
| Göteborg DC1 | Property name: Syrhåla 2:6 Municipality: Göteborg Country: Sweden Street Address: Hamneviksvägen 101. A freehold property some 10 km west of the City Centre of Göteborg and some 2 km from the nearest connection with the motorway E 6. Newly constructed production/logistics building with lightweight steel frame. App. 10 m clear height. Air-condition in offices. | 2005 | 67.907 | 252.000.000 kr | 245.000.000 kr |
| Norrköping DC 1 | Property name: Händelö 2:50 Municipality: Norrköping Country: Sweden Street Address: Hanholmsvägen 50A freehold property some 3 km north of the City Centre of Norrköping and some 7 km from the nearest connection with the motorway E 4. A one to three storey building of concrete and steel. 9 m clear height. Air-condition in office and restaurant. | 2003 main building, addition in 2006 ready 12-2006 | 69.101 | 210.000.000 kr | 204.000.000 kr |
| Norrköping DC 2 | Property name: Händelö 2:54 Municipality: Norrköping Country: Sweden Street Address: Bravikenvägen 10. A freehold property some 3 km north of the City Centre of Norrköping and some 7 km from the nearest connection with the motorway E 4. One big new constructioned logistic building of steel and concrete . 10 m clear height. Air-conditioning in offices. | dec 2004 main building and jan 2005 addition | 39.694 | 181.000.000 kr | 176.000.000 kr |
| Total Revaluation of 3 properties in Sweden as at 30 September 2009 | | | | 643.000.000 kr | 625.000.000 kr |
| Örebro DC1 | Property name: Elektrikern 5 Municipality: Örebro Country: Sweden Street Address: Birstagatan 8-10. A freehold property some 4 km southwest of the City Centre of Örebro, close to the highways E18 and E20. Erected 1967 and refurbished/extended 1972, 1976 and 1984. Two storage buidlings (not heated) was also erected 1996. The main building has premises for storage and offices. | 1967 - 1996 | 111.938 | € 27.398.000 | € 26.600.000 |
| Total Revaluation of 1 property in Sweden as at 30 September 2009 | | | | € 27.398.000 | € 26.600.000 |
| ProLogis Property Name | Description | Year of Construction | Total Lettable Area (sq m) | Current Gross Capital Value (€) | Current Net Capital Value (€) |
| France | | | | | |

| | | | | | |
|--------------------|---|--------------|-----------|--------------|--------------|
| Brumath DC1 | <p>Logistics platform located in the activity zone of "la Borde" in Brumath, around 25 km North of Strasbourg and around 25 km from the German border. Activity area which contains logistics platforms and other industrial and artisan activities. Location facing a main road, the A4 motorway, and close to the A35 motorway going to Germany. Site approximately 30 mn from "Enzheim", Starsbourg airport</p> <p>Building Characteristics : 7 independent constructions. Unit 1, 2, 3, 5 and 7 of steel framed structure, unit 6 of concrete framed structure / part is equipped for positive cold storage (unit 3) / clear height 6 m for unit 7, 12 m for unit 3, 4, 5 and 15m for unit 1 ,2 ,6 / reinforced concrete slab supporting over 5T/sqm, 53 adaptable loading docks with elevating doors and street level doors / fire detection system, sprinkler system, RIA / gas heaters / charge room , plant room / connected to railway with enclosed loading bays / equipped offices : tiled or carpeted floor , false ceiling, air-conditioned, offices for each unit / garage / small ancillary house / fuel storage</p> | 1982 to 1992 | 39.138,00 | € 16.033.137 | 15.100.000 |
| Crepy DC1 | <p>Logistics platform located in the industrial zone of Crépy en Valois, around 70 km from Paris. Activity area which contains logistics platforms and other industrial and artisan activities. Location close to N2 national road. Site approximately 40 km from "Roissy de Charles" airport.</p> <p>Building Characteristics : 7 buildings: concrete framed structure / part is equipped for positive cold storage, internal foot bridge / clear height 13.50 m (8 m for 3,000sq m) / reinforced concrete slab supporting over 5T/sqm, 97 adaptable loading docks with elevating doors and street level doors / fire detection system, sprinkler system, RIA / gas heaters / charge room , plant room / connected to railway with covered loading bays / equipped offices : tiled or carpeted floor , false ceiling, air-conditioned, offices for each unit / garage / small ancillary house /Fuel storage</p> | 1992 to 1996 | 62.449,00 | € 29.686.737 | € 27.600.000 |

| | | | | | |
|--------------------------|---|----------------------|-----------|--------------|--------------|
| Isle d'abeau DC12 | Logistics platform located in the activity zone of "Chesnes Tharabie" in Saint Quentin Fallavier, part of the town of L'isle d'Abeau, around 25 km south from Lyon. Established activity area which contains many large logistics platforms. Location close to main roads, the A43 motorway. Site approximately 20 mn from "Saint Exupéry" airport. Building Characteristics : 4 units: unit 1 and 2 of steel framed structure, unit 3 and 4 of concrete framed structure / mezzanine 1,100 sq m/ clear height : 9.20 m for unit 1, 13 m for 2 and 13.50 for unit 3 and 4 / mezzanine in unit 2 of 4,000 sq m for storage and mezzanine of 2,000 sq m in unit 3 and 4 for high value goods / reinforced concrete slab supporting over 5T/sqm, 52 adaptable loading docks with elevating doors and street level doors / fire detection system, sprinkler system, RIA / gas heaters / charge room , plant room / connected to railway with covered loading bays / equipped offices : tiled or carpeted floor , false ceiling, air-conditioned, offices for each unit / garage / small ancillary house / fuel storage Additional development site for potential extension | 1988 - 1997, 1999 | 35.650,00 | € 15.016.680 | € 14.140.000 |
|--------------------------|---|----------------------|-----------|--------------|--------------|

Total Revaluation 3 properties in France as at 30 September 2009

| | |
|-------------------|-------------------|
| 60.736.554 | 56.840.000 |
|-------------------|-------------------|

| ProLogis Property Name | Description | Year of Construction | Total Lettable Area (sq m) | Current Gross Capital Value (€) | Current Net Capital Value (€) |
|-------------------------------|--|-----------------------------|-----------------------------------|--|--------------------------------------|
| Italy | | | | | |
| Arena Po DC1 | The property is on the outskirts of arena Po, in a suburb known as Fabbrica, some 6 km from the A21 highway (Torino-Piacenza) and 15 km from Piacenza. The building structure is made of pre-fabricated concrete with concrete walls, with a clear height of appr. 10 m. | 1977 | 21.735 | 8.200.000 | 7.872.168 |
| Arena Po DC2 | The property is on the outskirts of arena Po, in a suburb known as Fabbrica, some 6 km from the A21 highway (Torino-Piacenza) and 15 km from Piacenza. The building structure is made of pre-fabricated concrete with concrete walls, with a clear height of appr. 10 m. | 2002 | 30.273 | 14.670.000 | 14.083.368 |
| Cortemaggiore DC1 | The property is on the outskirts of Cortemaggiore, Via Enrico Mattei, located about 3 km from the A1 highway exit (Milano-Napoli). The building structure is made of pre-fabricated concrete with oncrete walls, with a clear height of appr. 12.5 m. | 1973 | 43.024 | 16.400.000 | 15.743.832 |

| | | | | | |
|--|--|---------------|--------|------------|------------|
| Lodi DC4 | The property is in the outskirts in the south of Lodi (about 10 km away), located about 3 km from the junction to the A1 (Milano-Napoli) highway and 15 km from the A21. The original building was completely demolished in 2005-2006, except the office block, and rebuilt in 2006 (DC%) and 2007 (DC4). The new structures are made of pre-fabricated concrete with concrete walls, with a clear height of appr. 12.5 m. | 1970 and 2007 | 28.212 | 13.800.000 | 13.247.832 |
| Lodi DC5 | The property is in the outskirts in the south of Lodi (about 10 km away), located about 3 km from the junction to the A1 (Milano-Napoli) highway and 15 km from the A21. The original building was completely demolished in 2005-2006, except the office block, and rebuilt in 2006 (DC%) and 2007 (DC4). The new structures are made of pre-fabricated concrete with concrete walls, with a clear height of appr. 12.5 m. | 2006 | 35.501 | 18.110.000 | 17.385.432 |
| Total Revaluation 5 properties in Italy as at 30 September 2009 | | | | 71.180.000 | 68.332.632 |

3. Valuation Certificate and Valuation Reports for Distribution Facilities valued by CBRE

| | |
|--|--|
| Legal & Commercial Name: | CB Richard Ellis Limited |
| Place of Registration and it's registration number: | Registered in England No 3536032 |
| Date of incorporation, the length of life, except where indefinite: | 27 March 1998, Indefinite |
| Domicile and legal form, the legislation under which it operates, its country of incorporation and the address and telephone number of its registered office (or principal place of business if different from its registered office): | Domiciled in the UK as a private limited company operating under English Law. CB Richard Ellis Limited, St Martin's Court, 10 Paternoster Row, London EC4M 7HP T: 0044 (020) 7182 2000 |
| Country of incorporation: | United Kingdom |



CB Richard Ellis Limited
Kingsley House
Wimpole Street
London W1G 0RE

Switchboard +44 (0)20 7182 2000
Fax +44 (0)20 7182 2001

| | |
|---------------------------|---|
| REPORT DATE | 13 November 2009 |
| ADDRESSEE | The Directors Prologis Management S.A.R.L. for and on behalf of ProLogis European Properties (PEPR) 34-38 Avenue de la Liberté L-1930 Luxembourg Grand Duchy of Luxembourg The Directors Morgan Stanley & Co. International Ltdplc 25 Cabot Square Canary Wharf London E14 4QA Great Britain in their capacity as financial advisors and bookrunners to ProLogis European Properties. |
| THE PROPERTIES | The propertiesAs listed in the Schedule of Capital Values set out below. |
| INSTRUCTION | To value on the basis of Market Value the freehold interests in the Properties as at the valuation date in accordance with your instructions dated 13 August 2009. |
| VALUATION DATE | 30 September 2009. |
| CAPACITY OF VALUER | External. |

PURPOSE OF VALUATION

The Valuation has been prepared for a Regulated Purpose as defined in the Red Book. We understand that our valuation report and the Appendix to it (together the “Valuation Report”) is required for inclusion in a prospectus (the “Prospectus”) which is to be published by PEPR in connection with the offering of Class A (1) preferred units (the “Preferred Units”) as a result of which such Preferred Units in PEPR will be admitted to and traded on the Luxembourg Stock Exchange and Euronext Amsterdam Stock Exchange.

The effective date of valuation is 30 September 2009.

In accordance with UK Practice Statement 5.4 of the RICS Valuation Standards, Sixth Edition (the “Red Book”) we have made certain disclosures in connection with this valuation instruction and our relationship with ProLogis.

MARKET VALUE

£221,932,000 (TWO HUNDRED AND TWENTY-ONE XXXXXXXX POUNDS) exclusive of VAT, as shown in the Schedule of Capital Values set out at Appendix A below.

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm’s length terms.

All properties are held freehold, and are held for Investment purposes.

There are no negative values to report.

GROSS MARKET VALUE

£236,027,875 (TWO HUNDRED AND THIRTY-SIX XXXXXXXX POUNDS) GROSS, exclusive of VAT and with no deduction of purchaser’s costs or capital expenditure, as shown in the Schedule of Capital Values set out at Appendix A below.

NET ANNUAL RENT

£20,539,134

ESTIMATED NET ANNUAL RENTAL VALUE

£18,995,507

COMPLIANCE WITH VALUATION STANDARDS

The valuations have been prepared in accordance with The RICS Valuation Standards, Sixth Edition (the “Red Book”). The valuations are compliant with the International Valuation Standards, and are in accordance with paragraphs 128 to 130 of the Committee of European Securities Regulators’ (CESR) recommendations for the consistent implication of the European Commission’s Regulation on Prospectuses no. 809/2004 (the “Prospectus Directive Regulation”) and EU Directive 2003/71/EC.

The property details on which these valuations are based are as set out in this report.

We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuations competently.

**MATERIAL CHANGE
DECLARATION**

We hereby confirm that as at the date of this Valuation Report:

(i) we have not become aware (after having made enquiry of PEPR) of any material change since 30 September 2009 in any matter relating to any specific property covered by our Valuation Report which in our opinion would have a material effect on the value as at today's date,

(ii) in relation to market conditions and movements in the property markets in which the properties covered by our Valuation Report are located, based on observed transactions involving comparable properties which have occurred and independent data published, in each case, since 30 September 2009, we do not consider that the movement in respect of the subject properties constitutes material change.

ASSUMPTIONS

The property details on which each valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

**VARIATION FROM STANDARD
ASSUMPTIONS**

None.

VALUER

The Properties have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation Standards.

INDEPENDENCE

The total fees, including the fee for this assignment, earned by CB Richard Ellis Ltd (or other companies forming part of the same group of companies within the UK) from the Addressee (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.

It is not anticipated this situation will vary in the financial year to 31 December 2009.

We confirm that we do not have any material interest in ProLogis or any of the properties.

DISCLOSURE

The principal signatory of this report has continuously been the signatory of valuations for the same addressee and valuation purpose as this report since 2007. CB Richard Ellis Ltd has continuously been carrying out valuation instructions for the addressee of this report since 2007.

CB Richard Ellis Ltd has carried out Valuation, Investment and Letting Agency and Professional services on behalf of ProLogis for between 10 and 14 years.

CONFLICTS OF INTEREST

We have prepared our valuations in the knowledge that the following conflicts of interest exist:

CB Richard Ellis Ltd Capital Markets acted for the purchaser Harbert Management Corporation in the recent transaction of 5 of ProLogis's properties, including 2 formerly valued by us.

We have disclosed the relevant facts to you and the other clients involved, and have received everyone's written confirmation that the conflict was resolved by the implementation of 'Chinese Walls' between the relevant departments involved.

RESPONSIBILITY To the extent required by the Euronext Amsterdam and Luxembourg Stock Exchanges we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that this is the case) the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import.

RELIANCE This report is for the use only of the parties to whom it is addressed above for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents save as set out in “Responsibility” above in connection with the offering of Preferred Units.

PUBLICATION Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear, such approval not to be unreasonably withheld where it relates to the offering of Preferred Units. Such publication or disclosure will not be permitted unless where relevant it incorporates the Assumptions referred to herein. For the avoidance of doubt, such approval is required whether or not CBRE is referred to by name and whether or not the contents of our Valuation Report are combined with others.

Yours faithfully

ANDREW BARBER MRICS
SENIOR DIRECTOR
 For and on behalf of
 CB Richard Ellis Ltd

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 F: 020 7182 2273
 W: www.cbre.co.uk

SCOPE OF WORK & SOURCES OF INFORMATION

SOURCES OF INFORMATION We have carried out our work based upon information supplied to us by Prologis, as set out within this report, which we have assumed to be correct and comprehensive.

THE PROPERTIES Our report contains a brief summary of the property details on which our valuation has been based.

INSPECTIONS We have inspected a sample of the Properties externally on All properties were inspected between 29 April 2008 and November 2009.

Although we have had sight of the interior of the Darlaston property, the tenant has not allowed us within the building for health and safety reasons.

| | |
|---------------------------------------|--|
| REVALUATION WITHOUT INSPECTION | As instructed, we have not re-inspected all the properties for the purpose of this valuation. With regard to those properties which have not been subject to re-inspection, you have confirmed that you are not aware of any material changes to the physical attributes of the properties, or the nature of their location, since the last inspection. We have assumed this advice to be correct. |
| AREAS | We have not measured the Properties but have relied upon the floor areas provided, which we understand have been measured in compliance with the RICS Code of Measuring Practice 6 th Edition. |
| ENVIRONMENTAL MATTERS | We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Properties and which may draw attention to any contamination or the possibility of any such contamination. We have not carried out any investigations into the past or present uses of the Properties, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists. |
| REPAIR AND CONDITION | We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect. |
| TOWN PLANNING | We have not undertaken planning enquiries. In some instances, verbal enquiries have been made. We have not undertaken planning enquiries. |
| TITLES, TENURES AND LETTINGS | <p>Details of title/tenure under which the Properties are held and of lettings to which they are subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.</p> <p>We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.</p> |

VALUATION ASSUMPTIONS

| | |
|-----------------------|---|
| CAPITAL VALUES | <p>Each valuation has been prepared on the basis of "Market Value" which is defined as:</p> <p>"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".</p> <p>No allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal. Acquisition costs have not been included in our valuation.</p> <p>No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges.</p> |
|-----------------------|---|

| | |
|--|--|
| | No account has been taken of the availability or otherwise of capital based Government or European Community grants. |
| TAXATION, COSTS AND REALISATION COSTS | As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal. Our valuations reflect purchasers' statutory and other normal acquisition costs. |
| VAT | We have not been advised whether the properties are elected for VAT. All rents and capital values stated in this report are exclusive of VAT. |
| NET ANNUAL RENT | Net annual rent is defined for the purposes of this transaction as "the current income or income estimated by the valuer: (i) ignoring any special receipts or deduction arising from the property; (ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and (iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent". |
| ESTIMATED NET ANNUAL RENTAL VALUE | The estimated net annual rental value is based on the current rental value of each of the Properties. The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation |
| RENTAL VALUES | Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent as defined in the RICS Valuation Standards. |
| THE PROPERTIES | Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building. Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations. Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations. All measurements, areas and ages quoted in our report are approximate. |
| ENVIRONMENTAL MATTERS | In the absence of any information to the contrary, we have assumed that: (a) the Properties are not contaminated and are not adversely affected by any existing or proposed environmental law; |

(b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the property. Our valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

We have assumed that the properties possess current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive.

REPAIR AND CONDITION

In the absence of any information to the contrary, we have assumed that:

- (a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;
- (b) the Properties are free from rot, infestation, structural or latent defect;
- (c) no currently known deleterious or hazardous materials or suspect techniques have been used in the construction of, or subsequent alterations or additions to, the Properties; and
- (d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

TITLE, TENURE, PLANNING AND LETTINGS

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

- (a) the Properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;
- (b) all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;
- (c) the Properties are not adversely affected by town planning or road proposals;
- (d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;
- (e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of each Property to comply with the provisions of the Disability Discrimination Act 1995;
- (f) all rent reviews are upward only and are to be assessed by reference to full current market rents;
- (g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;

(h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge;

(i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;

(j) where more than 50% of the floorspace of a property is in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the property. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest. Disposal on the open market is therefore unrestricted.

(k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; and

(l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.

APPENDIX A - INVESTMENT PROPERTIES

**PROLOGIS EUROPEAN PROPERTIES FUND
SCHEDULE**

**Properties Held as Investments
Valuation as at 30 September 2009**

| Property Name | Location, Description & Tenancy | Year of Construct-ion | Total Lettable Area (sq. m.) | Gross Value | Market Value |
|-----------------------|--|------------------------------|-------------------------------------|--------------------|---------------------|
| United Kingdom | | | | | |
| Basingstoke DC2 | A modern distribution unit of steel-framed construction with 12 m clear eaves height and 50 kN / sqm load-bearing floors. 11 high docks and 2 level loading bays. 75 car-parking spaces. Located in one of Basingstoke's principal commercial areas c. 3.2 miles (2 km) north-west of the town centre. Dual-carriageway ringroad access to M3 junction 6, 2 km to the south. Site area: 19,588 sqm Tenure: freehold Single let to Sainsburys Supermarkets Ltd. | 2004 | 10.428 | £9.813.908 | £9.280.000 |
| Bermuda DC1 | A modern warehouse / distribution property of steel portal-frame construction with 15 m eaves height, 50 kN / sqm load-bearing floors, 26 high docks and 2 level loading bays, and offices. Concrete-surfaced yard, separate parking facilities (200 spaces). Forms part of Bermuda Park warehouse and distribution centre, Nuneaton, north Warwickshire, with a prominent position fronting the A444, c. 1.75 miles (2.8 km) north of Junction 3 of the M6. Good communication links to major towns and cities along the M6 corridor in the East and West Midlands. Site area: 61,107 sqm Tenure: freehold Single let to Unipart Group Ltd. | 2005 | 28.303 | £19.802.291 | £18.730.000 |
| Huntingdon DC2 | A modern high-bay distribution unit of steel-framed construction with 10 m clear eaves height and 50 kN / sqm load-bearing floors. 8 docks and 1 level loading bay. Ancillary 2-storey office block. Secure site. Forms part of Cardinal Distribution Park warehouse / distribution park. Located just off the A14 and 2 miles (3.2 km) from the A1. Good distribution facility location to serve the South East and East Anglian markets. Site area: 26,500 sqm. Tenure: freehold Single let to First Tan from 16 October 2009. | Early 2000s | 7.465 | £3.849.787 | £3.000.000 |

| | | | | | |
|---------------------------------|--|------|--------|-------------|-------------|
| Coventry DC13 | A modern distribution unit of steel-framed construction with 12 m clear eaves height and 50 kN / sqm load-bearing floors. 20 high docks and 2 level loading bays. 185 car-parking spaces. Forms part of ProLogis Park Coventry with over 1.5 million sq ft (c. 140,000 sqm) of warehousing, located c. 3 miles (4.8 km) from Junction 3 of the M6. Park has rail access. Site area: 56,655 sqm Tenure: freehold Single let to Gefco UK Limited. | 2005 | 21.070 | £13,707,790 | £12,975,000 |
| Darlaston DC1 | A modern distribution stand-alone unit of steel-framed construction with 15.3 m clear eaves height and 50 kN / sqm load-bearing floors. 18 high docks and 3 level loading bays. 293 car-parking spaces. Situated in the West Midlands conurbation. Site area: 52,500 sqm Tenure: freehold Single let to Poundland Limited. | 2000 | 22.767 | £14,977,523 | £14,175,000 |
| Daventry Drayton Fields Phase 1 | A modern distribution unit of steel-framed construction with 11 m clear eaves height and 50 kN / sqm load-bearing floors, with sprinkler system. 9 high docks and 2 level loading bays. 254 car-parking spaces. Forms part of Apex Park warehouse and distribution park. Apex Park is located c. 4 miles (6.4 km) south west of Junction 17 of the M1 and 7.5 miles (12 km) north west of Junction 16. Daventry town centre is c. 1.5 miles (2.4 km) south east of Apex Park. Site area: 46,300 sqm Tenure: freehold Single let to Wincanton Holdings Ltd. | 1999 | 20.655 | £11,994,340 | £11,350,000 |
| Corby Eurohub DC1 | A modern distribution warehouse of steel-framed construction and 50 kN / sqm load-bearing floors and sprinkler system with 20 dock level loading doors and 4 level entry doors. Large loading yard, 172 car-parking spaces. Rail access. Forms part of the Eurohub, an 80 ha road/rail freight distribution park to the south of Corby. Close to the A43, linking to the A14 trunk road. Site area: 60,000 sqm Tenure: freehold Single let to Sainsbury's Supermarkets Limited. | 2001 | 23.783 | £14,831,590 | £14,025,000 |
| Grange Park DC6 | A modern steel-framed distribution warehouse with 12m eaves height and 50 kN / sqm load-bearing floors. 14 high docks and 2 level loading bays Ancillary 2-storey office block. Secure site, with 146 car-parking spaces. Situated on Grange Park Industrial Park on the outskirts of Northampton comprised of distribution centre, residential and some leisure. Grange Park is next to Junction 15 of the M1. Site area: 45,588 sqm Tenure: freehold Single | 2004 | 15.029 | £8,309,071 | £7,560,000 |

let to John Lewis Partnership,
expiring June 2010.

| | | | | | |
|---------------|--|------|--------|-------------|------------|
| Tingley DC1 | A modern 3-bay warehouse of steel portal-frame construction with 10 m clear eaves height and 50 kN / sqm load-bearing floors. 22 high docks and 4 level loading bays, with ancillary offices and canopy areas. Surfaced yard areas, separate car-parking (190 spaces) and trailer parking facilities. Located 7 km (5 miles) south of Leeds adjacent to Junction 28 of the M62. Site area: 49,000 sqm Tenure: freehold. Single let to Carlsberg UK Ltd. | 1998 | 11.959 | £7.702.135 | £7.285.000 |
| Wakefield DC1 | A modern 4-bay warehouse of steel portal-frame construction with 12 m clear eaves height and 50 kN / sqm load-bearing floors. 10 high docks and 2 level loading bays, with ancillary offices. Surfaced yard areas, separate car-parking (84 spaces) and trailer parking facilities. Rail access. Situated on the Europort Industrial Estate, a well-established major industrial / distribution location adjacent to Junction 31 on the M62. The M1 and A1 are within a short drive time. Wakefield is c. 6.4 km (4 miles) to the south west and Leeds c. 16 km (10 miles) to the north west. Wakefield Europort Rail Freight Terminal is close to the subject property. Site area: 25,300 sqm Tenure: freehold Single let to ISA Trading Ltd. | 2001 | 11.148 | £5.869.970 | £5.550.000 |
| Wakefield DC2 | A modern warehouse of steel portal-frame construction with 12 m eaves height and 50 kN / sqm load-bearing floors. 14 dock levellers and 7 level access doors. Ancillary offices. Surfaced yard, car-parking (198 spaces) and trailer parking (73 spaces). Situated on the Europort Industrial Estate, a well-established major industrial / distribution location adjacent to Junction 31 on the M62. The M1 and A1 are within a short drive time. Wakefield is c. 6.4 km (4 miles) to the south west and Leeds c. 16 km (10 miles) to the north west. Wakefield Europort Rail Freight Terminal is close to the subject property. Site area: 52,600 sqm | 2006 | 23.709 | £10.743.425 | £9.785.000 |

Tenure: freehold
 Vacant. New 20 year lease
 signed, subject to planning
 permission.

| | | | | | |
|--|---|------|--------|------------|------------|
| Daventry Drayton Fields Phase II DC2 | A modern distribution unit of steel-framed construction with 12 m clear eaves height and 50 kN / sqm load-bearing floors. 14 high docks and 2 level loading bays. 152 car-parking spaces. Forms part of Apex Park warehouse and distribution park. Apex Park is located c. 4 miles (6.4 km) south west of Junction 17 of the M1 and 7.5 miles (12 km) north west of Junction 16. Daventry town centre is c. 1.5 miles (2.4 km) south east of Apex Park. Site area: 36,180 sqm Tenure: freehold Single let to Netto Food Stores Limited. | 2002 | 14.585 | £8.655.128 | £8.190.000 |
| Daventry Drayton Fields Phase II DC1 | A modern distribution unit of steel-framed construction with 12 m clear eaves height and 50 kN / sqm load-bearing floors, with sprinkler system. 9 high docks and 1 level loading bay. 107 car-parking spaces. Forms part of Apex Park warehouse and distribution park. Apex Park is located c. 4 miles (6.4 km) south west of Junction 17 of the M1 and 7.5 miles (12 km) north west of Junction 16. Daventry town centre is c. 1.5 miles (2.4 km) south east of Apex Park. Site area: 24,444 sqm Tenure: freehold Single let to CNH U.K. | 2002 | 8.454 | £4.841.200 | £4.580.000 |
| Daventry Drayton Fields Phase II DC3 | A modern distribution unit of steel-framed construction with 12 m clear eaves height and 50 kN / sqm load-bearing floors. 10 high docks and 2 level loading bays. 148 car-parking spaces. Forms part of Apex Park warehouse and distribution park. Apex Park is located c. 4 miles (6.4 km) south west of Junction 17 of the M1 and 7.5 miles (12 km) north west of Junction 16. Daventry town centre is c. 1.5 miles (2.4 km) south east of Apex Park. Site area: 33,063 sqm Tenure: freehold Single let to 99p Stores Limited, expiring in March 2010. | 2002 | 13.996 | £7.231.440 | £6.840.000 |

| | | | | | |
|--------------------------------------|---|------|--------|-------------|-------------|
| Daventry Drayton Fields Phase II DC4 | A modern distribution unit of steel-framed construction with 12 m clear eaves height and 50 kN / sqm load-bearing floors, with sprinkler system. 20 high docks and 8 level loading bays. 128 car-parking spaces. Forms part of Apex Park warehouse and distribution park. Apex Park is located c. 4 miles (6.4 km) south west of Junction 17 of the M1 and 7.5 miles (12 km) north west of Junction 16. Daventry town centre is c. 1.5 miles (2.4 km) south east of Apex Park. Site area: 44,920 sqm Tenure: freehold Single let to J D Wetherspoon plc. | 2002 | 16.284 | £9.380.173 | £8.870.000 |
| Brackmills DC1 | A modern steel-framed distribution warehouse with 15 m eaves height and 50 kN / sqm load-bearing floors, with sprinklers. 64 high docks and 8 level loading bays. Ancillary 2-storey office block. Secure site. Situated in the Brackmills area of Northampton, which has been developed primarily as a location for large distribution warehouses. Brackmills is adjacent to the A45 dual carriageway which leads quickly to Junction 15 of the M1. Site area: c. 404,800 sqm (25.9 acres) Tenure: freehold. Single let to New Wave Logistics UK Ltd. | 2002 | 45.455 | £29.714.280 | £28.100.000 |
| Interlink DC1 | A modern steel-framed single cross-docked distribution warehouse with 12 m eaves height, and 3-storey offices together with two smaller office pods and a gatehouse. Specification includes comfort cooling to the offices, floor load capacity of 50KN/sq m, sprinkler installation, gas fired anti frost heating, lighting of sodium lamps 300 lux, fully automated security system, 30 dock levellers and 13 level entry loading doors. Large car park and loading yards. Forms part of the 60 ha Interlink Park industrial and distribution park situated c. 1.6 miles (2.5 km) from Junction 22 of the M1 and 9.4 miles (15 km) north of Leicester. Site area: 78,900 sqm Tenure: freehold Single let to Kühne & Nagel Logistics Limited, expiring 28 November 2009. HOTs to good covenant new tenant out for signature. | 1999 | 23.735 | £15.884.508 | £15.025.000 |

| | | | | | |
|--------------------------------|--|------|----------------|---------------------|---------------------|
| Middlewich DC1 | A modern distribution unit of steel-framed construction with 12.5 m clear eaves height and 50 kN / sqm load-bearing floors. 18 high docks and 4 level loading bays. 42 car-parking spaces. Forms part of Midpoint 18 Distribution / Production Park of over 13 units with total area of 1,355,800 sq ft (c. 12,600 sqm). Located in mid-Cheshire and occupies a prominent position fronting the A54, 2 miles (3.2 km) west of Junction 18 of the M6. Good communication links to the major towns and cities along the M6 corridor in the North-Midlands and the North-West. Site area: 51,680 sqm Tenure: freehold Single let to Tesco Stores Ltd. | 2004 | 17.224 | £8,518,739 | £8,060,000 |
| Coventry DC8 | A modern distribution unit of steel-framed construction with 12 m clear eaves height and 50 kN / sqm load-bearing floors. 14 high docks and 4 level loading bays. 203 car-parking spaces. Forms part of ProLogis Park Coventry with over 1.5 million sq ft (c. 140,000 sqm) of warehousing, located c. 3 miles (4.8 km) from Junction 3 of the M6. Park has rail access. Site area: 38,447 sqm Tenure: freehold Single let to Bridgestone UK Limited (assigned from Exel Europe Limited.) | 2005 | 17.072 | £11,399,725 | £10,775,000 |
| Coventry DC11 | A modern distribution unit of steel-framed construction with 12 m clear eaves height and 50 kN / sqm load-bearing floors, with sprinkler system. 28 high docks and 2 level loading bays. Rail access. Forms part of ProLogis Park Coventry with over 1.5 million sq ft (c. 140,000 sqm) of warehousing, located c. 3 miles (4.8 km) from Junction 3 of the M6. Park has rail access. Site area: 57,465 sqm Tenure: freehold Single let to Co-Operative Group (CWS) Limited. There is a separate lease on the same terms for a car park (see below). | 2005 | 28.800 | £18,432,431 | £17,425,000 |
| Coventry DC 11 (Car Park) | Car Parking adjacent to the Co-Op Distribution Centre. C. 100 Car Parking Spaces. Site area: c. 9,100 sqm (2.25 acra) Tenure: freehold Single let to Co-Operative Group (CWS) Limited. | | | £368,421 | £352,000 |
| Total (United Kingdom): | | | 381.921 | £236,027,875 | £221,932,000 |

PART XI – MANAGEMENT REGULATIONS OF PEPR

ProLogis European Properties *fonds commun de placement*

Management Regulations dated 10 September 1999 as amended on 29 June 2001, on 13 May 2003, on 7 July 2003, on 17 November 2005, on 11 September 2006 (with effect from 27 September 2006), 29 May 2007 and 12 November 2009

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MANAGEMENT REGULATIONS

INTERPRETATION

In these Management Regulations, the following expressions shall, where not inconsistent with the context, have the following meanings respectively:

- **“2002 Law”** means the Luxembourg law of 20 December 2002 on Undertakings for Collective Investments.
- **“Article”** means an article of these Management Regulations.
- **“Board Members”** means collectively, the ProLogis Board Members and the Independent Board Members.
- **“Business Day”** means a day on which banks are open for business in Luxembourg and Amsterdam (excluding Saturdays, Sundays and public holidays).
- **“Class”** means a class of Units issued by PEPR, and includes the Ordinary Units, the Preferred Units and any further Classes of Units issued by PEPR.
- **“Class A(1) Preferred Units”** means the 10,298,510 class A convertible Preferred Units issued by PEPR on or about 23 December 2009.
- **“Control”** means the power to direct the management of an entity through voting rights, ownership or contractual obligations; **“Controlled”** shall have a correlative meaning.
- **“Correspondent”** means the correspondent as described in Article 3.
- **“Custodian”** means RBC Dexia Investor Services Bank S.A. or such other custodian from time to time appointed by the Management Company.
- **“Distributable Cash Flow”** means net earnings of PEPR, as defined under IFRS, adjusted for (i) items which do not affect cash or cash equivalents or general provisions or reserves against assets (including but not limited to, amortisation of assets or liabilities, adjustments for deferred tax or unrealised valuation of assets and liabilities, including financial instruments) and (ii) costs incurred in relation to any offer of Units and (iii) accruals for any incentive fees payable to the Management Company in accordance with Article 13 of the Management Regulations less (i) non-revenue generating capital expenditures (including roof repairs, structural repairs, landscaping and other similar expenditures), and (ii) periodic contributions to a contingency reserve to include the general provisions or reserves mentioned above; such contingency reserve not to exceed €10 million in aggregate at any given time. The limit of €10 million may be amended from time to time with the approval of the PEPR Board. The definition of Distributable Cash Flow may also be amended from time to time to include prudent amortisation of debt if in the best interests of PEPR, with the approval of the PEPR Board.
- **“Distribution Facility”** or **“Distribution Facilities”** means any industrial warehouse or logistics distribution facility or distribution facilities.
- **“Euro”** or **“€”** means the currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992).
- **“French 3% Tax”** means any taxation arising under Article 990D of the French Tax Code (as amended, supplemented or replaced from time to time).
- **“Gross Property Value”** means the gross property value of a Distribution Facility as determined by an Independent Appraiser in accordance with such methodology as deemed appropriate by the Independent Appraiser applying professional valuation standards without deduction of purchaser’s costs.
- **“IFRS”** means International Financial Reporting Standards.
- **“IML Circular 91/75”** means the circular dated January 21, 1991 of the Luxembourg Monetary Institute on the revision and recasting of rules governing Luxembourg undertakings covered by the law of 30 March 1988 on undertakings for collective investment, as amended.
- **“Independent Appraiser”** has the meaning set out in Article 9.
- **“Independent Board Member”** means a member of the PEPR Board elected by a general meeting of Unitholders, such member being an individual that is not affiliated with ProLogis or any ProLogis Related Party, or any officer, director, manager, employee or agent thereof.
- **“Invested Capital”** means in respect of each Class of Units (or any Series thereof) the respective paid-up

contributions at any point in time of the initial issue price in relation to such Class of Units (or such Series thereof).

- **“Investment Managers”** means collectively the investment managers appointed by the Management Company pursuant to the Investment Management Agreement, being ProLogis Management BV, ProLogis Poland Management II Sp zoo, Garonor Services SAS, ProLogis Spain Management II SL, ProLogis Germany Management II GmbH, ProLogis Italy Management II SRL, ProLogis Belgium Management Sprl, ProLogis Hungary Management II Kft, ProLogis Czech Republic Management II SRO and the other investment managers acceding from time to time to the Investment Management Agreement.
- **“Investment Management Agreement”** means the investment management agreement between the Management Company and the Investment Managers entered into on 15 September 1999 as amended and restated on 22 January 2001 (with effect as of 18 December 2000), on 10 May 2001, on 31 March 2004 (with effect as of 15 January 2004) and as further amended and restated on 11 September 2006 (with effect from 27 September 2006).
- **“Investment Objective and Policy”** means the investment objective and policy of PEPR as described in the Prospectus and in Article 6.
- **“IPO”** means the initial public offering and listing of the Ordinary Units on Euronext Amsterdam.
- **“Management Company”** means ProLogis Management SARM, a wholly-owned indirect subsidiary of ProLogis, or any successor management company that may be appointed under these Management Regulations.
- **“Management Regulations”** means these management regulations as amended from time to time in accordance with these management regulations.
- **“Managers”** means the managers of the Management Company.
- **“NAV”** means the net assets of PEPR, being the assets minus the liabilities, or where the context so requires, the net asset value per Unit of each Class (or Series thereof) as determined in accordance with Article 9.
- **“Non-Exempt Unitholder”** means an entity who owns, directly or indirectly, Units and who is not exempt from the French 3% Tax.
- **“Ordinary Units”** means the Ordinary Units issued pursuant to Article 8.
- **“Ordinary Unitholder”** means a holder of Ordinary Units.
- **“PEPR”** means ProLogis European Properties, a *fonds commun de placement*, governed by Part II of the 2002 Law pursuant to these Management Regulations, and such term shall where the context so requires include all companies or other entities which are wholly-owned or partially owned as to more than fifty per cent. (50%) directly or indirectly by ProLogis European Properties.
- **“PEPR Board”** has the meaning set out in Article 4.
- **“PLD”** means PLD International Incorporated, a corporation established under the laws of the State of Delaware, United States of America.
- **“Portfolio”** means the Distribution Facilities owned by PEPR, the interest of PEPR, if any, in any ProLogis Private Equity Fund or ProLogis Joint Venture and such other assets and rights from time to time held directly or indirectly by PEPR in accordance with these Management Regulations.
- **“Preferred Unitholder”** means a holder of Preferred Units.
- **“Preferred Units”** means Units that provide to holders a preferred cash distribution and a preferred reimbursement of Invested Capital (or such other amounts as specified by the Management Company on the issue thereof) upon a winding-up of PEPR.
- **“Private Equity Fund Investment Agreement”** means the agreement between the Management Company and PLD in relation to the right of the Management Company acting on behalf of PEPR to invest in ProLogis Private Equity Funds and ProLogis Joint Ventures.
- **“ProLogis”** means ProLogis, a real estate investment trust organised in the State of Maryland, United States of America.
- **“ProLogis Board Member”** means a member of the PEPR Board appointed by the Management Company.
- **“ProLogis Joint Venture”** means any single investor joint venture sponsored by PLD, or an entity which is directly or indirectly controlled by PLD, and investing primarily in Distribution Facilities in Europe.
- **“ProLogis Private Equity Fund”** means any regulated or unregulated multi-investor real estate private equity fund sponsored by PLD, or an entity which is directly or indirectly controlled by PLD, and investing

primarily in Distribution Facilities in Europe.

- **“ProLogis Related Party”** means (a) an entity that directly or indirectly is controlled by ProLogis or (b) an entity at least 35 per cent. (35%) of whose economic interest is owned directly or indirectly by ProLogis; for the avoidance of doubt, PEPR shall not be a ProLogis Related Party.
- **“Property Contribution Agreement”** means the agreement between the Management Company and PLD under which PLD has agreed to contribute to PEPR, upon stabilisation, and PEPR has agreed to acquire, Distribution Facilities from a property portfolio.
- **“Prospectus”** means the prospectus in connection with the IPO and subsequent prospectuses for the placement of Units in PEPR issued from time to time.
- **“Regulated Market”** means a market functioning regularly, which is regulated, recognised and open to the public.
- **“Residual Value”** means the total net proceeds (taking into account any distributions in specie) resulting from a winding-up of all PEPR’s assets after repayment of all creditors.
- **“Schedule”** means the schedule to these Management Regulations.
- **“Series”** means a series of Units within a particular Class of Units.
- **“Tenant Transfer”** means the cancellation of a tenant’s lease of a Distribution Facility owned by PEPR or a direct or indirect subsidiary of PEPR and the subsequent lease within three months of such cancellation by such tenant of another property owned directly or indirectly by ProLogis or a ProLogis Related Party or a fund managed by ProLogis or a ProLogis Related Party and including the ProLogis Private Equity Funds and the ProLogis Joint Ventures, and in which PEPR’s ownership interest is not at least equal to its interest in the original Distribution Facility.
- **“Unitholders”** means the holders of Units.
- **“Units”** means co-ownership participations in PEPR which may be issued in different Classes or Series by PEPR pursuant to these Management Regulations, including, but not limited to the Ordinary Units and the Preferred Units.
- **“Valuation Day”** means any Business Day which is designated by the Management Company as being a day by reference to which the assets of PEPR shall be valued in accordance with Article 9, provided that there shall be at least semi-annual Valuation Days and that the Management Company shall be permitted to designate Valuation Days more frequently than semi-annually, in relation to the issuance of Units pursuant to Article 8, or in relation to any other circumstances if deemed appropriate by the Management Company, or if otherwise required by Luxembourg law or any other applicable law or regulation. The first Valuation Day was 31 December 1999 and subsequent Valuation Days were 30 June 2000, 31 December 2000, 30 June 2001, 31 December 2001, 30 June 2002, 31 December 2002, 31 March 2003, 31 December 2003, 30 June 2004, 31 December 2004, 30 June 2005, 31 December 2005, 30 April 2006, 30 June 2006, 31 December 2006, 30 June 2007, 31 December 2007, 30 June 2008, 31 December 2008, 30 June 2009 and 30 September 2009. The next Valuation Day will be 31 December 2009.

Article 1. Legal Structure

ProLogis European Properties, a *fonds commun de placement* organised under the sponsorship of ProLogis, is an unincorporated co-proprietorship of securities and other assets, managed for the account and in the exclusive interest of its Unitholders by the Management Company. PEPR is, in particular, subject to Part II of the 2002 Law. The assets of PEPR, which are held in custody by the Custodian shall be segregated from those of the Management Company.

By the acquisition of Units of any Class (or any Series thereof) in PEPR, a Unitholder is deemed to have fully accepted these Management Regulations, which determine the contractual relationship both among the Unitholders and among the Unitholders, the Management Company and the Custodian.

Article 2. The Management Company

The Management Company is a company incorporated on 6 July 1999 as a *société à responsabilité limitée* under the laws of Luxembourg with an unlimited duration and having its registered office at 34-38 Avenue de la Liberté, L-1930 Luxembourg. Its Articles of Incorporation have been amended on 19 August 2003.

The Management Company, or its designees, has the exclusive right to manage PEPR and is vested with the broadest powers to administer and manage PEPR, subject to the restrictions set forth in these Management

Regulations, including, without limitation, Articles 4, 6, 7 and 20, in the name and on behalf of the Unitholders, including but not limited to, the purchase, sale and receipt of those investments specified in Article 6 and of securities and the exercise of all the rights attaching directly or indirectly to the assets of PEPR. The activities of the Management Company shall be limited to the administration and management of PEPR and the Management Company shall not administer or manage any other investment fund or company.

The Management Company, when managing the Portfolio, shall have due regard to the status of ProLogis as a real estate investment trust and shall have no obligation to adopt or implement any management decision which shall adversely affect the United States Federal income tax treatment of ProLogis' direct or indirect investment in PEPR.

The fees paid by PEPR to the Management Company or its designee are described in Article 13.

The Management Company is responsible for implementing the Investment Objective and Policy of PEPR subject to the restrictions set out in Articles 6 and 7. The Management Company shall manage the Portfolio prudently with the same degree of care as would be expected of an absolute owner having particular regard to the quality and financial standing of the customers and the length of the lease terms.

The Management Company may appoint, without prejudice to its ultimate responsibility for these functions and subject to any limitations under the laws of Luxembourg, the Investment Managers, the duties of which are described in Article 5. The Managers shall discharge the duties of the Management Company. The Management Company shall be liable for the acts or omissions of the Investment Managers, the Managers and any other agents it shall appoint to perform the Management Company's functions under these Management Regulations as if such acts or omissions were those of the Management Company itself.

The Management Company may appoint such other agents, including transfer agents, listing agents and paying agents, to perform such services in connection with its obligations under these Management Regulations as the Management Company deems necessary or convenient for the performance of its duties hereunder, subject to any limitations under the laws of Luxembourg or contained herein, on such terms and conditions as are reasonable under the circumstances.

The Management Company shall perform all administrative agency duties for PEPR under Luxembourg law, and in particular, the calculation of the NAV of PEPR in accordance with Article 9. The Management Company shall act as domiciliary and service agent and as registrar and transfer agent for the wholly-owned subsidiaries of PEPR organised in Luxembourg (the "**Domiciliary and Service Agent**") and in such capacity will be responsible for all domiciliary and service agency duties and all registrar and transfer agency duties required by Luxembourg law.

The Management Company may only be terminated as prescribed in Article 17. The Management Company shall not terminate PEPR except with the approval of the PEPR Board, as set forth in Article 4 and the consent of Unitholders, as set forth in Article 20.2.

The Management Company shall comply with its obligations contained in these Management Regulations, the 2002 Law, in particular Article 14 thereof, the IML Circular 91/75 and all other applicable Luxembourg laws and regulations. The Management Company shall manage PEPR in accordance with the principle of equal treatment of Unitholders.

The accounts of the Management Company shall be prepared in Euro.

Article 3. The Custodian and Other Agents

RBC Dexia Investor Services Bank S.A. has been appointed on 21 April 2006 as Custodian of the assets of PEPR and its wholly-owned subsidiaries. The Custodian has its principal office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand-Duchy of Luxembourg, and may perform any banking activities in Luxembourg. The Custodian shall carry out the usual duties regarding custody, cash and securities deposits. In particular, upon proper instructions of the Management Company, the Custodian will execute all financial transactions and provide such banking facilities for PEPR and its wholly-owned subsidiaries as the Management Company may require.

The Custodian will further, in accordance with the 2002 Law:

- a) ensure that the sale, issue, redemption and cancellation of Units effected on behalf of PEPR are carried out in accordance with the 2002 Law and these Management Regulations;
- b) carry out the instructions of the Management Company, unless they conflict with the 2002 Law, any other applicable law or these Management Regulations;

- c) ensure that, in transactions involving the assets of PEPR and its wholly-owned subsidiaries, any consideration is remitted to it within the usual time limits in respect of the specified assets; and
- d) ensure that the income and assets attributable to PEPR and its wholly-owned subsidiaries are applied in accordance with these Management Regulations.

The Custodian may entrust the safekeeping of all or part of the assets of PEPR and its wholly-owned subsidiaries, in particular, securities traded abroad or listed on a foreign stock exchange or admitted to recognised clearing systems such as Clearstream International, to such clearing systems or to any bank or trust company or recognised clearing agency (a “**Correspondent**”); provided, however, that cash of wholly-owned subsidiaries may be held with the prior approval of the Custodian by such banks as may be indicated by the Management Company; and provided further that the Management Company shall ensure that such banks forward any information to the Custodian necessary to enable it to properly execute its custodial functions. The Custodian’s liability in relation to its duties shall not be affected by the fact that it has entrusted the safekeeping of all or part of the assets in its care to a third party.

The rights and duties of the Custodian are governed by an agreement entered into on 21 April 2006 for an unlimited period of time, which may be terminated at any time by the Management Company or the Custodian upon 90 days’ prior written notice; provided, however, that such termination by the Management Company is subject to the requirement that within two months a new custodian assumes the responsibilities and functions of the Custodian under these Management Regulations; and provided, further, that the appointment of the Custodian shall, if terminated by the Management Company, continue thereafter for such period as may be necessary to allow for the complete transfer of all assets of PEPR and its wholly-owned subsidiaries held by the Custodian to the new custodian. In case of termination by the Custodian, the Management Company shall appoint a new custodian who shall assume the responsibilities and functions of the Custodian under these Management Regulations, provided that the Custodian’s termination shall not become effective until (i) a new custodian is appointed by the Management Company and (ii) all assets of PEPR and its wholly-owned subsidiaries held by the Custodian have been transferred to the new custodian.

All cash other than cash deposited with such banks as may be indicated by the Management Company to the Custodian and other securities constituting the assets of PEPR and its wholly-owned subsidiaries shall be held by the Custodian on behalf of the Unitholders on the terms of these Management Regulations. The Custodian may, under its own responsibility and with the approval of the Management Company, entrust any Correspondent with the custody of such cash and securities as are not listed on the Luxembourg Stock Exchange or currently traded in Luxembourg. Registrable assets (excluding real estate property) of PEPR and its wholly-owned subsidiaries will be registered in the name of PEPR, in the name of the Custodian or the Correspondent or the nominee of either or in the name of a recognised clearing agency. The Custodian and Correspondent will have the normal duties of a bank with respect to the deposits of cash and securities of PEPR and its wholly-owned subsidiaries. The Custodian and the Correspondent and such other banks as may be indicated by the Management Company with the prior approval of the Custodian may dispose of the assets of PEPR and its wholly-owned subsidiaries and make payments to third parties on behalf of PEPR and its wholly-owned subsidiaries only upon receipt of proper instructions from or as previously properly instructed by the Management Company or any agent appointed by the Management Company.

Upon receipt of proper instructions from or as previously properly instructed by the Management Company, the Custodian and the Correspondent and such other banks as indicated by the Management Company with the prior approval of the Custodian will perform all acts of disposal with respect to the assets of PEPR and its wholly-owned subsidiaries.

Subject to Luxembourg law, the Custodian is authorised and has the obligation in its own name to:

- a) protect the assets of PEPR and its wholly-owned subsidiaries against any claims of third parties;
- b) assert the rights of the Unitholders against the Management Company or against a former custodian; and
- c) take action against enforcement measures of third parties if PEPR or its wholly-owned subsidiaries are not liable to such parties.

Subject to Luxembourg law, the Management Company, acting in its own name and on behalf of PEPR, is authorised and has the obligation to bring claims of the Unitholders against the Custodian.

Nothing in this Article 3 shall preclude the direct assertion of claims from Unitholders against the Custodian or the Management Company, respectively, to the extent that such action is permitted by Luxembourg law.

The Custodian shall be entitled, out of the net assets of PEPR and its wholly-owned subsidiaries, to such fees as shall be determined from time to time by agreement between the Management Company and the Custodian, provided that fees for services performed in Luxembourg are comparable with those charged by other banks in Luxembourg for the provision of similar services. In addition to the above fees, the Custodian shall be reimbursed by PEPR and its

wholly-owned subsidiaries for all reasonable out of pocket expenses. Any Correspondent (other than affiliates of the Custodian) and such other banks as indicated by the Management Company with the prior approval of the Custodian shall be entitled to such fees out of the net assets of PEPR and its wholly-owned subsidiaries as shall be determined from time to time with the agreement of the Management Company, provided that fees for the provision of services of Correspondents are comparable with those charged by other banks or trust companies in the jurisdictions in which such Correspondent or other banks operate.

Article 4. The PEPR Board

There shall be a PEPR Board, comprised of four Independent Board Members and two ProLogis Board Members. The appointment and term of the Independent Board Members shall be as prescribed below in this Article 4. The ProLogis Board Members shall be appointed by the Management Company and their appointment and term shall be as prescribed below in this Article 4. The prior approval of the PEPR Board shall be required in respect of all of the items in a) to q) below.

In respect of resolutions proposing the following items, only the Management Company, either on its own initiative or upon its due consideration of a suggestion of any two Independent Board Members, may table resolutions before the PEPR Board:

- a) any acquisition or disposal of assets or any portfolio of assets of PEPR in an aggregate amount in any rolling six-month period of more than five per cent. (5%) of the gross asset value of PEPR as calculated on the most recent Valuation Day prior to the date such asset or portfolio of assets is acquired or sold, and any disposal or redemption of interests in any ProLogis Private Equity Fund or ProLogis Joint Venture;
- b) any amendments to these Management Regulations in the circumstances where the prior approval of the PEPR Board is required under Article 16;
- c) the annual approval of (i) the appointment and the terms and conditions of the appointment of the Independent Appraiser and (ii) the appointment of the external auditors of PEPR, in both cases for terms of one year. Neither appointment shall be terminated by the Management Company without the prior approval of the PEPR Board;
- d) any issue of Units in PEPR in accordance with Article 8 and the terms of any such issuance (including the currency of denomination of the Units, the appointment of any placement agents or distributors designated in respect of such issuance and the approval of their fees, which must be on an arm's length basis) and any increase in the level of leverage of PEPR (within the limits laid down by Article 7);
- e) any major debt financings or refinancing (defined as debt facilities or financings or refinancings which, if fully drawn, would amount to in excess of twenty per cent. (20%) of the total gross asset value of PEPR as at the most recent Valuation Day);
- f) any amendments to the definition of Distributable Cash Flow in respect of the size from time to time of the contingency reserve, or the policy regarding the amortisation of debt;
- g) the approval of the annual accounts, the incentive fee calculation for the relevant year, the annual operating and capital expenditure budget and funding policy of PEPR. If such budget and policy are not approved in whole or in part by the PEPR Board, the Management Company shall manage PEPR on the basis of an annual operating and capital expenditure budget and funding policy corresponding to the most recently approved budget and policy with respect to any items of the proposed budget and funding policy that were not approved, provided that the Management Company may vary the relevant items by a percentage amount of up to five per cent. (5%);
- h) any transactions between PEPR and any ProLogis Related Party, including without limitation a sale of assets by PEPR to ProLogis or to a ProLogis Related Party, but excluding the entry into and (save as prescribed below) performance of these Management Regulations, the Investment Management Agreement, the Private Equity Fund Investment Agreement and the Property Contribution Agreement. With regard to related party transactions, the Management Company will provide the PEPR Board, for approval, on an annual basis, with a schedule detailing both ProLogis rates and prevailing market rates for leasing commissions and construction management fees;
- i) any decision to waive any material right which would otherwise exist for the benefit of PEPR, or any decision not to enforce any material right of PEPR under the terms of the Investment Management Agreement, including any decision to waive the obligation of an Investment Manager to assume the obligations under the terminated lease of the vacated space in case of a Tenant Transfer;
- j) any changes to the method of calculating NAV as prescribed by these Management Regulations;
- k) the approval of legal fees and tax compliance fees payable to ProLogis Related Parties, and the approval in accordance with the first paragraph of Article 5 of any fees (other than those referred to in the Investment Management Agreement as at the date of these Management Regulations) which may be paid to the Investment Managers out of the net assets of PEPR and not deducted from the Management Company's base management fee;
- l) any decision to terminate the Investment Management Agreement, other than for cause;
- m) any decision to extend the term of the Investment Management Agreement; and

- n) any decision to table before the general meeting of Unitholders a resolution to wind-up PEPR, as provided in Article 20.2.

In respect of the following three items only, any two members of the PEPR Board or the Management Company may table a resolution:

- o) any decision (i) to exercise the right of PEPR under the Private Equity Fund Investment Agreement to subscribe for up to thirty per cent. (30%) of the equity securities and securities convertible into equity securities issued by any ProLogis Private Equity Fund or to exercise the right to participate in a ProLogis Joint Venture or (ii) to exercise the right of PEPR under the Property Contribution Agreement to (a) approve the substitution of a property to be contributed thereunder with another property; (b) decide not to accept a property on account of material disclosures made with respect thereto; (c) serve a notice reducing the maximum Euro amount to be allocated to the purchase of properties where, in the reasonable opinion of the Management Company, the occurrence of certain events has made it impracticable or inadvisable for PEPR to proceed with the acquisition of properties under the Property Contribution Agreement or subsequently serve a notice increasing such Euro amount to its original level where, in the reasonable opinion of the Management Company, it is no longer impracticable or inadvisable for PEPR to proceed with the acquisition of properties under the Property Contribution Agreement and following service of such a notice, to approve the list of properties by which PLD proposes to satisfy the increased Euro amount by contribution in accordance with the Property Contribution Agreement; or (d) to agree to an extension of the date after which, in certain circumstances, PLD must propose further properties for contribution to PEPR and approve the contribution of such further properties;
- p) any decision to terminate the Investment Management Agreement for cause; and
- q) any decision to table before a meeting of Ordinary Unitholders a resolution to remove the Management Company without cause, as provided in Article 17.

The PEPR Board shall consider in good faith and reasonable commercial judgement the proposals of the Management Company in respect of all of the above matters and any other decision or determination it is required to make acting in compliance with these Management Regulations, the Prospectus, Luxembourg laws and regulations and in the interest of the Unitholders. The affirmative vote of four members of the PEPR Board is required for the approval of any of the above matters in this Article 4 or any other decision or determination by the PEPR Board made pursuant to these Management Regulations, except for (i) decisions related to the approval of the incentive fee calculation for the relevant year under item g) above, which shall require the approval of a simple majority of the Independent Board Members, (ii) decisions related to the waiver of the obligation of an Investment Manager to assume the obligations under the terminated lease of the vacated space in case of a Tenant Transfer as referred to in item i) above, which shall require the approval of a simple majority of the Independent Board Members, (iii) decisions related to item q) above which shall require the approval of a simple majority of Independent Board Members to terminate the Management Company and as a consequence table a resolution before a meeting of Ordinary Unitholders to remove the Management Company in accordance with Article 17, (iv) decisions related to the creation of advisory committees which require the unanimous consent of all Board Members and (v) decisions related to the appointment of members of the nomination committee, which must be made as described below.

The PEPR Board shall meet at least annually in Luxembourg. The PEPR Board shall meet at least quarterly, unless the PEPR Board shall agree otherwise, to review PEPR's performance and may meet more frequently. The PEPR Board may meet upon call by the Management Company or any two Board Members at the place indicated in the notice of meeting. The PEPR Board may meet by telephone conference. Written notice of any meeting of the PEPR Board shall be given to all Board Members at least 10 Business Days prior to the date set for such meeting, except in circumstance of emergency, in which case the nature of such circumstances shall be set forth in the notice of the meeting. This notice requirement may be waived by consent in writing, facsimile, e-mail or any other similar means of communication from all Board Members. Separate notices shall not be required for meetings held at times and places fixed in a resolution adopted by the Board Members. A written resolution in substitution for a meeting that is signed by all the Board Members shall be effective as a decision of the PEPR Board. The Management Company shall forward to the PEPR Board all relevant information within a period of time which is reasonably sufficient in the view of the Management Company to permit the PEPR Board to make an informed decision on the relevant matter prescribed above. In addition, the Management Company shall respond so far as practicable to a reasonable request for information made by a Board Member to assist that Board Member to discharge its functions under this Article 4.

The PEPR Board shall be entitled to designate advisory committees composed of one or more of the Board Members in order to assist the PEPR Board and to make recommendations to the PEPR Board in relation to decisions to be taken concerning the items referred to in a) to q) above. Such committees shall not have any authority to make decisions in lieu of the PEPR Board.

The minutes of a meeting of the PEPR Board shall be approved at the next following meeting of the PEPR Board. Apart from the functions prescribed in this Article 4, the PEPR Board is available for consultation by the Management Company and may make suggestions and requests to the Management Company. However, other than decisions relating to any of the above matters, the Management Company is neither bound by such suggestions or requests nor obligated to take direction from the PEPR Board.

Except for the initial term prescribed below in this Article 4, the term of office of each Independent Board Member shall be for a term of three years and until the ratification or appointment of his successor.

The Independent Board Members shall be designated Class I, Class II and Class III. The initial Class I Independent Board Members shall be appointed for a term of one year and until ratification or appointment of their successors, the initial Class II Independent Board Members for a term of two years and the initial Class III Independent Board Members for a term of three years. The initial Class I, Class II and Class III Independent Board Members shall be approved by the Management Company.

At the annual general meeting of the Unitholders of PEPR at which the term of the Class I, II or III Independent Board Members is to expire, successors to the class of Independent Board Member whose term is to expire shall be elected for a three-year term. The successor Independent Board Member shall be proposed by a nomination committee composed of two Independent Board Members and one ProLogis Board Member. The ProLogis Board Member serving on the nomination committee shall be appointed by unanimous consent of the ProLogis Board Members. The Independent Board Members serving on the nomination committee shall be appointed by the affirmative vote of at least three Independent Board Members. The members of the nomination committee shall be appointed on an annual basis, for a term expiring on the date of the annual general meeting electing the candidate(s) designated by the nomination committee. The designated candidate(s) shall be elected by a simple majority of the Units voting or represented at that meeting of Unitholders at which there shall be no quorum requirement.

The Board Members who are ProLogis Board Members shall serve at the discretion of the Management Company for such time as determined by the Management Company. The Management Company shall have the right by notice to all Board Members to designate any ProLogis Board Member, or successor thereof and to remove such ProLogis Board Member and substitute another ProLogis Board Member at any time.

An Independent Board Member shall hold office until the annual general meeting of Unitholders for the year in which his term expires and until his successor shall be elected subject, however, to prior death, resignation or removal from office.

A Board Member may resign at any time by giving written notice thereof to the Management Company. The acceptance of a resignation shall not be necessary to make it effective. An Independent Board Member may be removed with or without cause by a vote of sixty-seven per cent. (67%) of the aggregate Units present or represented at a general meeting of Unitholders.

Any vacancy on the PEPR Board caused by the resignation (whether automatic or otherwise), removal or death of any Board Member shall be filled (in the case of an Independent Board Member) by an appointee approved by a majority vote of the remaining Independent Board Members upon proposal by the Management Company or (in the case of a ProLogis Board Member) by direction of the Management Company. The successor Independent Board Member shall hold office until the next annual general meeting of Unitholders. At such meeting, the provisions for the election of successor Independent Board Members shall apply, save that the Independent Board Member elected at an annual general meeting to fill a vacancy shall have the same remaining term as that of his predecessor.

Article 5. Investment Managers

Under the Investment Management Agreement, the Investment Managers will, subject to the overall supervision, approval, direction and liability of the Management Company, and subject to compliance with the Investment Objective and Policy, carry out property management functions in relation to the day to day administration and operation of the Portfolio (excluding the ProLogis Private Equity Funds and the ProLogis Joint Ventures) and advise the Management Company on possible additions to, or potential divestments of the Portfolio subject to the proviso that the Investment Management Agreement may contain such terms and conditions and provide for such fees to be paid out of the net assets of PEPR, as the parties thereto shall deem fit. Except to the extent provided in the Investment Management Agreement as at the date of these Management Regulations or as subsequently approved by the PEPR Board, any fees paid to the Investment Managers out of the net assets of PEPR shall be deducted from the Management Company's base management fee and may not in aggregate exceed the base management fee as prescribed in Article 13.

No Investment Manager will be appointed that is organised or carries on business in the United States.

Pursuant to the terms of the Investment Management Agreement, the Investment Management Agreement has a term expiring on 15 September 2016 and is renewable at the sole discretion of the Management Company for subsequent five year periods. Furthermore, pursuant to the terms of the Investment Management Agreement, the Investment Management Agreement shall automatically terminate if the Management Company is no longer the management company of PEPR.

Article 6. Investment Objective and Policy

The Investment Objective and Policy is to generate capital appreciation and a high level of distributable current income for its Unitholders through active management of direct investments in Distribution Facilities and by investing in ProLogis Private Equity Funds and ProLogis Joint Ventures, subject to the approval of such investments by the PEPR Board if such approval is required under Article 4. PEPR may hold its investments in Distribution Facilities either directly or indirectly through companies or entities that are subsidiaries and which may be either wholly or partially owned by PEPR, and through investments in ProLogis Private Equity Funds or ProLogis Joint Ventures and, subject to the following paragraph, in other investment funds and investment companies.

In implementing its Investment Objective and Policy, PEPR may not invest more than fifteen per cent. (15%) of its net asset value in investment funds and investment companies which are neither ProLogis Private Equity Funds nor ProLogis Joint Ventures. Furthermore, PEPR may not hold more than forty-nine per cent. (49%) of the shares or units of such investment funds or investment companies.

Distribution Facilities may be sold during the life of PEPR where such sale is considered to be in the best interest of PEPR and appropriate having regard to the Investment Objective and Policy, and subject to the approval of the PEPR Board in accordance with Article 4, if such approval is required.

On a sale of any Distribution Facility, the Management Company shall have regard to the Gross Property Value appraisal by the Independent Appraiser at the date which is on or after the most recent Valuation Day in agreeing the applicable sales price for such Distribution Facility.

Article 7. Risk Diversification Rules and Borrowing Restrictions

The Management Company shall comply with the diversification requirements set out in this Article 7 in the management of PEPR. Pending investment or reinvestment of sale proceeds of Distribution Facilities or distribution, sales and/or redemption proceeds of ProLogis Private Equity Funds and ProLogis Joint Ventures, the cash assets of PEPR will be invested in liquid Euro or Sterling denominated money market instruments, time deposits or debt securities.

In relation to the investment of the liquid cash assets of PEPR in money market instruments or debt securities, PEPR may not invest more than ten per cent. (10%) of its net assets in money market instruments or debt securities of one single issuer. Furthermore, PEPR may not hold more than ten per cent. (10%) of any single class of money market instrument or debt security of a single issuer nor may it invest more than ten per cent. (10%) of its net assets in money market instruments or debt securities which are neither listed on a stock exchange nor dealt on a Regulated Market. The above restrictions are, however, not applicable to (i) securities issued by companies which are wholly or partly owned and controlled by PEPR, (ii) any ProLogis Private Equity Fund or ProLogis Joint Venture created in the form of a Luxembourg regulated investment fund, and (iii) investments of PEPR which are subject to the twenty per cent. (20%) risk diversification rule referred to in the next paragraph.

In order to achieve a minimum spread of investment risks, PEPR will not invest more than twenty per cent. (20%) of its net asset value, directly or indirectly through companies or entities which are wholly-owned subsidiaries of PEPR in a single real estate property or a company, or other investment vehicle which is partly owned by PEPR and which PEPR does not control.

Subject to the terms and conditions of the Private Equity Fund Investment Agreement, PEPR shall have (i) the right to subscribe up to thirty per cent. (30%) of the equity securities and securities convertible into equity securities issued by any ProLogis Private Equity Fund, and (ii) the right to participate in ProLogis Joint Ventures. Such investment will not be subject to any of the restrictions set forth in the above paragraphs, provided that the relevant ProLogis Private Equity Fund or ProLogis Joint Venture has been created in the form of a Luxembourg regulated investment fund.

PEPR shall not be required to pay a subscription fee or placement fee with respect to any investment which it makes in a ProLogis Private Equity Fund or ProLogis Joint Venture.

PEPR will not enter into or invest in options, futures or other derivative transactions for speculative purposes and may only enter into such transactions for hedging purposes to mitigate currency and/or interest rate risks.

Hedging arrangements may be entered into in respect of the currency risk associated with distributions attributable to a Class of Units or Series thereof denominated in a currency other than Euro.

PEPR may incur indebtedness whether secured or unsecured. However, save as prescribed below, PEPR and its consolidated subsidiaries may not incur additional indebtedness (whether secured or unsecured) which would cause the value of total indebtedness of PEPR and its consolidated subsidiaries in the aggregate to exceed sixty per cent. (60%) of the aggregate, as at the most recent Valuation Day prior to the incurrence of such indebtedness, of (i) the Gross Property Value of Distribution Facilities or other properties and property rights beneficially owned directly or indirectly by PEPR and its consolidated subsidiaries and (ii) the value of debt and equity interests of PEPR in real estate companies or in other real estate investment vehicles, which are not consolidated in the accounts of PEPR, including both non consolidated ProLogis Private Equity Funds and non consolidated ProLogis Joint Ventures.

For the purposes of effective cash management, PEPR may exceed such indebtedness limit for temporary or short term purposes for a period not to exceed six (6) months, provided that such total indebtedness shall not exceed sixty-five per cent. (65%) of such aggregate valuation at any time.

Article 8. Issue of Units

The Management Company shall, subject to the consent of the PEPR Board and subject, except as provided below, to the consent of at least fifty per cent. (50%) of all Unitholders, except Preferred Unitholders, present or represented at the relevant general meeting of Unitholders, have the ability to issue Units of the same Class or different Classes or Series within such Classes subject to the terms of these Management Regulations and the Schedule by amending, where appropriate, these Management Regulations provided that such amendments are not inconsistent with the terms of these Management Regulations in respect of the Classes of Units or Series of Units within such Classes as are specifically prescribed below. No quorum requirements have to be complied with in relation to such general meeting. Fractional Units shall have no right to vote but shall have the right to participate pro-rata in distributions of Distributable Cash Flow and allocation of Residual Value in the event of the winding-up of PEPR.

Notwithstanding the preceding paragraph, the Management Company shall, subject to the consent of the PEPR Board, be entitled in each fiscal year to cause PEPR to issue Units of different Classes or Series within such Classes for an aggregate issue price up to ten per cent. (10%) of the total economic value of issued Units at the start of the relevant fiscal year, without the approval of the Unitholders.

Units will be denominated in such currency as the Management Company with the approval of the PEPR Board shall determine.

In accordance with the terms of these Management Regulations the following Classes of Units are in issue:

- Ordinary Units are denominated in Euro and were issued partly paid with an initial issue price per Unit of €10 in minimum investment amounts of 100,000 Units (or such lesser amount as approved by the Management Company) to investors. The balance of the issue price of all Ordinary Units has been called. Ordinary Units shall be issued in one Series only.
- Class A(1) Preferred Units are denominated in Euro and will be issued on or about 23 December 2009 fully paid with an initial issue price per Unit of € 5.93 being equal to the NAV per Ordinary Unit as of 30 September 2009, shall be convertible into Ordinary Units at the conversion rate and at the times specified below and shall be subject to redemption by the Management Company as specified below. Class A(1) Preferred Units are entitled to a cumulative preferred cash distribution and reimbursement of Invested Capital as set out in Article 15, Article 20 and the Schedule. In respect of the Class A(1) Preferred Units the conversion rate is 1 Ordinary Unit for each Class A Preferred Unit, subject to the adjustment as described below. In accordance with Article 18.2 of these Management Regulations, a change to the Management Regulations which only impacts Class A(1) Preferred Units requires a vote by a simple majority of Class A(1) Preferred Units to approve such change.

If a split or reverse split of Ordinary Units is effected, the conversion rate of Preferred Class A(1) Units into Ordinary Units will be adjusted accordingly. The Management Company will seek confirmation from the external auditor of PEPR on the accuracy of the adjustment of the conversion rate.

Class A(1) Preferred Units are convertible into Ordinary Units at any time at the option of the holder thereof by sending a conversion notice to the Management Company at its registered address. Ordinary

Units issued following the conversion of the Class A(1) Preferred Units will be subject to these Management Regulations, will be fully fungible with the other existing Ordinary Units of PEPR and will carry all rights attached to such Ordinary Units as from their delivery date. However, in the event of winding-up of PEPR, the right to convert the Class A(1) Preferred Units will lapse at 17.00hrs Luxembourg time on the Business Day prior to the record date of the first payment of Residual Value. The record date in relation to such payment will be announced by the Management Company at least 14 days in advance. In the event of redemption at the initiative of the Management Company, the right to convert shall lapse on the seventh Business Day prior to the date set for redemption.

Further, Class A(1) Preferred Units will automatically convert into Ordinary Units on the first date after the seventh anniversary of the date of first issue of the Class A(1) Preferred Units on which the arithmetic mean, calculated over the period of 20 consecutive Business Days of the opening trading prices of the Ordinary Units on the Euronext Amsterdam Stock Exchange or, if different, the primary stock exchange on which the Ordinary Shares are listed is above 130 per cent of the issue price of the Class A(1) Preferred Units, adjusted as appropriate in order to take into account any split or reverse split of Ordinary Units. Such conversion however only occurs if there are no accrued and unpaid preferred distributions outstanding within the meaning of Article 15.(i) but will occur automatically on the first date on which there are no such accrued and unpaid distributions outstanding.

In the event of an issue at the initiative of the Management Company of additional Ordinary Units or Preferred Units convertible into Ordinary Units, the Management Company will reserve preferential subscription rights to both the Ordinary Units and Class A(1) Preferred Units on a rateable basis based on the then applicable conversion ratio.

The Management Company shall have the ability, subject to the terms of the Management Regulations, to issue Classes of Units entitled to a preferred cash distribution subject to amending these Management Regulations in accordance with the terms hereof in order to define the preferred distributions such Units are entitled to. Preferred Units, if any, will be issued in Series and may be convertible and/or subject to redemption in accordance with the terms prescribed by the Management Company on issue.

Preferred Units, if any, will be entitled to a preferred cash distribution as set out in Article 15, Article 20 and the Schedule.

Where the Management Company so determines at the time of issue, the Preferred Units of the relevant Series shall be convertible, in whole or in part at the option of the Preferred Unitholders into Ordinary Units at the conversion rate specified by the Management Company on issue provided that the issue price of the relevant Series of Preferred Units divided by such conversion rate must at least be equal to the applicable NAV per Ordinary Unit at the date of the issue of the relevant Series of Preferred Units.

PEPR will not be required to pay any accrued but unpaid cash distributions or interest thereon on any Preferred Units for which a conversion notice has been given to PEPR.

Where the Management Company so determines at the time of issue, Preferred Units may be subject to redemption by the Management Company.

Class A(1) Preferred Units are issued for an unlimited period of time but may be redeemed at the initiative of the Management Company following delivery of a redemption notice on Class A(1) Preferred Unitholders as follows:

- a) in whole on the last Business Day in the year 2016 or the last Business Day of every calendar quarter thereafter,
- b) in whole in the event of a change in legal form of PEPR pursuant to Article 20 hereof within the period of 24 months following the date of issue of the Class A(1) Preferred Units,
- c) in whole in the event of an increase of the rate of preferred return to take into account a deduction or withholding of tax imposed upon PEPR in respect of the payment of preferred distributions, (1) arising as a result of a change in or amendment to Luxembourg tax law which change or amendment becomes effective after the date hereof and (2) such obligation cannot be avoided by PEPR taking reasonable measures available to it,
- d) in whole if PEPR ceases to be controlled by ProLogis or a ProLogis Related Party, or
- e) in whole if ProLogis increases its ownership directly or indirectly to more than fifty per cent. of the Ordinary Units of PEPR,

provided that in relation to items d) and e) above, PEPR is also subject to a rating downgrade as such term is defined in Part I and II of the Schedule to these Management Regulations.

The notice of redemption shall be given no less than 30 days and no more than 60 days prior to the date fixed for redemption and shall set forth the date of redemption. Furthermore, the Class A(1) Preferred Units can not be redeemed if the NAV of the Class A(1) Preferred Units is below their issue price plus accrued and unpaid preferred distributions.

Notwithstanding the foregoing, Class A(1) Preferred Units can not be redeemed at any time unless (i) in the event of a redemption other than in relation to a change in the legal form of PEPR within 24 months of the date of issue of the Class A(1) Preferred Units, the aggregate redemption price is less than the net proceeds received by PEPR from the issue (in the period commencing 180 days prior to the date of redemption) of further Ordinary Units or other Classes of Units ranking equal or junior to the Class A(1) Preferred Units in the waterfall for distribution of Distributable Cash Flow under Article 15 and the waterfall for allocation of Residual Value under Article 20; and (ii) in the event of a redemption in relation to a change in the legal form of PEPR within 24 months of the date of issue of the Class A(1) Preferred Units, the aggregate redemption price is less than the net proceeds received by PEPR from the issue (completed in the period commencing 180 days prior to the date of redemption) of Ordinary Units. In the event of any redemption, the Preferred Units will, in accordance with Articles 12 and 20, be entitled to the allocation as set forth in the Schedule.

Units shall be issued in registered and definitive form only.

The Management Company is authorised to make an application for listing of each Class of Units (and Series thereof) on the Luxembourg Stock Exchange, the Euronext Amsterdam Stock Exchange and such other major stock exchanges as the Management Company may determine.

Units will be issued in the manner described herein. Any Prospectus in respect of such Units shall set forth all material terms governing such Units including, without limitation, the initial issue price per Unit, minimum investment amount, details of funding and conversion rights (if any).

The Management Company shall at all times consider the adequacy of the financial resources of PEPR. The Management Company shall at each meeting of the PEPR Board advise the PEPR Board of PEPR's available financial resources.

The initial issue price of any new Class of Units (or Series thereof) shall be determined by the Management Company and shall be set forth in the Prospectus in respect of such Class of Units (or Series thereof). Any Series of such Units shall be issued on the same date and at the same issue price.

The minimum number or value of Units that may be subscribed for by an investor shall be determined by the Management Company and set forth in the Prospectus in respect of such Units.

Where new Units are issued in accordance with the provisions of these Management Regulations, the existing holders of the same Class or Series thereof shall be reserved the right to subscribe for new Units or Series of such Class or similar Classes on a preferential and rateable basis in accordance with the provisions contained in the Law of 10 August 1915 on Commercial Companies governing preferential subscription rights for shares issued by public limited companies and such law shall be deemed to apply to PEPR. At the time of resolving to issue new Units, the general meeting of Unitholders or the Management Company, where applicable, can decide to waive the right of existing holders of the same or similar Classes to subscribe to the new Units on a preferential and rateable basis. The Management Company may also waive such preferential subscription rights when the new Units are being issued pursuant to the Management Company's power to cause PEPR to issue new Units in each fiscal year for an aggregate issue price of up to ten per cent. (10%) of the total economic value of issued Units at the start of the relevant fiscal year without the approval of Unitholders, as described in the second paragraph of this Article.

Where Ordinary Units are issued in accordance with these Management Regulations, ProLogis and ProLogis Related Parties shall, notwithstanding that preferential subscription rights have generally been waived with respect to such issuance pursuant to the preceding paragraph, have a preferential subscription right to subscribe for Ordinary Units such as to ensure a ProLogis ownership of Ordinary Units at or above twelve point five per cent. (12.5%) of the Ordinary Units in issue until 30 June 2008, and no less than ten per cent. (10%) thereafter.

Where PEPR offers Units of the same Class (or of an additional Series thereof) for subscription after the date of first issue of Units of such Class (or Series thereof), the price per Unit at which such Units are offered shall be the NAV per Unit of the first Series of Units of the relevant Class as determined in compliance with Article 9 hereof as of such Valuation Day as is determined in accordance with such policy as the Management Company may from time to time determine.

The price at which Units may be issued may be increased by (i) a market premium (*commission*) based on the difference, if positive, between the economic value of each Unit of the same or similar Class, as determined by the

Management Company taking into account relevant market and financial factors, minus the NAV per Unit of such same or similar Class, charged for the benefit of PEPR, and (ii) a placement fee of up to five per cent. (5%) charged to investors for the benefit of PEPR or placement agents, as determined by the Management Company, provided that if this placement fee is charged for the benefit of PEPR, then investors investing at the same time shall be treated on an equal basis. The contributions in cash corresponding to the issue price so determined shall be made within a period as determined by the Management Company. Subject to the provisions of these Management Regulations, the Management Company shall make such arrangements as it deems appropriate for the sale of Units, including the requirement of purchasers of Units to enter into subscription agreements containing terms not inconsistent with the provisions of these Management Regulations.

The Management Company may, at its discretion, discontinue temporarily, cease permanently or limit the issue of Units at any time to persons or corporate bodies resident or established in certain particular countries and territories. The Management Company may exclude certain persons or corporate bodies from the acquisition of Units, if such measure is necessary for the protection of the Unitholders as a whole or PEPR. The Management Company may reject in its absolute discretion any application for Units.

The Management Company may enter into distribution agreements with any persons to act as duly authorised distributors of Units. Such distribution agreements may contain such terms and conditions and provide for fees (subject to PEPR Board approval under Article 4) on an arms' length basis as the parties thereto shall negotiate, including the provision of authority to such duly authorised distributors to charge purchasers of Units sales commissions and retain such commissions, but, without prejudice to the Management Company's ability to decide that sales commission to distributors are payable from the net assets of PEPR. Any such person may, with the consent of the Management Company, enter into sub-distributor agreements with other persons, compensation for which shall be paid from the fee of such person.

Article 9. Calculation of NAV per Unit

The NAV per Unit of each Class (or any Series thereof) shall be expressed in the relevant currency of denomination of such Units and shall be determined as at any Valuation Day by dividing (i) the net assets of PEPR attributable to each Class of Units (or any Series thereof), being the value of the portion of assets less the portion of liabilities attributable to such Class (or Series thereof), on any such Valuation Day, by (ii) the number of Units in the relevant Class (or Series) then outstanding, in accordance with the valuation rules set forth below, provided that the assets attributable to each Class of Units (or Series) shall be determined in accordance with the rules applicable to the distribution of Residual Value upon a winding-up of PEPR set forth in Article 20 and the Schedule.

The NAV per Unit may be rounded up or down to the nearest unit of currency of denomination of such Unit as the Management Company shall determine. If since the time of determination of the NAV of a Class of Units (or Series thereof) there has been a material change in relation to (i) a substantial part of the properties or property rights of PEPR or (ii) the quotations in the markets on which a substantial portion of the investments of PEPR are dealt in or quoted, PEPR may, in order to safeguard the interests of the Unitholders and PEPR, cancel the first valuation and carry out a second valuation.

The accounts of the real estate companies or other real estate investment vehicles in which PEPR has a majority interest will be consolidated with the accounts of PEPR in accordance with IFRS and accordingly the underlying assets and liabilities are valued in accordance with the valuation rules described below. The minority interests in quoted real estate companies and unquoted real estate companies or other real estate investment vehicles are valued respectively on the basis of the last available quotation and the probable net realisation value estimated by the Management Company with prudence and good faith.

The assets and liabilities of PEPR for these purposes shall be determined in the following manner:

For the purpose of the valuation of real estate, the Management Company for and on behalf of PEPR shall appoint an independent real estate appraisal professional who is licensed where appropriate and operates, or has subcontracted, with the approval of the Management Company, its duties to any entity who operates, in the jurisdiction where any relevant property is located and whose appointment is approved by the PEPR Board in accordance with Article 4 on an annual basis; in circumstances where this professional is conflicted, the Management Company may appoint one (or several) additional independent real estate appraisal professional(s), meeting the same criteria, for the valuation of the real estate (the "**Independent Appraiser**"). The Independent Appraisers currently appointed are Jones Lang LaSalle Limited and DTZ Zadelhoff. The Independent Appraiser shall not be affiliated with ProLogis. With respect to each property, such valuation may be carried out once a year and used during the next following twelve months for the purposes of calculating the NAV unless, in the opinion of the Management Company, there is a change in the general economic situation or in the condition of the relevant properties or property rights held by PEPR or by any of the companies in which PEPR has a shareholding which requires new valuations to be carried out under the same conditions as the annual valuations.

The value of the assets and liabilities of PEPR, including, for the avoidance of doubt, investments made by PEPR in any ProLogis Private Equity Funds and ProLogis Joint Ventures, shall be determined in accordance with IFRS, and in relation to Distribution Facilities (directly or indirectly through subsidiaries other than ProLogis Private Equity Funds and ProLogis Joint Ventures) owned by PEPR, such valuation will be effected by the Independent Appraiser.

For the purpose of this Article 9:

1. Units of PEPR to be redeemed (if any) shall be treated as existing and taken into account until the date fixed for redemption, and from such time and until paid by PEPR the price therefor shall be deemed to be a liability of PEPR;
2. Units to be issued by PEPR shall be treated as being in issue as from the date of issue and from such time and until received by PEPR the price therefor shall be deemed to be a debt due to PEPR;
3. all investments, cash balances and other assets expressed in currencies other than the currency of denomination of the relevant Units shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the NAV; and
4. where on any Valuation Day, PEPR has contracted to:
 - purchase any asset, the value of the consideration to be paid for such asset shall be shown as a liability of PEPR and the value of the asset to be acquired shall be shown as an asset of PEPR;
 - sell any asset, the value of the consideration to be received for such asset shall be shown as an asset of PEPR and the asset to be delivered by PEPR shall not be included in the assets of PEPR;

provided, however, that if the exact value or nature of such consideration or such asset is not known on such Valuation Day, then its value shall be estimated by PEPR.

For the avoidance of doubt, the provisions of this Article 9 are rules for determining NAV per Unit and are not intended to affect the treatment for accounting or legal purposes of the assets and liabilities of PEPR or any Units issued by the Management Company.

Article 10. Unit Certificates

The Management Company or the agent appointed in relation thereto will maintain a register of Unitholders and will issue, in representation of Units, certificates in registered and definitive form. A Unit certificate will be issued for any whole and/or fractional number of Units. Each certificate shall be signed for and on behalf of the Management Company (by one or several Managers and by the Custodian), which may be by facsimile.

Lost, stolen or destroyed Unit certificates may be replaced in accordance with Luxembourg law.

Article 11. Transfer of Units and Restrictions

Units of any Class may be owned or transferred by Unitholders subject to the restrictions indicated hereafter and as specified elsewhere in these Management Regulations.

1. Restrictions on Ownership of Units

Section 1. Definitions.

For the purposes of this Article 11, the following terms shall have the following meanings:

“Beneficial Ownership” shall mean beneficial ownership as defined under Rule 13d-3 of the U.S. Securities Exchange Act of 1934, as amended, and, with respect to such meaning, Beneficial Ownership by any Person shall include Beneficial Ownership by other Persons who are part of the same group as the original Person for the purposes of Rule 13d-3. The terms **“Beneficial Owner”**, **“Beneficially Owns”** and **“Beneficially Own”** shall have the correlative meanings.

“ERISA” shall mean the U.S. Employee Retirement Income Security Act of 1974, as amended.

“ERISA Investor” shall mean any “employee benefit plan” within the meaning of Section 3(3) of ERISA that is subject to Title I of ERISA, (b) any “plan” (as defined in Section 4975(e)(1) of the IRC (as defined in Article 22), including without limitation, an individual retirement account), that is subject to Section 4975 of the IRC (as defined in Article 22), (c) an entity whose underlying assets include assets of a plan described in (a) or (b) by reason of a plan’s or plans’ investment in such entity or (d) an entity that otherwise constitutes a Benefit Plan Investor (as defined in the Plan Asset Regulation promulgated by the U.S. Department of Labor) that is subject to Title I of ERISA or Section 4975 of the U.S. Internal Revenue Code, including but not limited to, an insurance company general account, an insurance company separate account, a collective investment fund or a

governmental plan (whether foreign or domestic) or a plan maintained by a foreign corporation, as applicable.

“Excess Units” shall mean Ordinary Units in excess of the Ownership Limit whether resulting from subscription of Ordinary Units, transfer or otherwise.

“Excess Units Fiduciary” shall mean a person unaffiliated with PEPR identified by the Management Company as a fiduciary for the purposes herein.

“Excluded Holder” shall mean ProLogis and a ProLogis Related Party, or any other Person, as identified by the Management Company.

“Ownership Limit” shall mean nine point nine per cent. (9.9%) in number of PEPR’s outstanding Ordinary Units held by a single Person or fifty per cent. (50%) in number of PEPR’s outstanding Ordinary Units held in aggregate by five or fewer Persons. The number of the outstanding Ordinary Units shall be determined by the Management Company in good faith, which determination shall be conclusive for all purposes hereof.

“Person” shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated association or government or any agency or political sub-division thereof.

“Prohibited Unitholder” shall mean any of (i) a Non-Exempt Unitholder, (ii) an ERISA Investor or (iii) a U.S. person purchasing Units from another Unitholder.

“Purported Beneficial Transferee” shall mean, with respect to any purported Transfer which results in Excess Units, the beneficial holder of the Ordinary Units, if such Transfer had been valid under Section 2 of this Article 11.

“Transfer” shall mean any sale, transfer, gift, assignment, devise or other disposition of Ordinary Units. The terms

“Transfers” and **“Transferred”** shall have the correlative meanings.

Section 2. Ownership Limitation.

- A. A single Person who is a Beneficial Owner (other than an Excluded Holder) and owns Ordinary Units in excess of the Ownership Limit applicable to a single Person shall be prohibited from exercising voting rights in respect of Excess Units, and accordingly any purported votes of such Excess Units (save by the Excess Units Fiduciary) shall be disregarded and shall have no effect.
- B. Any five or fewer Persons who are Beneficial Owners (other than an Excluded Holder) and who collectively own Ordinary Units in excess of the Ownership Limit shall be prohibited from exercising voting rights in respect of Excess Units, and accordingly any purported votes of such Excess Units (save by the Excess Units Fiduciary) shall be disregarded and shall have no effect.
- C. The transfer of Ordinary Units that shall result in a breach of the provisions in (A) and (B) above shall result in such Ordinary Units becoming Excess Units and such Ordinary Units shall be transferred to an Excess Units Fiduciary and accordingly the voting rights in respect of the Excess Units shall be transferred to such Excess Units Fiduciary so that the Ordinary Units will cease to be Excess Units. Where a Person holds Ordinary Units in breach of the Ownership Limit, the Management Company may compulsorily transfer such Excess Units to the Excess Units Fiduciary.
- D. Nothing contained in this Article 11 shall preclude the settlement of any transaction entered into through the facilities of any securities exchange. However, any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article 11.

Section 3. Excess Units.

In determining which Ordinary Units are Excess Units, Ordinary Units in excess of the applicable Ownership Limit which are Beneficially Owned by any Person whose Transfer caused the relevant Ownership Limit to be exceeded shall become Excess Units. Where several such Persons exist, the creation of Excess Units shall be pro rata.

Where the Ownership Limit applies to five or fewer persons, the creation of Excess Units shall also be pro rata.

Section 4. Notice to PEPR.

Any Person who acquires or attempts to acquire Ordinary Units in violation of Section 2 herein, or any Person who is a transferee such that Excess Units result under Section 2 herein, shall immediately give written notice to PEPR. Persons required to give notice under this Section 4 shall provide PEPR with such other information as PEPR may reasonably request in order to allow PEPR to apply the ownership, voting and transfer restrictions of this Article 11.

Section 5. Information Reporting.

Every Person owning Ordinary Units shall provide to PEPR information as PEPR may reasonably request in order to allow PEPR to apply the ownership, voting and transfer restrictions of this Article 11.

Section 6. Ambiguities.

In the case of an ambiguity in the application of any of the provisions of this Article 11, including any definition contained in Section 1, the Management Company shall have the power to determine the application of the

provisions of this Article 11 with respect to any situation based on the facts known to it.

Section 7. Increase or Decrease in Ownership Limit.

Subject to the limitations provided in Section 8 of this Article 11, the Management Company may from time to time increase the percentage of the Ownership Limit. For the avoidance of doubt, the Management Company may also, with the approval of the general meeting of Unitholders decrease the percentage of the Ownership Limit. Any such decrease may only be made prospectively as to subsequent Unitholders.

Section 8. Waivers by the Management Company.

Notwithstanding Section 2 herein, the Management Company may exempt a person from the Ownership Limit if the Management Company obtains such representations and undertakings from such person as the Management Company may deem appropriate. In particular, the Management Company has exempted from the Ownership Limit Unitholders which hold more than nine point nine per cent. (9.9%) in number of PEPR's outstanding Ordinary Units immediately prior to the date of the IPO, provided that any such Unitholders shall be subject to an ownership limit of twenty per cent. (20%) in number of PEPR's outstanding Ordinary Units, and if such Unitholders acquire Ordinary Units in excess of such ownership limit, such Units shall be treated as Excess Units in accordance with this Article. For the avoidance of doubt, the above twenty per cent. (20%) ownership limit shall be without prejudice to the status of ProLogis and any ProLogis Related Party as Excluded Holders not subject to any ownership limit.

Section 9. Severability.

If any provision of this Article 11 or any application of any such provision is determined to be void, invalid or unenforceable by any court having jurisdiction over the issue, the validity and enforceability of the remaining provisions shall be affected only to the extent necessary to comply with the determination of such court.

Section 10. Rights in Respect of Excess Units.

The Excess Units Fiduciary shall hold the Excess Units transferred to it pursuant to this Article 11 for the exclusive benefit of the Purported Beneficial Transferee in accordance with the terms of this Section 10:

- a) the Excess Units Fiduciary shall be entitled to vote or decline to vote the Excess Units without reference to the Purported Beneficial Transferee and the Purported Beneficial Transferee shall not have the right to direct the Excess Units Fiduciary as to how such Ordinary Units shall be voted;
- b) the Excess Units Fiduciary shall hold all distributions and the proceeds of the redemption of Excess Units for the benefit of the Purported Beneficial Transferee and shall account to it for all such payments; and
- c) the Excess Units Fiduciary shall transfer Ordinary Units to the order of the Purported Beneficial Transferee. The proceeds of any sale on such transfer shall be remitted to the Purported Beneficial Transferee by the Excess Units Fiduciary.

2. Restrictions on ProLogis' Transfer of Units

Subject as provided below, ProLogis agrees that it shall directly or indirectly through one or more entities, each of which shall be a ProLogis Related Party, maintain an aggregate ownership at or above twelve point five per cent. (12.5%) of the Ordinary Units in issue until 30 June 2008, and no less than ten per cent. (10%) thereafter.

For the purposes of determining whether ProLogis has satisfied the ownership requirement above, holdings of Ordinary Units which are held indirectly by ProLogis shall be calculated on the basis of the maximum economic interest in such holding of Ordinary Units as can be attributed back to ProLogis on the basis of the economic interest owned directly or indirectly by ProLogis, in and through each such ProLogis Related Party.

Although ProLogis as a Unitholder and any Unitholder who is a ProLogis Related Party may sell, transfer or otherwise dispose of their Ordinary Units to any ProLogis Related Party, no other sale, transfer or disposal of Ordinary Units by ProLogis or any ProLogis Related Party shall be permitted that would otherwise cause a breach of this Part 2 of Article 11. The Management Company shall provide quarterly reports to Unitholders describing transfers in such quarter of Ordinary Units by ProLogis or by any ProLogis Related Party to any person (other than to ProLogis or to any ProLogis Related Party) and in such report the Management Company shall confirm that ProLogis has complied with the ownership requirement above.

Where ProLogis and any ProLogis Related Party shall fail to comply with the ownership requirement of this Part 2 of Article 11 by reason of a sale, transfer or disposal of Ordinary Units by ProLogis or any ProLogis Related

Party then:

- a) the base management fee which would otherwise be payable to the Management Company pursuant to Article 13 shall not accrue or be payable in respect of the period during which the breach of the ownership obligations under this Part 2 of Article 11 occurred and in any period it shall continue; and
- b) the Ordinary Unitholders shall be entitled to terminate the Management Company pursuant to Article 17 at any time during which the breach of such ownership obligations shall continue.

Where the breach of such ownership obligations shall occur by reason of any event other than a sale, transfer or disposal by ProLogis or any ProLogis Related Party, then the Ordinary Unitholders shall be entitled to terminate the Management Company in accordance with paragraph (b) of this Part 2 of Article 11 but no other remedy or claim for loss shall apply in respect of such breach.

3. General Transfer Restrictions

PEPR will not recognise any attempted resale or other transfer of Units unless made in accordance with the transfer restrictions imposed in any subscription for Units, including, for the avoidance of doubt, transfer restrictions under ERISA, the U.S. Securities Act of 1933, as amended, and the U.S. Investment Company Act of 1940, as amended.

4. Prohibited Unitholders

PEPR shall be entitled not to register the transfer of Units if it reasonably determines that an entity which owns or owned such Units, directly or indirectly, is (i) a Non-Exempt Unitholder and PEPR or any Relevant Entity (as defined in Article 15) may be liable to pay any French 3% Tax as a result of such ownership and there are no reasonably satisfactory alternative arrangements for the payment of such French 3% Tax by the relevant Non-Exempt Unitholder, (ii) an ERISA Investor, or (iii) a U.S. Person purchasing Units from another Unitholder.

The Management Company shall adopt such measures as are reasonably practicable in order to avoid the acquisition of Units by Prohibited Unitholders. Furthermore, the Management Company shall adopt such steps as are available to it under the Management Regulations and as are reasonably practicable (having regard to the nature of PEPR post-IPO as a publicly traded vehicle) to (i) monitor whether Units are owned, directly or indirectly, by Prohibited Unitholders, and (ii) prevent such Prohibited Unitholders from owning such Units.

5. Ownership Limit Override

The above restrictions on ownership of Ordinary Units, and general transfer restrictions (other than transfer restrictions related to Prohibited Unitholders, as described in Article 11.4 above) shall not apply if any Person has offered to all holders of all Classes of Ordinary Units the acquisition of their Ordinary Units at a price set out in the offer and Unitholders holding more than ninety-five per cent. (95%) of all such Ordinary Units, excluding Ordinary Units held by ProLogis or any ProLogis Related Party, have accepted the transfer of their Ordinary Units to such offeror. In such case, the transfer of Ordinary Units shall not be voidable and unenforceable against PEPR.

6. General

In the absence of any indication of joint holding and save in respect of a specific Class or Series of Ordinary Units identified in a Prospectus where a separate agreement has been made with the person in whose name such Ordinary Units are registered in the Ordinary Unit register, the Management Company or any duly appointed agent thereof may regard, and shall be fully protected in dealing with, the person in whose name Ordinary Units are registered in the Ordinary Unit register as being the absolute owner of such Ordinary Units, and shall be entitled to disregard, and take no notice of, any right, interest or claim of any other person in or to such Units.

In order to give effect to the provisions on the restrictions on Transfer of Ordinary Units described above, any certificates evidencing the Ordinary Units will be endorsed with a legend describing the substance of those provisions and restrictions.

Article 12. Redemption of Units and Compulsory Transfer of Units

Units shall not be redeemable at the option of Unitholders.

Units shall be redeemed by the Management Company in accordance with the provisions set out in Articles 8 and 20. In addition, Units may be called by the Management Company for redemption or be compulsorily transferred to any other person in the following circumstances:

- i. if the continued participation of a Unitholder is likely to cause PEPR or the Management Company to violate any material law, regulation, or interpretation or would result in PEPR, the Management Company or any Unitholder suffering material taxation, economic or other disadvantages which they would not have suffered had such person not been or ceased to be a Unitholder;
- ii. if such Unitholder has materially violated any provision of these Management Regulations, including for the avoidance of doubt the breach of the Ownership Limit or any other restrictions on ownership of Units;
- iii. if the Units were acquired or are being held, directly or indirectly, by or for the account or benefit of any person in violation of the provisions of these Management Regulations or the transfer restrictions set forth in the relevant Prospectus or offering document;
- iv. if in the opinion of the Management Company (a) such redemption would be appropriate to protect PEPR from registration of the Units under the U.S. Securities Act of 1933, as amended, or from registration of PEPR under the U.S. Investment Company Act of 1940, as amended; or (b) the holding of such Units would cause material regulatory or tax or other fiscal disadvantage to PEPR;
- v. if the Units were acquired or are being held by or for the account of any employee benefit plan subject to Title I of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended; and
- vi. such other circumstances as the Management Company may determine, where continued ownership would be materially prejudicial to the interests of PEPR or the Unitholders.

Units which are to be redeemed by PEPR or compulsorily transferred may be redeemed by PEPR or compulsorily transferred upon the Management Company giving to the registered Unitholder not less than thirty (30) days' notice in writing of the intention to redeem or compulsorily transfer such Units specifying the date of such redemption or compulsory transfer, which must be a Business Day.

The amount payable on such redemption of Units shall be the NAV of the Units of the relevant Class (or Series thereof) on the most recent Valuation Day prior to redemption. Such redemption amount shall be payable without interest, as soon as practicable (having regard to the liquidity of the Portfolio and the interest of Unitholders) after the effective date of the redemption and may be paid in cash or, subject to the approval of each relevant individual Unitholder, marketable securities. Costs associated with the redemption or compulsory transfer may, if the Management Company so decides, be charged to the Unitholder whose Units are redeemed or transferred and such costs shall be deducted from the redemption or transfer proceeds payable to the Unitholder in circumstances where the Management Company has exercised its power to redeem or compulsorily transfer Units pursuant to paragraph (ii) or (iii) of this Article 12.

The amount payable on compulsory transfer shall be the lesser of (i) the NAV or (ii) the best price reasonably obtainable from any other person as determined by the Management Company at its reasonable discretion.

Any Units in respect of which a notice of redemption has been given shall not be entitled to participate in any distributions by PEPR in respect of the period after the date specified as the date of redemption in the notice of redemption.

At the date specified in the notice of redemption or compulsory transfer, the Unitholder whose Units are being redeemed or compulsorily transferred shall be bound to deliver to the Management Company or any duly appointed agent thereof the certificate issued in representation of the relevant Units for cancellation.

In order to give effect to the provisions on redemption and compulsory transfer of Units described above, any certificates evidencing the Units will be endorsed with a legend describing the substance of those provisions and restrictions.

Should PEPR be determined to be subject to ERISA, it may redeem Units held directly or indirectly by ERISA Investors as necessary to make ERISA inapplicable to PEPR.

Article 13. Charges and Expenses of PEPR

PEPR will bear the following charges and expenses in respect of it:

- i. the fees and expenses of the Management Company as further set forth below;
- ii. operating expenses including all taxes, duties, stamp duties, governmental and similar charges, commissions, foreign exchange costs, bank charges, registration fees relating to investments, insurance and security costs as well as expenses of the issue, exercise and redemption of Units;
- iii. brokerage and other transaction fees and expenses (including, without limitation, legal, accounting, surveyors' and other professional fees) incurred on transactions with respect to the acquisition or disposal or proposed acquisition or disposal of the Portfolio and related expenses and valuation fees charged by the Independent Appraisers in connection with the acquisition or disposal of Distribution Facilities;

- iv. the fees and expenses of the Custodian and any Correspondent, the Listing and Paying Agent, Registrar and Transfer Agent, any paying agent, any distributors and permanent representatives in places of registration of PEPR, as well as any other agent employed by the Management Company for and on behalf of PEPR plus any applicable value added taxes;
- v. reasonable fees, travel and other out-of-pocket expenses incurred by the Independent Board Members in their role as Board Members;
- vi. accounting, due diligence, legal, surveyors', building contractors', estate managers' and other service providers' fees and expenses in relation to the Portfolio and all other fees and expenses incurred by the Management Company acting in respect of PEPR, including for the avoidance of doubt the reimbursement by the Management Company of out of pocket expenses incurred by the Investment Managers in respect of the Portfolio, and investments in the ProLogis Private Equity Funds and the ProLogis Joint Ventures, or proposed disposals or additions to the Portfolio or PEPR's investment in the ProLogis Private Equity Funds and the ProLogis Joint Ventures. Such fees and expenses shall be in line with market standards and may, for the avoidance of doubt, include fees and expenses of a ProLogis Related Party (e.g. leasing fees and commissions, construction management fees, legal fees and tax compliance fees; the legal fees, and tax compliance fees being subject to the prior approval of the PEPR Board in accordance with Article 4. k) and leasing fees and commissions and construction management fees being at or below market rates as shown by the schedule provided annually to the PEPR Board in accordance with Article 4. h)), when assisting the Management Company subject to the Management Company having specifically requested such assistance, but, for the avoidance of doubt, such fees and expenses shall not include fees and expenses of a ProLogis Related Party with respect to services provided in relation to Distribution Facilities owned by a ProLogis Private Equity Fund or a ProLogis Joint Venture and not owned directly by PEPR;
- vii. all fees and expenses relating to the placement and issue of Units in PEPR (including fees related to the IPO and underwriting commissions, but excluding fees related to other secondary placings of existing Units), and all fees and expenses relating to the arrangement of debt facilities of and for PEPR. Such fees and expenses shall include fees and expenses of a ProLogis Related Party assisting the Management Company subject to the Management Company having specifically requested such assistance, other than fees of a ProLogis Related Party relating to the arrangement of debt facilities of and for PEPR. The expenses shall include, but shall not be limited to, placement agents' fees and out-of-pocket expenses, legal, accounting, surveyors', valuation and other professional fees and expenses;
- viii. reporting and publishing expenses, including the cost of preparing and/or filing these Management Regulations and all other documents concerning PEPR, including any Prospectus and explanatory memoranda and registration statements with all authorities having jurisdiction over PEPR or the offering of Units of PEPR; the cost of preparing, in such languages as are required for the benefit of the Unitholders, including the beneficial holders of the Units, and distributing annual and all other periodic reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities and the costs and expenses of local representatives appointed in compliance with the requirements of such authorities;
- ix. the cost of preparing and distributing public notices to the Unitholders and the cost of convening Unitholders' Meetings;
- x. expenses incurred in determining PEPR's NAV;
- xi. the costs of preparing, printing and distributing all valuations, statements, accounts and performance and investment reports;
- xii. auditor's fees and expenses;
- xiii. the costs of amending and supplementing these Management Regulations, and all similar administrative charges;
- xiv. costs incurred to enable PEPR to comply with legislation and official requirements provided that such costs are incurred substantially for the benefit of the Unitholders and any fees and expenses involved in registering and maintaining the registration of PEPR with any Governmental agencies or listing of Units on the Luxembourg Stock Exchange, Euronext Amsterdam, or on stock exchanges in any other country, including for the avoidance of doubt the costs linked to the realisation of the IPO; and
- xv. all other costs and expenses in connection with the operations or administration of PEPR and the Portfolio and the achievement of the Investment Objective and Policy.

Where appropriate, the fees and expenses borne by PEPR may be charged to PEPR's subsidiaries.

Subject to the provisions in Part 2 of Article 11, PEPR pays the Management Company or its designee a management fee quarterly, in arrears in cash on each calendar quarter-end day immediately following the closing of the IPO equal to a percentage of the value of PEPR's interest (held directly or indirectly through its wholly-owned subsidiaries) in Distribution Facilities and in the net cash proceeds of sales of Distribution Facilities pending reinvestment, determined as of the most recent Valuation Day as follows:

- (i) 0.60% per annum of the Gross Property Value of the Portfolio, excluding for the avoidance of doubt

the interest of PEPR in the ProLogis Private Equity Funds and ProLogis Joint Ventures, as a base management fee;

- (ii) 0.10% per annum of the value of PEPR's interests in cash deposits, money market instruments or debt securities other than debt securities issued by companies or entities which are wholly or partly owned and controlled by PEPR, excluding for the avoidance of doubt cash deposits, money market instruments or debt securities held by a ProLogis Private Equity Fund or a ProLogis Joint Venture, or cash balances subject to cash pooling arrangements in the framework of commercial mortgage-backed securities transactions, as a cash management fee.

Subject to the following paragraph, PEPR shall pay the Management Company an incentive fee (if any, but which will not be less than zero) on 31 December 2008 and every year thereafter calculated on a rolling three years basis, equal to:

- a) 20% of the excess of IFRS net income per Unit (before the deduction of the incentive fee payable in the current fiscal year) for the relevant incentive period (equal to the previous three fiscal years, or for the first incentive fee calculation, fractional years since the date of IPO), above the sum of the product of a) NAV per Unit at the beginning of each fiscal year during the relevant incentive period (for fiscal year 2006, this was the NAV per Unit on the date of IPO), and b) a hurdle rate of 9% per annum; multiplied by
- b) the weighted average number of Units outstanding during the relevant incentive period; less
- c) an amount equal to the incentive fee payable on the above basis for any period during the relevant incentive period for which the Management Company has already been paid an incentive fee (or the amount that it would have been paid but for the provisions of the following paragraph) (excluding the current calculation), provided that such amount is greater than zero.

PEPR shall maintain a notional account in its records (the "**Fee Credit Account**") and on each occasion that PEPR pays or bears an incentive fee, carried interest or similar performance related fee with respect to PEPR's investment in a ProLogis Private Equity Fund or ProLogis Joint Venture, the amount of such fee which is paid or borne by PEPR shall be added to the Fee Credit Account. On each occasion that PEPR is required to pay an incentive fee in accordance with these Management Regulations (the "**Fee Amount**"), (i) if, as at the date on which the Fee Amount is payable, the amount of the Fee Credit Account is equal to or exceeds the Fee Amount, then no additional incentive fee shall be payable by PEPR in that fiscal year and the Fee Credit Account shall be reduced by the Fee Amount; or (ii) if, as at the date on which the Fee Amount is payable, the amount of the Fee Credit Account is less than the Fee Amount, then the Fee Amount payable with respect to the relevant fiscal year shall be reduced by the amount of the Fee Credit Account and, following such reduction, the Fee Credit Account shall be reduced to zero. For the avoidance of doubt, the Fee Credit Account is notional only and does not constitute an amount owing to PEPR or any Unitholder in any circumstances. The Fee Credit Account shall not bear interest.

For the avoidance of doubt, the incentive fee payable on 31 December 2008 will (i) reflect that no prior incentive fees would have been paid to the Management Company and (ii) the hurdle rate will be adjusted to reflect that PEPR will have been operating for less than three years since the date of IPO.

Except to the extent provided for in the Investment Management Agreement as at the date of these Management Regulations or as subsequently approved by the PEPR Board, any fees paid to the Investment Managers pursuant to Article 5 shall be deducted from the base management fee payable by PEPR to the Management Company which is specified above in accordance with the terms of the Investment Management Agreement.

In respect of Distribution Facilities, property management fees and expenses shall not be borne by PEPR. Such fees and expenses being at the lower of (i) the market rate or (ii) three per cent. (3%) of the aggregate rental revenue of the Portfolio may be charged by ProLogis or a ProLogis Related Party (through PEPR as landlord) to customers of PEPR.

Article 14. Fiscal Year, Audit and Information

The Management Company or any agent thereof shall maintain the principal records and books of PEPR in Luxembourg. The fiscal year and the accounts of PEPR will begin on 1 January and end on 31 December in each year during the term of PEPR except that the first fiscal period of PEPR ended on 31 December 2000 and the last fiscal year of PEPR shall terminate on the date of the final distribution in winding-up PEPR. The first interim report of PEPR, being a non-audited report, was published for the period ending 31 December 1999. The first annual report, being an audited report, was published for the period ending 31 December 2000.

The accounts of PEPR will be audited by independent auditors who shall be appointed by the Management Company with the approval of the PEPR Board and the annual general meeting of Unitholders. The accounts of PEPR will be prepared in Euro and in accordance with IFRS.

The Management Company shall, subject to reasonable notice, give Unitholders and their appointed agents access to all financial information of PEPR reasonably requested by such Unitholders to enable Unitholders to prepare tax returns and other regulatory filings. Any expenses incurred by the Management Company or PEPR in preparing specific information for or giving access to a Unitholder to such information shall be reimbursed together with value added tax (if applicable) by the relevant Unitholder, and in the absence of such reimbursement, such expenses may be deducted by the Management Company from distributions made to such Unitholder pursuant to these Management Regulations. The Management Company shall in consultation with the PEPR Board seek to develop an information circular containing material information about PEPR and its activities which will be issued on a quarterly basis to Unitholders.

Each Unitholder shall provide from time to time such information to PEPR as may be reasonably requested for the purpose of determining to what extent any Units are owned, directly or indirectly, by a Non-Exempt Unitholder, and provide any other information necessary to PEPR in view of fulfilling its tax compliance requirements, and PEPR shall provide such assistance as any Unitholder may reasonably request in connection therewith.

Article 15. Distributions

Distributions of Distributable Cash Flow (substantially all of which will be distributed in respect of the Units, subject to any legal restrictions on distributions) will be made quarterly (within 45 days following the relevant end of quarter) (or more frequently as the Management Company so determines, including in the case of accrued and unpaid returns on Preferred Units) in the following sequence:

- i. Preferred Units will receive pro-rata payment of amounts of accrued and unpaid preferred returns plus interest on any such accruals at the rate of preferred return specified in Part 1 of the Schedule;
- ii. Preferred Units will receive pro-rata payment of an amount in respect of each Preferred Unit, calculated to provide a return at the rate of preferred return specified in Part I of the Schedule on the average Invested Capital per Preferred Unit over the period from the preceding payment date;
- iii. Preferred Units which are subordinated to Preferred Units in paragraphs (i) and (ii) above (if any) will then receive payment on the same basis as in paragraphs (i) and (ii) in the order of subordination; and
- iv. all other Units will receive hundred per cent. (100%) of all remaining Distributable Cash Flow which the Management Company has decided should be distributed; provided, however, that at the time of issue of a new Class of Units, other than Preferred Units, the formula of distribution of Distributable Cash Flow amongst these Units shall be set out in an amendment to these Management Regulations.

If a cash distribution on any Class of Preferred Units is unpaid and accruing, no cash distributions will be made in respect of any other Class of Units (or Series thereof) which may be issued by the Management Company until all such unpaid amounts, together with interest thereon, have been paid.

To the extent PEPR or any entity which (i) owns, directly or indirectly, wholly or partially, any relevant asset and which (ii) is owned, wholly or partially, directly or indirectly, by PEPR (a “**Relevant Entity**”) is liable to pay any French 3% Tax because of the ownership, directly or indirectly, by any Non-Exempt Unitholder of Units and such French 3% Tax is not paid by the relevant Non-Exempt Unitholder on its own account, the Non-Exempt Unitholder shall pay the amount of the French 3% Tax to PEPR or as the Management Company may direct prior to the time it becomes payable by PEPR or any such Relevant Entity. To the extent not so paid, PEPR may and shall use reasonable efforts to either (a) deduct and set off the amount of such French 3% Tax from distributions on (i) any Units owned, directly or indirectly, by the relevant Non-Exempt Unitholder and (ii) any Units in relation to which the direct owner of the Units remains the same but the relevant Non-Exempt Unitholder has ceased to be the owner, direct or indirect, of such direct owner or (b) recover the amount of French 3% Tax from the relevant Non-Exempt Unitholder. In addition, the Management Company may, at any time, take such steps in accordance with Articles 11 and 12 of these Management Regulations as it deems appropriate.

The Management Company shall have the ability to decide that the proceeds from (i) the sale of any asset in the Portfolio, including, without limitation, Distribution Facilities, or (ii) any refinancing of the Portfolio or any asset of the Portfolio will be either distributed as Distributable Cash Flow or held for investment and re-investment.

Article 16. Amendments to the Management Regulations

The Management Company may amend these Management Regulations in the interest of the Unitholders with the prior approval of the PEPR Board and the consent of the Custodian, but for the avoidance of doubt without the consent of Unitholders, provided that such amendment:

1. relates to the issuance of new Units subject to compliance with the ten per cent. (10%) threshold of the aggregate issue price of Units issued in a fiscal year, as set out in Article 8; or

2. relates to the increase of the percentage of the Ownership Limit; or
3. would be necessary
 - a) in order to comply with fiscal or other statutory or official requirements affecting PEPR, or as otherwise specifically provided for in these Management Regulations;
 - b) in order to reflect a change of custodian, or other service providers to PEPR; or
 - c) in order to cure any ambiguity or to correct or supplement any provision of the Management Regulations that may be inconsistent with any other provision of such Management Regulations,

provided that any such amendment in 1 and 2 above would not, in the judgement of the Management Company, to any material extent, release any person from any liability or duty to Unitholders, disproportionately alter the interest of a Unitholder in relation to distributions of Distributable Cash Flow or Residual Value, or would increase the costs and charges payable by PEPR.

In any other circumstances, the prior approval of the PEPR Board and an affirmative vote of sixty-seven per cent. (67%) of all Units, other than Preferred Units, is required for any amendment of these Management Regulations. No such amendment shall become effective in the absence of the consent of the Custodian to such change.

Where practicable, Unitholders will be given 15 Business Days notice of all amendments that are adopted without their consent in accordance with the foregoing.

Additions to the Schedule and amendments to these Management Regulations will become effective on the date of their signature by the Management Company and the Custodian.

Article 17. Replacement of the Management Company

On 15 September 2016 and every fifth year thereafter, Ordinary Unitholders will have the opportunity to remove the Management Company, without cause, by a sixty-seven per cent. (67%) vote of Ordinary Units. Any successor to the Management Company will have to be approved by the Luxembourg Supervisory Authority prior to its appointment. The meeting of Ordinary Unitholders to vote on the termination of the Management Company under this paragraph may only be convened at the initiative of a simple majority of Independent Board Members (following a simple majority of Independent Board Members having voted to terminate the Management Company's appointment) or by the Management Company pursuant to Article 18.1. At the end of the first quarter of 2016 and every fifth year thereafter, in the quarterly report, the Management Company will notify Ordinary Unitholders that, subject to a simple majority of Independent Board Members voting to remove the Management Company without cause and voting to convene a meeting of Ordinary Unitholders, the Ordinary Unitholders will have the right to remove the Management Company later that year in the manner referred to above.

The Management Company may be terminated by action of Ordinary Unitholders at any time in the event of (i) gross negligence, wilful misconduct or fraud by the Management Company; or (ii) failure by ProLogis or a ProLogis Related Party to observe the ownership requirements and restrictions on transfer of Units set out in Part 2 of Article 11. The decision to terminate the Management Company in each such event is subject to the approval of a simple majority of Ordinary Units.

In circumstances where no successor Management Company can be found within two months of such termination, pursuant to Luxembourg law PEPR will be wound up in accordance with the winding-up provisions in Article 20.

The Management Company shall not resign or terminate PEPR save with the consent of the affirmative vote of Units as prescribed in Article 20.2. except if the net asset value of PEPR falls below €1,250,000 in which case Unitholders' consent is not required.

Following any decision to terminate the Management Company or any approval of the resignation of the Management Company, PEPR and its subsidiaries shall cease to use the name "ProLogis" and any other intellectual property rights with respect to the name (including ProLogis trademarks, trade colour, logos or markings).

Article 18. Unitholders' Meetings

1. General

The general meeting of Unitholders shall be convened by the Management Company. Except for any resolution related to the change of legal form of PEPR as provided in Article 20 or the replacement of the Management Company without cause in accordance with the first paragraph of Article 17, it may also be convened upon the request of (i) Unitholders representing at least one fifth of the Invested Capital, provided that Invested Capital in respect of Units of any Class shall be disregarded to the extent such Units are not entitled to vote on any point on the

agenda of the proposed general meeting or (ii) in relation to Class specific meetings of Unitholders representing at least one fifth of the Invested Capital of the relevant Class of Units.

Notice of any such meeting of Unitholders containing the agenda, the time and the place for the meeting shall be sent by the Management Company or any agent thereof to all Unitholders at their registered addresses not less than 21 days prior to the date of the meeting. The agenda shall be prepared by the Management Company except in the instance where the meeting is called upon the request of Unitholders, in which instance the Management Company may prepare a supplementary agenda.

Unitholders may participate in any general meetings of Unitholders in person or by written proxy granted specifically for the Unitholders' meeting at which it is to be exercised.

The quorum at a general meeting shall be Unitholders present or represented holding at least fifty per cent. (50%) of all Units outstanding on the date of the meeting unless otherwise stated herein, provided however that Classes of Preferred Units, if any, shall be disregarded in order to determine whether the meeting is quorate to the extent such Units are not entitled to vote. For Class specific meetings, the quorum shall be fifty per cent. (50%) of all Units of the relevant Class, unless otherwise stated herein.

No decisions can be taken if the quorum is not reached and in such case the meeting shall be dissolved. If such a quorum is not reached at the first general meeting, a second general meeting shall automatically be held on the day falling 14 days after the date of such inquorate meeting (provided that day is a Business Day in Luxembourg, and if that is not the case, it shall be held on the first Business Day falling thereafter) and such meeting shall not be subject to quorum requirements.

Except as otherwise provided in this Article, each Unitholder present in person or represented by written proxy at a general meeting of Unitholders and having a right to vote pursuant to these Management Regulations shall have one vote for each Unit held, provided that if Units are not fully paid-in, the voting rights attached thereto shall be proportionate to Invested Capital. Units of the same Class and of the same Class issued in Series shall vote as a single Class. Fractional Units shall have no rights to vote.

The Management Company shall be responsible for ensuring that the resolutions adopted at Unitholders' meetings are implemented.

The quorum and majority requirements applicable to general meetings of Unitholders set out in these Management Regulations are as follows:

| Agenda Items | Quorum required | Majority required |
|--|------------------------|--------------------------|
| 1. Winding-up of PEPR | 50% | 67% |
| 2. Change of the Legal Form* | No | 67% |
| 3. Termination of the Management Company for cause | 50% | 50% |
| 4. Replacement of Management Company | 50% | 67% |
| 5. Amendment to the Management Regulations | 50% | 67% |
| 6. Issuance of Units | No | 50% |
| 7. Election of Independent Board Members | No | 50% |
| 8. Appointment of independent auditor | No | 50% |
| 9. Approval of financial accounts for previous fiscal year | No | 50% |

* As an exception to all other agenda items of the general meeting of Unitholders, Preferred Units shall be taken into account, in addition to Ordinary Units, for the determination of the majority requirement relating to the change of legal form, i.e. the conversion of PEPR, being a *fonds commun de placement*, into an investment company with variable capital, SICAV, in compliance with Article 132 of the 2002 Law.

2. Right to Vote

Units shall be entitled to vote in respect of the matters identified in these Management Regulations, as set forth below:

The approval or removal of Independent Board Members shall be subject to a vote of Ordinary Units at the annual general meeting of the Unitholders. In addition, Ordinary Units shall at the annual general meeting, by simple majority of the Units voting or represented at that meeting at which there shall be no quorum requirement, approve the appointment of the independent auditor and approve the financial accounts of PEPR for the previous fiscal year. The annual general meeting shall be held on such Business Day as proposed by the Management Company but

prior to the end of June of each calendar year.

Except as otherwise provided in Article 16, any change to the Management Regulations requires the approval of sixty-seven per cent. (67%) of all Classes of Units, other than Preferred Units, present or represented at a meeting convened to approve the change. Where any such change only impacts on a specific Class or Classes of Units, such Class or Classes of Units shall only be required to vote by a simple majority to approve such change.

The Management Company may be terminated by a vote of Ordinary Units as prescribed in Article 17.

Article 20 contains specific provisions in respect of Unitholder votes in respect of a change of legal form, duration and winding-up of PEPR.

3. Further Issues

In the event that any new Classes of Units or Series within such Classes are issued pursuant to Article 8 and Article 16 such Units shall, in the case of Preferred Units, have no greater voting rights than the rights set out in these Management Regulations and, in the case of other Units, shall have no greater voting rights than the Ordinary Units.

Article 19. Publications and Communications

The audited annual and unaudited semi-annual reports and all other periodic reports of PEPR including, without limitation, the summary quarterly unaudited reports that are prepared by the Management Company will be mailed to Unitholders at their request at their registered addresses and also made available to the Unitholders at the registered offices of the Management Company and the Custodian.

Any amendments of these Management Regulations, including the dissolution of PEPR, will be published in the *Mémorial, Recueil des Sociétés et Associations* of Luxembourg and in such newspapers as shall be determined by the Management Company or required by authorities having jurisdiction over PEPR or the sale of its Units. Notices to Unitholders shall be published in such newspaper as shall be determined by law and by a decision of the Management Company or required by authorities having jurisdiction over PEPR or the sale of its Units.

All communications of investors with PEPR should be in writing and addressed to the Management Company at 34-38, Avenue de la Liberté, L-1930 Luxembourg.

Article 20. Change of Legal Form, Duration of PEPR and Winding-up Provisions

1. Change of Legal Form

Subject as mentioned below, any change in legal form of PEPR must be tabled by the Management Company before a general meeting of Unitholders and approved at such general meeting of Unitholders by an affirmative vote of sixty-seven per cent. (67%) of all Units present or represented, unless the consent of all Units is required by Luxembourg law or the Luxembourg Supervisory Authority. No quorum requirements have to be complied with in relation to such general meeting.

In the event of a change in tax law or regulations of the United States of America governing the Federal taxation of real estate investment trusts which shall adversely affect the United States tax treatment of ProLogis' or any ProLogis Related Party's direct or indirect investment in PEPR, the Management Company may take steps to change the legal form of PEPR or the legal domicile of PEPR subject to applicable laws including, without limitation, any required Unitholder consents.

2. Duration of PEPR—Liquidation

The life of PEPR is unlimited. Any resolution to wind-up PEPR shall require a resolution tabled at the initiative of the Management Company (with the prior approval of PEPR Board as provided in Article 4. n) and adopted by sixty-seven per cent. (67%) of all Units present or represented at the general meeting of Unitholders.

In the event of a winding-up of PEPR, the Management Company will seek to complete the winding-up process as soon as practicable in compliance with the provisions set forth under Luxembourg law but in any event within three years of commencement. During the winding-up period the Independent Appraiser will continue to provide appraisals of the Gross Property Value on Valuation Days and subsequent asset disposals shall be made having had regard to such appraisals of the Gross Property Value. Any distributions to Unitholders including ProLogis or a ProLogis Related Party will be made in cash.

In the event of a winding-up of PEPR, the Management Company will dispose of the assets of PEPR in the best interests of the Unitholders, and the Custodian, upon instructions given by the Management Company, will distribute the net proceeds of winding-up, after deduction of all winding-up expenses, among the Unitholders, as mentioned hereafter.

Minimum size of PEPR

Pursuant to the 2002 Law, the net assets of PEPR may not be less than €1,250,000. Such legal minimum must be reached within a period of six months following the approval of PEPR by the Luxembourg Supervisory Authority.

The Management Company must inform the Luxembourg Supervisory Authority without delay if the net assets of PEPR shall fall below two-thirds of the legal minimum.

If the net assets of PEPR fall below such legal minimum, the Luxembourg Supervisory Authority may require the Management Company to wind-up PEPR. The winding-up shall be carried out by one or more liquidators in accordance with the 2002 Law specifying the steps to be taken to enable Unitholders to participate in the distribution of liquidation proceeds and provide for a deposit in escrow at the *Caisse de Consignation* at the close of the liquidation.

Amounts not claimed within the statutory liquidation period shall be forfeited in accordance with the provisions of Luxembourg law.

3. Winding-up

In the event of winding-up of PEPR, allocation of Residual Value shall be made in the following sequence to Units issued by PEPR:

- i. Preferred Units with the same ranking will receive pro-rata payment of amounts of accrued and unpaid preferred returns plus interest on any such accruals at the appropriate rate specified in Part II of the Schedule;
- ii. Preferred Units with the same ranking will receive payment of a preferred return on the issue price per Unit for the period from the preceding date on which Distributable Cash Flow was distributed at the rate specified in Part II of the Schedule;
- iii. Preferred Units with the same ranking will receive a return of the issue price per Preferred Unit;
- iv. Preferred Units which are subordinated to Preferred Units in paragraphs (i) to (iii) inclusive, will then receive payment on the same basis as in paragraphs (i) to (iii) inclusive in the order of subordination;
- v. all Units other than Preferred Units will receive a payment of Residual Value to each Unit pro rata to the number of outstanding Units; and Preferred Units shown in Part II of the Schedule to be eligible for allocation under this paragraph (v) will receive amounts calculated in accordance with Part II of the Schedule.

Article 21. Indemnification and Standard of Care

Subject to the provisions of Articles 15, 19 and 20 of the 2002 Law, in performing its functions under these Management Regulations the Management Company shall act with due diligence and in good faith in the best interests of the Unitholders and the Custodian shall use reasonable care in the exercise of its functions. The Management Company and the Custodian and their respective managers, directors, officers, employees, partners and agents (including any Correspondent) and the PEPR Board as a body or any Board Member shall not be liable for any error of judgement or mistake of law, for any loss suffered by PEPR or for any actions taken or omitted to be taken in connection with the matters to which these Management Regulations relate, except for, in the case of each considered individually, any loss resulting from:

- a) in the case of the Management Company or Custodian, the non-fulfilment or improper fulfilment of the Management Company's or Custodian's, as the case may be, obligations under Luxembourg law; and
- b) in the case of the PEPR Board as a body or any Board Member, gross negligence, wilful misconduct or fraud in the exercise of its functions.

The Management Company, the Custodian, any Correspondent, and any distributors appointed by the Management Company and their respective managers, directors, officers, employees, partners, members and shareholders and Board Members and, in the case of individuals among the foregoing, their personal representatives (collectively "**Indemnitees**" and individually an "**Indemnitee**") shall be indemnified and held harmless out of the assets of PEPR against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by an Indemnitee in or about the conduct of PEPR's business affairs or in the execution or discharge of his duties, powers, authorities or discretions in accordance with the terms of the appointment of the Indemnitee,

including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning PEPR or its affairs in any court whether in Luxembourg or elsewhere, unless such actions in the conduct of PEPR's affairs or in the execution or discharge of his duties shall have resulted from:

- a) an intentional, material violation of these Management Regulations, wilful misconduct, fraud, malfeasance by an Indemnitee;
- b) in the case of the Management Company or the Custodian and Indemnitees performing functions for and on behalf of the Management Company or the Custodian, the non-fulfilment or improper fulfilment of the Management Company's or the Custodian's, as the case may be, obligations under Luxembourg law;
- c) in the case of any Correspondent and Indemnitee performing functions for and on behalf of any Correspondent, negligence; and
- d) in the case of the PEPR Board as a body or any Board Member, gross negligence, wilful misconduct or fraud.

No Indemnitee shall be liable (i) for the acts, receipts, neglects, defaults or omissions of any other Indemnitee or (ii) for any loss on account of defect of title to any property of PEPR or (iii) for any loss occasioned by any default, breach of duty, breach of trust, error of judgement or oversight on his part or (iv) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his office or in relation thereto, if the Indemnitee in good faith determined that such act or omission was in, or not opposed to, the best interests of Unitholders, and such act or omission does not constitute:

- a) a material violation of these Management Regulations, wilful misconduct, fraud, malfeasance by such Indemnitee;
- b) in the case of the Management Company or the Custodian and an Indemnitee performing functions for and on behalf of the Management Company or Custodian, the non-fulfilment or improper fulfilment of the Management Company's or Custodian's obligations under Luxembourg law;
- c) in the case of any Correspondent and Indemnitee performing functions for and on behalf of any Correspondent, negligence;
- d) in the case of the PEPR Board as a body or any Board Member, gross negligence, wilful misconduct or fraud.

This Article in so far as it relates to the PEPR Board or any Board Member may not be amended without the consent of the PEPR Board.

Article 22. United States Federal Income Tax Matters

PEPR intends to be treated as a partnership for United States ("U.S.") Federal income tax purposes. As such, any investor which owns a Unit or Units during PEPR's U.S. tax year will be a "partner" for the purposes of the discussion set forth below. Each partner and collectively all of the partners agree to be bound by the provisions set forth herein.

Each U.S. partner's share of taxable profits and losses, as computed for PEPR at the end of each U.S. tax year (computed under U.S. tax accounting rules and in accordance with the U.S. Internal Revenue Code ("IRC") Section 704(b)), shall be allocated as follows:

After giving effect to the special allocations set forth in the next paragraph, profits and losses (or items thereof) shall be allocated among the U.S. partners based on the number of Units held by each U.S. partner, in a manner consistent with the economic interest in PEPR's profit and losses represented by such Units as set forth in these Management Regulations.

Notwithstanding anything to the contrary in the Management Regulations, profits and losses shall be allocated as though the Management Regulations contained (and there is hereby incorporated herein by reference) a qualified income offset provision which complies with U.S. tax regulation Section 1.704-1(b)(2)(ii)(d) and minimum gain chargeback and partner minimum gain chargeback provisions which comply with the U.S. tax regulation Section 1.704-2.

Notwithstanding this requirement, the partners will share certain items in order to comply with the requirements of IRC Section 704(c) and Section 721(c) and the partnership, in accordance with U.S. tax regulation Section 1.704-3, will allocate income, gain, loss, and deduction with respect to property contributed to PEPR by ProLogis so as to take into account any variation between the adjusted tax basis of the property and its fair market value at the time of the contribution. As a result of this special allocation requirement, it is intended that any gain recognised on property contributed to PEPR by ProLogis will be specially allocated back to ProLogis to the extent of the

Section 704(c) gain on property.

All elections and accounting methods for purpose of the U.S. Federal income tax requirements, including the method of allocating items with respect to contributed property under U.S. tax regulation Section 1.704-3, will be made by the Tax Matters Partner designated below.

PEPR's tax year for purposes of the U.S. Federal income tax accounting rules and for the purpose of the allocations (set forth above) is and will be the calendar year, unless otherwise required by applicable law.

ProLogis will be the designated Tax Matters Partner as defined in IRC Section 6231, and is authorised and required to represent PEPR (at PEPR's expense) in connection with all examinations of PEPR's affairs by the U.S. tax authorities, including without limitation judicial and administrative proceedings.

Article 23. Applicable Law, Jurisdiction and Language

Any claim arising between the Unitholders, the Management Company, ProLogis and any ProLogis Related Party and the Custodian shall be settled according to the laws of the Grand-Duchy of Luxembourg and subject to the jurisdiction of the District Court of Luxembourg, provided, however, that the Management Company and the Custodian may subject themselves and PEPR to the jurisdiction of courts of the countries in which the Units are offered or sold, with respect to claims by investors resident in such countries and, with respect to matters relating to subscriptions, redemptions and conversions by Unitholders resident in such countries, to the laws of such countries.

These Management Regulations have been established in the English language which shall be determinative in their interpretation.

PROLOGIS MANAGEMENT SARL

By:

RBC DEXIA INVESTOR SERVICES BANK S.A.

By:

SCHEDULE
PART I—DISTRIBUTION OF DISTRIBUTABLE CASH FLOW UNDER ARTICLE 15

| Class/Series | Category | First Distribution Date | Preferred Units: Rate of preferred return and whether cumulative | Preferred Units: Entitlement to allocation and whether subordinated to any Class of Preferred Units together with ranking | Other Units: Entitlement to allocation |
|----------------------------|-----------|---|---|---|--|
| Ordinary Units | Ordinary | Within 45 days after the calendar quarter-end day following the closing of the IPO | -- | -- | As specified in paragraph (iv) of Article 15 on the basis of the Distribution Formula. |
| Class A(1) Preferred Units | Preferred | Within 45 days after 31 December 2009 The first distributions are calculated by multiplying the rate of preferred return by the issue price of the Class A(1) Preferred Units and by the actual number of days elapsed from the date of issue until year end divided by 365. | Cumulative – 10.5% per annum paid quarterly in accordance with Article 15, computed on the basis of actual days elapsed in a 360 day year of twelve 30 day months. The rate of preferred return is increased (i) by 5% if PEPR is no longer Controlled by ProLogis or a ProLogis Related Party or if ProLogis increases its ownership directly or indirectly to more than fifty per cent. of the Ordinary Units of PEPR, provided that in relation to both events referred to above, PEPR is also subject to a rating downgrade (a “rating downgrade” shall be deemed to have occurred in respect of any such event (a) if, within the period ending 120 days after the occurrence of either of the events referred to above, any rating previously assigned to PEPR by any rating agency is (i) withdrawn or | As specified in paragraphs (i) and (ii) of Article 15. Class A(1) Preferred Units are not and shall not be subordinated to any other Class of Units and accordingly rank prior to the Ordinary Units and rank first of the Preferred Units and share pro-rata with other classes of Preferred Units with the same ranking | -- |

(ii) changed from a rating better than Ba1 by Moody's, or its equivalent for the time being, to a rating of Ba1 by Moody's, or its equivalent for the time being, or worse or (iii) if the rating assigned to PEPR by any rating agency shall be Ba1 by Moody's or its equivalent for the time being, or worse, lowered one full rating notch (from Ba1 to Ba2 by Moody's or such similar lower or equivalent rating) or (b) if at the time of such event, there is no rating assigned to the Issuer and no rating agency assigns during the 120 days period referred to above an investment grade credit rating to PEPR (unless PEPR is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of any of the events referred to above)) (ii) further by 1% from the date which is ten years after the issue date of the Class A(1) Preferred Unit and (iii) further, if PEPR is obliged to make a deduction or withholding of tax in respect of the payment of preferred distributions by such amount as is necessary to ensure that the Class A(1) Unitholders receive a sum, net of any deduction or

withholding, equal to the sum they would have received had no such deduction or withholding been made. In the case of deferral, preferred cash distributions shall cumulate and accrue interest at the rate of preferred return compounded quarterly. Upon conversion into Ordinary Units, at the option of the Preferred Unitholder, the Management Company may, subject to availability of Distributable Cash Flow, in its absolute discretion, elect to pay, at the time of conversion or thereafter, to the Preferred Unitholder the accrued preferred return as specified in paragraphs (i) and (ii) of Article 15. Unitholders having converted at the same time are treated on a rateable basis. Upon redemption at the initiative of the Management Company in the event of a change of the legal form of PEPR, Class A(1) Preferred Units are entitled to an additional special preferred distribution equal to 5% of their issue price payable in cash.

PART II—ALLOCATION OF RESIDUAL VALUE UNDER ARTICLE 20

| Class/Series | Category | Preferred Units: Rate of preferred return and whether cumulative | Preferred Units: Entitlement to allocation and whether subordinated to any Class of Preferred Units together with ranking | Preferred Units: Entitlement to allocation under paragraph (v) of Article 20 | Other Units: Entitlement to participate in paragraph (v) of Article 20 |
|----------------------------------|-----------------|--|---|---|---|
| Ordinary Units | Ordinary | -- | -- | -- | Yes |
| Class A(1) Preferred Units | Preferred | Cumulative 10.5% per annum payable quarterly in accordance with Article 15, computed on the actual days elapsed in a 360 day year of twelve 30 day months. The rate of preferred return is increased (i) by 5% if PEPR is no longer Controlled by ProLogis or a ProLogis Related Party or if ProLogis increases its ownership directly or indirectly to more than fifty per cent of the Ordinary Units of PEPR provided that in relation to both events referred to above, PEPR is also subject to a rating downgrade (a “rating downgrade” shall be deemed to have occurred in respect of any such event (a) if, within the period ending 120 days after the occurrence of either of the events referred to above, any rating previously assigned to PEPR by any rating agency is (i) withdrawn or (ii) changed from a rating better than Bal by Moody’s, or its equivalent for the time being, to a rating of Bal by Moody’s, or its equivalent for the time being, or | As specified in paragraphs (i), (ii) and (iii) of Article 20. Class A(1) Preferred Units are not and shall not be subordinated to any other Class of Units and accordingly rank first of the Preferred Units and share pro-rata with other classes of Preferred Units with the same ranking. | | -- |

worse, or (iii) if the rating assigned to PEPR by any rating agency shall be Ba1 by Moody's or its equivalent for the time being, or worse, lowered one full rating notch (from Ba1 to Ba2 by Moody's or such similar lower or equivalent rating) or (b) if at the time of such event, there is no rating assigned to the Issuer and no rating agency assigns during the 120 days period referred to above an investment grade credit rating to PEPR (unless PEPR is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of any of the events referred to above)), (ii) further by 1% from the date which is ten years after the issue date of the Class A(1) Preferred Unit and (iii) further, if PEPR is obliged to make a deduction or withholding of tax in respect of the payment of preferred distributions by such amount as is necessary to ensure that the Class A(1) Unitholders receive a sum, net of any deduction or withholding, equal to the sum they would have received had no such deduction or withholding been made. In the case of deferral, preferred cash distributions shall cumulate and accrue

interest at the rate of preferred return compounded quarterly. Upon conversion into Ordinary Units, at the option of the Preferred Unitholder, the Management Company may, subject to availability of Distributable Cash Flow, in its absolute discretion, elect to pay, at the time of conversion or thereafter, to the Preferred Unitholder the accrued preferred return as specified in Article 20. Unitholders having converted at the same time are treated on a rateable basis. Upon redemption at the initiative of the Management Company in the event of a change of the legal form of PEPR, Class A(1) Preferred Units are entitled to an additional special preferred distribution equal to 5% of their issue price payable in cash

PART XII – DEFINITIONS

The following definitions apply throughout this Prospectus unless the context requires otherwise:

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| 2006 Accounts | has the meaning provided on page 15 of this Prospectus |
| 2007 Accounts | has the meaning provided on page 15 of this Prospectus |
| 2008 Accounts | has the meaning provided on page 15 of this Prospectus |
| 2009 Nine-Months Accounts | has the meaning provided on page 15 of this Prospectus |
| €900.0 Million Facility | means the €900.0 million senior unsecured credit facility as described in “Part VII—Additional Information—Material Contracts—€900.0 Million Facility” of this Prospectus |
| Accredited Investors | means and “accredited investor” within the meaning of Rule 501 of Regulation D under the Securities Act |
| Administrative Agent | means ProLogis Management Services S.à r.l. appointed under the Administrative Agent Agreement |
| Administrative Agent Agreement | means the administrative agent agreement entered into on 26 March 2008 between ProLogis Management S.à r.l. (on its own behalf and on behalf of PEPR) certain of the wholly-owned subsidiaries of PEPR and ProLogis Management Services S.à r.l. |
| Admission | means the date upon which the Preferred Units will be admitted to listing and trading on Euronext Amsterdam, which is expected to be on or about 24 December 2009 |
| AFM | means The Netherlands Authority for Financial Markets |
| Annualised Rental Income | means the estimate of annual income for 2009 (as calculated by the Management Company) based on the rental income for leases in place as at 30 September 2009 and the rates effective at that date on the assumption that rental income from such leases will continue to be received for the remainder of the financial year and does not take into account lease terminations, renewals, replacement of customers or other changes in rent levels in existing leases. “ Annualised Rent ” shall be construed accordingly |
| BaFin | has the meaning provided on page 23 of this Prospectus |
| Beneficial Owner or Beneficial Owners | has the meaning provided on page 177 of this Prospectus |
| Benefit-Plan Investor | means (a) any “employee benefit plan” within the meaning of Section 3(3) of ERISA that is subject to Title I of ERISA, (b) any “plan” (as defined in Section 4975(e)(1) of the IRC, including without limitation, an individual retirement account), that is subject to Section 4975 of the IRC), (c) an entity whose underlying assets include assets of a plan described in (a) or (b) by reason of a plan’s or plans’ investment in such entity, including but not limited to, an insurance company general account, an insurance company separate account or a collective investment fund |
| Board Members | means collectively the ProLogis Board Members and the Independent Board Members of the PEPR Board, and “ Board Member ” means any one of them |
| Business Day | means a day on which banks are open for business in Luxembourg and Amsterdam (excluding Saturdays, Sundays and public holidays) |

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| CBRE | means CB Richard Ellis Ltd, St Martin's Court, 10 Paternoster Row, London EC4M 7HP |
| CET | means Central European Time |
| Class | means a class of Units issued by PEPR, and includes the Ordinary Units, the Preferred Units and any further classes of Units that may be issued by PEPR |
| Closing Date | means the latest date at which investors having acquired Preferential Subscription Rights on the Luxembourg Stock Exchange wishing to exercise all or part of such rights are required to send a duly executed Preferred Unit Subscription Agreement to the Management Company provided, however, if no public auction of Preferential Subscription Rights on the Luxembourg Stock Exchange takes place, Closing Date means the last day of the 30 day period during which such Preferential Subscription Rights are offered |
| CMBS | means commercial mortgage backed securities |
| Code | means the U.S. Internal Revenue Code of 1986, as amended |
| Control | means the power to direct the management of an entity through voting rights, ownership or contractual obligations; the term " Controlled " shall have a correlative meaning |
| Custodian | means RBC Dexia Investor Services Bank S.A. or such other custodian from time to time appointed by the Management Company |
| Custodian Agreement | means the custodian agreement entered into on 16 February 2005 between Dexia Banque Internationale à Luxembourg (the former custodian) and the Management Company, as amended by a novation agreement dated 21 April 2006 appointing the Custodian |
| Dealer Property | has the meaning provided on page 187 of this Prospectus |
| Debt-financed Exception | has the meaning provided on page 187 of this Prospectus |
| Distributable Cash Flow | means net earnings of PEPR, as defined under IFRS, adjusted for (i) items which do not affect cash or cash equivalents or general provisions or reserves against assets (including but not limited to, amortisation of assets or liabilities, adjustments for deferred tax or unrealised valuation of assets and liabilities, including financial instruments) and (ii) costs incurred in relation to any offer of Shares and (iii) accruals for any incentive fees payable to the Management Company in accordance with Article 13 of the Management Regulations less (i) non-revenue generating capital expenditures (including roof repairs, structural repairs, landscaping and other similar expenditures), and (ii) periodic contributions to a contingency reserve to include the general provisions or reserves mentioned above; such contingency reserve not to exceed €10 million in aggregate at any given time. The limit of €10 million may be amended from time to time with the approval of the PEPR Board. The definition of Distributable Cash Flow may also be amended from time to time to include prudent amortisation of debt if in the best interests of PEPR, with the approval of the PEPR Board. |
| Distribution Facility or Distribution Facilities | means any industrial warehouse or logistics distribution facility or distribution facilities |
| DOL | has the meaning provided on page 190 of this Prospectus |
| Domiciliary and Service Agent | means ProLogis Management Services S.à r.l. appointed under the Domiciliary and Service Agent Agreement or such other domiciliary and service agent from time to time appointed by the Management Company |

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| Domiciliary and Service Agent Agreement | means the domiciliary and service agent agreement entered into on 26 March 2008 between the Management Company, acting on its own behalf and on behalf of PEPR, the wholly-owned Luxembourg based subsidiaries of PEPR and ProLogis Management Services S.à r.l. |
| DTZ | means DTZ Zadelhoff v.o.f., Apollolaan 150, 1077 GB, Amsterdam and its subsidiaries and affiliates retained to act as Independent Appraiser where Jones Lang LaSalle Limited is subject to a conflict of interest |
| Dutch Paying Agent | means Kempen & Co. N.V. |
| Dutch Paying Agency Agreement | means the paying agency agreement entered into on 11 September 2006 between Kempen & Co. N.V. and the Management Company (acting on behalf of PEPR) |
| E&Y | means Ernst & Young S.A., independent auditors, with registered address at 7 Parc d'Activité Syrdall, L-5365 Münsbach, Grand Duchy of Luxembourg |
| ERISA | means the U.S. Employee Retirement Income Security Act of 1974, as amended |
| EU | means the European Union |
| EU Savings Directive | means the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments |
| Euro or € | means the currency of the member states of the EU that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) |
| Euroclear Netherlands | means <i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i> , the Dutch centralised securities custody and administration system |
| Euronext Amsterdam | means Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext Amsterdam N.V. |
| European Economic Area | means the European economic area established on 1 January 1994 following an agreement between member states of the European Free Trade Association (EFTA), the European Community (EC), and all member states of the European Union (EU) and allowing these EFTA countries to participate in the European single market without joining the EU |
| Excess Units | means those Units held by a Unitholder in excess of the Ownership Limitation |
| Excess Units Fiduciary | means a person unaffiliated with PEPR, identified as a fiduciary for the purpose of holding Excess Units |
| Exchange Act | means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder |
| FCP | means a <i>fonds commun de placement</i> , an unincorporated contractual co-ownership scheme governed by its management regulations |
| Fee Amount | has the meaning provided in article 13 of Management Regulations |
| Fee Credit Account | means the notional account maintained by PEPR pursuant to Article 13 of the Management Regulations |
| French 3% Tax | means any taxation arising under Article 990D of the French Tax Code (as amended, supplemented or replaced from time to time) |

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| Gross Property Value | means the gross property value of a Distribution Facility as determined by an Independent Appraiser in accordance with such methodology as deemed appropriate by the Independent Appraiser applying professional valuation standards without deduction of purchaser's costs (and is referred to in the Valuation Reports in Part X—"Valuation Reports" of this Prospectus as "Gross Value" by JLL and "Gross Capital Value" by DTZ and Gross Market Value by CBRE) |
| Gross Rental Income | means, with respect to any Distribution Facility, all income from such Distribution Facility, including, without limitation, rental income, rental income attributed to vacant space and ancillary income for the first full calendar year after the first due rental payment date |
| Gross Rental Yield | means the Annualised Rental Income on occupied portfolio expressed as a percentage of Market Value |
| HVB | has the meaning provided on page 143 of this Prospectus |
| IFRS | means International Financial Reporting Standards |
| Independent Appraiser | means JLL or, in circumstances where JLL is subject to a conflict of interest, DTZ and CBRE and shall bear the meaning of "External Valuer" as defined in the RICS Valuation Standards 6 th Edition |
| Independent Board Member | means a member of the PEPR Board elected by a general meeting of Unitholders in the manner described in Article 4 of the Management Regulations |
| Internal Revenue Code or IRC | means the U.S. Internal Revenue Code of 1986, as amended |
| Inventory Property | has the meaning provided on page 187 of this Prospectus |
| Invested Capital | means in respect of each Class of Units (or any Series thereof) the respective paid-up contributions at any point in time of the initial issue price in relation to such Class of Units (or such Series thereof), |
| Investment Company Act | has the meaning provided on the cover page of this Prospectus |
| Investment Management Agreement | means the investment management agreement between the Management Company and the Investment Managers entered into on 15 September 1999 as amended and restated on 22 January 2001 (with effect as of 18 December 2000), on 10 May 2001, on 31 March 2004 (with effect as of 15 January 2004) and as further amended and restated on 11 September 2006 (with effect as of 27 September 2006) |
| Investment Managers | means, collectively, the investment managers appointed by the Management Company pursuant to the Investment Management Agreement, being ProLogis Management BV, ProLogis Poland Management II Sp. z o.o., Garonor Services SAS, ProLogis Spain Management II SL, ProLogis Germany Management II GmbH, ProLogis Italy Management II Srl, ProLogis Hungary Management II Kft, ProLogis Belgium Management Sprl, ProLogis Czech Republic Management II SRO and the other investment managers acceding to the Investment Management Agreement from time to time and " Investment Manager " means any one of them |
| Investment Objective and Policy | means the investment objective and policy of PEPR as described in Part I—"PEPR and its Business" of this Prospectus and in Article 6 of the Management Regulations |
| IRS | means the Internal Revenue Service |
| JLL | means Jones Lang LaSalle Limited of 22 Hanover Square, London W1A 2BN, England |

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| Law of 1915 | means the Luxembourg law of 10 August 1915 on Commercial Companies, as amended |
| Law of 2002 | means the Luxembourg law of 20 December 2002 on Undertakings for Collective Investment, as amended |
| Like-For-Like | has the meaning provided on pages 47 to 48 and 77 to 80 of this Prospectus, as the relevant context applies |
| Loan Agreements | has the meaning provided on page 143 of this Prospectus |
| LTV or loan-to-value ratio | means the aggregate of total financial debt (at nominal value) and accrued interest divided by the Gross Property Value (gross of purchaser's costs) |
| Luxembourg | means the Grand Duchy of Luxembourg |
| Luxembourg Paying and Listing Agent | means RBC Dexia Investor Services Bank S.A., or such other paying and listing agent from time to time appointed under the Luxembourg Paying and Listing Agent Agreement |
| Luxembourg Paying and Listing Agent Agreement | means the Luxembourg paying and listing agent agreement entered into on 16 February 2005 with effect as of 31 December 2004 between the Dexia Banque Internationale à Luxembourg (the former paying and listing agent) and the Management Company, as amended by a novation agreement dated 21 April 2006 appointing the Luxembourg Paying and Listing Agent |
| Luxembourg Supervisory Authority | means the <i>Commission de Surveillance du Secteur Financier</i> or Luxembourg Supervisory Authority in Luxembourg |
| Management Company | means ProLogis Management S.à r.l. a <i>société à responsabilité limitée</i> existing under the laws of the Grand-Duchy of Luxembourg and a wholly-owned indirect subsidiary of ProLogis, or any successor management company of PEPR that may be appointed under the Management Regulations |
| Management Regulations | means the management regulations of PEPR set out in Part XI of this Prospectus, as amended from time to time |
| Managers | means the managers of the Management Company |
| Member States | means the member states of the European Union and “ Member State ” means any one of them |
| Moody's | means Moody's Investors Service, Inc. |
| Morgan Stanley | means Morgan Stanley & Co. International plc |
| MV or Market Value | means the market value of a Distribution Facility as of the most recent valuation date as determined by the Independent Appraiser in accordance with such methodology as deemed appropriate by the Independent Appraisers applying professional valuation standards and after deduction of purchaser's costs (and is referred to in the Valuation Reports in Part X—“Valuation Reports” of this Prospectus as “Market Value” by JLL and “Net Capital Value” by DTZ and Market Value by CBRE) |
| NAV | means the net assets of PEPR, being the assets minus the liabilities, or, where the context so requires, the net asset value per Unit of each Class (or Series thereof) as determined in accordance with Article 9 of the Management Regulations |
| NFSA | means The Netherlands Financial Supervision Act (<i>Wet op het financieel toezicht</i>) |
| Non-Exempt Unitholder | means an entity that owns, directly or indirectly, Units and that is not exempt from the French 3% Tax |

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| Non-U.S. Unitholder | has the meaning provided on page 188 of this Prospectus |
| Offer | means the offering of Preferred Units in compliance with the terms of this Prospectus |
| Ordinary Unitholder | means a holder of Ordinary Units |
| Ordinary Units | means the ordinary units issued by PEPR pursuant to Article 8 of the Management Regulations |
| PEPF II | means ProLogis European Property Fund II, a private equity fund, established in 2007 by ProLogis to acquire assets from both ProLogis' development pipeline in Europe and from third parties |
| PEPR | means ProLogis European Properties, an FCP governed by Part II of the Law of 2002 and under the supervision of the Luxembourg Supervisory Authority set up pursuant to the Management Regulations; and such term shall, where the context so requires, include all companies or other entities which are wholly-owned or partially owned as to more than 50 per cent., directly or indirectly, by ProLogis European Properties |
| PEPR Board | means the board of PEPR established in accordance with Article 4 of the Management Regulations |
| Person | means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated association or government or any agency or political sub-division thereof |
| PFIC | means a passive foreign investment company for U.S. federal income tax purposes |
| PLD | means PLD International Incorporated, a corporation established under the laws of the State of Delaware, United States of America |
| PLD Related Party | means an entity which is directly or indirectly controlled by PLD |
| Portfolio | means the Distribution Facilities owned by PEPR, the interest of PEPR in any ProLogis Private Equity Fund or ProLogis Joint Venture and such other assets and rights from time to time held directly or indirectly by PEPR in accordance with the Management Regulations |
| Portfolio Assets | has the meaning provided on page 182 of this Prospectus |
| Portfolio Income Items | has the meaning provided on page 182 of this Prospectus |
| Preferential Subscription Right | means the right to subscribe for new Units or Series of such Class or similar Classes of PEPR on a preferential and rateable basis in accordance with the provisions contained in the Law of 1915 governing preferential subscription rights for shares issued by public limited companies |
| Preferred Dividend | means any distribution or dividend payment on Preferred Units |
| Preferred Unitholders | means the holders of Preferred Units, including Preferred Units and " Preferred Unitholder " means any of them |
| Preferred Unit Subscription Agreement | means the subscription agreement for Preferred Units between the relevant subscriber of Preferred Units and the Management Company relating to the issue of and payment for Preferred Units |
| Preferred Units | means all Class A(1) preferred units issued by PEPR, which shall be convertible into Ordinary Units in accordance with their terms, as set out in Article 8 of the Management Regulations |

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| Private Equity Fund Investment Agreement | means the agreement entered into on 11 September 2006 between PLD and Management Company (acting on behalf of PEPR) under which PEPR has certain rights to invest in the ProLogis Private Equity Funds and ProLogis Joint Ventures |
| Prohibited Unitholder | shall mean any of (i) a Non-Exempt Unitholder, (ii) a Benefit-Plan Investor or (iii) except as may be approved by the Management Company, a U.S. Person |
| ProLogis | means ProLogis, a REIT organised in the State of Maryland, United States of America, and, unless the context indicates otherwise, its consolidated subsidiaries |
| ProLogis Board Member | means a member of the PEPR Board appointed by the general meeting of Unitholders in accordance with Article 4 of the Management Regulations |
| ProLogis European Management Team | means the European management team of ProLogis as set out on pages 100 and 101 of this Prospectus |
| ProLogis Joint Venture | means any single investor joint venture sponsored by PLD or a PLD Related Party and investing primarily in Distribution Facilities in Europe |
| ProLogis Private Equity Fund | means any regulated or unregulated multi-investor real estate private equity fund sponsored by PLD or a PLD Related Party and investing primarily in Distribution Facilities in Europe |
| ProLogis Related Party | means (i) an entity that is directly or indirectly Controlled by ProLogis or (ii) an entity at least 35 per cent. of whose economic interest is owned directly or indirectly by ProLogis; for the avoidance of doubt, PEPR is not and shall not be a ProLogis Related Party |
| ProLogis Senior Management Team | means the senior management team of ProLogis as set out on page 98 of this Prospectus |
| Prospectus | means this prospectus, as may be amended from time to time |
| Prospectus Directive | means the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC |
| Prospectus Law | means the law of 10 July 2005 <i>relative aux prospectus pour valeurs mobilières</i> |
| QBU | has the meaning provided on page 183 of this Prospectus |
| QEF | has the meaning provided on page 185 of this Prospectus |
| QIBs or Qualified Institutional Buyers | means qualified institutional buyers within the meaning of Rule 144A |
| Registrar and Transfer Agent | means RBC Dexia Investor Services Bank S.A. or such other registrar and transfer agent from time to time appointed by the Management Company on behalf of PEPR |
| Registrar and Transfer Agent Agreement | means the registrar and transfer agent agreement entered into on 15 September 1999 between First European Transfer Agent (the former registrar and transfer agent) and the Management Company, as amended by a novation agreement dated 21 April 2006 appointing the Registrar and Transfer Agent |
| Regulation S | means Regulation S under the Securities Act |
| REIT | means an entity that qualifies as a “real estate investment trust” for U.S. Federal income tax purposes |

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| Relevant Entity | means an entity which (i) owns, directly or indirectly, wholly or partially, any relevant asset and which (ii) is owned, wholly or partially, directly or indirectly, by PEPR |
| Relevant Implementation Date | means the date on which the Prospectus Directive is implemented in a Relevant Member State |
| Relevant Member State | means a member state of the European Economic Area which has implemented (totally or partially) the Prospectus Directive |
| Residual Entities | has the meaning provided on page 177 of this Prospectus |
| Residual Value | means the total net proceeds (taking into account any distributions in specie) resulting from a winding-up of all PEPR's assets after repayment of all creditors |
| Rule 144A | means Rule 144A under the Securities Act |
| S&P | means Standard and Poor's |
| Securities Act | means the U.S. Securities Act of 1933, as amended |
| Series | means a series of Units within a particular Class of Units |
| Settlement Date | has the meaning provided on the cover page of this Prospectus |
| Tax-Exempt Entities | has the meaning provided on page 186 of this Prospectus |
| Tenant Transfer | means the cancellation of a tenant's lease of a Distribution Facility owned by PEPR or a direct or indirect subsidiary of PEPR and the subsequent lease within three months of such cancellation by such tenant of another property owned, directly or indirectly, by ProLogis or a ProLogis Related Party or a fund managed by ProLogis or a ProLogis Related Party including the ProLogis Joint Ventures and the ProLogis Private Equity Funds, and in which PEPR's ownership interest is not at least equal to its interest in the original Distribution Facility |
| UBIT | has the meaning provided on page 186 of this Prospectus |
| UK | means the United Kingdom of Great Britain and Northern Ireland |
| Underwriter | means Morgan Stanley acting as underwriter in connection with the Offer and pursuant to the terms of the Underwriting Agreement |
| Underwriting Agreement | means the agreement entered into between PEPR, the Management Company (on its own behalf and on behalf of PEPR), and Morgan Stanley (as the sole underwriter) and more fully described in paragraph 9.4 of Part VII-“Additional Information” of this Prospectus |
| United States or U.S. | means the United States of America, its territories and possessions, any state of the United States and the District of Columbia |
| Unitholders | means owners of Units and “ Unitholder ” means any one of them |
| Units | means co-ownership participations in PEPR which may be issued in different Classes or Series by PEPR pursuant to the Management Regulations, including, but not limited to, the Ordinary Units and the Preferred Units |
| US\$ | means the currency of the United States |
| U.S. Person | a U.S. person within the meaning of such term in Regulation S under the U.S. Securities Act of 1933, as amended |
| U.S. Unitholder | has the meaning provided on page 178 of this Prospectus |

Valuation Day

means any Business Day which is designated by the Management Company as being a day by reference to which the assets of PEPR will be valued in accordance with Article 9 of the Management Regulations, provided that there will be at least semi-annual Valuation Days and that the Management Company is permitted to designate Valuation Days more frequently than semi-annually, in relation to the issuance of Units pursuant to Article 8 of the Management Regulations, or in relation to any other circumstances if deemed appropriate by the Management Company, or if otherwise required by Luxembourg law or any other applicable law or regulation. The last Valuation Day was 30 September 2009 and the next Valuation Day will be 31 December 2009

Valuation Reports

means the valuation reports set out in Part X of this Prospectus

PROLOGIS EUROPEAN PROPERTIES

c/o ProLogis Management S.à r.l.
34-38, Avenue de la Liberté
L-1930 Luxembourg
Grand Duchy of Luxembourg

MANAGERS AND ADVISORS

MANAGEMENT COMPANY

ProLogis Management S.à r.l.
34-38, Avenue de la Liberté
L-1930 Luxembourg
Grand-Duchy of Luxembourg

DUTCH PAYING AGENT

Kempen & Co N.V.
Beethovenstraat 300
1077 WZ Amsterdam
The Netherlands

**REGISTRAR AND
TRANSFER AGENT**

RBC Dexia Investor Services Bank S.A.
14, Porte de France
L-4360 Esch sur Alzette
Grand-Duchy of Luxembourg

**CUSTODIAN AND LUXEMBOURG
LISTING AND PAYING AGENT**

RBC Dexia Investor Services Bank S.A.
14, Porte de France
L-4360 Esch sur Alzette
Grand-Duchy of Luxembourg

**DUTCH LEGAL
ADVISORS**

Linklaters
WTC Amsterdam
Zuidplein 180
1077 XV Amsterdam
The Netherlands

**U.S. LEGAL
ADVISORS**

Mayer Brown LLP
71 S. Wacker Drive
Chicago, Illinois 60606-4637
United States of America

**LUXEMBOURG LEGAL
ADVISORS**

Arendt & Medernach
14, rue Erasme
L-2082 Luxembourg
Grand Duchy of Luxembourg

INDEPENDENT AUDITOR

Ernst & Young S.A.
7 Parc d'Activité Syrdall
L-5365 Münsbach
Grand-Duchy of Luxembourg

**FINANCIAL ADVISOR, SOLE
BOOKRUNNER AND
UNDERWRITER**

Morgan Stanley & Co. International plc
25 Cabot Square
London E14 4QA
United Kingdom

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ProLogis European Properties

c/o ProLogis Management S.à r.l. • 34-38 Avenue de la Liberté • L-1930 Luxembourg

R. C. S. Luxembourg B 70.940 • Share Capital: €125,000

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