

# **Tender Offer Document for a Public Take-over Bid**

**in respect of**

**all Ordinary Units and Preferred Units held by the public in  
ProLogis European Properties**

**by**

**PLD International LLC**

**Receiving and paying agent  
The Netherlands**

**The Royal Bank of Scotland  
N.V.**

**Receiving and paying agent  
Luxembourg**

**RBS Global Banking  
(Luxembourg) S.A.**

**21 April 2011**

# Public Take-over Bid

in respect of all Ordinary Units and Preferred Units held by the public in

## ProLogis European Properties

a Luxembourg *fonds commun de placement* with registered address at  
34-38, avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg

by

## PLD International LLC

a limited liability company governed by the laws of Delaware, with its office at  
4545 Airport Way, Denver, Colorado, 80239, United States of America

Offer Price (Ordinary Units):	€6.10 per Ordinary Unit.
Offer Price (Preferred Units):	€6.10 per Preferred Unit. (Accepting Preferred Unitholders will also receive an amount equal to any accrued and unpaid preferred dividend in respect of each Preferred Unit tendered up to and including the date of Completion).
Acceptance Period:	22 April 2011 up to and including 6 May 2011 before 6.00 p.m. CET (subject to any extension of the Acceptance Period).
Number of Units subject to the Offer (not owned by the ProLogis Group)	116,408,868 Ordinary Units ISIN: LU0100194785 Common Code: 010019478 Euronext Amsterdam Symbol: PEPR  3,282,654 Preferred Units ISIN: LU0467842786 Euronext Amsterdam Symbol: PEPRC

Acceptances of the Offer can be submitted free of charge to RBS Global Banking (Luxembourg) S.A. in Luxembourg and The Royal Bank of Scotland N.V. in The Netherlands or through any other Financial Intermediary. Whilst the Receiving and Paying Agent will not charge accepting Unitholders any commission, fee or any other cost in connection with the Offer, Unitholders filing an Acceptance Form via intermediaries other than the Receiving and Paying Agent should enquire about the additional costs that may be charged by such intermediaries for their brokering services and such Unitholders will be liable for all costs that may be charged by such intermediaries.

This Offer Document and the Acceptance Form can be obtained free of charge from RBS Global Banking (Luxembourg) S.A. through the following phone number: +352 270 330-1 and from The Royal Bank of Scotland N.V. through the following phone number: +31 20 464 3707 (or alternatively through the following toll free number for calls made from inside the European Union: 00 800 3882 4743). This Offer Document will also be available, for information purposes only, on the following website: <http://www.prologis.com> from 22 April 2011.

## IMPORTANT INFORMATION

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Offer Document relates to a mandatory offer in accordance with article 5 (1) of the Luxembourg law of 19 May 2006 implementing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 concerning public take-over bids (*loi du 19 mai 2006 portant transposition de la directive 2004/25/CE du Parlement européen et du Conseil du 21 avril 2004 concernant les offres publiques d'acquisition*) (the "**Luxembourg Take-over Law**"). Following Completion of the Offer, the listing of the Ordinary Units and Preferred Units may be cancelled.

Unitholders should be aware that if, following Completion, the ProLogis Group holds, directly or indirectly, at least 95% of the issued Ordinary Units and/or Preferred Units, the Offeror may apply to both the Luxembourg Stock Exchange and Euronext Amsterdam to cancel the listing of all Units of the respective class on those exchanges.

Unitholders who do not accept the Offer should carefully read section 2.16 (Effect of the Offer on non-accepting Unitholders / Risk factors) of this Offer Document which describes certain consequences to which such Unitholders may be subject after the completion of the Offer.

You as a Unitholder should, with respect to the Offer, rely solely on the information contained in this Offer Document. PLD and the Offeror have authorised no one to provide Unitholders with other information regarding the Offer. PLD and the Offeror confirm that, to the best of their knowledge, the information in this Offer Document is accurate as at the date of this Offer Document.

If you are in any doubt about this Offer Document or any aspect of the Offer you should consult an independent financial adviser authorised under the amended Luxembourg law of 13 April 1993 on the financial sector (*loi du 5 avril 1993 relative au secteur financier, telle que modifiée*) if you are resident in Luxembourg, or another appropriately authorised independent financial adviser if you are taking advice in a territory outside of Luxembourg.

This Offer Document should be read in conjunction with the accompanying Acceptance Form.

If you have sold or otherwise transferred all of your Units, please send this Offer Document together with the Acceptance Form and reply-paid envelope at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any Restricted Jurisdiction.

If you hold your Units in certificated form, to accept the Offer, you should complete, sign and return the Acceptance Form (with the relevant Unit Certificate(s)) as soon as possible and, in any event, so as to be received by the Receiving and Paying Agent, RBS Global Banking (Luxembourg) S.A. in Luxembourg or The Royal Bank of Scotland N.V. in The Netherlands, by no later than 6.00 p.m. CET on 6 May 2011. The procedure for acceptance is set out in section 2.7 (Acceptance of the Offer and payment) of this Offer Document and in the accompanying Acceptance Form.

If you hold your Units in uncertificated form (that is, in Euroclear Nederland), to accept the Offer you should read section 2.7 (Acceptance of the Offer and payment) of this Offer Document and follow the procedure for acceptance through The Royal Bank of Scotland N.V. If you hold your Units through a Financial Intermediary, you should be aware that the Financial Intermediary may set an earlier deadline for communication by Unitholders in order to permit it to communicate their acceptance to the Receiving and Paying Agent in a timely manner.

PLD and the Offeror accept responsibility for the information contained in this Offer Document and declare that, having taken reasonable care that such is the case, the information contained in this Offer Document is, to the best of their knowledge, in accordance with the facts, and contains no omission likely to affect its import; provided however that the only responsibility that is accepted for information concerning PEPR and its affiliated companies relates to the assurance that such information is properly reported and represented. The information contained in this Offer Document on PEPR and its affiliated companies has been compiled via information available to the public via PEPR's website: <http://www.ProLogis-ep.com>. Subject to the foregoing, PLD and the Offeror confirm that, to the best of their knowledge, the information in this Offer Document for which they are responsible is in accordance with reality and contains no material errors or omissions that would change the scope of the information.

**IN MAKING A DECISION TO PARTICIPATE IN THE OFFER, UNITHOLDERS SHOULD RELY ON THEIR OWN ANALYSIS OF THE TERMS OF THE OFFER, INCLUDING ITS OPPORTUNITIES AND RELATED RISKS.**

**ANY SUMMARY OR DESCRIPTION SET FORTH IN THIS OFFER DOCUMENT OF LEGAL PROVISIONS OR CONTRACTUAL RELATIONSHIPS IS FOR INFORMATION PURPOSES ONLY AND SHOULD NOT BE CONSTRUED AS LEGAL OR TAX ADVICE AS TO THE INTERPRETATION OR ENFORCEABILITY OF SUCH PROVISIONS.**

#### **OVERSEAS UNITHOLDERS**

The distribution of this Offer Document in or into jurisdictions other than Luxembourg, The Netherlands or the United States may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Offer Document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Unless otherwise determined by the Offeror, the Offer is not being, and will not be, made, directly or indirectly, in or into or by the use of the mails of, or by any other means (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national securities exchange of, any Restricted Jurisdiction (as defined herein) and will not be capable of acceptance by any such use, means or facility or from within any such Restricted Jurisdiction.

Accordingly, unless otherwise determined by the Offeror, copies of this Offer Document and any other documentation relating to the Offer (including, without limitation, the Acceptance Form) are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send any such documents in or into or from any such Restricted Jurisdiction, as doing so may invalidate any purported acceptance of the Offer. Any person (including, without limitation, custodians, nominees and trustees) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this Offer Document and/or the Acceptance Form (if applicable) and/or any other related document to any jurisdiction outside of Luxembourg, The Netherlands or the United States should inform themselves of, and observe, any applicable legal or regulatory requirements of any relevant jurisdiction.

It is the responsibility of each Unitholder to inform himself, herself or itself about and observe any applicable legal requirements. No Restricted Overseas Unitholder receiving a copy of this Offer Document and/or the Acceptance Form in any jurisdiction other than Luxembourg, the Netherlands or the United States may treat the same as constituting an invitation or offer to him and in such circumstances, this Offer Document and/or the Acceptance Form are sent for information only. It is the responsibility of any Overseas Unitholder receiving a copy of this Offer Document and/or the Acceptance Form and wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, and compliance with other necessary formalities needing to be observed and payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any such Overseas Unitholder will be responsible for any such issue, transfer or other taxes or duties by whomsoever payable and the Offeror (and any person acting on behalf of the Offeror) shall be fully indemnified and held harmless by such Overseas Unitholder for any such issue, transfer or other taxes or duties or other requisite payments as the Offeror (and any person acting on behalf of the Offeror) may be required to pay.

#### **UNITED STATES UNITHOLDERS**

The Offer is being made in reliance on, and in compliance with, Rule 14d-1(c) under the US Securities Exchange Act of 1934. The Offer is being made for the securities of a Luxembourg entity that are traded on Euronext Amsterdam and the Luxembourg Stock Exchange and United States Unitholders should be aware that this Offer Document has been prepared in accordance with disclosure requirements applicable in Luxembourg and The Netherlands, which differ in important respects from United States disclosure requirements. In addition, the financial information of PEPR included herein has been prepared on the basis of IFRS and, accordingly, may not be comparable to financial statements prepared in accordance with United States generally accepted accounting principles. Furthermore, the payment and settlement procedure with respect to the Offer will comply with the relevant Luxembourg or The Netherlands rules, which differ from United States payment and settlement procedures.

Unitholders should be aware that PLD or its affiliates, directly or indirectly, may bid for and make purchases of Units outside the Offer during the period the Offer remains open for acceptance, as permitted by applicable Luxembourg law at the applicable Offer Price. Any such purchases will be announced by PLD or its affiliates in accordance with Luxembourg and Dutch law. Please see section 2.15 (Market Purchases) below for further details.

#### **AVAILABILITY AND VALIDITY OF THIS OFFER DOCUMENT**

This Offer Document and the Acceptance Form can be obtained free of charge from RBS Global Banking (Luxembourg) S.A. in Luxembourg through the following telephone number: +352 270 330-1 and from The Royal Bank of Scotland N.V. in The Netherlands through the following telephone number: +31 20 464 3707 (or alternatively through the following toll free number for calls made from inside the European Union: 00 800 3882 4743). An electronic version of this Offer Document is available on the following website: <http://www.prologis.com>, purely for information purposes.

Only the printed English Offer Document (which, for the avoidance of doubt, includes an English language translation of the Dutch language summary of this Offer Document, included in Appendix 2) that was published in Luxembourg and The Netherlands in accordance with the applicable laws and regulations is legally valid. Information on the websites of PLD, PEPR or on any other website is not part of this Offer Document.

#### **APPROVAL AND RECOGNITION BY THE LUXEMBOURG AND DUTCH MARKET AUTHORITIES**

This Offer Document was approved by the CSSF on 21 April 2011, in accordance with article 6 of the Luxembourg Take-over Law.

Following approval by the CSSF, this Offer Document was also notified to the AFM on 21 April 2011, in accordance with article 6 of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 concerning public take-over bids.

The approval of the Offer Document by the CSSF and the notification of the Offer Document to the AFM do not imply any judgment by the CSSF or the AFM on the merits or the quality of the Offer, or on the position of the persons conducting the Offer. By approving the Offer Document, the CSSF assumes no responsibility concerning the economic or financial merit of the Offer or the quality and financial capabilities of the Offeror.

With the exception of the CSSF and the AFM, no other regulatory authority of any other jurisdiction has approved or has been notified of this Offer Document or the Offer. No means whatsoever designed to obtain authorisation to distribute this Offer Document in jurisdictions outside Luxembourg, The Netherlands and the United States, has or will be taken.

Every significant new factor, material mistake or inaccuracy relating to the information included in this Offer Document which is capable of affecting the assessment of the Units and which arises or is noted between the time when this Offer Document is approved and the end of the offer shall be mentioned in a supplement to this Offer Document which will be published in accordance with the applicable Luxembourg and Dutch regulations. Such supplement will be approved by the CSSF in accordance with article 6 of the Luxembourg Take-over Law and will be notified to the AFM in accordance with article 6 of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 concerning public take-over bids.

## **FORWARD-LOOKING STATEMENTS**

This Offer Document includes certain “forward-looking statements”. These statements are based on the current expectations of the Offeror and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained herein may include statements about the expected effects on PEPR and/or the ProLogis Group of the Offer, the expected timing and scope of the Offer, strategic options and all other statements in this Offer Document other than historical facts. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans” “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “estimates”, “projects” or, words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of PEPR’s and/or the ProLogis Group’s operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on PEPR’s and/or the ProLogis Group’s business. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions to the Offer, as well as additional factors, such as changes in economic conditions, changes in the level of capital investment, success of business and operating initiatives and restructuring objectives, customers’ strategies and stability, changes in the regulatory environment, fluctuations in interest and exchange rates, the outcome of litigation, government actions and natural phenomena such as floods, earthquakes and hurricanes. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Given these uncertainties, investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date of this Offer Document. The Offeror does not undertake any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

## **TO ACCEPT THE OFFER**

If you hold your Units in certificated form (that is, not in Euroclear Nederland), to accept the Offer you should complete the enclosed Acceptance Form. You must return the completed Acceptance Form (along with your Unit Certificate(s) and/or other documents of title) by post or by hand (during normal business hours only) to RBS Global Banking (Luxembourg) S.A. in Luxembourg or The Royal Bank of Scotland N.V. in The Netherlands as soon as possible and, in any event by 6 May 2011.

If you hold your Units in uncertificated form (that is, in Euroclear Nederland), acceptance may only be made electronically through The Royal Bank of Scotland N.V. via your Financial Intermediary. If you hold your Units through a Financial Intermediary, you should be aware that the Financial Intermediary may set an earlier deadline for communication by Unitholders in order to permit it to communicate their acceptance to The Royal Bank of Scotland N.V. in a timely manner.

No partial acceptances will be permitted and each accepting Unitholder must accept the Offer in respect of all Ordinary Units and Preferred Units held by that Unitholder.

## **EFFECT OF THE OFFER ON NON-ACCEPTING UNITHOLDERS**

Unitholders who do not accept the Offer should carefully read section 2.16 (Effect of the Offer on non-accepting Unitholders / Risk factors) of this Offer Document which describes certain consequences to which such Unitholders may be subject after the completion of the Offer.

## **FINANCIAL AND OTHER INFORMATION**

The Offeror understands that the audited and consolidated annual accounts of PEPR for the financial years ending 31 December 2010, 31 December 2009 and 31 December 2008 have been prepared in accordance with IFRS and are available at <http://www.ProLogis-ep.com>. Information about PEPR in particular PEPR's audited and consolidated annual accounts for the financial years ending 31 December 2010, 31 December 2009 and 31 December 2008 are available at its website, <http://www.ProLogis-ep.com>. Information available on or through the PEPR website is not intended to constitute part of this Offer Document.

The consolidated annual accounts of PEPR for the financial years ending 31 December 2010, 31 December 2009 and 31 December 2008 were audited by the independent auditor of PEPR, Ernst & Young Luxembourg SA, having its registered seat at 7 Parc d'Activité Syrdall, L-5365 Munsbach, Grand Duchy of Luxembourg.

The latest version of the Management Regulations published on 23 August 2010 are available on PEPR's website: <http://www.ProLogis-ep.com>.

The Annual Reports of PLD and other information on the constitution and operations of PLD are available on SEC's website: <http://www.sec.gov>.

## **CURRENCY**

In this Offer Document, all amounts expressed in "€" refer to the common currency of the participating member states of the European Union.

## **RECEIVING AND PAYING AGENT**

The Royal Bank of Scotland N.V. and RBS Global Banking (Luxembourg) S.A. act as Receiving and Paying Agent in connection with the Offer in The Netherlands and in Luxembourg respectively.

## **LEGAL ADVISORS**

Linklaters LLP has advised the Offeror on certain legal matters of Luxembourg and Dutch law in connection with the Offer.

Legal adviser as to Luxembourg law:  
Linklaters LLP  
35 Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

Legal adviser as to Dutch law:  
Linklaters LLP  
World Trade Centre Amsterdam  
Tower H, 22nd Floor  
Zuidplein 180  
1077 XV Amsterdam  
The Netherlands

## **FINANCIAL ADVISORS**

J.P. Morgan Securities LLC, is acting as exclusive financial adviser to the Offeror and to no one else in connection with this Offer and will not be responsible to anyone other than the Offeror for providing the protections afforded to its clients or for providing advice in relation to this Offer.

J.P. Morgan Securities LLC  
383 Madison Avenue  
New York, New York, 10179  
United States of America

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## INDICATIVE TIMETABLE

Publication of release announcing the availability of this Offer Document	22 April 2011
Commencement of Acceptance Period	22 April 2011
End of Acceptance Period (deadline for tendering Units into the Offer)	6 May 2011
Announcement of final results of the Offer	6 May 2011
Settlement of the Offer	11 May 2011

## DEFINITIONS

<b>Acceptance Form</b>	The acceptance form set out as Appendix 1 to this Offer Document.
<b>Acceptance Period</b>	The period during which Unitholders may accept the Offer, which period will commence on 22 April 2011 and will end at 6.00 p.m. CET on 6 May 2011, unless extended in accordance with applicable Luxembourg laws.
<b>AFM</b>	The Netherlands Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> ).
<b>Business Day</b>	Each day when Luxembourg and Dutch banks are open for business for the general public (excluding Saturdays, Sundays and public holidays).
<b>Completion</b>	The settlement and payment of the Offer Price for the Units tendered under the Offer. Completion of the Offer is subject to the fulfilment of the Conditions.
<b>Conditions</b>	The external conditions to the Completion which may impact the Offer as described under section 2.5 of this Offer Document.
<b>CSSF</b>	The Luxembourg Authority for the Supervision of the Financial Sector ( <i>Commission de Surveillance du Secteur Financier</i> ).
<b>Daily Official List</b>	The Daily Official List ( <i>Officiële Prijscourant</i> ) of Euronext Amsterdam.
<b>Distribution Facility</b>	An industrial warehouse or logistics distribution facility.
<b>Euronext Amsterdam</b>	Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V.
<b>Euroclear Nederland</b>	Dutch Central Securities Depository ( <i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i> ), with business address at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands; the central institute as referred to in the Securities Bank Giro Transfer Act ( <i>Wet giraal effectenverkeer</i> ).
<b>Financial Intermediary</b>	Each institution which holds Ordinary Units or Preferred Units on behalf of clients through Euroclear Nederland.
<b>IFRS</b>	International Financial Reporting Standards as adopted by the European Union.
<b>Independent Board Members</b>	The four PEPR Board members not appointed by the Management Company.
<b>Investment Management Agreement</b>	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).

<b>Investment Managers</b>	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 “ <b>Investment Manager</b> ” means any one of them.
<b>Luxembourg Stock Exchange</b>	The Luxembourg Stock Exchange ( <i>Bourse de Luxembourg</i> ).
<b>Luxembourg Take-over Law</b>	The Luxembourg Law of 19 May 2006 implementing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 concerning public take-over bids ( <i>loi du 19 mai 2006 portant transposition de la directive 2004/25/CE du Parlement européen et du Conseil du 21 avril 2004 concernant les offres publiques d’acquisition</i> ).
<b>Managers</b>	The four managers of the Management Company appointed by its sole shareholder, ProLogis Management Services S.à r.l., itself a wholly-owned indirect subsidiary of PLD.
<b>Management Company</b>	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 PLD, or any successor management company of PEPR that may be appointed under the Management Regulations.
<b>Management Regulations</b>	The management regulations governing the operation of PEPR from time to time.
<b>Member</b>	each Financial Institution affiliated through Euronext Amsterdam
<b>NAV</b>	The value of PEPR’s net assets, being the assets minus the liabilities, or, where the context so requires, the net asset value per Unit of each class as determined in accordance with Article 9 of the Management Regulations.
<b>Offer</b>	The mandatory public take-over bid by the Offeror for all Ordinary Units and the bid for all Preferred Units as set out in this Offer Document, including any amendment or extension of that bid, if relevant or if the context so requires.
<b>Offer Document</b>	This document defining the terms of the Offer including its Appendices, which shall be an integral part thereof.
<b>Offeror</b>	PLD International LLC, a limited liability company governed by the laws of Delaware, with its office at 4545 Airport Way, Denver, Colorado, 80239, United States of America

<b>Offer Price</b>	€6.10 per Ordinary Unit and €6.10 per Preferred Unit.
<b>Official List</b>	The Official List of the Luxembourg Stock Exchange.
<b>Ordinary Unit</b>	Each fully-paid ordinary unit issued by PEPR pursuant to Article 8 of the Management Regulations, with ISIN number LU0100194785.
<b>Overseas Unitholder</b>	Each Unitholder (or nominee of, or custodian or trustee for each Unitholder) who is resident in or is a national or citizen of jurisdictions outside of Luxembourg, The Netherlands and the United States.
<b>PEPR</b>	ProLogis European Properties, a Luxembourg closed-ended <i>fonds commun de placement</i> with registered office at 34-38, avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg.
<b>PEPR Board</b>	The board of PEPR established in accordance with Article 4 of the Management Regulations consisting of four Independent Board Members and two ProLogis Designated Board Members.
<b>PEPR Group</b>	PEPR and its subsidiaries and subsidiary undertakings.
<b>PLD</b>	ProLogis, a real estate investment trust (REIT) organised in the State of Maryland, United States of America with principal office at 4545 Airport Way, Denver, Colorado, 80239, United States of America .
<b>ProLogis Designated Board Members</b>	The two PEPR Board members appointed by the Management Company.
<b>ProLogis Group</b>	PLD and its subsidiaries and subsidiary undertakings.
<b>Preferred Unit</b>	Each fully-paid Class A(1) preferred unit issued by PEPR, which units are convertible into Ordinary Units in accordance with their terms, as set out in Article 8 of the Management Regulations, with ISIN number LU0467842786.
<b>Receiving and Paying Agent</b>	RBS Global Banking (Luxembourg) S.A. in Luxembourg and The Royal Bank of Scotland N.V. in The Netherlands (for both Luxembourg and The Netherlands).
<b>Restricted Jurisdiction</b>	Canada, Australia, the Republic of South Africa and Japan and any jurisdiction in relation to which the extension or acceptance of the Offer to such jurisdiction would violate the laws of such jurisdiction, or where local laws or regulation may result in a significant risk of civil, regulatory or criminal exposure if information on the Offer is sent or made available to Unitholders in that jurisdiction.
<b>Restricted Overseas Unitholder</b>	An Overseas Unitholder who is resident in, or a citizen of, a Restricted Jurisdiction (or any nominee of, or custodian or trustee for such person).
<b>SEC</b>	The United States Securities and Exchange Commission.
<b>Unit</b>	Co-ownership participations in PEPR which may be (or have been) 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.
<b>Unit Certificate</b>	The document issued by PEPR to each Unitholder showing the number of registered Ordinary Units and/or Preferred Units held by each Unitholder.
<b>United States Unitholder</b>	Each Unitholder (or nominee of, or custodian or trustee for each Unitholder) who is resident in or is a national or citizen of the United States of America.
<b>Unitholder</b>	The holder of one or more Units.

## **1 BACKGROUND AND OBJECTIVES OF THE OFFER**

### **1.1 The Offer**

On 14 April 2011, PLD announced that it had purchased approximately 11 million Ordinary Units from a major institutional investor, bringing PLD's direct or indirect ownership in PEPR to approximately 39% of the Ordinary Units. In accordance with article 5 (1) of the Luxembourg Take-over Law, PLD thus crossed the legal threshold of 33 1/3% of the voting Units which is the trigger of a mandatory bid of all Ordinary Units not owned by the ProLogis Group. Accordingly, on the same date, PLD announced, after consultation with the CSSF, its decision to launch a mandatory offer to acquire any and all of the outstanding Ordinary Units and Preferred Units not currently owned in PEPR subject to approval of the Offer Document by the CSSF.

Unitholders who accept the Offer will be entitled to receive **€6.10 in cash per Ordinary Unit** held by them and **€6.10 in cash per Preferred Unit** held by them. In addition, accepting Unitholders who tender Preferred Units in connection with the Offer will also be paid an amount equal to any accrued and unpaid preferred dividend in respect of those Preferred Units up to and including the date of Completion.

The Offer Price for Ordinary Units represents a 22% premium over the unaffected closing price on Euronext Amsterdam of PEPR Ordinary Units on April 12, 2011, a 26.7% premium over the volume weighted average price in the preceding six months, and a 33.6% premium over the volume weighted average unit price in the preceding 12 months.

The closing price on Euronext Amsterdam of PEPR Preferred Units on April 12, 2011 was €6.101 per Preferred Unit.

Your attention is drawn, in particular, to the Conditions and further terms of the Offer set out in section 2 (Offer Terms) of this Offer Document. Further, please read carefully section 2.7 (Acceptance of the Offer and payment) below, which sets out the procedure required to be followed to accept the Offer.

### **1.2 Background to the Offer**

PEPR was established in 1999 and is an externally managed real estate investment fund organised as a Luxembourg closed-ended *fonds commun de placement*. PEPR is one of Europe's largest owners of Distribution Facilities and is regulated in Luxembourg by the CSSF as an undertaking for collective investment under the Luxembourg law of 22 December 2002. All Ordinary Units and Preferred Units in issue are listed on the Official

List and trade on the regulated market of the Luxembourg Stock Exchange and on Euronext Amsterdam.

PLD, a leading global provider of Distribution Facilities headquartered in the United States, was key to the establishment of PEPR, acting as the sponsor to the initial offering of PEPR that took place in October 2006.

PLD retains since the establishment of PEPR a significant role in the day-to-day operation of the PEPR business through its ownership of both ProLogis Management S.à r.l. (the "**Management Company**") and the various ProLogis Investment Managers appointed to provide investment management services to PEPR. In addition, all staff responsible for the day-to-day operation of PEPR are employed by entities owned or controlled by PLD.

PLD has invested tremendous time and energy building a platform of people and assets in Europe which has been reflected in the operational performance of PEPR.

PLD also maintains a substantial ownership interest in PEPR and holds on the date of this Offer Document 38.90% of the Ordinary Units and 68.12% of the Preferred Units.

The ProLogis Group's acquisition of 11,070,645 Ordinary Units triggered the launch of the ProLogis Group's mandatory take-over offer. Each Unitholder will have a unique opportunity to sell its Units at an attractive and fair price in an environment with limited liquidity of Units. PLD's decision to trigger the mandatory offer was guided by PLD's desire to offer to all Unitholders an opportunity to sell their Units by creating immediate liquidity in Units and acting thus for the benefit of all Unitholders.

The Offer represents a unique opportunity in the foreseeable future for Unitholders to monetise their investment at a highly attractive price.

Unitholders should be aware that, following Completion of the Offer and regardless of the number of Units tendered under the Offer, it is expected that the liquidity of the Units may be reduced in the future and that the value and monetisation opportunities for the remaining Unitholders may be adversely affected. Unitholders not tendering their Units under the Offer may be exposed to future lack of adequate liquidity and marketability of their Units given that no redemption or buy-back right or automatic liquidation or winding-up of PEPR exist under the Management Regulations.

### **1.3 PLD's intentions for PEPR**

If, following Completion of the Offer, the ProLogis Group, directly or indirectly, holds at least 95% of the issued Ordinary Units, it is the intention of the ProLogis Group to make use of its squeeze-out right and to fully integrate the business of PEPR into the ProLogis Group.

If, following Completion of the Offer, the ProLogis Group, directly or indirectly, holds less than 95% of the issued Ordinary Units and will not be allowed to exercise its squeeze-out right, PLD shall continue to manage PEPR; no operational changes in the management of PEPR are anticipated. PEPR will also continue to be listed on the Luxembourg Stock Exchange and on Euronext Amsterdam. The PLD management agreement for PEPR will be renewed on its maturity date in 2016.

Unitholders should be aware that if, following Completion, the ProLogis Group holds, directly or indirectly, at least 95% of the issued Ordinary Units and/or Preferred Units, the Offeror may apply to both the Luxembourg Stock Exchange and Euronext Amsterdam to cancel the listing of all Units of the respective class on those exchanges. **Cancellation of**

**the listing of Units would significantly reduce the liquidity and marketability of any Units not tendered to the Offeror under the Offer and the value of any such Units may be affected as a consequence (particularly as no redemption or buy-back right or automatic liquidation or realisation of PEPR is contemplated under the Management Regulations). Please see section 2.10 (Squeeze-out rights) below for further details.**

It should be noted that under Luxembourg law and the Management Regulations, a person who controls PEPR may be able to, inter alia, where a Unitholders' vote is required, prevent payment of any dividends, authorise the issue of further Units which may dilute other Unitholders and/or change its corporate structure.

Please also refer to section 2.10 describing the squeeze-out rights of the Offeror.

Also, regardless of the outcome of the Offer, PLD is not required by the Luxembourg Take-over Law to launch another offer for the Units, now or in the foreseeable future.

PEPR does not currently have any employees.



## **2 OFFER TERMS**

### **2.1 Units to which the Offer applies**

The Offer, Completion of which is subject to the Conditions set out in section 2.5 (External Conditions which may impact the Offer) of this Offer Document, relates to all Ordinary Units and Preferred Units on issue which are not already held by the ProLogis Group, being on the date of this Offer Document: 116,408,868 Ordinary Units and 3,282,654 Preferred Units.

Units acquired under the Offer will be acquired fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or paid after the date of this Offer Document.

### **2.2 Offer Prices**

The Offer Price for Ordinary Units is **€6.10 per Ordinary Unit** and the Offer Price for Preferred Units is **€6.10 per Preferred Unit**.

In addition, accepting Unitholders who tender Preferred Units in connection with the Offer will also be paid an amount equal to any accrued and unpaid preferred dividend in respect of those Preferred Units up to and including the date of Completion.

The Offer Price for both Ordinary Units and Preferred Units (and any accrued and unpaid preferred dividend in respect of the Preferred Units) will be paid to accepting Unitholders wholly in cash within five Business Days following the announcement of the final results of the Offer.

If, as a result of the Offer, the Offeror acquires all Units which are not currently held by the ProLogis Group (see section 4.7 (Unitholders) of this Offer Document for PEPR's current Unit holding structure), the total amount payable by the Offeror upon Completion would be €730,118,284 (excluding any amount paid by the Offeror in respect of accrued and unpaid preferred dividend payable in respect of Preferred Units tendered up to and including the date of Completion).

### **2.3 Availability of financing for Completion of the Offer**

The ProLogis Group has ample liquidity to fund the Offer. PLD has an existing US\$ 1,635 million unsecured multi-currency revolving line of credit that expires August 2012. The fully committed facility is syndicated to a group of banks, including J.P. Morgan Chase Bank, N.A. and as of 21 April 2011 had undrawn availability of US\$ 1.0 billion. As of 21 April 2011, PLD also had available and unrestricted cash balances of \$90 million. In addition to the liquidity provided under PLD's global line of credit and unrestricted cash balances, J.P. Morgan Chase Bank, N.A. has agreed to provide a €500 million senior unsecured bridge facility to further fund the Offer.

### **2.4 Determination of the Offer Price**

In determining the Offer Price, PLD was guided by reference to a number of factors, first to the price at which Ordinary Units and Preferred Units trade on Euronext Amsterdam.

The following table shows the premium which the Offer Price for Ordinary Units represents in relation to the weighted average closing prices of Ordinary Units on Euronext Amsterdam over certain time periods.

Period	Weighted average closing price of Ordinary Units <sup>1</sup>	Premium represented by Offer Price
12 April 2011	€5.00	22.0%
6 Months Prior to 12 April 2011	€4.82	26.7%
12 Months Prior to 12 April 2011	€4.57	33.6%

In addition, consideration was given on the IFRS NAV per Unit calculated by PEPR at 31 December 2010 as published by PEPR's on 10 February 2011 and posted on PEPR's website, which was at 31 December 2010 €5.62 per Ordinary Unit. The EPRA<sup>2</sup> NAV per unit, which adjusts IFRS NAV for hedging instruments and eliminates deferred tax, was at 31 December 2010 €6.32 per Ordinary Unit<sup>3</sup>.

The price reference in the joint press release from APG Algemene Pensioen Groep N.V. and Goodman Group dated 12 April 2011, the subsequent trading levels on Euronext Amsterdam and on the Luxembourg Stock Exchange and the interest expressed by an institutional investor to sell its Ordinary Units to PLD were further factors PLD considered. The latter resulted in a negotiated transaction in which PLD acquired approximately 11 million Ordinary Units of PEPR at a price of €6.10. As announced on 14 April 2011, this transaction resulted in an obligation to make a mandatory offer and as such PLD was also guided by the Luxembourg regulations in respect of determining the price in a mandatory offer. Finally, in determining the Offer Price, PLD also took into account its existing unitholding and governance rights with respect to PEPR.

<sup>1</sup> Weighted average Closing Price of Ordinary Units listed on Euronext Amsterdam. Insufficient trading volumes on Luxembourg Stock Exchange to include data.

<sup>2</sup> European Public Real Estate Association *Best Practices Recommendations*, issued in October 2010 after PEPR's specific adjustment

<sup>3</sup> PEPR announced on 24 January 2011 that it has corrected the previous accounting treatment of its IFRS deferred tax liability, that it will restate its audited financial statements and that it has identified the need for a correction in preparing for its 2010 year-end reporting. For further information on such action please refer to the press release PEPR published on 24 January 2011 and which can be obtained from PEPR's website <http://prologis-ep.com>.

The Offer Price for the Preferred Units was also determined by a number of factors; given the low liquidity of the Preferred Units the price at which the Preferred Units trade has been considered as being of limited relevance. A further factor considered was that PEPR's Management Regulations provide that the Preferred Units convert (at the option of the Unitholder) into Ordinary Units at a ratio of 1:1<sup>4</sup>. These factors together with the Offer Price for Ordinary Units referred to above resulted in the determination of an Offer Price for the Preferred Units of €6.10.

Based on the Offer Price for Ordinary Units of €6.10 and the Offer Price for Preferred Units of €6.10, the Offer values PEPR at approximately €1.225 billion including the ProLogis Group's holding of Ordinary Units and Preferred Units.

## 2.5 External Conditions which may impact the Offer

The Offer being a mandatory offer, it is unconditional and firm, subject only to the following Conditions:

- (a) **Effects of the Offer:** no government or governmental, quasi governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
  - (i) make the Offer, its implementation or the acquisition or proposed acquisition of any Units or other securities in, or control of, PEPR by any member of the ProLogis Group void, unenforceable and/or illegal under the laws of any jurisdiction, or otherwise directly or indirectly restrict, restrain, prohibit, delay or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge or require material amendment of the Offer or the acquisition of any such Units or securities by any member of the ProLogis Group, or require, prevent or materially delay a divestiture by any member of the ProLogis Group of any Units or other securities (or the equivalent) in PEPR;
  - (ii) require, prevent or materially delay a divestiture by any member of the ProLogis Group of any Units or other securities (or the equivalent) in PEPR;
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the ProLogis Group to acquire or hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of Units or other securities in PEPR or the ability of any member of the ProLogis Group directly or indirectly to hold or exercise effectively any

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<sup>4</sup> Further information on the rights attached to and the conversion of the Preferred Units is given in PEPR's Management Regulations that can be obtained at <http://www.prologis-ep.com>. The PEPR Management Regulations permit the holders of Preferred Units to convert their Units at any time. Holders of Preferred Units having decided to participate in the Offer can either tender their Units to the Offeror or convert their Preferred Units into Ordinary Units and tender these Units in the Offer.

rights of ownership in respect of Units or other securities (or the equivalent) in, or to exercise management control over, PEPR;

- (iv) result in any member of the PEPR Group ceasing to be able to carry on business under any name under which it presently carries on business which is material in the context of the PEPR Group taken as a whole;
- (v) otherwise affect the business, assets, profits or prospects of any member of the PEPR Group or any member of the ProLogis Group in a manner which is adverse to and material in the context of the PEPR Group taken as a whole or of the obligations of any members of the ProLogis Group taken as a whole in connection with the Offer,

and all applicable waiting and other time periods during which any such Third Party could decide to take, implement, threaten or institute any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any Units or otherwise intervene having expired, lapsed or been terminated;

- (b) **Authorisations:** all materially appropriate or necessary notifications, filings or applications having been made in respect of the Offer and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with and all authorisations, orders, grants, recognitions, confirmations, consents, clearances, licences, permissions, exemptions and approvals necessary or appropriate or required for or in respect of the Offer including for the avoidance of doubt any required anti-trust authorisations (“**Authorisations**”) (including, without limitation, its implementation) or the proposed acquisition of any Units or other securities in, or control of, PEPR by any member of the ProLogis Group having been obtained, which may not materially impact the Offer or by which the Offer may then not become unreasonably onerous from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any member of the ProLogis Group or the PEPR Group has entered into contractual arrangements and all such Authorisations necessary or appropriate to carry on the business of any member of the PEPR Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Offer becomes otherwise unconditional and there being no intimation or notice of any intention to revoke, suspend, restrict, modify or not renew such Authorisation.

The Offer will lapse unless the above Conditions are satisfied by no later than five Business Days after the end of the Acceptance Period.

## 2.6 Acceptance Period

Unitholders may accept the Offer at any time during the Acceptance Period (which period will commence on 22 April 2011 and will end at 6.00 p.m. CET on 6 May 2011, unless extended in accordance with the Luxembourg Take-over Law).

The Acceptance Period may be extended in the circumstances provided by the Luxembourg Take-over Law.

In particular, the Offeror may request that the CSSF approve an extension of the Acceptance Period. The period of any such extension is subject to the approval of the CSSF.

Further, in the event that a competing take-over bid is made for Units, the Acceptance Period will be immediately extended so as to lapse at the same time as at the end of the acceptance period of the competing take-over bid (in accordance with article 13(c) of the Luxembourg Take-over Law).

Any extension of the Acceptance Period shall be of the same duration in Luxembourg and The Netherlands and shall be publicised in accordance with section 2.8 (Publication of the results of the Offer) below.

## **2.7 Acceptance of the Offer and payment**

### **2.7.1 Acceptances irrevocable**

The acceptance of the Offer by any Unitholder is unconditional and irrevocable, except to the extent that the Conditions are not satisfied in full by the date that is five Business Days after the end of the Acceptance Period or in the limited circumstances set out in the Luxembourg Take-over Law.

Further, in the event of a competing take-over bid for Ordinary Units or Preferred Units, Unitholders who have accepted the Offer before the publication of the offer document of the competing bid will automatically be released from their previous acceptance of the Offer in accordance with article 13(c) of the Luxembourg Take-over Law. Any such release will be without payment of any indemnity, interest or other consideration (including, without limitation, reimbursement of any costs incurred by accepting Unitholders).

### **2.7.2 No partial acceptances**

No partial acceptances will be permitted and each accepting Unitholder must accept the Offer in respect of all Ordinary Units **and** all Preferred Units held by that Unitholder.

### **2.7.3 Acceptance procedure**

#### **(a) Unitholders holding in certificated form**

Unitholders who hold their Units in certificated form may accept the Offer in full by completing and filing the Acceptance Form set out as **Appendix 1** to this Offer Document.

Correctly completed and signed in duplicate, this Acceptance Form can be filed along with the Unit Certificates representing your Units and the request to include a statement of transfer in the Unit register on a Business Day during the Acceptance Period, during banking opening hours, at the windows accessible to the general public, in person or via a financial institution or broker, at the offices of the Receiving and Paying Agent in Luxembourg and/or The Netherlands, where this Offer Document and the Acceptance Form will be available. Other financial institutes or brokers will adhere to the procedure defined in this Offer Document.

Acceptance Forms concerning Units to which legal title is held by two or more persons must be signed by all joint owners. Acceptance Forms concerning Units subject to a beneficiary right must be signed by both the primary owner and the beneficiary. Acceptance Forms concerning Units subject to right of lien must be signed by both the owner and the lienee, whereby the lienee will explicitly waive his or her right of lien to the Units.

**(b) Unitholders holding in uncertificated form**

If you hold your Units in uncertificated form, (that is, in Euroclear Nederland), you should **not** complete the Acceptance Form set out as Appendix 1.

Instead, such Unitholders should tender their Units via their Financial Intermediary such that the instruction arrives with The Royal Bank of Scotland N.V. no later than 6 p.m. on 6 May 2011. Financial Intermediaries may set an earlier deadline for communication by Unitholders in order to permit it to communicate their acceptance to the Receiving and Paying Agent in a timely manner.

By tendering their Units in uncertificated form via Financial Intermediaries the holders thereof shall be giving in favour of the Offeror the undertakings, representations and warranties and be making the agreements in favour of the Offeror outlined in Appendix 1 of this Offer Document and which forms an entire part of this Offer Document.

**2.7.4 Payment**

Unitholders who have validly tendered (and not validly withdrawn) Units in connection with the Offer will be paid within 5 Business Days following the announcement of the final results of the Offer.

Legal title to (and risk associated with) Units validly tendered in connection with the Offer will pass to the Offeror on the date of payment.

Payment will be effected by the Receiving and Paying Agent.

**2.7.5 Governing Law**

The relationship between each accepting Unitholder and the Offeror will be governed by Luxembourg law. The Courts of the District and City of Luxembourg shall have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by the Offer and the Acceptance Form or otherwise arising in connection with the Offer and the Acceptance Form.

**2.8 Publication of the results of the Offer**

The Offeror shall publish in the form of a press release which will be posted on PLD's website <http://www.prologis.com> the number of Ordinary Units and Preferred Units held by the ProLogis Group and those validly tendered in the Offer, specifying the number of voting rights attached to the total of such Ordinary Units:

- (a) every seventh day after the publication of this Offer Document (with the first such publication on 29 April 2011);

- (b) every morning during the last seven days of the Acceptance Period; and
- (c) on 6 May 2011 after trading hours on the last day of the Offer (publication of final results of the Offer).

The Offeror will publish all other announcements or notices in relation to the Offer in the Luxembourg press (*Luxemburger Wort*), the Dutch press (*Het Financieele Dagblad*) and the Daily Official List (*Officiële Prijscourant*).

## **2.9 Lapse of the Offer**

If the conditions of the Offer are not met or if the Offer lapses, completed Acceptance Forms, Unit Certificates and other documents of title will be returned to Unitholders by post within 10 Business Days of the Offer lapsing.

## **2.10 Squeeze-out rights**

If, as a result of the Offer, the ProLogis Group holds, directly or indirectly, at least 95% of voting rights attaching to the Units (i.e. that is, if it holds at least 95% of the Ordinary Units then in issue), the Offeror may use its squeeze-out right (in accordance with article 15 of the Luxembourg Take-over Law) to compulsorily acquire all Ordinary Units which are not tendered in connection with the Offer (or which are not otherwise controlled by PLD).

Under the Luxembourg Take-over Law, the Offeror is entitled to exercise its right of squeeze-out within three months from the end of the Acceptance Period. If the Offeror exercises its squeeze-out right, the Offeror will purchase the remaining Ordinary Units at a fair price (as that price is determined under the Luxembourg Take-over Law, which the CSSF may determine is a price equal to the Offer Price).

## **2.11 Sell-out rights**

If, as a result of the Offer, the ProLogis Group holds, directly or indirectly, at least 90% of voting rights attaching to the Units (i.e. that is, if it holds at least 90% of the Ordinary Units then on issue), the holders of Ordinary Units may require (in accordance with article 16 of the Luxembourg Take-over Law) the Offeror to buy from these holders the Ordinary Units not yet held by the ProLogis Group.

Under the Luxembourg Take-over Law, the price payable by the Offeror on such sell-out of Ordinary Units shall be made at a fair price (as that price is determined under the Luxembourg Take-over Law, which the CSSF may determine to be a price equal to the Offer Price).

## **2.12 Costs of the Offer and Commissions**

The Offeror will assume all costs associated with the Offer.

The Receiving and Paying Agent will not charge accepting Unitholders any commission, fee or any other cost in connection with the Offer. Further, tendering Unitholders should not have to pay any transaction fees or brokerage commissions if they instruct their Financial Intermediary that is a Member to tender their Units (subject to the policies of such intermediaries).

Unitholders filing an Acceptance Form via intermediaries other than the Receiving and Paying Agent (or via a Financial Intermediary that does not directly tender and deliver such Units to the Receiving and Paying Agent) should enquire about the additional costs that may be charged by such intermediaries for their brokering services and such Unitholders will be liable for all costs that may be charged by such intermediaries.

Members in the Netherlands will receive (from the Receiving and Paying Agent on behalf of the Offeror) a commission up to a maximum amount of €0.00495 per Unit validly tendered and delivered during the Acceptance Period (within the limits of a maximum of €1,000 per depot).

### **2.13 Advice of the Management Company**

The Offeror has notified the Management Company of the Offer and have made this Offer Document available to it. The Management Company has been asked to give its advice on the Offer in accordance with article 10 (5) of the Luxembourg Take-over Law. This advice will be published by PEPR once available in accordance with the applicable legislation.

PLD will publish on its website at <http://www.prologis.com> and will hold available at the offices of each Receiving and Paying Agent the advice of PEPR on the Offer.

Please refer to section 4.4 which contains a description of the Management Company and governance rules applicable to PEPR in the decision making process by the Managers and by the PEPR Board.

### **2.14 Overseas Unitholders**

The availability of the Offer to Unitholders who are not resident in Luxembourg, The Netherlands or the United States may be affected by the laws of their relevant jurisdiction.

Such persons should inform themselves about and observe any applicable legal or regulatory requirements of their jurisdiction and should read the "Overseas Unitholder" section of the Important Information section of this Offer Document. If you remain in any doubt as to whether you are eligible to accept the Offer, you should consult your professional legal, tax, financial or other adviser in the relevant jurisdiction without delay.

The Offer is not being made, directly or indirectly, in or into and is not capable of acceptance from or within any Restricted Jurisdiction.

Accordingly, the accepting Unitholders who are unable to give the representations and warranties set out in the relevant provisions of the Acceptance Form, may be deemed not to have validly accepted the Offer.

### **2.15 Market purchases**

The ProLogis Group may acquire, or cause an affiliate to acquire, Units at any time prior to the expiration of the Acceptance Period, if and to the extent that market conditions, the trading price of the Units and other factors make it desirable for the ProLogis Group to complete such purchases.

Any such purchases will be made in accordance with Luxembourg law at the applicable Offer Price, provided that no such purchases will be made within the United States or from Unitholders resident in the United States. The ProLogis Group will disclose all such purchases in accordance with relevant Luxembourg, Dutch and US laws.



## **2.16 Effect of the Offer on non-accepting Unitholders / Risk factors**

The Offeror believes that the Offer provides Unitholders with an attractive opportunity to liquidate their entire investment in PEPR for cash within a short timescale.

Unitholders who do not tender their Units under the Offer should carefully review this section, which describes certain consequences to which they may be subject. These consequences are in addition to risks to which Unitholders may be subject as a result of their exposure to the business of PEPR.

### **2.16.1 Loss or reduction of liquidity (including cancellation of listing)**

The liquidity and the market value of the remaining Ordinary Units and Preferred Units held by the public (i.e. not by a ProLogis Group member) could be significantly reduced (or, if the Offeror exercises its squeeze-out rights under the Luxembourg Take-over Law, eliminated altogether).

In particular, Unitholders should note that if, following the Offer, the ProLogis Group holds at least 95% of the issued Ordinary Units and/or Preferred Units, the Offeror may apply to both the Luxembourg Stock Exchange and Euronext Amsterdam to cancel the listing of all Units of that respective class listed on those exchanges.

Cancellation of the listing of the Units would significantly reduce the liquidity and marketability of any Units not tendered to the Offeror under the Offer and the value of any such Units may be affected as a consequence, particularly as no redemption or buy-back right or automatic liquidation or realisation of Units is contemplated under the Management Regulations.

### **2.16.2 Exercise of squeeze-out rights**

Unitholders should be aware that the Offeror may use its squeeze-out right (in accordance with Luxembourg Take-over Law) to compulsorily acquire all Ordinary Units which are not tendered to it in connection with the Offer in the event that, following Completion, the ProLogis Group holds at least 95% of voting rights attaching to the Units (i.e. if it holds at least 95% of the Ordinary Units then on issue). Please see section 2.10 (Squeeze-out rights) above for further details.

### **2.16.3 Reduced ability to replace Management Company and Investment Managers**

The Management Company can generally only be removed or replaced by a vote of 67% of the Ordinary Units on 15 September 2016 and every fifth year thereafter. The ProLogis Group holds at the time of the commencement of this Offer approximately 39% of the Ordinary Units in issue and, therefore, the ability of non-ProLogis related Unitholders to successfully remove the Management Company and the Investment Managers is materially reduced.

### **2.16.4 Reduced governance rights**

In the event that PEPR is no longer listed and its Units will no longer be publicly traded, the statutory provisions applicable to the governance of listed entities will no longer apply and the rights of minority Unitholders will be limited to the statutory minimum.

Further, Completion of the Offer may result in the ProLogis Group's already significant ownership of Units being substantially increased. This, together with the fact that the Management Company (a ProLogis Group's company) has the

exclusive right to manage PEPR, may result in the ProLogis Group having a substantially increased level of control over both the day-to-day business and strategic direction of PEPR.

### **3 TAX TREATMENT OF THE OFFER**

#### **3.1 General Tax Considerations**

**The following sections do not address the tax consequences of disposing of Units in all jurisdictions (the analysis is limited to tax consequences for certain investors tax resident in Luxembourg and the Netherlands). The tax consequences of the sale of Units may differ significantly from investments in other types of investment vehicles. Unitholders should consult their professional advisors on the potential tax consequences of disposing of Units under the applicable laws of their country and/or state of citizenship, domicile or residence.**

Please be advised that this section does not purport to address any specific rules such as the rules that might apply to specific classes of holders of financial instruments, and that this section shall not be analogously extended to include situations not specifically addressed in the following section.

This summary is based on the laws, treaties and administrative interpretations as valid as at on the date of this Offer Document which can be amended, even retrospectively.

Investors will need to consult their own advisors about the tax implications of the Offer in light of their personal situation, including the implications of regional, local or other national laws.

#### **3.2 Tax Treatment of the Offer in The Netherlands**

This is a summary of the Dutch tax implications of the transfer of the Units in the context of the Offer, and is limited to the tax consequences applicable to the following Unitholders:

- (i) Dutch tax resident individuals who own Units in PEPR as portfolio investments taxable in Box III as defined in the Dutch Individuals Income Tax Act 2001 (“IITA”);
- (ii) Dutch pension funds which qualify as tax resident 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); and
- (iii) Dutch tax resident entities (not including Dutch tax exempted pension funds) that are subject to Dutch corporate income tax on their worldwide income in the Netherlands.

##### **3.2.1 Income tax treatment of the disposal of Units**

###### **(a) Dutch individuals**

Under IITA, there are three categories or “Boxes” of taxable income, Boxes I, II and III, each having its own treatment and tax rate. Box I relates to income arising from employment or entrepreneurial activities and Box II relates to income from substantial shareholdings (‘substantial’ being a 5% interest in any class of share issued, and including any shares held by close relatives). 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 either Ordinary Units or Preferred Units as a portfolio investment which are taxable in Box III, as

defined in the IITA. We have assumed that neither Box I nor Box II should be relevant to this offer document and therefore neither has been considered further.

In Box III, the taxation of savings and investments is based on the 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) from 1 January of each year. The taxation basis for Box III (being the “**Capital Yield Tax Base**”) is the net investment basis at 1 January of each year, (to the extent this exceeds a tax free amount as defined in the IITA).

The taxable yield in Box III is determined at a notional amount equalling 4% per year of the Capital Yield Tax Base. As a result, the amount of investment return actually received on such assets, such as distributions and gains on disposal, is not relevant for determining the taxable basis in Box III. The notional yield of 4% of the Capital Yield Tax Base is subject to 30% income tax. This translates into Dutch individual income tax of 1.2% on the Capital Yield Tax Base.

For Dutch tax resident individuals who own Units 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.

The disposal of Units should not have any further tax consequences under the IITAA. Accordingly, for Dutch tax resident individuals who own Units as portfolio investments, there should not be any further Dutch income tax consequences other than those taxable in Box III.

**(b) Dutch tax exempted pension funds**

Any capital gain/loss incurred as a result of the disposal of Units should be tax exempt at the level of Dutch pension funds on the basis that they qualify as tax exempt entities as per article 5(1)(b) CITA.

Article 5(1)(b) CITA states that 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. Additional conditions also apply to achieve tax exempt status, including the condition that (except for a distribution of up to 5% of the nominal paid up 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 10% or more in the pension fund, or
- (ii) the pension fund's 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 10% or more.

**(c) Dutch resident taxable entities (not including Dutch tax exempted pension funds)**

In general, Dutch tax resident entities are subject to Dutch corporate income tax on their worldwide income in the Netherlands unless certain items benefit from an exemption under domestic law or tax treaties. Capital gains and losses on the disposal of Units will be included in ordinary income. Tax is imposed on the taxable amount (*belastbaar bedrag*), which is computed as the current year taxable profits less tax losses that are available for offset. Income from all sources is generally aggregated and it includes business income, investment income, financial income and income from real estate. However, capital gains and losses on the alienation of a qualifying participation in another company are exempt pursuant to the Dutch participation exemption. In order to qualify, a Dutch tax resident company should in principle, amongst other conditions, hold a participation of 5% or more in the nominal share capital of that company (i.e. in this context nominal share capital is Ordinary Units and Preferred Units combined). This analysis assumes that no Dutch tax resident entity holds 5% or more of PEPR's nominal share capital and thus that the Dutch participation exemption rules will not be applicable.

**3.2.2 Other tax**

There is no Dutch registration tax, stamp duty, stock transfer tax or any other similar tax or duty payable in The Netherlands by the Unitholders as a consequence of the disposal of the Units.

**3.3 Tax Treatment of the Offer in Luxembourg**

This is a summary of the Luxembourg tax implications of the transfer of the Units in the context of the Offer, and is limited to the tax consequences applicable to the following Unitholders:

- (i) Luxembourg resident individuals;
- (ii) Fully taxable Luxembourg resident companies;
- (iii) Luxembourg resident companies benefiting from a special tax status; and
- (iv) Non-Luxembourg residents.

### 3.3.1 Income tax treatment of the transfer of Units

PEPR is currently constituted as a Luxembourg FCP which is a tax transparent entity for Luxembourg tax purposes. Provided PEPR can be demonstrated to be transparent for Luxembourg tax purposes (which we believe should be the case) then Luxembourg Unitholders are deemed to invest directly in the “**Underlying Assets**” of PEPR (being loans to and shares held in a Luxembourg company: “**SuperHoldCo**”).

#### (a) Luxembourg resident individuals

The disposal of Units will be deemed to be a disposal of the Underlying Assets of PEPR and will be a taxable event for Luxembourg resident individuals.

Although capital gains are taxed as income in Luxembourg, no tax arises on the sale of shares or debt instruments held for more than 6 months, unless the shares represent a substantial participation. An equity investment into a corporate entity is treated as substantial if the vendor owned, individually or collectively with his spouse and minor children, directly or indirectly more than 10% of the company’s equity at any time in the 5 years preceding the date of transfer of ownership.

The investment is also treated as substantial if the vendor acquired the participation without consideration (for example as an inheritance) at any time in the 5 years prior to the transfer of ownership and if the previous holder owned, at any time in the 5 years preceding the disposal, alone or collectively with his spouse and minor children, directly or indirectly, more than 10% of the corporate entity’s equity.

The tax rate applicable to such taxable gains will depend on the individual’s personal tax status and may be levied at rates up to 39% (plus surcharges).

There is a risk that owing to some of the characteristics of the Preferred Units the Luxembourg tax authorities may consider them to be debt instruments rather than units i.e. equity for Luxembourg tax purposes. In any case, any gain on the disposal of Preferred Units held for greater than 6 months by Luxembourg individual tax residents should be exempt under the principles outlined above.

#### (b) Fully taxable Luxembourg resident companies

The disposal of Units will be deemed to be a disposal of the Underlying Assets of PEPR i.e. loans to and shares in SuperHoldCo and will be a taxable event for fully taxable Luxembourg resident companies.

Luxembourg corporate tax resident Unitholders will be taxable, at the global Luxembourg corporate income tax rate, which is currently 28.59% (inclusive of Luxembourg Corporate Income Tax and Municipal Business Tax for Luxembourg City), on their share of the gains arising on the disposal of the Underlying Assets. Any losses arising should be tax deductible against other income and gains of the Luxembourg corporate tax resident Unitholders. Certain tax exemptions may apply for Luxembourg corporate tax resident Unitholders depending on their individual circumstances.

The above treatment should apply in the case of the disposal of both Ordinary Units and Preferred Units.

There is a risk that owing to some of the characteristics of the Preferred Units the Luxembourg tax authorities may consider them to be debt instruments rather than Units (i.e. equity) for Luxembourg tax purposes. In any case, a gain/loss on the disposal of Preferred Units by Luxembourg corporate tax resident Preferred Unitholders will still be taxable/deductible for Luxembourg Corporate Income Tax and Municipal Business Tax purposes.

**(c) Luxembourg resident companies benefiting from a special tax status**

For the purposes of this section “companies benefitting from a special tax status” are considered to be limited to entities incorporated within the following legal frameworks;

- Société de gestion de Patrimoine Familial (‘SPF’)
- Société d'Investissement À Capital Variable (‘SICAV’)
- Société d'Investissement À Capital Fixe (‘SICAF’)

The disposal of Units by an SPF, SICAV or SICAF will be exempt from taxation in Luxembourg by virtue of domestic exemption of these entities from direct taxation.

**(d) Non-Luxembourg residents**

Foreign Unitholders (i.e. non-Luxembourg tax residents, which do not hold their Units through a permanent establishment or a permanent representative in Luxembourg) will only be taxable in Luxembourg on their share of any gains arising on the disposal of the SuperHoldCo Shares if the following conditions apply:

- (i) The relevant tax treaty between Luxembourg and the jurisdiction in which the foreign PEPR Investor is resident does not allocate exclusive taxation rights to the jurisdiction in which the foreign PEPR Investor is tax resident; and
- (ii) The foreign PEPR Investor holds a substantial holding in SuperHoldCo’s Share Capital (i.e. the foreign Unitholder, together with any spouse and children, has held, directly or indirectly, at any time during a period of five years prior to the sale more than 10% of SuperHoldCo’s Share Capital); and

either

- (iii) The foreign Unitholder has held those SuperHoldCo Shares for less than six months; or
- (iv) The foreign Unitholder is an individual who 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.

Non-Luxembourg tax resident Unitholders will only be subject to tax in Luxembourg on any gains realised on the disposal of shares in SuperHoldCo in the circumstances described above or on the disposal by PEPR of Luxembourg real estate held directly, or indirectly via a tax transparent entity.

There is a risk that owing to some of the characteristics of the Preferred Units the Luxembourg tax authorities may consider them to be debt instruments rather than Units (i.e. equity) for Luxembourg tax purposes. In this case even if the Units are considered to be debt, a gain on the disposal of the Preferred Unit will not be subject to Luxembourg Corporate Income Tax and Municipal Business Tax for a non-Luxembourg tax resident Preferred Unitholder. This is on the basis that the Preferred Unitholder will not be considered to have through its Preferred Units a direct interest in the shares of SuperHoldCo or any Luxembourg real estate.

The disposal of Ordinary Units and Preferred Units should not be subject to withholding taxes in Luxembourg unless the EU Savings Directive applies.

### **3.3.2 Other tax**

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by the Unitholders as a consequence of the disposal of the Units provided that no Luxembourg real estate is held directly, or indirectly via a tax transparent entity, by PEPR. To the extent any of the documentation in relation to the offer is required to be filed with the Luxembourg Registration Authorities (*Administration de l'Enregistrement*) then Luxembourg registration duties may be applicable.

### **3.3.3 EU Savings Directive**

The scope of the EC Council Directive 2003/48/EC (on the taxation of savings income; the “**EU Savings Directive**”) may include gains generated on the sale of Units in qualifying investment vehicles. Assuming all other criteria are satisfied then gains realised upon sale of Units will be subject to the provisions of the EU Savings Directive. Should PEPR have a Luxembourg Paying Agent then qualifying payments may be subject to withholding tax as detailed below.

Under 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 and Austria have chosen to operate a withholding system in relation to such payments (unless during that period they elect otherwise). Belgium also chose to operate a withholding system, although it abandoned the withholding system as from 1 January 2010. For each of these countries, 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% and will be automatically increased to 35% 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) may be creditable or deductible (any excess being refundable) in the hands of Beneficial Owners and Residual Entities 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 tax. 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 on a case by case basis.

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).

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. In any event Unitholders should consult their professional advisors as to their position. Possible (future) EU Savings Directive implications and developments should also 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.

## 4 INFORMATION ABOUT PEPR

### 4.1 General information about PEPR

<b>Legal name</b>	ProLogis European Properties
<b>Registered address</b>	34-38, avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg
<b>Legal form</b>	Luxembourg <i>fonds commun de placement</i>

### 4.2 History and portfolio

PEPR was established in 1999 in Luxembourg as a closed-ended *fonds commun de placement*.

PEPR is one of Europe's largest owners of high quality Distribution Facilities. Based on publicly available information, the Offeror understands that, as at 31 December 2010, PEPR owned and managed 232 Distribution Facilities comprising 4.9 million square metres of leasable space in 11 countries and that PEPR's portfolio had an overall occupancy rate of 94.5%<sup>5</sup>.

The Ordinary Units were listed on the Official List and admitted to trading on the regulated markets of the Luxembourg Stock Exchange and Euronext Amsterdam in October 1999 and September 2006 (respectively). In addition, the Preferred Units were listed on the Official List and admitted to trading on the regulated markets of the Luxembourg Stock Exchange and Euronext Amsterdam in December 2009.

### 4.3 PEPR structure and employment

PEPR has over 350 principal subsidiaries, all of whose registered offices are based in Europe, with the majority located in Luxembourg.

PEPR does not have any employees.

### 4.4 Management

PEPR is externally managed by the Management Company, a Luxembourg incorporated ProLogis Group company, in accordance with its Management Regulations. The Management Company manages the day-to-day activities of PEPR in the interest of the Unitholders.

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 Designated Board Members. The PEPR Board is responsible for reviewing certain decisions prior to their implementation by the Management Company.

The Management Company 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. PLD indirectly owns all of the outstanding share capital of the Management Company.

<sup>5</sup> Source: PEPR News Release on Result for the Quarter and Year ended 31 December 2010, <http://www.ProLogis-ep.com>

The Management Company has four Managers appointed by its sole shareholder, ProLogis Management Services S.à r.l., itself a wholly-owned indirect subsidiary of 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, who have overall responsibility for the management of PEPR, are Peter Cassells (Chief Executive Officer), Simon Nelson (Head of Asset Management), David Doyle (Chief Financial Officer) and Gerrit Jan Meerkerk (Fund Controller).

The Management Company has also engaged several Investment Managers, each a ProLogis Group company, pursuant to the Investment Management Agreement to provide investment management services to PEPR in certain jurisdictions. Under the Investment Management Agreement, the Investment Managers, subject to the overall supervision, approval, direction and liability of the Management Company, carry out property management functions in relation to the day-to-day administration and operations of the PEPR investment portfolio.

#### **4.5 Relationship with PLD**

PLD retains a significant role in the day-to-day operation of the PEPR business through its indirect ownership of the Management Company and the Investment Managers. Further, two PLD officers sit on the PEPR Board.

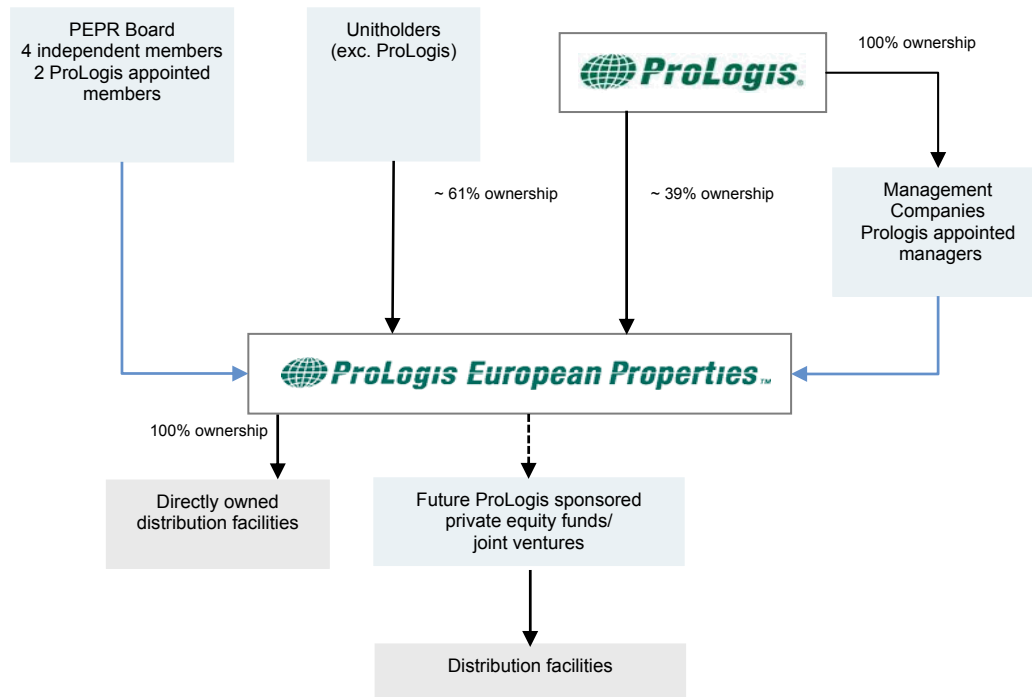
Specifically, PLD has full equity control of the Management Company via its sole shareholder ProLogis Management Services S.à r.l., itself a wholly-owned indirect subsidiary of PLD. All four Managers at the Board of Managers of the Management Company were appointed by PLD and have employment contracts with the Management Company or PLD.

PEPR has an additional board called the “PEPR Board” composed of four independent directors and two ProLogis Designated Board Members. The PEPR Board shall consider in good faith and reasonable commercial judgment the proposals of the Management Company. A large proportion of decisions to be passed by the Management Company requires the prior approval of the PEPR Board with the result that PLD, irrespective of its control over the Management Company, has neither the legal nor the factual control of PEPR.

The Management Company has entered into an Investment Management Agreement with PEPR under the terms of which the Management Company carries out property management functions in relation to the day to day administration and operation of PEPR. PLD receives a fee from PEPR for carrying out its duties and services as Investment Manager of PEPR. 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.

In addition to its management role, since 2006 PLD has maintained a substantial ownership interest of PEPR. Specifically, PLD currently holds, directly or indirectly through fully controlled subsidiaries, approximately 39% of the Ordinary Units and directly or indirectly through fully controlled subsidiaries, approximately 68% of the Preferred Units issued in the December 2009 Preferred Unit issuance. Further, the Management Regulations require PLD to maintain an ownership interest of not less than 10% of the issued Ordinary Units either directly or indirectly through affiliates of PLD.

In accordance with the Management Regulations the ProLogis Group holds with its holding of approximately 39% of the votes of Unitholders Meeting the power to block any vote to remove the Management Company other than in very limited circumstances as set out in the Management Regulations.



#### 4.6 General information on the Units

PEPR has 190,522,441 Ordinary Units and 10,298,510 Preferred Units currently in issue which are in registered form and denominated in Euro.

All Ordinary Units and Preferred Units are fully paid up and are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated markets of the Luxembourg Stock Exchange and Euronext Amsterdam under the following details:

**Ordinary Units:**

ISIN: LU0100194785

Common Code: 010019478

Euronext Amsterdam Symbol: PEPR

**Preferred Units:**

ISIN: LU0467842786

Euronext Amsterdam Symbol: PEPRC

The rights attached to the Ordinary Units and the Preferred Units are described in the Management Regulations.

The Preferred Units rank *pari passu* with each other, but senior to Ordinary Units, with respect to participation in profits (including as to any distribution or dividend payment in respect of Preferred Units) and allocation of 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 upon winding up of PEPR.

The Preferred Units are subordinated in order of repayment priority to all debt of PEPR.

Preferred Units are entitled to a cumulative preferred cash distribution and reimbursement of the respective paid-up contributions at any point in time of their initial issue price in accordance with the Management Regulations. No distributions are paid to holders of Ordinary Units unless all distribution or dividend payments owed under the Management Regulations in respect of Preferred Units are fully paid.

The Preferred Units are convertible into Ordinary Units at the option of the holders of Preferred Units and are subject to redemption at the initiative of the Management Company as set out in Articles 8 and 12 of the Management Regulations.

Each holder of Ordinary Units present in person or represented by written proxy at a general meeting of holders of Ordinary Units and having a right to vote under the Management Regulations has one vote for each Ordinary Unit held, as set out the Management Regulations. Fractional Units 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, the winding-up of PEPR and in respect of a change of legal form and liquidation of PEPR<sup>6</sup>.

PEPR's major holders of Ordinary Units do not have different voting rights. The holders of Preferred Units do not have any voting rights except, in accordance with the Management Regulations, for any decision relating to the change of the legal form of PEPR, the winding-up of PEPR and the appointment or removal of Independent Board Members.

Any change to the Management Regulations which only impacts Preferred Units is subject to vote by a simple majority of Preferred Units.

#### **4.7 Unitholders**

As at the date of this Offer Document, PLD (or entities affiliated with PLD) held 74,113,573 Ordinary Units (representing approximately 39% of all Ordinary Units on issue) and held 7,015,856 Preferred Units (representing approximately 68% of all Preferred Units on issue). The balance of Ordinary Units and Preferred Units are publicly held.

Other than the Offeror, there are no persons who are acting in concert with PLD in connection with the Offer within the meaning of article 6(3) (m) of the Luxembourg Take-over Law.

Further information about PEPR is available at its website, <http://www.ProLogis-ep.com>. Information available on or through PEPR's website is not intended to constitute part of this Offer Document.

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<sup>6</sup> Additional information on the rights attached to the Units, such as financial rights, are described in the Management Regulations posted on PEPR's website: <http://www.ProLogis-ep.com>.

## 5 INFORMATION ABOUT PLD

### 5.1 General information about PLD

	<b>PLD</b>	<b>Offeror</b>
<b>Legal Name</b>	ProLogis	PLD International LLC
<b>Registered address</b>	4545 Airport Way, Denver, Colorado, 80239, United States of America	4545 Airport Way, Denver, Colorado, 80239, United States of America
<b>Legal form</b>	Maryland real estate investment trust (REIT)	Delaware limited liability company

### 5.2 History and business

The Offeror being a special purpose vehicle fully controlled by PLD with no operating and financial history, the following section contains a description of the Offeror's parent company, PLD.

PLD is a real estate investment trust headquartered in Denver, Colorado, U.S. that operates a global network of real estate properties, primarily Distribution Facilities<sup>7</sup>.

PLD was formed in 1991, primarily as a long-term owner of industrial distribution space operating in the United States. Over time, the PLD business strategy evolved to include the development of property for contribution to property funds in which PLD maintains ownership interest and management.

Originally, PLD sought to differentiate itself from its competition by focusing on corporate customers' distribution space requirements on a national, regional and local basis in the United States and providing customers with consistent levels of service throughout the United States. However, as customer needs expanded to regions outside the United States, so did the PLD portfolio and management team.

PLD's current business strategy is to integrate international scope and expertise with a strong local presence in its key markets, thereby becoming an attractive choice for its targeted customer base, the largest global users of distribution space, while achieving long-term sustainable growth in cash flow.

As at 31 December 2010, PLD had total assets owned, managed and/or under development (including PEPR's assets and the assets of ProLogis European Properties II) in excess of US\$31 billion (based on historical cost and prior to depreciation).

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<sup>7</sup> Additional information on PLD can be obtained from PLD's website: <http://www.prologis.com>.

Further, as at 31 December 2010, PLD's 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 2,178 properties aggregating 40 million square metres and serving over 3,800 customers in 19 countries in North America, Europe and Asia. PLD's 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. PLD and its affiliated entities have achieved a global reach while developing local market expertise through operations in these markets, with over 1,100 real estate professionals and associates employed worldwide.

On January 31, 2011, AMB Property Corporation and PLD announced a definitive merger agreement to combine through a merger of equals. Under the terms of the merger agreement, each PLD common share will be converted into 0.4464 of a newly issued AMB common share, and the combined company will be an UPREIT (umbrella partnership REIT). The merger is subject to customary closing conditions, including receipt of approval of AMB and PLD shareholders. The merger is expected to close during the second quarter of 2011. The all-stock merger is intended to be a tax-free transaction. Upon completion of the merger, the company will be named PLD and will trade under the ticker symbol PLD (NYSE).

Following the close of the transaction, the combined company's corporate headquarters will be located in San Francisco, and the combined company's operational headquarters will be located in Denver.

On a pro forma basis, following the merger, former PLD equity holders will hold approximately 60% of the combined company's equity, and former AMB equity holders will hold approximately 40% based on the exchange ratio.

### **5.3 Management**

PLD's executive officers are Walter Rakowich (Chief Executive Officer), Ted Antenucci (President and Chief Investment Officer), Edward Nekritz (General Counsel and Head of Global Strategic Risk Management) and William Sullivan (Chief Financial Officer).

### **5.4 General information on PLD shares**

All PLD common shares are fully paid up and are listed on New York Stock Exchange under the following details:

CUSIP Number: 743410102

Symbol: PLD

### **5.5 Shareholdings**

At April 7, 2011 PLD had 570,550,345 common shares of beneficial interest in issue and outstanding, which were held of record by approximately 7,300 shareholders.

### **5.6 Other**

PLD is subject to the informational requirements of the United States Securities Exchange Act of 1934 and, in accordance therewith, files reports, proxy statements and other information with the SEC.

Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street NE, Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling 1-800-SEC-0330. This material can also be obtained from the SEC's website at <http://www.sec.gov>, and all such reports, proxy statements and other information filed by PLD with the New York Stock Exchange may be inspected at the New York Stock Exchange's offices at 20 Broad Street, New York, New York 10005.

You can also obtain information about PLD at its website, <http://www.prologis.com>. Information available on or through the PLD website is not intended to constitute part of this Offer Document.



## **APPENDIX 1 – Acceptance Form**

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the accompanying Offer Document or any aspect of the Offer you should consult an independent financial adviser authorised under the amended Luxembourg law of 13 April 1993 on the financial sector (*Joi du 5 avril 1993 relative au secteur financier, telle que modifiée*) if you are in Luxembourg, or another appropriately authorised independent financial adviser if you are taking advice in a territory outside of Luxembourg. This Acceptance Form should be read in conjunction with the accompanying Offer Document dated 21 April 2011 (the "Offer Document"). Unless the context otherwise requires, the definitions contained in the Offer Document also apply in this Acceptance Form.

If you have sold or otherwise transferred all of your Units, please send the Offer Document together with this Acceptance Form and reply-paid envelope at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in, or into any Restricted Jurisdiction.

The Offer is not being made, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction, and the Offer is not capable of acceptance from or within any such jurisdiction. Accordingly, copies of the Offer Document and any other documentation relating to the Offer (including, without limitation, this Acceptance Form) are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send any such documents in or into or from any such Restricted Jurisdiction, as doing so may invalidate any purported acceptance of the Offer.

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## ACCEPTANCE FORM

### Public Take-over Bid

in respect of all Ordinary Units and Preferred Units held by the public in

### ProLogis European Properties

("PEPR")

by

### PLD International LLC

(the "Offeror")

Acceptances of the Offer must be received by 6.00 p.m. (CET) on 6 May 2011 at the following address:

RBS Global Banking (Luxembourg) S.A., 46, avenue J-F Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg  
or The Royal Bank of Scotland N.V. Equity Capital Markets/Corporate Actions, HQ 3130, Gustav Mahlerlaan 10, 1082 PP  
Amsterdam, The Netherlands, corporate.actions@rbs.com

**Unitholders who hold Units in uncertificated form only (that is, in Euroclear Nederland)  
should NOT complete this Acceptance Form**

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- If you hold your Units in certificated form (that is, **not** in Euroclear Nederland), to accept the Offer you should complete this Acceptance Form by following the instructions and notes for guidance set out on pages that follow and return the completed Acceptance Form (along with your Unit Certificate(s) and/or other documents of title) by post or by hand (during normal business hours only) to RBS Global Banking (Luxembourg) S.A. or The Royal Bank of Scotland N.V. as soon as possible and, in any event by 6.00 p.m. (CET) on 6 May 2011. If you hold Units in certificated form jointly with others, you must arrange for all your co-holders to sign this Acceptance Form.
  - If you hold your Units in uncertificated form (that is, in Euroclear Nederland), you should **NOT** return this Acceptance Form. Acceptance may only be made via your Financial Intermediary to The Royal Bank of Scotland N.V.
  - The full terms and conditions of the Offer are set out in the Offer Document.
  - If you hold Units in both certificated and uncertificated form, you should complete an Acceptance Form only in relation to your certificated holding.
  - If you hold Units in certificated form but under different designations you should complete a separate Acceptance Form in respect of each designation. You can obtain further Acceptance Forms by contacting The Royal Bank of Scotland N.V. by telephone on the following number +31 20 464 3707 (or alternatively on the following toll free number for calls made from inside the European Union: 00 800 3882 4743) or RBS Global Banking (Luxembourg) S.A. by telephone on the following number +352 270 330-1 or at one of the addresses listed above.
  - An Acceptance Form which is received in an envelope postmarked in a Restricted Jurisdiction, or which otherwise appears to the Offeror or its agents to have been sent from a Restricted Jurisdiction, will not constitute a valid acceptance of the Offer.
  - This Acceptance Form is governed by, and shall be construed according to, Luxembourg laws.

**IF YOU ARE IN ANY DOUBT AS TO HOW TO COMPLETE THIS ACCEPTANCE FORM, PLEASE CONTACT RBS GLOBAL BANKING (LUXEMBOURG) S.A. ON TELEPHONE NUMBER +352 270 330-1 OR THE ROYAL BANK OF SCOTLAND N.V. ON TELEPHONE NUMBER +31 20 464 3707 (OR ALTERNATIVELY THROUGH THE FOLLOWING TOLL FREE NUMBER FOR CALLS MADE FROM INSIDE THE EUROPEAN UNION: 00 800 3882 4743).**

**DO NOT DETACH ANY PART OF THIS ACCEPTANCE FORM**

## HOW TO COMPLETE THIS ACCEPTANCE FORM

Please follow the instructions on this page and page 4 when completing page 3.  
Your acceptance should be received no later than 6 p.m. (CET) on 6 May 2011.

### PLEASE COMPLETE THIS FORM USING BLACK INK ONLY

<b>1</b>	<b>REGISTERED UNITHOLDER DETAILS</b> If the name or address details shown in Box 1 opposite are incorrect please place a cross in Box 6A in black ink and add the correct details in BLOCK CAPITALS in Box 6. Any changes to the names must be supported by appropriate documentation (see section 8 on page 4 of this form for further details). If no name or address is shown in Box 1 on page 3 please add the full name(s) of all registered Unitholders and the registered address in Box 1.
<b>2</b>	<b>DAYTIME TELEPHONE NUMBER</b> Insert in Box 2 your daytime telephone number (outside of any Restricted Jurisdiction) including your full dialling code in case of queries relating to the completion of this form.
<b>3</b>	<b>TO ACCEPT THE OFFER</b> To accept the Offer, insert in Box 3 the total number of Units in certificated form for which you wish to accept the Offer (noting that no partial acceptances will be permitted and each accepting Unitholder must accept the Offer in respect of all Ordinary Units and all Preferred Units held by that Unitholder). Please also include your bank account details in Box 7. You must sign Box 4A or 4B in accordance with the instructions set out in this Acceptance Form which will constitute your acceptance of the Offer. If no number, or a number greater than your entire holding of Units in certificated form is written in Box 3 and you have signed Box 4A or 4B you will be deemed to have accepted the Offer in respect of your entire holding of Units in certificated form.
<b>4A</b>	<b>SIGNATURES OF INDIVIDUALS</b> If you wish to accept the Offer, you must sign and date Box 4A regardless of the other box(es) you complete. In the case of a joint holding ALL holders must sign. If this Acceptance Form is not signed by the registered holder(s), insert the name(s) and capacity (e.g. executor) of the person(s) signing this Acceptance Form. You should also deliver evidence of your authority in accordance with the notes on page 4.
<b>4B</b>	<b>COMPANY SIGNATURES</b> A company may, if required by applicable laws, affix its common seal, which should be affixed in accordance with its articles of association or other regulations. Each such person signing should state the office he/she holds in the relevant company. In all cases, the name of the company should be inserted above the signature of the persons who have signed this Acceptance Form.
<b>4C</b>	<b>COMPANY SEAL</b> If you are affixing a company seal please place a cross in Box 4C in black ink.
<b>5</b>	<b>RESTRICTED JURISDICTIONS</b> If you are unable to give the representations and warranties required to be given on pages 5 and 6 of this Acceptance Form, you must put "NO" in Box 5. If you do not put "NO" in Box 5, you will be deemed to have given such representations and warranties. If you put "NO" in Box 5, then, unless the Offeror exercises its right to treat your acceptance as valid, you will be deemed not to validly accept the Offer.
<b>6</b>	<b>ALTERNATIVE ADDRESS FOR DESPATCH OF CONSIDERATION</b> If you want the consideration and/or other document(s) to be sent to someone other than the first-named registered holder at the address set out in Box 1 (e.g. your bank, stockbroker or other agent), you should place a cross in Box 6B in black ink and complete Box 6 (with an address outside a Restricted Jurisdiction). Box 6 must be completed by holders with registered addresses in a Restricted Jurisdiction.
<b>7</b>	<b>BANK ACCOUNT DETAILS</b> Please include your bank account details in Box 7 for payment of any cash consideration to which you are entitled under the Offer.

**ProLogis European Properties**  
**ACCEPTANCE FORM RELATING TO THE OFFER**  
**PLEASE COMPLETE AS EXPLAINED ON PAGES 2 AND 4**  
**PLEASE COMPLETE THIS FORM USING BLACK INK ONLY**

Investor Code

Form ID

<b>1</b>	
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<b>3</b>	<p><b>No partial acceptances will be permitted. Each accepting Unitholder must accept the Offer in respect of all Ordinary Units and all Preferred Units held by that Unitholder.</b></p>	Number of Ordinary Units in respect of which you are accepting the Offer. For fractional Ordinary Units, please indicate 2 digits after the decimal.	<input type="text"/>
Number of Preferred Units in respect of which you are accepting the Offer. For fractional Preferred Units, please indicate 2 digits after the decimal.		<input type="text"/>	

<b>2</b>	Daytime telephone number, for use in the event of a query:
<input type="text"/>	

+ **SIGN BELOW TO ACCEPT THE OFFER** +

<b>4A</b>	<b>EXECUTION BY INDIVIDUAL</b>	
Signed by Holder One Signature/Date		Name of Holder One
<input type="text"/>		<input type="text"/>
Holder Two Signature/Date		Name of Holder Two
<input type="text"/>		<input type="text"/>
Holder Three Signature/Date		Name of Holder Three
<input type="text"/>		<input type="text"/>
Holder Four Signature/Date		Name of Holder Four
<input type="text"/>		<input type="text"/>
Note: All Unitholders who are individuals should sign and date this Acceptance Form in accordance with the instructions printed in note 4A.		

<b>7</b>	<b>BANK ACCOUNT DETAILS</b>
Bank Name	
<input type="text"/>	
BIC Code	
<input type="text"/>	
IBAN	
<input type="text"/>	
Account name	
<input type="text"/>	

<b>4B</b>	<b>EXECUTION BY A COMPANY</b>	<b>4C</b>
Executed by Name of Director/Manager		If you are affixing a company seal, please mark a cross in black ink in Box 4C to the right.  Affix company seal here (if applicable)
<input type="text"/>		
Name of Director/Manager/ Company Secretary		
<input type="text"/>		
Name of Company		<input type="checkbox"/>
<input type="text"/>		
Signature/Date		
<input type="text"/>		<input type="checkbox"/>
Signature/Date		
<input type="text"/>		

<b>5</b>	<b>RESTRICTED OVERSEAS UNITHOLDERS ONLY</b>
Mark "NO" in the box below in black ink if you are UNABLE to give the representations and warranties required to be given on pages 5 and 6 of this Acceptance Form.	
<input type="checkbox"/>	

**PLEASE ENSURE YOU ENCLOSE YOUR UNIT CERTIFICATE(S) AND/OR ANY OTHER DOCUMENT(S) OF TITLE WITH THIS ACCEPTANCE FORM**

<b>6</b>	If you are advising a change of name or address, place a cross in Box 6A in black ink and add your details below. If you would like the consideration sent to an alternative address to that shown in Box 1, place a cross in Box 6B in black ink and add your details below.	
<b>6A</b>	<input type="checkbox"/>	<b>6B</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Name	<input type="text"/>	
House Number	<input type="text"/>	Post Code
	<input type="text"/>	<input type="text"/>
Address Details	<input type="text"/>	
	<input type="text"/>	

## ADDITIONAL NOTES REGARDING THE COMPLETION OF THIS FORM

In order to be effective, this Acceptance Form must, except as mentioned below, be signed by the registered holder or, in the case of a joint holding, by ALL the joint holders. A corporation must execute this Acceptance Form under its common seal, if required by applicable laws, and in any case in accordance with its articles of association or other regulations. Each such person signing this Acceptance Form should state the office which he/she holds in the relevant company. In all cases, the name of the company should be inserted above the signature of the persons who have signed this Acceptance Form.

### 1) IF A HOLDER IS AWAY FROM HOME (E.G. ABROAD OR ON HOLIDAY):

Send this Acceptance Form by the quickest means (i.e. airmail) to the holder (unless he is in any jurisdiction where to do so would violate the laws in that jurisdiction) for execution or, if he has executed a power of attorney, have this Acceptance Form signed by the attorney. In the latter case, the original power of attorney should be returned with this Acceptance Form. No other signatures are acceptable. Do not send this Acceptance Form or the accompanying documents into any jurisdiction where to do so would violate the laws in that jurisdiction.

### 2) IF YOU HAVE SOLD OR OTHERWISE TRANSFERRED ALL YOUR UNITS:

Do not complete this Acceptance Form and please send the Offer Document together with this Acceptance Form and reply-paid envelope at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any Restricted Jurisdiction.

### 3) IF THE SOLE HOLDER HAS DIED:

If confirmation of a grant of probate or letters of administration has/have been registered with the Receiving and Paying Agent, this Acceptance Form must be signed, when permitted under applicable laws, by the personal representative(s) or executor(s) of the deceased holder. This Acceptance Form should then be lodged with the Receiving and Paying Agent at the address set out in paragraph 10 below with the related Unit Certificate(s) and/or other documents of title. If a grant of probate or letters of administration has/have not been registered with the Receiving and Paying Agent the personal representative(s) or prospective personal representative(s) or executor(s) should sign this Acceptance Form and forward it with the Unit Certificate(s), and/or other document(s) of title to the Receiving and Paying Agent at the address set out in paragraph 9 below. However, a grant of probate or letters of administration (a duly sealed copy) must be lodged by hand or post with the Receiving and Paying Agent before the consideration due under the Offer can be forwarded to the executor(s) or personal representative(s). For this purpose, photocopies of grants of probates and letters of administration are not acceptable. These documents will be returned as directed.

### 4) IF ONE OF THE JOINT HOLDERS HAS DIED:

When permitted under applicable laws, this Acceptance Form is valid if signed by the surviving holder(s) and lodged with the Receiving and Paying Agent at the address set out in paragraph 9 below with the Unit Certificate(s) and/or other document(s) of title and accompanied by the death certificate (or a duly certified copy), confirmation of grant of probate or letters of administration (or a duly sealed copy) in respect of the deceased holder. For this purpose, photocopies of death certificates, grants of probates or letters of administration are not acceptable. These documents will be returned as directed.

### 5) IF YOUR UNITS ARE IN CERTIFICATED FORM AND YOUR UNIT CERTIFICATE(S) OR OTHER DOCUMENT(S) IS/ARE HELD BY YOUR STOCKBROKER, BANK OR OTHER AGENT:

You should complete this Acceptance Form and arrange for it to be lodged by such agent with the Receiving and Paying Agent at the address set out in paragraph 9 below accompanied by the Unit Certificate(s) and/or other document(s) of title if appropriate. If the certificate(s) or other document(s) is/are not readily available, you should lodge this Acceptance Form with the Receiving and Paying Agent at the address set out in paragraph 9 below duly completed together with a note saying e.g. "certificates to follow", and arrange for the certificate(s) or other document(s) to be forwarded as soon as possible thereafter. It is helpful for your agent (unless he is in any jurisdiction where to do so would violate the laws in that jurisdiction) to be informed of the full terms of the Offer.

### 6) IF YOUR UNITS ARE IN CERTIFICATED FORM AND YOUR UNIT CERTIFICATE(S) OR OTHER DOCUMENT(S) OF TITLE HAS/HAVE BEEN LOST:

Complete and lodge this Acceptance Form together with any available certificate(s) or other document(s) with the Receiving and Paying Agent at the address set out in paragraph 9 below. At the same time you should contact the Receiving and Paying Agent as soon as possible on the following numbers +352 270 330-1 or +31 20 464 3707 (or alternatively on the following toll free number for calls made from inside the European Union: 00 800 3882 4743) requesting them to send you a letter of indemnity for completion. When received, the letter of indemnity should be completed in accordance with the instructions given, and lodged with the Receiving and Paying Agent at the address set out in paragraph 9 below in support of this Acceptance Form.

### 7) IF THIS ACCEPTANCE FORM IS SIGNED UNDER A POWER OF ATTORNEY:

The completed Acceptance Form, together with any Unit Certificate(s) and/or other document(s) of title, should be lodged with the Receiving and Paying Agent at the address set out in paragraph 9 below, accompanied by the original power of attorney (or a copy duly certified). The power of attorney will be duly noted by the Receiving and Paying Agent and returned as directed.

### 8) IF YOUR PARTICULARS DIFFER FROM THOSE APPEARING ON THE CERTIFICATE(S) AND ACCEPTANCE FORM:

a) Incorrect name on Unit Certificate(s)

e.g. Name on certificate John Smith

Correct name John James Smith

Complete this Acceptance Form by adding your correct name in BLOCK CAPITALS in Box 6, having placed a cross in Box 6A. Then lodge this Acceptance Form with the Receiving and Paying Agent at the address set out in paragraph 9 below, accompanied by a letter from your bank, stockbroker or solicitor confirming that the person described on the Unit Certificate(s) and the person who has signed this Acceptance Form are one and the same person.

b) Incorrect address: Delete the incorrect details appearing in Box 1 and add your correct address in BLOCK CAPITALS in Box 6, having placed a cross in Box 6A.

c) Change of name: If you have changed your name, enclose a copy of your marriage certificate or the deed poll with this Acceptance Form for noting or in the case of a company, a copy of the Certificate of Incorporation on the name change and add your changed name in BLOCK CAPITALS in Box 6, having placed a cross in Box 6A. These documents will be returned to you as directed.

### 9) SETTLEMENT OF CONSIDERATION:

The consideration payable under the Offer cannot be sent to you until all relevant documents have been properly completed and sent by post or by hand (during normal business hours only) to the Receiving and Paying Agent at RBS Global Banking (Luxembourg) S.A., 46, avenue J-F Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg or at The Royal Bank of Scotland N.V., Equity Capital Markets/Corporate Actions, HQ 3130, Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands. A reply-paid envelope is enclosed.

The Offeror reserves the right to treat as valid any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant Unit Certificate(s) and/or other acceptable document(s) of title. In any event, settlement of consideration under the Offer will not be made until after the relevant Unit Certificate(s) and/or other document(s) of title or indemnities satisfactory to the Offeror have been received.

## Representations and Warranties

Each Unitholder by whom, or on whose behalf, any Acceptance Form is executed irrevocably undertakes, represents, warrants and agrees to and with the Offeror and the Receiving and Paying Agent (so as to bind him and his personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of this Acceptance Form shall constitute:
    - (i) an acceptance of the Offer in respect of the number of Units in certificated form inserted or deemed to be inserted in Box 3 of this Acceptance Form; and
    - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required in connection with the foregoing,in each case on and subject to the terms and conditions set out this Acceptance Form and that each such acceptance, election and undertaking shall be irrevocable;
  - (b) that he is irrevocably and unconditionally entitled to transfer Units in respect of which this Acceptance Form is completed and that the Units in respect of which the Offer is accepted, or is deemed to be accepted, are sold fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all rights attaching thereto, including the right to receive in full all dividends and other distributions, if any, declared, paid or made after the date of this document;
  - (c) that unless "NO" is inserted or deemed to be inserted in Box 5 of this Acceptance Form, such Unitholder:
    - (i) has not received or sent copies of the Offer Document, this Acceptance Form or any related offer documents in, into or from a Restricted Jurisdiction;
    - (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the use of the mails, or of any means or instrumentality (including, without limitation, facsimile transmission, email, telex, telephone and the internet) of interstate or foreign commerce, or any facilities of a national securities exchange, of a Restricted Jurisdiction;
    - (iii) was outside a Restricted Jurisdiction when this Acceptance Form was delivered and at the time of accepting the Offer and, in respect of Units to which this Acceptance Form relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from within a Restricted Jurisdiction; and
    - (iv) this Acceptance Form and any related offer documents have not been mailed or otherwise sent in, into or from a Restricted Jurisdiction and such Unitholder is accepting the Offer from outside such jurisdictions;
  - (d) that the execution of this Acceptance Form and its delivery to the Receiving and Paying Agent constitutes, subject to the Offer becoming unconditional in accordance with its terms and to the accepting Unitholder not having validly withdrawn his acceptance, the irrevocable separate appointment of the Offeror as such Unitholder's attorney ("**attorney**"), with an irrevocable instruction to the attorney to:
    - (i) complete and execute all or any form(s) of transfer and/or renunciation and/or other document(s) in the attorney's discretion in relation to Units referred to in paragraph (a) above in favour of the Offeror or as the Offeror or its agents may direct in connection with the acceptance of the Offer;
    - (ii) deliver such form(s) of transfer and/or renunciation and/or other document(s) at the attorney's discretion together with any certificate(s) and/or other document(s) of title relating to such Units for registration within six months of the Offer becoming unconditional in all respects; and
    - (iii) do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the acceptance or deemed acceptance of the Offer and to vest in the Offeror or its nominee Units as aforesaid;
  - (e) that the execution of this Acceptance Form and its delivery to the Receiving and Paying Agent constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting Unitholder not having validly withdrawn his acceptance, a separate and irrevocable authority and request:
    - (i) to PEPR or its agents to procure the registration of the transfer of those Units pursuant to the Offer and the delivery of the Unit Certificate(s) and/or other document(s) of title in respect thereof to the Offeror or as it may direct;
    - (ii) to procure the payment by means of bank transfer of any cash consideration to which he is entitled under the Offer, at the risk of such holder of Units, to the person or agent whose name and address
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(outside Restricted Jurisdictions unless otherwise permitted by the Offeror) is set out in Box 1 or Box 6 of this Acceptance Form or, if none is set out, to the first-named holder at his registered address (outside Restricted Jurisdictions unless otherwise permitted by the Offeror);

- (f) that the execution of this Acceptance Form and its delivery constitutes a separate authority to the Offeror and its agents within the terms of paragraph (d) above;
- (g) subject to the Offer becoming unconditional (or if the Offer would become unconditional or lapse depending upon the outcome of the resolution in question) and in such other circumstances as the Offeror may request and the CSSF may permit and pending registration:
  - (i) the Offeror or its agents be entitled to direct the exercise of any votes and any other rights and privileges (including the right to requisition the convening of a general meeting of PEPR or of any class of its Unitholders) attaching to any Units in respect of which the Offer has been accepted, or is deemed to have been accepted, and such acceptance is not validly withdrawn; and
  - (ii) the execution of this Acceptance Form by the Unitholder constitutes, in respect of Units comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
    - (A) an authority to PEPR and/or its agents from such holder of Units to send any notice, warrant, document or other communication which may be required to be sent to him as a member of PEPR (including any Unit Certificate(s) or other document(s) of title issued as a result of a conversion of such Units into certificated form) to the Offeror at its registered office;
    - (B) an authority to the Offeror and/or its agents to sign any consent to short notice on his behalf and/or attend and/or execute a form of proxy in respect of such Units appointing any person nominated by the Offeror to attend general meetings and separate class meetings of PEPR or its members (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such Units on his behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer; and
    - (C) the agreement of such Unitholder not to exercise any of such rights without the consent of the Offeror and the irrevocable undertaking of such holder of Units not to appoint a proxy to attend any such general meeting or separate class meeting;
- (h) that he will deliver (or procure the delivery) to the Receiving and Paying Agent his Unit Certificate(s) or other document(s) of title in respect of all Units held by him in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to the Offeror in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional;
- (i) that the terms and conditions of the Offer contained in the Offer Document will be deemed to be incorporated in, and form part of, this Acceptance Form, which will be construed accordingly;
- (j) that he will ratify each and every act or thing which may be done or effected by the Offeror or the Receiving and Paying Agent or any director of the Offeror or the Receiving and Paying Agent or their respective agents or PEPR or its agents, as the case may be, in the exercise of any of his or its powers and/or authorities hereunder;
- (k) that, if any provision of this Acceptance Form will be unenforceable or invalid or will not operate so as to afford the Offeror or the Receiving and Paying Agent or any duly authorised director or authorised representative of any of them or their respective agents the benefit of the authority expressed to be given therein, he agrees with all practicable speed to do all such acts and things and execute all such documents that may be required to enable those persons to secure the full benefits of this Acceptance Form; and
- (l) that the execution of this Acceptance Form constitutes his submission, in relation to all matters arising out of the Offer and this Acceptance Form, to the jurisdiction of the Courts of the Grand Duchy of Luxembourg and that nothing shall limit the right of the Offeror to bring any action, suit or proceedings arising out of or in connection with the Offer and this Acceptance Form in any other manner permitted by law or in any court of competent jurisdiction.

A reference in this Acceptance Form to a holder of Units shall include references to the person or persons executing this Acceptance Form and in the event of more than one person executing an Acceptance Form, the provisions of this Acceptance Form shall apply to them jointly and to each of them.

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## **APPENDIX 2 – English language version of Dutch Summary (free translation)**

This Appendix 2 contains the Dutch summary of certain sections of the Offer Document distributed following the Offer by PLD International LLC for all Ordinary Units and Preferred Units in PEPR. This Dutch summary constitutes part of the Offer Document, but does not replace the Offer Document. This Dutch summary is not comprehensive, nor does it contain all information necessary for Unitholders to arrive at a balanced opinion in connection to the Offer. Consequently, this summary should be read in conjunction with the more detailed information set forth in the Offer Document. Examining this summary should not be considered a substitute for examining the Offer Document in its entirety (including all documents incorporated by reference therein).

Unitholders are advised to review the Offer Document (including all documents incorporated by reference therein) thoroughly and completely and to seek independent advice where appropriate in order to reach a balanced judgment with respect to the Offer and the contents of the Offer Document.

In case of differences between this Dutch summary and the English Offer Document the English Offer will prevail (including all documents incorporated by reference therein).

### **1 Important information**

The Offer Document relates to a mandatory offer made by PLD International LLC pursuant to the Luxembourg law on public take-over bids. Following Completion of the Offer, the listing of the Ordinary Units and Preferred Units may be cancelled.

Unitholders should be aware that if, following Completion, the ProLogis Group holds, directly or indirectly, at least 95% of the issued Ordinary Units and/or Preferred Units, the Offeror may apply to both the Luxembourg Stock Exchange and Euronext Amsterdam to cancel the listing of all Units of the respective class on those exchanges.

Unitholders who do not accept the Offer should carefully read section 2.16 (Effect of the Offer on non-accepting Unitholders / Risk factors) of this Offer Document which describes certain consequences to which such Unitholders may be subject after the completion of the Offer.

You as a Unitholder should, with respect to the Offer, rely solely on the information contained in the Offer Document and this Dutch summary. PLD and the Offeror have authorised no one to provide Unitholders with other information regarding the Offer. PLD and the Offeror confirm that, to the best of their knowledge, the information in the Offer Document is accurate as at the date of the Offer Document.

The Offer Document (and this Dutch summary) should be read in conjunction with the Acceptance Form accompanying the Offer Document.

If you have sold or otherwise transferred all of your Units, please send this Offer Document together with the Acceptance Form and reply-paid envelope at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, these documents should not be forwarded or transmitted in or into any jurisdiction in relation to which the extension or acceptance of the Offer to such jurisdiction would violate the applicable laws

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or regulations of such jurisdiction, or where any registration, approval or notification to an authority is required.

If you hold your Units through a Financial Intermediary, you should be aware that the Financial Intermediary may set an earlier deadline for communication by Unitholders in order to permit it to communicate their acceptance to the Receiving and Paying Agent in a timely manner.

PLD and the Offeror accept responsibility for the information contained in the Offer Document and declare that, having taken reasonable care that such is the case, the information contained in the Offer Document is, to the best of their knowledge, in accordance with the facts, and contains no omissions likely to affect its import; provided however that the only responsibility that is accepted for information concerning PEPR and its affiliated companies relates to the assurance that such information is properly reported and represented. The information contained in the Offer Document on PEPR and its affiliated companies has been compiled via information available to the public on PEPR's website: <http://www.ProLogis-ep.com>. Subject to the foregoing, PLD and the Offeror confirm that, to the best of their knowledge, the information in the Offer Document for which they are responsible is in accordance with reality and contains no material errors or omissions that would change the scope of the information. The responsible policymakers of PLD's organisation are specified in section 5.3 of the Offer Document.

**In making a decision to participate in the Offer, Unitholders should rely on their own analysis of the terms of the Offer, including its opportunities and related risks.**

**Any summary or description set forth in this Offer Document of legal provisions or contractual relationships is for information purposes only and should not be construed as legal or tax advice as to the interpretation or enforceability of such provisions.**

## 2 Definitions

<b>Acceptance Form</b>		The acceptance form set out as <b>Appendix 1</b> to the Offer Document.
<b>Acceptance Period</b>		The period during which Unitholders may accept the Offer, which period will commence on 22 April 2011 and will end at 6.00 p.m. CET on 6 May 2011, unless extended in accordance with applicable Luxembourg laws.
<b>Business Day</b>		Each day when Luxembourg and Dutch banks are open for business for the general public excluding Saturdays, Sundays and public holidays.
<b>certificated Units</b>		Units held in physical form.
<b>Clearstream Luxembourg</b>	<b>Banking</b>	Clearstream Banking S.A., a société anonyme governed by Luxembourg law, having its registered office at 42, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, registered in the Luxembourg Register of Commerce and Companies ( <i>Chambre de Commerce Luxembourg</i> ), under number B 9.248.
<b>Completion</b>		The settlement and payment of the Offer Price for the Units

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	tendered under the Offer. Completion of the Offer is subject to the fulfilment of the Conditions.
<b>Conditions</b>	The external conditions to the Completion which may impact the Offer as described under section 2.5 of the Offer Document and section 6 of this summary.
<b>CSSF</b>	The Luxembourg Authority for the Supervision of the Financial Sector ( <i>Commission de Surveillance du Secteur Financier</i> ).
<b>Euroclear Nederland</b>	Dutch Central Securities Depository ( <i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i> ), with business address at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands; the central institute as referred to in the Securities Bank Giro Transfer Act ( <i>Wet giraal effectenverkeer</i> ).
<b>Euronext Amsterdam</b>	Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V.
<b>Financial Intermediary</b>	Each institution which holds Ordinary Units or Preferred Units on behalf of clients through Euroclear Nederland.
<b>Luxembourg Stock Exchange</b>	The Luxembourg Stock Exchange ( <i>Bourse de Luxembourg</i> ).
<b>Luxembourg Take-over Law</b>	The Luxembourg Law of 19 May 2006 implementing Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 concerning public take-over bids ( <i>loi du 19 mai 2006 portant transposition de la directive 2004/25/EC du Parlement européen et de Conseil du 21 avril 2004 concernant les offres publiques d'acquisition</i> ).
<b>Management Company</b>	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 PLD, or any successor management company of PEPR that may be appointed under the Management Regulations.
<b>Management Regulations</b>	The management regulations governing the operation of PEPR from time to time.
<b>Offer</b>	The mandatory public take-over bid by the Offeror for all Ordinary Units and the bid for all Preferred Units as set out in the Offer Document, including any amendment or extension of that bid, if relevant or if the context so requires.
<b>Offer Document</b>	The document defining the terms of the Offer including its Appendices, which shall be an integral part thereof.
<b>Offeror</b>	PLD International LLC, a limited liability company governed by the laws of Delaware, with its office at 4545 Airport Way, Denver, Colorado, 80239, United States of America.
<b>Offer Price</b>	€6.10 per Ordinary Unit and €6.10 per Preferred Unit.

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<b>Ordinary Unit</b>	Each fully-paid ordinary unit issued by PEPR pursuant to Article 8 of the Management Regulations, with ISIN number LU0100194785.
<b>PEPR</b>	ProLogis European Properties, a Luxembourg closed-ended <i>fonds commun de placement</i> with registered office at 34-38, avenue de la Liberté, L-1930 Luxembourg, Grand Duchy of Luxembourg.
<b>PEPR Group</b>	PEPR and its subsidiaries and subsidiary undertakings.
<b>PLD</b>	ProLogis, a real estate investment trust (REIT) organised in the State of Maryland, United States of America with principal office at 4545 Airport Way, Denver, Colorado, 80239, United States of America.
<b>ProLogis Group</b>	PLD and its subsidiaries and subsidiary undertakings.
<b>Preferred Unit</b>	Each fully-paid Class A(1) preferred unit issued by PEPR, which units are convertible into Ordinary Units in accordance with their terms, as set out in Article 8 of the Management Regulations, with ISIN number LU0467842786.
<b>Receiving and Paying Agent</b>	RBS Global Banking (Luxembourg) S.A. in Luxembourg and The Royal Bank of Scotland N.V. in The Netherlands (for both Luxembourg and The Netherlands).
<b>uncertificated Units</b>	Units held in book-entry form with Euroclear Nederland
<b>Unitholder(s)</b>	The holder(s) of one or more Units.
<b>Units</b>	Co-ownership participations in PEPR which may be (or have been) 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.

### **3 The Offer**

On 14 April 2011, the Offeror announced that it had purchased approximately 11 million Ordinary Units from a major institutional investor, bringing the Offeror's direct or indirect ownership in PEPR to approximately 39% of the Ordinary Units. In accordance with article 5 (1) of the Luxembourg Take-over Law, the Offeror thus crossed the legal threshold of 33 1/3% of the voting units of PEPR which is the trigger of a mandatory take-over of all Ordinary Units not owned by the ProLogis Group. Accordingly, on the same date, the Offeror announced, after consultation with the CSSF, its decision to launch a mandatory offer to acquire any and all of the outstanding Ordinary Units and an offer on all Preferred Units not currently owned in PEPR subject to approval of the Offer Document by the CSSF.

#### **The Offer Price**

Unitholders who accept the Offer will be entitled to receive € 6.10 in cash per Ordinary Unit held by them and €6.10 in cash per Preferred Unit held by them, which amounts to a total price of €730,118,284.

In addition, accepting Unitholders who tender Preferred Units in connection with the Offer will also be paid an amount equal to any accrued and unpaid preferred dividend in respect of those Preferred Units up to and including the date of Completion.

Unitholders of Ordinary Units and Preferred Units who have accepted the Offer (including accrued and unpaid dividend in respect of the Preferred Units) will be paid within 5 Business Days following the announcement of the final results of the Offer, see section 5.4 of this summary.

The Offer Price of €6.10 per Ordinary Unit represents a 22% premium over the unaffected closing price on Euronext Amsterdam of PEPR Ordinary Units on April 12, 2011, a 26,7% premium over the volume weighted average price in the preceding six months, and a 33,6% premium over the volume weighted average unit price in the preceding 12 months.

The closing price on Euronext Amsterdam of PEPR Preferred Units on April 12, 2011 was € 6.101 per Preferred Unit.

Also see sections 2.2 (Offer Prices) and 2.4 (Determination of the Offer Price) of the Offer Document.

#### Reasons for the Offer

PLD retains since the establishment of PEPR a significant role in the day-to-day operation of the PEPR business through its ownership of both ProLogis Management S.à r.l. and the various ProLogis Investment Managers appointed to provide investment management services to PEPR. In addition, all staff responsible for the day-to-day operation of PEPR are employed by entities owned or controlled by PLD.

PLD maintains a substantial ownership interest in PEPR and holds, on the date of this Offer Document, 38.90% of the Ordinary Units and 68.12% of the Preferred Units.

The ProLogis Group's acquisition of 11,070,645 Ordinary Units of PEPR triggered the launch of the ProLogis Group's mandatory take-over offer. Each PEPR Unitholder will have a unique opportunity to sell its Units at an attractive and fair price in an environment with limited liquidity of PEPR Units. The Offeror's decision to trigger the mandatory offer was guided by the Offeror's desire to offer to all Unitholders an opportunity to sell their Units by creating immediate liquidity in PEPR's Units and acting thus for the benefit of all PEPR Unitholders.

A general overview of the reasons for the Offer is given in section 1.2 (background to the Offer) of the Offer Document.

#### Financing the Offer

The ProLogis Group has ample liquidity to fund the Offer. PLD has an existing US\$ 1,635 million unsecured multi-currency revolving line of credit that expires August 2012. The fully committed facility is syndicated to a group of banks, including J.P. Morgan Chase Bank, N.A. and as of 21 April 2011 had undrawn availability of US\$ 1.0 billion. As of 21 April 2011, PLD also had available and unrestricted cash balances of \$90 million. In addition to the liquidity provided under PLD's global line of credit and unrestricted cash balances, J.P. Morgan Chase Bank, N.A. has agreed to provide a €500 million senior unsecured bridge facility to further fund the Offer.

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## 4 Acceptance Period; extended Acceptance Period

Unitholders may accept the Offer at any time during the Acceptance Period. This period will commence on 22 April 2011 and will end at 6.00 p.m. CET on 6 May 2011, unless extended in accordance with the Luxembourg Take-over Law. To accept the Offer, Unitholders should act in accordance with section 2.7 (Acceptance of the Offer and payment) of the Offer Document, see also section 5 of this summary.

In particular, the Offeror may request that the CSSF approve an extension of the Acceptance Period. The period of any such extension is subject to the approval of the CSSF.

Further, in the event that a competing take-over bid is made for Units, the Acceptance Period will be immediately extended so as to lapse at the same time as at the end of the acceptance period of the competing take-over bid.

Any extension of the Acceptance Period shall be publicised in accordance with section 2.8 (Publication of the results of the Offer), also see section 5.6 of this summary.

## 5 Acceptance of the Offer and payment

Acceptances unconditional and irrevocable

The acceptance of the Offer by any Unitholder is unconditional and irrevocable, except to the extent that the Conditions are not satisfied in full by the date that is five Business Days after the end of the Acceptance Period or in the limited circumstances set out in the Luxembourg Take-over Law.

Further, in the event of a competing take-over bid for Ordinary Units or Preferred Units, Unitholders who have accepted the Offer before the publication of the offer document of the competing bid will automatically be released from their previous acceptance of the Offer in accordance with article 13(c) of the Luxembourg Take-over Law. Any such release will be without payment of any indemnity, interest or other consideration (including, without limitation, reimbursement of any costs incurred by accepting Unitholders).

No partial acceptances

No partial acceptances will be permitted and each accepting Unitholder must accept the Offer in respect of all Ordinary Units and all Preferred Units held by that Unitholder.

Acceptance procedure

### (a) Unitholders holding in certificated form

Unitholders who hold their Units in certificated form may accept the Offer in full by completing and filing the Acceptance Form set out as **Appendix 1** to the Offer Document.

Correctly completed and signed in duplicate, this Acceptance Form can be filed along with the Unit Certificates representing your Units and the request to include a statement of transfer in the Unit register on a Business Day during the Acceptance Period, during banking opening hours, at the windows accessible to the general public, in person or via a financial institution or broker, at the offices of the Receiving and Paying Agent in Luxembourg and/or The Netherlands, where this

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Offer Document and the Acceptance Form will be available. Other financial institutes or brokers will adhere to the procedure defined in the Offer Document.

Acceptance Forms concerning Units to which legal title is held by two or more persons must be signed by all joint owners. Acceptance Forms concerning Units subject to a beneficiary right must be signed by both the primary owner and the beneficiary. Acceptance Forms concerning Units subject to right of lien must be signed by both the owner and the lienee, whereby the lienee will explicitly waive his or her right of lien to the Units.

(b) Unitholders holding in uncertificated form

If you hold your Units in uncertificated form, (that is, in Euroclear Nederland), you should **not** complete the Acceptance Form set out as **Appendix 1**.

Instead, such Unitholders should tender their Units via their Financial Intermediary such that the instruction arrives with The Royal Bank of Scotland N.V. no later than 6 p.m. CET on 6 May 2011. Financial Intermediaries may set an earlier deadline for communication by Unitholders in order to permit it to communicate their acceptance to the Receiving and Paying Agent in a timely manner.

By tendering their Units in uncertificated form via Financial Intermediaries the holders thereof shall be giving in favour of the Offeror the undertakings, representations and warranties and be making the agreements in favour of the Offeror outlined in Appendix 1 of the Offer Document and which forms an entire part of the Offer Document.

#### Payment

Unitholders who have validly tendered (and not validly withdrawn) Units in connection with the Offer will be paid within 5 Business Days following the announcement of the final results of the Offer.

Legal title to (and risk associated with) Units validly tendered in connection with the Offer will pass to the Offeror on the date of payment.

Payment will be effected by the Receiving and Paying Agent.

#### Governing law

The relationship between each accepting Unitholder and the Offeror will be governed by Luxembourg law. The Courts of the District and City of Luxembourg shall have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by the Offer and the Acceptance Form or otherwise arising in connection with the Offer and the Acceptance Form.

#### Publication of the results of the Offer

The Offeror shall publish in the form of a press release which will be posted on its website <http://www.prologis.com> the number of Ordinary Units and Preferred Units held by the ProLogis Group and those validly tendered in the Offer, specifying the number of voting rights attached to the total of such Ordinary Units:

- (i) every seventh day after the publication of the Offer Document (with the first such publication on 29 April 2011);
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- (ii) every morning during the last seven days of the Acceptance Period; and
- (iii) on 6 May 2011 after trading hours (publication of final results of the Offer).

The Offeror will publish all other announcements or notices in relation to the Offer in the Luxembourg press (Luxemburger Wort), the Dutch press (Het Financieele Dagblad) and the Daily Official List (Officiële Prijscourant).

#### Lapse of the Offer

If the conditions of the Offer are not met or if the Offer lapses, completed Acceptance Forms, Unit Certificates and other documents of title will be returned to Unitholders by post within 10 Business Days of the Offer lapsing.

## 6 External Conditions which may impact the Offer

The Offer being a mandatory offer, it is (in principle) unconditional and firm, subject only to the following conditions (the **Conditions**):

- (a) **No legal or other proceedings** no government or governmental, quasi governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
    - (i) make the Offer, its implementation or the acquisition or proposed acquisition of any Units or other securities in, or control of, PEPR by any member of the ProLogis Group void, unenforceable and/or illegal under the laws of any jurisdiction, or otherwise directly or indirectly restrict, restrain, prohibit, delay or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge or require material amendment of the Offer or the acquisition of any such Units or securities by any member of the ProLogis Group, or require, prevent or materially delay a divestiture by any member of the ProLogis Group of any Units or other securities (or the equivalent) in PEPR;
    - (ii) require, prevent or materially delay a divestiture by any member of the ProLogis Group of any Units or other securities (or the equivalent) in PEPR;
    - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the ProLogis Group to acquire or hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of Units or other securities in PEPR or the ability of any member of the ProLogis Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of Units or other securities (or the equivalent) in, or to exercise management control over, PEPR;
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- (iv) result in any member of the PEPR Group ceasing to be able to carry on business under any name under which it presently carries on business which is material in the context of the PEPR Group taken as a whole;
- (v) otherwise affect the business, assets, profits or prospects of any member of the PEPR Group or any member of the ProLogis Group in a manner which is adverse to and material in the context of the PEPR Group taken as a whole or of the obligations of any members of the ProLogis Group taken as a whole in connection with the Offer,

and all applicable waiting and other time periods during which any such Third Party could decide to take, implement, threaten or institute any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any Units or otherwise intervene having expired, lapsed or been terminated;

- (b) **Authorisations:** all materially appropriate or necessary notifications, filings or applications having been made in respect of the Offer and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with and all authorisations, orders, grants, recognitions, confirmations, consents, clearances, licences, permissions, exemptions and approvals necessary or appropriate or required for or in respect of the Offer including for the avoidance of doubt any required anti-trust authorisations (“**Authorisations**”) (including, without limitation, its implementation) or the proposed acquisition of any Units or other securities in, or control of, PEPR by any member of the ProLogis Group having been obtained, which may not materially impact the Offer or by which the Offer may then not become unreasonably onerous from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any member of the ProLogis Group or the PEPR Group has entered into contractual arrangements and all such Authorisations necessary or appropriate to carry on the business of any member of the PEPR Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Offer becomes otherwise unconditional and there being no intimation or notice of any intention to revoke, suspend, restrict, modify or not renew such Authorisation.

The Offer will lapse unless the above Conditions are satisfied within than five Business Days after the end of the Acceptance Period.

## 7 Effect of the Offer on non-accepting Unitholders

Unitholders who do not tender their Units under the Offer will remain owners of the Units in its current form. It is highly recommended to carefully review section 2.16 (effect of the Offer on non-accepting Unitholders / Risk factors), which describes certain consequences that may arise for Unitholders as a result of not accepting the Offer.

The acquisition of Units by the Offeror in connection with the Offer, may result in significant reduction of the liquidity and the market value of the remaining Ordinary Units and Preferred Units held by the public (i.e. not by a ProLogis Group member). It should be

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noted that no redemption or buy-back right or automatic liquidation or winding-up of PEPR exists under the Management Regulations.

Furthermore, Completion of the Offer may result in ProLogis Group's already significant ownership of Units being substantially increased. This, together with the fact that the Management Company (a ProLogis Group company) has the exclusive right to manage PEPR, may result in ProLogis Group having a substantially increased level of control over both the day-to-day business and strategic direction of PEPR.

It should be noted that under Luxembourg law and the Management Regulations, a person who controls PEPR may be able to, inter alia, where a Unitholders' vote is required, prevent payment of any dividends, authorise the issue of further Units which may dilute other Unitholders and/or change its corporate structure.

If, following Completion of the Offer, the ProLogis Group holds, directly or indirectly, at least 95% of voting rights attaching to the Units (i.e. that is, if it holds at least 95% of the Ordinary Units then in issue), the ProLogis Group may use its squeeze-out right to compulsorily acquire all Ordinary Units which are not tendered in connection with the Offer (or which are not otherwise controlled by PLD) and subsequently fully integrate PEPR into the ProLogis Group. The Offeror is entitled to exercise its right of squeeze-out within three months from the end of the Acceptance Period. If the Offeror exercises its squeeze-out right, the Offeror will purchase the remaining Ordinary Units at a fair price, which the CSSF may determine is a price equal to the Offer Price.

If, following Completion of the Offer, the ProLogis Group, directly or indirectly, holds less than 95% of the issued Ordinary and Preferred Units of PEPR and will not be allowed to exercise its squeeze-out right, PLD shall continue to manage PEPR; no operational changes in the management of PEPR are anticipated. In that case, PEPR will continue to be listed on the Luxembourg Stock Exchange and on Euronext Amsterdam. The PLD management agreement for PEPR will be renewed on its maturity date in 2016.

Unitholders should note that if, following the Offer, ProLogis Group holds more than 95% of the issued Ordinary Units and/or Preferred Units, the Offeror may apply to both the Luxembourg Stock Exchange and Euronext Amsterdam to cancel the listing of all Units of that respective class listed on those exchanges. Cancellation of the listing of the Units would significantly reduce the liquidity and marketability of the Units and the value of any such Units may be affected as a consequence, particularly as no redemption or buy-back right or automatic liquidation or realisation of Units is contemplated under the Management Regulations.

In the event that PEPR is no longer listed and its Units will no longer be publicly traded, the statutory provisions applicable to the governance of listed entities will no longer apply and the rights of minority Unitholders will be limited to the statutory minimum.

If, following Completion of the Offer, ProLogis Group holds, directly or indirectly, at least 90% of voting rights attaching to the Units (i.e. that is, if it holds at least 90% of the Ordinary Units then on issue), the holders of Ordinary Units may require (in accordance with article 16 of the Luxembourg Take-over Law) the Offeror to buy from these holders the Ordinary Units not yet held by ProLogis Group. The price payable by the Offeror on such sell-out of Ordinary Units shall be made at a fair price, the CSSF may determine a price equal to the Offer Price.

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The Management Company can generally only be removed or replaced by a vote of 67% of the Ordinary Units on 15 September 2016 and every fifth year thereafter. ProLogis Group holds at the time of the commencement of this Offer approximately 39% of the Ordinary Units in issue and, therefore, the ability of non-ProLogis related Unitholders to successfully remove the Management Company and the Investment Managers is materially reduced.

Regarding the tax treatment of the offer, it is recommended to thoroughly examine chapter 3 (Tax treatment of the offer) of the Offer Document.

## **8 Indicative timetable**

Publication of release announcing the availability of this Offer Document	22 April 2011
Commencement of Acceptance Period	22 April 2011
End of Acceptance Period (deadline for tendering Units into the Offer)	6 May 2011
Announcement of final results of the Offer	6 May 2011
Settlement of the Offer	11 May 2011

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