

ProLogis European Properties

(Established in Luxembourg on 10 September 1999 as a closed-ended fonds commun de placement under the provisions of Part II of the Luxembourg law of 20 December 2002 on undertakings for collective investment and subject to the supervision of the CSSF)

Offer of 45,296,167 Ordinary Units

This document constitutes the pricing statement (the “**Pricing Statement**”) relating to the offering (the “**Offer**”) of ordinary units (“**Ordinary Units**”) of ProLogis European Properties (“**PEP**”) by certain selling unitholders (collectively, the “**Selling Unitholders**”) as described in the prospectus relating to the Offer dated 11 September 2006 (the “**Prospectus**”). This Pricing Statement has been prepared in accordance with Directive 2003/71/EC of the European Parliament and of the Council and the provisions of Part II of the Luxembourg law of 10 July 2005 on prospectuses for securities. This Pricing Statement has been filed with the Luxembourg Financial Markets Supervisory Authority (*Commission de Surveillance du Secteur Financier*) (“**CSSF**”) and will be made available on the website of the Luxembourg Stock Exchange. This Pricing Statement will also be made publicly available by means of a press release and an advertisement in a Dutch daily newspaper of wide circulation and the Euronext Amsterdam Daily Official List (*Officiële Pijscourant*).

This Pricing Statement is supplemental to and must be read in conjunction with the Prospectus. Except where the content otherwise requires, terms defined in the Prospectus have the same meaning when used in this Pricing Statement.

PEP has applied for admission of the Ordinary Units to listing and trading on Euronext Amsterdam N.V.’s Eurolist by Euronext (“**Eurolist by Euronext**”), the regulated market of Euronext Amsterdam N.V. (“**Euronext Amsterdam**”), under the symbol “PEPR”. It is expected that trading in the Ordinary Units on Eurolist by Euronext will commence on 22 September 2006 (the “**Euronext Listing Date**”) on an “as-if-and-when-issued-or-delivered” basis and it is expected that closing of the offer and delivery will take place on 27 September 2006 (the “**Settlement Date**”). If closing of the Offer does not take place on the Settlement Date or at all, the Offer will be withdrawn, all orders for the Ordinary Units will be disregarded, any allotments made will be deemed not to have been made, any payments made will be returned without interest or other compensation and all transactions in Ordinary Units on Eurolist by Euronext will be cancelled. All dealings in the Ordinary Units prior to settlement and delivery are at the sole risk of the parties concerned. Euronext Amsterdam does not accept any responsibility or liability for any loss or damage incurred by any person as a result of the listing and trading of the Ordinary Units on an “as-if-and-when-issued-or-delivered” basis as from the Euronext Listing Date until the Settlement Date.

The Ordinary Units will also be listed on the Official List of the Luxembourg Stock Exchange and traded on the regulated market *Bourse de Luxembourg*.

See “**Important Information**” beginning on page i of the Prospectus and “**Certain Risk Factors**” beginning on page 14 of the Prospectus for important information that should be considered before buying Ordinary Units.

Offer Price: €14.35 per Ordinary Unit

The Ordinary Units have not been approved or recommended by the U.S. Securities and Exchange Commission or any U.S. state securities commission or other regulatory authority nor have such authorities confirmed the accuracy or determined the adequacy of the Prospectus or this Pricing Statement. Any representation to the contrary is a criminal offence in the U.S.

PEP has not been registered under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”). The Ordinary Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction in the U.S. and may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. Persons (within the meaning of Regulation S under the Securities Act (“**Regulation S**”)) except initial offers and sales may be made to institutions that are both qualified purchasers under the Investment Company Act and related rules and qualified institutional buyers under Rule 144A under the Securities Act (“**Rule 144A**”), in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, or outside the U.S. in compliance with Regulation S. No resale of Ordinary Units by investors to U.S. Persons will be permitted. For a description of restrictions on offers, sales and transfers of the Ordinary Units and the distribution of the Prospectus and this Pricing Statement in other jurisdictions, see “**Selling Restrictions**” of the Prospectus and Part IX—“**ERISA, Transfer Restrictions, Eligible Investors and Certificates**” of the Prospectus.

Joint Global Coordinators and Joint Bookrunners

Deutsche Bank

Morgan Stanley

Co-Lead Managers

ABN AMRO Rothschild

JPMorgan

Co-Manager

Kempen & Co.

Financial Adviser to ProLogis

Macquarie Capital Partners

The Underwriters are acting for the Management Company acting on behalf of PEP and for no one else in connection with Admission and will not be responsible to anyone other than the Management Company acting on behalf of PEP for providing the protections afforded to clients of the Underwriters, nor for giving advice in relation to Admission or any other matter referred to herein.

Selling Restrictions

This Pricing Statement and the Prospectus do not constitute, and may not be used for the purposes of, an offer or an invitation to purchase any Ordinary Units by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

The distribution of this Pricing Statement and the Prospectus and the Offer in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Pricing Statement or the Prospectus comes are required by the Management Company and the Underwriters to inform themselves about and to observe any restrictions as to the offer or sale of Ordinary Units and the distribution of this Pricing Statement and the Prospectus under the laws and regulations of any territory in connection with any applications for Ordinary Units in PEP, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction (except in The Netherlands) by the Management Company, acting on behalf of PEP, the Underwriters or the Managers that would permit a public offering of Ordinary Units in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Pricing Statement and the Prospectus other than in any jurisdiction where action for that purpose is required.

Neither the Ordinary Units nor an investment in PEP has been approved or disapproved by any governmental or regulatory authority of any country or jurisdiction, nor has any such governmental or regulatory authority passed upon or endorsed the merits of PEP or an investment in its Ordinary Units.

Offer Statistics

Offer Price (per Ordinary Unit)	€14.35
Number of Ordinary Units to be sold in the Offer ⁽¹⁾	45,296,167
Number of Ordinary Units subject to Over-allotment Option	4,529,617
Gross proceeds receivable by the Selling Unitholders ⁽¹⁾⁽²⁾	€649,999,996

(1) Assumes no exercise of the Over-allotment Option.

(2) PEP will not receive any proceeds from the sale of Ordinary Units by the Selling Unitholders.

Details of Selling Unitholders

Name	Business Address	Number of Ordinary Units Held ⁽¹⁾	Number of Ordinary Units Being Sold ⁽²⁾	Pre Admission Percentage of Issued Ordinary Units ⁽¹⁾⁽³⁾	Post Admission Percentage of Issued Ordinary Units ⁽²⁾
ABP Stichting Pensioenfond	WTC Schiphol Airport Tower G, 8th Floor Schiphol Boulevard 239 1118 BH Schiphol The Netherlands	34,589,859	10,376,958	18.3%	12.8%
Euro Industrial Properties Pte Ltd	250 North Bridge Road #38-00 Raffles City Tower Singapore 179101	29,589,858	13,371,732	15.7%	8.6%
Teachers Insurance and Annuity Association of America	730 Third Avenue New York, NY 10017-3206 United States of America	12,917,972	5,645,285	6.8%	3.9%
Norwich Union Life & Pensions Limited	2 Rougier Street York YO90 1UU United Kingdom	6,000,000	1,500,000	3.2%	2.4%
Caisse des Dépôts et Consignations	56, rue de Lille 75007 Paris France	5,948,000	1,551,652	3.2%	2.3%
Stichting Pensioenfond Metaal en Techniek	Burgemeester Elsenlaan 329, 2282 MZ Rijswijk The Netherlands	5,000,000	2,116,546	2.6%	1.5%
IMMOWEST Beteiligungs GmbH	Bankgasse 2 A-1010 Vienna Austria	4,863,286	3,791,104	2.6%	0.6%
Stichting Bedrijfspensioenfond voor de Bouwnijverheid	Basisweg 10 PO BOX 367 1000 EE Amsterdam The Netherlands	4,500,000	1,452,758	2.4%	1.6%
Stichting TKP Pensioen Real Estate Fonds	Stationsplein 9 9726 AE Groningen The Netherlands	3,556,984	3,556,984	1.9%	0.0%
Westfälische Provinzial Lebensversicherung AG	Provinzial-Allee 1 48159 Münster Germany	2,917,972	86,957	1.5%	1.5%
Metropolitan Life Insurance Company	10 Park Ave. Morristown, NJ 07962 United States of America	2,431,642	729,493	1.3%	0.9%
Kuwait Fund for Arab Economic Development	Mubarrak Al Kabeer Street P.O. Box 2921 Safat 13030 Kuwait	1,500,000	326,087	0.8%	0.6%
Bank of Bahrain & Kuwait	43 Government Avenue P.O. Box 597 Manama 305 Bahrain	935,000	280,843	0.5%	0.3%
Dr. Henry Thompson Nicholas III	1999 Avenue of the Stars 24th Floor Los Angeles, CA 90067 United States of America	500,000	389,768	0.3%	0.1%
Kuwait Financial Centre SAK	Mubarrak Al Kabeer Street Al Duaij Building P.O. Box 23444 Safat 13095 Kuwait	400,000	120,000	0.2%	0.1%
Total		115,650,573	45,296,167	61.3%	37.3%

(1) Assuming conversion of the Class A(2), A(3), B1 and B2 Units into Class A(1) Units and the subsequent reclassification of such Units, together with the existing Class A(1) Units, into Ordinary Units in accordance with the Management Regulations and the conversion and reclassification of 2,500,000 Class C(1) and 2,500,000 Class C(2) Units at Admission, as described in the Prospectus.

(2) Assuming there is no exercise of the Over-allotment Option.

(3) Based on a total number of pre-Admission Ordinary Units of 188,687,510.

Documents Available for Inspection

In addition to those documents set out in paragraph 12 of Part VII—“Additional Information” of the Prospectus, this Pricing Statement will be available for inspection at the offices of the Management Company at 18, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, during usual business hours (Saturdays, Sundays and public holidays excepted) from the date of publication of this Pricing Statement for either a period of 14 days or until the Settlement Date, whichever is the longer period. Copies of the Prospectus and this Pricing Statement may also be obtained, in English, free of charge, at ProLogis European Properties, 18, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg (tel: +352 2620 5740) and Kempen & Co N.V., Beethovenstraat 300, 1077 WZ Amsterdam, The Netherlands (tel: +31 20 348 8503 and e-mail: documents@kempen.nl).