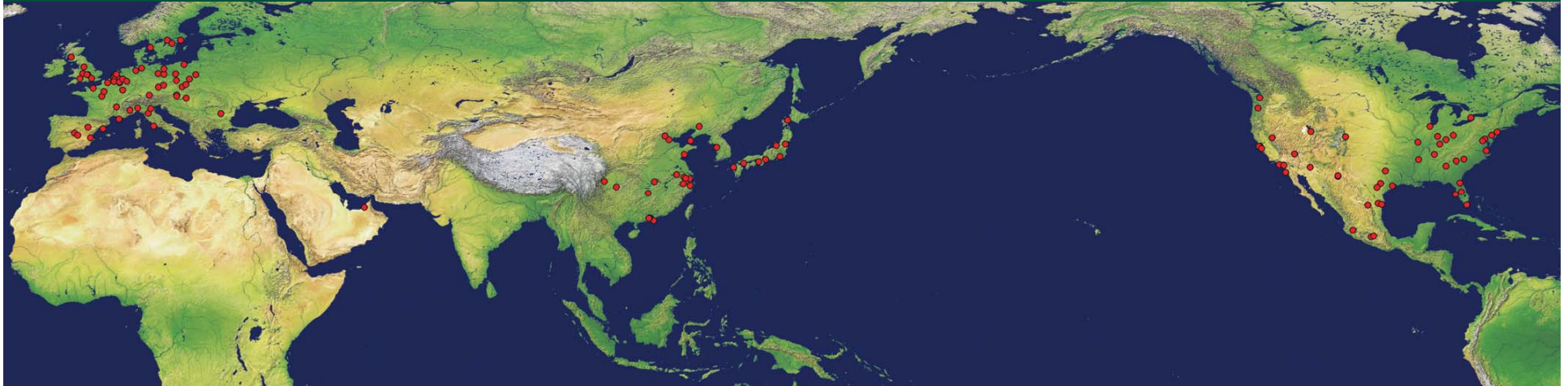




ProLogis' Global Platform



Europe

- 112.6 msf
- \$10.4B owned, operating and under development including land

Asia

- 55.4 msf
- \$5.7B owned, operating and under development including land

North America

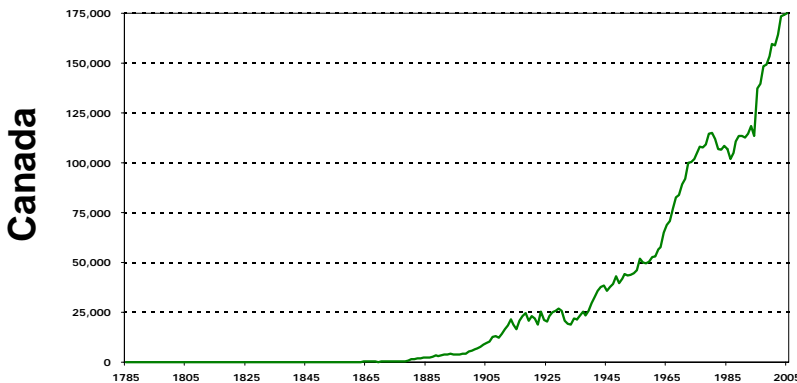
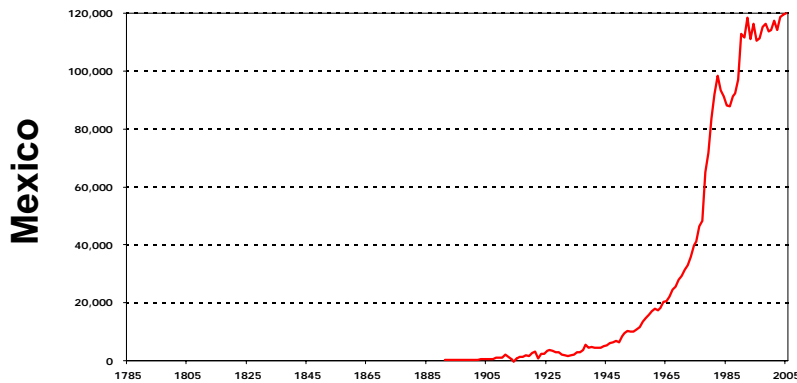
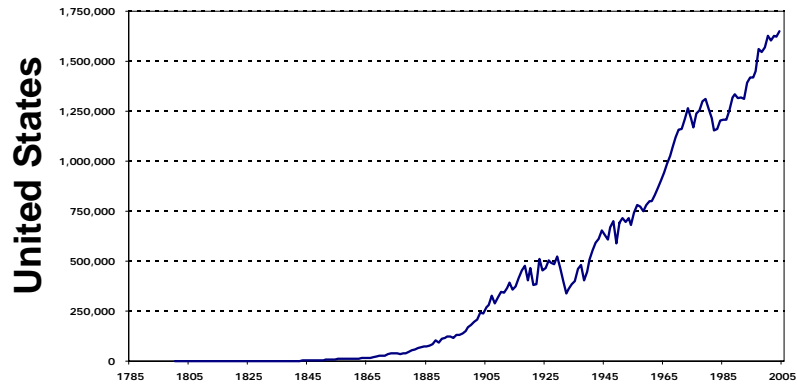
- 340.8 msf
- \$20.2B owned, operating and under development including land

World's largest owner, manager and developer of distribution facilities
Over 1,500 ProLogis associates serving 4,900 customers around the globe

Current Situation



CO2 Emissions Growing (cause & effect)



Global Warming

Concerned Stakeholders:

- Consumers
- Corporations
- Government

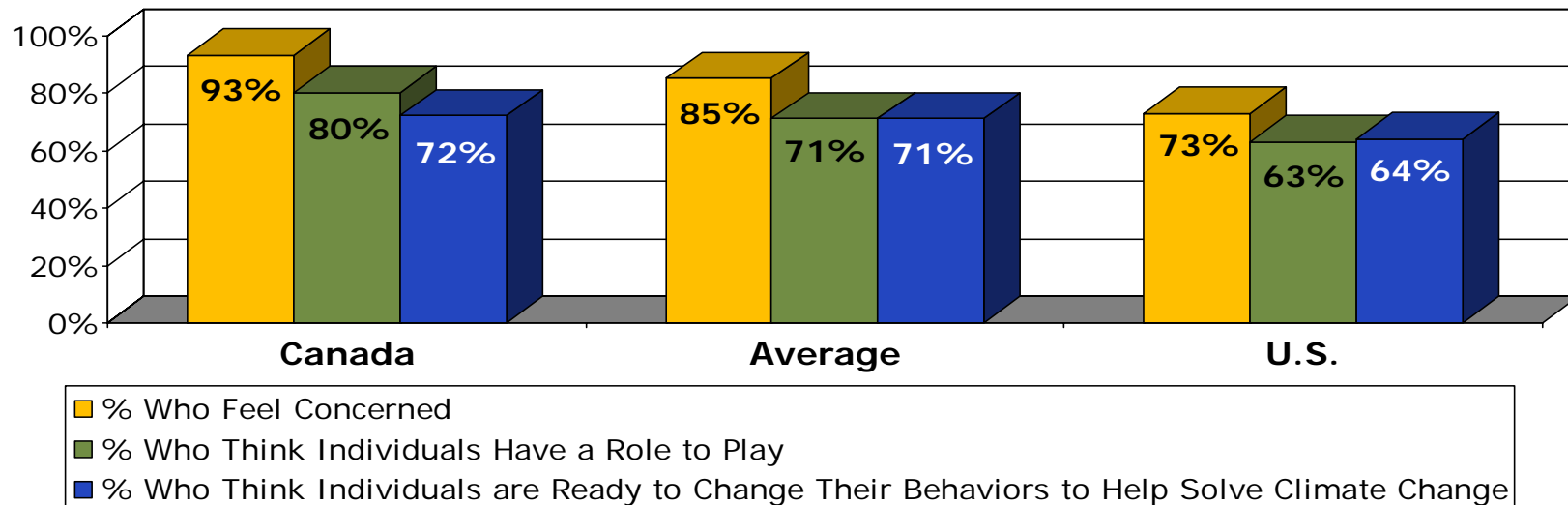
ACCENTURE END-CONSUMER SURVEY ON CLIMATE CHANGE

Survey Methodology

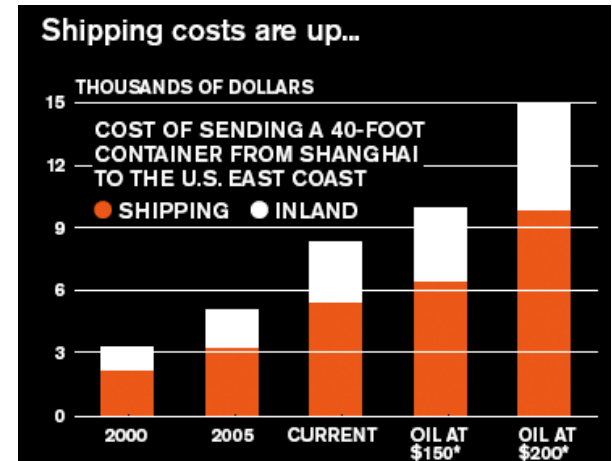
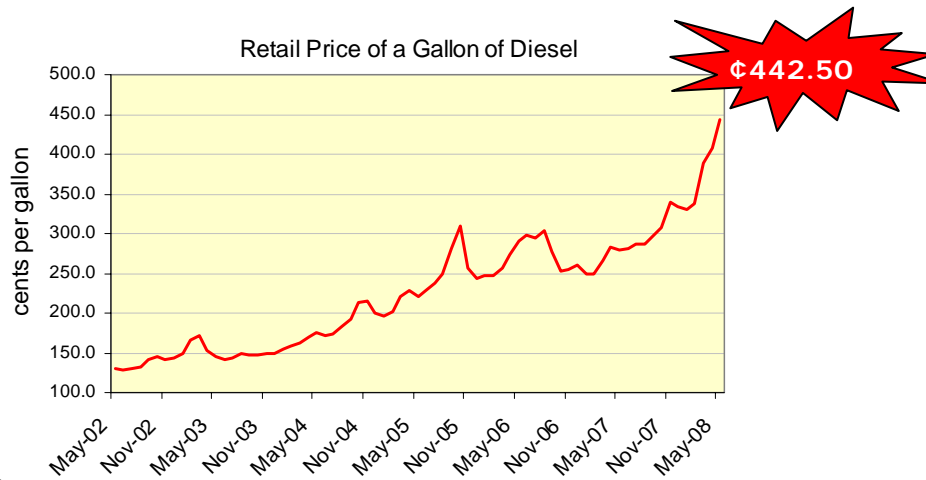
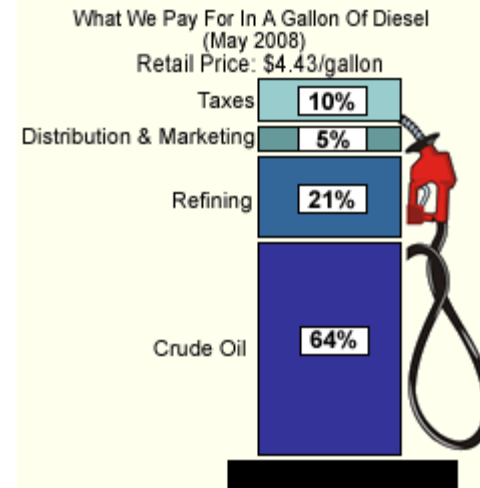
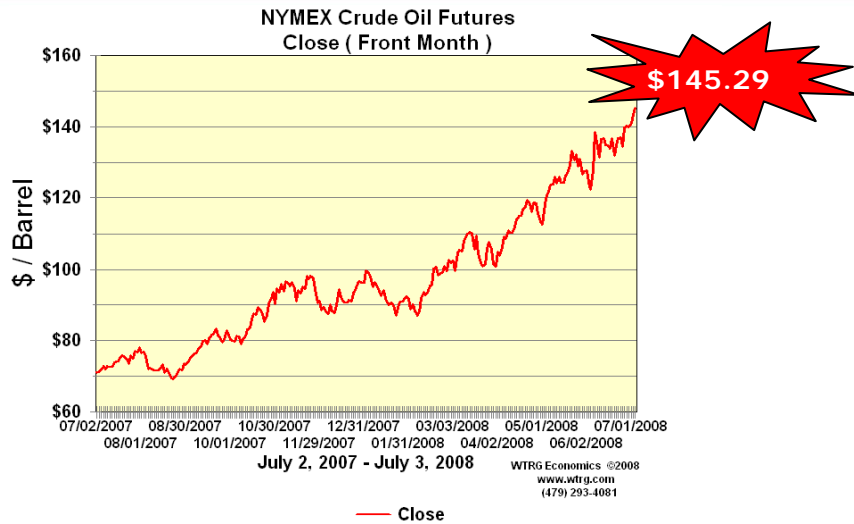
- **7,526** individuals in 17 countries surveyed during July-August 2007
- **1,511** interviewees from North America

Survey Results

- Over **80%** are concerned by Climate Change and believe it will directly impact their life
- **71%** think individuals have an active role to play to address Climate Change efficiently

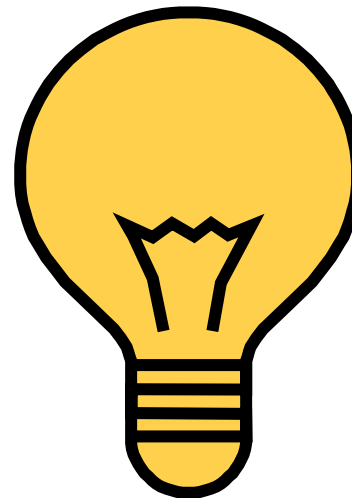
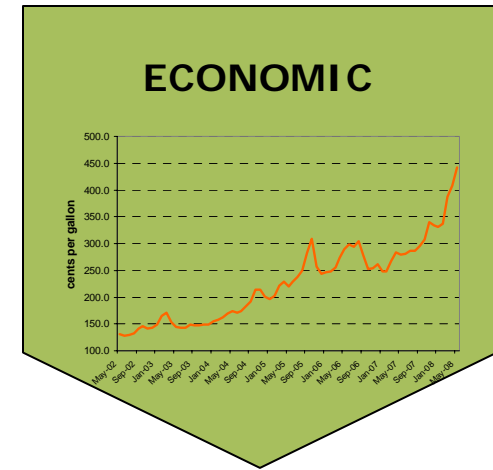
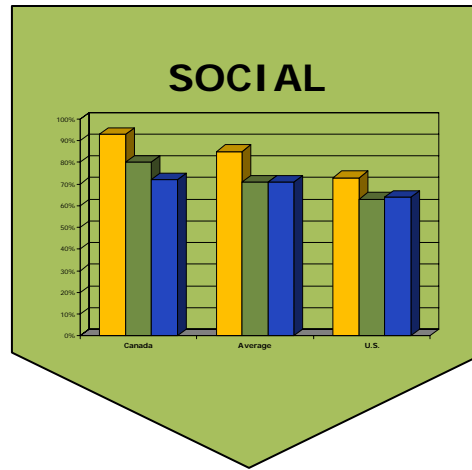
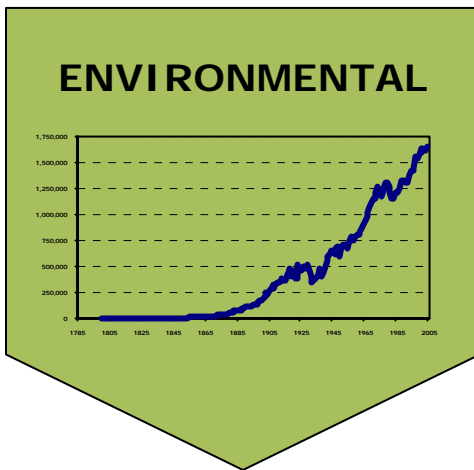


Economy



Data Sources:
Energy Information Administration
WTRG Economics
Business Week

The Corporate Sustainability Movement is born



ENVIRONMENTAL

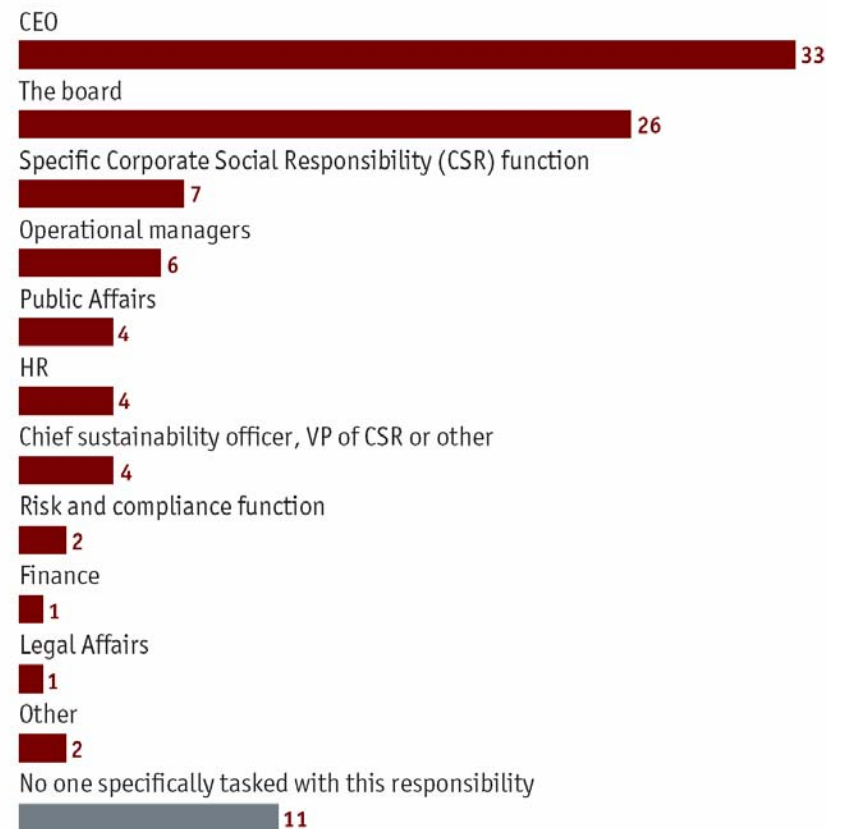
SOCIAL

ECONOMIC

Does your company have a coherent strategy for corporate sustainability that covers the whole business and its supply chain? Please select one answer only.
(% respondents)



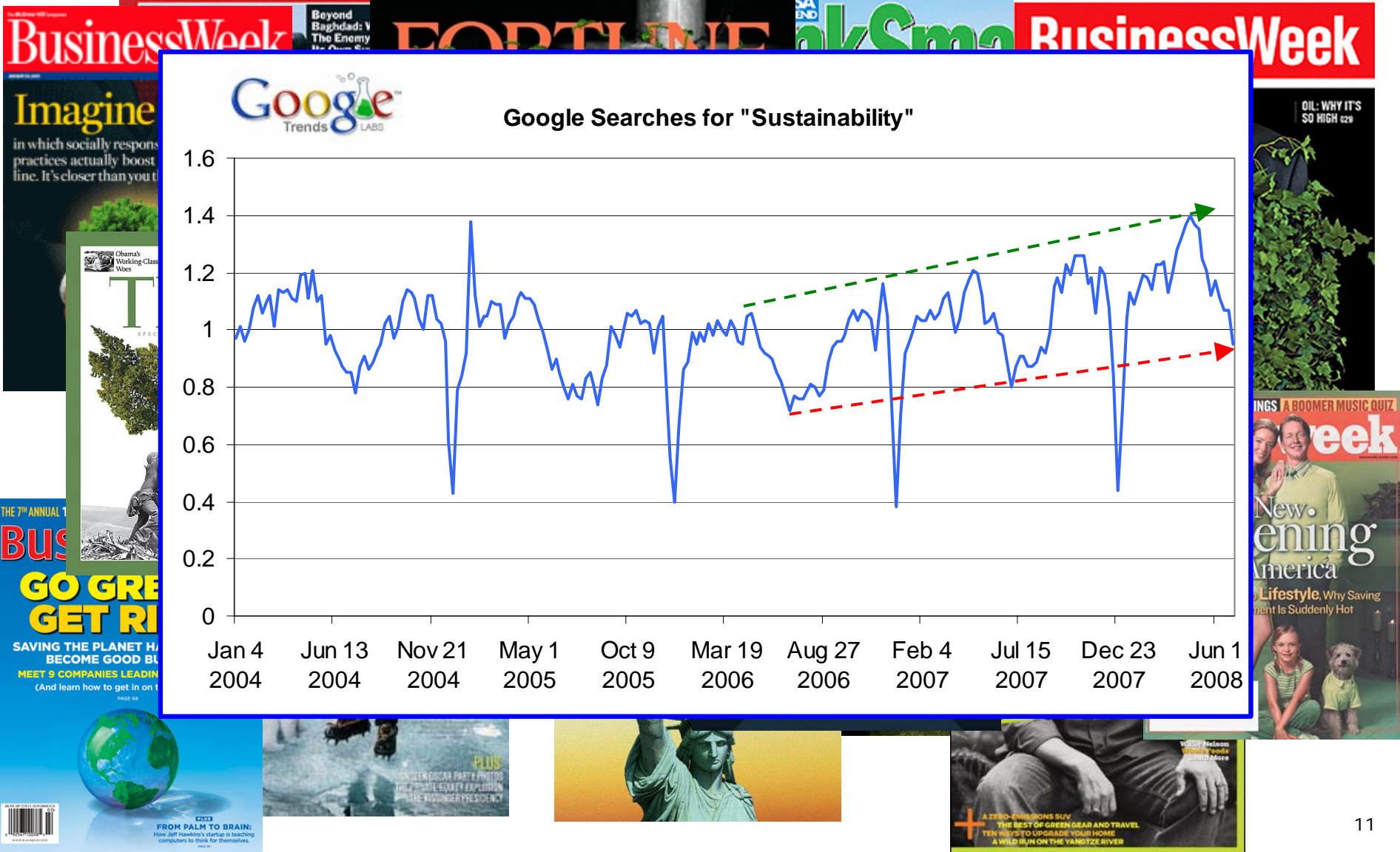
Where does primary responsibility for sustainability performance currently sit within your organisation? Select one.
(% respondents)



“To be the **leading global provider of sustainable distribution facilities** and create an optimal balance between shareholder value, the environment and corporate social responsibility.”



Media Spotlight



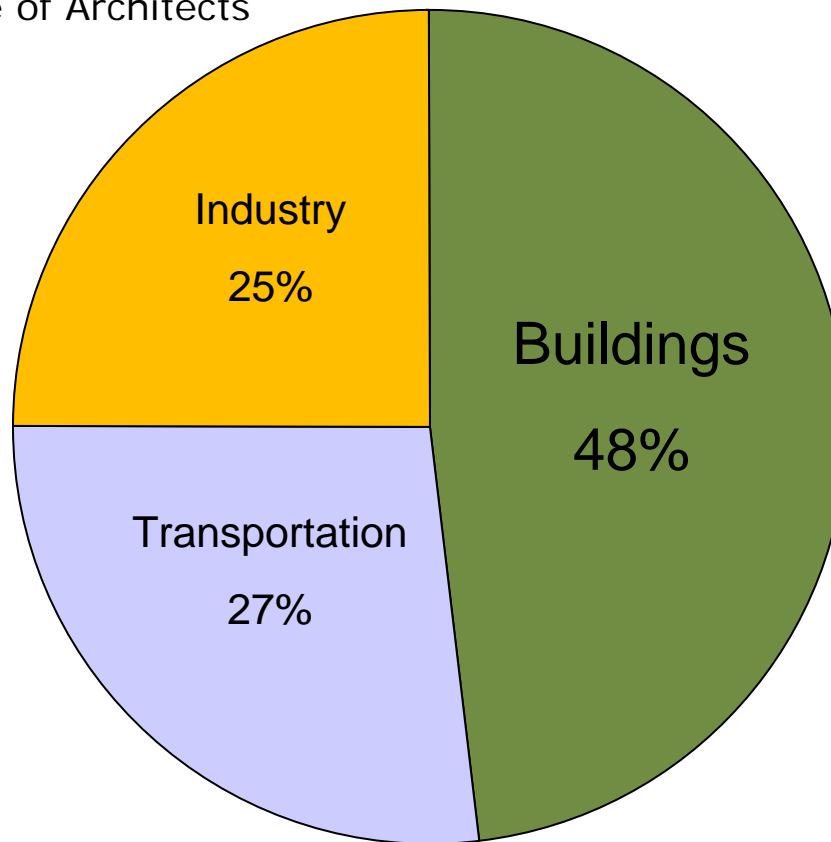
How does this affect real estate?

CO2 Emissions by Sector

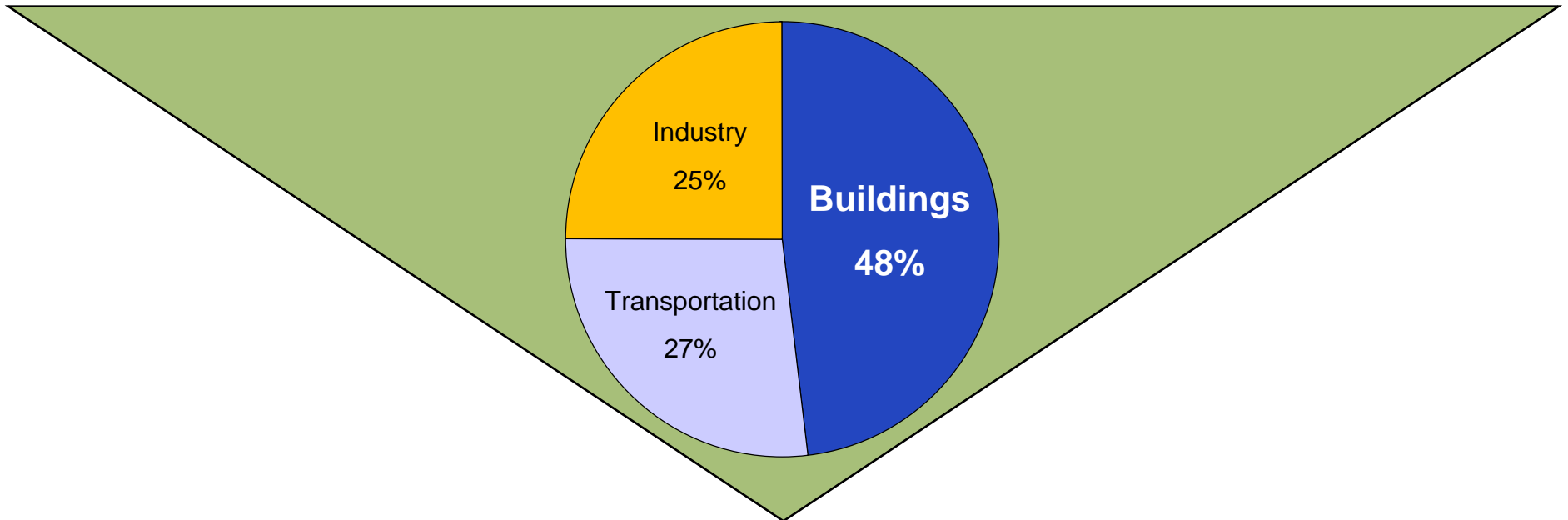
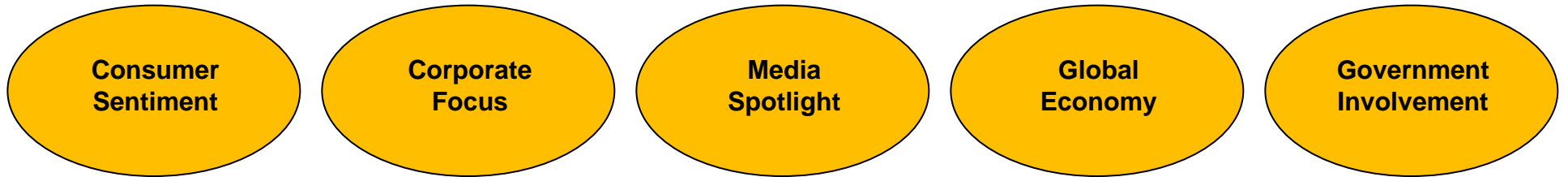


“Buildings are the largest source of both energy consumption and greenhouse gas emissions in America as well as around the world.”

- The American Institute of Architects



Danger or Opportunity



危机

LEED Certifications Awarded per Year






LEED



What is LEED?



“The **L**eadership in **E**nergy and **E**nvironmental **D**esign rating system encourages and accelerates global adoption of sustainable green building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria.” – U.S. Green Building Council 

In other words, it is a rating systems to help identify and clarify what a “green” building is.

Sustainable Sites

Water Efficiency

Energy & Atmosphere

Materials & Resources

Indoor Environmental Quality

Innovation & Design Process

Categorizing Selling Points



LEED Credit Categories

Sustainable Sites

Water Efficiency

Energy & Atmosphere

Materials & Resources

Indoor Environmental Quality

Innovation & Design Process



ECONOMIC



ENVIRONMENTAL



SOCIAL

Corporate Focus



If you have or are developing a strategy for corporate sustainability, how important is it to your company that this strategy meets the following objectives?

(% respondents, only those selecting "Critically important" are shown)

Increasing revenues



Enhancing brand reputation



Compliance with regulatory and legal obligations



Generating value for shareholders/investors



Reducing costs



Managing risks associated with sustainability issues



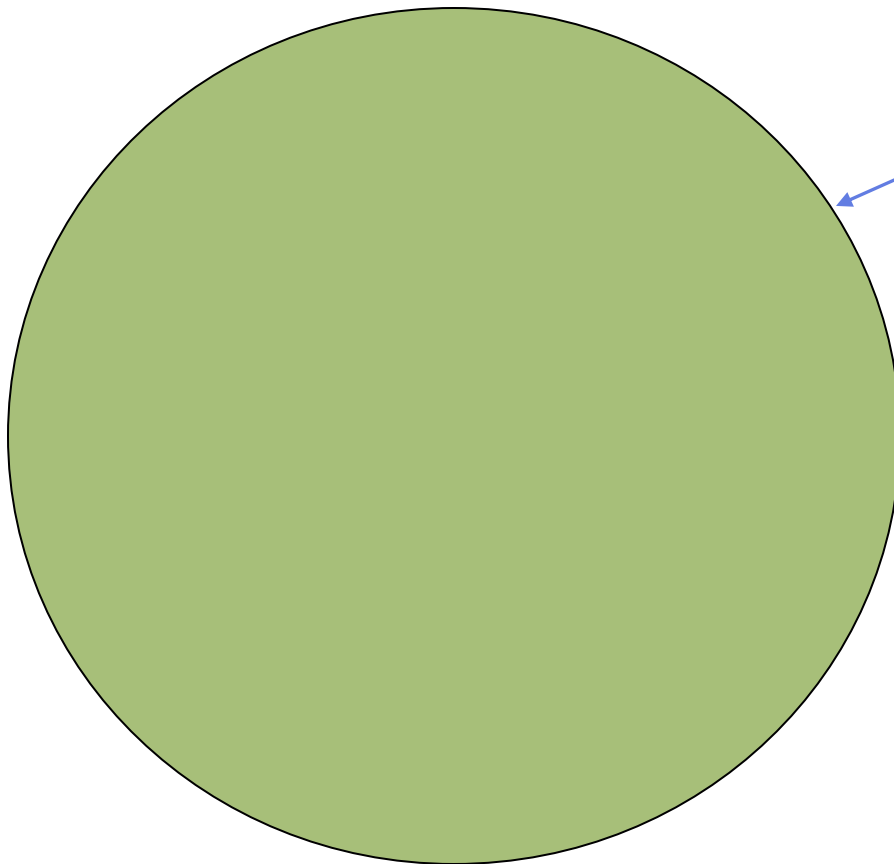
Attracting/retaining customers concerned about environmental or social issues



Differentiating products



LEED - reducing power costs



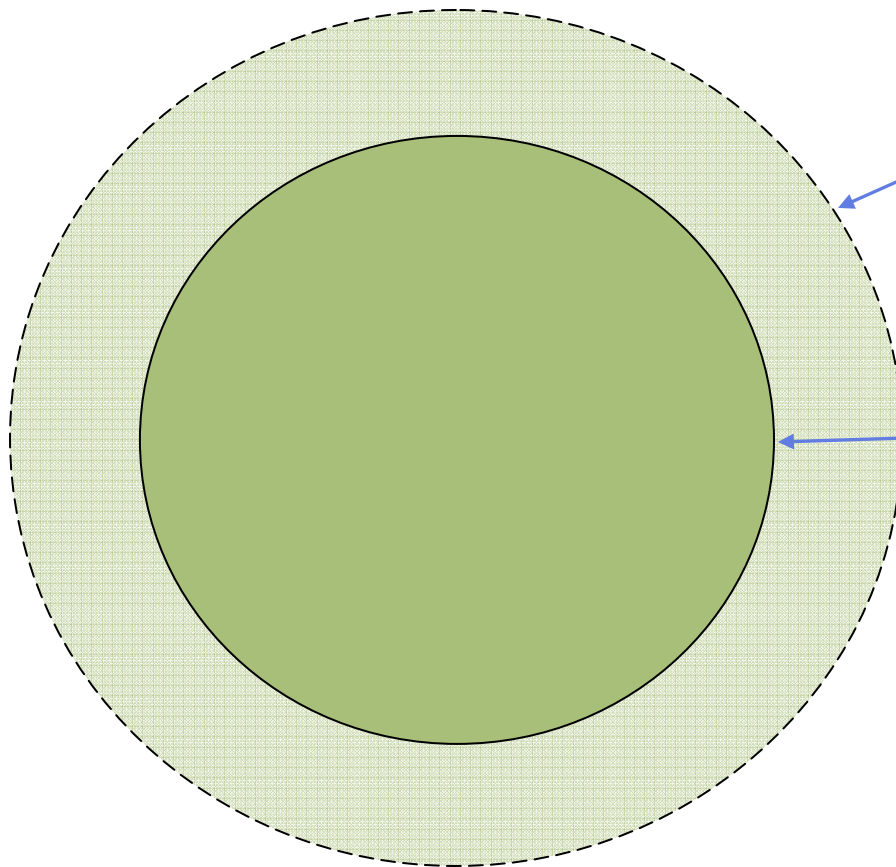
base case

13,588,000 kBtu/year

\$340,000 annual cost

2,810 metric tons CO₂e

LEED - reducing power costs



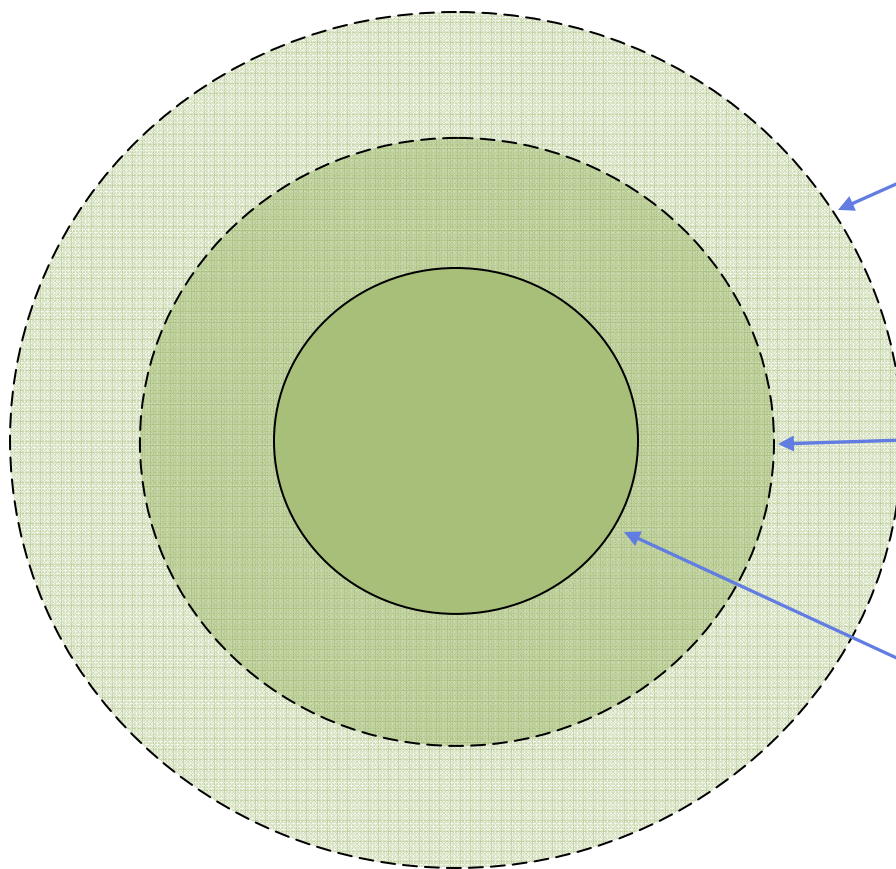
base case

13,588,000 kBtu/year
\$340,000 annual cost
2,810 metric tons CO₂e

LEED best in class

8,832,200 kBtu/year
\$220,000 annual cost
1,827 metric tons CO₂e

LEED - reducing power costs



base case

13,588,000 kBtu/year
\$340,000 annual cost
2,810 metric tons CO₂e

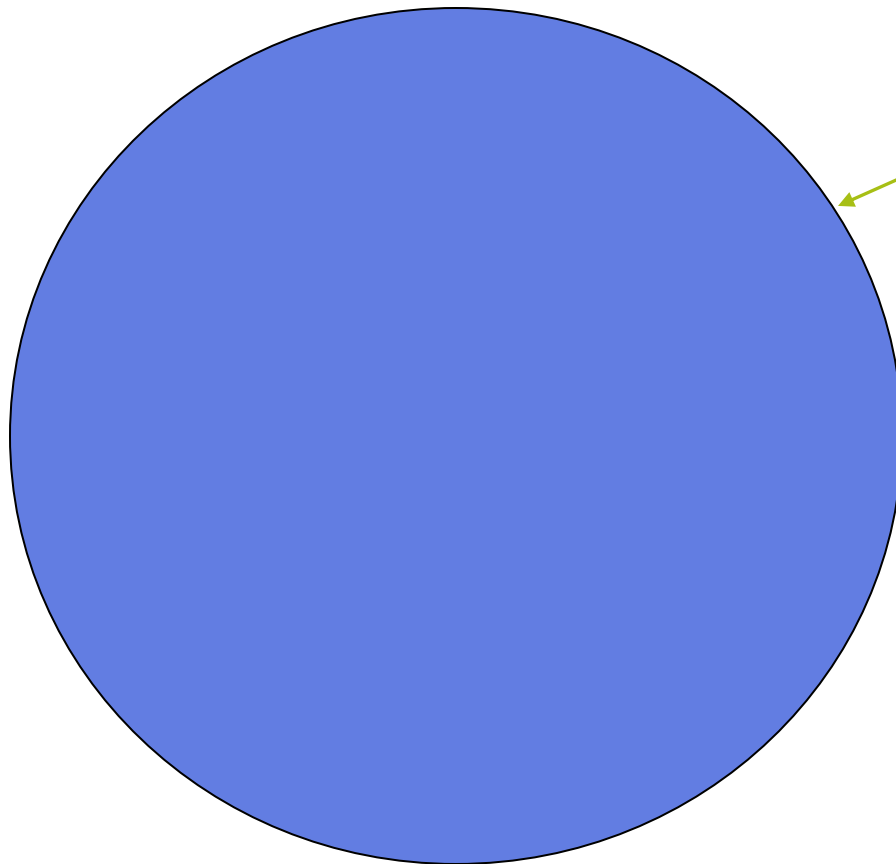
LEED best in class

8,832,000 kBtu/year
\$220,000 annual cost
1,827 metric tons CO₂e

ProLogis Etna #3

4,027,000 kBtu/year
\$100,320 annual cost
833 metric tons CO₂e

LEED - reducing water costs

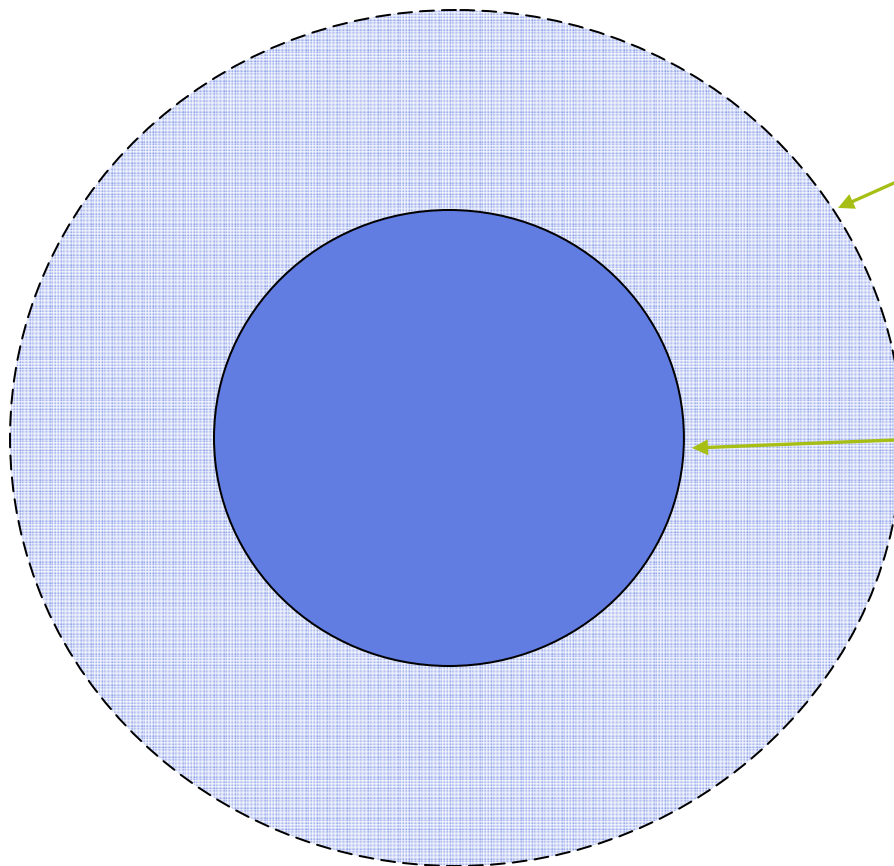


base case

1,800,000 gallons/year

\$9,500 annual cost

LEED - reducing water costs



base case

1,800,000 gallons/year

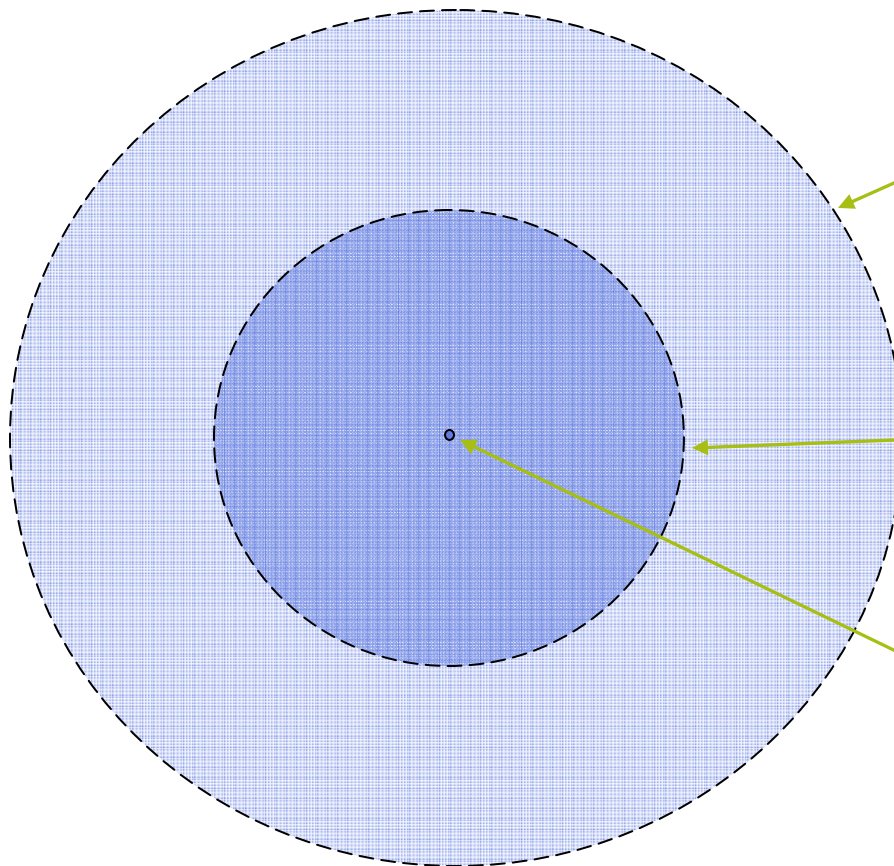
\$9,500 annual cost

LEED best in class

885,000 gallons/year

\$4,735 annual cost

LEED - reducing water costs



base case

1,800,000 gallons/year

\$9,500 annual cost

LEED best in class

885,000 gallons/year

\$4,735 annual cost

ProLogis Etna #3

0 gallons/year

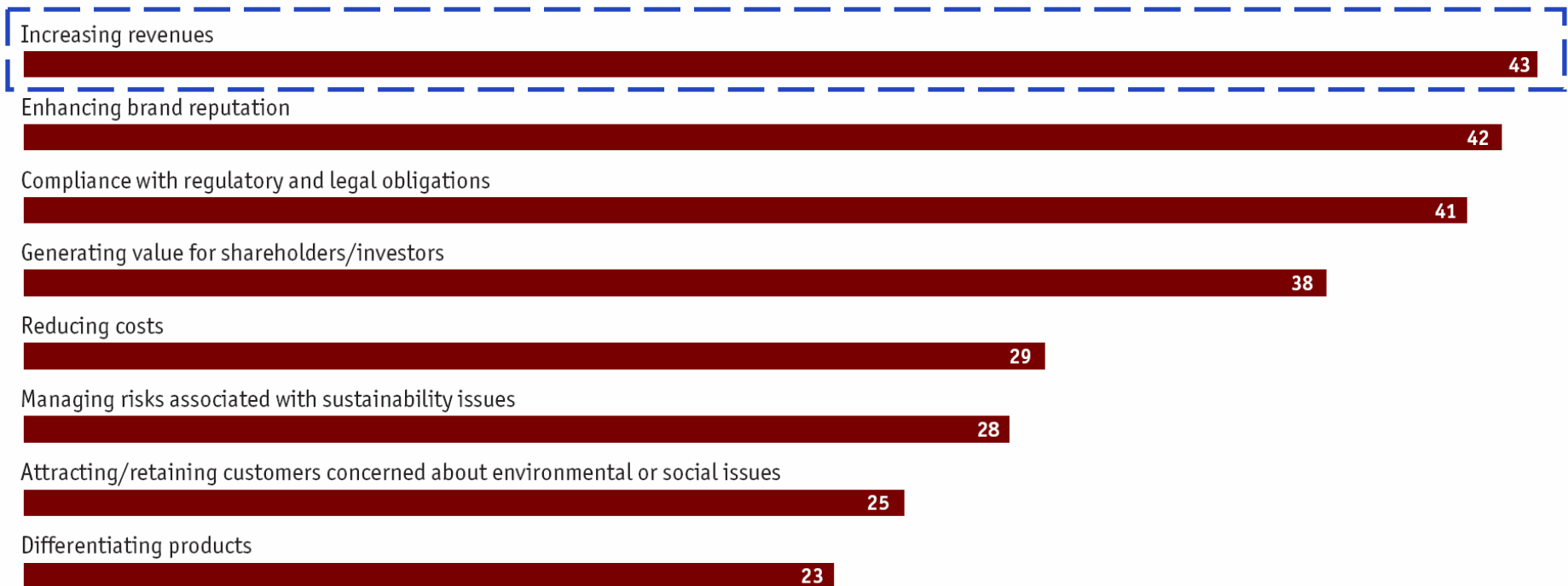
\$0 annual cost

Corporate Focus



If you have or are developing a strategy for corporate sustainability, how important is it to your company that this strategy meets the following objectives?

(% respondents, only those selecting "Critically important" are shown)

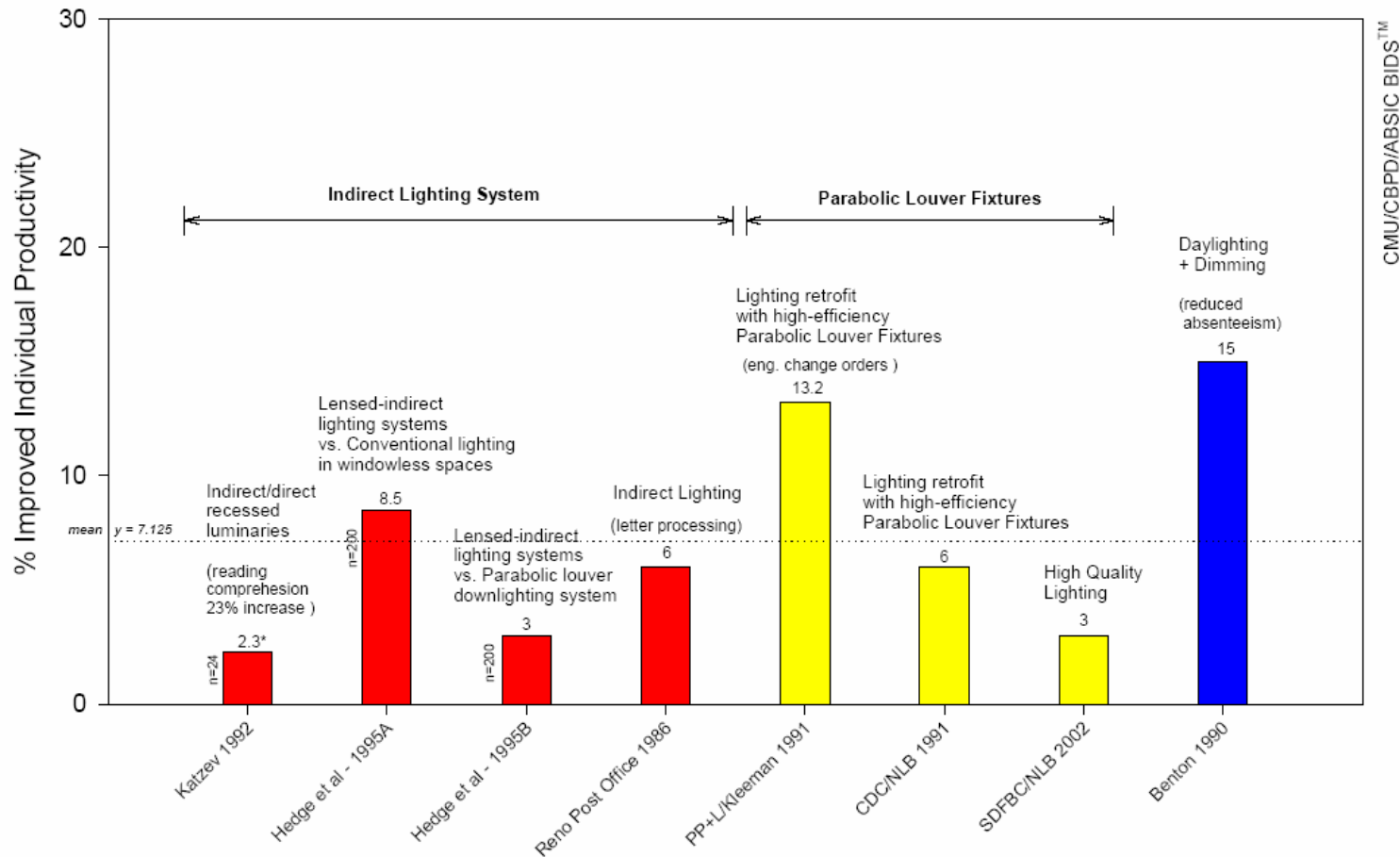


LEED – increasing revenue



Study of Lighting on Productivity

Productivity Gains Range from 3% to 34%, with a **mean of 7.1%**



Heschong Mahone Group:

Daylighting in Schools; An Investigation into the Relationship
Between Daylighting and Human Performance

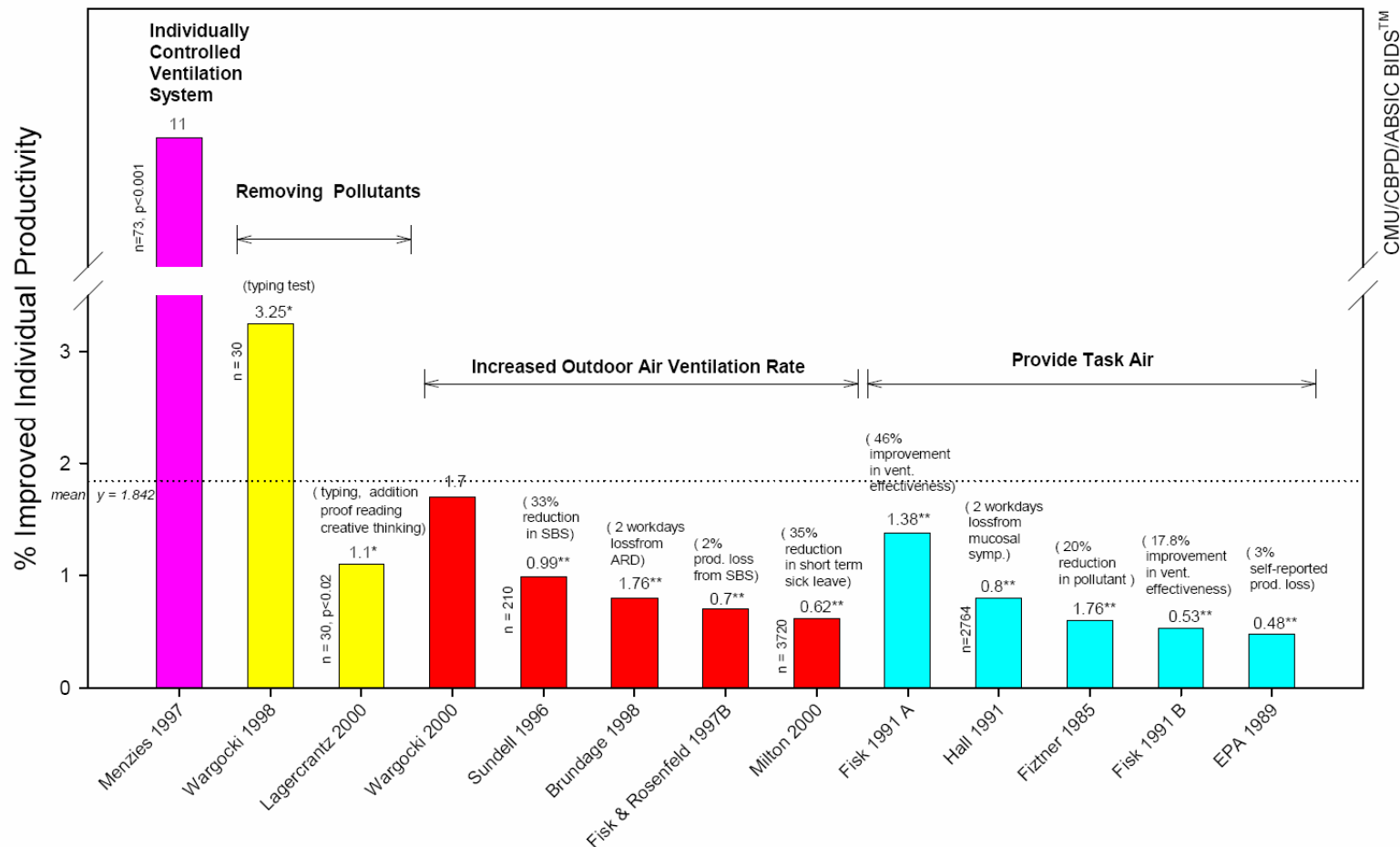


“Controlling for all other influences, we found that **students with the most daylighting in their classrooms progressed 20% faster on math tests and 26% on reading tests** in one year than those with the least. Similarly, students in classrooms with the largest window areas were found to progress **15% faster in math and 23% faster in reading** than those with the least. And students that had a well-designed skylight in their room, one that diffused the daylight throughout the room and which allowed teachers to control the amount of daylight entering the room, also improved **19-20% faster** than those students without a skylight. We also identified another window-related effect, in that students in classrooms where windows could be opened were found to progress 7-8% faster than those in rooms with fixed windows. This occurred regardless of whether the classroom had air conditioning. These effects were all observed with **99% statistical certainty**.”¹

LEED – increasing revenue



Study of Improved Ventilation Impact on Productivity
 Productivity Gains Range from 0.5% to 11%, with a **mean of 1.8%**



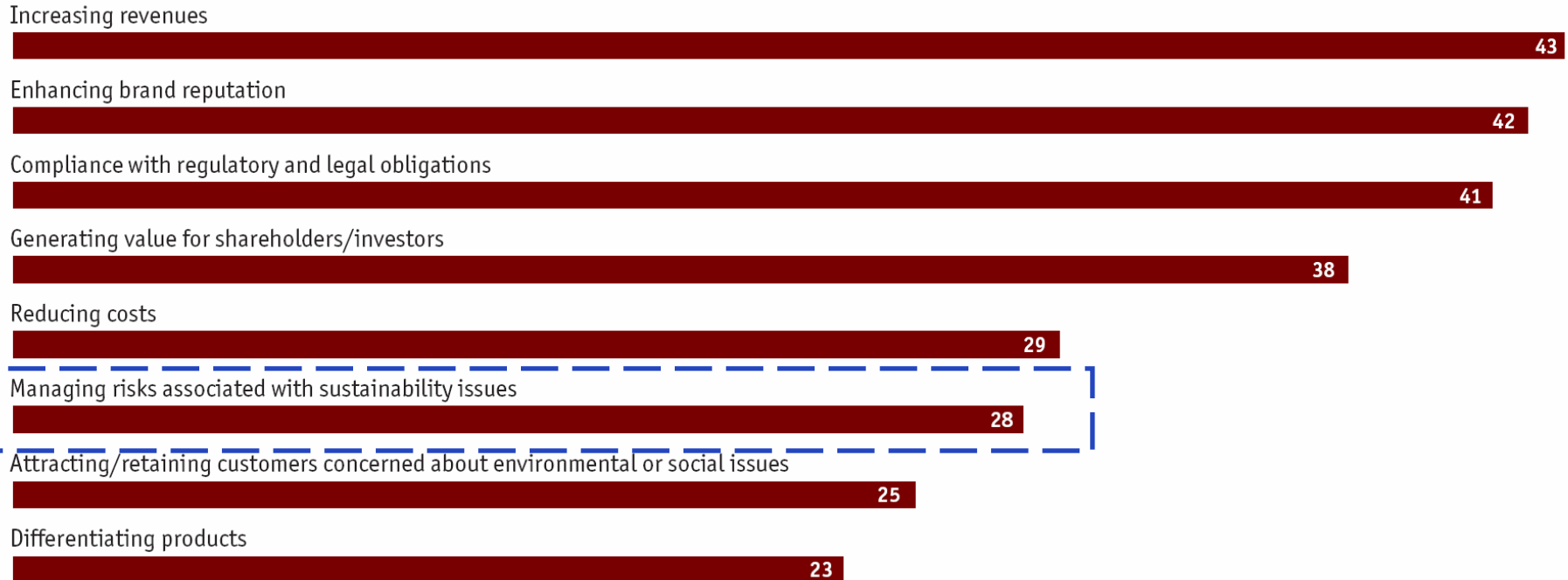
Americans spend on average 90% of their lives indoors.

Corporate Focus

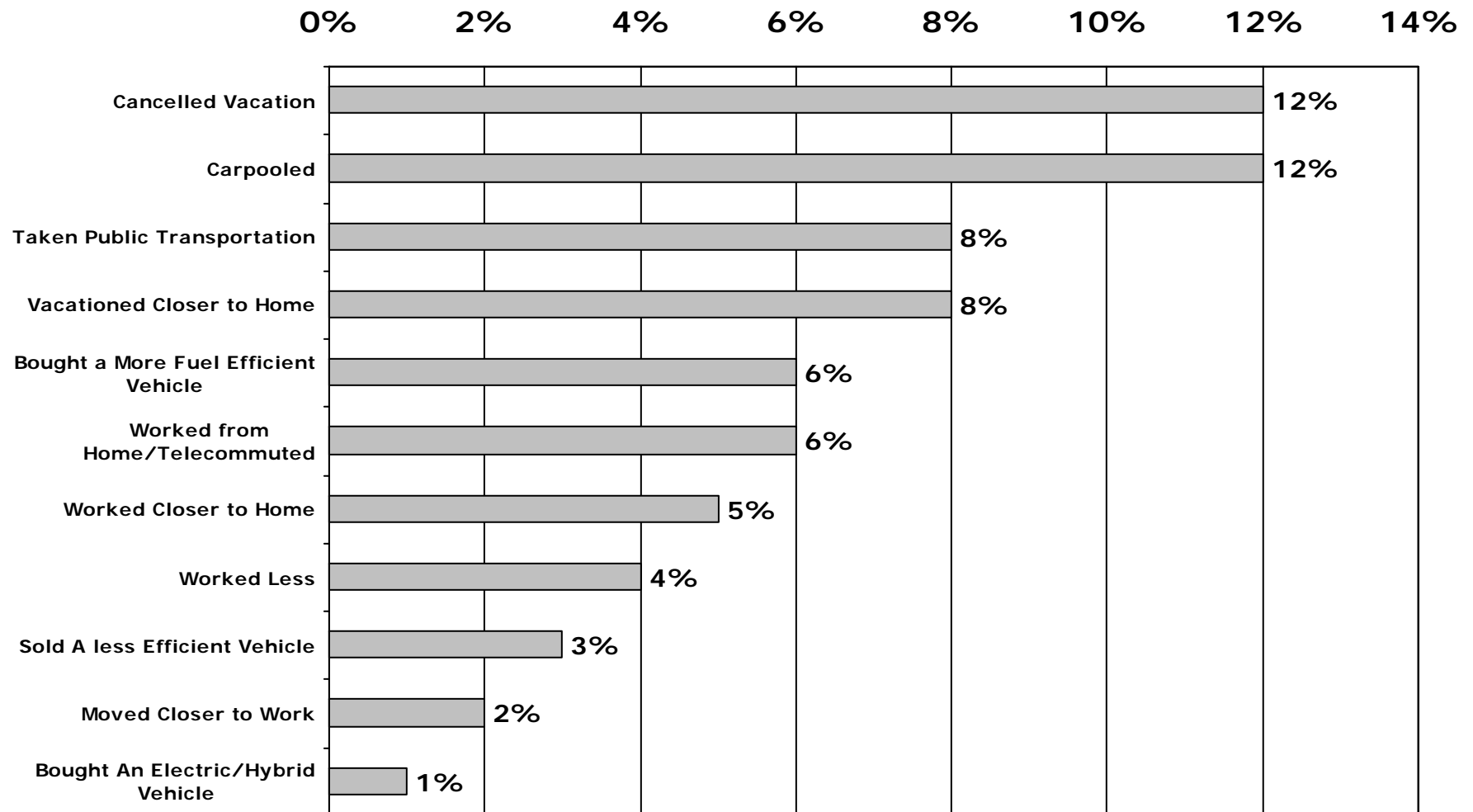


If you have or are developing a strategy for corporate sustainability, how important is it to your company that this strategy meets the following objectives?

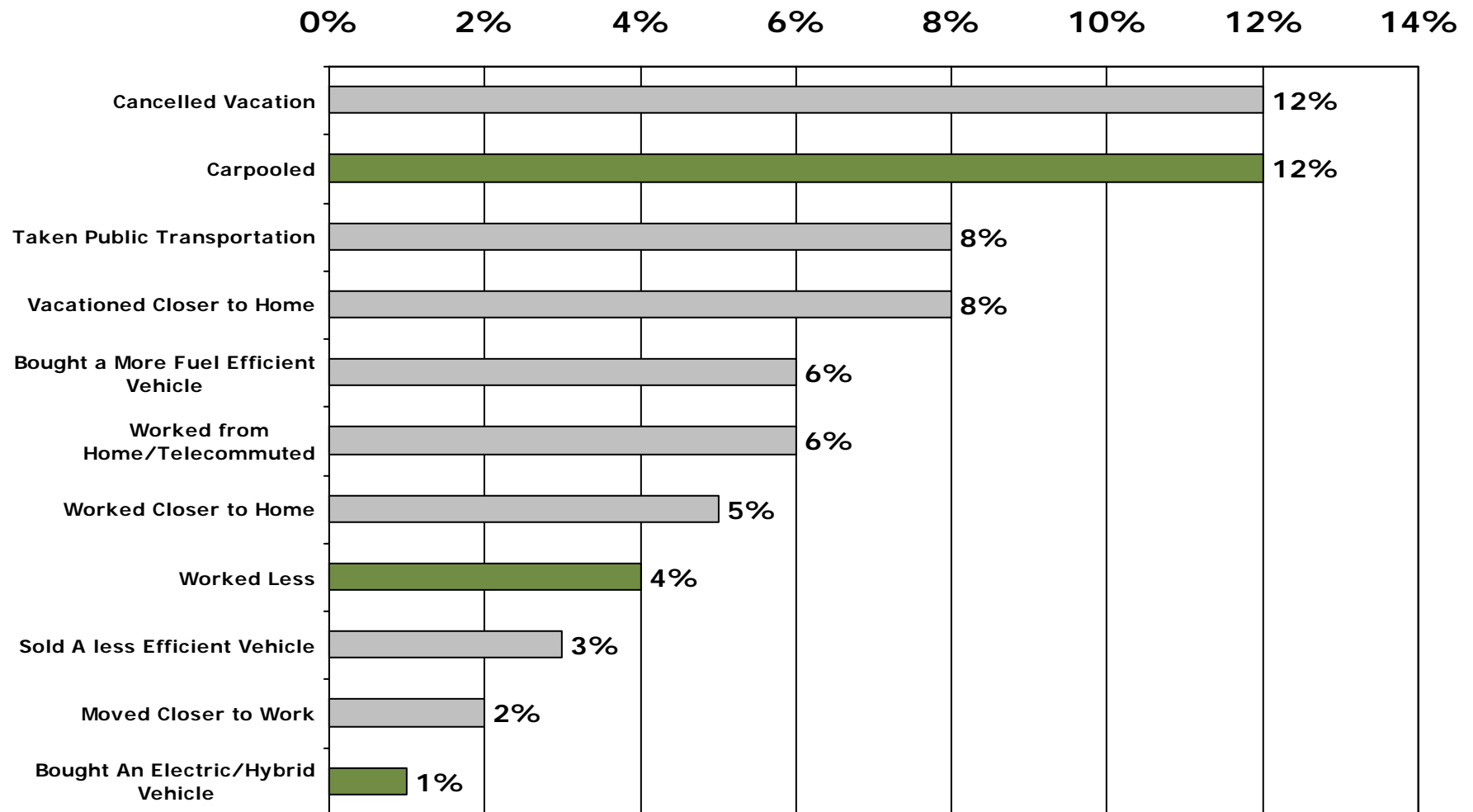
(% respondents, only those selecting "Critically important" are shown)



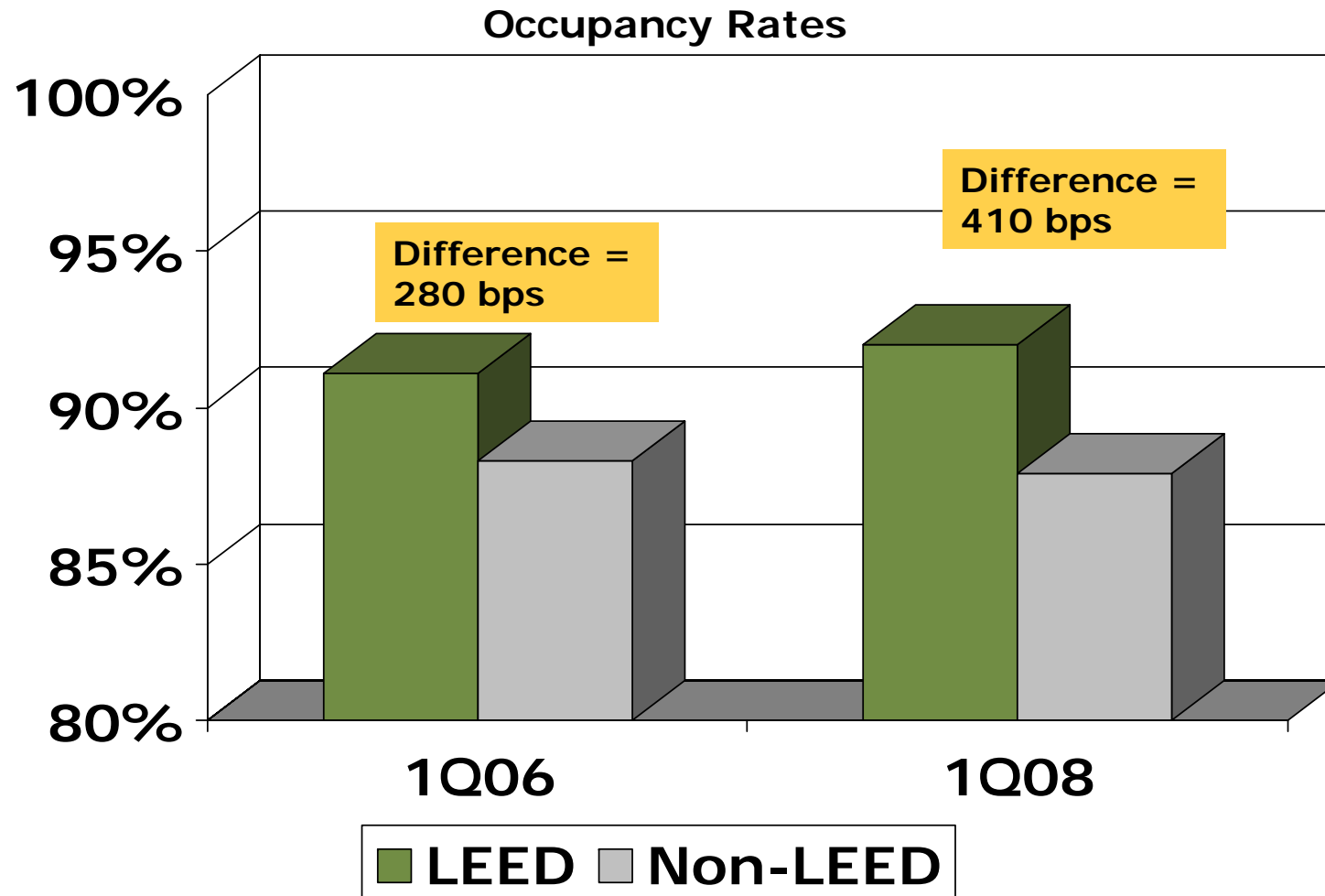
Affect of High Gas Prices



Affect of High Gas Prices



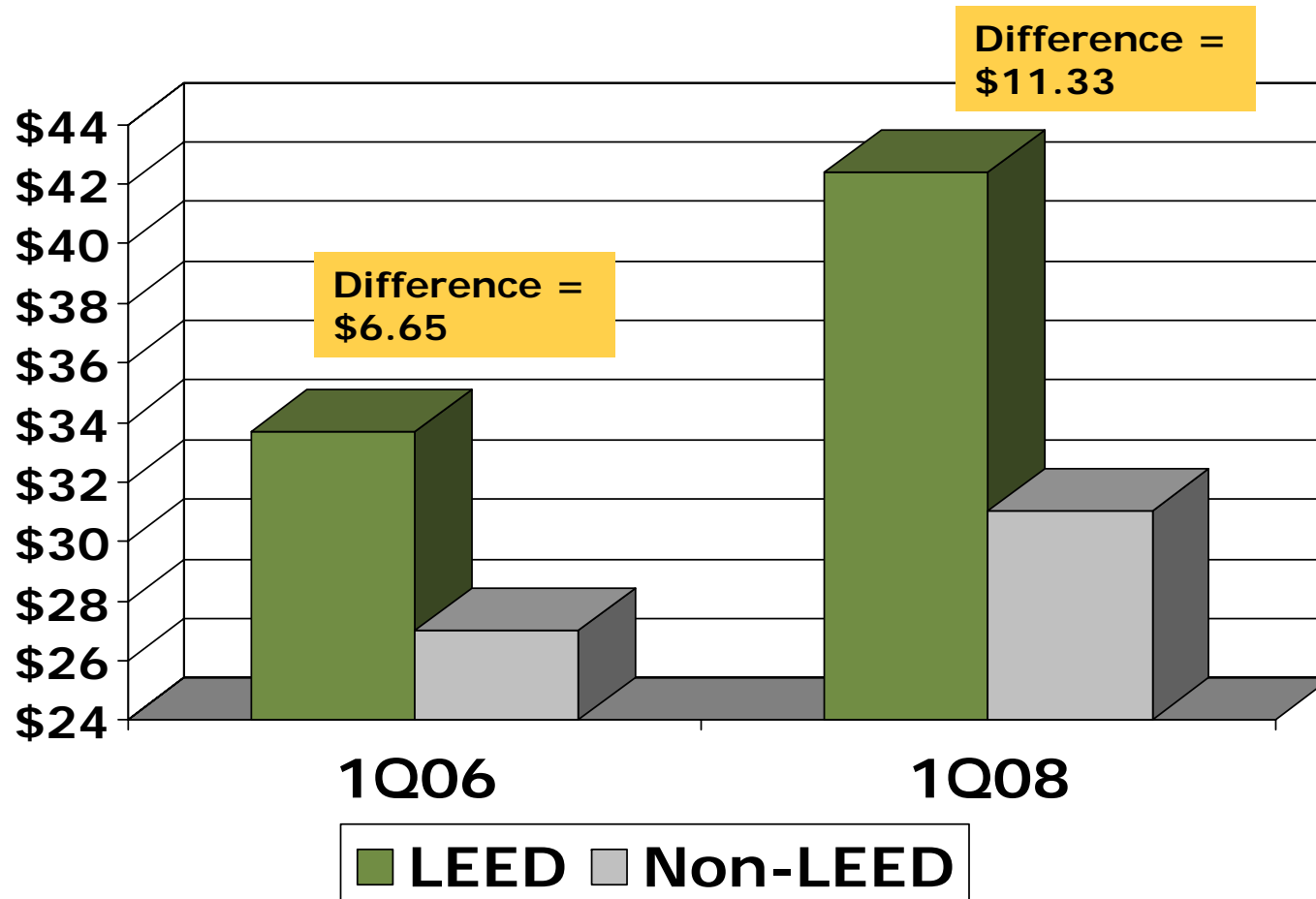
LEED - Market Demand



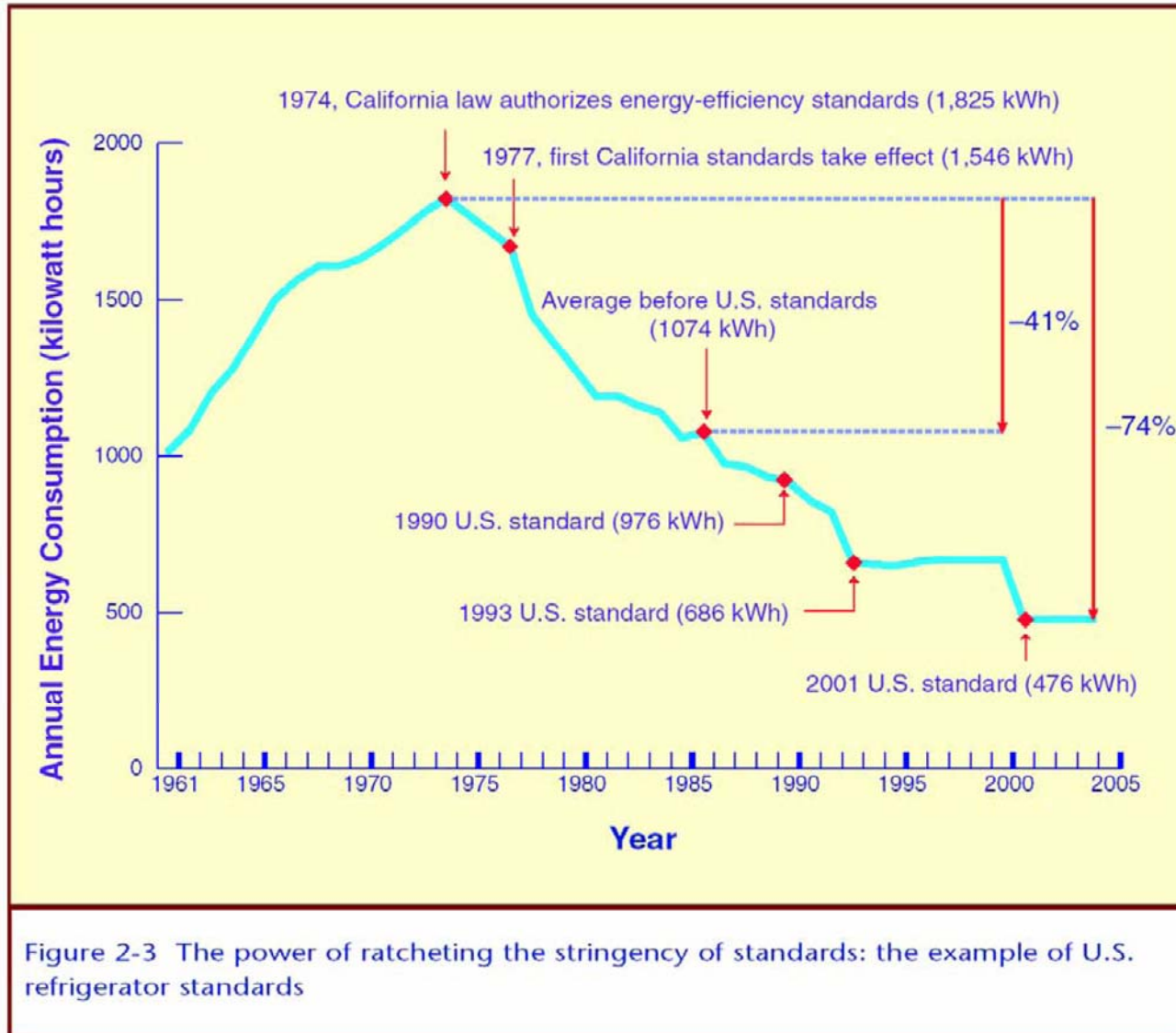
LEED - Market Demand



Direct Rental Rates



Do Standards Work?



Value to Lessors

- lower vacancy
- higher lease rates
- higher sale prices
- free PR
- not enough data for industrial

Value to Lessees

- lower electricity consumption
- lower natural gas consumption
- lower water consumption
- reduced carbon footprint
- increased productivity

Value to Society

- reduced environmental impact

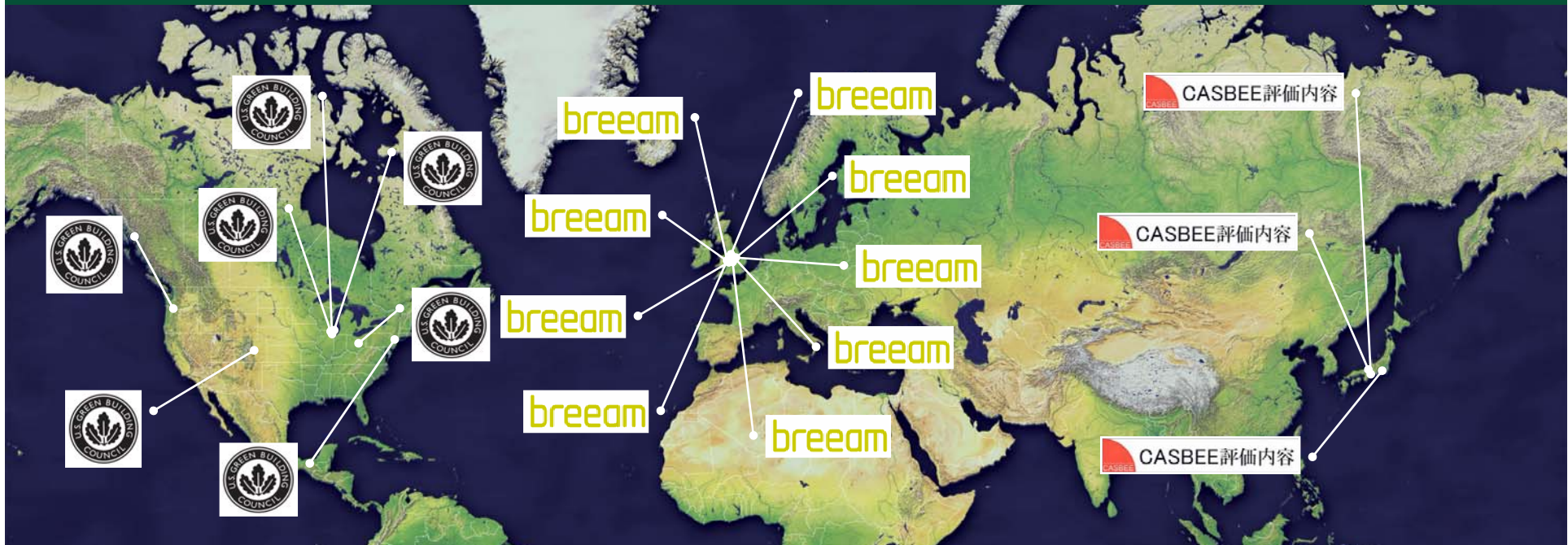
- **Educate** – All N.A. Project Managers have been through LEED training
 - Training was conducted in a series of four 2-day workshops across the U.S.
- **Qualify** – All N.A. Project Managers need to pass the LEED AP test
 - 26 have passed thus far and are now LEED Accredited Professionals



| | | | | |
|------------------|----------------------|----------------|--------------|-------------|
| Steve Allen | Greg Bauer | Tim Beedle | Greg Bradley | Drew Carney |
| Cory Chung | Ian Dietrich | Mike Englhard | Andy Finke | Kurt Fuller |
| Blake Kelley | Bill Kennedy | Leo Lopez | Kyle Low | Tom Marko |
| Sarah Martinez | Robert McCann | Karla Mika | Scott Mulkay | Wei Peng |
| Wendy Rentschler | Frederick Schumacher | Matt Singleton | Luke Stewart | Ken Sun |
| Drew Torbin | | | | |

- **Implement** – As of 01/01/08 new U.S. construction will pursue LEED certification

Accredited Projects



North America

- Portland, OR
LEED-TI Gold Certified
- Denver, CO
LEED-TI Certified (tracking)
- Chicago, IL
LEED-NC Certified (tracking)
- Morris, IL
LEED-TI Certified
- Alsip, IL
LEED-NC Certified
- Nazareth, PA
LEED-NC Certified (tracking)
- Etna, OH
LEED-CS Certified (tracking)

Europe

- Dunstable, UK DC1
BREEAM Excellent
- Dunstable, UK DC2
BREEAM Excellent
- Houghton Main, UK
BREEAM Excellent
- Pineham, UK (Sainsburys)
BREEAM Excellent
- Pineham, UK DC1
BREEAM Very Good
- Pineham UK DC3
BREEAM Very Good
- Stoke Campbell Road, UK
BREEAM Excellent
- Crewe, UK DC1
BREEAM Excellent
- Sideway, UK DC1
BREEAM Excellent

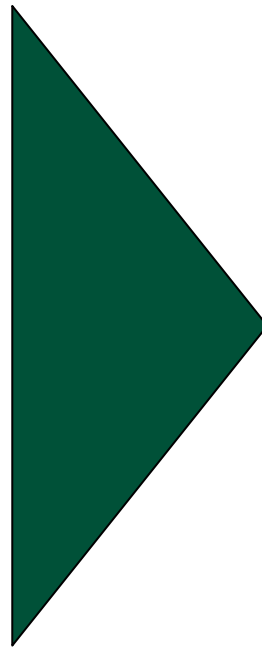
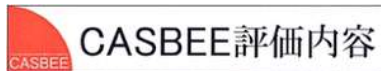
Asia

- Maishima, Osaka City
CASBEE Osaka A Rating
- Maishima, Osaka City
CASBEE Osaka A Rating
- Centrait, Tokoname City
CASBEE Japan A Rating

breeam



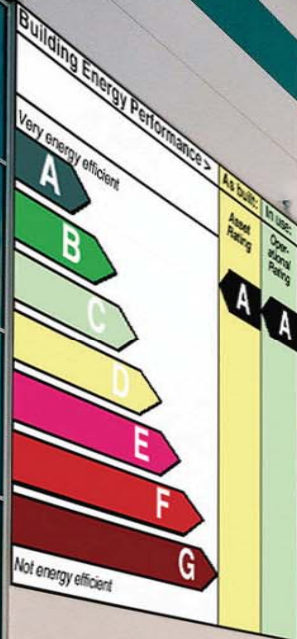
LEED



 **ProLogis**[®]
Global Checklist

- Combines best practices from around the world
- Structured to meet LEED, BREEAM and CASBEE certification
- Currently being finalized

What's next?



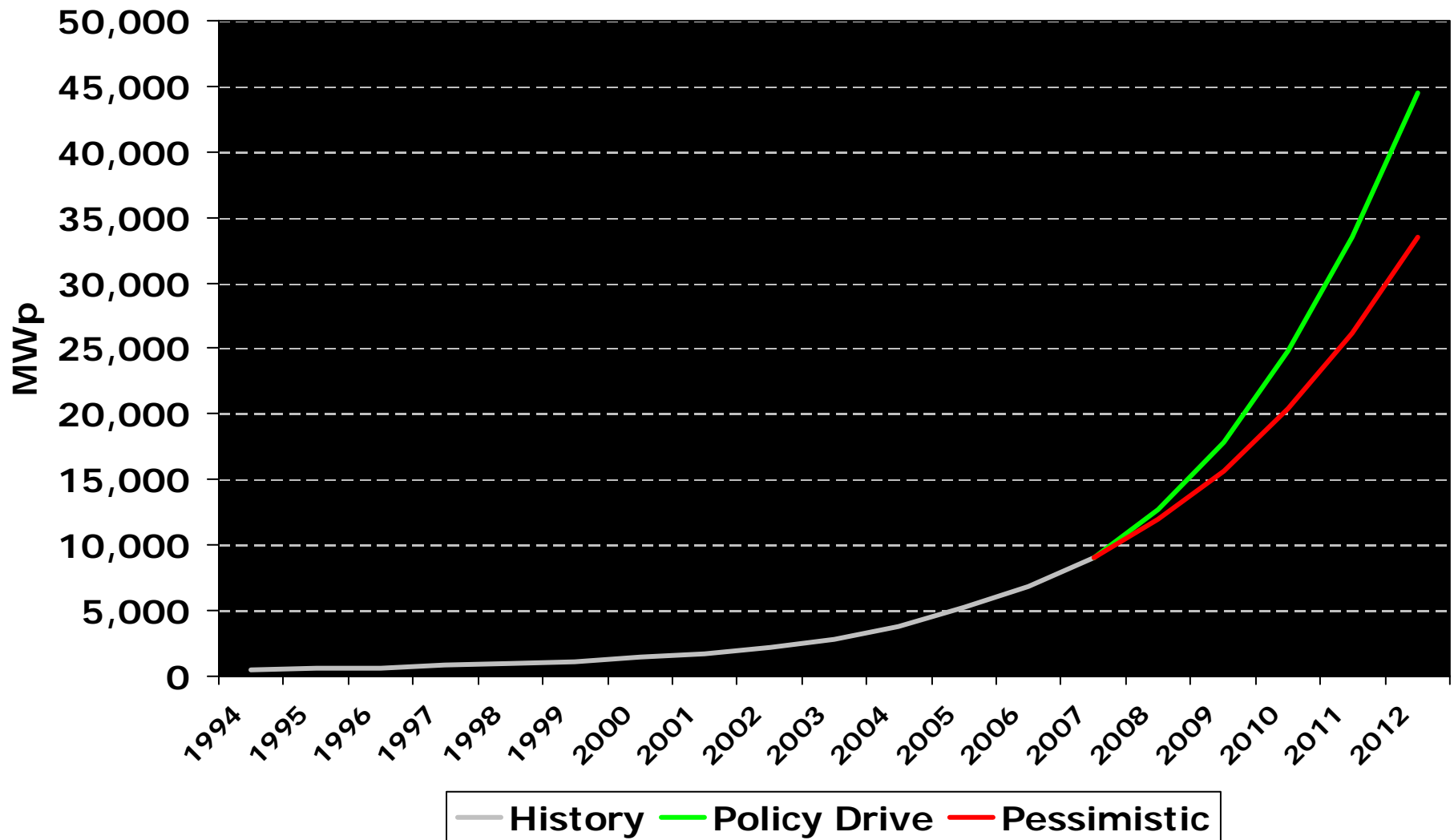
Renewable Energy



Potential



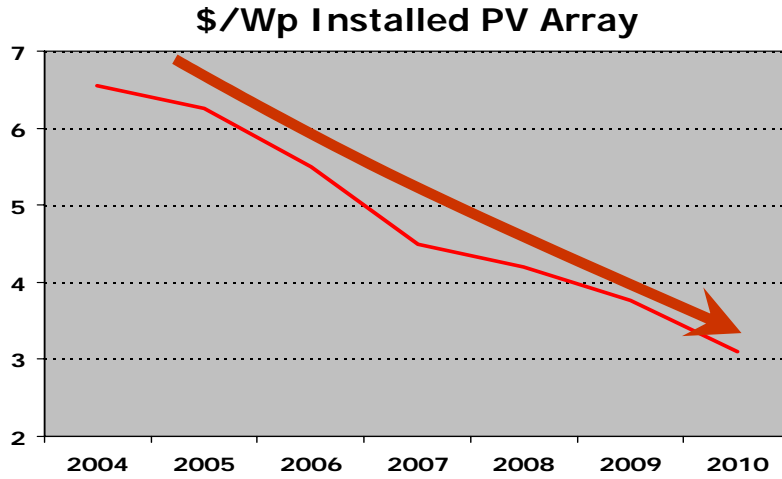
Photovoltaic Historic & Projected Growth



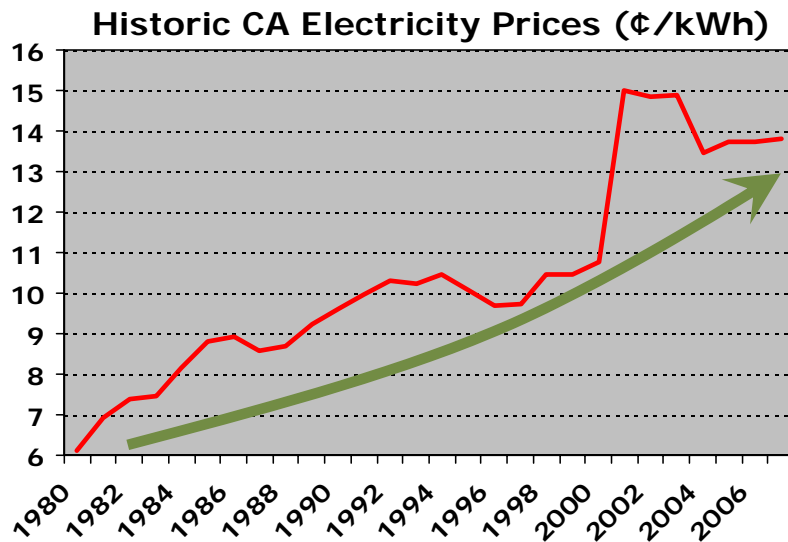
Positive Trends



Installed PV Array
Costs Decreasing



Electricity Rates
Rising



Data Sources: EIA, NREL, SEIA & ProLogis research

Renewable Energy Installations



| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | TOTAL |
|---|---------------------------|------------------------|--------------------------|-------------------------|--------------------------|------------------------|--------------------------|---------------------------------|
| Location | Moissy-Cramayel France | Barcelona Spain | Osaka Japan | Osaka Japan | Nagoya Japan | Malsch Germany | Fontana California | |
| Source | 446 kWp Solar Array | 105 kWp Solar Array | 2x 10kW Wind Turbines | 2x 4kW Wind Turbines | 4x 10kW Wind Turbines | 550 kWp Solar Array | 2,200 kWp Solar Array | 3,441 kWp Renewables |
| Completed | 2007 | 2007 | 2006 | 2007 | 2007 | 2008 | Est. 2008 | |
| Expected Annual Generation (kWh) | 440,000 | 170,000 | 6,400 | 8,000 | 34,800 | 541,750 | 3,080,000 | 4,280,950 |

←

→

In Operation

Under Development

Moissy-Cramayel, France

446 kWp Solar Array; Completed in 2007



Barcelona, Spain

105 kWp Solar Array; Completed in 2007



Southern, CA

X.x% of 250 MWp; 5 Year Project



Osaka, Japan

2x 10kW Wind Turbines; Completed in 2006



Nagoya, Japan

4x 10kW Wind Turbines; Completed in 2007



What's next?



What's next?



- 1. There is still a bottom line in the triple bottom line**
- 2. Sustainability = Efficiency**
- 3. Potential**



Drew Torbin

Manager - Sustainability

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Denver, CO, 80239

303.567.5143

atorbin@prologis.com



For more information:

www.prologis.com/sustainability