



January 25, 2008

TO SHAREHOLDERS OF PROLOGIS

The following summarizes the taxability, for federal income tax purposes, of distributions paid during calendar year 2007 by ProLogis (NYSE: PLD). This information is provided to assist you in determining the taxability of your 2007 distributions for federal income tax purposes.

	Distribution Per Share	Taxable Ordinary Dividends	Long-term Capital Gains	Long-term Unrecaptured Section 1250 Gain Taxable at 25%	Qualified Dividends ¹	Return of Capital
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Common Shares of Beneficial Interest: (NYSE SYMBOL: PLD) (CUSIP # 743410102)

Quarterly	\$0.46	\$0.2214	\$0.1115	\$0.0498	\$0.0000	\$0.0773
Annual	\$1.84	\$0.8856	\$0.4460	\$ 0.1992	\$0.0000	\$0.3092
% of Total		48.13%	24.24%	10.83%	0%	16.80%

Series C Preferred Shares of Beneficial Interest: (OTC) (CUSIP # 743410409)

Quarterly	\$1.0675	\$0.6175	\$0.3111	\$0.1389	\$0.0000	\$0.0000
Annual	\$4.27	\$2.4700	\$1.2444	\$0.5556	\$0.0000	\$0.0000
% of Total		57.85%	29.14%	13.01%	0%	0%

Series F Preferred Shares of Beneficial Interest: (NYSE SYMBOL: PLD-PRF) (CUSIP #743410706)

Quarterly	\$0.4219	\$0.2441	\$0.1229	\$0.0549	\$0.0000	\$0.0000
Annual	\$1.6876	\$0.9764	\$0.4916	\$0.2196	\$0.0000	\$0.0000
% of Total		57.86%	29.13%	13.01%	0%	0%

Series G Preferred Shares of Beneficial Interest: (NYSE SYMBOL: PLD-PRG) (CUSIP #743410805)

Quarterly	\$0.4219	\$0.2441	\$0.1229	\$0.0549	\$0.0000	\$0.0000
Annual	\$1.6876	\$0.9764	\$0.4916	\$0.2196	\$0.0000	\$0.0000
% of Total		57.86%	29.13%	13.01%	0%	0%

¹ May qualify for taxation under reduced dividend rates enacted as part of the Jobs and Growth Tax Relief Reconciliation Act of 2003.

If you held common or preferred shares of ProLogis in your name at any time during 2007, an IRS Form 1099-DIV will be provided to you by Computershare, ProLogis' transfer agent, on or about January 31, 2008. If you held shares in "street name" during 2007, the IRS form provided by your bank, brokerage firm or nominee may report only the gross distributions paid to you. Therefore, you will need the information set forth above to properly complete your federal tax return.

The above information has been prepared using the best available information to date. ProLogis' tax return for the year ended December 31, 2007 has not yet been filed. Please note that federal tax laws affect taxpayers differently, and we cannot advise you on how distributions should be reported on your tax return. Please also note that state and local taxation of REIT distributions vary and may not be the same as the federal rules. ProLogis thus urges you to consult with your own tax advisor with respect to the federal, state and local income tax consequences of these distributions.