



ProLogis Releases New Supply Chain Research Report on Freight Transportation

- Rising Fuel, Freight Costs Prompting Widespread Improvements in U.S. Logistics Networks -

DENVER, Aug 14, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- ProLogis (NYSE: PLD), a leading global provider of distribution facilities and services, today released the latest edition of the ProLogis Supply Chain Review entitled, "Moving Freight Today -- How Shippers Are Creating Greater Capacity, Reliability and Rate Stability."

The report, authored by University of Denver logistics expert Paul Nuzum, explores numerous strategies and tactics that shippers are using to improve the efficiency of their supply chain networks in the face of higher transportation costs; port, rail and highway congestion; labor shortages; and complex security issues.

"Soaring fuel and freight prices in particular have prompted supply chain executives across the U.S. to scrutinize their logistics networks with a new level of urgency," said Leonard Sahling, first vice president of research for ProLogis. "Maximizing efficiency is a paramount concern -- but so is maintaining the highest levels of service to customers. All of the improvements, big and small, that freight managers are making today in their companies' internal processes and systems -- many of which are being adopted as a short-term response to higher freight costs -- will also deliver long-term benefits up and down the entire supply chain."

The new ProLogis report is based on in-depth interviews conducted with supply chain executives at more than 30 major companies from a variety of industries. Among the report's findings are the following:

- * Many companies are adding consolidation and deconsolidation centers to their supply chain networks to ensure that freight gets moved in full container loads and truckloads. These centers serve as "freight pooling hubs" and, under the right circumstances, can substantially increase the efficiency of a company's logistics operations.
- * Companies are "de-coupling" freight costs from product costs. In the past, suppliers generally paid freight charges and simply added them to their materials invoices. Today, companies are adopting practices that ensure that they receive the best shipping rates available on a consistent basis, through centralized command and control of freight movement.
- * Shippers are working hard to improve collaboration with carriers and other transportation providers, through better forecasting, shorter payment cycles and implementation of two-way operational scorecards.
- * Logistics managers are creating new capacity in their networks by eliminating sources of waste and inefficiency. Techniques include collaborating with other companies to reduce the number of empty trucks on the road and establishing 24x7 work schedules at distribution centers.

ProLogis' Global Research Department monitors, analyzes and reports on key trends and dynamics in both real estate and supply-chain management, drawing from industry data and primary research conducted by company analysts and a network of affiliated academics and other professionals. Past issues of the Supply Chain Review have focused on warehouse voice recognition systems, RFID technology, offshore outsourcing and other related topics.

For a copy of the "Moving Freight Today" report or copies of previous reports, go to www.prologisresearch.com/movingfreight.

About ProLogis

ProLogis is a leading provider of distribution facilities and services with 404.3 million square feet (37.6 million square meters) in 2,401 properties owned, managed and under development in 81 markets in North America, Europe and Asia as of June 30,

2006. The company continues to expand the industry's first and largest global network of distribution facilities with the objective of building shareholder value. It expects to achieve this through the ProLogis Operating System(R) and its commitment to provide exceptional facilities and services to meet its customers' expansion and reconfiguration needs.

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Media, Arthur Hodges, +1-303-567-5667, ahodges@prologis.com, or Investors, Melissa Marsden, +1-303-567-5622, mmarsden@prologis.com, both ProLogis; or Suzanne Dawson of Linden Alschuler & Kaplan, Inc., +1-212-329-1420, sdawson@lakpr.com

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