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Prologis and GOwarehouse form Strategic Alliance

DENVER, July 25 /PRNewswire/ -- ProLogis (NYSE: PLD), a leading global provider of distribution facilities and services, today announced it has made a strategic investment in GOwarehouse, whose technology enables companies to achieve real-time supply chain visibility by integrating inventory data across their entire distribution networks -- local or global -- allowing complete tracking, dynamic sourcing and e-fulfillment capabilities. This proprietary technology enables GOwarehouse's clients to turn inventory faster, predict demand better, manage transportation and serve their customers more efficiently.

Under the agreement, ProLogis has invested \$25 million in GOwarehouse convertible preferred stock, representing an interest of approximately 15.6% upon conversion. In addition, GOwarehouse has paid ProLogis \$30 million in GOwarehouse stock, representing an additional 18.9% ownership interest, for a five-year non-exclusive license of the ProLogis Operating System (TM). Additionally, ProLogis and GOwarehouse will work jointly to build the GOwarehouse Global Logistics Network as part of their strategic relationship.

K. Dane Brooksher, chairman and chief executive officer of ProLogis, said, "Our agreement with GOwarehouse demonstrates the value we've created with the ProLogis Operating System. As we have expanded our global operating platform, we have developed a solid base of over 10,000 customers and continue to enhance those customer relationships with new value-added services. Many of our customers are seeking ways to make their supply chains more efficient and we want to be able to provide them with leading supply chain technologies to accomplish their objectives."

"Importantly, our investment in GOwarehouse fits perfectly within our technology strategy. While we will not make investments outside our area of expertise, we do plan to invest in technology that is synergistic with our distribution and logistics businesses and provides value to our customers. We also are pleased to be deploying our capital alongside such respected firms as Draper Fisher Jurvetson, SunAmerica Ventures and Zone Ventures," Mr. Brooksher added.

The company also said that Jeffrey H. Schwartz, former vice chairman of international operations for ProLogis, has joined GOwarehouse as President. "Jeff's contribution has been considerable as we established our solid, experienced management team in Europe and secured the capital necessary to expand our European operating platform. With Jeff's involvement, we anticipate that GOwarehouse will quickly expand its presence in logistics network technology, thereby adding value for ProLogis through our equity ownership. In addition, we expect that Jeff's involvement at GOwarehouse will be a significant resource as we build our logistics services technology platform," added Mr. Brooksher.

Jeffrey H. Schwartz, president of GOwarehouse, said, "I am excited by the magnitude of this opportunity as efficient supply chain management moves to the forefront and becomes a key corporate objective. I also believe GOwarehouse is best positioned -- with an experienced management and technical team and several important strategic alliances already in place -- to capture the significant opportunities arising from the trend toward increased outsourcing of third party logistics and the need for greater inventory visibility for major manufacturers and retailers."

The GOwarehouse Global Logistics Network allows companies to integrate numerous warehouse management and order management systems, providing complete global inventory visibility and more efficient order and inventory management. The system allows users to achieve significant cost savings through error-free order entry and end-to-end order tracking. GOwarehouse also is assembling a global network of logistics partners to create a transaction hub that maximizes supply chain efficiencies.

Dr. Alice H. Muntz, chairman, founder and CEO of GOwarehouse, said, "Currently, most companies try to manage their supply chains either through electronic data interchange (EDI), their own internet offerings or direct integration between their own warehouse management systems and their customer's packages. Our transaction hub model is more comprehensive and allows information to be exchanged between multiple trading partners. In addition, only GOwarehouse offers a virtual third party logistics market with real-time inventory visibility to assist in e-commerce order fulfillment."

About ProLogis

ProLogis is a leading global provider of integrated distribution facilities and services, with 1,664 distribution facilities owned or managed throughout North America and Europe. ProLogis has built the industry's first and only global network of distribution facilities with the primary objective to build shareholder value by becoming the leading provider of distribution services. The company expects to achieve this objective through the ProLogis Operating System(TM), and its commitment to be "The Global Distribution Solution" by providing exceptional corporate distribution services and facilities to meet customer expansion and reconfiguration needs globally. As of June 30, 2000, ProLogis had 185.2 million square feet of distribution facilities owned, managed or under development in 98 global markets.

About GOwarehouse

GOwarehouse is the global logistics network that maximizes supply chain efficiencies through seamless, real-time, global connectivity of merchants, manufacturers and their logistics partners. It enables GOwarehouse clients to control supply chain processes to turn inventory faster, predict demand better and serve their customers more effectively. Santa Monica, California based GOwarehouse has received funding from Draper Fisher Jurvetson, SunAmerica Investments and Zone Ventures.

In addition to historical information, this press release contains forward-looking statements under the federal securities laws. These statements are based on current expectations, estimates and projections about the industry and markets in which ProLogis operates, management's beliefs and assumptions made by management. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Actual operating results may be affected by changes in national and local economic conditions, competitive market conditions, changes in financial markets or interest rates that could adversely affect ProLogis' ability to meet its financing needs and obligations, weather, obtaining governmental approvals and meeting development schedules, and therefore, may differ materially from what is expressed or forecasted in this press release.