ProLogis Investments Limited

Directors' report and financial statements

Registered number 2568171

For the year ended 31 December 2008

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

Principal activity and business review

The principal activity of the company is property investment.

Results and dividends

The loss for the financial year was £2,246,178 *(2007: profit £1,065,047).*

The directors do not recommend the payment of a dividend *(2007: £Nil).*

Directors and directors' interests

The directors who served during the year and subsequently were as follows:

AJ Curtis	(resigned 30 May 2008)
AD Griffiths	
MA Lewis	
KR Hall	(resigned 30 June 2008)
A Briley	(resigned 30 June 2008)
P Weston	(appointed 30 June 2008)
A Sarjant	(appointed 30 June 2008)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board

Mark Lewis

MA Lewis
Director

ProLogis House
1 Monkspath Hall Road
Solihull
B90 4FY

10 September 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of ProLogis Investments Limited

We have audited the financial statements of ProLogis Investments Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of ProLogis Investments Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

10 September 2009

Profit and loss account
for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	**434,963**	415,000
Other income		**1,373**	-
Administrative expenses		**(1,445)**	(11,743)
Impairment loss on tangible fixed assets	9	**(2,500,000)**	-
Operating (loss)/profit	3	**(2,065,109)**	403,257
Interest receivable and similar income	4	**40,404**	-
Interest payable and similar charges	5	**(221,473)**	(351,496)
(Loss)/profit on ordinary activities before taxation		**(2,246,178)**	51,761
Tax on (loss)/profit on ordinary activities	8	**-**	1,013,286
(Loss)/profit for the financial year	14	**(2,246,178)**	1,065,047

There were no recognised gains or losses in either year other than the loss for the year.

All amounts are derived from continuing operations.

Balance sheet
at 31 December 2008

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets	9		2,550,000		5,050,000
Investments	10		5,100,524		5,100,524
			7,650,524		10,150,524
Current assets					
Debtors	11	726,903		125,335	
Cash at bank and in hand		3,475		1,787	
		730,378		127,122	
Creditors: Amounts falling due within one year	12	(3,330,781)		(2,981,347)	
Net current liabilities			(2,600,403)		(2,854,225)
Net assets			5,050,121		7,296,299
Capital and reserves					
Called up share capital	13		40,000		40,000
Profit and loss account	14		5,010,121		7,256,299
Equity shareholders' funds	15		5,050,121		7,296,299

These financial statements were approved by the board of directors on 10 September 2009 and were signed on its behalf by:

MA Lewis
Director

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of ProLogis, a Real Estate Investment Trust incorporated in Maryland, USA, which prepares consolidated financial statements that are publicly available. The company is also, on this basis, exempt from the requirement of Financial Reporting Standard 1 (revised) to present a cash flow statement.

The company has taken advantage of the exemption offered by Financial Reporting Standard 8 and has not disclosed details of transactions with group companies as more than 90% of the company's voting rights are controlled within the group.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Freehold land and buildings

Freehold property is maintained, as a matter of company policy, by a programme of repair and refurbishment such that the residual value is, in the opinion of the directors, at least equal to its book value. Having regard to this, it is the opinion of the directors that any depreciation, being the difference between the net book value and estimated residual value of the building, written off over its estimated useful economic life, would not be material.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is fully provided for. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only, when on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not discounted.

The company is part of a UK group for various corporation tax purposes and accordingly, may use the group relief provisions whereby current taxable profits can be offset by current tax losses arising in other companies in the group. Where tax losses are surrendered from members of the wider UK tax group, no payment is made.

2 Turnover

Turnover represents rentals from the letting of investment properties, excluding value added tax.

All turnover and operating profits are derived from the company's principal activity being property investment in the UK.

Notes *(continued)*

3 Operating (loss)/profit

	2008	2007
	£	£
Operating (loss)/profit is stated		
after charging		
Fees in respect of the audit of these financial statements	**3,000**	3,000
Impairment loss on fixed assets	**2,500,000**	-

Amounts payable in respect of audit services were borne by ProLogis Developments Limited, a fellow group undertaking, in both years.

4 Interest receivable and similar income

	2008	2007
	£	£
Interest receivable from group undertakings	**40,404**	-

5 Interest payable and similar charges

	2008	2007
	£	£
Interest payable from group undertakings	**221,473**	351,496

6 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:

	Number of employees	
	2008	2007
Directors	**5**	5

The aggregate payroll cost of these persons to the company was £Nil *(2007: £Nil)*. All employee costs were borne by ProLogis Developments Limited, a group undertaking, in both years.

7 Directors' remuneration

None of the directors received any remuneration from the company during the year *(2007: £Nil)*.

Notes *(continued)*

8 Tax on profit on ordinary activities

Analysis of credit in the year

	2008	2007
	£	£
UK corporation tax		
Current tax on income for the year	-	-
Adjustment to tax charge in respect of previous years	-	(1,013,286)
Tax on (loss)/profit on ordinary activities	-	(1,013,286)

Factors affecting the tax credit for the period

The current tax credit for the year is lower *(2007: higher)* than the standard rate of corporation tax in the UK of 28.5% *(2007: 30%)*. The differences are explained below.

	2008	2007
	£	£
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	**(2,246,178)**	51,761
Current tax at 28.5% *(2007: 30%)*	**(640,161)**	15,528
Effects of:		
Impairment losses on fixed assets	**712,500**	-
Group relief not paid for	**(72,339)**	(15,528)
Adjustments to tax charge in respect of previous years	-	(1,013,286)
Total current tax credit	-	(1,013,286)

Factors that may affect future tax credits

A deferred tax asset of £1,173 in respect of capital losses has not been recognised due to uncertainty regarding the timing of reversal of this asset.

The corporation tax rate applicable to the company changed from 30% to 28% from 1 April 2008. Any timing differences which reverse before 1 April 2008 were relieved at 30%, any timing differences which existed at 1 April 2008 will reverse at 28%.

Notes *(continued)*

9 Tangible fixed assets

	Freehold land and buildings £
Cost	
At beginning and end of year	5,050,000
Depreciation	
At beginning of year	-
Impairment losses	2,500,000
At end of year	2,500,000
Net book value	
At 31 December 2008	**2,550,000**
At 31 December 2007	5,050,000

10 Investments

	£
Subsidiary undertakings at beginning and end of year	5,100,524

The company has investments in the following subsidiary undertakings:

Name	**Country of registration or incorporation**	**Principal activity**	**Class and percentage of shares held**
ProLogis (Coventry) Limited	England and Wales	Property development	100% of the ordinary shares of £1 each
Ashby Park Management Company Limited	England and Wales	Dormant	100% of the ordinary shares of £1 each

11 Debtors

	2008 £	2007 £
Other debtors	**-**	335
Amounts due from group undertakings	**601,903**	-
Corporation tax receivable	**125,000**	125,000
	726,903	125,335

Notes *(continued)*

12 Creditors: Amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	**3,318,384**	2,948,988
VAT creditors	**50**	50
Accruals and deferred income	**12,347**	32,309
	3,330,781	2,981,347

Amounts owed to group undertakings are unsecured and have no fixed term of repayment. Interest is borne on the average of certain of these amounts at a rate of 7.18% per annum *(2007: 8.07%)*.

13 Called up share capital

	2008 £	2007 £
Authorised:		
1,000,000 ordinary shares of £1 each	**1,000,000**	1,000,000
Allotted, called up and fully paid:		
40,000 ordinary shares of £1 each	**40,000**	40,000

14 Profit and loss account

	£
At beginning of year	7,256,299
Loss for the financial year	(2,246,178)
At end of year	**5,010,121**

15 Reconciliation of movement in equity shareholders' funds

	2008 £	2007 £
(Loss)/profit for the financial year	**(2,246,178)**	1,065,047
Opening equity shareholders' funds	**7,296,299**	6,231,252
Closing equity shareholders' funds	**5,050,121**	7,296,299

Notes *(continued)*

16 Financial commitments

There were no financial commitments at either year end.

17 Contingent liabilities

The company, together with ProLogis Group Holdings Limited, ProLogis Holdings Limited, ProLogis Developments Limited and Wooton (Leeds) Limited, have provided an unlimited intercompany guarantee to the Royal Bank of Scotland. The total amount outstanding at 31 December 2008, amounted to £Nil *(2007: £Nil)*.

18 Ultimate controlling party

The directors consider ProLogis, a Real Estate Investment Trust incorporated in Maryland, USA, to be the ultimate controlling party of the company.

ProLogis Investments Limited is a subsidiary of ProLogis Group Holdings Limited, whose parent company is ProLogis UK Holdings SA, a company incorporated in Luxembourg. 95% of the voting rights and entire preference share capital of ProLogis Holdings SA are held by ProLogis.

The largest and smallest group into which the results of the company are consolidated is ProLogis, whose principal place of business is:

4545 Airport Way
Denver
80239 Colorado
United States of America

The consolidated financial statements are available from the above address.