

PROLOGIS  
Form 424B5  
March 11, 2010

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**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-157818  
A filing fee of \$78,430, calculated in accordance  
with Rule 457(r), has been transmitted to the SEC in  
connection with the securities offered from the  
registration statement (Reg. No. 333-157818)  
by means of this prospectus supplement**

**PROSPECTUS SUPPLEMENT**

**March 9, 2010**

**(To Prospectus dated October 27, 2009)**

**\$1,100,000,000**

**\$300,000,000 6.250% Notes due 2017**

**\$800,000,000 6.875% Notes due 2020**

We are offering \$300 million aggregate principal amount of 6.250% Notes due 2017 (the 2017 Notes ) and \$800 million aggregate principal amount of 6.875% Notes due 2020 (the 2020 Notes and, together with the 2017 Notes, the notes ). Interest on the notes will be paid semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2010. The 2017 Notes will mature on March 15, 2017 and the 2020 Notes will mature on March 15, 2020. We may redeem some or all of the notes at any time and from time to time at our option. The redemption prices are discussed under the heading Description of Notes Optional Redemption.

The notes will be our senior obligations which, together with our obligations under our global credit agreement and certain of our other indebtedness, will be secured by a pledge of certain intercompany loans. The notes will be effectively subordinated to any of our debt that is secured by assets, other than the pledged intercompany loans, to the extent of the value of the assets securing such debt. In addition, except to the extent the notes become entitled to the benefits of the sharing agreements described in the accompanying prospectus under Description of Debt Securities Security and sharing arrangements, the notes will be effectively subordinated to the debt and other liabilities, including trade payables, of our subsidiaries.

Concurrently with this offering, we are also conducting a separate registered public offering of \$400 million aggregate principal amount of 3.25% convertible senior notes due 2015 (the convertible notes ) (\$460 million aggregate principal amount of convertible notes if the underwriters exercise their over-allotment option to purchase additional convertible notes in full). The convertible notes will be offered pursuant to a separate prospectus supplement. This offering is not conditioned upon the successful completion of the offering of the convertible notes.

**Investing in the notes involves risks. See Risk Factors beginning on page S-4 of this prospectus supplement and those risk factors incorporated by reference into this prospectus supplement and the accompanying prospectus from our Annual Report on Form 10-K for the year ended December 31, 2009.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement and the accompanying prospectus are truthful or complete. Any representation to the contrary is a criminal offense.**

	<b>Per 2017 Note</b>	<b>Total</b>	<b>Per 2020 Note</b>	<b>Total</b>
Public offering price(1)	99.637%	\$ 298,911,000	99.765%	\$ 798,120,000
Underwriting discount	0.625%	\$ 1,875,000	0.650%	\$ 5,200,000
Proceeds, before expenses, to ProLogis	99.012%	\$ 297,036,000	99.115%	\$ 792,920,000

(1) Plus accrued interest, if any, from March 16, 2010, if settlement occurs after that date.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, société anonyme, and Euroclear Bank S.A./N.V., as operator of the Euroclear System, against payment in New York, New York on March 16, 2010.

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Citi**

**Goldman, Sachs & Co.**

**RBS**

*Senior Co-Managers*

**SOCIETE GENERALE**

**U.S. Bancorp Investments, Inc.**

**Wells Fargo Securities**

*Junior Co-Managers*

**Daiwa Securities America Inc.**

**Scotia Capital**

**The Williams Capital Group, L.P.**

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus that we may provide to you. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not, and the underwriters are not, making an offer of these notes in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since that date.

References to we, us and our in this prospectus supplement and the accompanying prospectus are to ProLogis and its consolidated subsidiaries, unless the context otherwise requires.

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**PROSPECTUS SUPPLEMENT SUMMARY**

**ProLogis**

We are a leading global provider of industrial distribution facilities. We are a Maryland real estate investment trust and have elected to be taxed as a REIT under the Internal Revenue Code. Our world headquarters is located at 4545 Airport Way, Denver, Colorado 80239 and our phone number is (303) 567-5000. Our European headquarters is located in the Grand Duchy of Luxembourg with our European customer service headquarters located in Amsterdam, the Netherlands. Our primary office in Asia is located in Tokyo, Japan.

We were formed in 1991, primarily as a long-term owner of industrial distribution space operating in the United States. Over time, our business strategy evolved to include the development of properties for contribution to property funds in which we maintain an ownership interest and the management of those property funds and the properties they own. Originally, we sought to differentiate ourselves from our competition by focusing on our corporate customers distribution space requirements on a national, regional and local basis and providing customers with consistent levels of service throughout the United States. However, as our customers' needs expanded to markets outside the United States, so did our portfolio and our management team. Today we are an international real estate company with operations in North America, Europe and Asia. Our business strategy is to integrate international scope and expertise with a strong local presence in our markets, thereby becoming an attractive choice for our targeted customer base, the largest global users of distribution space, while achieving long-term sustainable growth in cash flow.

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*The following summary of the offering is provided solely for your convenience. This summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus supplement under the heading *Description of Notes* and in the accompanying prospectus under the heading *Description of Debt Securities*. For purposes of this section entitled *The Offering* and the *Description of Notes*, references to *we*, *us*, and *our* refer only to ProLogis and not to its subsidiaries.*

Securities Offered	\$300 million principal amount of 6.250% notes due 2017. \$800 million principal amount of 6.875% notes due 2020.
Maturity Date	March 15, 2017, for the 2017 Notes, unless earlier redeemed. March 15, 2020, for the 2020 Notes, unless earlier redeemed.
Interest	6.250% per year per 2017 Note 6.875% per year per 2020 Note  Interest will be payable semiannually in arrears in cash on March 15 and September 15 of each year, beginning September 15, 2010.
Optional Redemption	The notes will be redeemable in whole at any time or in part from time to time, at our option, at a redemption price equal to the greater of:  100% of the principal amount of the notes to be redeemed; or  the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate plus 50 basis points in the case of the 2017 Notes and 50 basis points in the case of the 2020 Notes.  Notwithstanding the foregoing, if the 2017 Notes are redeemed on or after December 15, 2016, or the 2020 Notes are redeemed on or after December 16, 2019, the redemption price will be 100% of the principal amount of the applicable series of notes to be redeemed.  In each case we will pay accrued and unpaid interest on the principal amount being redeemed to the date of redemption. See <i>Description of Notes</i> <i>Optional Redemption</i> in this prospectus supplement.
Ranking	The notes will be our senior obligations which, together with our obligations under our Global Credit Agreement (as defined below) and certain of our other indebtedness, will be secured by a pledge of certain intercompany loans. The notes will be effectively subordinated to any of our debt that is secured by assets, other than the pledged intercompany loans, to the extent of the value of the assets securing such debt. In addition, except to the extent the notes are entitled to the benefits of the sharing agreements described in the accompanying prospectus under

Description of Debt Securities Security and sharing arrangements, the notes will be effectively subordinated to the debt and other liabilities, including trade payables, of our subsidiaries. See Risk Factors

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The notes are effectively subordinated to our debt that is secured by assets, other than intercompany loans that are pledged to secure the notes, and to the liabilities of our subsidiaries in this prospectus supplement.

Use of Proceeds

The net proceeds from the sale of the notes are estimated to be approximately \$1.088 billion after deducting the underwriters' discount and estimated offering expenses.

We intend to use the net proceeds from the sale of the notes and the concurrent offering of the convertible notes for the repayment of borrowings under our Global Credit Agreement. We expect to reborrow under our Global Credit Agreement to fund the cash purchase of certain of our senior notes that are tendered pursuant to our offer to purchase such notes, which commenced on March 8, 2010, the repayment or repurchase of other indebtedness and for general corporate purposes.

Risk Factors

You should read carefully the Risk Factors beginning on page S-4 of this prospectus supplement, together with those included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, for certain considerations relevant to an investment in the notes.

Trading

The notes are a new issue of securities, and there is currently no established trading market for the notes. An active or liquid market may not develop for the notes or, if developed, may not be maintained.

We have not applied and do not intend to apply for the listing of the notes on any securities exchange or for quotation on any automated dealer quotation system.

Concurrent Public Offering of Notes

Concurrently with this offering, we are offering \$400 million aggregate principal amount of convertible notes (\$460 million aggregate principal amount of convertible notes if the underwriters exercise their over-allotment option to purchase additional convertible notes in full) in a registered public offering. The convertible notes will be offered pursuant to a separate prospectus supplement. There is no assurance that the concurrent offering of convertible notes will be completed or, if completed, that it will be completed for the amount contemplated. The completion of this offering is not conditioned on the completion of the concurrent offering of convertible notes.



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**RISK FACTORS**

Before you decide to invest in the notes, you should consider the factors set forth below as well as the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2009 which is incorporated by reference into the accompanying prospectus. See [Where You Can Find More Information](#) in the accompanying prospectus.

**A public trading market for the notes may not develop.**

We have not applied and do not intend to apply for listing of the notes on any securities exchange or any automated quotation system. As a result, a market for the notes may not develop or, if one does develop, it may not be sustained. If an active market for the notes fails to develop or cannot be sustained, the trading price and liquidity of the notes could be adversely affected.

**The market price of the notes may be volatile.**

The market price of the notes will depend on many factors that may vary over time and some of which are beyond our control, including:

- our financial performance;
- the amount of indebtedness we and our subsidiaries have outstanding;
- market interest rates;
- the market for similar securities;
- competition;
- the size and liquidity of the market for the notes; and
- general economic conditions.

As a result of these factors, you may only be able to sell your notes at prices below those you believe to be appropriate, including prices below the price you paid for them.

**An increase in interest rates could result in a decrease in the relative value of the notes.**

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value. Consequently, if you purchase these notes and market interest rates increase, the market value of your notes may decline. We cannot predict the future level of market interest rates.

**Ratings of notes may not reflect all risks of an investment in the notes.**

We expect that the notes will be rated by at least one nationally recognized statistical rating organization. The ratings of the notes will primarily reflect our financial strength and will change in accordance with the rating of our financial strength. Any rating is not a recommendation to purchase, sell or hold the notes. These ratings do not correspond to

market price or suitability for a particular investor. In addition, ratings at any time may be lowered or withdrawn in their entirety. As a result, the ratings of the notes may not reflect the potential impact of all risks related to structure and other factors on any trading market for, or trading value of, your notes.

**The notes restrict, but do not eliminate, our ability to incur additional debt or prohibit us from taking other action that could negatively impact holders of the notes.**

We are restricted from incurring additional indebtedness under the terms of the notes and the Indenture governing the notes. However, these limitations are subject to numerous exceptions. See Description of Notes Covenants Limitations on Incurrence of Debt in this prospectus supplement and Description of Debt Securities Covenants Limitations on incurrence of debt in the accompanying prospectus. Our ability to recapitalize, incur additional debt, secure existing or future debt or take a number of other actions

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that are not limited by the terms of the Indenture and the notes, including repurchasing indebtedness or common or preferred shares or paying dividends, could have the effect of diminishing our ability to make payments on the notes when due. Additionally, except as set forth under Description of Notes Covenants Limitations on Incurrence of Debt in this prospectus supplement and Description of Debt Securities Covenants Limitations on incurrence of debt in the accompanying prospectus, the Indenture does not contain any provisions applicable to these notes that would limit our ability to incur indebtedness or that would afford holders of the notes protection in the event of a highly leveraged or similar transaction involving us or in the event of a change of control.

**Our financial performance and other factors could adversely impact our ability to make payments on the notes.**

Our ability to make scheduled payments with respect to our indebtedness, including the notes, will depend on our financial and operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control.

**The notes are effectively subordinated to our debt that is secured by assets, other than the intercompany loans that are pledged to secure the notes, and to the liabilities of our subsidiaries.**

Pursuant to various pledge agreements, we and certain of our subsidiaries have pledged specified intercompany indebtedness to Bank of America, N.A., as collateral agent, for the benefit of the Credit Parties under and as defined in the Security Agency Agreement. We refer to the Amended and Restated Security Agency Agreement dated as of October 6, 2005 among us, the collateral agent, Bank of America, N.A., as global administrative agent under the Global Credit Agreement (referred to below), and various other creditors of ours, as amended by Amendment and Supplement No. 1 dated as of August 21, 2009, as the Security Agency Agreement. The Credit Parties under the Security Agency Agreement are the holders of our senior debt, including debt arising under certain guarantees, that we have designated as Designated Senior Debt, including (i) all obligations arising under the Global Senior Credit Agreement among us, various of our affiliates and various lenders and agents (the Global Credit Agreement), (ii) certain of our hedging obligations, (iii) certain other senior debt specified in the Security Agency Agreement and (iv) any other senior debt designated from time to time by us as Designated Senior Debt in accordance with the Security Agency Agreement. The notes are included within the definition of Designated Senior Debt and, unless we revoke the designation of the notes as Designated Senior Debt as described below, holders of the notes are entitled to a pro rata share of the proceeds of the collateral granted under the various pledge agreements.

The notes will be effectively subordinated to any of our debt that is secured by assets, other than the pledged intercompany loans, to the extent of the value of the assets securing such debt. In addition, except to the extent that the notes become entitled to the benefits of the sharing arrangements described below, the notes will be effectively subordinated to the debt and other liabilities, including trade payables, of our subsidiaries. As of December 31, 2009, on a pro forma basis, after giving effect to this offering of notes and the concurrent offering of the convertible notes and the application of the proceeds from both offerings, the notes offered hereby would have ranked:

equally with approximately \$7.9 billion of our debt secured equally and ratably by the pledged intercompany loans, which amount includes the aggregate principal amount of the notes and our guarantee of approximately \$155.2 million of debt of our subsidiaries (or equally with approximately \$8.0 billion of our debt, assuming all approximately \$542.9 million aggregate principal amount of certain series of our senior notes are tendered pursuant to our offer to purchase such notes, which commenced on March 8, 2010);

effectively subordinated to approximately \$197.9 million of our debt that is secured by assets, other than the pledged intercompany loans, to the extent of the value of the assets securing such secured debt; and



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effectively subordinated to approximately \$1.1 billion of debt of our subsidiaries, which includes the approximately \$155.2 million of debt of our subsidiaries that we have guaranteed and is subject to the sharing arrangements described below.

To the extent the notes become entitled to the benefits of the sharing arrangements described below, the notes will be entitled to share ratably in any recoveries received by the holders of the \$155.2 million of subsidiary debt subject to such arrangements, so as to effectively eliminate or mitigate the consequence of any structural subordination of the notes that might otherwise exist.

The Security Agency Agreement also provides that, upon the occurrence of a triggering event (which includes bankruptcy or insolvency events of us or any other borrower under the Global Credit Agreement, the acceleration of indebtedness under the Global Credit Agreement or any other indebtedness in excess of \$50 million and similar events), the Credit Parties will, subject to certain exceptions and limitations (including, in the case of the holders of the notes, the requirements set forth in the following paragraph), share payments and other recoveries received from us and our subsidiaries to be applied to Designated Senior Debt in a manner such that all Credit Parties receive payment of substantially the same percentage of their respective credit obligations. The sharing arrangements are intended to eliminate or mitigate structural subordination issues that otherwise might entitle some Credit Parties (such as Credit Parties that lend directly to one of our subsidiaries or that have the benefit of guarantees from one or more of our subsidiaries) to recover a higher percentage of their Designated Senior Debt than other Credit Parties that do not have the benefit of such arrangements.

The trustee (or another representative of the holders of the notes issued under the Indenture) must take certain actions in order for the holders of the notes to participate in the sharing arrangements described in the preceding paragraph. If a triggering event occurs under the Security Agency Agreement, then the collateral agent is required to give notice of such event to the trustee (or such other representative) within 45 days. As promptly as practicable, but in any event within 90 days after receiving any notice from the collateral agent with respect to the occurrence of a triggering event, the trustee will (x) forward such notice to holders of the notes, (y) execute and deliver, on behalf of the holders, an acknowledgment entitling the holders to participate in the sharing arrangements described in the preceding paragraph and (z) take such further actions as a majority of the holders (voting as a single class) may request with respect thereto and with respect to any rights such holders or the trustee may have under the Security Agency Agreement; provided that, in the case of this clause (z), such holders shall have offered the trustee reasonable security or indemnity against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction. Upon delivery of such acknowledgment by the trustee, the holders of the notes will be entitled to participate in the sharing arrangements described above. Not later than 120 days after its receipt of such notice, the trustee (or such other representative) must deliver to the collateral agent an acknowledgement pursuant to which it would agree (i) to be subject to the obligations applicable to all Credit Parties under the Security Agency Agreement (including obligations to indemnify the collateral agent) and (ii) to turn over to the collateral agent, for sharing in accordance with the Security Agency Agreement, any payment received directly from us or any of our affiliates that should have been paid to the collateral agent as provided in the Security Agency Agreement. The trustee (or such other representative) likely would require reasonable indemnity or security against the costs, expenses and liabilities that it might incur in connection with its becoming a party to, and acting on behalf of the holders of the notes in connection with, the Security Agency Agreement.

We and other parties have the right to take actions under various provisions of the Security Agency Agreement that could affect the rights of the holders of the notes with respect to, or the value of, the security and sharing arrangements described above, including the following:

(1) We may designate other senior debt of ours as Designated Senior Debt, thereby increasing the amount of debt that has the benefit of the security sharing arrangements.

(2) Except as described below in connection with a proposed amendment to the Security Agency Agreement, we may revoke our designation of the notes or all or one or more series of the debt securities issued under the indenture governing the notes as Designated Senior Debt effective not less than 90 days after disclosing such revocation (in a footnote or otherwise) in a Form 10-Q or Form 10-K filed with the

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SEC. If we revoked our designation of the notes as Designated Senior Debt, the holders of the notes would cease to be Credit Parties under the Security Agency Agreement and would no longer be entitled to any benefit from the security and sharing arrangements contemplated by the Security Agency Agreement and the related pledge agreements.

(3) Except as described below in connection with a proposed amendment to the Security Agency Agreement, notwithstanding the foregoing clause (2), we may agree that we will not, at any time prior to a specified date, revoke the Designated Senior Debt status from the notes or all or one or more series of debt securities issued under the indenture governing the notes (or certain other senior debt) until a particular future date.

(4) Subject to certain limitations, we may specify which Credit Parties are entitled to vote on issues arising under the Security Agency Agreement (and all holders of notes are non-voting Credit Parties).

(5) A majority of the voting Credit Parties under the Security Agency Agreement may instruct the collateral agent to release some or all of the collateral held pursuant to the Security Agency Agreement.

(6) The collateral agent or a majority of the voting Credit Parties may, under certain circumstances, defer payments to Credit Parties pursuant to the sharing arrangements either (a) generally for various reasons or (b) specifically with respect to certain holders of Designated Senior Debt (which could include the holders of the notes) if the majority voting Credit Parties determine that such holders might receive more than their pro rata share of payments and other recoveries pursuant to the Security Agency Agreement.

(7) We may grant additional collateral ( Specified Collateral ) to the holders of some, but not all, of the Designated Senior Debt ( Specified DS Debt ) and exclude the proceeds of such collateral from the sharing arrangements with other holders of Designated Senior Debt; provided that no property that is pledged pursuant to the pledge agreements described above may become Specified Collateral. No proceeds from Specified Collateral received by any holder of Specified DS Debt would be deducted or otherwise taken into consideration when calculating the amount of proceeds to be allocated among all Credit Parties pursuant to the sharing arrangements under the Security Agency Agreement. Accordingly, the holders of any Specified DS Debt would receive a higher percentage (but not more than 100%) recovery on their Designated Senior Debt than other Credit Parties.

(8) We, the collateral agent and a majority of the voting Credit Parties may amend the Security Agency Agreement without notice to or consent of the holders of the notes, even if such amendment were adverse to the interests of the holders of the notes.

The Security Agency Agreement provides that whenever the majority voting Credit Parties have the right to make decisions under the Security Agency Agreement, including decisions with respect to pledged collateral or how and when recoveries are shared, such decisions will be made in their sole and complete discretion. The Security Agency Agreement states that the voting Credit Parties have no obligation or duty (including implied obligations of reasonableness, good faith or fair dealing) to, and have no obligation or duty to take into consideration the interests of, the holders of the notes when taking any action or making any determination contemplated by the Security Agency Agreement. By accepting the benefits of the Security Agency Agreement, each holder of notes expressly waives and disclaims any claim or cause of action based upon any vote, decision or determination (including the giving or withholding of consent) made by the majority voting Credit Parties in accordance with the terms of the Security Agency Agreement. Bank of America, N.A., which is the collateral agent under the Security Agency Agreement and under the various pledge agreements, is also a voting Credit Party under the Security Agency Agreement and its interests in such capacity may conflict with the interests of the holders of the notes.

Notwithstanding any benefit to which a holder of notes may become entitled pursuant to the security and sharing arrangements referred to above, the notes will be effectively subordinated to: (1) our indebtedness that is secured by

collateral other than the intercompany loans referred to above, to the extent of the value of such collateral, and (2) liabilities of our subsidiaries that are not subject to, or are owing to creditors not parties to, the sharing arrangements.

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We have proposed that the lenders under our global line of credit approve an amendment to the Security Agency Agreement. If the proposed amendment becomes effective:

we will not be permitted to have one series of senior debt under a particular indenture (or other instrument) constitute Designated Senior Debt unless all indebtedness under such indenture (or other instrument) also has the benefit of such status;

a designation of (or agreement not to revoke the status of) senior debt as Designated Senior Debt may be either to a specified future date or to a future date on which a particular event occurs; and

we will agree not to revoke the Designated Senior Debt status of our indebtedness under the Indenture or under our guarantee of certain indebtedness of PLD International Finance LLC until the earlier of (i) August 21, 2012 or (ii) the date on which the Global Credit Agreement terminates.

No assurances can be given that the terms of the Security Agency Agreement will be amended as outlined above.

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The net proceeds from the sale of the notes are expected to be approximately \$1.088 billion, after deducting underwriting discounts and estimated offering expenses. Additionally, the net proceeds from the sale of the convertible notes are expected to be approximately \$391.2 million, after deducting the underwriting discounts and estimated offering expenses (assuming the underwriters do not exercise their overallotment option to purchase additional notes to cover overallotments). If the underwriters exercise their option to purchase additional convertible notes in full, we estimate that net proceeds from the offering of the convertible notes will be approximately \$450.0 million. We will use the net proceeds from the sale of the notes and the concurrent offering of the convertible notes for the repayment of borrowings under our Global Credit Agreement. We expect to reborrow under our Global Credit Agreement to fund the cash purchase of certain of our senior notes having an aggregate principal amount of approximately \$542.9 million that are tendered pursuant to our offer to purchase any and all of such notes, which commenced on March 8, 2010, for the repayment or repurchase of other indebtedness and for general corporate purposes.

As of December 31, 2009, we had approximately \$736.6 million outstanding and the ability to borrow an additional approximately \$1.1 billion under our Global Credit Agreement. Amounts repaid under the Global Credit Agreement may be reborrowed and we expect to make additional borrowings under the Global Credit Agreement following this offering for the development of industrial distribution properties, for the repayment or repurchase of outstanding indebtedness, including the senior notes described above, and for general corporate purposes. Affiliates of certain of the underwriters participating in this offering are lenders under the Global Credit Agreement and therefore will receive proceeds from the offering to the extent that proceeds are used to repay borrowings under our Global Credit Agreement. Based on our public debt ratings and a pricing grid, interest on the borrowings under the Global Credit Agreement accrues at a variable rate based upon the interbank offered rate in each respective jurisdiction in which the borrowings are outstanding and we pay utilization fees that are calculated on the outstanding balance. The interest and utilization fees result in a weighted average borrowing rate of 2.27% per annum at December 31, 2009 using local currency rates. The Global Credit Agreement is scheduled to mature August 21, 2012.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratios of earnings to fixed charges for the periods indicated. For this purpose, earnings consist of earnings from continuing operations, excluding income taxes, noncontrolling interests share in earnings and fixed charges, other than capitalized interest, and fixed charges consist of interest on borrowed funds, including amounts that have been capitalized, and amortization of capitalized debt issuance costs, debt premiums and debt discounts.

	<b>Year Ended December 31,</b>			
<b>2009(a)</b>	<b>2008(a)(b)</b>	<b>2007(b)</b>	<b>2006</b>	<b>2005</b>
0.2x	0.3x	2.7x	2.6x	2.0x

- (a) The loss from continuing operations for 2009 and 2008 includes impairment charges of \$495.2 million and \$901.8 million, respectively, that are discussed in our Consolidated Financial Statements in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2009. Due to these impairment charges, our fixed charges exceed our earnings as adjusted by \$353.2 million and \$383.1 million for 2009 and 2008, respectively.

- (b) These periods have been restated to reflect the retroactive adoption of the new accounting standard for interest expense related to our convertible debt.

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The following table sets forth our actual consolidated cash and cash equivalents and capitalization as of December 31, 2009, and as adjusted to give effect to this offering, the concurrent offering of the convertible notes (assuming no exercise by the underwriters of their over-allotment option) and the application of the estimated net proceeds from both offerings as set forth under "Use of Proceeds" in this prospectus supplement. The following table does not give effect to the cash purchase of certain of our senior notes having an aggregate principal amount of up to approximately \$542.9 million that are tendered pursuant to our offer to purchase any and all of such notes, which commenced on March 8, 2010.

	<b>As of December 31, 2009</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(In thousands, except per share amounts)</b>	
Cash and cash equivalents	\$ 34,362	\$ 777,149
Debt:		
Global Credit Agreement(1)	\$ 736,591	\$
2017 Notes offered hereby		298,911
2020 Notes offered hereby		798,120
Convertible notes offered in the concurrent offering		400,000
Senior and other notes(1)	4,047,905	4,047,905
Convertible debt	2,078,441	2,078,441
Secured mortgage debt and assessment bonds	1,114,841	1,114,841
Total debt	7,977,778	8,738,218
Equity:		
ProLogis shareholders' equity:		
Series C Preferred Shares at stated liquidation preference of \$50.00 per share	100,000	100,000
Series F Preferred Shares at stated liquidation preference of \$25.00 per share	125,000	125,000
Series G Preferred Shares at stated liquidation preference of \$25.00 per share	125,000	125,000
Common Shares at \$.01 par value per share	4,742	4,742
Additional paid-in capital	8,524,867	8,524,867
Accumulated other comprehensive income	42,298	42,298
Distributions in excess of net earnings	(934,583)	(934,583)
Total ProLogis shareholders' equity	7,987,324	7,987,324
Noncontrolling interests	19,962	19,962
Total equity	8,007,286	8,007,286
Total Capitalization	\$ 15,985,064	\$ 16,745,504

- (1) On March 8, 2010, we announced an offer to purchase for cash any and all of approximately \$542.9 million aggregate principal amount of certain of our outstanding senior notes. As discussed in Use of Proceeds, we expect to fund the purchase of those senior notes with borrowings under our Global Credit Agreement. Assuming all \$542.9 million aggregate principal amount of those senior notes are tendered, the As Adjusted amounts for Global Credit Agreement in the table above would increase to \$579.1 million, and Senior and other notes in the table above would decrease to \$3.5 billion.

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**DESCRIPTION OF NOTES**

*The following description of the terms of the notes, which are referred to in the accompanying prospectus as the debt securities, supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the debt securities set forth in the accompanying prospectus, to which reference is hereby made. As used in this section, Description of Notes, the terms we, ours and us refer to ProLogis and not to any of its subsidiaries.*

**General**

Each of the 2017 Notes and the 2020 Notes constitute a separate series of debt securities to be issued pursuant to an Indenture, dated as of March 1, 1995 (the Original Indenture), between us and U.S. Bank National Association (as successor in interest to State Street Bank and Trust Company), as trustee. The Indenture has been supplemented by a First Supplemental Indenture, dated February 9, 2005, a Second Supplemental Indenture, dated November 2, 2005, a Third Supplemental Indenture, dated November 2, 2005, a Fourth Supplemental Indenture, dated March 26, 2007, a Fifth Supplemental Indenture, dated November 8, 2007, a Sixth Supplemental Indenture, dated May 7, 2008, a Seventh Supplemental Indenture, dated May 7, 2008, an Eighth Supplemental Indenture, dated August 14, 2009, a Ninth Supplemental Indenture, dated October 1, 2009 and will be further supplemented by a Tenth Supplemental Indenture to be entered into concurrently with the delivery of the convertible notes. We collectively refer to the Original Indenture as amended and supplemented as the Indenture. The terms of the notes include those provisions contained in the Indenture, portions of which are described in this prospectus supplement and the accompanying prospectus, and those made part of the Indenture by reference to the Trust Indenture Act of 1939. The notes are subject to all of these terms, and holders of notes are referred to the Indenture and the Trust Indenture Act for a statement of those terms. As of December 31, 2009, we had \$6.2 billion aggregate principal amount of debt securities outstanding under the Indenture.

Capitalized terms used but not defined under the caption Description of Notes have the meaning given to them in the Original Indenture.

As described in the accompanying prospectus in the section entitled Description of Debt Securities Security and sharing arrangements, pursuant to various pledge agreements, we and certain of our subsidiaries have pledged specified intercompany loans to Bank of America, N.A., as collateral agent, for the benefit of the Credit Parties under the Security Agency Agreement. The Credit Parties under the Security Agency Agreement include the holders of specified credit obligations of ours, including (i) all obligations arising under the Global Credit Agreement among us, various of our affiliates and various lenders and agents, (ii) certain of our hedging obligations, (iii) certain other senior debt specified in the Security Agency Agreement and (iv) any other senior debt designated from time to time by us as Designated Senior Debt in accordance with the Security Agency Agreement. The notes are included within the definition of Designated Senior Debt and, unless we revoke the designation of the notes as Designated Senior Debt as described in the accompanying prospectus, holders of the notes are entitled to a pro rata share of the proceeds of the collateral granted under the various pledge agreements. The notes will be effectively subordinated to any of our debt that is secured by assets, other than the pledged intercompany loans, to the extent of the value of the assets securing such debt. In addition, except to the extent that the notes become entitled to the benefits of the sharing arrangements described in the accompanying prospectus, the notes will be effectively subordinated to the debt and other liabilities, including trade payables, of our subsidiaries. See Risk Factors The notes are effectively subordinated to our debt that is secured by assets, other than the intercompany loans that are pledged to secure the notes, and to the liabilities of our subsidiaries.

We have proposed that the lenders under our global line of credit approve an amendment to the Security Agency Agreement. If the proposed amendment becomes effective:

we will not be permitted to have one series of senior debt under a particular indenture (or other instrument) constitute Designated Senior Debt unless all indebtedness under such indenture (or other instrument) also has the benefit of such status;

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a designation of (or agreement not to revoke the status of) senior debt as Designated Senior Debt may be either to a specified future date or to a future date on which a particular event occurs; and

we will agree not to revoke the Designated Senior Debt status of our indebtedness under the Indenture or under our guarantee of certain indebtedness of PLD International Finance LLC until the earlier of (i) August 21, 2012 or (ii) the date on which the Global Credit Agreement terminates.

No assurances can be given that the terms of the Security Agency Agreement will be amended as outlined above.

The 2017 Notes will be limited initially to \$300 million aggregate principal amount and the 2020 Notes will be limited initially to \$800 million aggregate principal amount. We may in the future, without the consent of holders, issue additional notes of either series on the same terms and conditions and with the same CUSIP number as the notes being offered hereby. The notes of each series and any additional notes of such series subsequently issued under the Indenture would be treated as a single series for all purposes under the Indenture, including without limitation, waivers, amendments, redemptions and offers to purchase.

The Indenture permits us to issue different series of debt securities from time to time. Each series of notes we are offering will be a single, distinct series of debt securities. All of the terms of each series of notes we are offering by means of this prospectus supplement and the accompanying prospectus are identical except for the interest rate and stated maturity. The specific terms of each other series may differ from those of the notes. Except as described in the accompanying prospectus under Description of Debt Securities Covenants, the Indenture does not limit the aggregate amount of debt securities that may be issued under the Indenture, nor does it limit the number of other series or the aggregate amount of any particular series. When we refer to a series of debt securities, we mean a series of debt securities, such as the series of notes we are offering by means of this prospectus supplement and the accompanying prospectus, issued under the Indenture. When we refer to the notes or these notes, or each series of notes, we mean each series of notes we are offering by means of this prospectus supplement and accompanying prospectus.

Reference is made to the sections entitled Description of Notes Covenants in this prospectus supplement and Description of Debt Securities Covenants in the accompanying prospectus for a description of the covenants applicable to the notes. The defeasance and covenant defeasance provisions of the Indenture described under Description of Debt Securities Discharge, defeasance and covenant defeasance in the accompanying prospectus will apply to the notes. Each of the covenants in this prospectus supplement under the caption Description of Notes Covenants and the accompanying prospectus under the caption Description of Debt Securities Covenants will be subject to defeasance. Except as set forth below in this prospectus supplement under the caption Description of Notes Covenants, the Indenture does not contain any provisions applicable to the notes that would limit our ability to incur indebtedness or that would afford holders of the notes protection in the event of a highly leveraged or similar transaction involving us or in the event of a change of control.

The notes will be issued only in fully registered form in minimum denominations of \$1,000 and integral multiples of \$1,000.

## **Principal and Interest**

The 2017 Notes will bear interest at the rate of 6.250% per year and will mature on March 15, 2017. The 2020 Notes will bear interest at the rate of 6.875% per year and will mature on March 15, 2020. Interest on the notes will accrue from March 16, 2010 and will be payable semi-annually in arrears on March 15 and September 15 of each year, commencing on September 15, 2010 (each such date being an interest payment date), to the persons in whose names the notes are registered in the security register on the preceding March 1 or September 1, whether or not a business



day, as the case may be (each such date being a regular record date ). Interest on the notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

If any interest payment date or the maturity date falls on a day that is not a business day, the required payment shall be made on the next business day as if it were made on the date the payment was due and no

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interest shall accrue on the amount so payable for the period from and after the interest payment date or the maturity date, as the case may be, until the next business day. A business day means any day, other than a Saturday or Sunday, or legal holidays on which banks in The City of New York or The City of Boston are not required or authorized by law or executive order to be closed.

**Optional Redemption**

The notes will be redeemable in whole at any time or in part from time to time, at our option, at a redemption price equal to the greater of: