

# Developing logistics real estate in ports worldwide



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**29 May, 2008**

- Introducing ProLogis
- Port strategy
- Investing in ports in Europe
- Changing European logistics landscape
- The hinterland challenge



**ProLogis Park Isle d' Abeau, Lyon, France**

# State-of-the-Art Distribution Space



# ProLogis Park Coventry, United Kingdom



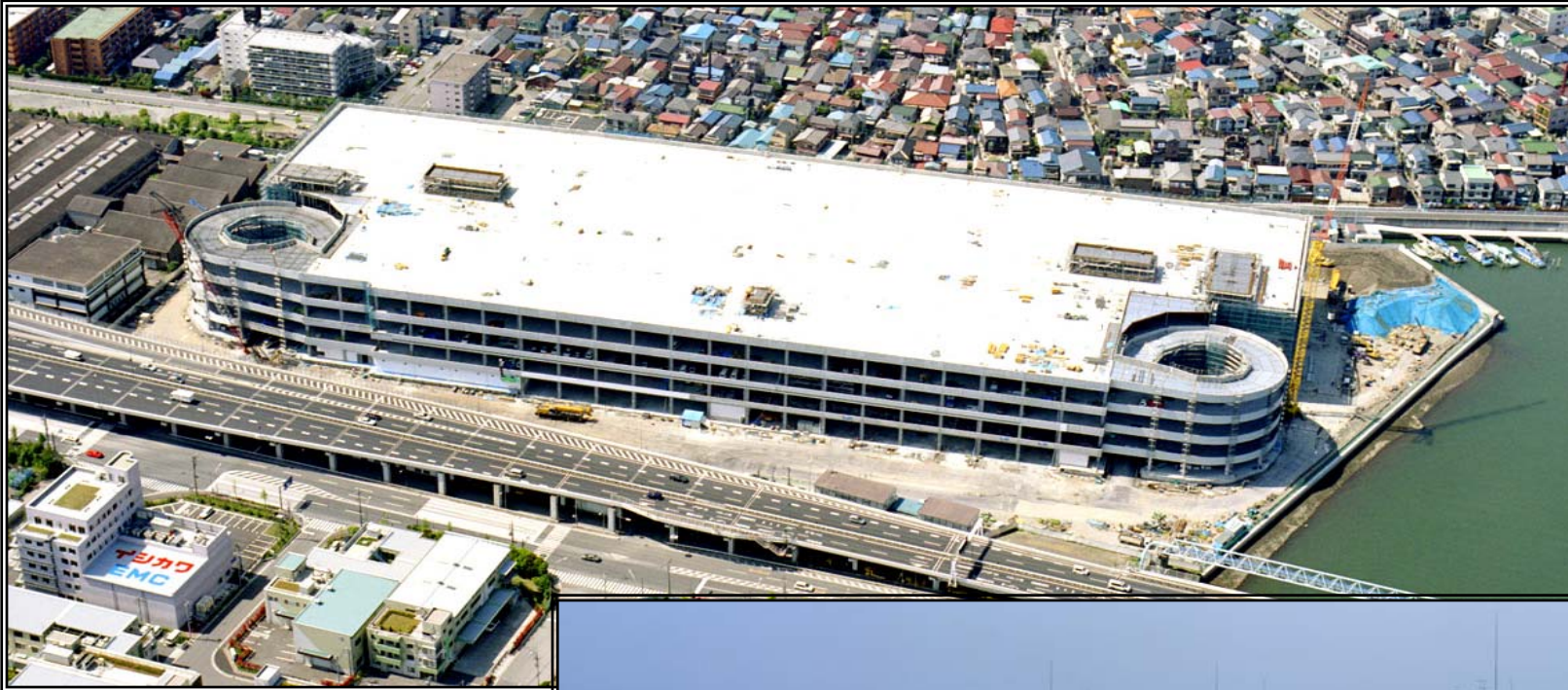
# ProLogis Park Prague, Czech Republik



# ProLogis Park Evry, France



Japan



ProLogis Parc Yokohama





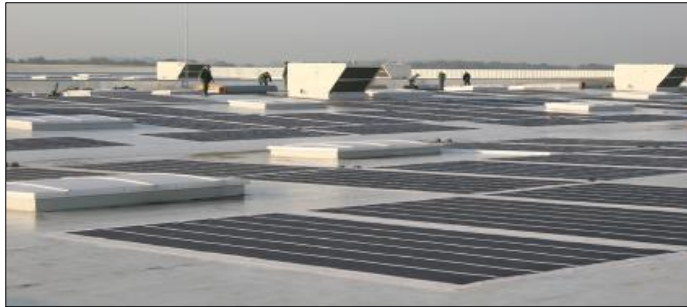
China



**ProLogis Park Yantian**  
Shenzhen, China



# Worldwide Sustainability Development



**Rooftop solar panels – Paris**



**LEED certified – ProLogis Headquarters**



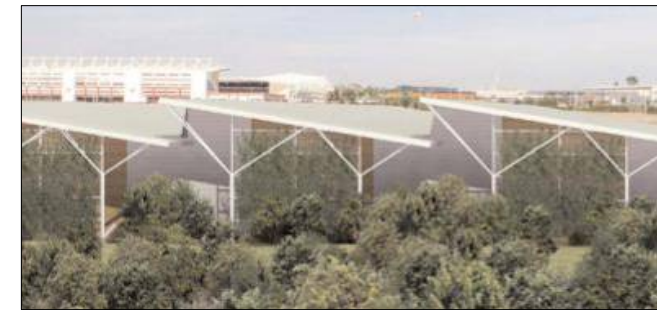
**Lighting retrofit program - USA**



**Brownfield redevelopment – NJ**



**Rooftop solar panels – Spain**



**Enhanced natural lighting - UK**



**Wind turbines – Osaka**



**LEED certified - Chicago**

# Unmatched Global Platform



## Europe

- 10.4 m m2
- \$10.9B owned, operating and under development including land

## Asia

- 5.1 m m2
- \$6.1B owned, operating and under development including land

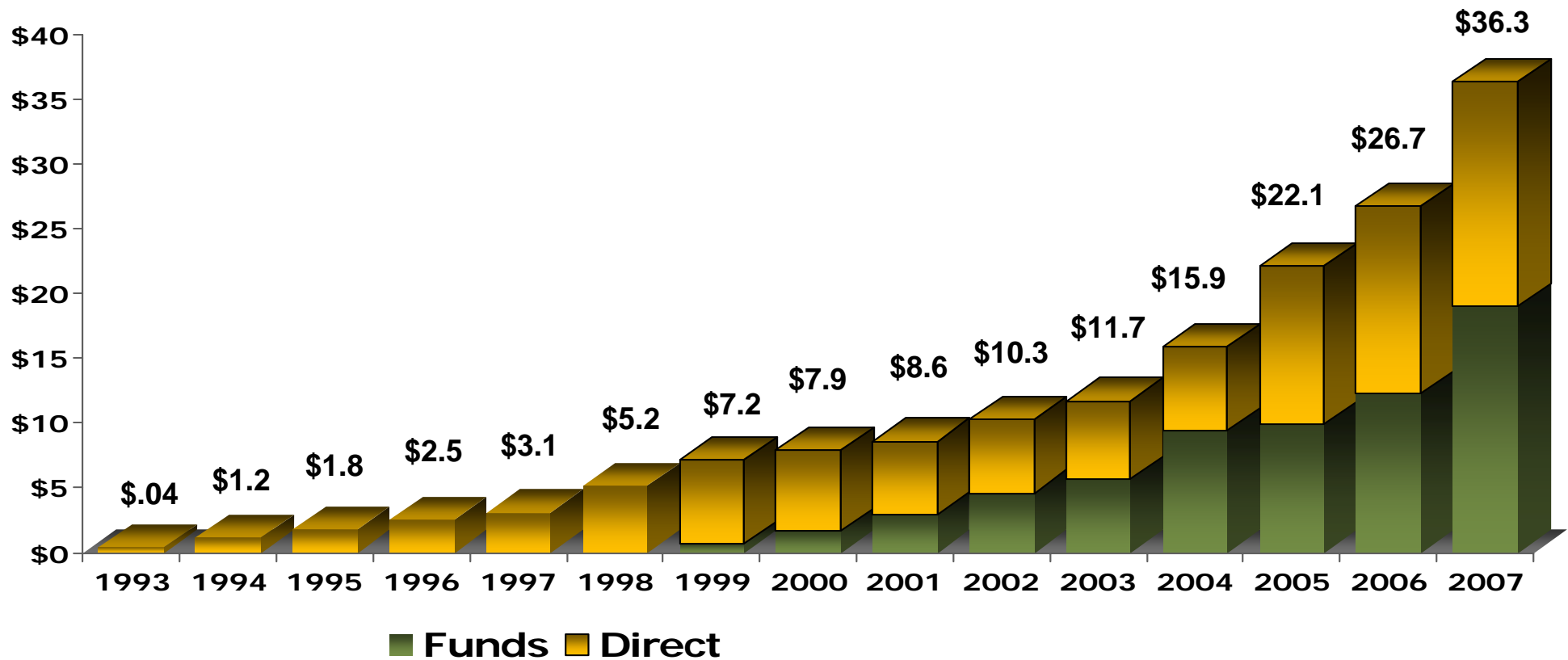
## North America

- 31.5 m m2
- \$19.7B owned, operating and under development including land

**Serving over 4,900 customers over 2,750 properties in 20 countries**  
**Over 1,500 ProLogis associates around the globe**

## Total Assets Owned, Managed and Under Development

(in billions)



# CUSTOMERS DRIVE OUR BUSINESS

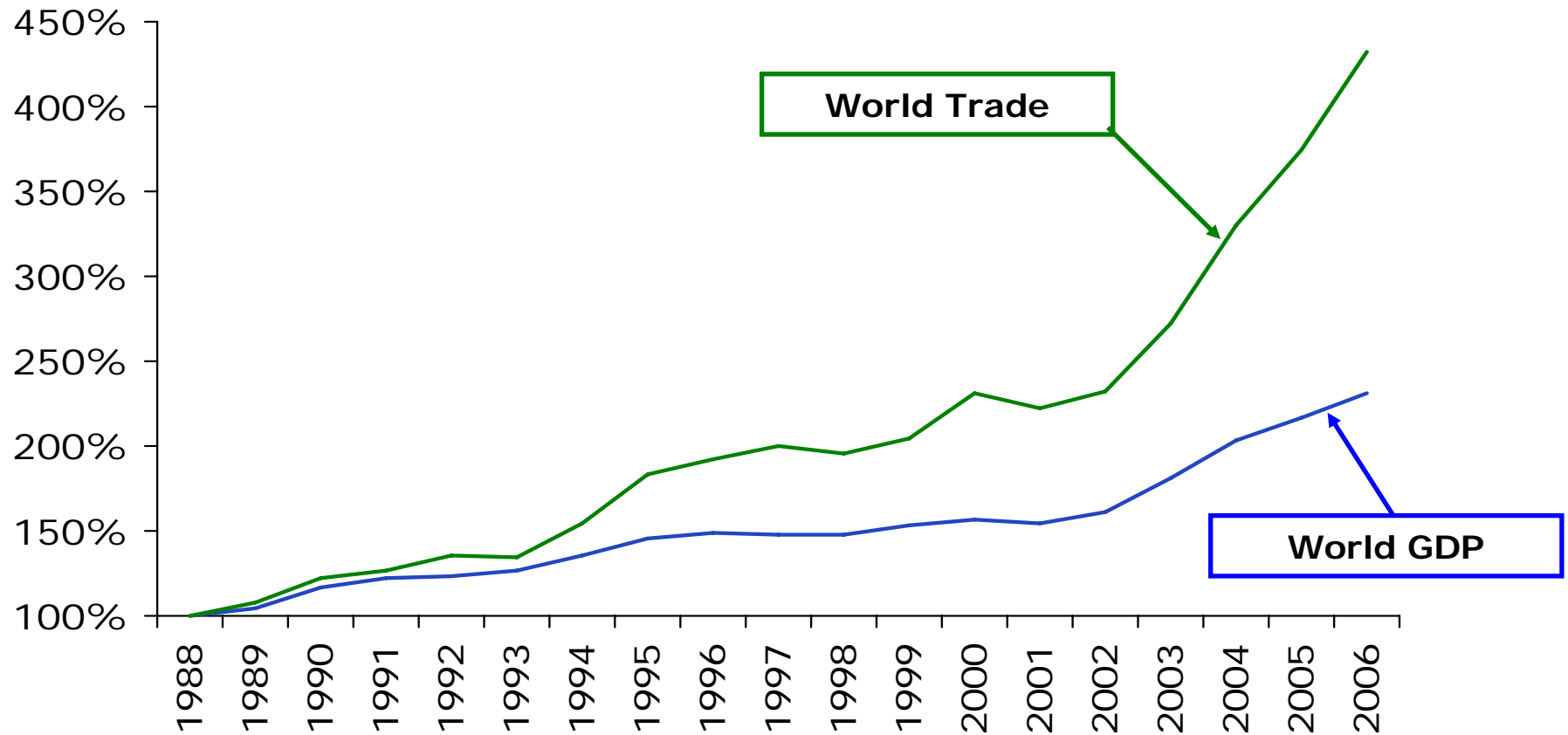


4900 customers: third party logistics companies, retailers, and manufacturers

# Driving Demand – Global Trade Growth

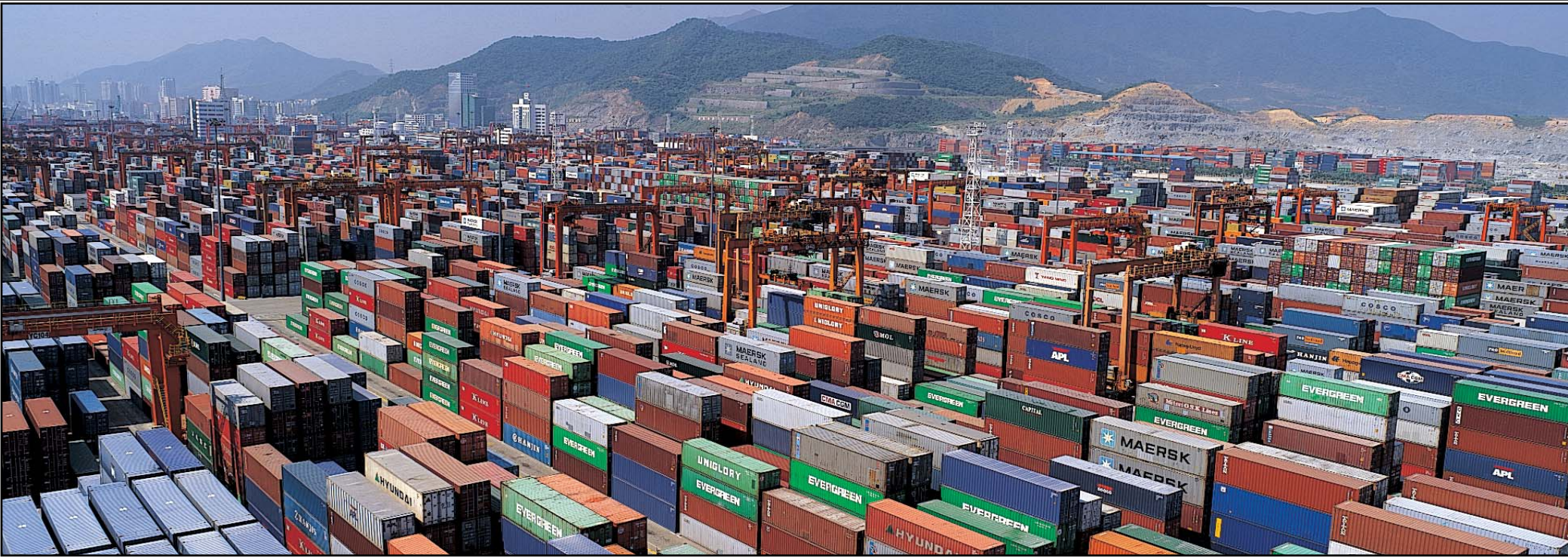


**Growth in World Trade and World GDP, 1988-2006**



Sources: Haver Analytics, ProLogis

# Trends in Global Trade

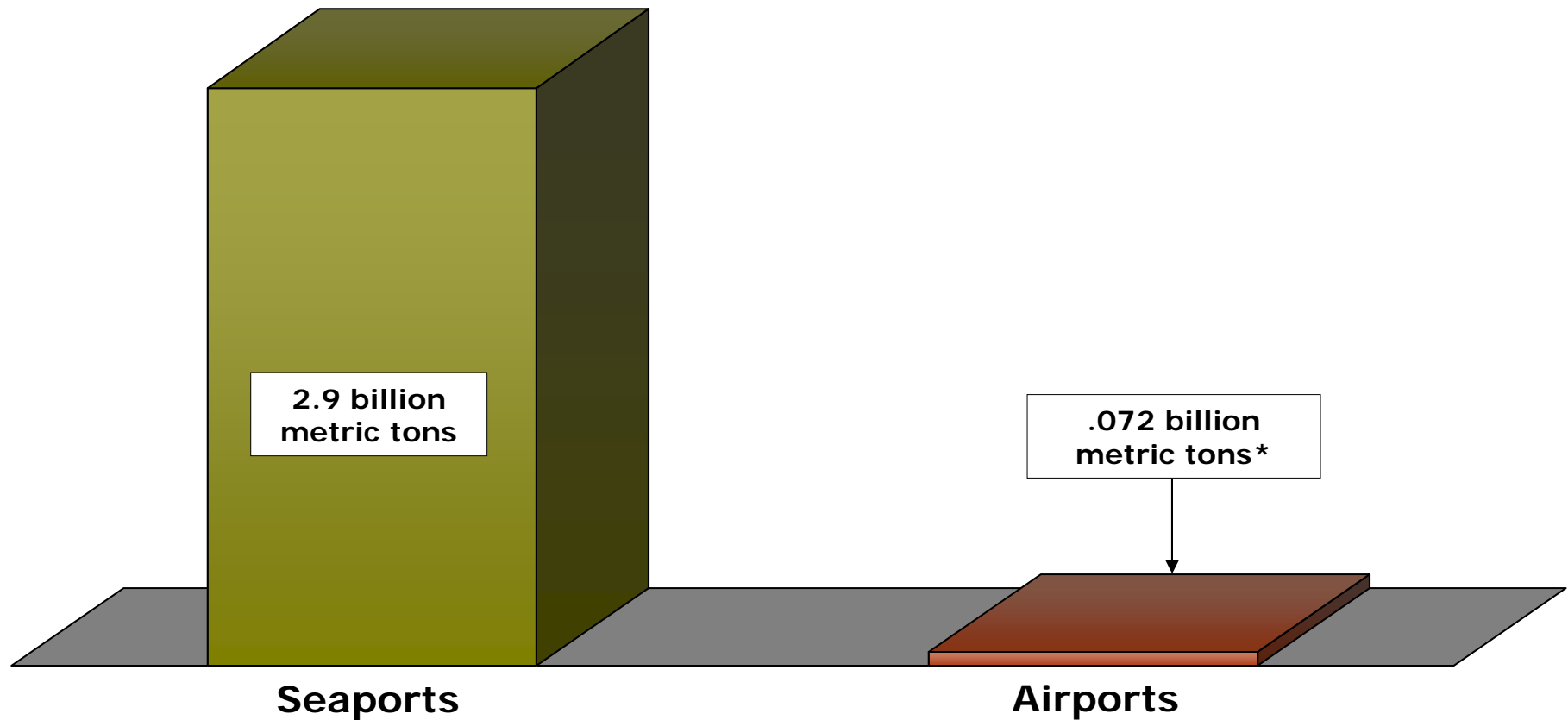


Cargo containers in Shenzhen, China

# Driving Demand – Seaports vs. Airports



## Total Cargo Volume - 2006



**Seaports handle more than 97% of world cargo by volume**

Sources: UN Review of Maritime Transport 2006, ACI Traffic Data for 2006, ProLogis analysis

\*Estimate based on reported cargo volume for Top 30 global airports

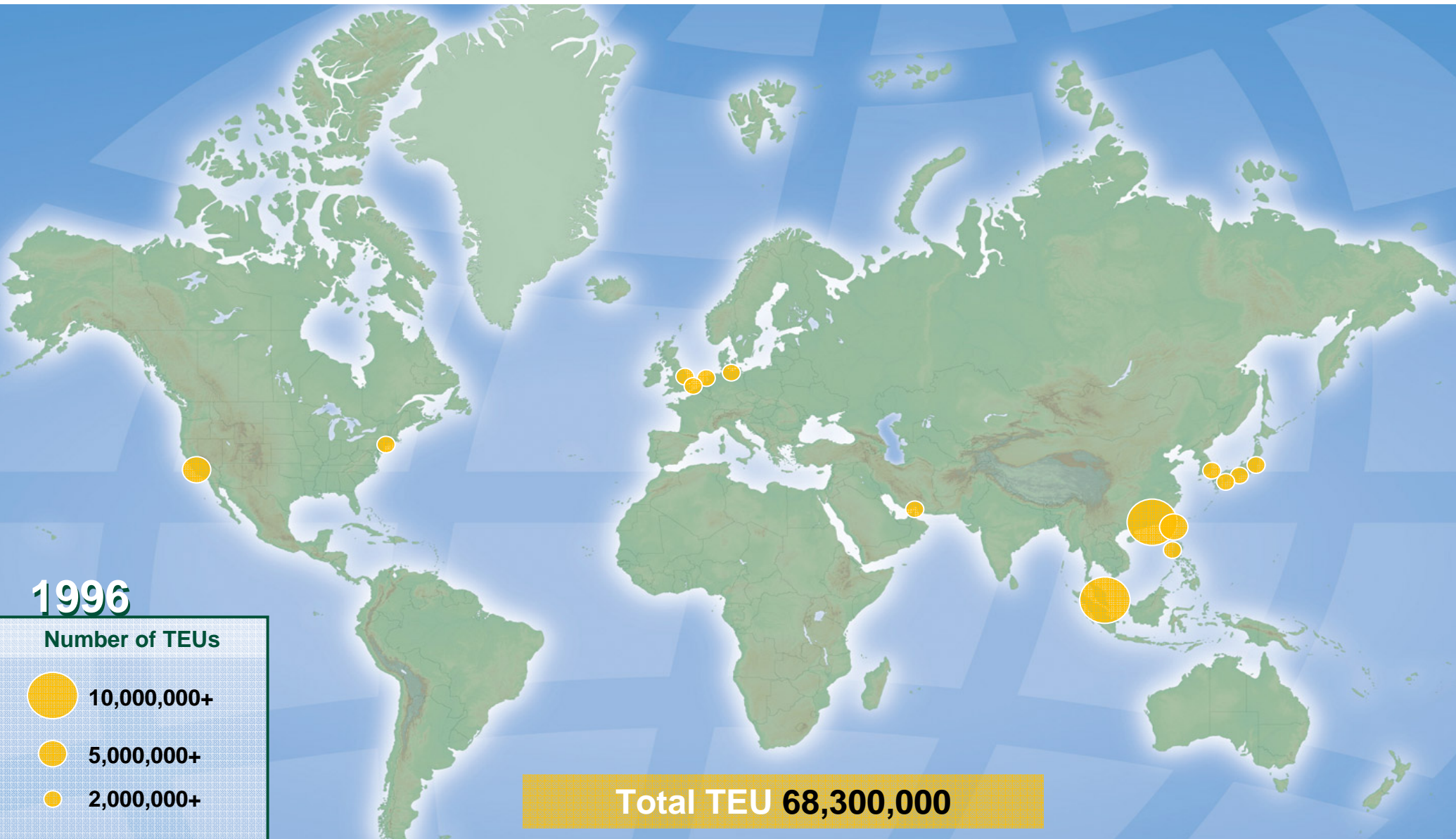


# Post-Panama Ships



**Emma Maersk – World's largest container ship**

# TEU Growth at Top 15 Container Ports

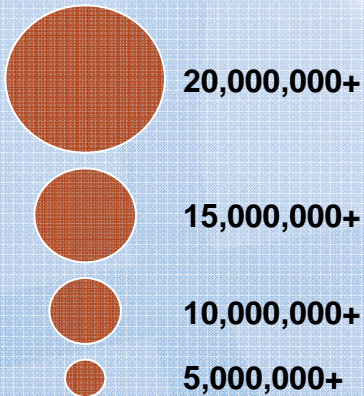


# TEU Growth at Top 15 Container Ports

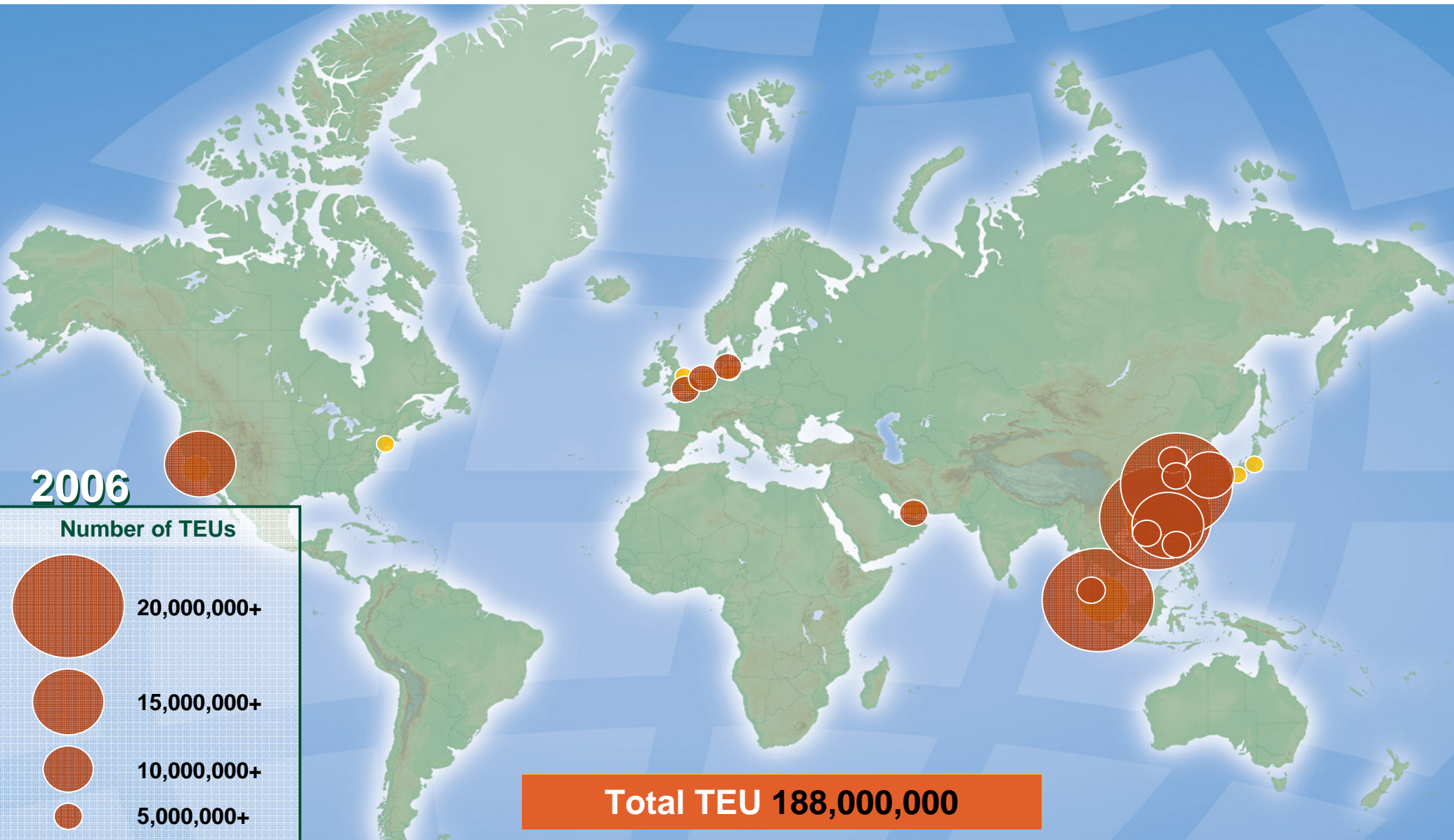


2006

Number of TEUs



**Total TEU 188,000,000**



# Top 15 Container Ports Worldwide - 2007



Port Name	Country	2007		2006		Average % Change
		Ranking	TEU (MM)	Ranking	TEU (MM)	
Singapore	Singapore	1	27.9	1	24.8	12.5%
Shanghai	China	2	26.1	3	21.7	20.2%
Hong Kong	China	3	23.8	2	23.2	2.5%
Shenzen	China	4	21.0	4	18.5	13.5%
Los Angeles/Long Beach	US	5	15.6	5	15.8	-1.2%
Busan	Korea	6	12.1	6	12.0	.08%
Rotterdam	The Netherlands	7	10.7	8	9.7	10.3%
Dubai	UAE	8	10.6	9	8.9	19.1%
Kaohsiung	Taiwan	9	10.2	7	9.8	4.0%
Hamburg	Germany	10	9.9	10	8.9	11.2%
Qingdao	China	11	9.4	11	7.7	22.0%
Ningbo	China	12	9.3	12	7.1	30.9%
Guangzhou	China	13	9.2	14	6.6	39.3%
Antwerp	Belgium	14	8.1	13	7.0	15.7%
Tianjin	China	15	7.1	16	5.9	20.3%
<b>Totals</b>			<b>211.0</b>		<b>187.6</b>	<b>14.7%</b>

## 70% Growth in TEUs Projected Between 2006 and 2015



M TEUs	2006	2015
East Asia	198	303
Americas	60	119
Europe/Mediterranean	76	139
Other	48	86
<b>Total</b>	<b>382</b>	<b>647</b>

# Port Metrics Driving Industrial Real Estate Demand



- Key metrics in evaluating top port markets for (future) investment:
  - Frequency and availability of dedicated liner service
  - Physical port capacity for growth in TEUs handled
  - Good intermodal infrastructure from the port
  - Proximity to large local population base
  - For export markets, proximity to diverse manufacturing centers (e.g. Shanghai)
  - Availability and cost of labor, degree of union activity, and risk of labor strikes
  - Land availability and costs
  - Inland ports – intermodal rail connections

# ProLogis' Port Position



**ProLogis' Port Position**  
**ProLogis Port Related SF, including inland 159 msf**  
**Port-Related Land in Buildable SF 79 msf**

# ProLogis' Position In North American Ports



## ProLogis' Port Position

ProLogis Port Related SF, including inland 135 msf  
**Port-Related Land in Buildable SF** 45 msf



**NYK Transload Facility  
Norfolk**



# Japan : Over Half of Portfolio Located Near Strategic Ports



ProLogis Parc Osaka



## ProLogis' Port Position

ProLogis Port Related SF **12 msf**  
 Port-Related Land in Buildable SF **5 msf**

# China : Leading Port Presence

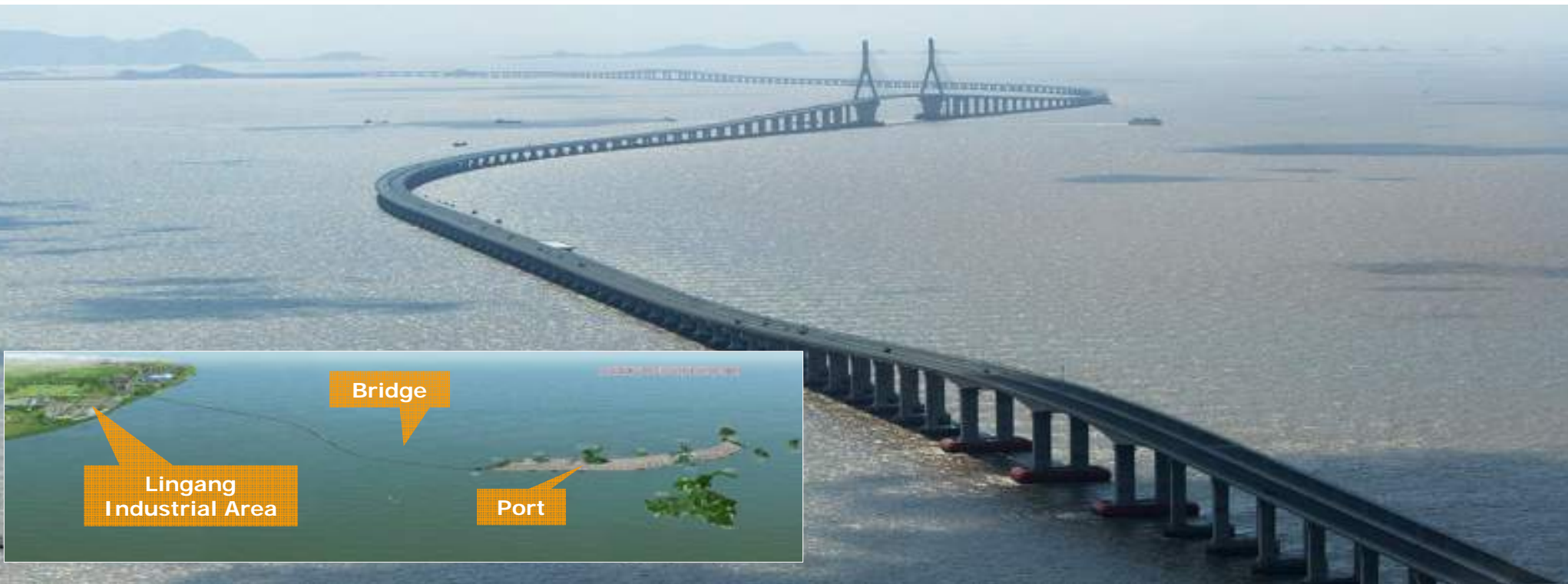


**ProLogis' Port Position**  
**ProLogis Port Related SF** 2 MSF  
**Port-Related Land in Buildable SF** 23 MSF



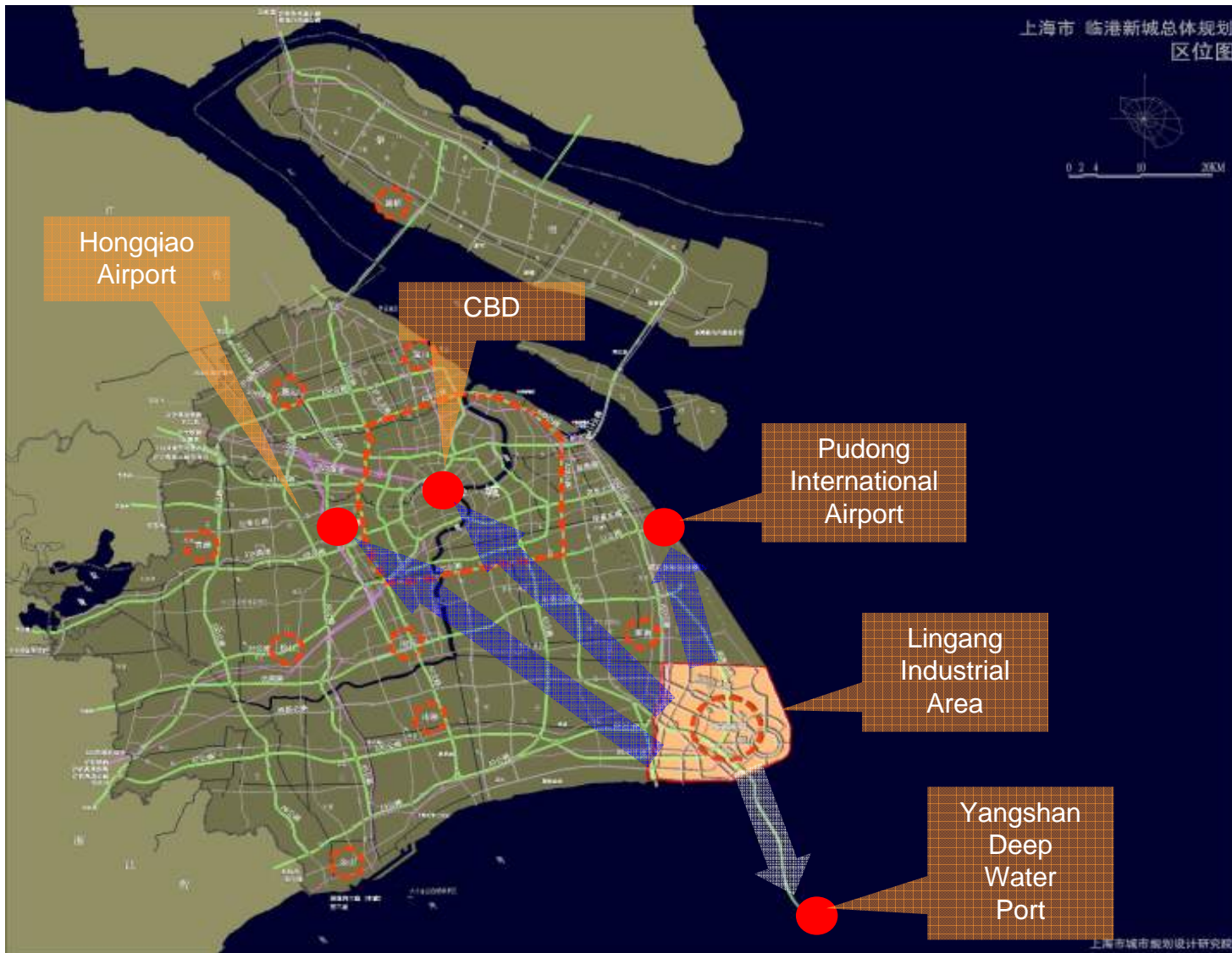
ProLogis Park Lingang

# Chinese Infrastructure Investment



- Yangshan Deepwater Port opened in December 2005
- Connected to mainland near Shanghai by sea bridge
- Port will be world's largest at full buildout
- Total capacity of ~ 25 million TEUs (exceeds combined throughput of top three US ports - LA/LB, NY/NJ & Oakland)

# Shanghai – Lingang - Yangshan





ProLogis Park Lingang



# Leading European Platform



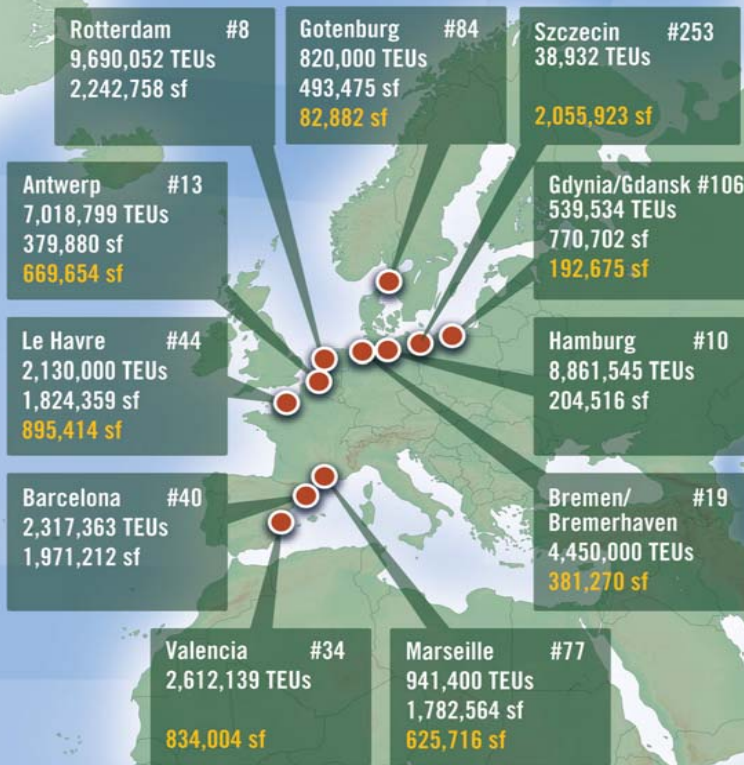
# ProLogis Presence at European Container Ports



## ProLogis' Port Position

ProLogis Port Related SF  
**Port-Related Land in Buildable SF**

10 msf  
**6 msf**



ProLogis Park Maasvlakte, Rotterdam, the Netherlands

# ProLogis Park Eemhaven, Rotterdam





# ProLogis Park Hamburg, Germany



# ProLogis Park Le Havre



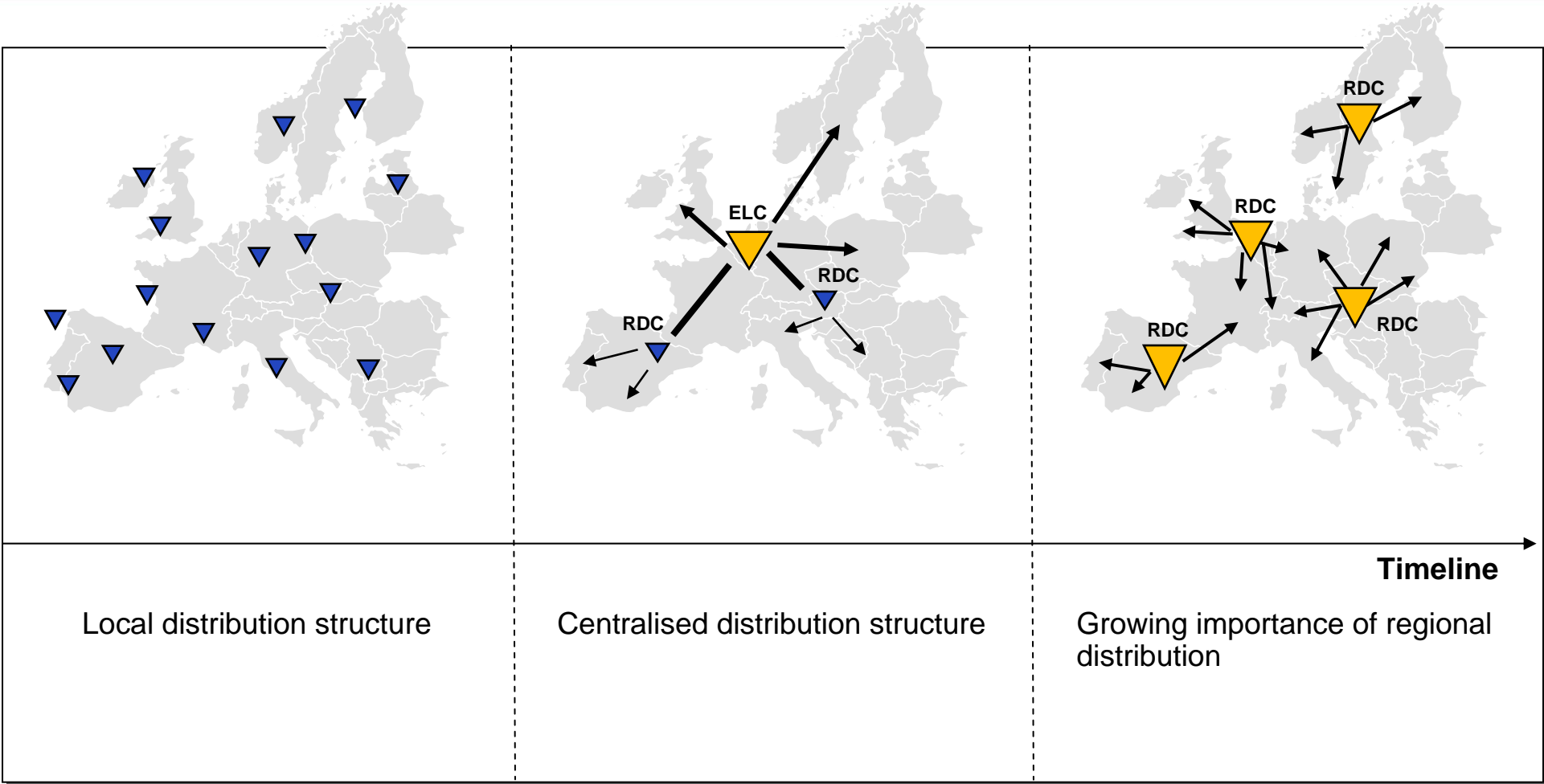
# ProLogis Park St. Boi, Barcelona, Spain



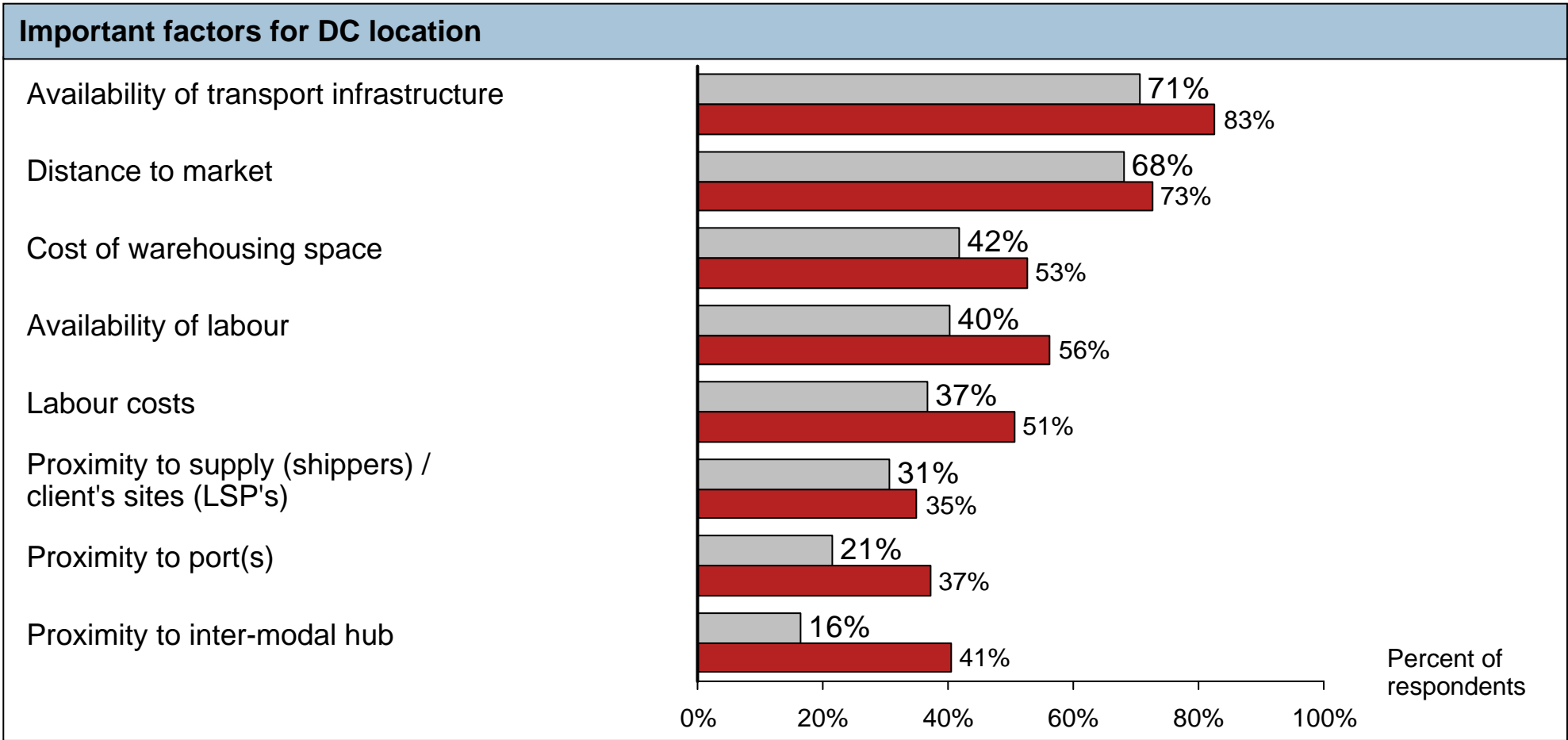
# Changing European logistics landscape



# Regional distribution structure emerge to cover the expanded European region



# Warehouse locations are selected based on availability of transport and distance to market



Grey = Currently Red = Expected in 3 year

**When selecting a warehouse location for the future the shift in transport modes needs to be anticipated**

# Daventry International Railfreight Terminal



- **Major growth opportunities for ports in warehousing**
- **Centre of gravity in Europe is moving East**
- **Multi Modal logistics a necessity**
- **Move away from silo thinking**





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