

PROLOGIS  
Form 424B3  
March 22, 2006

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-132616

**SUBJECT TO COMPLETION**  
**Preliminary Prospectus Supplement Dated March 22, 2006**

**Prospectus Supplement**

March , 2006

(To Prospectus dated March 22, 2006)

	\$	% Notes due 20
	\$	% Notes due 20

We are offering \$ million aggregate principal amount of % Notes due 20 (the 20 Notes ) and \$ million aggregate principal amount of % Notes due 20 (the 20 Notes and, together with the 20 Notes, the notes ). Interest on the notes will be paid semi-annually in arrears on and of each year, beginning on , 2006. The 20 Notes will mature on , 20 and the 20 Notes will mature on , 20 . 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 facility 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.

**Investing in the notes involves risks. See Risk Factors beginning on page S-2 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, 2005.**

	Per 20 Note	Total	Per 20 Note	Total
Public offering price(1)	%	\$	%	\$
Underwriting discount	%	\$	%	\$
Proceeds, before expenses, to ProLogis(1)	%	\$	%	\$

(1) Plus accrued interest, if any, from March , 2006, if settlement occurs after that date.

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

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 , 2006.

**Banc of America Securities LLC**

*Joint Book-Running Managers*  
**Deutsche Bank Securities**

**JPMorgan**

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. 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 or the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement. Our business, financial condition, results of operations and prospects may have changed since that date.

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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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**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, 2005, 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; 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 because the premium, if any, over market interest rates will decline. 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 each series 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 Debt Securities Covenants Limitations on incurrence of debt* and *Description of Debt Securities Covenants Debt covenants contained in the Second Supplemental Indenture* in the accompanying prospectus. Our ability to recapitalize, incur additional debt, secure existing or future debt

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or take a number of other actions 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 in the accompanying prospectus under Description of Debt Securities Covenants Limitations on incurrence of debt and Covenants Debt covenants contained in the Second Supplemental Indenture, the Indenture does not contain any provisions 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 loans to Bank of America, N.A., as collateral agent, for the benefit of the Credit Parties under and as defined in the Amended and Restated Security Agency Agreement dated as of October 6, 2005 (the Security Agency Agreement) among us, the collateral agent, Bank of America, N.A., as global administrative agent under our global senior credit facility, and various other of our creditors. The Credit Parties under the Security Agency Agreement include the holders of our specified credit obligations, including, all obligations arising under our global credit facility, other Designated Senior Debt specified therein, as well as any of our 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 holders of the notes are entitled to a pro rata share in the proceeds of the collateral granted under the 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, 2005, on a pro forma basis, after giving effect to borrowings and repayments under our global credit facility after December 31, 2005 and a \$390 million term loan and this offering of notes and, in each case, the application of the proceeds therefrom, the notes offered hereby would have ranked:

equally with approximately \$ billion of our debt secured equally and ratably by the pledged intercompany loans, which amount includes our guarantee of approximately \$ billion of debt of our subsidiaries;

effectively subordinated to approximately \$ 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

effectively subordinated to approximately \$ billion of debt of our subsidiaries, which includes the approximately \$ billion 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 \$ billion of

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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 our global credit facility, the acceleration of indebtedness under the global credit facility or 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 toward the credit obligations held by such Credit Parties in such a manner that all Credit Parties receive payment of substantially the same percentage of their respective credit obligations. These 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 credit obligations than other Credit Parties that do not have the benefit of such arrangements.

Within 45 days after a triggering event, the collateral agent will deliver a notice of such event to the trustee. 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 the 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 which 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 in the preceding paragraph.

The Security Agency Agreement allows us to: (i) designate our other senior debt as Designated Senior Debt; (ii) specify which Credit Parties are entitled to vote on issues arising under the Security Agency Agreement (and the holders of the notes will be non-voting Credit Parties); and/or (iii) revoke our designation of 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 SEC. In the event that we elect to revoke our designation of the notes as Designated Senior Debt under the Security Agency Agreement, the holders of the notes will cease to be Credit Parties and will no longer be entitled to any benefit of the security and sharing arrangements contemplated by the Security Agency Agreement and the related pledge agreements. In addition, a majority of the voting Credit Parties under the Security Agency Agreement may elect (a) to release some or all of the collateral held pursuant to the Security Agency Agreement and/or (b) under certain circumstances, to defer payments to Credit Parties pursuant to the sharing arrangements either (i) generally for various reasons or (ii) specifically to certain holders of debt (including the holders of the notes) if the collateral agent or the voting Credit Parties determine, in their sole discretion, that such holders might receive more than their share of payments and other recoveries pursuant to the Security Agency Agreement. Without notice to or consent of the holders of the notes, the Security Agency Agreement may be amended by us, the collateral agent and a majority of the voting Credit Parties, even if such amendment is adverse to the interests of the holders of the notes.

The Security Agency Agreement provides that whenever the majority voting Credit Parties are granted and exercise 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 voting Credit Parties have no obligation or duty (including implied obligations of reasonableness, good faith or fair dealing) to any holder of notes 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

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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 acts as 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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USE OF PROCEEDS

The net proceeds from the sale of the notes are expected to be approximately \$ million, after deducting underwriting discounts and estimated offering expenses. We will use the net proceeds to repay a portion of the borrowings under a term loan that we entered into on September 15, 2005 and under our global line of credit and for general corporate purposes. A portion of the borrowing under the term loan was used to fund the cash portion of the merger consideration in the merger of Catellus Development Corporation with Palmtree Acquisition Corporation, our subsidiary.

As of March 17, 2006, we had approximately \$390 million outstanding under the term loan. Amounts repaid under the term loan may not be reborrowed. Affiliates of certain underwriters participating in this offering are lenders under the term loan, with Bank of America, N.A. acting as administrative agent. Based on our current public debt ratings, interest on the term loan accrues at a rate per annum equal to (i) the London interbank offered rate plus a margin of 0.625%, or (ii) the higher of (a) the federal funds rate plus 0.5% and (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its prime rate. The term loan matures on September 14, 2006.

As of March 17, 2006, we had a total commitment of \$2.6 billion under our global line of credit. As of March 17, 2006, this commitment was reduced by \$61.0 million representing letters of credit outstanding with the lending banks. We had approximately \$2.17 billion outstanding and an available balance of approximately \$2.11 at March 17, 2006. Amounts repaid under the global line of credit may be reborrowed and we expect to make additional borrowings under the global line of credit following this offering for the development and acquisition of industrial distribution properties and for working capital purposes. Affiliates of certain underwriters participating in this offering are lenders under the global line of credit. Our \$2.6 billion global line of credit is led by Bank of America, N.A., as the United States funding agent and as the Canadian funding agent, ABN AMRO Bank N.V., as the euro funding agent, Sumitomo Mitsui Banking Corporation, as the yen funding agent, and JPMorgan Chase Bank, N.A. and the Royal Bank of Scotland PLC, as global documentation agents. Based on our current public debt ratings, interests on borrowings under the global line of credit accrues at a variable rate based upon the interbank offered rate in each respective jurisdiction which the borrowings are outstanding (other than borrowing in Chinese renminbi which is a rate set by the People's Bank of China) plus a margin (2.85% for borrowings outstanding at March 17, 2006 based on a weighted average using local currency rates). The global line of credit matures on October 6, 2009, subject to a 12-month extension at our option for all currencies (other than borrowings in Chinese renminbi).

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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 20 Notes and the 20 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, and a Third Supplemental Indenture, dated November 2, 2005. We collectively refer to the Original Indenture as amended and supplemented by the First Supplemental Indenture, Second Supplemental Indenture and Third Supplemental Indenture as the Indenture. The terms of the notes include those provisions contained in the Indenture, portions of which are described in 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, 2005, we had \$2.19 billion aggregate principal amount of debt securities outstanding under the Indenture.

As described in the accompanying prospectus in the section entitled Description of Debt Securities Security and sharing arrangements, pursuant to various pledge agreements, ProLogis and certain of its 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 ProLogis, including, all obligations arising under ProLogis global credit facility, other Designated Senior Debt specified therein, as well as any other senior debt of ProLogis designated from time to time by ProLogis as Designated Senior Debt in accordance with the Security Agency Agreement. The notes are included within the definition of Designated Senior Debt and holders of the notes are entitled to a pro rata share in the proceeds of the collateral granted under the 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. 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.

The 20 Notes will be limited initially to \$ million aggregate principal amount and the 20 Notes will be limited initially to \$ 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 of the 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. 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

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of any particular series. When we refer to a series of debt securities, we mean a series of debt securities, such as each of 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, 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 section entitled 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 described in the accompanying prospectus under the caption Description of Debt Securities Covenants will be subject to defeasance.

Except as set forth in the accompanying prospectus under Description of Debt Securities Covenants Limitations on incurrence of debt and Covenants Debt covenants contained in the Second Supplemental Indenture, the Indenture does not contain any provisions 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 \$2,000 and integral multiples of \$1,000.

**Principal and Interest**

The 20 Notes will bear interest at the rate of % per year and will mature on , 20 . The 20 Notes will bear interest at the rate of % per year and will mature on , 20 . Interest on the notes will accrue from March , 2006 and will be payable semi-annually in arrears on and of each year, commencing on , 2006 (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 or , 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 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:

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 basis points in the case of the 20 Notes and basis points in the case of the 20 Notes.

In each case we will pay accrued and unpaid interest on the principal amount being redeemed to the date of redemption.

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term ( Remaining Life ) of the

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notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means one of the Reference Treasury Dealers that we appoint to act as the Independent Investment Banker from time to time.

Reference Treasury Dealer means each of Banc of America Securities LLC, Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc., and their successors, and one other firm that is a primary U.S. Government securities dealer (each a Primary Treasury Dealer ) which we specify from time to time; provided, however, that if any of them ceases to be a Primary Treasury Dealer, we will substitute another Primary Treasury Dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Treasury Rate means, with respect to any redemption date, the rate per year equal to: (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue; provided that, if no maturity is within three months before or after the Remaining Life of the notes to be redeemed, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third business day preceding the redemption date.

Notice of redemption will be mailed at least 30 but not more than 60 days before the redemption date to each holder of record of the notes to be redeemed at its registered address. The notice of redemption for the notes will state, among other things, the amount of notes to be redeemed, the redemption date, the redemption price and the place or places that payment will be made upon presentation and surrender of notes to be redeemed. Unless we default in payment of the redemption price, interest will cease to accrue on any notes that have been called for redemption at the redemption date.

If less than all of the notes within a series are to be redeemed at our option, we will notify the trustee under the Indenture at least 45 days prior to the redemption date, or any shorter period as may be satisfactory to the trustee, of the aggregate principal amount of the notes of such series to be redeemed and the redemption date. The trustee will select, in the manner as it deems fair and appropriate, the notes to be redeemed. Notes may be redeemed in part in the minimum authorized denomination for notes or in any integral multiple of such amount.

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*DTC.* The Depository Trust Company, New York, New York ( *DTC* ), will act as securities depository for the notes. The notes will be issued as fully-registered securities registered in the name of Cede & Co., which is *DTC*'s nominee. One fully-registered global note will be issued with respect to each series of notes. See *Description of Debt Securities Global Securities* in the accompanying prospectus for a description of *DTC*'s procedures with respect to global notes.

Redemption notices will be sent to *DTC*. If less than all of the notes within a series are being redeemed, *DTC*'s practice is to determine by lot the amount of the interest of each direct participant in the series to be redeemed.

Neither *DTC* nor Cede & Co. will consent or vote with respect to the notes. Under its usual procedures, *DTC* mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the notes are credited on the record date, which are identified in a listing attached to the omnibus proxy.

We may, at any time, decide to discontinue use of the system of book-entry transfers through *DTC* (or a successor securities depository). In that event, certificates representing the notes will be printed and delivered.

Beneficial interests in the *Global Securities* will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in *DTC*. Investors may elect to hold interests in the *Global Securities* through *DTC* either directly if they are participants in *DTC* or indirectly through organizations that are participants in *DTC*.

*Clearstream.* Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its participating organizations ( *Clearstream Participants* ) and facilitates the clearance and settlement of securities transactions between *Clearstream Participants* through electronic book-entry changes in accounts of *Clearstream Participants*, thereby eliminating the need for physical movement of certificates. Clearstream provides *Clearstream Participants* with, among other things, services for safekeeping, administration, clearance and establishment of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Monetary Institute. *Clearstream Participants* are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a *Clearstream Participant* either directly or indirectly.

Distributions with respect to notes held beneficially through Clearstream will be credited to cash accounts of *Clearstream Participants* in accordance with its rules and procedures to the extent received by *DTC* for Clearstream.

*Euroclear.* Euroclear was created in 1968 to hold securities for participants of Euroclear ( *Euroclear Participants* ) and to clear and settle transactions between *Euroclear Participants* through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the *Euroclear Operator* ), under contract with Euro-clear Clearance Systems S.C., a Belgian cooperative corporation (the *Cooperative* ). All operations are conducted by the *Euroclear Operator*, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the *Euroclear Operator*, not the *Cooperative*. The *Cooperative* establishes policy for Euroclear on behalf of *Euroclear Participants*. *Euroclear Participants* include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also

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available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Euroclear Operator is regulated and examined by the Belgian Banking Commission.

Links have been established among DTC, Clearstream and Euroclear to facilitate the initial issuance of the notes sold outside of the United States and cross-market transfers of the notes associated with secondary market trading.

Although DTC, Clearstream and Euroclear have agreed to the procedures provided below in order to facilitate transfers, they are under no obligation to perform these procedures, and these procedures may be modified or discontinued at any time.

Clearstream and Euroclear will record the ownership interests of their participants in much the same way as DTC, and DTC will record the total ownership of each of the U.S. agents of Clearstream and Euroclear, as participants in DTC. When notes are to be transferred from the account of a DTC participant to the account of a Clearstream participant or a Euroclear participant, the purchaser must send instructions to Clearstream or Euroclear through a participant at least one day prior to settlement. Clearstream or Euroclear, as the case may be, will instruct its U.S. agent to receive notes against payment. After settlement, Clearstream or Euroclear will credit its participant's account. Credit for the notes will appear on the next day (European time).

Because settlement is taking place during New York business hours, DTC participants will be able to employ their usual procedures for sending notes to the relevant U.S. agent acting for the benefit of Clearstream or Euroclear participants. The sale proceeds will be available to the DTC seller on the settlement date. As a result, to the DTC participant, a cross-market transaction will settle no differently than a trade between two DTC participants.

When a Clearstream or Euroclear participant wishes to transfer notes to a DTC participant, the seller will be required to send instructions to Clearstream or Euroclear through a participant at least one business day prior to settlement. In these cases, Clearstream or Euroclear will instruct its U.S. agent to transfer these notes against payment for them. The payment will then be reflected in the account of the Clearstream or Euroclear participant the following day, with the proceeds back valued to the value date, which would be the preceding day, when settlement occurs in New York, if settlement is not completed on the intended value date, that is, the trade fails, proceeds credited to the Clearstream or Euroclear participant's account will instead be valued as of the actual settlement date.

You should be aware that you will only be able to make and receive deliveries, payments and other communications involving the notes through Clearstream and Euroclear on the days when those clearing systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States. In addition, because of time zone differences there may be problems with completing transactions involving Clearstream and Euroclear on the same business day as in the United States.

**Same-Day Settlement and Payment**

Settlement for the notes will be made by the purchasers in immediately available funds. All payments of principal and interest will be made by us in immediately available funds or the equivalent, so long as DTC continues to make its Same-Day Funds Settlement System available to us.

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## UNDERWRITING

We are offering the notes described in this prospectus supplement through a number of underwriters. Banc of America Securities LLC, Deutsche Bank Securities Inc. and J.P. Morgan Securities Inc. are the representatives of the underwriters. We have entered into a firm commitment underwriting agreement with the representatives. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, the aggregate principal amount of notes listed next to its name in the following table:

Underwriter	Principal Amount of 20 Notes	Principal Amount of 20 Notes
Banc of America Securities LLC	\$	\$
Deutsche Bank Securities Inc.		
J.P. Morgan Securities Inc.		
<b>Total</b>	<b>\$</b>	<b>\$</b>

The underwriting agreement is subject to a number of terms and conditions and provides that the underwriters must buy all of the notes if they buy any of them. The underwriters will sell the notes to the public when and if the underwriters buy the notes from us.

The underwriters have advised us that they propose initially to offer the notes to the public for cash at the public offering prices set forth on the cover of this prospectus supplement, and to certain dealers at such price less concessions not in excess of % of the principal amount of the 20 Notes and % of the principal amount of 20 Notes. The underwriters may allow, and such dealers may reallow, a concession not in excess of % of the principal amount of the 20 Notes and % of the principal amount of the 20 Notes to certain other dealers. After the public offering of the notes, the public offering price and other selling terms may be changed.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts, will be approximately \$400,000.

We have agreed to indemnify the underwriters against, or contribute to payments that the underwriters may be required to make in respect of, certain liabilities, including liabilities under the Securities Act of 1933.

The notes are a new issue of securities with no established trading market. The notes will not be listed on any securities exchange or on any automated dealer quotation system. The underwriters may make a market in the notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes or that an active public market for the notes will develop. If an active public market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

In connection with the offering of the notes, certain of the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the notes. Specifically, the underwriters may over allot in connection with the offering, creating a short position. In addition, the underwriters may bid for, and purchase, the notes in the open market to cover short positions or to stabilize the price of the notes. Any of these activities may stabilize or maintain the market price of the notes above independent market levels, but no representation is made hereby of the magnitude of any effect that the transactions described above may have on the market price of the notes. The underwriters will not be required to

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engage in these activities, and may engage in these activities, and may end any of these activities, at any time without notice.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/ EC and includes any relevant implementing measure in each Relevant Member State.

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ( FSMA )) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

The underwriters and certain of their affiliates have provided from time to time, and may provide in the future, investment and commercial banking and financial advisory services to us and our affiliates in the ordinary course of business, for which they have received and may continue to receive customary fees and commissions.

Banc of America Securities LLC acted as financial advisor to us in connection with the Catellus merger. Affiliates of Banc of America Securities LLC and J.P. Morgan Securities Inc. are the lenders under the \$1.5 billion term loan entered into with ProLogis on September 15, 2005, a portion of which will be repaid with the proceeds from this offering. In addition, affiliates of certain of the underwriters are also lenders under our \$2.6 billion global credit facility, with Bank of America, N.A., acting as global administrative agent and collateral agent, and JPMorgan Chase Bank, N.A. acting as global documentation agent. Banc of America Securities LLC has also acted as lead arranger and book-running manager for, and its affiliate, Bank of America, N.A., is a lender under, and serves as documentation or administrative agent for, certain of our other credit facilities. In the ordinary course of their business, the underwriters



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and their affiliates may actively trade or hold the securities or our loans for their own accounts or for the accounts of customers and, accordingly, may at any time hold long or short positions in these securities or loans. In addition, from time to time, as a result of market making activities, the underwriters may own debt securities issued by us or our affiliates.

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LEGAL MATTERS

The validity of the notes will be passed upon for us by Mayer, Brown, Rowe & Maw LLP, Chicago, Illinois.  
Certain legal matters will be passed upon for the underwriters by Shearman & Sterling LLP, New York, New York.

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DEBT SECURITIES  
PREFERRED SHARES  
COMMON SHARES

We may offer and sell from time to time debt securities, common shares of beneficial interest, preferred shares of beneficial interest and rights to purchase common shares of beneficial interest covered by this prospectus independently, or together in any combination that may include other securities set forth in an accompanying prospectus supplement, in one or more offerings, for sale directly to purchasers or through underwriters, dealers or agents to be designated at a future date. Our outstanding common shares, Series F cumulative redeemable preferred shares of beneficial interest and Series G cumulative redeemable preferred shares of beneficial interest, are listed on the New York Stock Exchange under the symbols PLD , PLD-PRF and PLD-PRG , respectively. This prospectus provides you with a general description of the securities we may offer.

Each time securities are sold using this prospectus, we will provide a supplement to this prospectus or possibly other offering material containing specific information about the offering. The supplement or other offering material may also add, update or change information contained in this prospectus. This prospectus may not be used to offer or sell any securities unless accompanied by a prospectus supplement. You should read this prospectus and any supplement and/or other offering material carefully before you invest.

We may sell securities to or through underwriters, dealers or agents. For additional information on the method of sale, you should refer to the section entitled Plan of Distribution. The names of any underwriters, dealers or agents involved in the sale of any securities and the specific manner in which they may be offered will be set forth in the prospectus supplement covering the sale of those securities.

This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed or will be filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described below under Where You Can Find More Information.

**These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the securities and exchange commission or any state securities commission passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense**

The date of this Prospectus is March 22, 2006.

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**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the informational requirements of the Securities Exchange Act of 1934, (which we refer to herein as the Securities Exchange Act) and, in accordance therewith, file reports, proxy statements and other information with the Securities and Exchange Commission (which we refer to herein as the SEC). Such reports, proxy statements and other information can be inspected and copied at the public reference facilities maintained by the SEC at 100 F Street NE, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling 1-800-SEC-0330. This material can also be obtained from the SEC's worldwide web site at <http://www.sec.gov>., and all such reports, proxy statements and other information filed by us with the New York Stock Exchange may be inspected at the New York Stock Exchange's offices at 20 Broad Street, New York, New York 10005. You can also obtain information about us at our web site, [www.prologis.com](http://www.prologis.com). Information available on our through our web site is not intended to constitute part of the prospectus.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933 (which we refer to herein as the Securities Act) with respect to our securities being offered. This prospectus, which constitutes part of the registration statement, does not contain all of the information set forth in the registration statement. Parts of the registration statement are omitted from this prospectus in accordance with the rules and regulations of the SEC. For further information, your attention is directed to the registration statement. Statements made in this prospectus concerning the contents of any documents referred to herein are not necessarily complete, and in each case are qualified in all respects by reference to the copy of such document filed with the SEC.

The SEC allows us to incorporate by reference the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information.

We incorporate by reference the documents listed below:

- (a) Our annual report on Form 10-K for the year ended December 31, 2005, filed on March 16, 2006;
- (b) Our periodic reports on Form 8-K filed September 20, 2005, January 10, 2006 March 13, 2006, March 17, 2006 and March 21, 2006;
- (c) The description of our common shares contained or incorporated by reference in our registration statement on Form 8-A filed February 23, 1994;
- (d) The description of Series F cumulative redeemable preferred shares of beneficial interest contained or incorporated by reference in our registration statement on Form 8-A filed November 26, 2003; and
- (e) The description of Series G cumulative redeemable preferred shares of beneficial interest contained or incorporated by reference in our registration statement on Form 8-A filed December 24, 2003;

The SEC has assigned file number 1-12846 to the reports and other information that ProLogis files with the SEC.

All documents subsequently filed (other than any portions of the respective filings that were furnished, under applicable SEC rules, rather than filed) by us pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act, prior to the termination of the offering, shall be deemed to be incorporated by reference into this prospectus.

Any statement contained in a document incorporated or deemed to be incorporated herein shall be deemed modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document that is deemed to be incorporated herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is inconsistent with information contained in this

document or any document incorporated herein. This prospectus is not an offer to sell these securities in any state where the offer

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and sale of these securities is not permitted. The information in this prospectus is current as of the date it is mailed to security holders, and not necessarily as of any later date. If any material change occurs during the period that this prospectus is required to be delivered, this prospectus will be supplemented or amended.

You may request a copy of each of the above-listed ProLogis documents at no cost, by writing or telephoning us at the following address or telephone number.

Investor Relations Department

ProLogis

4545 Airport Way

Denver, Colorado 80239

(800) 820-0181

<http://ir.prologis.com>

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**FORWARD-LOOKING STATEMENTS**

This prospectus, the prospectus supplement, the documents incorporated by reference in this prospectus and other written reports and oral statements made from time to time by the company may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include:

- (1) statements, including our possible or assumed future results of operations including any forecasts, projections and descriptions of anticipated cost savings or other synergies referred to in such statements, and any such statements incorporated by reference from documents filed with the SEC by us, including any statements contained in such documents or this prospectus regarding the development or possible or assumed future results of operations of our businesses, the markets for our services and products, anticipated capital expenditures or competition;
- (2) any statements preceded by, followed by or that include the words believes, expects, anticipates, intend, plans, seeks, estimates or similar expressions; and
- (3) other statements contained or incorporated by reference in this prospectus regarding matters that are not historical facts.

Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Investors are cautioned not to place undue reliance on such statements, which speak only as of the date the statements were made.

Among the factors that could cause actual results to differ materially are: national, international, regional and local economic climates, changes in financial markets, interest rates and foreign currency exchange rates, increased or unanticipated competition for our properties, risks associated with acquisitions, maintenance of real estate investment trust ( REIT ) status, availability of financing and capital, changes in demand for developed properties, and other risks detailed from time to time in the reports filed with the SEC by us.

Except for their ongoing obligations to disclose material information as required by the federal securities laws, we do not undertake any obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of the filing of this prospectus or to reflect the occurrence of unanticipated events.



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We are a REIT that operates a global network of real estate properties, primarily industrial distribution properties. Our business strategy is designed to achieve long-term sustainable growth in cash flow and sustain a high level of return for our shareholders. We manage our business by utilizing the ProLogis Operating System<sup>®</sup>, an organizational structure and service delivery system that we built around our customers. When combined with our international network of distribution properties, the ProLogis Operating System enables us to meet our customers distribution space needs on a global basis. We believe that by integrating international scope and expertise with a strong local presence in our markets, we have become an attractive choice for our targeted customer base, the largest global users of distribution space.

We are organized under Maryland law and have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the Code). Our world headquarters are located in Denver, Colorado. Our European headquarters are located in the Grand Duchy of Luxembourg with our European customer service headquarters located in Amsterdam, the Netherlands. Our regional offices in Asia are located in Tokyo, Japan and Shanghai, China. Our common shares were first listed on the New York Stock Exchange ( NYSE ) in March 1994 and now trade under the ticker symbol PLD . Our Series F cumulative redeemable preferred shares of beneficial interest and Series G cumulative redeemable preferred shares of beneficial interest, are listed on the New York Stock Exchange under the symbols PLD-PRF and PLD-PRG , respectively.

**RATIOS**

For purposes of computing these ratios: (i) earnings consist of earnings from continuing operations, excluding income taxes, minority interest share in earnings and fixed charges, other than capitalized interest, and (ii) 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. The following table shows our ratio of earnings to fixed charges for each of our last five fiscal years:

<b>Year Ended December 31,</b>				
<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
2.2	2.3	2.2	2.3	1.6

The following table shows our ratio of earnings to combined fixed charges and preferred share dividends for each of our last five fiscal years: