Capital Markets Panel Discussion

March 13, 2001

Panelists:

• Austin Lehr  BetaWest - DLJ Real Estate Capital Partners
• Fred Ruess  KeyBank
• Walt Rakowich  ProLogis

Moderator:

• Paul Luber  Real Estate Advisory Services
### Four Quadrants of Real Estate Capital Markets

<table>
<thead>
<tr>
<th></th>
<th>Equity</th>
<th>Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIVATE</td>
<td>Private Equity</td>
<td>Private Debt</td>
</tr>
<tr>
<td>PUBLIC</td>
<td>Public Equity</td>
<td>Public Debt</td>
</tr>
</tbody>
</table>
Total U.S. Institutional Capital Market

December 31, 2000 (Preliminary)

$63.8 Trillion

- Equity
  - U.S. Equity: 22.6%
  - Private Markets: 0.2%
  - Cash Equiv.: 4.8%
  - U.S. Real Estate: 4.8%
  - High Yield Bonds: 1.0%
  - Dollar Bonds: 19.9%

- Debt
  - All Other Bonds: 13.7%
  - Emerging Market Debt: 1.9%
  - Japan Bonds: 8.0%

- Other
  - All Other Equities: 16.6%
  - Japan Equity: 5.3%
  - Emerging Market Equities: 1.2%
  - Emerging Market Debt: 1.9%
  - Japan Bonds: 8.0%

Source: BRINSON PARTNERS
A member of UBS Asset Management
Real Estate Capital Sources Overview

Total U.S. Real Estate: $4.3 Trillion

- Institutional Capital (Real Estate held for investment) 45% - $1.93 trillion
- Non-institutional Capital (Corporate, Government and Residential Real Estate) 55% - $2.37 trillion

Breakdown of $1.93 Trillion of Institutional Capital

Total Equity
20% - $378.7 billion

Total Debt
80% - $1,551.9 billion

### Breakdown of $1.93 Trillion of Institutional Capital

- **Public Debt**: 14% - $1,551.9 billion
- **Private Debt**: 66% - $1,266.9 billion
- **Public Equity**: 7% - $378.7 billion
- **Private Equity**: 13% - $237.1 billion
- **Total Equity**: 20% - $378.7 billion
- **Total Debt**: 80% - $1,551.9 billion

#### Table

<table>
<thead>
<tr>
<th>Quadrant</th>
<th>Percent of Total</th>
<th>Amount ($ billions)</th>
<th>Private/Public</th>
<th>% of Total</th>
<th>Amount ($ billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>20%</td>
<td>$378.7</td>
<td>Private</td>
<td>13%</td>
<td>$237.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Public</td>
<td>7%</td>
<td>$141.6</td>
</tr>
<tr>
<td>Debt</td>
<td>80%</td>
<td>$1,551.9</td>
<td>Private</td>
<td>66%</td>
<td>$1,266.9</td>
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<td></td>
<td></td>
<td></td>
<td>Public</td>
<td>14%</td>
<td>$285.0</td>
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<tr>
<td>Total</td>
<td>100%</td>
<td>$1,930</td>
<td></td>
<td>100%</td>
<td>$1,930</td>
</tr>
</tbody>
</table>

**Total**:
- **Total Equity**: $378.7 billion (20%)
- **Total Debt**: $1,551.9 billion (80%)
- **Total Capital**: $1,930 billion (100%)
2000 Institutional Equity Market Participants

Total Equity $378.7 billion (20% of Institutional Capital)

- Savings Association: 0.3% - $1.2
- Commercial Banks: 0.5% - $1.8
- Pension Funds: 37.5% - $141.9
- REITs Public: 37.4% - $141.6 (Public)
- Foreign Investors: 13.9% - $52.5
- Life Companies: 10.5% - $39.7

Note: Dollar Amounts in Billions
2000 Institutional Debt Market Participant

Total Debt $1551.9 (80% of Institutional Capital)

- Commercial Banks: 39%-$610.0
- Life Companies: 14%-$212.9
- Foreign Investors: 14%-$215.1
- Other: 3%-$52.7
- Federally Funded Mortgage Pools: 4%-$61.0 (Public)
- Non-Gov't CMBS Issuers: 14%-$213.7 (Public)
- REITs: 1%-$10.3 (Public)
- Savings Association: 9%-$139.8
- Pension Funds: 2%-$36.4

Note: Dollar Amounts in Billions

Panelist Profile

Austin Lehr - President

DLJ Real Estate Capital Partners
Credit Suisse/First Boston
Panelist Profile

Fred Ruess – Senior Vice President
Commercial Real Estate Division
Panelist Profile

Walt Rakowich, Managing Director and Chief Financial Officer

[ProLogis logo]
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