

January 13, 2017



Prologis Consolidates Two European Funds and Strengthens Relationship with Allianz in a Transaction Valued at EUR571 Million

SAN FRANCISCO, Jan. 13, 2017 /PRNewswire/ -- Prologis, Inc. (NYSE: PLD), the global leader in logistics real estate, announced the consolidation of its Europe Logistics Venture 1 ("ELV1"), a joint venture with Allianz, with its Prologis Targeted Europe Logistics Fund ("PTELF"), a pan-European core open-end fund.

Under the terms of the transaction, PTELF will acquire ELV1, real estate value of €571 million and will integrate its assets into the PTELF portfolio. As part of the transaction, ELV1 has acquired an additional asset from Prologis and Allianz has purchased Prologis' 15 percent stake in ELV1. Prologis will also receive net cash proceeds of approximately €183 million. With the addition of Allianz, the Fund will have approximately 40 investors, including Prologis.

The transaction will give PTELF a stronger, more agile balance sheet, diversification benefits, and an expanded relationship with Allianz, a blue chip investor. ELV1's assets are strategically located in high-growth, high barrier European markets in Germany, France and the Netherlands that are highly complementary to PTELF's pan-European portfolio.

"Combining PTELF and ELV1 benefits all parties involved," said Gary Anderson, CEO, Prologis Europe and Asia. "Allianz meets its investment objective by deploying more capital in European logistics real estate, existing investors in PTELF benefit from improved scale, a stronger balance sheet and greater liquidity, and Prologis further streamlines its strategic capital business."

"By contributing ELV1, its prior and successful joint venture with Prologis into PTELF, Allianz will gain exposure into a larger, more liquid portfolio with greater diversity, at a time when the industry is also consolidating," said François Trausch, CEO of Allianz Real Estate. "As the logistics sector is a particular area of focus in our portfolio construct, Allianz is looking forward to the strengthening of its relationship with Prologis by becoming the largest investor in PTELF and supporting the future growth of the fund."

Prologis currently owns and operates approximately 178 million square feet in 731 buildings across the European market.

ABOUT PROLOGIS

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of September 30, 2016, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects

expected to total approximately 665 million square feet (62 million square meters) in 20 countries. Prologis leases modern distribution facilities to a diverse base of approximately 5,200 customers across two major categories: business-to-business and retail/online fulfillment.

FORWARD-LOOKING STATEMENTS

The statements in this document that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which we operate as well as management's beliefs and assumptions. Such statements involve uncertainties that could significantly impact our financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, development activity and changes in sales or contribution volume of properties, disposition activity, general conditions in the geographic areas where we operate, our debt, capital structure and financial position, our ability to form new co-investment ventures and the availability of capital in existing or new co-investment ventures — are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in financial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions, dispositions and development of properties, (v) maintenance of real estate investment trust status, tax structuring and income tax rates (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings, (vii) risks related to our investments in our co-investment ventures, including our ability to establish new co-investment ventures and funds, (viii) risks of doing business internationally, including currency risks, (ix) environmental uncertainties, including risks of natural disasters, and (x) those additional factors discussed in reports filed with the Securities and Exchange Commission by us under the heading "Risk Factors." We undertake no duty to update any forward-looking statements appearing in this document.

ABOUT ALLIANZ

Allianz represents one of the world's strongest financial communities, offering a broad range of insurance and asset management services. In 2015, Allianz employed around 142,000 staff in some 70 countries and achieved total revenues of 125.2 billion euros and an operating profit of 10.7 billion euros. Allianz Group managed an investment portfolio of around 640 billion euros. Additionally, our asset managers Allianz GI and PIMCO managed 1.3 trillion euros of third party money. Allianz is active in a wide variety of sectors including real estate, infrastructure, renewable energy and equity and debt. Allianz's long-term value strategies maximize risk-adjusted returns.

ABOUT ALLIANZ REAL ESTATE

Allianz Real Estate is the strategic center of expertise in real estate within the Allianz Group, and a leading international real estate investment and asset manager. Allianz Real Estate develops and executes worldwide tailored portfolio and investment strategies on behalf of the Allianz companies - direct and indirect investments as well as commercial mortgage loan financing. Allianz Real Estate has approximately €45 bn assets under management.



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SOURCE Prologis, Inc.