



SECOND QUARTER 2015

Earnings Release and Supplemental Information

UNAUDITED



PROLOGIS.



Prologis Park Ausgurg, Munich, Germany



Prologis Qingpu Zhonggu Distribution Center, Shanghai, China



Prologis Park Redlands, Inland Empire, California, U.S.A.

Cover: Dongguan Shipai Logistics Center, Dongguan, China

Overview	
Press Release	1
Highlights	
Company Profile	4
Company Performance	5
Operating Performance	7
Guidance	8
Financial Information	
Consolidated Balance Sheets	9
Pro-rata Balance Sheet Information	10
Consolidated Statements of Operations	11
Reconciliation of Net Earnings to FFO	12
Pro-rata Operating Information and Reconciliation to FFO	13
EBITDA Reconciliation	14
Strategic Capital	
Summary and Financial Highlights	15
Operating and Balance Sheet Information	16
Operations Overview	
Operating Metrics	17
Operating Portfolio	19
Customer Information	22
Capital Deployment	
Overview	23
Value Creation from Development Stabilization	24
Development Starts	25
Development Portfolio	26
Third Party Building Acquisitions	27
Dispositions and Contributions	28
Land Portfolio	29
Capitalization	
Overview	31
Debt Summary	32
Debt Covenants and Other Metrics	33
Net Asset Value	
Components	34
Notes and Definitions (A)	36

(A) Terms used throughout document are defined in the Notes and Definitions

Prologis Reports Second Quarter 2015 Earnings Results and Announces 11 Percent Increase in Quarterly Common Stock Dividend

- Rent Change on Rollovers Increased a Record 14.4 Percent –
- Acquired \$5.9 Billion of Real Estate Assets from KTR Capital Partners and its Affiliates –
- Estimated Value Creation of \$179.1 Million from Stabilizations, Reflecting a 31.0 Percent Margin –
- Raised Midpoint of 2015 Core FFO Guidance, Representing Year-Over-Year Growth of 17 Percent –

SAN FRANCISCO (July 21, 2015) – Prologis, Inc. (NYSE: PLD), the global leader in industrial real estate, today reported results for the second quarter of 2015 and announced that its Board of Directors has approved a quarterly dividend increase, raising the company's annualized dividend level by 11 percent to \$1.60 per share of common stock.

Core funds from operations (Core FFO) per diluted share was \$0.52 for the second quarter compared with \$0.48 for the same period in 2014, an increase of 8 percent.

"The team delivered ahead of plan and our results reflect strong underlying performance across all three lines of our business," said Hamid R. Moghadam, chairman and CEO, Prologis. "We see significant earnings potential from harvesting the gap between our in-place and market rents, the profitable build-out of our land bank and the efficient scaling of our global platform."

OPERATING FUNDAMENTALS GAIN MOMENTUM

Prologis ended the quarter with 95.4 percent occupancy in its operating portfolio, an increase of 80 basis points over the same period in 2014. Excluding the KTR assets, the company ended the quarter with 95.6 percent occupancy in its operating portfolio. Prologis leased a record 44.6 million square feet (4.1 million square meters) in its combined operating and development portfolios. Tenant retention was 79.0 percent.

GAAP rental rates on signed leases during the quarter increased a record 14.4 percent from prior rents. The Americas region led the quarterly increase at 20.6 percent (U.S. at 21.9 percent), followed by Europe at 4.4 percent and Asia at 2.0 percent. Prologis' share of same store NOI increased 5.9 percent on a GAAP basis and 5.2 percent on an adjusted cash basis.

CAPITAL DEPLOYMENT ACTIVITY ACCELERATES

New investments in buildings during the second quarter totaled \$6.9 billion (\$4.0 billion Prologis' share).

Development Stabilizations & Starts

In the second quarter, on a Prologis share basis the company created \$179.1 million of estimated value from its \$578.2 million of development stabilizations at an estimated development margin of 31.0 percent.

The company started \$798.7 million of new developments on a Prologis share basis with an estimated weighted average yield upon stabilization of 7.3 percent and an estimated development margin of 19.6 percent. Build-to-suit activity remains robust, comprising 44 percent of starts volume in the quarter and including multi-market customers such as BMW and Kimberly-Clark.

At quarter end, the book value of the company's land bank was \$1.8 billion, with an estimated build-out potential of \$11.1 billion.

Acquisitions

As previously announced, Prologis completed the acquisition of the real estate assets and operating platform of KTR Capital Partners and its affiliates for \$5.9 billion (\$3.2 billion Prologis' share) in the Prologis U.S. Logistics Venture. Also during the quarter, the company acquired \$139.3 million of buildings on a Prologis share basis. The stabilized capitalization rate on total acquisitions in the quarter was 5.5 percent.

Contributions & Dispositions

The company completed \$453.6 million of contributions and third-party dispositions on a Prologis share basis with a stabilized capitalization rate of 5.9 percent.

CAPITAL MARKETS ACTIVITY BENEFITS FROM GLOBAL ACCESS

During the quarter, Prologis completed \$3.1 billion of financings at a weighted average interest rate of 1.6 percent and a weighted average term of 5 years.

"We have access to foreign-denominated debt markets, which has allowed us to take advantage of attractive pricing to further strengthen our financial position and mitigate the impact of foreign currency movements," said Tom Olinger, chief financial officer, Prologis. "As a result of our efforts, we currently have \$2.4 billion in liquidity and we've addressed our unsecured debt maturities until 2017. We have the ability to

complete the long-term funding of KTR and have the capital to support future growth through asset recycling.”

NET EARNINGS

Net earnings per diluted share was \$0.27 for the second quarter compared with \$0.13 for the same period in 2014.

GROWS ANNUALIZED DIVIDEND BY 11 PERCENT AND INCREASES 2015 CORE FFO GUIDANCE MIDPOINT

Dividend

The Prologis Board of Directors declared a regular cash dividend for the quarter ending September 30, 2015, on the following securities:

- A dividend of \$0.40 per share of the company’s common stock, representing an increase of 11 percent over the June 2015 quarterly common stock dividend, payable September 30, 2015, to common stockholders of record at the close of business on September 18, 2015; and
- A dividend of \$1.0675 per share of the company’s 8.54 percent Series Q Cumulative Redeemable Preferred Stock, payable September 30, 2015, to Series Q stockholders of record at the close of business on September 18, 2015.

“This increase in our common stock dividend is the second this year, and the combined impact results in a 21 percent increase over the 2014 dividend level on a run rate basis,” said Olinger. “The growth in our dividend was driven by the cash flow accretion from the KTR transaction and a stronger operations outlook.”

Guidance

Prologis increased the midpoint of its full-year 2015 Core FFO guidance and narrowed the range to \$2.18 to \$2.22 per diluted share from \$2.16 to \$2.22 per diluted share, representing expected year-over-year growth of 17 percent. The company expects to recognize net earnings, for GAAP purposes, of \$1.12 to \$1.16 per share.

The Core FFO and earnings guidance described above excludes any potential future gains (losses) recognized from real estate transactions. In reconciling from net earnings to Core FFO, Prologis makes certain adjustments, including but not limited to real estate depreciation and amortization expense, gains (losses) recognized from real estate transactions and early extinguishment of debt, acquisition costs, impairment charges, deferred taxes and unrealized gains or losses on foreign currency or

derivative activity. The difference between the company's Core FFO and net earnings guidance for 2015 relates predominantly to these items.

WEBCAST & CONFERENCE CALL INFORMATION

Prologis will host a live webcast/conference call to discuss quarterly results, current market conditions and future outlook today, July 21, at 11 a.m. U.S. Eastern Time. Interested parties are encouraged to access the webcast by clicking on the Investor Events and Presentations section of the Prologis Investor Relations website (<http://ir.prologis.com>). Interested parties also can participate via conference call by dialing +1 877-256-7020 (toll-free from the U.S. and Canada) or +1 973-409-9692 (from all other countries) and entering conference code 48765490.

A telephonic replay will be available July 21-Aug. 21 at +1 855-859-2056 (from the U.S. and Canada) or +1 404-537-3406 (from all other countries); please use conference code 48765490. The webcast replay will be posted when available in the "Events & Presentations" section of Investor Relations on the Prologis website.

ABOUT PROLOGIS

Prologis, Inc. is the global leader in industrial real estate. As of June 30, 2015, Prologis owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 670 million square feet (62 million square meters) in 21 countries. The company leases modern distribution facilities to more than 5,200 customers, including third-party logistics providers, transportation companies, retailers and manufacturers.

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 Prologis operates, management’s beliefs and assumptions made by management. Such statements involve uncertainties that could significantly impact Prologis’ financial results. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” 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 and financial position, our ability to form new co-

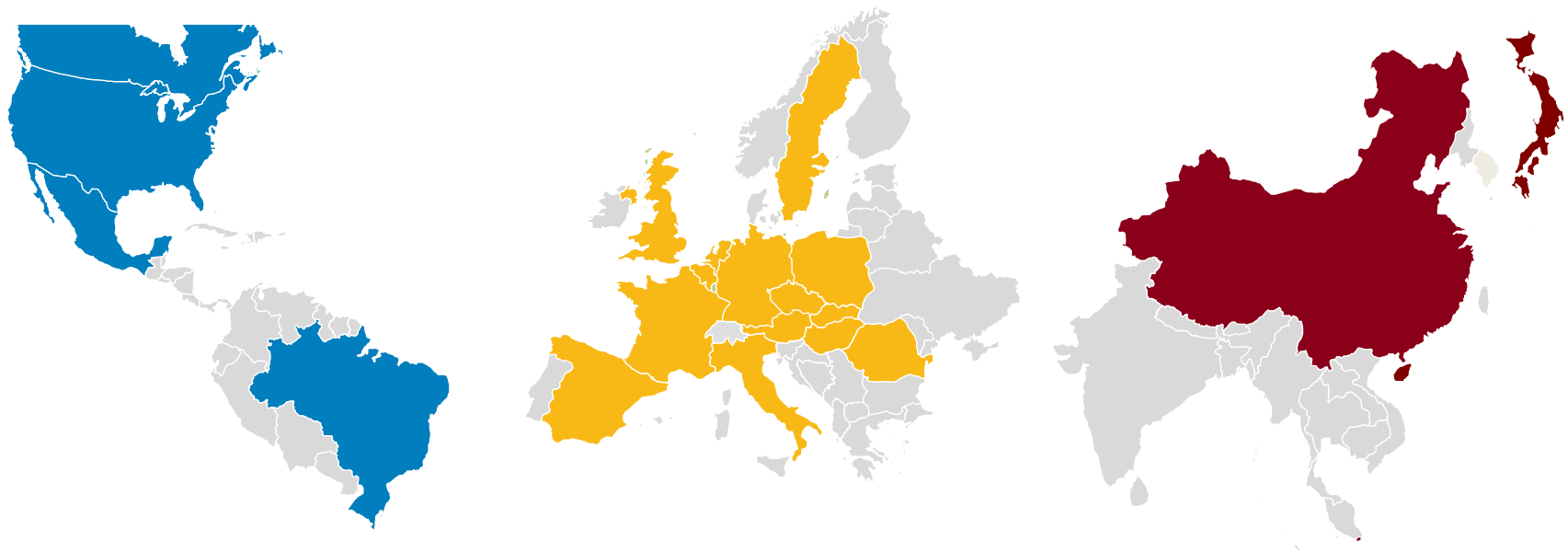
investment ventures and the availability of capital in existing or new co-investment ventures — are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations 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 (“REIT”) status and tax structuring, (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 and funds, 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 Prologis under the heading “Risk Factors.” Prologis undertakes no duty to update any forward-looking statements appearing in this document.

MEDIA CONTACTS

Tracy Ward, Tel: +1 415 733 9565, tward@prologis.com, San Francisco

Nina Beizai, Tel: +1 415 733 9493, nbeizai@prologis.com, San Francisco

Prologis, Inc., is the global leader in industrial real estate. As of June 30, 2015, Prologis owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 670 million square feet (62 million square meters) in 21 countries. The company leases modern distribution facilities to more than 5,200 customers, including third-party-logistics providers, transportation companies, retailers and manufacturers.



	AMERICAS (4 countries)	EUROPE (14 countries)	ASIA (3 countries)	TOTAL
Number of operating portfolio buildings	2,412	685	75	3,172
Operating portfolio (msf)	411	160	33	604
Development portfolio (msf)	24	7	17	48
Other (msf) (A)	10	7	1	18
Total (msf)	445	174	51	670
Development portfolio TEI (millions)	\$1,577	\$580	\$1,561	\$3,718
Land (acres)	7,189	2,638	199	10,026
Land book value (millions)	\$1,094	\$539	\$160	\$1,793

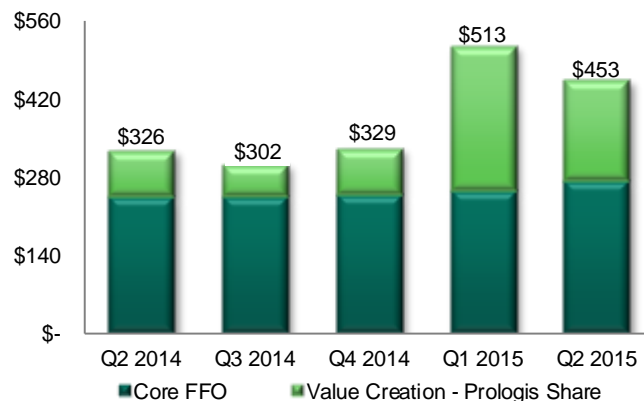
(A) Generally represents properties in which Prologis has an ownership interest but does not manage (6 msf) and other properties owned by Prologis (12 msf), which includes value added properties (8 msf) and assets held for sale (3 msf).

(dollars in thousands, except per share data)

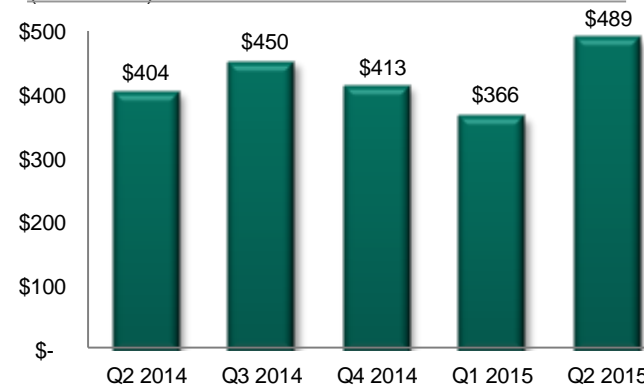
	Three Months ended June 30,		Six Months ended June 30,	
	2015	2014	2015	2014
Revenues	\$ 510,404	\$ 460,089	\$ 973,251	\$ 894,771
Net earnings attributable to common stockholders	140,240	72,715	485,446	77,381
Core FFO	273,885	244,275	528,264	461,830
AFFO	411,847	224,690	624,628	402,155
Adjusted EBITDA	489,035	403,507	855,031	764,699
Value creation from development stabilizations - Prologis share	179,098	82,218	301,384	132,725
Common stock dividends paid	188,926	166,639	377,841	333,328
Per common share - diluted:				
Net earnings attributable to common stockholders	\$ 0.27	\$ 0.13	\$ 0.92	\$ 0.15
Core FFO	0.52	0.48	1.01	0.91
Business line reporting:				
Real estate operations	0.48	0.41	0.93	0.81
Strategic capital	0.04	0.07	0.08	0.10
Core FFO	<u>0.52</u>	<u>0.48</u>	<u>1.01</u>	<u>0.91</u>
Development gains	0.14	0.05	0.15	0.06
Dividends per share	0.36	0.33	0.72	0.66

Core FFO and Value Creation (A)

(in millions)


Adjusted EBITDA

(in millions)



(A) Includes value creation from the stabilization of development buildings and the sale of value-added conversion properties. Value creation in the first quarter of 2015 and fourth quarter of 2014 includes \$137.0 million and \$36.8 million, respectively, related to the sale of value-added conversions.

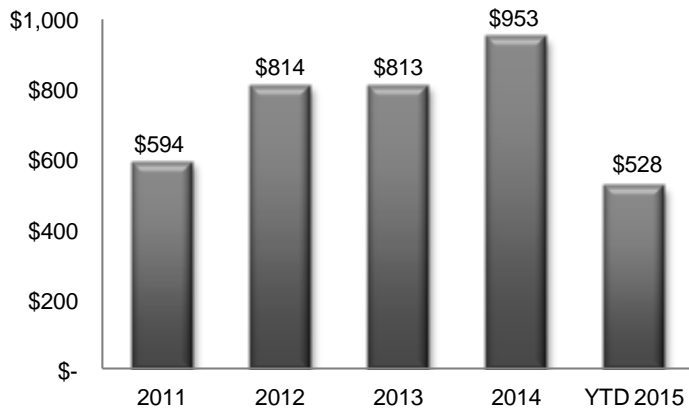
Highlights

Company Performance

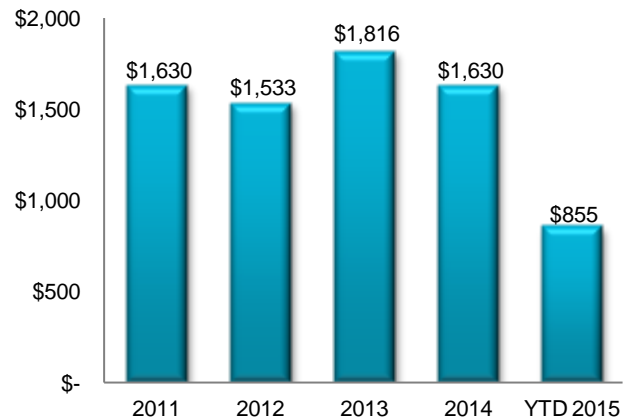
Supplemental 2Q 2015

(in millions)

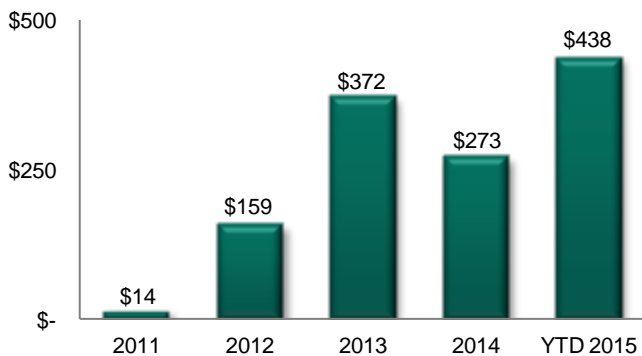
Core FFO



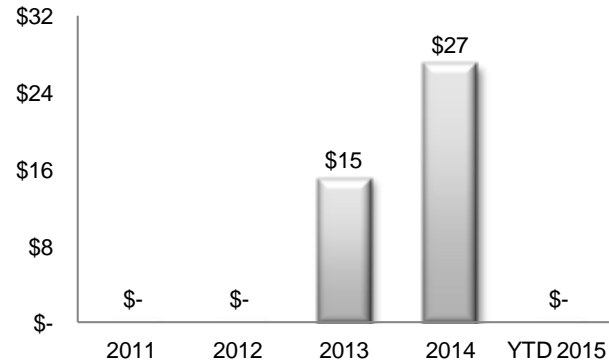
Adjusted EBITDA



Value Creation (A)



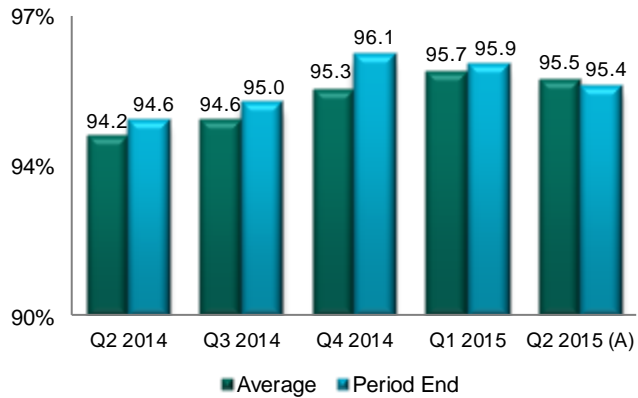
Net Promote (B)



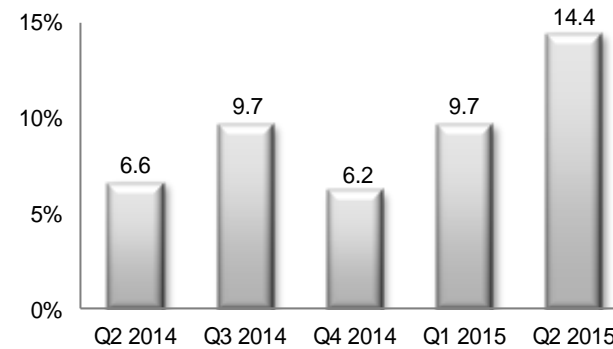
(A) Prologis share. Includes value creation from the stabilization of development buildings and the sale of value-added conversion properties. Value creation in 2012, 2014 and 2015 includes \$11.0 million, \$36.8 million and \$137.0 million, respectively, related to the sale of value-added conversions.

(B) Net promote includes actual promote earned from third party investors during the period, net of related cash expenses.

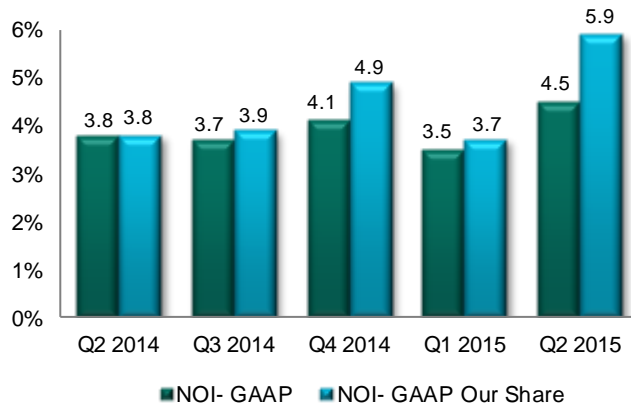
Occupancy - Owned and Managed



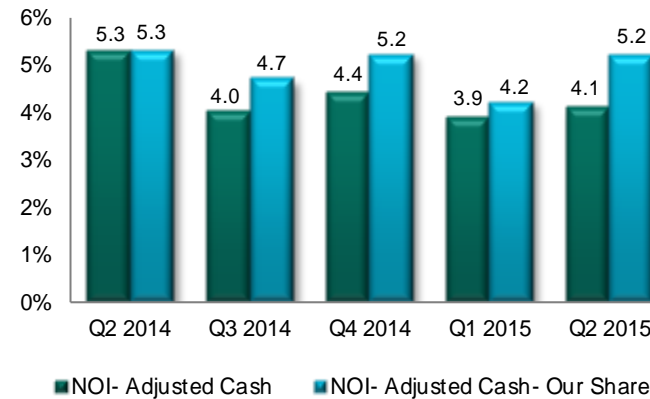
Net Effective Rent Change (GAAP) - Owned and Managed



Same Store NOI Change Over Prior Year- GAAP



Same Store NOI Change Over Prior Year- Adjusted Cash



(A) The period end owned and managed occupancy was 95.6% excluding the properties acquired from KTR.

(dollars in millions, except per share)

2015 Guidance

	Low	High
Net earnings (A)	\$1.12	\$1.16
Core FFO (A)	\$2.18	\$2.22
Operations		
Year-end occupancy	95.5%	96.5%
Same store NOI - GAAP increase - Prologis share	5.00%	5.50%
Same store NOI - GAAP increase	4.00%	4.50%
Capital Deployment		
Development stabilizations (95% Prologis share)	\$1,700	\$1,900
Development starts (80% Prologis share)	\$2,500	\$2,700
Building acquisitions (55% Prologis share)	\$7,000	\$7,500
Building and land dispositions (80% Prologis share)	\$2,600	\$2,900
Building contributions (65% Prologis share)	\$1,300	\$1,500
Strategic Capital		
Strategic capital income	\$200	\$210
Other Assumptions		
General & administrative expenses	\$235	\$245
Realized development gains	\$250	\$300
Annualized second quarter 2015 dividend		\$1.44
Annualized third quarter 2015 dividend		\$1.60

Exchange Rates

We have hedged the majority of our estimated 2015 Euro, Sterling and Yen Core FFO, effectively insulating 2015 results from any FX movements. For purposes of capital deployment and other metrics, we assumed effective rates for EUR, GBP and JPY of 1.05 (\$/€), 1.50 (£/\$) and 125 (¥/\$), respectively.

Impact of USD strengthening 10%

	2015 Core FFO
USD	-
Sterling	(0¢)
Euro	(0¢)
Yen	(0¢)
Other	(0¢)
Total	<(1¢)

(A) The difference between Core FFO and Net Earnings predominately relates to real estate depreciation, gains or losses on real estate transactions, acquisition expenses and early extinguishment of debt. See the Notes and Definitions for more information.

Financial Information

Consolidated Balance Sheets

(in thousands)

Supplemental 2Q 2015

	June 30, 2015 (A)	March 31, 2015	December 31, 2014
Assets:			
Investments in real estate properties:			
Operating properties	\$ 23,685,534	\$ 18,291,593	\$ 18,635,452
Development portfolio	1,547,395	1,452,266	1,473,980
Land	1,597,802	1,535,622	1,577,786
Other real estate investments	632,318	521,018	502,927
	<u>27,463,049</u>	<u>21,800,499</u>	<u>22,190,145</u>
Less accumulated depreciation	3,075,438	2,877,478	2,790,781
Net investments in real estate properties	24,387,611	18,923,021	19,399,364
Investments in and advances to unconsolidated entities	4,911,505	4,559,721	4,824,724
Assets held for sale	514,752	337,229	43,934
Note receivable backed by real estate	197,500	197,500	-
Net investments in real estate	<u>30,011,368</u>	<u>24,017,471</u>	<u>24,268,022</u>
Cash and cash equivalents	351,025	192,013	350,692
Other assets	1,240,004	1,251,337	1,199,509
Total assets	\$ 31,602,397	\$ 25,460,821	\$ 25,818,223
Liabilities and Equity:			
Liabilities:			
Debt	\$ 12,121,305	\$ 8,641,421	\$ 9,380,199
Accounts payable, accrued expenses, and other liabilities	1,127,068	1,026,593	1,254,425
Total liabilities	<u>13,248,373</u>	<u>9,668,014</u>	<u>10,634,624</u>
Equity:			
Stockholders' equity:			
Preferred stock	78,235	78,235	78,235
Common stock	5,241	5,240	5,095
Additional paid-in capital	19,129,348	19,052,562	18,467,009
Accumulated other comprehensive loss	(631,265)	(701,713)	(600,337)
Distributions in excess of net earnings	(3,870,808)	(3,819,351)	(3,974,493)
Total stockholders' equity	<u>14,711,751</u>	<u>14,614,973</u>	<u>13,975,509</u>
Noncontrolling interests	3,461,450	1,122,001	1,159,901
Noncontrolling interests - limited partnership unitholders	181,823	55,833	48,189
Total equity	<u>18,354,024</u>	<u>15,792,807</u>	<u>15,183,599</u>
Total liabilities and equity	\$ 31,602,397	\$ 25,460,821	\$ 25,818,223

(A) On May 29, 2015, we acquired the real estate assets and operating platform of KTR Capital Partners and its affiliates ("KTR"). We purchased operating properties, properties under development and land valued at \$5.9 billion. See the Notes and Definitions for more details about the transaction.

Financial Information

Pro-rata Balance Sheet Information

Supplemental 2Q 2015

(in thousands)

Pro-rata Balance Sheet Information as of June 30, 2015	Prologis Consolidated	Less Non Controlling Interests	Plus Prologis Share of Unconsolidated Co-Investment Ventures	Prologis Total Share	Investors' Share of		Total Owned and Managed
					Unconsolidated Ventures	Consolidated Ventures	
Assets:							
Investments in real estate properties:							
Operating properties	\$ 23,685,534	\$ (3,804,674)	\$ 7,188,873	\$ 27,069,733	\$ 15,178,078	\$ 3,804,674	\$ 46,052,485
Other real estate (A)	4,489,767	(195,387)	167,262	4,461,642	447,394	195,387	5,104,423
Accumulated depreciation	(3,075,438)	108,811	(556,982)	(3,523,609)	(1,199,937)	(108,811)	(4,832,357)
Net investments in real estate properties	25,099,863	(3,891,250)	6,799,153	28,007,766	14,425,535	3,891,250	46,324,551
Investments in unconsolidated co-investment ventures	4,726,624	(59,479)	(4,667,145)	-	-	59,479	59,479
Investments in other unconsolidated ventures	184,881	(8,759)	-	176,122	-	8,759	184,881
Other assets	1,591,029	(478,928)	29,145	1,141,246	739,067	478,928	2,359,241
Total assets	\$ 31,602,397	\$ (4,438,416)	\$ 2,161,153	\$ 29,325,134	\$ 15,164,602	\$ 4,438,416	\$ 48,928,152
Liabilities and Equity:							
Liabilities:							
Debt	\$ 12,121,305	\$ (716,285)	\$ 1,738,461	\$ 13,143,481	\$ 4,576,345	\$ 716,285	\$ 18,436,111
Other liabilities	1,127,068	(78,858)	422,692	1,470,902	863,614	78,858	2,413,374
Total liabilities	13,248,373	(795,143)	2,161,153	14,614,383	5,439,959	795,143	20,849,485
Equity:							
Stockholders' / partners' equity	14,710,751	-	-	14,710,751	9,724,643	3,643,273	28,078,667
Noncontrolling interests	3,643,273	(3,643,273)	-	-	-	-	-
Total equity	18,354,024	(3,643,273)	-	14,710,751	9,724,643	3,643,273	28,078,667
Total liabilities and equity	\$ 31,602,397	\$ (4,438,416)	\$ 2,161,153	\$ 29,325,134	\$ 15,164,602	\$ 4,438,416	\$ 48,928,152

(A) Other real estate includes the development portfolio, land, other real estate investments, assets held for sale and note receivable backed by real estate. See the Notes and Definitions for more details about the transaction.

Financial Information

Consolidated Statements of Operations

Supplemental 2Q 2015

(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015 (A)	2014	2015	2014
Revenues:				
Rental income	\$ 461,444	\$ 381,273	\$ 880,246	\$ 769,513
Strategic capital income	47,046	76,334	89,071	121,644
Development management and other income	1,914	2,482	3,934	3,614
Total revenues	510,404	460,089	973,251	894,771
Expenses:				
Rental expenses	125,599	109,576	252,533	220,093
Strategic capital expenses	20,115	27,837	40,476	52,000
General and administrative expenses	57,027	60,375	113,315	123,578
Depreciation and amortization	190,188	161,577	359,996	321,857
Other expenses	30,127	5,450	35,702	10,503
Total expenses	423,056	364,815	802,022	728,031
Operating income	87,348	95,274	171,229	166,740
Other income (expense):				
Earnings from unconsolidated entities, net	41,784	21,151	72,826	50,897
Interest expense	(68,902)	(80,184)	(137,663)	(165,707)
Gains on dispositions of development properties and land, net	74,236	29,541	75,067	37,051
Gains on dispositions of other investments in real estate properties, net	34,546	140,042	311,430	149,587
Foreign currency and derivative gains (losses), related amortization and interest and other income (expense), net	(23,665)	15,246	21,950	1,112
Losses on early extinguishment of debt, net	(236)	(77,558)	(16,525)	(77,285)
Total other income (expense)	57,763	48,238	327,085	(4,345)
Earnings before income taxes	145,111	143,512	498,314	162,395
Income tax expense (benefit) - current and deferred	4,851	(8,918)	6,742	(2,038)
Consolidated net earnings	140,260	152,430	491,572	164,433
Net loss (earnings) loss attributable to noncontrolling interests	1,658	(71,250)	(2,778)	(76,452)
Net earnings attributable to controlling interests	141,918	81,180	488,794	87,981
Preferred stock dividends	(1,678)	(1,948)	(3,348)	(4,083)
Loss on preferred stock repurchase	-	(6,517)	-	(6,517)
Net earnings attributable to common stockholders	\$ 140,240	\$ 72,715	\$ 485,446	\$ 77,381
Weighted average common shares outstanding - Diluted	530,640	516,619	529,827	504,560
Net earnings per share attributable to common stockholders - Diluted	\$ 0.27	\$ 0.13	\$ 0.92	\$ 0.15

(A) During the second quarter of 2015, we acquired the real estate assets and operating platform of KTR. In connection with this acquisition, we incurred \$21.9 million of acquisition expenses.

Financial Information

Reconciliations of Net Earnings to FFO

(in thousands)

Supplemental 2Q 2015

	Three Months Ended June 30.		Six Months Ended June 30.	
	2015	2014	2015	2014
Reconciliation of net earnings to FFO				
Net earnings attributable to common stockholders	\$ 140,240	\$ 72,715	\$ 485,446	\$ 77,381
Add (deduct) NAREIT defined adjustments:				
Real estate related depreciation and amortization	183,237	155,842	347,488	310,337
Gains on dispositions of other investments in real estate properties, net	(34,546)	(140,042)	(311,430)	(149,587)
Reconciling items related to noncontrolling interests	(20,781)	59,945	(32,293)	53,744
Our share of reconciling items included in earnings from unconsolidated co-investment ventures	47,578	49,737	94,950	91,453
Our share of reconciling items included in earnings from other unconsolidated ventures	1,577	1,734	3,298	3,084
Subtotal-NAREIT defined FFO	317,305	199,931	587,459	386,412
Add (deduct) our defined adjustments:				
Unrealized foreign currency and derivative losses (gains) and related amortization, net	29,354	(10,035)	(3,506)	18,075
Deferred income tax expense (benefit)	145	(21,446)	1,197	(20,415)
Reconciling items related to noncontrolling interests	776	-	(792)	-
Our share of reconciling items included in earnings from unconsolidated co-investment ventures	(15,836)	(4,089)	(13,887)	(3,860)
FFO, as defined by Prologis	331,744	164,361	570,471	380,212
Adjustments to arrive at Core FFO:				
Gains on dispositions of development properties and land, net of taxes	(76,306)	(24,948)	(79,540)	(31,106)
Acquisition expenses	26,130	1,703	27,434	2,203
Losses on early extinguishment of debt and repurchase of preferred stock, net	236	84,075	16,525	83,802
Reconciling items related to noncontrolling interests	(10,198)	-	(12,227)	-
Our share of reconciling related to unconsolidated co-investment ventures	2,279	19,084	5,601	26,719
Core FFO	\$ 273,885	\$ 244,275	\$ 528,264	\$ 461,830
Adjustments to arrive at Adjusted FFO ("AFFO"), including our share of unconsolidated ventures less third party share of consolidated entities:				
Gains on dispositions of development properties and land, net of taxes	76,358	25,028	80,607	31,140
Straight-lined rents and amortization of lease intangibles	(12,568)	(6,483)	(20,453)	(15,059)
Property improvements	(18,409)	(15,899)	(33,339)	(27,041)
Tenant improvements	(20,419)	(20,707)	(40,812)	(40,779)
Leasing commissions	(17,398)	(12,376)	(31,733)	(27,936)
Amortization of management contracts	1,351	1,092	2,295	2,397
Amortization of debt premiums and financing costs, net	(4,504)	(1,259)	(8,443)	(3,528)
Cash received (paid) on net investment hedges	120,067	(2,729)	121,524	(7,855)
Stock compensation expense	13,484	13,748	26,718	28,986
AFFO	\$ 411,847	\$ 224,690	\$ 624,628	\$ 402,155
Common stock dividends	\$ 188,926	\$ 166,639	\$ 377,841	\$ 333,328

Financial Information

Pro-rata Operating Information and Reconciliation to FFO

Supplemental 2Q 2015

(in thousands)

Pro-rata Operating Information for Three Months Ended June 30, 2015	Prologis Consolidated	Less Non Controlling Interests	Plus Prologis Share of Unconsolidated Co-Investment Ventures	Prologis Total Share	Investors' Share of		Total Owned and Managed
					Unconsolidated Ventures	Consolidated Ventures	
Revenues:							
Rental income	\$ 461,444	\$ (48,524)	\$ 146,677	\$ 559,597	\$ 306,566	\$ 48,524	\$ 914,687
Strategic capital income	47,046	-	581	47,627	583	-	48,210
Development management and other income	1,914	(781)	1,299	2,432	1,905	781	5,118
Total revenues	510,404	(49,305)	148,557	609,656	309,054	49,305	968,015
Expenses:							
Rental expenses	125,599	(12,297)	31,678	144,980	70,337	12,297	227,614
Strategic capital expenses	20,115	-	-	20,115	-	-	20,115
General and administrative expenses	57,027	(6,220)	10,667	61,474	20,522	6,220	88,216
Depreciation and amortization	190,188	(20,693)	47,016	216,511	100,367	20,693	337,571
Other expenses	30,127	(10,109)	4,474	24,492	2,757	10,109	37,358
Total expenses	423,056	(49,319)	93,835	467,572	193,983	49,319	710,874
Operating income	87,348	14	54,722	142,084	115,071	(14)	257,141
Earnings from unconsolidated co-investment ventures, net	40,851	(1,074)	(39,777)	-	-	1,074	1,074
Earnings from other unconsolidated joint ventures, net	933	-	-	933	-	-	933
Interest expense	(68,902)	3,274	(14,144)	(79,772)	(35,774)	(3,274)	(118,820)
Gains on dispositions of development properties and land, net	74,236	-	52	74,288	175	-	74,463
Gains on dispositions of other investments in real estate, net	34,546	90	(562)	34,074	(1,266)	(90)	32,718
Foreign currency and derivative gains (losses), related amortization and other income (expense), net	(23,665)	(849)	(166)	(24,680)	(314)	849	(24,145)
Losses on early extinguishment of debt, net	(236)	-	(711)	(947)	(883)	-	(1,830)
Income tax benefit (expense)	(4,851)	203	586	(4,062)	1,073	(203)	(3,192)
Consolidated net earnings	140,260	1,658	-	141,918	78,082	(1,658)	218,342
Net loss (earnings) attributable to noncontrolling interests	1,658	(1,658)	-	-	-	-	-
Preferred stock dividends	(1,678)	-	-	(1,678)	-	-	(1,678)
Net earnings attributable to common stockholders	140,240	-	-	140,240	78,082	(1,658)	216,664
Add (deduct) adjustments to arrive at FFO, as defined by Prologis:							
Real estate related depreciation and amortization	183,237	(20,693)	47,016	209,560	100,367	20,693	330,620
Gains on dispositions of other investments in real estate, net	(34,546)	(88)	562	(34,072)	1,266	88	(32,718)
Unrealized foreign currency and derivative losses (gains) and related amortization, net	29,354	806	(10,602)	19,558	(12,234)	(806)	6,518
Deferred income tax expense (benefit)	145	(30)	(5,234)	(5,119)	(7,421)	30	(12,510)
Reconciling items related to noncontrolling interests	(20,005)	20,005	-	-	-	-	-
Our share of reconciling items included in earnings from unconsolidated co-investment ventures	31,742	-	(31,742)	-	-	-	-
Our share of reconciling items included in earnings from other unconsolidated ventures	1,577	-	-	1,577	-	-	1,577
FFO, as defined by Prologis	331,744	-	-	331,744	160,060	18,347	510,151
Adjustments to arrive at Core FFO:							
Gains on dispositions of development properties and land, net of taxes	(76,306)	-	(52)	(76,358)	(175)	-	(76,533)
Acquisition expenses	26,130	(10,198)	1,620	17,552	2,440	10,198	30,190
Losses on early extinguishment of debt and repurchase of preferred stock, net	236	-	711	947	883	-	1,830
Reconciling items related to noncontrolling interests	(10,198)	10,198	-	-	-	-	-
Our share of reconciling related to unconsolidated co-investment ventures	2,279	-	(2,279)	-	-	-	-
Core FFO	\$ 273,885	\$ -	\$ -	\$ 273,885	\$ 163,208	\$ 28,545	\$ 465,638

Financial Information

EBITDA Reconciliation

Supplemental 2Q 2015

(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Reconciliation of net earnings to Adjusted EBITDA				
Net earnings attributable to common stockholders	\$ 140,240	\$ 72,715	\$ 485,446	\$ 77,381
Gains on dispositions of other investments in real estate properties, net	(34,546)	(140,042)	(311,430)	(149,587)
Depreciation and amortization	190,188	161,577	359,996	321,857
Interest expense	68,902	80,184	137,663	165,707
Losses on early extinguishment of debt, net	236	77,558	16,525	77,285
Current and deferred income tax expense (benefit), net	4,851	(8,918)	6,742	(2,038)
Pro forma adjustments (A)	28,675	(4,467)	29,415	(3,975)
Preferred stock dividends and loss on preferred stock repurchase	1,678	8,465	3,348	10,600
Unrealized foreign currency and derivative losses (gains) and related amortization, net	29,354	(10,035)	(3,506)	18,075
Stock compensation expense	13,484	13,748	26,718	28,986
Acquisition expenses	26,130	1,703	27,434	2,203
Adjusted EBITDA, consolidated	469,192	252,488	778,351	546,494
Our share of reconciling items from unconsolidated entities less third party share of consolidated entities:				
Losses on dispositions of other investments in real estate properties, net	472	50,839	477	41,622
Depreciation and amortization	26,953	48,193	65,134	93,778
Interest expense	10,870	20,940	24,643	38,491
Losses on early extinguishment of debt, net	711	861	1,053	221
Current income tax expense	4,475	4,447	6,664	9,895
Unrealized foreign currency and derivative losses (gains) and deferred income tax expense, net	(15,060)	7,444	(14,679)	7,673
Acquisition expenses	(8,578)	18,295	(6,612)	26,525
Adjusted EBITDA	\$ 489,035	\$ 403,507	\$ 855,031	\$ 764,699

(A) Includes an adjustment for our share of KTR as if it was owned for the entire quarter.

Co-Investment Ventures (A)	Type	Established	Accounting Method	Region	Ownership	Structure	Next Promote Opportunity
Americas:							
Prologis U.S. Logistics Venture	Core	2014	Consolidated	US	55.0%	Open end	Q4 2016 (C)
Prologis North American Industrial Fund	Core	2006	Consolidated	US	66.1%	Open end	Q1 2018 (C)
Prologis Targeted U.S. Logistics Fund	Core	2004	Unconsolidated	US	23.1%	Open end	Q2 2017 (C)
FIBRA Prologis	Core	2014	Unconsolidated	Mexico	45.9%	Public, Mexican Exchange	Q2 2016 (D)
Brazil Fund and joint ventures (B)	Development	2010	Unconsolidated	Brazil	various	Closed end	Q4 2017 (E)
Europe:							
Prologis Targeted Europe Logistics Fund	Core	2007	Unconsolidated	Europe	43.7%	Open end	Q3 2016 (C)
Prologis European Properties Fund II	Core	2007	Unconsolidated	Europe	31.5%	Open end	Q3 2016 (C)
Europe Logistics Venture 1	Core	2011	Unconsolidated	Europe	15.0%	Open end	Q4 2015 (C)
Prologis European Logistics Partners	Core	2013	Unconsolidated	Europe	50.0%	Open end	Q4 2015 (C)
Asia:							
Nippon Prologis REIT	Core	2013	Unconsolidated	Japan	15.1%	Public, Tokyo Exchange	n/a
Prologis China Logistics Venture	Core/Development	2011	Unconsolidated	China	15.0%	Closed end	Q1 2018

Unconsolidated Co-Investment Ventures (F): <i>(in thousands)</i>	Square Feet	GBV of Operating Bldgs	Debt	Prologis Share		Prologis Investment
				Debt	Net Tangible Other Assets	
Prologis Targeted U.S. Logistics Fund	51,352	4,707,302	\$ 1,509,216	\$ 348,327	\$ 21,484	\$ 697,349
FIBRA Prologis (G)	31,438	1,771,923	571,519	262,156	24,801	597,781
Brazil Fund and joint ventures	6,219	422,855	-	-	19,024	228,320
Americas	89,009	6,902,080	2,080,735	610,483	65,309	1,523,450
Prologis Targeted Europe Logistics Fund	17,503	1,832,701	438,438	191,641	35,282	483,090
Prologis European Properties Fund II	71,300	5,365,795	1,989,209	627,198	55,715	457,894
Europe Logistics Venture I	5,255	374,622	-	-	1,476	51,592
Prologis European Logistics Partners	60,719	4,230,316	105,288	52,644	34,513	1,851,604
Europe	154,777	11,803,434	2,532,935	871,483	126,986	2,844,180
Nippon Prologis REIT (G)	20,913	3,311,798	1,324,615	200,017	24,870	295,505
Prologis China Logistics Venture	6,176	349,639	376,521	56,478	12,258	63,489
Asia	27,089	3,661,437	1,701,136	256,495	37,128	358,994
Total	270,875	22,366,951	\$ 6,314,806	\$ 1,738,461	\$ 229,423	\$ 4,726,624

(A) The information presented excludes the co-investment venture Prologis DFS Fund I due to the investment size of the venture.

(B) We have a 50% ownership interest in Prologis Brazil Logistics Partners Fund I ("Brazil Fund"), a consolidated co-investment venture. The Brazil Fund in turn has an ownership interest in various joint ventures that are accounted for on the equity method. We also have other Brazil joint ventures that we account for using the equity method. Prologis' share in these Brazil entities is reflected at our effective economic ownership.

(C) Promote opportunity is every three years.

(D) Promote opportunity is every year.

(E) We have an opportunity to earn a promote, at the end of the term of the fund, based on the performance of the Brazil Fund only. We do not have a promote opportunity in any of the other Brazil joint ventures.

(F) Values represent Prologis' adjusted basis and may not be comparable to values reflected in the ventures' stand alone financial statements calculated on a different basis.

(G) Throughout this document, we use the most recent public information for these co-investment ventures.

Strategic Capital

Operating and Balance Sheet Information

(dollars in thousands)

Supplemental 2Q 2015

	Americas	Europe	Asia	Total
FFO and Net Earnings of the Unconsolidated Co-Investment Ventures, Aggregated (A)(B)				
For the Three Months Ended June 30, 2015				
Rental income	\$ 154,838	\$ 230,145	\$ 68,260	\$ 453,243
Rental expenses	(37,451)	(49,051)	(15,513)	(102,015)
Net operating income from properties	117,387	181,094	52,747	351,228
Other income (expense), net	(18,771)	(3,914)	566	(22,119)
General and administrative expenses	(11,852)	(12,979)	(6,358)	(31,189)
Interest expense	(23,065)	(19,526)	(7,327)	(49,918)
Current income tax expense	(2,266)	(7,946)	(784)	(10,996)
Core FFO	61,433	136,729	38,844	237,006
Acquisition expenses, gains on dispositions of development properties and land and early extinguishment of debt, net	(2,081)	(3,311)	(35)	(5,427)
FFO, as defined by Prologis	59,352	133,418	38,809	231,579
Real estate related depreciation and amortization	(53,255)	(77,842)	(16,286)	(147,383)
Losses on dispositions of other investments in real estate, net	(1,006)	(822)	-	(1,828)
Unrealized foreign currency and derivative gains (losses), net	23,054	75	(293)	22,836
Deferred tax benefit, net	-	12,655	-	12,655
Net earnings	\$ 28,145	\$ 67,484	\$ 22,230	\$ 117,859

	Americas	Europe	Asia	Total
Prologis' Share of Core FFO and Net Earnings of the Unconsolidated Co-Investment Ventures (A)				
For the Three Months Ended June 30, 2015				
Core FFO from unconsolidated co-investment ventures, net	\$ 15,546	\$ 53,585	\$ 5,741	\$ 74,872
Fees earned by Prologis	16,614	21,001	8,856	46,471
Total Core FFO recognized by Prologis, net	\$ 32,160	\$ 74,586	\$ 14,597	\$ 121,343
Prologis' share of the unconsolidated co-investment ventures' net earnings	\$ 9,760	\$ 27,306	\$ 3,785	\$ 40,851
Fees earned by Prologis	16,614	21,001	8,856	46,471
Total earnings recognized by Prologis, net	\$ 26,374	\$ 48,307	\$ 12,641	\$ 87,322

	Americas	Europe	Asia	Total
Condensed Balance Sheet of the Unconsolidated Co-Investment Ventures, Aggregated (A)(B)				
As of June 30, 2015				
Operating industrial properties, before depreciation	\$ 6,902,080	\$ 11,803,434	\$ 3,661,437	\$ 22,366,951
Accumulated depreciation	(551,401)	(1,073,336)	(132,182)	(1,756,919)
Properties under development and land	194,175	58,080	362,401	614,656
Other assets	374,236	661,774	324,979	1,360,989
Total assets	\$ 6,919,090	\$ 11,449,952	\$ 4,216,635	\$ 22,585,677
Third party debt	\$ 2,080,735	\$ 2,532,935	\$ 1,701,136	\$ 6,314,806
Other liabilities	126,828	928,295	231,183	1,286,306
Total liabilities	\$ 2,207,563	\$ 3,461,230	\$ 1,932,319	\$ 7,601,112
Weighted average ownership	30.0%	39.4%	15.0%	32.0%

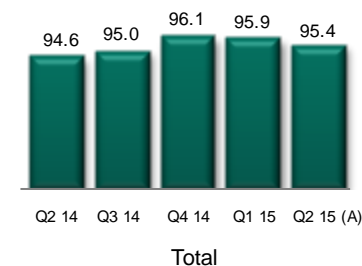
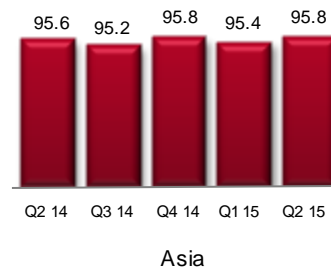
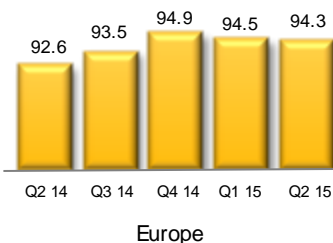
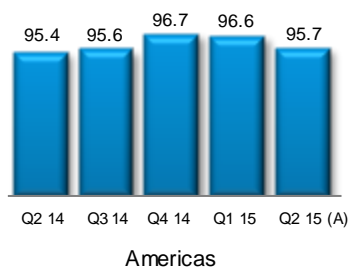
(A) Includes the unconsolidated co-investment ventures listed on the previous page.
 (B) Represents the entire entity, not our proportionate share.

Operations Overview

Operating Metrics – Owned and Managed

Supplemental 2Q 2015

Period Ending Occupancy by Division (%)



Leasing Activity

(square feet in thousands)

	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Square feet of leases signed:					
Operating portfolio:					
Renew als	20,108	24,596	21,075	26,893	24,581
New leases	8,908	12,254	11,794	8,468	11,872
Total operating portfolio	29,016	36,850	32,869	35,361	36,453
Properties under development	2,352	3,938	8,878	3,870	8,156
Total square feet of leases signed	31,368	40,788	41,747	39,231	44,609
Average term of leases signed (months)	45	45	60	42	56
Operating Portfolio:					
Trailing four quarters - leases signed	130,426	136,438	130,334	134,096	141,533
Trailing four quarters - % of average portfolio	24.6%	25.7%	24.4%	25.0%	26.1%
Net effective rent change (GAAP)	6.6%	9.7%	6.2%	9.7%	14.4%
Net effective rent change (GAAP) - Prologis share	9.3%	11.9%	8.4%	11.5%	16.6%
Weighted Average Customer Retention	84.8%	83.9%	85.5%	86.3%	79.0%

(A) The period end occupancy was 96.3% and 95.6% for the Americas and in total, respectively, excluding the properties acquired from KTR.

Operations Overview

Operating Metrics – Owned and Managed

(in thousands, except for percentages and per square foot)

Supplemental 2Q 2015

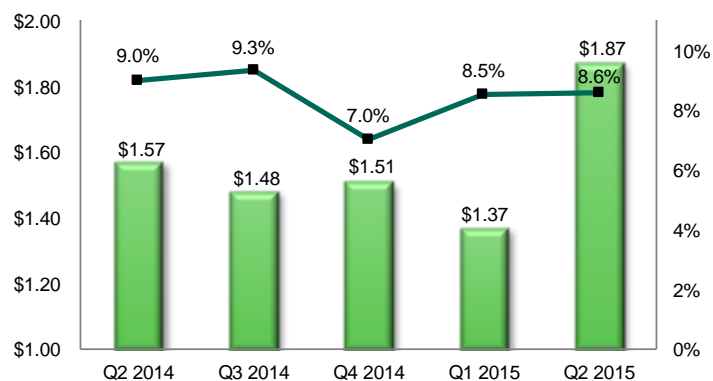
Capital Expenditures Incurred

	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Property improvements	\$ 25,690	\$ 45,615	\$ 49,516	\$ 23,713	\$ 30,064
Tenant improvements	28,570	30,589	30,591	28,932	28,848
Leasing commissions	19,143	22,162	27,483	21,385	25,790
Total turnover costs	47,713	52,751	58,074	50,317	54,638
Total capital expenditures	\$ 73,403	\$ 98,366	\$ 107,590	\$ 74,030	\$ 84,702
Trailing four quarters - % of gross NOI	13.5%	13.7%	13.6%	14.0%	14.3%
Weighted average ownership percent	66.7%	73.7%	71.4%	67.1%	66.4%
Prologis share	\$ 48,982	\$ 72,465	\$ 76,862	\$ 49,658	\$ 56,226

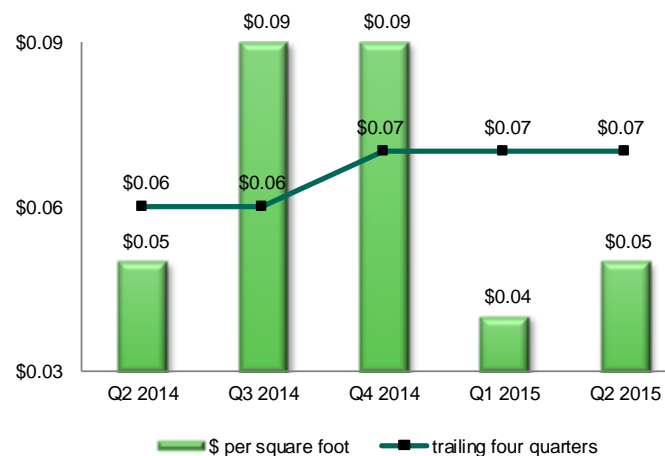
Same Store Information

	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Square feet of population	496,858	490,614	487,240	511,717	508,195
Average occupancy	94.2%	94.7%	95.4%	95.7%	95.8%
Percentage change:					
Rental income	3.1%	2.9%	4.7%	4.5%	4.2%
Rental expenses	1.3%	0.9%	6.2%	7.0%	3.4%
NOI - GAAP	3.8%	3.7%	4.1%	3.5%	4.5%
NOI - GAAP - our share	3.8%	3.9%	4.9%	3.7%	5.9%
NOI - Adjusted Cash	5.3%	4.0%	4.4%	3.9%	4.1%
NOI - Adjusted Cash - our share	5.3%	4.7%	5.2%	4.2%	5.2%
Average occupancy	1.1%	1.2%	1.2%	2.0%	1.7%

Turnover Costs: per Square Foot (\$) and per Value of Lease (%)



Property Improvements per Square Foot



Operations Overview

Operating Portfolio – Square Feet, Occupied and Leased

Supplemental 2Q 2015

(square feet in thousands)

	# of Buildings		Square Feet			Occupied %		Leased %	
	Owned and Managed	Owned and Managed	Prologis Share Sq Ft	% of Total	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Global Markets									
U.S.									
Atlanta	127	19,279	14,640	75.9	3.8	95.6	95.6	95.9	96.1
Baltimore/Washington	66	8,073	5,889	72.9	1.5	94.1	94.2	94.1	94.2
Central Valley	26	10,640	9,409	88.4	2.5	100.0	100.0	100.0	100.0
Central & Eastern PA	32	16,698	12,228	73.2	3.2	96.3	95.4	96.3	95.4
Chicago	269	46,265	34,689	75.0	9.1	95.1	96.4	95.4	96.6
Dallas/Ft. Worth	168	28,269	22,782	80.6	6.0	96.0	96.1	96.2	96.3
Houston	100	12,732	8,900	69.9	2.3	97.7	98.0	97.9	98.2
New Jersey/New York City	155	29,977	21,421	71.5	5.6	90.6	90.6	94.2	93.3
San Francisco Bay Area	222	19,173	15,399	80.3	4.0	95.4	95.7	95.7	96.1
Seattle	102	14,121	7,020	49.7	1.8	94.3	95.9	95.1	96.7
South Florida	151	14,838	9,907	66.8	2.6	97.2	97.2	97.6	97.5
Southern California	352	69,485	54,665	78.7	14.3	96.7	96.1	97.4	97.0
Canada	21	7,065	6,492	91.9	1.7	98.6	98.4	99.2	99.1
Mexico									
Guadalajara	27	6,180	2,992	48.4	0.8	94.4	90.5	96.3	94.4
Mexico City	48	11,168	5,553	49.7	1.5	95.6	95.9	95.6	95.9
Monterrey	24	3,413	1,566	45.9	0.4	97.8	97.8	97.8	97.8
Brazil	16	6,219	1,101	17.7	0.3	99.2	98.8	99.2	98.8
Americas total	1,906	323,595	234,653	72.5	61.4	95.7	95.8	96.4	96.5
Belgium	12	2,497	1,257	50.3	0.3	77.3	74.0	77.3	74.0
Czech Republic	43	8,546	3,795	44.4	1.0	96.0	94.2	96.6	94.9
France	132	32,613	14,402	44.2	3.8	93.1	93.2	94.0	94.1
Germany	98	21,187	8,123	38.3	2.1	97.6	97.8	97.6	97.8
Italy	32	9,455	4,971	52.6	1.3	87.5	78.1	87.5	78.1
Netherlands	69	15,531	6,130	39.5	1.6	90.7	90.1	91.6	90.5
Poland	105	23,555	9,933	42.2	2.6	93.1	93.2	93.5	93.6
Spain	32	8,331	4,029	48.4	1.1	90.0	91.3	90.0	91.3
United Kingdom	94	23,006	10,125	44.0	2.6	99.0	99.3	99.0	99.3
Europe total	617	144,721	62,765	43.4	16.4	93.8	92.8	94.2	93.2
China	37	8,501	3,251	38.2	0.9	92.3	89.8	93.2	92.1
Japan	33	23,275	5,520	23.7	1.4	96.9	93.3	98.2	95.8
Singapore	5	959	959	100.0	0.2	100.0	100.0	100.0	100.0
Asia total	75	32,735	9,730	29.7	2.5	95.8	92.8	96.9	95.0
Total global markets	2,598	501,051	307,148	61.3	80.3	95.2	95.1	95.8	95.7
Regional markets (A)									
Columbus	29	9,182	7,852	85.5	2.1	96.6	96.1	96.8	96.3
Las Vegas	46	5,934	4,138	69.7	1.1	97.4	97.7	98.2	98.4
Denver	28	4,894	4,584	93.7	1.2	100.0	100.0	100.0	100.0
Louisville	12	6,020	4,858	80.7	1.3	97.9	97.4	97.9	97.4
Orlando	35	4,176	3,462	82.9	0.9	94.7	94.9	94.9	95.2
Remaining other regional (16 markets)	402	68,000	47,111	69.3	12.3	96.1	96.0	96.2	96.1
Regional markets total	552	98,206	72,005	73.3	18.9	96.4	96.4	96.6	96.5
Other markets (8 markets)	22	4,709	3,120	66.3	0.8	93.1	95.3	95.7	96.2
Total operating portfolio - owned and managed	3,172	603,966	382,273	63.3	100.0	95.4	95.3	95.9	95.9

(A) Selected and ordered by Prologis share of Gross Book Value (\$).

Operations Overview

Operating Portfolio – NOI and Gross Book Value

Supplemental 2Q 2015

(dollars in thousands)

	Second Quarter NOI				Gross Book Value			
	Owned and Managed	Prologis Share (A)		% of Total	Owned and Managed	Prologis Share		% of Total
		(\$)	(%)			(\$)	(%)	
Global Markets								
U.S.								
Atlanta	\$ 12,072	\$ 9,264	76.7	2.4	\$ 901,935	\$ 656,473	72.8	2.4
Baltimore/Washington	12,135	9,223	76.0	2.4	708,319	512,335	72.3	1.9
Central Valley	10,746	9,647	89.8	2.5	584,751	520,457	89.0	1.9
Central & Eastern PA	15,749	11,377	72.2	2.9	1,051,253	750,683	71.4	2.8
Chicago	33,132	25,086	75.7	6.4	2,869,956	2,066,360	72.0	7.6
Dallas/Ft. Worth	21,248	16,989	80.0	4.3	1,508,942	1,135,140	75.2	4.2
Houston	13,457	9,170	68.1	2.3	824,038	518,690	62.9	1.9
New Jersey/New York City	33,284	23,200	69.7	5.9	2,970,582	1,934,379	65.1	7.1
San Francisco Bay Area	27,056	21,825	80.7	5.6	1,876,348	1,482,180	79.0	5.4
Seattle	16,119	7,704	47.8	2.0	1,357,198	671,509	49.5	2.5
South Florida	18,723	12,944	69.1	3.3	1,543,155	1,058,553	68.6	3.9
Southern California	77,091	60,377	78.3	15.4	6,611,190	5,030,370	76.1	18.5
Canada	8,032	7,313	91.0	1.9	604,582	548,195	90.7	2.0
Mexico								
Guadalajara	6,858	3,163	46.1	0.8	332,270	160,851	48.4	0.6
Mexico City	12,929	6,348	49.1	1.6	751,571	370,889	49.3	1.4
Monterrey	4,309	1,976	45.9	0.5	199,581	91,548	45.9	0.3
Brazil	15,371	2,512	16.3	0.6	422,855	72,859	17.2	0.3
Americas total	338,311	238,118	70.4	60.8	25,118,526	17,581,471	70.0	64.7
Belgium	2,311	1,138	49.2	0.3	165,293	83,507	50.5	0.3
Czech Republic	8,782	3,651	41.6	0.9	516,022	220,218	42.7	0.8
France	33,576	14,499	43.2	3.7	2,199,319	940,450	42.8	3.5
Germany	26,844	10,015	37.3	2.6	1,586,106	595,718	37.6	2.2
Italy	6,968	3,128	44.9	0.8	495,463	259,341	52.3	0.9
Netherlands	17,928	7,025	39.2	1.8	1,166,533	465,036	39.9	1.7
Poland	19,263	8,420	43.7	2.2	1,338,932	533,546	39.8	2.0
Spain	8,220	4,129	50.2	1.0	539,561	268,736	49.8	1.0
United Kingdom	48,597	21,994	45.3	5.6	3,194,415	1,403,648	43.9	5.1
Europe total	172,489	73,999	42.9	18.9	11,201,644	4,770,200	42.6	17.5
China	7,322	1,899	25.9	0.5	429,114	131,922	30.7	0.5
Japan	49,617	10,195	20.5	2.6	3,599,665	787,948	21.9	2.9
Singapore	2,359	2,359	100.0	0.6	137,797	137,797	100.0	0.5
Asia total	59,298	14,453	24.4	3.7	4,166,576	1,057,667	25.4	3.9
Total global markets	570,098	326,570	57.3	83.4	40,486,746	23,409,338	57.8	86.1
Regional markets (B)								
Columbus	5,720	4,910	85.8	1.2	336,861	289,951	86.1	1.1
Las Vegas	5,345	3,824	71.5	1.0	422,834	284,004	67.2	1.0
Denver	5,275	4,957	94.0	1.3	293,367	275,387	93.9	1.0
Louisville	3,970	3,493	88.0	0.9	319,869	240,313	75.1	0.9
Orlando	3,956	3,265	82.5	0.8	283,531	235,538	83.1	0.9
Remaining other regional (16 markets)	61,893	41,480	67.0	10.6	3,431,279	2,255,164	65.7	8.3
Regional markets total	86,159	61,929	71.9	15.8	5,087,741	3,580,357	70.4	13.2
Other markets (8 markets)	4,686	3,052	65.1	0.8	329,056	198,617	60.4	0.7
Total operating portfolio - owned and managed	\$ 660,943	\$ 391,551	59.2	100.0	\$ 45,903,543	\$ 27,188,312	59.2	100.0

(A) Includes NOI for KTR from the acquisition date and Prologis share of NOI for the properties contributed to or acquired from co-investment ventures at our actual share prior to and subsequent to change in ownership.

(B) Selected and ordered by Prologis share of Gross Book Value (\$).

Copyright © 2015 Prologis

Operations Overview

Operating Portfolio – Summary by Division

Supplemental 2Q 2015

(square feet and dollars in thousands)

	# of Buildings		Square Feet		% of Total	Occupied %		Leased %	
	Owned and Managed	Owned and Managed	Prologis Share Sq Ft	%		Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Consolidated									
Americas	1,819	322,914	276,255	85.6	72.3	95.6	95.8	96.4	96.5
Europe	41	9,497	9,497	100.0	2.5	85.5	85.5	86.5	86.5
Asia	19	5,646	5,646	100.0	1.4	89.7	89.7	92.9	92.9
Total operating portfolio - consolidated	1,879	338,057	291,398	86.2	76.2	95.3	95.4	96.0	96.1
Unconsolidated									
Americas	593	88,216	27,178	30.8	7.1	96.1	96.0	96.2	96.1
Europe	644	150,604	59,613	39.6	15.6	94.8	94.6	95.1	94.8
Asia	56	27,089	4,084	15.1	1.1	97.1	97.1	97.8	97.8
Total operating portfolio - unconsolidated	1,293	265,909	90,875	34.2	23.8	95.5	95.1	95.8	95.3
Total									
Americas	2,412	411,130	303,433	73.8	79.4	95.7	95.9	96.3	96.4
Europe	685	160,101	69,110	43.2	18.1	94.3	93.4	94.6	93.7
Asia	75	32,735	9,730	29.7	2.5	95.8	92.8	96.9	95.0
Total operating portfolio - owned and managed	3,172	603,966	382,273	63.3	100.0	95.4	95.3	95.9	95.9
Value added properties - consolidated	13	3,487	2,196	63.0		40.2	40.2	40.2	40.2
Value added properties - unconsolidated	32	4,966	1,862	37.5		65.4	63.2	69.8	67.7
Total owned and managed	3,217	612,419	386,331	63.1		94.8	94.9	95.4	95.4

	Second Quarter NOI				Gross Book Value			
	Owned and Managed	Prologis Share (A)		% of Total	Owned and Managed	Prologis Share		% of Total
		\$	%			\$	%	
Consolidated								
Americas	\$297,443	\$262,496	88.3	67.0	\$22,740,885	\$19,016,906	83.6	69.9
Europe	8,100	8,100	100.0	2.1	578,664	578,664	100.0	2.1
Asia	6,485	6,485	100.0	1.7	505,139	505,139	100.0	1.9
Total operating portfolio - consolidated	\$312,028	\$277,081	88.8	70.8	\$23,824,688	\$20,100,709	84.4	73.9
Unconsolidated								
Americas	\$115,954	\$33,878	29.2	8.7	\$6,828,869	\$1,954,549	28.6	7.2
Europe	180,148	72,624	40.3	18.5	11,588,549	4,580,526	39.5	16.9
Asia	52,813	7,968	15.1	2.0	3,661,437	552,528	15.1	2.0
Total operating portfolio - unconsolidated	\$348,915	\$114,470	32.8	29.2	\$22,078,855	\$7,087,603	32.1	26.1
Total								
Americas	\$413,397	\$296,374	71.7	75.7	\$29,569,754	\$20,971,455	70.9	77.1
Europe	188,248	80,724	42.9	20.6	12,167,213	5,159,190	42.4	19.0
Asia	59,298	14,453	24.4	3.7	4,166,576	1,057,667	25.4	3.9
Total operating portfolio - owned and managed	\$660,943	\$391,551	59.2	100.0	\$45,903,543	\$27,188,312	59.2	100.0
Value added properties - consolidated	64	12	18.8		210,503	129,808	61.7	
Value added properties - unconsolidated	2,716	1,012	37.3		288,096	101,270	35.2	
Total owned and managed	\$663,723	\$392,575	59.1		\$46,402,142	\$27,419,390	59.1	

(A) Includes NOI for KTR from the acquisition date and Prologis share of NOI for the properties contributed to or acquired from co-investment ventures at our actual share prior to and subsequent to change in ownership.

Operations Overview

Customer Information – Owned and Managed

(square feet and dollars in thousands)

Supplemental 2Q 2015

Top Customers

	% of Net Effective Rent	Total Square Feet
1 Amazon.com	2.4	11,221
2 DHL	1.6	9,826
3 Kuehne + Nagel	1.2	6,814
4 CEVA Logistics	1.1	6,826
5 Home Depot	1.0	5,441
6 Geodis	0.9	6,235
7 DB Schenker	0.8	3,606
8 FedEx Corporation	0.8	2,762
9 Nippon Express Group	0.7	3,020
10 Wal-Mart Stores	0.7	4,820

Top 10 Customers

	11.2	60,571
11 United States Government	0.6	1,243
12 Tesco	0.6	3,172
13 UPS	0.6	3,290
14 Ingram Micro	0.5	3,181
15 PepsiCo	0.5	3,843
16 Hitachi	0.5	1,826
17 Bayerische Motoren Werke AG (BMW)	0.4	2,273
18 ND Logistics	0.4	3,100
19 Georgia-Pacific	0.4	2,770
20 LG	0.4	2,566
21 Panalpina	0.4	2,007
22 Con-way (Menlo Logistics)	0.4	3,054
23 UTi	0.4	2,183
24 Cal Cartage Company	0.3	1,325
25 Under Armour	0.3	2,026
Top 25 Customers	17.9	98,430

Lease Expirations - Operating Portfolio - Owned and Managed

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2015 remaining	26,344	\$ 133,321	4.7	5.06
2016	107,223	484,620	17.2	4.57
2017	111,928	524,008	18.7	4.70
2018	89,821	443,916	15.8	4.95
2019	60,922	305,788	10.9	5.03
Thereafter	169,834	918,609	32.7	5.51
	566,072	\$ 2,810,262	100.0	5.01
Month to month	9,838			
Total	575,910			

Lease Expirations - Operating Portfolio - Prologis Share

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2015 remaining	18,304	\$ 88,628	5.2	4.84
2016	67,584	289,471	17.1	4.31
2017	70,243	315,067	18.6	4.50
2018	55,852	267,193	15.7	4.79
2019	41,667	197,021	11.6	4.74
Thereafter	104,479	539,611	31.8	5.24
	358,129	\$ 1,696,991	100.0	4.77
Month to month	6,298			
Total	364,427			

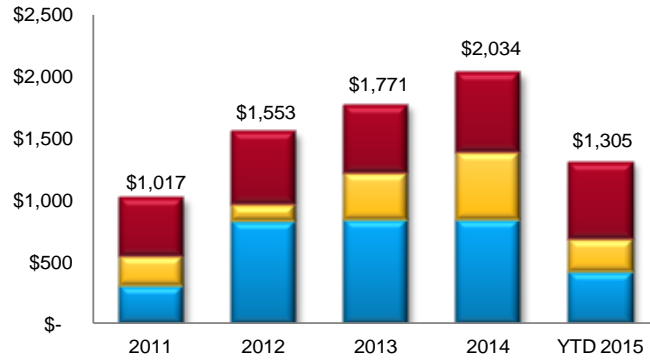
Capital Deployment

Overview – Owned and Managed

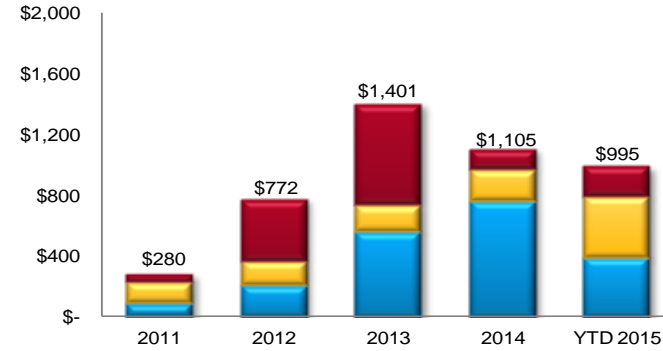
Supplemental 2Q 2015

(in millions)

Development Starts (TEI)

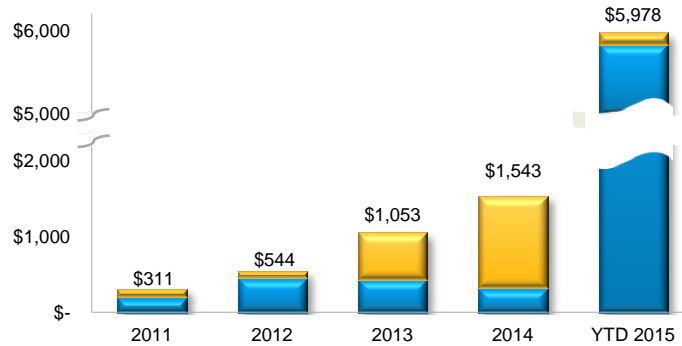


Development Stabilizations

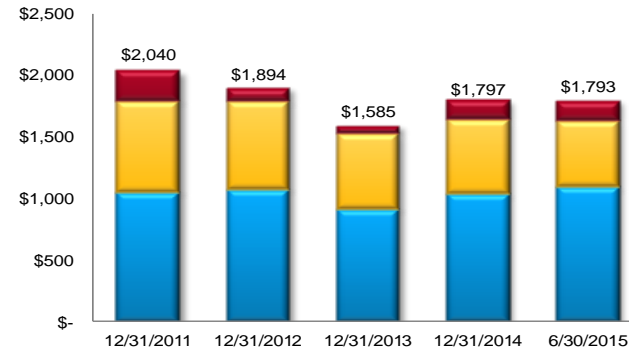


Value Creation	2011	2012	2013	2014	YTD 2015
	\$26	\$184	\$426	\$255	\$326

Building Acquisitions



Land Portfolio



■ Americas
 ■ Europe
 ■ Asia

Capital Deployment

Value Creation from Development Stabilization

(square feet and dollars in thousands)

Supplemental 2Q 2015

	Q2 2015					YTD 2015				
	Square Feet	Leased % at Start	Owned and Managed	TE Prologis Share (\$)	Prologis Share (%)	Square Feet	Leased % at Start	Owned and Managed	TE Prologis Share (\$)	Prologis Share (%)
Americas										
U.S.										
Central	126	100.0	\$ 7,867	\$ 7,867	100.0	283	44.7	\$ 16,984	\$ 16,984	100.0
East	1,352	45.4	104,866	104,866	100.0	1,684	36.5	134,157	134,157	100.0
Northwest	402	64.1	22,129	22,129	100.0	402	64.1	22,129	22,129	100.0
Southwest	1,328	0.0	89,144	89,144	100.0	1,473	3.0	104,559	104,559	100.0
Canada	-	-	-	-	-	-	-	-	-	-
Mexico	582	0.0	34,789	34,789	100.0	803	0.0	49,000	49,000	100.0
Brazil	660	0.0	41,854	10,464	25.0	971	0.0	63,546	21,310	33.5
Americas total	4,450	22.4	300,649	269,259	89.6	5,616	18.6	390,375	348,139	89.2
Europe										
Northern	713	76.8	49,107	49,107	100.0	713	76.8	49,107	49,107	100.0
Southern	353	100.0	22,881	22,881	100.0	615	100.0	38,829	30,855	79.5
Central	544	63.4	32,127	32,127	100.0	1,088	40.5	55,715	55,715	100.0
United Kingdom	876	25.5	118,408	118,408	100.0	1,972	61.8	260,521	260,521	100.0
Europe total	2,486	59.1	222,523	222,523	100.0	4,388	64.3	404,172	396,198	98.0
Asia										
Japan	799	49.9	81,586	81,586	100.0	1,546	25.8	158,566	158,566	100.0
China	690	35.4	31,882	4,782	15.0	892	27.4	41,715	6,257	15.0
Asia total	1,489	43.2	113,468	86,368	76.1	2,438	26.4	200,281	164,823	82.3
Total	8,425	36.9	\$ 636,640	\$ 578,150	90.8	12,442	36.2	\$ 994,828	\$ 909,160	91.4
Weighted average estimated stabilized yield			7.6%					7.5%		
Pro forma NOI			\$48,660					\$74,833		
Weighted average estimated cap rate at stabilization			5.7%					5.6%		
Estimated value creation			\$198,585					\$325,816		
Estimated development margin			31.2%					32.8%		
Prologis share of estimated value creation (\$)			\$179,098					\$301,384		
Prologis share of estimated value creation (%)			90.2%					92.5%		

Capital Deployment

Development Starts

(square feet and dollars in thousands)

Supplemental 2Q 2015

	Q2 2015					YTD 2015				
	Square Feet	Leased % at Start	Owned and Managed	TE Prologis Share (\$)	Prologis Share (%)	Square Feet	Leased % at Start	Owned and Managed	TE Prologis Share (\$)	Prologis Share (%)
Americas										
U.S.										
Central	1,113	86.4	\$ 54,308	\$ 54,308	100.0	2,193	62.7	\$ 119,188	\$ 119,188	100.0
East	-	-	-	-	-	-	-	-	-	-
North west	252	0.0	23,959	23,959	100.0	899	0.0	87,536	87,536	100.0
South west	154	100.0	9,957	9,957	100.0	989	15.6	75,010	75,010	100.0
Canada	-	-	-	-	-	-	-	-	-	-
Mexico	270	0.0	16,176	16,176	100.0	270	0.0	16,176	16,176	100.0
Brazil	1,872	0.0	124,560	62,280	50.0	1,872	0.0	124,560	62,280	50.0
Americas total	3,661	30.5	228,960	166,680	72.8	6,223	24.6	422,470	360,190	85.3
Europe										
Northern	1,542	100.0	107,890	107,890	100.0	1,829	100.0	122,642	112,487	91.7
Southern	696	100.0	44,071	44,071	100.0	696	100.0	44,071	44,071	100.0
Central	791	64.3	41,458	31,369	75.7	1,089	65.5	52,603	42,514	80.8
United Kingdom	358	0.0	48,840	48,840	100.0	358	0.0	48,840	48,840	100.0
Europe total	3,387	81.1	242,259	232,170	95.8	3,972	81.5	268,156	247,912	92.5
Asia										
Japan	2,685	38.7	372,724	372,724	100.0	2,685	38.7	372,724	372,724	100.0
China	2,991	0.0	180,809	27,121	15.0	3,948	0.0	241,547	36,232	15.0
Asia total	5,676	18.3	553,533	399,845	72.2	6,633	15.7	614,271	408,956	66.6
Total	12,724	38.5	\$ 1,024,752	\$ 798,695	77.9	16,828	34.5	\$ 1,304,897	\$ 1,017,058	77.9

Weighted average estimated stabilized yield	7.3%	7.2%
Pro forma NOI	\$74,597	\$94,400
Weighted average estimated cap rate at stabilization	6.1%	6.0%
Estimated value creation	\$200,427	\$257,932
Estimated development margin	19.6%	19.8%
Prologis share of estimated value creation (\$)	\$156,453	\$202,492
Prologis share of estimated value creation (%)	78.1%	78.5%
% BTS (based on Prologis share)	44.3%	38.3%

Capital Deployment

Development Portfolio

Supplemental 2Q 2015

(square feet and dollars in thousands)

	Pre-Stabilized Developments				Under Development						Total Development Portfolio				
	T E I				2015 Expected Completion			2016 and Thereafter Expected Completion			T E I				
	Sq Ft	Leased %	Owned and Managed	Prologis Share	Sq Ft	Owned and Managed	Prologis Share	Sq Ft	Owned and Managed	Prologis Share	Sq Ft	Leased %	Owned and Managed	Prologis Share (\$)	Prologis Share (%)
Americas (A)															
U.S.															
Central	1,677	31.2	\$88,000	\$76,311	2,858	\$184,727	\$162,690	1,026	\$ 50,409	\$ 50,409	5,561	50.3	\$323,136	\$289,410	89.6
East	1,153	39.8	106,772	106,772	3,929	191,856	191,856	-	-	-	5,082	54.5	298,628	298,628	100.0
North west	1,641	36.6	131,649	89,982	1,002	64,207	64,207	875	89,143	89,143	3,518	17.1	284,999	243,332	85.4
South west	1,228	65.9	91,743	74,111	1,525	124,192	93,539	241	18,494	18,494	2,994	32.2	234,429	186,144	79.4
Canada	685	75.2	63,660	63,660	-	-	-	483	40,625	40,625	1,168	44.1	104,285	104,285	100.0
Mexico	810	96.1	48,432	48,432	992	65,985	60,242	270	16,176	16,176	2,072	37.6	130,593	124,850	95.6
Brazil	-	-	-	-	486	30,067	15,033	2,456	170,604	85,302	2,942	36.4	200,671	100,335	50.0
Americas total	7,194	51.2	530,256	459,268	10,792	661,034	587,567	5,351	385,451	300,149	23,337	40.7	1,576,741	1,346,984	85.4
Europe															
Northern	470	0.0	30,913	26,976	570	32,693	22,189	1,542	107,890	107,890	2,582	81.8	171,496	157,055	91.6
Southern	-	-	-	-	671	51,357	51,357	696	44,072	44,072	1,367	100.0	95,429	95,429	100.0
Central	796	59.6	45,542	45,542	737	33,935	24,893	351	19,114	18,068	1,884	65.0	98,591	88,503	89.8
United Kingdom	37	0.0	9,600	9,600	1,028	156,397	129,271	358	48,840	48,840	1,423	50.0	214,837	187,711	87.4
Europe total	1,303	36.4	86,055	82,118	3,006	274,382	227,710	2,947	219,916	218,870	7,256	74.6	580,353	528,698	91.1
Asia															
Japan	1,391	48.6	172,572	172,572	1,332	158,695	158,695	4,454	611,447	611,447	7,177	27.8	942,714	942,714	100.0
China	1,481	26.0	76,047	11,407	2,682	184,817	27,722	5,759	357,639	53,645	9,922	3.9	618,503	92,774	15.0
Asia total	2,872	36.9	248,619	183,979	4,014	343,512	186,417	10,213	969,086	665,092	17,099	13.9	1,561,217	1,035,488	66.3
Total	11,369	45.9	\$864,930	\$725,365	17,812	\$1,278,928	\$1,001,694	18,511	\$1,574,453	\$1,184,111	47,692	36.3	\$3,718,311	\$2,911,170	78.3
Cost to complete			\$ 52,575	\$ 45,678		\$ 454,167	\$ 362,648		\$ 1,130,985	\$ 865,207			\$ 1,637,727	\$ 1,273,533	
Percent build to suit (based on Prologis share)				8.1%			35.1%			32.8%				27.4%	
Weighted average estimated stabilized yield															
Americas			6.5%			6.8%			8.4%				7.1%		
Europe			7.6%			7.1%			6.9%				7.1%		
Asia			6.7%			7.0%			6.7%				6.8%		
Total			<u>6.7%</u>			<u>6.9%</u>			<u>7.2%</u>				<u>7.0%</u>		
Pro forma NOI													\$ 259,254		
Weighted average estimated cap rate at stabilization													5.8%		
Estimated value creation													\$ 742,742		
Estimated development margin													20.0%		
Prologis share of estimated value creation													\$ 696,685		
Prologis share of estimated value creation													93.8%		

(A) In connection with the KTR acquisition in the second quarter (as discussed in the Notes and Definitions), we acquired 9 properties, aggregating 3.3 million square feet.

Capital Deployment

Third Party Building Acquisitions

Supplemental 2Q 2015

(square feet and dollars in thousands)

	Q2 2015					YTD 2015				
	Square Feet	Prologis Share of Square Feet	Owned and Managed Acquisition Cost	Prologis Share of Acquisition Cost (\$)	Prologis Share of Acquisition Cost (%)	Square Feet	Prologis Share of Square Feet	Owned and Managed Acquisition Cost	Prologis Share of Acquisition Cost (\$)	Prologis Share of Acquisition Cost (%)
Third Party Building Acquisitions										
Americas										
Prologis Wholly Owned	767	767	\$ 54,823	\$ 54,823	100.0	948	948	\$ 75,955	\$ 75,955	100.0
Prologis U.S. Logistics Venture (A)	59,727	32,874	5,647,842	3,108,571	55.0	59,727	32,874	5,647,842	3,108,571	55.0
Prologis Targeted U.S. Logistics Fund	751	174	82,455	19,027	23.1	919	215	105,353	24,605	23.4
FIBRA Prologis	76	35	4,803	2,203	45.9	76	35	4,803	2,203	45.9
Total Americas	61,321	33,850	5,789,923	3,184,624	55.0	61,670	34,072	5,833,953	3,211,334	55.0
Europe										
Prologis Wholly Owned	270	270	15,683	15,683	100.0	270	270	15,683	15,683	100.0
Prologis Targeted Europe Logistics Fund	609	266	31,644	13,832	43.7	1,356	588	59,582	25,853	43.4
Prologis European Properties Fund II	-	-	-	-	-	1,306	405	68,971	21,489	31.2
Total Europe	879	536	47,327	29,515	62.4	2,932	1,263	144,236	63,025	43.7
Total Third Party Building Acquisitions	62,200	34,386	\$ 5,837,250	\$ 3,214,139	55.1	64,602	35,335	\$ 5,978,189	\$ 3,274,359	54.8
Weighted average stabilized cap rate				5.5%					5.5%	

(A) We included the acquisition of the operating properties from KTR in these totals. We also acquired properties under development and land included in the development and land portfolios, respectively..

Capital Deployment

Dispositions and Contributions

(square feet and dollars in thousands)

Supplemental 2Q 2015

	Q2 2015					YTD 2015				
	Square Feet	Prologis Share of Square Feet	Owned and Managed Total Proceeds	Prologis Share of Proceeds (\$)	Prologis Share of Proceeds (%) (A)	Square Feet	Prologis Share of Square Feet	Owned and Managed Total Proceeds	Prologis Share of Proceeds (\$)	Prologis Share of Proceeds (%) (A)
Third Party Building Dispositions										
Americas										
Prologis wholly owned	1,946	1,946	\$ 95,856	\$ 95,856	100.0	4,305	4,305	\$ 551,280	\$ 551,280	100.0
Prologis U.S. Logistics Venture	175	96	54,000	29,722	55.0	175	96	54,000	29,722	55.0
Prologis North American Industrial Fund	153	101	7,645	5,057	66.1	487	322	16,952	11,213	66.1
Prologis Targeted U.S. Logistics Fund	58	13	4,000	923	23.1	58	13	4,000	923	23.1
Total Americas	2,332	2,156	161,501	131,558	81.5	5,025	4,736	626,232	593,138	94.7
Europe										
Total Europe	-	-	-	-	-	-	-	-	-	-
Asia										
Prologis wholly owned	399	399	49,264	49,264	100.0	399	399	49,264	49,264	100.0
Total Asia	399	399	49,264	49,264	100.0	399	399	49,264	49,264	100.0
Total Third Party Building Dispositions	2,731	2,555	\$ 210,765	\$ 180,822	85.8	5,424	5,135	\$ 675,496	\$ 642,402	95.1
Building Contributions to Co-Investment Ventures										
Americas										
Total Americas	-	-	-	-	-	-	-	-	-	-
Europe										
Prologis Targeted Europe Logistics Fund	619	619	\$ 46,016	\$ 25,903	56.3	619	619	\$ 46,016	\$ 25,903	56.3
ProLogis European Properties Fund II	679	679	50,282	34,428	68.5	1,186	1,186	79,925	54,835	68.6
Prologis European Logistics Partners	2,761	2,761	348,515	174,257	50.0	2,761	2,761	348,515	174,257	50.0
Total Europe	4,059	4,059	444,813	234,588	52.7	4,566	4,566	474,456	254,995	53.7
Asia										
Total Asia	-	-	-	-	-	-	-	-	-	-
Total Contributions to Co-Investment Ventures	4,059	4,059	\$ 444,813	\$ 234,588	52.7	4,566	4,566	\$ 474,456	\$ 254,995	53.7
Total Building Dispositions and Contributions	6,790	6,614	\$ 655,578	\$ 415,410	63.4	9,990	9,701	\$ 1,149,952	\$ 897,397	78.0
Land dispositions			24,765	23,721	95.8			49,606	45,039	90.8
Other real estate dispositions			14,855	14,470	97.4			29,652	29,267	98.7
Grand Total Dispositions and Contributions			\$ 695,198	\$ 453,601	65.2			\$ 1,229,210	\$ 971,703	79.1
Weighted average stabilized cap rate on building dispositions and contributions					5.9%					4.7%

(A) For contributions, this amount reflects total proceeds to Prologis, net of units received for partial consideration.

Capital Deployment

Land Portfolio – Owned and Managed

(square feet and dollars in thousands)

Supplemental 2Q 2015

Land by Market	Acres				Current Book Value				
	Owned and Managed	Prologis Share Acres	Prologis Share (%)	Estimated Build Out (sq ft)	Owned and Managed	Prologis Share (\$)	Prologis Share (%)	% of Total	Total
Global markets									
U.S.									
Atlanta	469	469	100.0	6,708	\$ 23,272	\$ 23,272	100.0	14	
Baltimore/Washington	39	39	100.0	400	1,568	1,568	100.0	0.1	
Central Valley	1,201	1,200	99.9	23,757	78,270	77,963	99.6	4.8	
Central & Eastern PA	360	283	78.6	4,791	53,610	42,167	78.7	2.6	
Chicago	485	480	99.0	9,185	28,087	27,547	98.1	1.7	
Dallas/Ft. Worth	531	436	82.1	8,789	43,980	38,600	87.8	2.4	
Houston	142	114	80.3	2,407	15,393	12,518	81.3	0.8	
New Jersey/New York City	245	201	82.0	3,544	84,467	78,292	92.7	4.9	
South Florida	380	376	98.9	6,833	180,996	179,709	99.3	11.2	
Southern California	677	653	96.5	13,228	126,131	116,824	92.6	7.2	
Canada	185	185	100.0	3,292	51,211	51,211	100.0	3.2	
Mexico									
Guadalajara	50	50	100.0	1,066	11,899	11,899	100.0	0.7	
Mexico City	295	295	100.0	5,518	120,935	120,935	100.0	7.5	
Monterrey	183	171	93.4	3,038	33,500	32,185	96.1	2.0	
Brazil	529	197	37.2	8,127	121,740	50,086	41.1	3.1	
Americas total	5,771	5,149	89.2	100,683	975,059	864,776	88.7	53.6	
Belgium	27	27	100.0	526	8,969	8,969	100.0	0.6	
Czech Republic	231	231	100.0	3,844	43,468	43,468	100.0	2.7	
France	418	366	87.6	7,804	69,966	61,574	88.0	3.8	
Germany	58	54	93.9	1,161	12,953	12,195	94.1	0.8	
Italy	91	79	86.8	2,053	21,391	16,805	78.6	1.0	
Netherlands	56	56	100.0	1,538	44,839	44,839	100.0	2.8	
Poland	609	609	100.0	11,645	68,042	68,042	100.0	4.2	
Spain	137	118	86.1	2,870	25,026	20,458	81.7	1.2	
United Kingdom	589	589	100.0	9,007	198,313	198,313	100.0	12.3	
Europe total	2,216	2,129	96.1	40,448	492,967	474,663	96.3	29.4	
China	162	40	24.7	4,911	63,860	14,620	22.9	0.9	
Japan	37	37	100.0	1,032	95,635	95,635	100.0	6.0	
Asia total	199	77	38.7	5,943	159,495	110,255	69.1	6.9	
Total global markets	8,186	7,355	89.9	147,074	1,627,521	1,449,694	89.1	89.9	
Regional markets (A)									
Hungary	335	335	100.0	5,604	32,717	32,717	100.0	2.0	
Orlando	122	122	100.0	1,768	26,411	26,411	100.0	1.6	
Juarez	137	137	100.0	2,692	14,100	14,100	100.0	0.9	
Slovakia	87	81	93.1	1,907	13,431	12,689	94.5	0.8	
Reynosa	196	196	100.0	3,460	12,221	12,221	100.0	0.7	
Remaining other regional (10 markets)	568	560	98.6	9,636	39,298	38,174	97.1	2.4	
Total regional markets	1,445	1,431	99.0	25,067	138,178	136,312	98.6	8.4	
Total other markets (3 markets)	395	395	100.0	5,954	27,390	27,390	100.0	1.7	
Total land portfolio - owned and managed	10,026	9,181	91.6	178,095	\$ 1,793,089	\$ 1,613,396	90.0	100.0	
Original Cost Basis					\$ 2,505,299	\$ 2,359,499			

(A) Selected and ordered by our share of current book value.

Capital Deployment

Land Portfolio – Summary and Roll Forward

Supplemental 2Q 2015

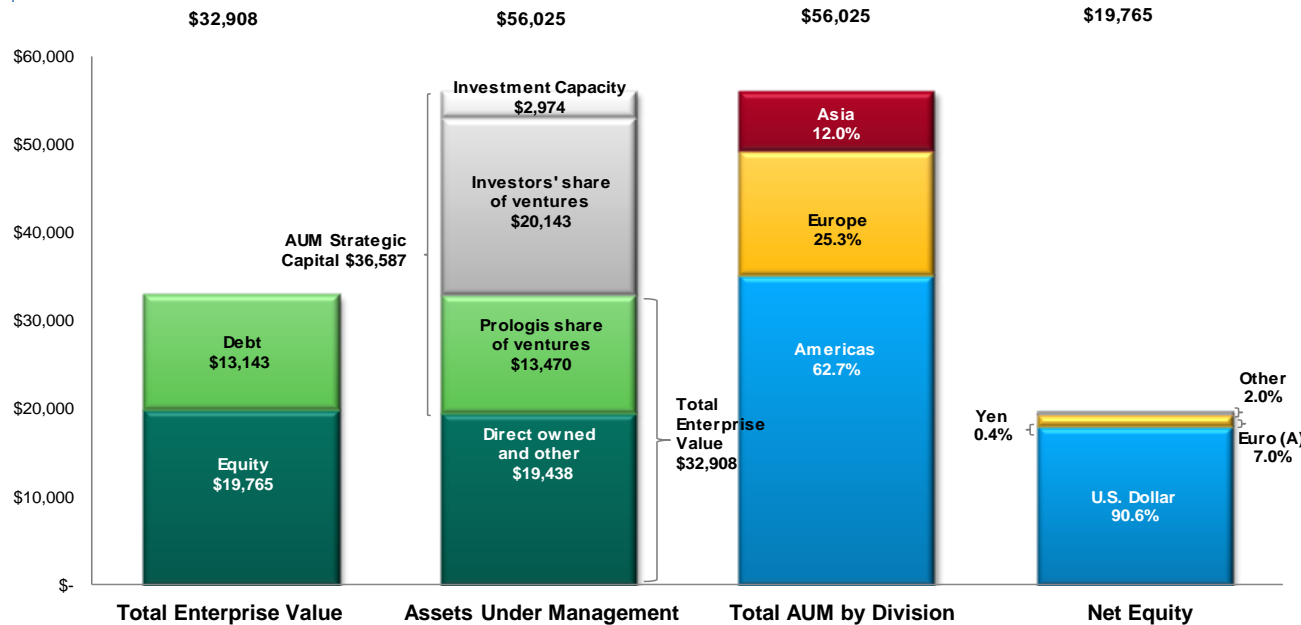
(dollars in thousands)

Land Portfolio Summary	Acres			Current Book Value			
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total	
Americas							
U.S.							
Central	1,443	1,316	14.3	\$ 100,656	\$ 91,861	5.7	
East	2,018	1,892	20.6	398,423	379,518	23.5	
Northw est	1,339	1,339	14.6	87,464	87,157	5.4	
Southw est	780	748	8.2	136,582	126,151	7.8	
Canada	185	185	2.0	51,211	51,211	3.2	
Mexico	895	883	9.6	198,378	197,063	12.2	
Brazil	529	197	2.2	121,740	50,086	3.1	
Total Americas	7,189	6,560	71.5	1,094,454	983,047	60.9	
Europe							
Central	1,262	1,256	13.7	157,658	156,916	9.7	
Northern	141	137	1.5	66,786	66,028	4.1	
Southern	646	562	6.1	116,383	98,837	6.1	
United Kingdom	589	589	6.4	198,313	198,313	12.3	
Total Europe	2,638	2,544	27.7	539,140	520,094	32.2	
Asia							
China	162	40	0.4	63,860	14,620	0.9	
Japan	37	37	0.4	95,635	95,635	6.0	
Total Asia	199	77	0.8	159,495	110,255	6.9	
Total land portfolio - owned and managed	10,026	9,181	100.0	\$ 1,793,089	\$ 1,613,396	100.0	
Estimated Build Out (in TEI)				\$ 11,100,000			
Land Roll Forward - Owned and Managed				Americas	Europe	Asia	Total
As of March 31, 2015				\$ 1,022,640	\$ 546,743	\$ 181,261	\$ 1,750,644
Acquisitions (A)				101,381	11,869	69,134	182,384
Dispositions				(7,293)	(13,936)	-	(21,229)
Development starts				(49,891)	(31,398)	(92,534)	(173,823)
Infrastructure costs				28,566	7,281	3,256	39,103
Effect of changes in foreign exchange rates and other				(949)	18,581	(1,622)	16,010
As of June 30, 2015				\$ 1,094,454	\$ 539,140	\$ 159,495	\$ 1,793,089

(A) We acquired land valued at \$84.9 million (PLD share \$46.8 million) with a build-out potential of 9.6 million square feet from KTR in the second quarter.

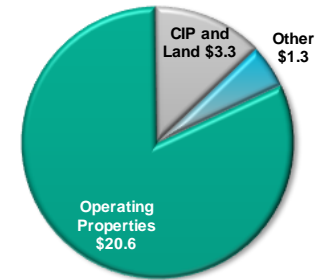
Assets Under Management

(in millions)

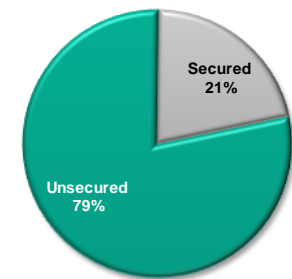


Unencumbered Assets-Prologis Share

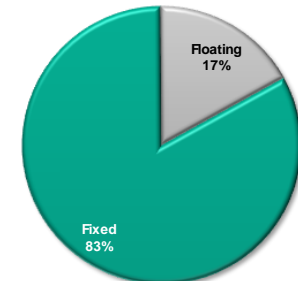
(in billions)



Secured & Unsecured Debt-Prologis Share



Fixed vs. Floating Debt-Prologis Share



Debt Metrics (B)

	2015	2015
	Second Quarter	First Quarter
Debt as % of gross real estate assets	40.2%	34.4%
Debt as % of gross market capitalization	39.2%	29.3%
Secured debt as % of gross real estate assets	8.7%	8.9%
Unencumbered gross real estate assets to unsecured debt	244.2%	293.2%
Fixed charge coverage ratio	4.19x	3.93x
Fixed charge coverage ratio, excluding development gains (C)	3.70x	3.55x
Debt/Adjusted EBITDA	6.80x	5.76x
Debt/Adjusted EBITDA, excluding development gains (C)	7.64x	6.38x

Investment Ratings at June 30, 2015 (D)

Moody's	Baa1 (Outlook Stable)
Standard & Poor's	BBB+ (Outlook Stable)

(A) This includes the currencies in Europe in which we operate, predominately Euro and GBP.

(B) These calculations are included in the Notes and Definitions section, and are not calculated in accordance with the applicable SEC rules.

(C) Prologis share of gains on dispositions of development properties for the 12 months ended June 30, 2015 and March 31, 2015 was \$203.3 million and \$158.6 million, respectively

(D) A securities rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time by the rating organization.

Capitalization

Debt Summary

(dollars in millions)

Supplemental 2Q 2015

Maturity	Prologis						Prologis Share					
	Unsecured			Secured Mortgage	Total	Consolidated Entities	Total Consolidated	Unconsolidated Entities (A)	Total	(\$)	% Maturing	Wtd. Avg. Interest Rate (B)
	Senior	Credit Facilities (A)	Other (A)									
2015	\$ -	\$ -	\$1	\$18	\$19	\$5	\$24	\$277	\$301	\$57	0.4	3.6%
2016	-	-	1	160	161	455	616	889	1,505	752	5.8	3.8%
2017	377	-	1,001	6	1,384	515	1,899	320	2,219	1,818	14.0	2.5%
2018	262	440	1	113	816	403	1,219	1,269	2,488	1,382	10.6	2.8%
2019	693	-	563	283	1,539	143	1,682	731	2,413	1,831	14.0	3.5%
2020	1,037	-	1	6	1,044	252	1,296	819	2,115	1,418	10.8	3.2%
2021	1,283	-	335	11	1,629	1	1,630	868	2,498	1,864	14.2	2.3%
2022	783	-	532	7	1,322	1	1,323	638	1,961	1,485	11.4	2.5%
2023	850	-	1	7	858	1	859	114	973	876	6.7	4.2%
2024	783	-	1	129	913	1	914	24	938	918	7.0	4.0%
2025	-	-	1	-	1	1	2	335	337	108	0.8	1.9%
Thereafter	560	-	5	-	565	3	568	-	568	567	4.3	3.0%
Subtotal	6,628	440	2,443	740	10,251	1,781	12,032	6,284	18,316	13,076	100.0	
Unamortized net premiums (disco units)	(12)	-	-	10	(2)	91	89	30	119	67		
Subtotal	6,616	440	2,443	750	10,249	1,872	12,121	6,314	18,435	\$ 13,143		3.0%
Third party share of debt	-	-	-	-	-	(716)	(716)	(4,576)	(5,292)			
Prologis share of debt	\$6,616	\$440	\$2,443	\$750	\$10,249	\$1,156	\$11,405	\$1,738	\$13,143			

Prologis share of debt by local currency (C)	Total	Investment Hedges (C)	Total Prologis Share								
				Total	Investment Hedges (C)	Total Prologis Share					
Dollars	\$2,976	\$391	\$1,578	\$736	\$5,681	\$1,154	\$6,835	\$760	\$7,595	(580)	\$7,015
Euro	3,558	-	-	12	3,570	2	3,572	565	4,137	117	4,254
GBP	-	-	-	-	-	-	-	199	199	453	652
Yen	82	49	865	-	996	-	996	200	1,196	-	1,196
Other	-	-	-	2	2	-	2	14	16	10	26
Prologis share of debt	\$6,616	\$440	\$2,443	\$750	\$10,249	\$1,156	\$11,405	\$1,738	\$13,143	-	\$13,143

	3.3%	1.2%	1.4%	6.7%	3.0%	2.6%	2.9%	3.3%	3.0%
Weighted average GAAP interest rate (D)									
Weighted average remaining maturity in years	6.3	3.0	4.1	4.3	5.5	2.7	5.2	4.1	5.1

Near Term Maturities	Prologis Share of Debt	Wtd Avg Interest Rate
Q3 2015	\$7	5.1%
Q4 2015	50	3.4%
Q1 2016	89	3.6%
Q2 2016	372	4.3%
Total next 12 months	\$518	4.1%

Liquidity

Aggregate lender commitments- GLOC and revolver	\$2,667
Less:	
Borrowings outstanding	440
Outstanding letters of credit	35
Current availability- credit facilities	\$2,192
Term loans net availability	-
Unrestricted cash - Prologis share of consolidated	237
Total liquidity	\$2,429

(A) The maturity of outstanding balances for our global credit facilities, certain term loan debt (Prologis share \$1.6 billion) and certain unconsolidated entity debt (Prologis share \$157.3 million) is reflected at the extended maturity date if the extension is at the entity's option.

(B) Interest rate is based on the effective rate (which includes the amortization of related premiums and discounts) assuming the net premiums (discounts) associated with the respective debt were included in the maturities by year.

(C) We hedge the net assets of certain international subsidiaries using foreign currency forward contracts, including those that are accounted for as net investment hedges, to economically reduce our exposure to fluctuations in foreign currency rates. The effect is to essentially exchange US dollar denominated debt into foreign currency denominated debt as reflected in the table under Investment Hedges. See also page 31 for our net equity exposure by currency.

(D) Interest rate is based on the effective rate and weighted based on borrowings outstanding.

Capitalization

Debt Covenants and Other Metrics

Supplemental 2Q 2015

(dollars in thousands)

Covenants as of June 30, 2015 (A)

	Indenture (B)		Global Line	
	Covenant	Actual	Covenant	Actual
Leverage ratio	<60%	34.8%	<60%	35.2%
Fixed charge coverage ratio	>1.5x	4.72x	>1.5x	4.60x
Secured debt leverage ratio	<40%	7.3%	<40%	7.5%
Unencumbered asset to unsecured debt ratio	>150%	254.1%	N/A	N/A
Unencumbered debt service coverage ratio	N/A	N/A	>150%	656.1%

Encumbrances as of June 30, 2015

	Unencumbered	Encumbered	Total
Consolidated operating properties	\$ 18,214,962	\$ 5,470,572	\$ 23,685,534
Consolidated development portfolio and land	3,123,645	21,552	3,145,197
Consolidated other investments in real estate, assets held for sale and note receivable backed by real estate	1,331,262	13,308	1,344,570
Total consolidated	22,669,869	5,505,432	28,175,301
Less: third party share of investments in real estate	2,699,259	1,300,802	4,000,061
Total consolidated - Prologis share	19,970,610	4,204,630	24,175,240
Unconsolidated operating properties - Prologis share	5,111,584	2,077,289	7,188,873
Unconsolidated development portfolio and land - Prologis share	158,578	8,684	167,262
Gross real estate assets - Prologis share	\$ 25,240,772	\$ 6,290,603	\$ 31,531,375

Secured and Unsecured Debt as of June 30, 2015

	Unsecured Debt	Secured Mortgage Debt	Total
Prologis debt	\$ 9,511,117	\$ 740,150	\$ 10,251,267
Consolidated entities debt	-	1,781,323	1,781,323
Our share of unconsolidated entities debt	825,052	900,970	1,726,022
Total debt - at par	10,336,169	3,422,443	13,758,612
Less: third party share of consolidated debt	-	(682,260)	(682,260)
Total Prologis share of debt - at par	10,336,169	2,740,183	13,076,352
Premium (discount) - consolidated	(11,858)	100,573	88,715
Less: third party share of consolidated debt discount (premium)	-	(34,025)	(34,025)
Our share of premium (discount) - unconsolidated	-	12,439	12,439
Total Prologis share of debt, net of premium (discount)	\$ 10,324,311	\$ 2,819,170	\$ 13,143,481

(A) These calculations are made in accordance with the respective debt agreements, may be different than other covenants or metrics presented and are not calculated in accordance with the applicable SEC rules. Please refer to the respective agreements for full financial covenant descriptions and calculation methods.

(B) These covenants are calculated in accordance with the Indenture dated June 8, 2011 and its supplemental indentures, including the Fifth Supplemental Indenture dated August 15, 2013.

Net Asset Value

Components

(in thousands, except for percentages and per square foot)

Supplemental 2Q 2015

Operating

	Square Feet	Gross Book Value	GBV per Sq Ft	Second Quarter Adjusted Cash NOI (Actual)	Second Quarter Adjusted Cash NOI (Pro Forma)	Annualized Adjusted Cash NOI	Percent Occupied
CONSOLIDATED OPERATING PORTFOLIO (Prologis Share)							
Prologis interest in consolidated operating portfolio							
Americas	276,255	\$ 19,016,906	\$ 69	\$ 266,288	\$ 266,288	\$ 1,065,152	95.8%
Europe	9,497	578,664	61	7,405	7,405	29,620	85.5%
Asia	5,646	505,139	89	6,278	6,278	25,112	89.7%
Pro forma adjustment for KTR acquisition					24,815	99,260	
Pro forma adjustment for mid-quarter acquisitions/development completions					5,001	20,004	
Prologis share of consolidated operating portfolio	291,398	\$ 20,100,709	\$ 69	\$ 279,971	\$ 309,787	\$ 1,239,148	95.4%
UNCONSOLIDATED OPERATING PORTFOLIO (Prologis Share)							
Prologis interest in unconsolidated operating portfolio							
Americas	27,178	\$ 1,954,549	\$ 72	\$ 34,016	\$ 34,016	\$ 136,064	96.0%
Europe	59,613	4,580,526	77	74,877	74,877	299,508	94.6%
Asia	4,084	552,528	135	7,980	7,980	31,920	97.1%
Pro forma adjustment for mid-quarter acquisitions/development completions					248	992	
Prologis share of unconsolidated operating portfolio	90,875	\$ 7,087,603	\$ 78	\$ 116,873	\$ 117,121	\$ 468,484	95.1%
Total operating portfolio	382,273	\$ 27,188,312	\$ 71	\$ 396,844	\$ 426,908	\$ 1,707,632	95.3%

Development

	Square Feet	Investment Balance	TEI	TEI per Sq Ft	Annualized Pro Forma NOI	Percent Occupied
CONSOLIDATED (Prologis Share)						
Prestabilized						
Americas	6,312	\$ 406,119	\$ 459,268	\$ 73	\$ 30,760	20.8%
Europe	1,225	64,283	80,306	66	6,113	0.0%
Asia	1,391	165,242	172,572	124	10,615	34.6%
						20.1%
Properties under development						
Americas	12,438	386,394	782,514	63	52,418	
Europe	5,062	174,130	409,405	81	28,314	
Asia	5,786	259,236	770,141	133	47,544	
Prologis share of consolidated development portfolio	32,214	\$ 1,455,404	\$ 2,674,206	\$ 83	\$ 175,764	
UNCONSOLIDATED (Prologis Share)						
Prologis interest in unconsolidated development portfolio						
Americas	1,547	\$ 34,864	\$ 105,202	\$ 68	\$ 11,257	
Europe	372	20,698	38,987	105	2,798	
Asia	1,488	45,630	92,775	62	7,141	
Prologis share of unconsolidated development portfolio	3,407	\$ 101,192	\$ 236,964	\$ 70	\$ 21,196	
Total development portfolio	35,621	\$ 1,556,596	\$ 2,911,170	\$ 82	\$ 196,960	
Prologis share of estimated value creation (see Capital Deployment - Development Portfolio)		696,685				
Total development portfolio, including estimated value creation		\$ 2,253,281				

Net Asset Value

Components - Continued

Supplemental 2Q 2015

(in thousands)

Balance Sheet and Other Items

	As of June 30, 2015
CONSOLIDATED	
Other assets	
Cash and cash equivalents	\$ 351,025
Restricted cash	5,065
Accounts receivable, prepaid assets and other tangible assets	673,738
Other real estate investments and assets held for sale	804,047
Note receivable backed by real estate	197,500
Prologis share of value added operating properties	231,078
Prologis receivable from unconsolidated co-investment ventures	152,750
Investments in and advances to other unconsolidated joint ventures	184,881
Less: third party share of other assets	(219,412)
Total other assets - Prologis share	\$ 2,380,672
Other liabilities	
Accounts payable and other current liabilities	\$ 537,432
Deferred income taxes	79,802
Value added tax and other tax liabilities	15,898
Tenant security deposits	181,535
Other liabilities	258,084
Less: third party share of other liabilities	(61,785)
Total liabilities and noncontrolling interests - Prologis share	\$ 1,010,966
UNCONSOLIDATED	
Prologis share of net tangible other assets	\$ 229,423

Land

	Investment Balance
Prologis share of original land basis	\$ 2,359,499
Current book value of land	\$ 1,597,802
Less: third party share of the current book value of land	(50,476)
Prologis share of book value of land in unconsolidated entities	66,070
Total	\$ 1,613,396

Strategic Capital / Development Management

	Second Quarter	Annualized
Strategic Capital		
Strategic capital income - third party share of asset management fees from consolidated and unconsolidated co-investment ventures (A)	\$ 22,631	\$ 101,296
Strategic capital income - third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months)	7,286	22,333
Strategic capital expenses for asset management and other transactional fees (annualized based on guidance)	(9,622)	(41,952)
Strategic capital NOI	\$ 20,295	\$ 81,677
Promotes earned in last 12 months, net of cash expenses		\$ 2,018
Development management income	\$ 1,914	\$ 7,656

Debt (at par) and Preferred Stock

	As of June 30, 2015
Prologis debt	\$ 10,251,267
Consolidated entities debt	1,781,323
Less: third party share of consolidated debt	(682,260)
Prologis share of unconsolidated debt	1,726,022
Subtotal debt	13,076,352
Preferred stock	78,235
Total debt and preferred stock	\$ 13,154,587
Outstanding shares of common stock and limited operating partnership units	530,635

(A) Annualized income includes pro forma adjustment for KTR as if it was owned for the entire quarter.

Notes and Definitions



Please refer to our annual and quarterly financial statements filed with the Securities and Exchange Commission on Forms 10-K and 10-Q and other public reports for further information about us and our business. Certain amounts from previous periods presented in the Supplemental Information have been reclassified to conform to the current presentation.

On May 29, 2015, we acquired the real estate assets and operating platform of KTR Capital Partners and its affiliates ("KTR"). The \$5.9 billion portfolio included 314 operating properties aggregating 59 million square feet, 3.3 million square feet of properties under development and land parcels that will support an estimated potential build out of 9.6 million square feet. The properties were acquired by our consolidated co-investment venture Prologis U.S. Logistics Venture, in which we own 55%. The acquisition was funded through cash, the assumption of secured mortgage debt valued at \$735 million and the issuance of 4.5 million common limited partnership units in Prologis, L.P. valued at \$181.2 million. We incurred acquisition costs of \$21.9 million and received an acquisition fee of \$3.1 million representing our partners' share, which is recorded in noncontrolling interest.

Acquisition cost, as presented for building acquisitions, represents the economic cost and not necessarily what is capitalized. It includes the initial purchase price; the effects of marking assumed debt to market, if applicable; all due diligence and lease intangibles; and estimated acquisition capital expenditures including leasing costs to achieve stabilization.

Adjusted EBITDA. We use Adjusted EBITDA to measure both our operating performance and liquidity. We calculate Adjusted EBITDA beginning with consolidated net earnings (loss) attributable to common stockholders and removing the effect of interest, income taxes, depreciation and amortization, impairment charges, third party acquisition expenses related to the acquisition of real estate, gains or losses from the acquisition or disposition of investments in real estate (other than from land and development properties), gains from the revaluation of equity investments upon acquisition of a controlling interest, gains or losses on early extinguishment of debt and derivative contracts (including cash charges), similar adjustments we make to our FFO measures (see definition below), and other non-cash charges or gains (such as stock based compensation and unrealized gains or losses on foreign currency and derivative activity and related amortization). We make adjustments to reflect our economic ownership in each entity, whether consolidated or unconsolidated.

We consider Adjusted EBITDA to provide investors relevant and useful information because it permits investors to view our operating performance on an unleveraged basis before the effects of income tax, non-cash depreciation and amortization expense and other items (outlined above), items that affect comparability, and other significant non-cash items. We also include a pro forma adjustment in Adjusted EBITDA to reflect a full period of NOI on the operating properties we acquire and stabilize and to remove NOI on properties we dispose of during the quarter assuming the transaction occurred at the beginning of the quarter. By excluding interest expense, Adjusted EBITDA allows investors to measure our operating performance independent of our capital structure and indebtedness and, therefore, allows for a more meaningful comparison of our operating performance to that of other companies, both in the real estate industry and in other industries. Gains and losses on the disposition of non-development properties and on the early extinguishment of debt generally include the costs of repurchasing debt securities. While not infrequent or unusual in nature, these items result from market fluctuations that can have inconsistent effects on our results of operations. The economics underlying these items reflect market and financing conditions in the short-term but can obscure our performance and the value of our long-term investment decisions and strategies.

We believe that Adjusted EBITDA helps investors to analyze our ability to meet interest payment obligations and to make quarterly preferred share dividends. We believe that investors should consider Adjusted EBITDA in conjunction with net earnings (the primary measure of our performance) and the other required Generally Accepted Accounting Principles ("GAAP") measures of our performance and liquidity, to improve their understanding of our operating results and liquidity, and to make more meaningful comparisons of our performance against other

companies. By using Adjusted EBITDA, an investor is assessing the earnings generated by our operations but not taking into account the eliminated expenses or gains incurred in connection with such operations. As a result, Adjusted EBITDA has limitations as an analytical tool and should be used in conjunction with our GAAP presentations. Adjusted EBITDA does not reflect our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements or contractual commitments. Adjusted EBITDA, also does not reflect the cash required to make interest and principal payments on our outstanding debt.

While EBITDA is a relevant and widely used measure of operating performance, it does not represent net income or cash flow from operations as defined by GAAP and it should not be considered as an alternative to those indicators in evaluating operating performance or liquidity. Further, our computation of Adjusted EBITDA may not be comparable to EBITDA reported by other companies. We compensate for the limitations of Adjusted EBITDA by providing investors with financial statements prepared according to GAAP, along with this detailed discussion of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to consolidated net earnings (loss), a GAAP measurement.

Adjusted Cash NOI (Actual). A reconciliation of our rental income and rental expenses included in our Statement of Operations to adjusted cash NOI for the consolidated operating portfolio for purposes of the Net Asset Value calculation is as follows (*in thousands*):

Rental income	\$ 461,444
Rental expenses	(125,599)
NOI	335,845
Net termination fees and adjustments (a)	97
Less: actual NOI for development portfolio and other	(18,983)
Less: properties contributed or sold (b)	(3,651)
Less: third party share of NOI	(36,227)
Adjusted NOI for consolidated operating portfolio owned at June 30, 2015	277,081
Straight-lined rents (c)	(11,421)
Free rent (c)	10,464
Amortization of lease intangibles (c)	2,999
Less: third party share	848
Second Quarter Adjusted Cash NOI (Actual)	\$ 279,971

- (a) *Net termination fees generally represent the gross fee negotiated at the time a customer is allowed to terminate its lease agreement offset by that customer's net leveling asset or liability, if any, that has been previously recognized. Removing the net termination fees from rental income allows for the calculation of Adjusted Cash NOI (Pro forma) to include only rental income that is indicative of the property's recurring operating performance.*
- (b) *The actual NOI for properties that were contributed or sold during the three-month period is removed.*
- (c) *Straight-lined rents, free rent amount and amortization of lease intangibles (above and below market leases) are removed from rental income for the Operating Portfolio to allow for the calculation of a cash yield.*

Adjusted Cash NOI (Pro forma) consists of Adjusted Cash NOI (Actual) for the properties in our Operating Portfolio adjusted to reflect NOI for a full quarter for operating properties that were acquired or stabilized during the quarter. Adjusted Cash NOI (Pro forma) for the properties in our Development Portfolio is based on current Total Expected Investment and an estimated stabilized yield.

Assets Under Management ("AUM") represents the estimated value of the real estate we own or manage through both our consolidated and unconsolidated entities. We calculate AUM by adding the third party investors' share of the estimated fair value of the assets in the co-investment ventures to our share of total market capitalization (calculated using the market price of our equity plus our share of total debt).

Notes and Definitions

(continued)

Supplemental 2Q 2015

Business Line Reporting. Core FFO and development gains are generated by our three lines of business: (i) real estate operations; (ii) strategic capital; and (iii) development. Real estate operations represents total Prologis Core FFO, less the amount allocated to the Strategic Capital line of business. The amount of Core FFO allocated to the Strategic Capital line of business represents the third party share of the asset management related fees we earn from our co-investment ventures (both consolidated and unconsolidated) less costs directly associated to our strategic capital group, plus development management income. Development gains include our share of gains on dispositions of development properties and land, net of taxes. To calculate the per share amount, the amount generated by each line of business is divided by the weighted average diluted common shares outstanding used in our Core FFO calculation of per share amounts. Management believes evaluating our results by line of business is a useful supplemental measure of our operating performance because it helps the investing public compare the operating performance of Prologis' respective businesses to other companies' comparable businesses. Prologis' computation of FFO by line of business may not be comparable to that reported by other real estate investment trusts as they may use different methodologies in computing such measures.

Calculation of Per Share Amounts is as follows (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net earnings				
Net earnings	\$ 140,240	\$ 72,715	\$ 485,446	\$ 77,381
Noncontrolling interest attributable to exchangeable limited partnership units	1,623	264	3,273	302
Gains, net of expenses, associated with exchangeable debt assumed exchanged	-	(7,498)	(1,614)	-
Adjusted net earnings - Diluted	\$ 141,863	\$ 65,481	\$ 487,105	\$ 77,683
Weighted average common shares outstanding - Basic	523,476	499,112	518,791	498,919
Incremental weighted average effect on exchange of limited partnership units	5,431	1,964	4,617	1,964
Incremental weighted average effect of stock awards	1,733	3,664	2,037	3,677
Incremental weighted average effect on exchangeable debt assumed exchanged (a)	-	11,879	4,382	-
Weighted average common shares outstanding - Diluted	530,640	516,619	529,827	504,560
Net earnings per share - Basic	\$ 0.27	\$ 0.15	\$ 0.94	\$ 0.16
Net earnings per share - Diluted	\$ 0.27	\$ 0.13	\$ 0.92	\$ 0.15
Core FFO				
Core FFO	\$ 273,885	\$ 244,275	\$ 528,264	\$ 461,830
Noncontrolling interest attributable to exchangeable limited partnership units	902	35	1,782	57
Interest expense on exchangeable debt assumed exchanged	-	4,246	3,506	8,492
Core FFO - Diluted	\$ 274,787	\$ 248,556	\$ 533,552	\$ 470,379
Weighted average common shares outstanding - Basic	523,476	499,112	518,791	498,919
Incremental weighted average effect on exchange of limited partnership units	5,431	1,964	4,617	1,964
Incremental weighted average effect of stock awards	1,733	3,664	2,037	3,677
Incremental weighted average effect on exchangeable debt assumed exchanged (a)	-	11,879	4,382	11,879
Weighted average common shares outstanding - Diluted	530,640	516,619	529,827	516,439
Core FFO per share - Diluted	\$ 0.52	\$ 0.48	\$ 1.01	\$ 0.91

(a) In March 2015, the exchangeable debt was settled primarily through the issuance of common stock. The adjustment in 2015 assumes the exchange occurred on January 1, 2015.

Debt Metrics. See below for the detailed calculations for the respective period (dollars in thousands):

	Three Months Ended	
	June 30 2015	Mar. 31 2015
Debt as a % of gross real estate assets:		
Total Prologis share of debt - at par	\$ 13,076,352	\$ 9,926,040
Less: Prologis share of outstanding foreign currency derivatives	(17,749)	(171,605)
Less: consolidated cash and cash equivalents	(351,025)	(192,013)
Add: consolidated cash and cash equivalents - third party share	114,522	38,821
Less: unconsolidated entities cash - Prologis share	(136,501)	(91,462)
Total Prologis share of debt, net of adjustments	\$ 12,685,599	\$ 9,509,781
Gross real estate assets - Prologis share	\$ 31,531,375	\$ 27,612,385
Debt as a % of gross real estate assets	40.2%	34.4%
Debt as a % of gross market capitalization:		
Total Prologis share of debt, net of adjustments	\$ 12,685,599	\$ 9,509,781
Total outstanding common stock and limited Operating Partnership units	530,635	526,050
Share price at quarter end	\$ 37.10	\$ 43.56
Total equity capitalization	\$ 19,686,559	\$ 22,914,738
Total Prologis share of debt, net of adjustments	12,685,599	9,509,781
Gross market capitalization	\$ 32,372,158	\$ 32,424,519
Debt as a % of gross market capitalization	39.2%	29.3%
Secured debt as a % of gross real estate assets:		
Prologis share of secured debt - at par	\$ 2,740,183	\$ 2,453,166
Gross real estate assets - Prologis share	\$ 31,531,375	\$ 27,612,068
Secured debt as a % of gross real estate assets	8.7%	8.9%
Unencumbered gross real estate assets to unsecured debt:		
Unencumbered gross real estate assets - Prologis share	\$ 25,240,772	\$ 21,912,632
Prologis share of unsecured debt - at par	\$ 10,336,169	\$ 7,472,874
Unencumbered gross real estate assets to unsecured debt	244.2%	293.2%
Fixed Charge Coverage ratio:		
Adjusted EBITDA	\$ 489,035	\$ 365,996
Adjusted EBITDA-annualized including 12 month rolling development gains	\$ 1,862,306	\$ 1,621,292
Net promote for the twelve months ended	2,018	28,378
Adjusted EBITDA-annualized	\$ 1,864,324	\$ 1,649,670
Pro forma adjustment for mid-quarter activity and NOI from disposed properties - annualized	(114,700)	(2,960)
Adjusted EBITDA, including NOI from disposed properties, annualized	\$ 1,749,624	\$ 1,646,710
Interest expense	\$ 68,902	\$ 68,761
Amortization and write-off of deferred loan costs	(2,862)	(3,418)
Amortization of debt premium (discount), net	10,829	9,837
Capitalized interest	16,488	16,284
Preferred stock dividends	1,678	1,670
Third party share of fixed charges from consolidated entities	(6,531)	(5,215)
Our share of fixed charges from unconsolidated entities	15,921	16,933
Total fixed charges	\$ 104,425	\$ 104,852
Total fixed charges, annualized	\$ 417,700	\$ 419,408
Fixed charge coverage ratio	4.19x	3.93x
Debt to Adjusted EBITDA:		
Total Prologis share of debt, net of adjustments	\$ 12,685,599	\$ 9,509,781
Adjusted EBITDA-annualized	\$ 1,864,324	\$ 1,649,670
Debt to Adjusted EBITDA ratio	6.80x	5.76x

Development Margin is calculated on developed properties as the estimated value at Stabilization minus estimated total investment, before closing costs, the impact of any deferred rents, taxes or third party promotes net of deferred amounts on contributions, divided by the estimated total investment.

Development Portfolio includes industrial properties that are under development and properties that are developed but have not met Stabilization.

Estimated Build Out (TEI and sq ft)- represents the estimated TEI and finished square feet available for rent upon completion of an industrial building on existing parcels of land.

FFO, as defined by Prologis attributable to common stockholders/unitholders ("FFO, as defined by Prologis"); Core FFO attributable to common stockholders/unitholders ("Core FFO"); AFFO (collectively referred to as "FFO"). FFO is a financial measure that is not determined in accordance with GAAP, but is a measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net earnings. Although the National Association of Real Estate Investment Trusts ("NAREIT") has published a definition of FFO, modifications to the NAREIT calculation of FFO are common among REITs, as companies seek to provide financial measures that meaningfully reflect their business.

FFO is not meant to represent a comprehensive system of financial reporting and does not present, nor do we intend it to present, a complete picture of our financial condition and operating performance. We believe net earnings computed under GAAP remains the primary measure of performance and that FFO is only meaningful when it is used in conjunction with net earnings computed under GAAP. Further, we believe our consolidated financial statements, prepared in accordance with GAAP, provide the most meaningful picture of our financial condition and our operating performance.

NAREIT's FFO measure adjusts net earnings computed under GAAP to exclude historical cost depreciation and gains and losses from the sales, along with impairment charges, of previously depreciated properties. We agree that these NAREIT adjustments are useful to investors for the following reasons:

- (i) historical cost accounting for real estate assets in accordance with GAAP assumes, through depreciation charges, that the value of real estate assets diminishes predictably over time. NAREIT stated in its White Paper on FFO "since real estate asset values have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves." Consequently, NAREIT's definition of FFO reflects the fact that real estate, as an asset class, generally appreciates over time and depreciation charges required by GAAP do not reflect the underlying economic realities. We exclude depreciation from our unconsolidated entities and the third parties' share of our consolidated ventures.
- (ii) REITs were created in order to encourage public ownership of real estate as an asset class through investment in firms that were in the business of long-term ownership and management of real estate. The exclusion, in NAREIT's definition of FFO, of gains and losses from the sales, along with impairment charges, of previously depreciated operating real estate assets allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods. We include the gains and losses (including impairment charges) from dispositions of land and development properties, as well as our proportionate share of the gains and losses (including impairment charges) from dispositions of development properties recognized by our unconsolidated and consolidated entities, in our definition of FFO. We exclude the gain on revaluation of equity investments upon acquisition of a controlling interest from our definition of FFO.

Our FFO Measures

At the same time that NAREIT created and defined its FFO measure for the REIT industry, it also recognized that "management of each of its member companies has the responsibility and authority to publish financial information that it regards as useful to the financial community." We believe stockholders, potential investors and financial analysts who review our operating results are best served by a defined FFO measure that includes other adjustments to net earnings computed under GAAP in addition to those included in the NAREIT defined measure of FFO. Our FFO measures are used by management in analyzing our business and the performance of our properties and we believe that it is important that stockholders, potential investors and financial analysts understand the measures management uses.

We calculate our FFO measures, as defined below, based on our proportionate ownership share of both our unconsolidated and consolidated ventures. We reflect our share of our FFO measures for unconsolidated ventures by applying our average ownership percentage for the period to the applicable reconciling items on an entity by entity basis. We reflect our share for consolidated ventures in which we do not own 100% of the equity by adjusting our FFO measures to remove the third party ownership share of the applicable reconciling items based on average ownership percentage for the applicable periods.

We use these FFO measures, including by segment and region, to: (i) evaluate our performance and the performance of our properties in comparison to expected results and results of previous periods, relative to resource allocation decisions; (ii) evaluate the performance of our management; (iii) budget and forecast future results to assist in the allocation of resources; (iv) assess our performance as compared to similar real estate companies and the industry in general; and (v) evaluate how a specific potential investment will impact our future results. Because we make decisions with regard to our performance with a long-term outlook, we believe it is appropriate to remove the effects of short-term items that we do not expect to affect the underlying long-term performance of the properties. The long-term performance of our properties is principally driven by rental income. While not infrequent or unusual, these additional items we exclude in calculating *FFO, as defined by Prologis*, defined below, are subject to significant fluctuations from period to period that cause both positive and negative short-term effects on our results of operations in inconsistent and unpredictable directions that are not relevant to our long-term outlook.

We use our FFO measures as supplemental financial measures of operating performance. We do not use our FFO measures as, nor should they be considered to be, alternatives to net earnings computed under GAAP, as indicators of our operating performance, as alternatives to cash from operating activities computed under GAAP or as indicators of our ability to fund our cash needs.

FFO, as defined by Prologis

To arrive at *FFO, as defined by Prologis*, we adjust the NAREIT defined FFO measure to exclude:

- (i) deferred income tax benefits and deferred income tax expenses recognized by our subsidiaries;
- (ii) current income tax expense related to acquired tax liabilities that were recorded as deferred tax liabilities in an acquisition, to the extent the expense is offset with a deferred income tax benefit in GAAP earnings that is excluded from our defined FFO measure;
- (iii) unhedged foreign currency exchange gains and losses resulting from debt transactions between us and our foreign consolidated subsidiaries and our foreign unconsolidated entities;
- (iv) foreign currency exchange gains and losses from the remeasurement (based on current foreign currency exchange rates) of certain third party debt of our foreign consolidated subsidiaries and our foreign unconsolidated entities; and
- (v) mark-to-market adjustments and related amortization of debt discounts associated with derivative financial instruments.

We believe investors are best served if the information that is made available to them allows them to align their analysis and evaluation of our operating results along the same lines that our management uses in planning and executing our business strategy.

Core FFO

In addition to *FFO*, as defined by *Prologis*, we also use Core FFO. To arrive at *Core FFO*, we adjust *FFO*, as defined by *Prologis*, to exclude the following recurring and non-recurring items that we recognized directly in *FFO*, as defined by *Prologis*:

- (i) gains or losses from contribution or sale of land or development properties;
- (ii) income tax expense related to the sale of investments in real estate and third-party acquisition costs related to the acquisition of real estate;
- (iii) impairment charges recognized related to our investments in real estate generally as a result of our change in intent to contribute or sell these properties;
- (iv) gains or losses from the early extinguishment of debt and redemption and repurchase of preferred stock;
- (v) merger, acquisition and other integration expenses; and
- (vi) expenses related to natural disasters.

We believe it is appropriate to further adjust our *FFO*, as defined by *Prologis* for certain recurring items as they were driven by transactional activity and factors relating to the financial and real estate markets, rather than factors specific to the on-going operating performance of our properties or investments. The impairment charges we have recognized were primarily based on valuations of real estate, which had declined due to market conditions, that we no longer expected to hold for long-term investment. Over the last few years, we made it a priority to strengthen our financial position by reducing our debt, our investment in certain low yielding assets and our exposure to foreign currency exchange fluctuations. As a result, we changed our intent to sell or contribute certain of our real estate properties and recorded impairment charges when we did not expect to recover the costs of our investment. Also, we purchased portions of our debt securities when we believed it was advantageous to do so, which was based on market conditions, and in an effort to lower our borrowing costs and extend our debt maturities. As a result, we have recognized net gains or losses on the early extinguishment of certain debt due to the financial market conditions at that time.

We analyze our operating performance primarily by the rental income of our real estate and the revenue driven by our strategic capital business, net of operating, administrative and financing expenses. This income stream is not directly impacted by fluctuations in the market value of our investments in real estate or debt securities. Although these items discussed above have had a material impact on our operations and are reflected in our financial statements, the removal of the effects of these items allows us to better understand the core operating performance of our properties over the long term.

We use *Core FFO*, including by segment and region, to: (i) evaluate our performance and the performance of our properties in comparison to expected results and results of previous periods, relative to resource allocation decisions; (ii) evaluate the performance of our management; (iii) budget and forecast future results to assist in the allocation of resources; (iv) provide guidance to the financial markets to understand our expected operating performance; (v) assess our operating performance as compared to similar real estate companies and the industry in general; and (vi) evaluate how a specific potential investment will impact our future results. Because we make decisions with regard to our performance with a long-term outlook, we believe it is appropriate to remove the effects of items that we do not expect to affect the underlying long-term performance of the properties we own. As noted above, we believe the long-term performance of our properties is principally driven by rental income. We believe investors are best served if the information that is made available to them allows them to align their analysis and evaluation of our operating results along the same lines that our management uses in planning and executing our business strategy.

AFFO

To arrive at AFFO, we adjust Core FFO to include realized gains from the disposition of land and development properties and to exclude our share of the impact of: (i) straight-line rents; (ii) amortization of above- and below-market lease intangibles; (iii) recurring capital expenditures; (iv) amortization of management contracts; (v) amortization of debt premiums and discounts and financing costs, net of amounts capitalized, and; (vi) stock compensation expense.

We believe AFFO provides a meaningful indicator of our ability to fund cash needs, including cash distributions to our stockholders.

Limitations on Use of our FFO Measures

While we believe our defined FFO measures are important supplemental measures, neither NAREIT's nor our measures of FFO should be used alone because they exclude significant economic components of net earnings computed under GAAP and are, therefore, limited as an analytical tool. Accordingly, these are only a few of the many measures we use when analyzing our business. Some of these limitations are:

- The current income tax expenses and acquisition costs that are excluded from our defined FFO measures represent the taxes and transaction costs that are payable.
- Depreciation and amortization of real estate assets are economic costs that are excluded from FFO. FFO is limited, as it does not reflect the cash requirements that may be necessary for future replacements of the real estate assets. Further, the amortization of capital expenditures and leasing costs necessary to maintain the operating performance of industrial properties are not reflected in FFO.
- Gains or losses from non-development property acquisitions and dispositions or impairment charges related to expected dispositions represent changes in value of the properties. By excluding these gains and losses, FFO does not capture realized changes in the value of acquired or disposed properties arising from changes in market conditions.
- The deferred income tax benefits and expenses that are excluded from our defined FFO measures result from the creation of a deferred income tax asset or liability that may have to be settled at some future point. Our defined FFO measures do not currently reflect any income or expense that may result from such settlement.
- The foreign currency exchange gains and losses that are excluded from our defined FFO measures are generally recognized based on movements in foreign currency exchange rates through a specific point in time. The ultimate settlement of our foreign currency-denominated net assets is indefinite as to timing and amount. Our FFO measures are limited in that they do not reflect the current period changes in these net assets that result from periodic foreign currency exchange rate movements.
- The gains and losses on extinguishment of debt that we exclude from our Core FFO, may provide a benefit or cost to us as we may be settling our debt at less or more than our future obligation.
- The merger, acquisition and other integration expenses and the natural disaster expenses that we exclude from Core FFO are costs that we have incurred.

We compensate for these limitations by using our FFO measures only in conjunction with net earnings computed under GAAP when making our decisions. This information should be read with our complete consolidated financial statements prepared under GAAP. To assist investors in compensating for these limitations, we reconcile our defined FFO measures to our net earnings computed under GAAP.

Fixed Charge Coverage is defined as Adjusted EBITDA divided by total fixed charges. Fixed charges consist of net interest expense adjusted for amortization of finance costs and debt discount (premium), capitalized interest, and preferred stock dividends. We use fixed charge coverage to measure our liquidity. We believe that fixed charge coverage is relevant and useful to investors because it allows fixed income investors to measure our ability to make interest payments on outstanding debt and make distributions/dividends to preferred unitholders/stockholders. Our computation of fixed charge coverage is not calculated in accordance with applicable SEC rules and may not be comparable to fixed charge coverage reported by other companies.

General and Administrative Expenses (“G&A”) were as follows (*in thousands*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Gross overhead	\$ 110,300	\$ 117,935	\$ 219,005	\$ 235,184
Allocated to rental expenses	(8,081)	(7,497)	(16,065)	(15,620)
Allocated to strategic capital expenses	(20,115)	(27,837)	(40,476)	(52,000)
Capitalized amounts	(25,077)	(22,226)	(49,149)	(43,986)
G&A expenses	\$ 57,027	\$ 60,375	\$ 113,315	\$ 123,578

We capitalize certain costs directly related to our development and leasing activities. Capitalized G&A expenses include salaries and related costs as well as other G&A costs. The capitalized costs were as follows (*in thousands*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Development activities	\$ 18,749	\$ 17,403	\$ 36,671	\$ 34,264
Leasing activities	5,241	4,404	10,289	9,122
Costs related to internally developed software	1,087	419	2,189	600
Total capitalized G&A	\$ 25,077	\$ 22,226	\$ 49,149	\$ 43,986

G&A as a Percent of Assets Under Management (*in thousands*):

Net G&A - midpoint of 2015 guidance range (a)	\$ 240,000
Add: estimated 2015 strategic capital expenses	87,000
Less: estimated 2015 strategic capital property management expenses	(39,000)
Adjusted G&A, using 2015 guidance amounts	\$ 288,000

Gross book value at period end (b):	
Operating properties	\$ 46,402,142
Development portfolio - TEI	3,718,311
Land portfolio	1,793,089
Other real estate investments, assets held for sale and note receivable backed by real estate	1,001,547
Total Gross Book Value of Assets Under Management	\$ 52,915,089

G&A as % of Assets Under Management **0.54%**

(a) This amount represents the 2015 guidance provided in this Supplemental Package.

(b) This amount does not represent enterprise value.

Interest Expense consisted of the following (*in thousands*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Gross interest expense	\$ 93,357	\$ 96,876	\$ 184,821	\$ 199,339
Amortization of discount (premium), net	(10,829)	(4,113)	(20,667)	(9,947)
Amortization of deferred loan costs	2,862	3,152	6,281	6,619
Interest expense before capitalization	85,390	95,915	170,435	196,011
Capitalized amounts	(16,488)	(15,731)	(32,772)	(30,304)
Interest expense	\$ 68,902	\$ 80,184	\$ 137,663	\$ 165,707

Investment Capacity is our estimate of the gross real estate, which could be acquired by our co-investment ventures through the use of existing equity commitments from us and our partners up to the ventures maximum leverage limits.

Market Classification

- **Global Markets** feature large population centers with high per-capita consumption and are located near major seaports, airports, and ground transportation systems.
- **Regional Markets** benefit from large population centers but typically are not as tied to the global supply chain, but rather serve local consumption and are often less supply constrained. Markets included as regional markets include: Austin, Charlotte, Cincinnati, Columbus, Denver, Hungary, Indianapolis, Juarez, Las Vegas, Louisville, Memphis, Nashville, Orlando, Phoenix, Portland, Reno, Reynosa, San Antonio, Slovakia, Sweden and Tijuana.
- **Other Markets** represent a small portion of our portfolio that is located outside global and regional markets. These markets include: Austria, Boston, Jacksonville, Kansas City, Norfolk, Salt Lake City, Savannah and Tampa.

Net Asset Value (“NAV”). We consider NAV to be a useful supplemental measure of our operating performance because it enables both management and investors to estimate the fair value of our business. The assessment of the fair value of a particular segment of our business is subjective in that it involves estimates and can be calculated using various methods. Therefore, we have presented the financial results and investments related to our business segments that we believe are important in calculating our NAV but have not presented any specific methodology nor provided any guidance on the assumptions or estimates that should be used in the calculation.

The components of NAV do not consider the potential changes in rental and fee income streams or the franchise value associated with our global operating platform, strategic capital platform, or development platform.

Net Effective Rent is calculated at the beginning of the lease using the estimated total cash to be received over the term of the lease (including base rent and expense reimbursements) and annualized. Amounts derived in a currency other than the U.S. Dollar have been translated using the average rate from the previous twelve months. The per square foot number is calculated by dividing the annualized net effective rent by the occupied square feet of the lease.

Net Effective Rent Change (GAAP) represents the change on operating portfolio properties in net effective rental rates (average rate over the lease term) on new and renewed leases signed during the period as compared with the previous effective rental rates in that same space.

Net Operating Income (“NOI”) represents rental income less rental expenses.

Notes and Definitions

(continued)

Supplemental 2Q 2015

Noncontrolling Interest. The following table includes information for each entity we consolidate and in which we own less than 100% (*dollars in thousands*):

	Ownership Percentage	Noncontrolling Interest	Real Estate	Debt
Prologis U.S. Logistics Venture	55.0%	\$ 2,759,418	\$ 6,676,499	\$ 734,172
Prologis North American Industrial Fund.....	66.1%	539,279	2,753,882	1,121,355
Brazil Fund.....	50.0%	59,702	-	-
Other consolidated entities.....	various	103,051	1,009,113	16,356
Limited partners in the Operating Partnership		181,823	-	-
Noncontrolling interests		\$ 3,643,273	\$ 10,439,494	\$ 1,871,883

Operating Portfolio includes stabilized industrial properties in our owned and managed portfolio. A developed property moves into the Operating Portfolio when it meets Stabilization.

Pro-Rata Balance Sheet and Operating Information. The consolidated amounts shown are derived from and prepared on a consistent basis with our consolidated financial statements and are adjusted to remove the amounts attributable to non-controlling interests. The Prologis share of unconsolidated co-investment ventures column was derived on an entity-by-entity basis by applying our ownership percentage to each line item to calculate our share of that line item. For purposes of balance sheet data, we used our ownership percentage at the end of the period and for operating information, we used our average ownership percentage for the period, consistent with how we calculate our share of net earnings (loss) during the period. We used a similar calculation to derive the noncontrolling interests' share of each line item. In order to present the total owned and managed portfolio, we added our investors' share of each line item in the unconsolidated co-investment ventures and the noncontrolling interests share of each line item to the Prologis Total Share.

Prologis Share represents our proportionate economic ownership of each entity included in our total owned and managed portfolio.

Rental Income included the following (*in thousands*):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Rental income.....	\$ 347,301	\$ 290,803	\$ 667,016	\$ 586,309
Amortization of lease intangibles.....	(3,276)	(7,280)	(9,129)	(14,974)
Rental expense recoveries.....	103,616	86,812	197,871	174,174
Straight-lined rents.....	13,803	10,938	24,488	24,004
	\$ 461,444	\$ 381,273	\$ 880,246	\$ 769,513

Same Store. We evaluate the operating performance of the operating properties we own and manage using a "Same Store" analysis because the population of properties in this analysis is consistent from period to period, thereby eliminating the effects of changes in the composition of the portfolio on performance measures. We include the properties included in our owned and managed portfolio that were in operation at January 1, 2014 and throughout the full periods in both 2014 and 2015. We have removed all properties that were disposed of to a third party from the population for both periods. We believe the factors that impact rental income, rental expenses and NOI in the Same Store portfolio are generally the same as for the total operating portfolio. In order to derive an appropriate measure of period-to-period operating performance, we remove the effects of foreign currency exchange rate movements by using the current exchange rate to translate from local currency into U.S. dollars, for both periods.

Our same store measures are non-GAAP measures that are commonly used in the real estate industry and are calculated beginning with rental income and rental expenses from the financial statements prepared in accordance with GAAP. It is also common in the real estate industry and expected from the analyst and investor community that these numbers be further adjusted to remove certain non-cash items included in the financial statements prepared in accordance with GAAP to reflect a cash same store number. In order to clearly label these metrics, we call one Same Store NOI- GAAP and one Same Store NOI-Adjusted Cash. As these are non-GAAP measures they have certain limitations as an analytical tool and may vary among real estate companies. As a result, we provide a reconciliation from our financial statements prepared in accordance with GAAP to Same Store NOI-GAAP and then to Same Store NOI-Adjusted Cash with explanations of how these metrics are calculated and adjusted.

The following is a reconciliation of our consolidated rental income, rental expenses and NOI, as included in the Consolidated Statements of Operations, to the respective amounts in our Same Store portfolio analysis (*dollars in thousands*):

	Three Months Ended June 30,		Change (%)
	2015	2014	
Rental Income:			
Per the Consolidated Statements of Operations.....	\$ 461,444	\$ 381,273	
Properties not included and other adjustments (a)	(76,633)	(50,548)	
Unconsolidated Co-Investment Ventures.....	406,189	428,155	
Same Store - Rental Income	\$ 791,000	\$ 758,880	4.2%
Rental Expense:			
Per the Consolidated Statements of Operations.....	\$ 125,599	\$ 109,576	
Properties not included and other adjustments (b)	(12,343)	(12,098)	
Unconsolidated Co-Investment Ventures.....	92,909	101,955	
Same Store - Rental Expense	\$ 206,165	\$ 199,433	3.4%
NOI-GAAP:			
Per the Consolidated Statements of Operations.....	\$ 335,845	\$ 271,697	
Properties not included and other adjustments	(64,290)	(38,450)	
Unconsolidated Co-Investment Ventures.....	313,280	326,200	
Same Store - NOI - GAAP	\$ 584,835	\$ 559,447	4.5%
Same Store - NOI - GAAP - Prologis Share (c)	\$ 349,401	\$ 329,981	5.9%
NOI-Adjusted Cash:			
Same store- NOI - GAAP	\$ 584,835	\$ 559,447	
Adjustments (d).....	(7,186)	(4,656)	
Same Store - NOI- Adjusted Cash	\$ 577,649	\$ 554,791	4.1%
Same Store - NOI- Adjusted Cash - Prologis Share (c)	\$ 345,507	\$ 328,574	5.2%

(a) To calculate Same Store rental income, we exclude the net termination and renegotiation fees to allow us to evaluate the growth or decline in each property's rental income without regard to items that are not indicative of the property's recurring operating performance.

(b) To calculate Same Store rental expense, we include an allocation of the property management expenses for our consolidated properties based on the property management fee that is provided for in the individual management agreements under which our wholly owned management companies provide property management services (generally the fee is based on a percentage of revenue). On consolidation, the management fee income and expenses are eliminated and the actual cost of providing property management services is recognized.

- (c) *Prologis share of Same Store is calculated using the underlying building information from the Same Store NOI GAAP and Adjusted Cash calculations and applying our ownership percentage as of June 30, 2015 to the NOI of each building for both periods.*
- (d) *In order to derive Same Store- NOI - Adjusted Cash, we adjust Same Store- NOI- GAAP to exclude non-cash items included in our rental income in our GAAP financial statements, including straight line rent adjustments and adjustments related to purchase accounts to reflect leases at fair value at the time of acquisition.*

Same Store Average Occupancy represents the average occupied percentage of the Same Store portfolio for the period.

Stabilization is defined when a property that was developed has been completed for one year or is 90% occupied. Upon stabilization, a property is moved into our Operating Portfolio.

Strategic Capital NOI represents strategic capital income less strategic capital expenses.

Tenant Retention is the square footage of all leases rented by existing tenants divided by the square footage of all expiring and rented leases during the reporting period, excluding the square footage of tenants that default or buy-out prior to expiration of their lease, short-term tenants and the square footage of month-to-month leases.

Total Expected Investment ("TEI") represents total estimated cost of development or expansion, including land, development and leasing costs. TEI is based on current projections and is subject to change. Non-U.S. dollar investments are translated to U.S. dollars using the exchange rate at period end or the date of development start for purposes of calculating development starts in any period.

Turnover Costs represent the costs incurred in connection with the signing of a lease, including leasing commissions and tenant improvements. Tenant improvements include costs to prepare a space for a new tenant and for a lease renewal with the same tenant. It excludes costs to prepare a space that is being leased for the first time (i.e. in a new development property).

Value-Added Acquisitions are properties we acquire for which we believe the discount in pricing attributed to the operating challenges could provide greater returns post-stabilization than the returns of stabilized properties that are not Value-Added Acquisitions. Value Added Acquisitions must have one or more of the following characteristics: (i) existing vacancy in excess of 20%; (ii) short term lease roll-over, typically during the first two years of ownership; (iii) significant capital improvement requirements in excess of 10% of the purchase price and must be invested within the first two years of ownership.

Value-Added Conversions represent the repurposing of industrial properties to a higher and better use, including office, residential, retail, research and development, data center, self storage or manufacturing with the intent to ultimately sell the property once repositioned. Activities required to prepare the property for conversion to a higher and better use may include such activities as re-zoning, re-designing, re-constructing, and re-tenanting. The economic gain on sales of value added conversions represents the amount by which the sales proceeds exceeds the amount included in NAV for the disposed property.

Value Creation represents the value that we will create through our development and leasing activities. We calculate value creation by estimating the NOI that the property will generate at Stabilization and applying an estimated stabilized capitalization rate applicable to that property. The value creation is calculated as the amount by which the estimated value exceeds our total expected investment and does not include any fees or promotes we may earn. This can also include realized economic gains from value-added conversion properties.

Weighted Average Estimated Stabilized Yield is calculated as NOI assuming stabilized occupancy divided by Acquisition Cost or TEI, as applicable.