



SECOND QUARTER 2019

Prologis Supplemental Information

Unaudited

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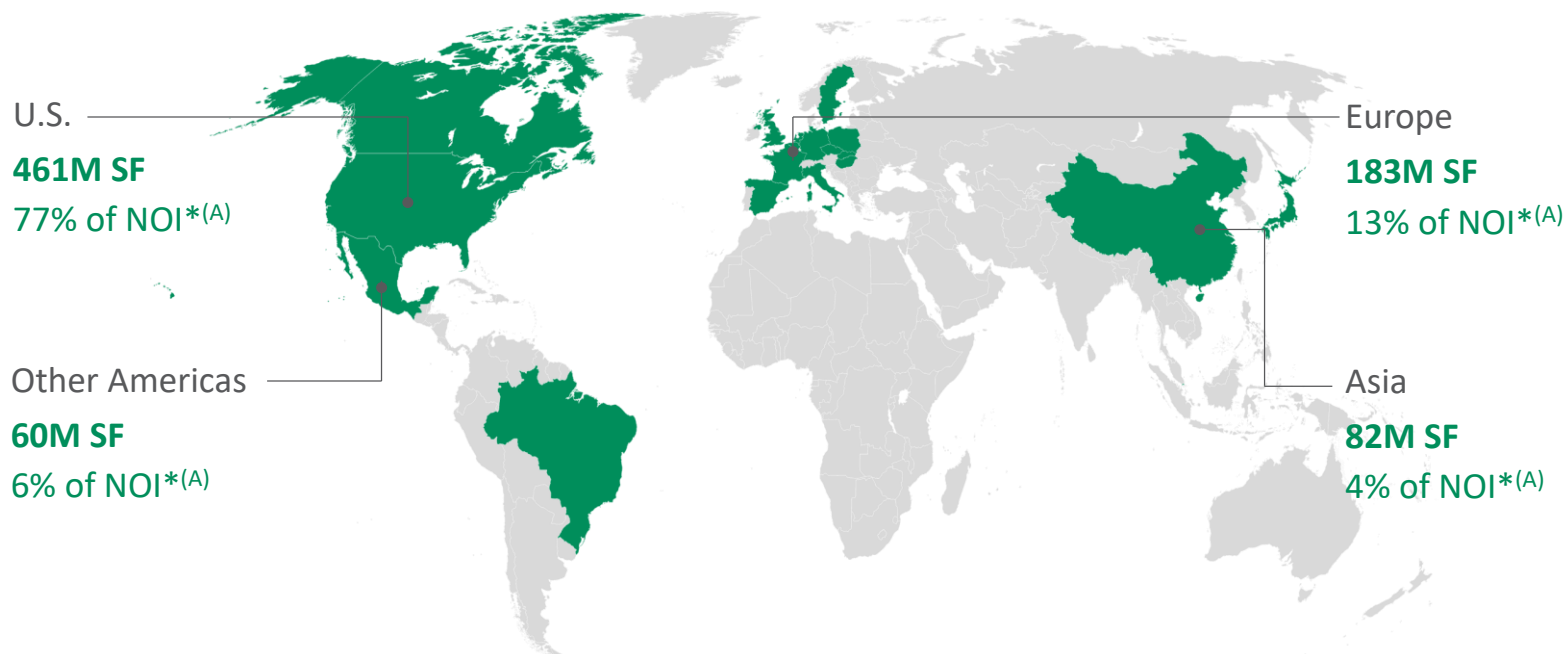
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Prologis, Inc., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of June 30, 2019, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 786 million square feet (73 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,100 customers principally across two major categories: business-to-business and retail/online fulfillment.

3,771
Buildings

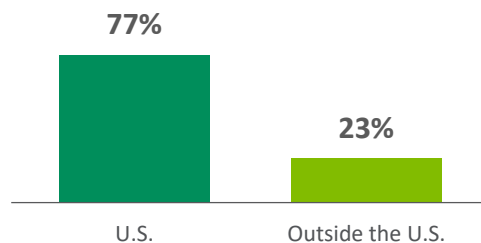
786M
Square Feet

5,100
Customers



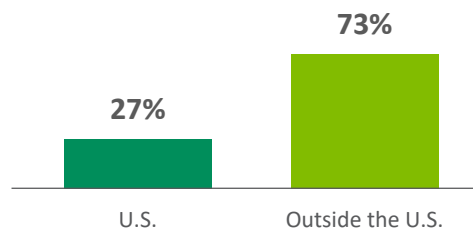
OPERATIONS

\$2.4B in annual NOI^(A)



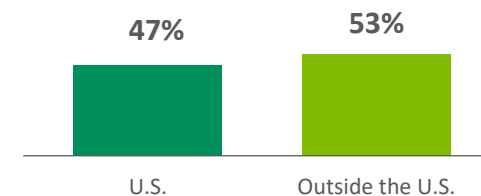
STRATEGIC CAPITAL

\$255M of fees and promotes^(B)



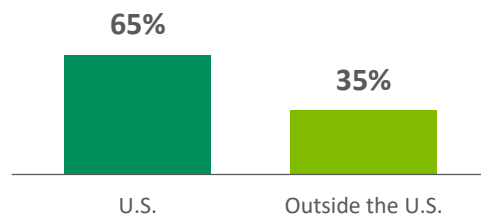
DEVELOPMENT

\$722M in value creation from stabilizations^(C)



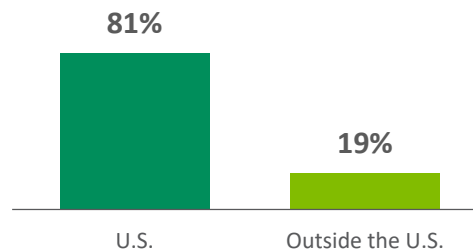
GROSS AUM

\$104B^(D)



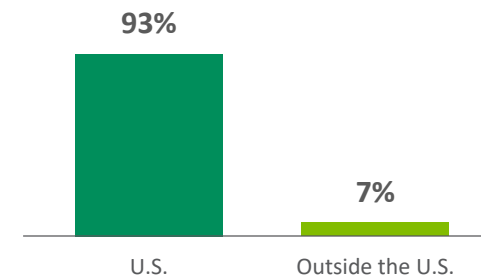
PROLOGIS SHARE AUM

\$65B^(D)



MARKET EQUITY

\$52B^(D)



* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

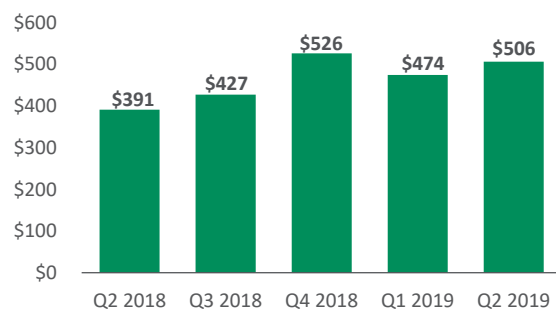
- A. 2Q 2019 Prologis Share of NOI of the Operating Portfolio annualized.
- B. 2Q 2019 third-party share of asset management fees annualized plus trailing twelve month third-party share of transaction fees and Net Promotes.
- C. Prologis Share of trailing twelve month Estimated Value Creation from development stabilizations.
- D. Mexico is included in the U.S. as it is U.S. dollar functional.

Company Performance

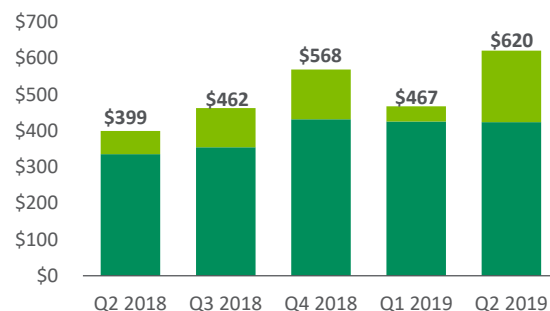
dollars in millions, except per share/unit data

	Three Months ended June 30,		Six Months ended June 30,	
	2019	2018 ^(A)	2019	2018 ^(A)
Rental and other revenues	\$ 701	\$ 545	\$ 1,399	\$ 1,106
Strategic capital revenues ^(B)	89	76	163	209
Total revenues	790	621	1,562	1,315
Net earnings attributable to common stockholders	384	335	731	701
Core FFO attributable to common stockholders/unitholders*	506	391	980	834
AFFO attributable to common stockholders/unitholders*	620	399	1,087	962
Adjusted EBITDA attributable to common stockholders*	823	581	1,478	1,295
Estimated value creation from development stabilizations - Prologis Share	223	241	432	371
Common stock dividends and common limited partnership unit distributions	347	267	695	534
Per common share - diluted:				
Net earnings attributable to common stockholders	\$ 0.60	\$ 0.62	\$ 1.15	\$ 1.30
Core FFO attributable to common stockholders/unitholders*	0.77	0.71	1.50	1.51
Business line reporting:				
Real estate operations*	0.70	0.65	1.38	1.29
Strategic capital*	0.07	0.06	0.12	0.22
Core FFO attributable to common stockholders/unitholders*	0.77	0.71	1.50	1.51
Realized development gains, net of taxes*	0.29	0.11	0.35	0.39
Dividends and distributions per common share/unit	0.53	0.48	1.06	0.96

CORE FFO*

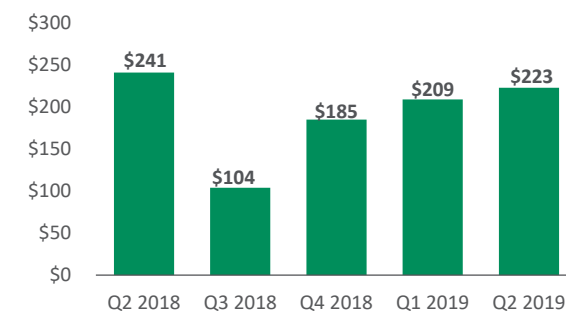


AFFO*



■ Amount attributable to realized development gains

ESTIMATED VALUE CREATION - STABILIZATIONS



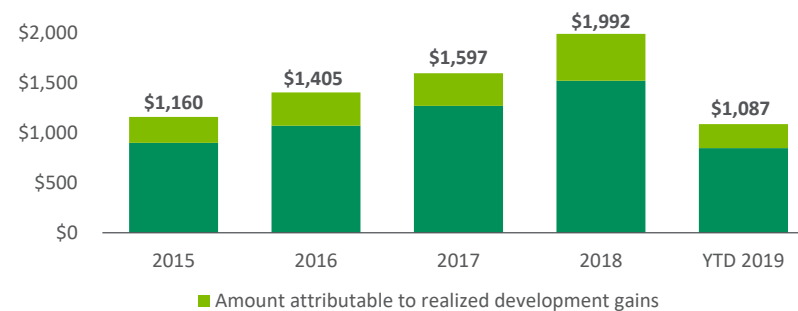
CORE FFO*

in millions



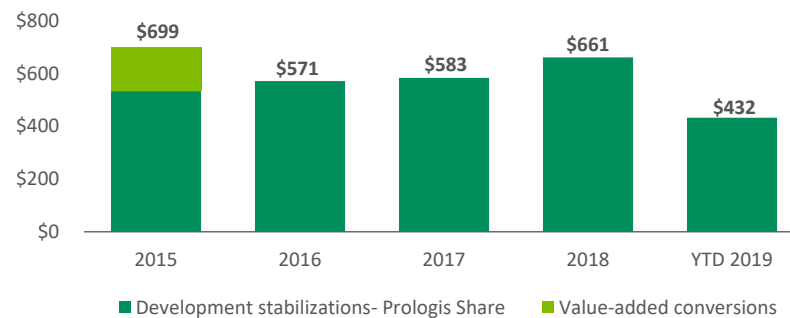
AFFO*

in millions



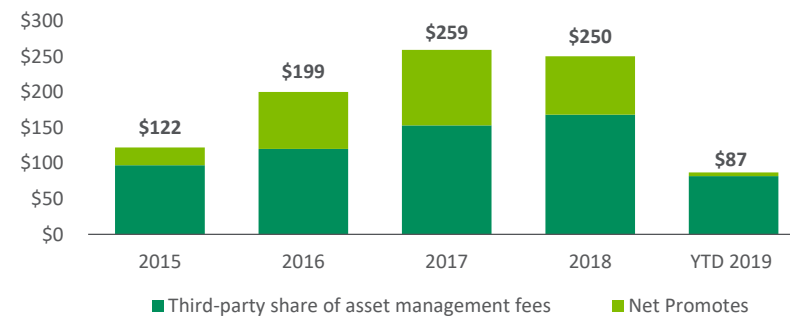
ESTIMATED VALUE CREATION

in millions



ASSET MANAGEMENT FEES AND NET PROMOTES

in millions



Highlights

2Q 2019 Supplemental

Guidance ^(A)

dollars in millions, except per share

2019 Guidance	Low		High	
Net earnings ^{(B)(C)}	\$	2.38	\$	2.46
Core FFO* ^{(B)(C)}	\$	3.26	\$	3.30
Operations				
Year-end occupancy		96.5%		97.5%
Same store NOI - Cash - Prologis share*		4.50%		5.00%
Same store NOI - Net effective - Prologis share*		3.75%		4.25%
Other Assumptions				
Strategic capital revenue, excluding promote revenue	\$	310	\$	320
Net promote income ^(D)	\$	105	\$	105
General & administrative expenses	\$	250	\$	260
Realized development gains	\$	350	\$	450
Capital Deployment				
	PROLOGIS SHARE		OWNED AND MANAGED	
	Low	High		
Development stabilizations	\$	2,000	\$	2,300
Development starts	\$	1,900	\$	2,300
Building acquisitions	\$	500	\$	700
Building and land dispositions ^(E)	\$	500	\$	800
Building contributions ^(F)	\$	1,200	\$	1,500
	\$		\$	
			\$	2,800
			\$	2,800
			\$	2,000
			\$	900
			\$	2,000

Exchange Rates

We have hedged the rates for the majority of our estimated 2019 Euro, Sterling and Yen Core FFO, effectively insulating 2019 results from FX movements in these currencies. For purposes of capital deployment and other metrics, we assumed effective rates for EUR, GBP and JPY of 1.14 (\$/€), 1.27 (\$/£) and 107.73 (¥/\$), respectively.

* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

- A. Guidance for 2019 does not include any impact from the proposed acquisition of Industrial Property Trust Inc.
- B. The difference between Core FFO and Net Earnings predominately relates to real estate depreciation and gains or losses on real estate transactions. See the Notes and Definitions for more information.
- C. Our guidance reflects the adoption of the new lease accounting standard. For a year-over-year comparison, our 2018 earnings results would have been reduced by approximately \$0.04 per share.
- D. Net promote guidance is \$0.16 per share.
- E. Excludes \$313 million of proceeds from the redemption of a portion of our ownership in Prologis European Logistics Fund.
- F. Includes the first quarter contribution of properties to Prologis Brazil Logistics Venture.

Financial Information

Consolidated Balance Sheets

2Q 2019 Supplemental

in thousands	June 30, 2019		March 31, 2019		December 31, 2018	
Assets:						
Investments in real estate properties:						
Operating properties	\$	31,005,284	\$	30,667,227	\$	30,632,155
Development portfolio		1,959,234		1,939,637		2,142,801
Land		1,156,846		1,143,294		1,192,220
Other real estate investments		773,687		645,540		619,811
		34,895,051		34,395,698		34,586,987
Less accumulated depreciation		5,085,219		4,868,611		4,656,680
Net investments in real estate properties		29,809,832		29,527,087		29,930,307
Investments in and advances to unconsolidated entities		5,813,582		5,613,060		5,745,294
Assets held for sale or contribution		609,121		899,976		622,288
Net investments in real estate		36,232,535		36,040,123		36,297,889
Cash and cash equivalents		401,190		251,030		343,856
Other assets ^(A)		2,073,025		2,100,959		1,775,919
Total assets	\$	38,706,750	\$	38,392,112	\$	38,417,664
Liabilities and Equity:						
Liabilities:						
Debt	\$	10,968,320	\$	10,706,139	\$	11,089,815
Accounts payable, accrued expenses and other liabilities ^(A)		1,960,997		1,861,912		1,526,961
Total liabilities		12,929,317		12,568,051		12,616,776
Equity:						
Stockholders' equity		22,330,808		22,334,483		22,298,093
Noncontrolling interests		2,786,183		2,799,521		2,836,469
Noncontrolling interests - limited partnership unitholders		660,442		690,057		666,326
Total equity		25,777,433		25,824,061		25,800,888
Total liabilities and equity	\$	38,706,750	\$	38,392,112	\$	38,417,664

A. In connection with the adoption of the new lease accounting standard, we recognized right of use assets of \$393 million and lease liabilities of \$400 million as of January 1, 2019.

Financial Information

Consolidated Statements of Income

2Q 2019 Supplemental

in thousands, except per share amounts	Three Months Ended		Six Months Ended	
	2019	2018	2019	2018
Revenues:				
Rental	\$ 700,689	\$ 544,679	\$ 1,397,496	\$ 1,100,622
Strategic capital	89,144	75,697	162,949	208,658
Development management and other	539	900	1,979	5,652
Total revenues	790,372	621,276	1,562,424	1,314,932
Expenses:				
Rental	181,138	133,329	369,206	276,270
Strategic capital	37,206	34,850	75,264	78,710
General and administrative	66,276	57,615	135,977	120,043
Depreciation and amortization	284,376	203,673	568,385	407,754
Other	3,515	4,515	7,349	7,754
Total expenses	572,511	433,982	1,156,181	890,531
Operating income before gains	217,861	187,294	406,243	424,401
Gains on dispositions of development properties and land, net	196,941	63,669	239,382	221,237
Gains on real estate transactions, net (excluding development properties and land)	27,254	30,592	173,021	68,135
Operating income	442,056	281,555	818,646	713,773
Other income (expense):				
Earnings from unconsolidated co-investment ventures, net	45,876	53,346	98,963	108,641
Earnings from other unconsolidated ventures, net	2,680	9,203	6,259	16,564
Interest expense	(59,122)	(56,314)	(119,629)	(102,575)
Foreign currency and derivative gains and interest and other income, net	6,353	91,023	22,997	51,905
Gains (losses) on early extinguishment of debt, net	(385)	282	(2,501)	(702)
Total other income (expense)	(4,598)	97,540	6,089	73,833
Earnings before income taxes	437,458	379,095	824,735	787,606
Current income tax expense	(18,190)	(13,234)	(30,909)	(31,850)
Deferred income tax benefit (expense)	(8,442)	(870)	(9,235)	1,194
Consolidated net earnings	410,826	364,991	784,591	756,950
Net earnings attributable to noncontrolling interests	(13,864)	(18,882)	(28,509)	(32,940)
Net earnings attributable to noncontrolling interests - limited partnership units	(11,686)	(10,022)	(22,260)	(20,545)
Net earnings attributable to controlling interests	385,276	336,087	733,822	703,465
Preferred stock dividends	(1,492)	(1,476)	(2,991)	(2,952)
Net earnings attributable to common stockholders ^(A)	\$ 383,784	\$ 334,611	\$ 730,831	\$ 700,513
Weighted average common shares outstanding - Diluted	655,447	554,515	654,766	554,066
Net earnings per share attributable to common stockholders - Diluted	\$ 0.60	\$ 0.62	\$ 1.15	\$ 1.30

Reconciliations of Net Earnings to FFO*

in thousands	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Net earnings attributable to common stockholders	\$ 383,784	\$ 334,611	730,831	700,513
Add (deduct) NAREIT defined adjustments:				
Real estate related depreciation and amortization	275,743	194,426	550,630	390,329
Gains on real estate transactions, net (excluding development properties and land)	(27,254)	(30,592)	(173,021)	(68,135)
Reconciling items related to noncontrolling interests	(11,920)	(12,956)	(25,390)	(23,427)
Our share of reconciling items related to unconsolidated co-investment ventures	58,354	50,425	112,054	101,910
Our share of reconciling items related to other unconsolidated ventures	2,581	1,514	5,593	3,274
NAREIT defined FFO attributable to common stockholders/unitholders*	\$ 681,288	\$ 537,428	\$ 1,200,697	\$ 1,104,464
Add (deduct) our defined adjustments:				
Unrealized foreign currency and derivative losses (gains), net	3,451	(86,490)	(4,037)	(52,526)
Deferred income tax expense (benefit)	8,442	870	9,235	(1,194)
Current income tax expense on dispositions related to acquired tax assets	-	-	-	878
Reconciling items related to noncontrolling interests	15	(56)	35	44
Our share of reconciling items related to unconsolidated co-investment ventures	(1,745)	3,098	(2,889)	1,190
FFO, as modified by Prologis attributable to common stockholders/unitholders*	\$ 691,451	\$ 454,850	\$ 1,203,041	\$ 1,052,856
Adjustments to arrive at Core FFO attributable to common stockholders/unitholders*:				
Gains on dispositions of development properties and land, net	(196,941)	(63,669)	(239,382)	(221,237)
Current income tax expense on dispositions	7,645	3,808	10,044	10,419
Losses (gains) on early extinguishment of debt, net	385	(282)	2,501	702
Reconciling items related to noncontrolling interests	(2)	6,020	(2)	5,420
Our share of reconciling items related to unconsolidated co-investment ventures	3,654	(1,373)	4,238	728
Our share of reconciling items related to other unconsolidated ventures	4	(8,130)	7	(14,544)
Core FFO attributable to common stockholders/unitholders*	\$ 506,196	\$ 391,224	\$ 980,447	\$ 834,344
Adjustments to arrive at Adjusted FFO ("AFFO") attributable to common stockholders/unitholders*, including our share of unconsolidated ventures less noncontrolling interest:				
Gains on dispositions of development properties and land, net	196,941	63,669	239,382	221,237
Current income tax expense on dispositions	(7,645)	(3,808)	(10,044)	(10,419)
Straight-lined rents and amortization of lease intangibles	(25,402)	(11,309)	(54,951)	(26,369)
Property improvements	(25,634)	(21,976)	(34,332)	(30,974)
Turnover costs	(40,631)	(31,315)	(80,969)	(59,342)
Amortization of debt discount, financing costs and management contracts, net	4,575	3,275	9,055	6,805
Stock compensation expense	20,186	19,086	51,944	39,082
Reconciling items related to noncontrolling interests	5,604	(311)	10,968	7,132
Our share of reconciling items related to unconsolidated ventures	(14,032)	(9,975)	(24,508)	(19,000)
AFFO attributable to common stockholders/unitholders*	\$ 620,158	\$ 398,560	\$ 1,086,992	\$ 962,496

Financial Information

2Q 2019 Supplemental

Reconciliations of Net Earnings to Adjusted EBITDA*

in thousands	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Net earnings attributable to common stockholders	\$ 383,784	\$ 334,611	\$ 730,831	\$ 700,513
Gains on real estate transactions, net (excluding development properties and land)	(27,254)	(30,592)	(173,021)	(68,135)
Depreciation and amortization expenses	284,376	203,673	568,385	407,754
Interest expense	59,122	56,314	119,629	102,575
Losses (gains) on early extinguishment of debt, net	385	(282)	2,501	702
Current and deferred income tax expense, net	26,632	14,104	40,144	30,656
Net earnings attributable to noncontrolling interests - limited partnership unitholders	11,686	10,022	22,260	20,545
Pro forma adjustments	(240)	5,110	2,307	4,143
Preferred stock dividends	1,492	1,476	2,991	2,952
Unrealized foreign currency and derivative losses (gains), net	3,451	(86,490)	(4,037)	(52,526)
Stock compensation expense	20,186	19,086	51,944	39,082
Adjusted EBITDA, consolidated*	\$ 763,620	\$ 527,032	\$ 1,363,934	\$ 1,188,261
Reconciling items related to noncontrolling interests	(24,005)	(23,636)	(48,176)	(45,428)
Our share of reconciling items related to unconsolidated ventures	83,814	77,244	162,081	152,626
Adjusted EBITDA attributable to common stockholders/unitholders*	\$ 823,429	\$ 580,640	\$ 1,477,839	\$ 1,295,459

Strategic Capital

Summary and Financial Highlights

2Q 2019 Supplemental

Co-Investment Ventures	Region	Type	Established	Accounting Method	Ownership	Structure	Next Promote Opportunity
Prologis U.S. Logistics Venture	U.S.	Core	2014	Consolidated	55.0%	Open end	Q4 2019
Prologis Targeted U.S. Logistics Fund	U.S.	Core	2004	Unconsolidated	26.8%	Open end	Q2 2020
FIBRA Prologis	Mexico	Core	2014	Unconsolidated	46.7%	Public, Mexican Exchange	Q2 2020
Prologis Brazil Logistics Venture	Brazil	Core/Development	2019	Unconsolidated	20.0%	Closed end	Q4 2019
Prologis European Logistics Fund	Europe	Core	2007	Unconsolidated	23.6%	Open end	Q3 2019
Prologis European Logistics Partners	Europe	Core	2013	Unconsolidated	50.0%	Open end	Q4 2019
Prologis UK Logistics Venture	Europe	Core/Development	2017	Unconsolidated	15.0%	Closed end	Q4 2019
Nippon Prologis REIT	Japan	Core	2013	Unconsolidated	15.1%	Public, Tokyo Exchange	n/a
Prologis China Logistics Venture	China	Core/Development	2011	Unconsolidated	15.0%	Closed end	Q4 2020

in thousands	Venture (at 100%) ^(A)		
	Square Feet	GBV of Operating Bldgs	Debt
Unconsolidated Co-Investment Ventures			
Prologis Targeted U.S. Logistics Fund	92,787	\$ 8,173,484	\$ 2,109,202
FIBRA Prologis ^(B)	34,768	2,081,107	768,259
Prologis Brazil Logistics Venture and other joint ventures	9,741	657,917	-
Prologis European Logistics Fund	112,924	10,141,813	2,320,595
Prologis European Logistics Partners	51,459	3,844,397	-
Prologis UK Logistics Venture	3,366	522,306	391,499
Nippon Prologis REIT ^(B)	31,625	5,967,984	2,170,395
Prologis China Logistics Venture	26,037	1,356,791	1,011,094
Unconsolidated Co-Investment Ventures Total	362,707	32,745,799	8,771,044
Consolidated Co-Investment Ventures			
Prologis U.S. Logistics Venture	67,701	6,259,020	5,693
Consolidated Co-Investment Ventures Total	67,701	6,259,020	5,693
Total	430,408	\$ 39,004,819	\$ 8,776,737

- A. Values represent the entire venture at 100%, not Prologis proportionate share. Values are presented at Prologis' adjusted basis derived from the ventures' U.S. GAAP information and may not be comparable to values reflected in the ventures' stand alone financial statements calculated on a different basis.
- B. Throughout this document we use the most recent public information for these co-investment ventures.

Operating and Balance Sheet Information of the Unconsolidated Co-Investment Ventures (at 100%) ^(A)

dollars in thousands	U.S.		Other Americas		Europe		Asia		Total	
Operating Information	For the Three Months Ended June 30, 2019									
Rental revenues	\$	179,946	\$	66,585	\$	267,893	\$	124,529	\$	638,953
Rental expenses		(47,831)		(10,952)		(47,915)		(29,258)		(135,956)
General and administrative expenses		(9,785)		(6,130)		(13,590)		(13,054)		(42,559)
Depreciation and amortization expenses		(67,651)		(19,374)		(96,675)		(35,272)		(218,972)
Other operating revenues (expenses)		(25)		34		(231)		(121)		(343)
Operating income before gains		54,654		30,163		109,482		46,824		241,123
Gains (losses) on real estate transactions, net		(48)		1,456		360		-		1,768
Operating income		54,606		31,619		109,842		46,824		242,891
Interest expense		(33,502)		(10,178)		(18,813)		(15,259)		(77,752)
Current and deferred income tax benefit (expense)		41		(18)		(5,536)		(2,386)		(7,899)
Other income (expense)		1,657		120		(1,323)		(4,586)		(4,132)
Net earnings		22,802		21,543		84,170		24,593		153,108
Real estate related depreciation and amortization expenses		66,510		18,852		92,951		33,456		211,769
Losses (gains) on dispositions of real estate transactions, net (excluding land)		48		(1,456)		(360)		-		(1,768)
Unrealized foreign currency and derivative losses, net		-		565		1,254		6,223		8,042
Deferred income tax benefit		-		-		(6,680)		(150)		(6,830)
FFO, as modified by Prologis*		89,360		39,504		171,335		64,122		364,321
Reconciling Items to Core FFO		11,868		152		1,675		1		13,696
Core FFO*	\$	101,228	\$	39,656	\$	173,010	\$	64,123	\$	378,017
Balance Sheet Information	As of June 30, 2019									
Operating properties, before depreciation	\$	8,173,484	\$	2,739,024	\$	14,508,516	\$	7,324,775	\$	32,745,799
Accumulated depreciation		(1,146,608)		(259,659)		(1,778,094)		(507,600)		(3,691,961)
Properties under development and land		-		77,924		376,120		536,908		990,952
Other assets		437,238		193,524		841,599		586,773		2,059,134
Total assets	\$	7,464,114	\$	2,750,813	\$	13,948,141	\$	7,940,856	\$	32,103,924
Third party debt	\$	2,109,202	\$	768,259	\$	2,712,094	\$	3,181,489	\$	8,771,044
Other liabilities		311,236		52,539		1,321,797		368,632		2,054,204
Total liabilities	\$	2,420,438	\$	820,798	\$	4,033,891	\$	3,550,121	\$	10,825,248
Weighted average ownership		26.8%		38.7%		30.2%		15.1%		26.5%

* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

A. Values represent the entire venture at 100%, not Prologis proportionate share. Values are presented at Prologis' adjusted basis derived from the ventures' U.S. GAAP information and may not be comparable to values reflected in the ventures' stand alone financial statements calculated on a different basis.

Strategic Capital

2Q 2019 Supplemental

Non-GAAP Pro-Rata Financial Information ^(A)

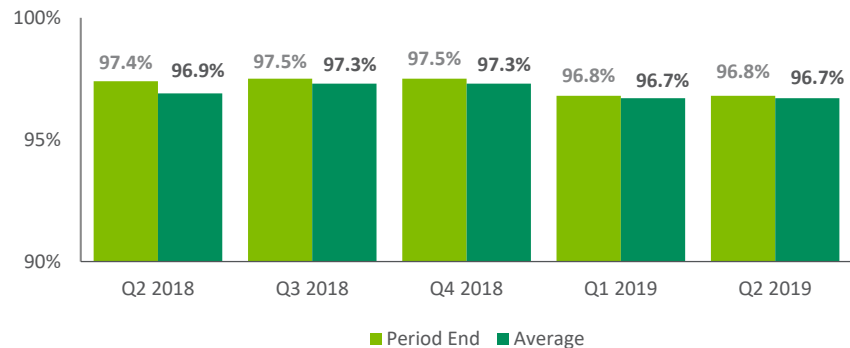
dollars in thousands	Non Controlling Interests included in Consolidated Amounts*		Prologis Share of Unconsolidated Co-Investment Ventures*	
Operating Information for the Three Months Ended June 30, 2019				
Rental revenues	\$	59,587	\$	176,827
Rental expenses		(15,427)		(36,177)
General and administrative expenses		(6,689)		(12,698)
Depreciation and amortization expenses		(23,855)		(60,851)
Other operating income (expense)		453		(70)
Operating income before gains		14,069		67,031
Gains (losses) on real estate transactions, net		(14)		683
Operating income		14,055		67,714
Interest expense		(292)		(20,149)
Current and deferred income tax expense		(122)		(1,007)
Other income (expense)		182		(682)
Earnings from unconsolidated co-investment ventures, net		41		-
Net earnings		13,864		45,876
Real estate related depreciation and amortization expenses		23,592		59,037
Losses (gains) on real estate transactions, net (excluding land)		14		(683)
Unrealized foreign currency and derivative losses (gains), net		(15)		1,732
Deferred income tax benefit		-		(3,477)
FFO, as modified by Prologis*		37,455		102,485
Current income tax expense on dispositions		-		1
Losses on early extinguishment of debt, net		2		3,653
Core FFO*	\$	37,457	\$	106,139
Balance Sheet Information as of June 30, 2019				
Operating properties, before depreciation	\$	2,917,680	\$	8,775,984
Accumulated depreciation		(313,500)		(1,087,220)
Properties under development, land and other real estate		77,690		171,368
Other assets		161,130		631,349
Total assets	\$	2,843,000	\$	8,491,481
Third party debt	\$	12,824	\$	2,010,184
Other liabilities		43,993		494,399
Total liabilities	\$	56,817	\$	2,504,583
Weighted average ownership		40.3%		26.5%
Noncontrolling interests investment		2,786,183		
Investment in and advances to unconsolidated co-investment ventures (B)			\$	5,459,973
Investment in and advances to other unconsolidated ventures				353,609
Investment in and advances to unconsolidated entities			\$	5,813,582

* This is a non-GAAP financial measure, please see our Notes and Definitions for further explanation.

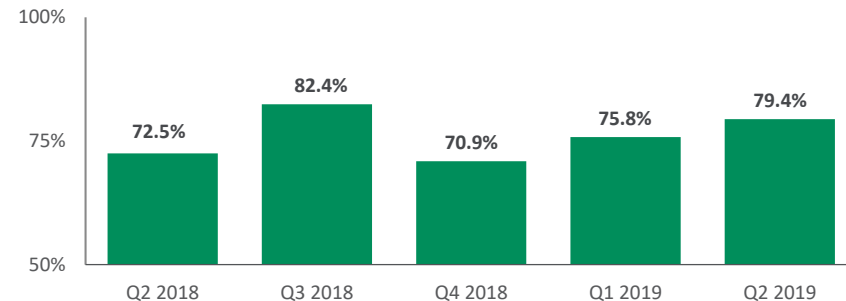
A. See our Notes and Definitions for further explanation of how these amounts are calculated.

B. This balance includes the deferred portion of gains on the contribution of our properties to the ventures prior to 2018, net of any additional costs, included in our investment in the venture.

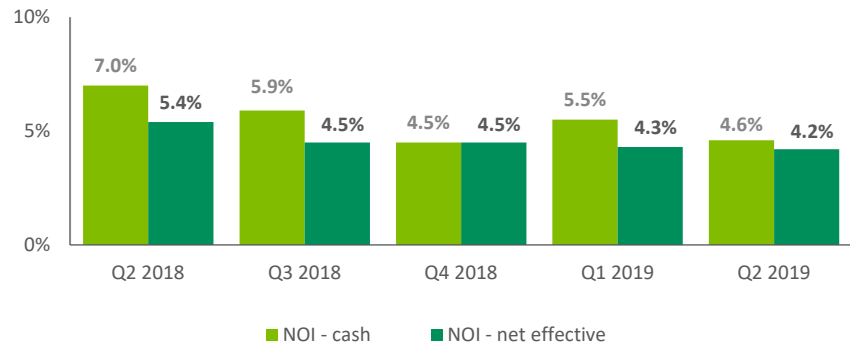
OCCUPANCY



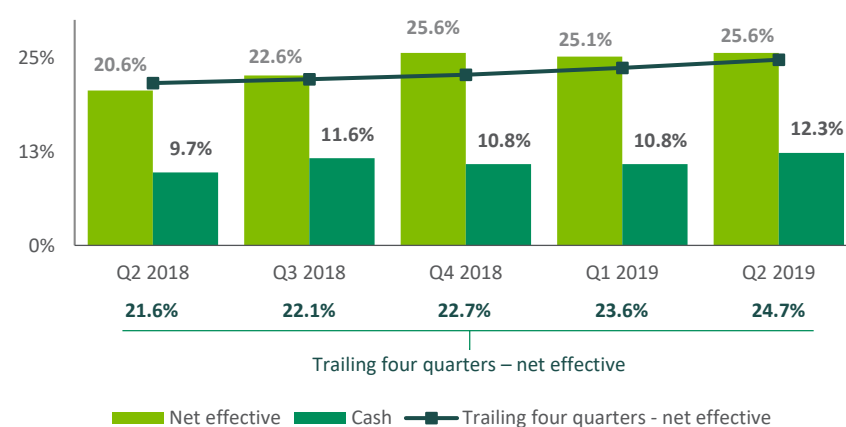
CUSTOMER RETENTION



SAME STORE CHANGE OVER PRIOR YEAR – PROLOGIS SHARE*

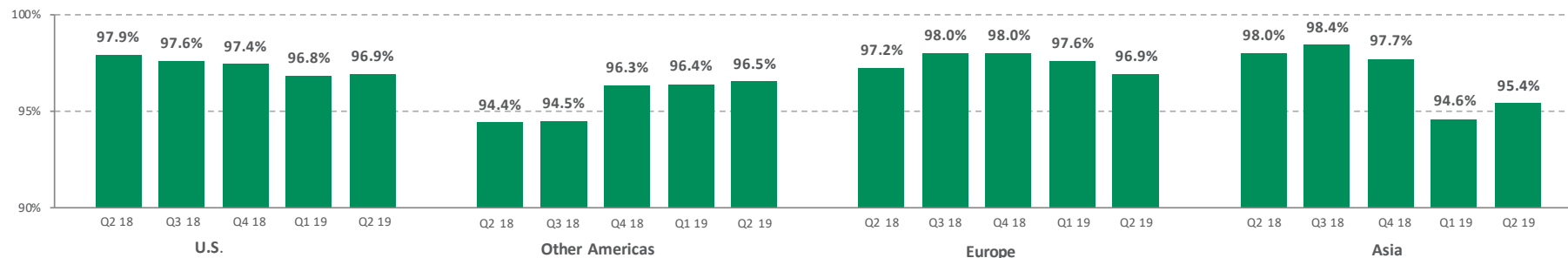


RENT CHANGE – PROLOGIS SHARE



Operating Metrics – Owned and Managed

PERIOD ENDING OCCUPANCY



square feet in thousands

Leasing Activity

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Square feet of leases commenced:					
Operating portfolio:					
Renewals	17,887	21,128	18,899	25,589	21,669
New leases	11,361	10,534	10,566	10,656	10,617
Total Operating Portfolio	29,248	31,662	29,465	36,245	32,286
Properties under development	9,633	5,305	5,408	6,477	4,892
Total Square Feet of Leases Commenced	38,881	36,967	34,873	42,722	37,178
Weighted average term of leases started (in months)	61	62	83	64	65
Operating Portfolio:					
Trailing four quarters - square feet of leases commenced	116,810	117,282	118,687	126,620	129,658
Trailing four quarters - average % of portfolio	18.6%	18.5%	18.3%	19.1%	19.0%
Rent change (net effective)	15.3%	18.8%	20.4%	19.8%	20.0%
Rent change (net effective) - Prologis share	20.6%	22.6%	25.6%	25.1%	25.6%
Rent change (cash)	5.9%	9.5%	7.7%	7.5%	8.2%
Rent change (cash) - Prologis share	9.7%	11.6%	10.8%	10.8%	12.3%
Total square feet of Operating Portfolio leases commenced ^(A)	30,320	34,320	32,162	38,706	35,621

Operating Metrics – Owned and Managed

CAPITAL EXPENDITURES

Thousands, except for percentages and per square foot

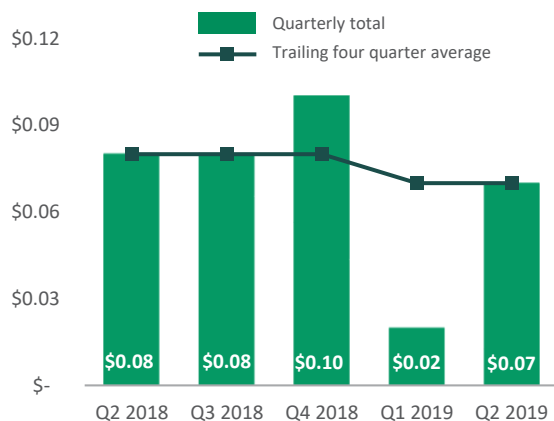
	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Property improvements	\$ 50,230	\$ 55,381	\$ 65,676	\$ 16,785	\$ 48,128
Tenant improvements	29,990	26,151	31,131	32,289	31,561
Leasing commissions	27,794	32,448	37,651	26,909	33,653
Total turnover costs	57,784	58,599	68,782	59,198	65,214
Total Capital Expenditures	\$108,014	\$113,980	\$134,458	\$ 75,983	\$113,342
Trailing four quarters - % of NOI*	13.3%	13.0%	12.3%	11.8%	11.5%
Weighted average ownership percent	59.8%	62.7%	64.3%	70.8%	66.0%
Prologis share	\$ 64,598	\$ 71,420	\$ 86,390	\$ 53,823	\$ 74,831

SAME STORE INFORMATION

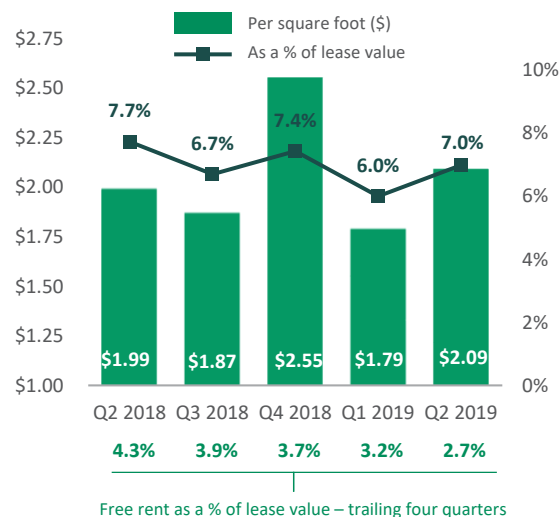
Thousands, except for percentages

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Square feet	565,141	562,123	560,294	591,675	591,212
Average occupancy	97.0%	97.4%	97.4%	96.7%	96.8%
Period end occupancy	97.4%	97.6%	97.5%	96.8%	96.9%
Average occupancy- percentage change	0.2%	0.8%	0.2%	0.0%	(0.1%)
Percentage change- Prologis share*:					
NOI - cash	7.0%	5.9%	4.5%	5.5%	4.6%
NOI - net effective	5.4%	4.5%	4.5%	4.3%	4.2%

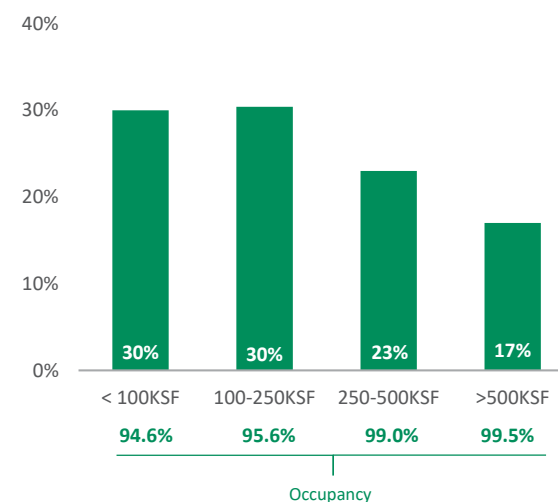
PROPERTY IMPROVEMENTS PER SQUARE FOOT



TURNOVER COSTS ON LEASES COMMENCED



COMPOSITION OF PORTFOLIO (by Unit Size)



Operations

2Q 2019 Supplemental

Operating Portfolio – Square Feet, Occupied and Leased

square feet in thousands and ordered by Prologis share of NOI (%)	# of Buildings Owned and Managed	Square Feet			Occupied %		Leased %	
		Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Southern California	410	84,476	65,771	15.5	98.2	98.1	99.1	99.2
New Jersey/New York City	138	34,675	25,815	6.1	99.1	98.9	99.1	98.9
San Francisco Bay Area	244	23,246	19,173	4.5	96.7	96.6	96.8	96.8
Chicago	237	43,969	33,044	7.8	97.2	97.4	98.1	98.3
Dallas/Ft. Worth	175	30,651	24,571	5.8	95.9	95.8	96.0	95.8
Seattle	129	18,690	12,863	3.0	96.3	96.1	96.3	96.1
Atlanta	134	25,540	21,629	5.1	95.7	95.8	95.9	96.0
South Florida	135	16,175	11,304	2.7	93.9	93.6	93.9	93.6
Central Valley	32	15,332	14,101	3.3	97.2	97.9	97.2	97.9
Houston	141	18,474	13,304	3.1	94.4	94.3	95.4	94.9
Central & Eastern PA	46	20,358	14,161	3.4	94.3	93.7	94.8	94.4
Baltimore/Washington	80	9,695	7,070	1.7	97.3	97.3	97.5	97.6
Las Vegas	62	9,361	6,024	1.4	97.3	98.0	98.7	99.2
Denver	39	6,623	5,954	1.4	97.9	99.1	98.2	99.5
Orlando	56	6,878	5,600	1.3	96.6	98.6	98.1	99.1
Nashville	32	9,066	6,903	1.6	97.3	99.0	97.3	99.0
Cincinnati	32	7,974	6,128	1.5	95.7	94.3	96.8	95.8
Remaining U.S. markets (12 markets)	237	41,661	31,530	7.4	97.4	97.0	97.7	97.2
Total U.S.	2,359	422,844	324,945	76.6	96.9	96.9	97.4	97.4
Mexico	200	38,533	20,015	4.7	96.5	96.4	96.5	96.4
Canada	31	9,166	9,166	2.2	100.0	100.0	100.0	100.0
Brazil	23	9,741	1,668	0.4	93.1	92.8	93.1	92.8
Total Other Americas	254	57,440	30,849	7.3	96.5	97.2	96.5	97.2
United Kingdom	108	24,087	7,824	1.8	97.5	96.3	97.5	96.3
France	113	30,240	10,511	2.5	95.4	96.4	95.4	96.4
Germany	92	23,568	7,677	1.8	99.2	98.4	99.2	98.4
Netherlands	72	21,589	6,697	1.6	98.6	98.9	99.5	99.6
Remaining European countries (8 countries)	329	72,530	24,970	5.8	96.1	95.4	96.7	95.8
Total Europe	714	172,014	57,679	13.5	96.9	96.5	97.3	96.8
Japan	46	32,775	5,932	1.4	99.2	99.3	99.7	99.7
China	95	26,238	4,106	1.0	90.7	91.1	91.6	92.0
Singapore	5	951	951	0.2	97.4	97.4	97.4	97.4
Total Asia	146	59,964	10,989	2.6	95.4	96.0	96.1	96.6
Total Outside the U.S.	1,114	289,418	99,517	23.4	96.5	96.7	96.9	96.9
Total Operating Portfolio	3,473	712,262	424,462	100.0	96.8	96.9	97.2	97.3
Total Global markets	2,838	599,347	350,222	82.5	96.6	96.7	97.0	97.2
Total Regional markets	635	112,915	74,240	17.5	97.5	97.5	97.9	97.9

Operations

2Q 2019 Supplemental

Operating Portfolio – NOI* and Gross Book Value

dollars in thousands and ordered by Prologis share of NOI (%)	Second Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Southern California	\$ 133,964	\$ 103,521	17.5	\$ 9,059,254	\$ 6,957,054	19.1
New Jersey/New York City	63,101	46,793	7.9	3,722,230	2,642,072	7.2
San Francisco Bay Area	56,793	47,105	7.9	3,000,652	2,508,426	6.9
Chicago	49,171	36,374	6.1	3,352,460	2,517,913	6.9
Dallas/Ft. Worth	34,401	27,417	4.6	1,982,676	1,536,983	4.2
Seattle	32,380	21,870	3.7	2,252,219	1,634,926	4.5
Atlanta	23,332	19,455	3.3	1,517,786	1,296,530	3.6
South Florida	26,769	19,181	3.2	1,857,019	1,354,631	3.7
Central Valley	18,867	17,616	3.0	1,053,354	970,508	2.7
Houston	22,318	16,189	2.7	1,496,998	1,086,852	3.0
Central & Eastern PA	22,969	16,021	2.7	1,469,392	1,039,310	2.9
Baltimore/Washington	17,062	12,920	2.2	1,041,075	780,307	2.1
Las Vegas	14,183	9,162	1.5	721,227	445,402	1.2
Denver	8,948	8,076	1.4	506,615	457,648	1.3
Orlando	8,989	7,394	1.2	543,677	444,756	1.2
Nashville	8,945	6,980	1.2	476,274	371,497	1.0
Cincinnati	7,581	5,743	1.0	419,872	330,978	0.9
Remaining U.S. markets (12 markets)	45,752	34,344	5.8	2,419,777	1,755,185	4.8
Total U.S.	595,525	456,161	76.9	36,892,557	28,130,978	77.2
Mexico	46,904	24,378	4.1	2,305,957	1,197,559	3.3
Canada	11,125	11,125	1.9	752,584	752,584	2.1
Brazil	13,020	2,224	0.4	657,917	114,131	0.3
Total Other Americas	71,049	37,727	6.4	3,716,458	2,064,274	5.7
United Kingdom	51,931	17,309	2.9	3,334,670	1,078,245	3.0
France	35,569	12,277	2.1	2,462,186	799,032	2.2
Germany	31,796	10,037	1.7	1,938,588	608,187	1.6
Netherlands	29,129	9,446	1.6	1,928,611	575,553	1.6
Remaining European countries (8 countries)	78,637	26,663	4.5	5,190,752	1,734,072	4.8
Total Europe	227,062	75,732	12.8	14,854,807	4,795,089	13.2
Japan	79,415	17,677	3.0	6,148,567	1,082,942	2.9
China	22,688	3,487	0.6	1,366,744	213,472	0.6
Singapore	2,062	2,062	0.3	139,979	139,979	0.4
Total Asia	104,165	23,226	3.9	7,655,290	1,436,393	3.9
Total Outside the U.S.	402,276	136,685	23.1	26,226,555	8,295,756	22.8
Total Operating Portfolio	\$ 997,801	\$ 592,846	100.0	\$ 63,119,112	\$ 36,426,734	100.0
Total Global markets	865,725	506,956	85.5	55,854,362	31,849,168	87.4
Total Regional markets	132,076	85,890	14.5	7,264,750	4,577,566	12.6

Operating Portfolio – Summary by Division

	# of Buildings Owned and Managed	Square Feet			Occupied %		Leased %	
		Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
square feet and dollars in thousands								
Consolidated								
Total U.S.	1,782	330,650	300,274	70.8	96.9	96.9	97.4	97.4
Total Outside the U.S.	74	20,193	20,193	4.7	96.2	96.2	96.2	96.2
Total Operating Portfolio - Consolidated	1,856	350,843	320,467	75.5	96.9	96.9	97.4	97.4
Unconsolidated								
Total U.S.	577	92,194	24,671	5.8	96.9	96.9	97.2	97.2
Total Outside the U.S.	1,040	269,225	79,324	18.7	96.5	96.8	96.9	97.1
Total Operating Portfolio - Unconsolidated	1,617	361,419	103,995	24.5	96.6	96.8	97.0	97.1
Total								
Total U.S.	2,359	422,844	324,945	76.6	96.9	96.9	97.4	97.4
Total Outside the U.S.	1,114	289,418	99,517	23.4	96.5	96.7	96.9	96.9
Total Operating Portfolio	3,473	712,262	424,462	100.0	96.8	96.9	97.2	97.3
Value added properties - consolidated	31	7,005	6,151		17.3	19.8	30.0	29.1
Value added properties - unconsolidated	17	1,288	347		34.8	38.7	49.3	52.5
Total Operating Properties	3,521	720,555	430,960		95.9	95.7	96.4	96.3

	Second Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Consolidated						
Total U.S.	\$ 465,760	\$ 421,222	71.0	\$ 28,771,161	\$ 25,957,692	71.2
Total Outside the U.S.	26,190	26,190	4.5	1,726,152	1,726,152	4.8
Total Operating Portfolio - Consolidated	\$ 491,950	\$ 447,412	75.5	\$ 30,497,313	\$ 27,683,844	76.0
Unconsolidated						
Total U.S.	\$ 129,765	\$ 34,939	5.9	\$ 8,121,396	\$ 2,173,286	6.0
Total Outside the U.S.	376,086	110,495	18.6	24,500,403	6,569,604	18.0
Total Operating Portfolio - Unconsolidated	\$ 505,851	\$ 145,434	24.5	\$ 32,621,799	\$ 8,742,890	24.0
Value added properties - consolidated	\$ (1,230)	\$ (612)		\$ 762,907	\$ 658,696	
Value added properties - unconsolidated	\$ 334	\$ 114		\$ 124,000	\$ 33,094	

Customer Information

Top Customers - Owned and Managed

square feet in thousands

	% of Net Effective	Rent	
		Total Square Feet	
1 Amazon	3.5	21,066	
2 DHL	1.4	10,170	
3 Geodis	1.2	10,329	
4 XPO Logistics	1.1	8,291	
5 FedEx	1.0	4,392	
6 Home Depot	1.0	7,051	
7 UPS	0.9	5,879	
8 Kuehne + Nagel	0.9	5,974	
9 DSV Air and Sea	0.8	5,149	
10 BMW	0.6	4,592	
Top 10 Customers	12.4	82,893	
11 Wal-Mart	0.6	4,429	
12 CEVA Logistics	0.6	4,625	
13 Nippon Express	0.6	2,687	
14 Hitachi	0.5	2,235	
15 Ingram Micro	0.5	3,885	
16 DB Schenker	0.4	3,549	
17 U.S. Government	0.4	1,057	
18 Panalpina	0.4	2,652	
19 Cainiao (Alibaba)	0.4	2,816	
20 Yusen Logistics	0.3	2,105	
21 Jaguar Land Rover	0.3	1,912	
22 PepsiCo	0.3	2,755	
23 Performance Team	0.3	2,421	
24 Office Depot	0.3	2,266	
25 LG	0.3	2,304	
Top 25 Customers	18.6	124,591	

Lease Expirations - Operating Portfolio - Owned and Managed

square feet and dollars in thousands

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2019	39,697	212,607	5.2	5.36
2020	105,358	586,803	14.4	5.57
2021	113,154	631,533	15.6	5.58
2022	109,971	635,253	15.6	5.78
2023	86,264	513,382	12.6	5.95
Thereafter	234,675	1,485,438	36.6	6.33
	689,119	4,065,016	100.0	5.90

Weighted average term of leases remaining (based on net effective rent) 4.27 years

Lease Expirations - Operating Portfolio - Prologis Share

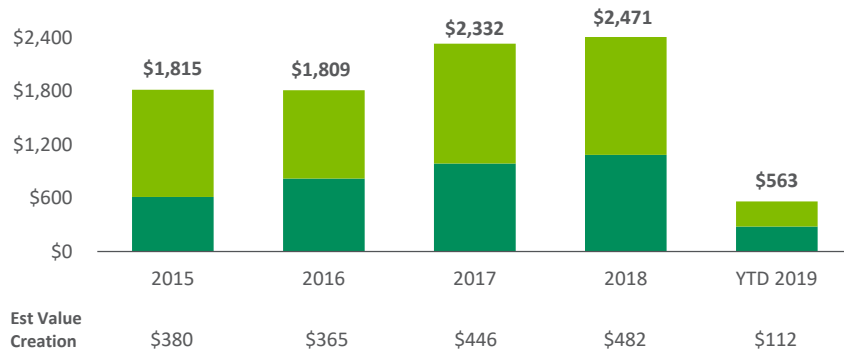
square feet and dollars in thousands

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2019	24,509	127,614	5.3	5.21
2020	55,992	308,838	12.8	5.52
2021	68,591	377,585	15.7	5.50
2022	64,422	365,034	15.2	5.67
2023	54,129	317,488	13.2	5.87
Thereafter	143,513	907,968	37.8	6.33
	411,156	2,404,527	100.0	5.85

Weighted average term of leases remaining (based on net effective rent) 4.33 years

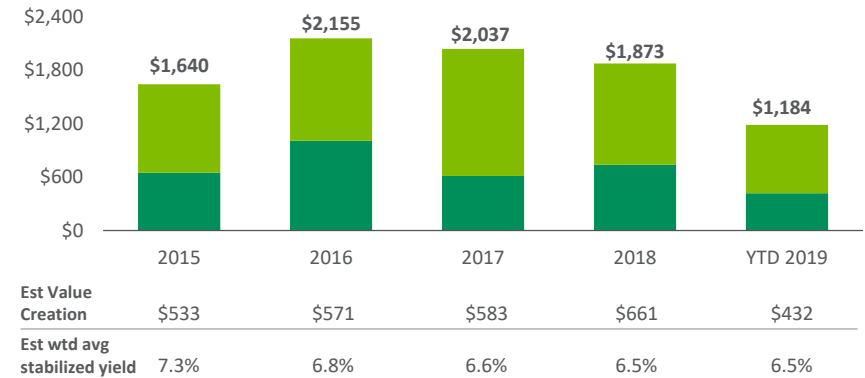
DEVELOPMENT STARTS (TEI)

in millions



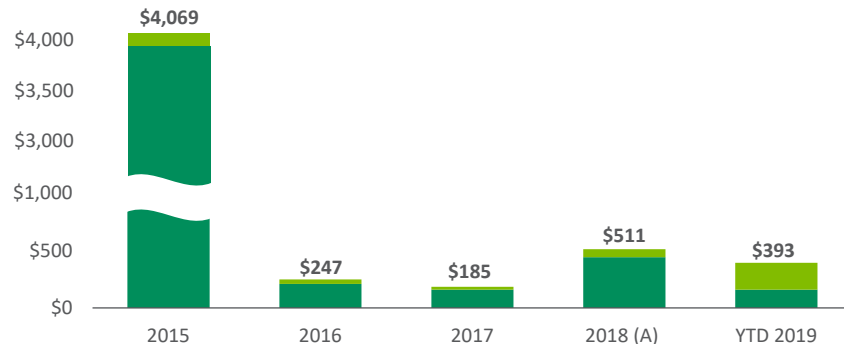
DEVELOPMENT STABILIZATIONS (TEI)

in millions



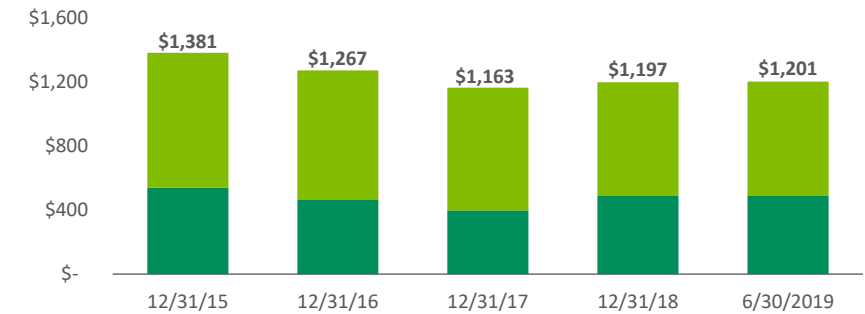
BUILDING ACQUISITIONS

in millions



LAND PORTFOLIO

in millions



■ U.S. ■ Outside the U.S.

Capital Deployment

Development Stabilizations

2Q 2019 Supplemental

square feet and dollars in thousands	Q2 2019			FY 2019		
	Square Feet	T E I		Square Feet	T E I	
		Owned and Managed	Prologis Share		Owned and Managed	Share
Central	-	\$ -	\$ -	398	\$ 34,634	\$ 34,634
East	837	94,365	68,968	1,340	162,516	137,119
West	1,989	178,672	178,672	2,597	245,410	245,410
Total U.S.	2,826	273,037	247,640	4,335	442,560	417,163
Canada	-	-	-	-	-	-
Mexico	559	38,960	38,960	1,177	79,079	79,079
Brazil	-	-	-	-	-	-
Total Other Americas	559	38,960	38,960	1,177	79,079	79,079
Northern Europe	1,787	133,662	133,662	2,948	237,203	231,547
Southern Europe	591	45,530	45,530	934	67,491	67,491
Central Europe	102	6,404	6,404	483	27,566	27,566
United Kingdom	414	52,134	7,820	583	82,823	12,423
Total Europe	2,894	237,730	193,416	4,948	415,083	339,027
Japan	-	-	-	2,095	319,777	319,777
China	1,721	89,638	13,446	3,733	194,034	29,106
Singapore	-	-	-	-	-	-
Total Asia	1,721	89,638	13,446	5,828	513,811	348,883
Total Outside the U.S.	5,174	366,328	245,822	11,953	1,007,973	766,989
Total Development Stabilizations	8,000	\$ 639,365	\$ 493,462	16,288	\$ 1,450,533	\$ 1,184,152
Percent build to suit			33.7%			28.5%
Estimated weighted average stabilized yield			6.8%			6.5%
Annualized estimated NOI			\$ 33,691		\$ 76,801	
Estimated weighted average stabilized cap rate			4.6%			4.7%
Estimated weighted average margin			45.1%			36.5%
Estimated value creation			\$ 222,618		\$ 431,853	

Capital Deployment

Development Starts

2Q 2019 Supplemental

square feet and dollars in thousands	Q2 2019				FY 2019					
	Square Feet	Leased % at Start	Owned and Managed	T E I		Square Feet	Leased % at Start	Owned and Managed	T E I	
				Prologis Share					Prologis Share	
Central	168	0.0	\$ 13,314	\$ 13,314	575	29.0	\$ 48,246	\$ 48,246		
East	-	-	-	-	334	0.0	40,642	40,642		
West	1,337	0.0	164,084	164,084	1,501	0.0	191,920	191,920		
Total U.S.	1,505	0.0	177,398	177,398	2,410	6.9	280,808	280,808		
Canada	-	-	-	-	-	-	-	-		
Mexico	594	83.3	42,384	39,118	941	63.7	62,945	56,479		
Brazil	533	0.0	30,990	6,198	533	0.0	30,990	6,198		
Total Other Americas	1,127	43.9	73,374	45,316	1,474	40.6	93,935	62,677		
Northern Europe	109	0.0	14,997	14,997	471	76.9	52,605	52,605		
Southern Europe	-	-	-	-	785	91.9	56,518	56,518		
Central Europe	219	100.0	13,772	13,772	641	100.0	37,978	37,978		
United Kingdom	261	100.0	37,611	37,611	261	100.0	37,611	37,611		
Total Europe	589	81.5	66,380	66,380	2,158	92.0	184,712	184,712		
Japan	-	-	-	-	-	-	-	-		
China	4,343	0.0	229,693	34,454	4,343	0.0	229,693	34,454		
Singapore	-	-	-	-	-	-	-	-		
Total Asia	4,343	0.0	229,693	34,454	4,343	0.0	229,693	34,454		
Total Outside the U.S.	6,059	16.1	369,447	146,150	7,975	32.4	508,340	281,843		
Total Development Starts	7,564	12.9	\$ 546,845	\$ 323,548	10,385	26.5	\$ 789,148	\$ 562,651		
Percent build to suit				27.1%				33.1%		
Estimated weighted average stabilized yield				6.5%				6.3%		
Annualized estimated NOI				20,939			\$	35,605		
Estimated weighted average stabilized cap rate				5.2%				5.2%		
Estimated weighted average margin				22.0%				19.9%		
Estimated value creation				71,154			\$	112,121		

Capital Deployment

Development Portfolio

2Q 2019 Supplemental

square feet and dollars in thousands	Pre-Stabilized Developments				Under Development						Total Development Portfolio				
	T E I				2019 Expected Completion			2020 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	
															T E I
Central	1,600	30.6	\$ 119,083	\$ 119,083	2,931	\$ 179,086	\$ 179,086	408	\$ 37,052	\$ 37,052	4,939	60.6	\$ 335,221	\$ 335,221	
East	1,160	9.8	75,427	75,427	1,236	136,681	136,681	-	-	-	2,396	4.7	212,108	212,108	
West	3,139	25.2	444,008	444,008	3,831	367,826	367,826	3,616	396,965	371,928	10,586	33.6	1,208,799	1,183,762	
Total U.S.	5,899	23.6	638,518	638,518	7,998	683,593	683,593	4,024	434,017	408,980	17,921	37.2	1,756,128	1,731,091	
Canada	-	-	-	-	847	106,107	106,107	-	-	-	847	100.0	106,107	106,107	
Mexico	-	-	-	-	935	53,859	50,599	594	42,384	39,118	1,529	77.6	96,243	89,717	
Brazil	-	-	-	-	-	-	-	533	30,990	6,198	533	0.0	30,990	6,198	
Total Other Americas	-	-	-	-	1,782	159,966	156,706	1,127	73,374	45,316	2,909	69.9	233,340	202,022	
Northern Europe	321	27.4	21,080	21,080	1,199	114,281	114,281	471	53,091	53,091	1,991	38.9	188,452	188,452	
Southern Europe	-	-	-	-	2,029	164,904	164,904	-	-	-	2,029	61.8	164,904	164,904	
Central Europe	2,011	50.2	134,206	118,575	1,048	60,596	60,596	-	-	-	3,059	54.0	194,802	179,171	
United Kingdom	642	6.1	89,158	32,491	641	91,919	13,788	261	37,611	37,611	1,544	19.5	218,688	83,890	
Total Europe	2,974	38.2	244,444	172,146	4,917	431,700	353,569	732	90,702	90,702	8,623	46.2	766,846	616,417	
Japan	260	100.0	34,726	34,726	2,031	326,901	326,901	625	112,017	112,017	2,916	65.3	473,644	473,644	
China	4,038	9.4	219,047	32,857	2,563	130,044	19,506	11,527	637,956	95,693	18,128	4.0	987,047	148,056	
Singapore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Asia	4,298	14.9	253,773	67,583	4,594	456,945	346,407	12,152	749,973	207,710	21,044	12.5	1,460,691	621,700	
Total Outside the U.S.	7,272	24.4	498,217	239,729	11,293	1,048,611	856,682	14,011	914,049	343,728	32,576	26.5	2,460,877	1,440,139	
Total Development Portfolio	13,171	24.1	\$ 1,136,735	\$ 878,247	19,291	\$ 1,732,204	\$ 1,540,275	18,035	\$ 1,348,066	\$ 752,708	50,497	30.3	\$ 4,217,005	\$ 3,171,230	
Cost to complete			\$ 127,848	\$ 113,014		\$ 480,174	\$ 428,083		\$ 884,900	\$ 502,257			\$ 1,492,922	\$ 1,043,354	
Percent build to suit				4.2%			45.0%			18.9%				27.5%	
Estimated weighted average stabilized yield															
U.S.				6.0%			6.0%			6.3%				6.0%	
Other Americas				-			6.6%			9.2%				7.2%	
Europe				6.7%			6.2%			5.8%				6.3%	
Asia				6.6%			5.7%			5.9%				5.9%	
Total				6.1%			6.0%			6.3%				6.1%	
														Annualized estimated NOI	\$194,178
														Estimated weighted average stabilized cap rate	4.9%
														Estimated weighted average margin	23.2%
														Estimated value creation	\$735,294

Capital Deployment

Third Party Acquisitions

2Q 2019 Supplemental

	Q2 2019				YTD 2019			
	Square Feet		Acquisition Price		Square Feet		Acquisition Price	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
square feet and dollars in thousands								
Prologis Wholly Owned	36	36	\$ 14,567	\$ 14,567	186	186	\$ 39,133	\$ 39,133
Prologis U.S. Logistics Venture	-	-	-	-	663	365	128,382	70,662
Prologis Targeted U.S. Logistics Fund	1,427	381	170,872	45,718	1,548	414	181,820	48,690
Total U.S.	1,463	417	185,439	60,285	2,397	965	349,335	158,485
Prologis Europe Wholly Owned	-	-	-	-	154	154	54,444	54,444
Prologis European Logistics Fund	3,782	893	463,097	109,374	4,447	1,054	529,362	125,454
Prologis European Logistics Partners	890	445	88,270	44,135	965	483	109,178	54,589
Total Outside the U.S.	4,672	1,338	551,367	153,509	5,566	1,691	692,984	234,487
Total Third Party Building Acquisitions	6,135	1,755	\$ 736,806	\$ 213,794	7,963	2,656	\$ 1,042,319	\$ 392,972
Weighted average stabilized cap rate				4.5%				4.4%
Land acquisitions			79,078	55,111			353,654	196,100
Acquisitions of other investments in real estate			140,167	140,167			151,313	143,193
Grand Total Third Party Acquisitions			\$ 956,051	\$ 409,072			\$ 1,547,286	\$ 732,265

Capital Deployment

Dispositions and Contributions

2Q 2019 Supplemental

	Q2 2019				FY 2019			
	Square Feet		Sales Price		Square Feet		Sales Price	
square feet and dollars in thousands	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Third-Party Building Dispositions								
Total U.S.	-	-	\$ -	\$ -	-	-	\$ -	\$ -
FIBRA Prologis	192	90	9,960	4,655	1,266	592	73,060	34,148
Total Other Americas	192	90	9,960	4,655	1,266	592	73,060	34,148
Prologis Wholly Owned	-	-	-	-	670	670	51,817	51,817
Total Europe	-	-	-	-	670	670	51,817	51,817
Total Asia	-	-	-	-	-	-	-	-
Total Outside the U.S.	192	90	9,960	4,655	1,936	1,262	124,877	85,965
Total Third Party Building Dispositions	192	90	\$ 9,960	\$ 4,655	1,936	1,262	\$ 124,877	\$ 85,965
Building Contributions to Co-Investment Ventures								
Prologis Targeted U.S. Logistics Fund	450	450	57,300	41,967	450	450	57,300	41,967
Total U.S.	450	450	\$ 57,300	\$ 41,967	450	450	\$ 57,300	\$ 41,967
Total Other Americas ^(A)	-	-	-	-	-	-	-	-
Prologis European Logistics Fund	1,235	1,235	140,470	107,291	1,637	1,637	191,632	146,036
Prologis European Logistics Partners	-	-	-	-	810	810	73,159	36,580
Total Europe	1,235	1,235	140,470	107,291	2,447	2,447	264,791	182,616
Nippon Prologis REIT	2,488	2,488	533,151	452,539	2,488	2,488	533,151	452,539
Total Asia	2,488	2,488	533,151	452,539	2,488	2,488	533,151	452,539
Total Outside the U.S.	3,723	3,723	673,621	559,830	4,935	4,935	797,942	635,155
Total Building Contributions to Co-Investment Ventures	4,173	4,173	730,921	601,797	5,385	5,385	855,242	677,122
Total Building Dispositions and Contributions	4,365	4,263	\$ 740,881	\$ 606,452	\$ 7,321	\$ 6,647	\$ 980,119	\$ 763,087
Weighted average stabilized cap rate				4.4%				4.7%
Land dispositions			-	-			460	460
Dispositions of other investments in real estate			814	814			814	814
Grand Total Dispositions and Contributions			\$ 741,695	\$ 607,266			\$ 981,393	\$ 764,361

Capital Deployment

Land Portfolio – Owned and Managed

2Q 2019 Supplemental

square feet and dollars in thousands. ordered by Prologis share of NOI (%) of the operating portfolio	Acres			Current Book Value		
	Owned and Managed	Prologis Share	Estimated Build Out (sq ft)	Owned and Managed	Prologis Share	% of Total
Southern California	89	85	1,429	\$ 77,467	\$ 75,579	6.3
New Jersey/New York City	20	20	206	10,428	10,428	0.9
San Francisco Bay Area	5	5	101	7,631	7,631	0.6
Chicago	133	133	2,053	20,751	20,751	1.7
Dallas/Ft. Worth	8	8	607	2,299	2,299	0.2
Seattle	9	9	382	13,878	13,878	1.2
Atlanta	218	218	2,438	21,492	21,492	1.8
South Florida	130	127	2,212	86,331	84,486	7.0
Central Valley	1,011	1,011	20,208	148,618	148,618	12.4
Houston	162	150	2,801	23,009	21,365	1.8
Central & Eastern PA	29	16	399	7,964	4,384	0.4
Baltimore/Washington	4	4	58	2,815	2,815	0.2
Las Vegas	67	67	1,314	15,044	15,044	1.3
Denver	2	2	40	1,223	1,223	0.1
Orlando	60	60	867	18,580	18,580	1.5
Nashville	-	-	-	-	-	-
Cincinnati	-	-	-	-	-	-
Remaining U.S. markets (12 markets)	275	268	5,183	43,947	42,503	3.5
Total U.S.	2,222	2,183	40,298	501,477	491,076	40.9
Mexico	501	477	8,743	93,850	87,421	7.3
Canada	71	71	1,410	18,747	18,747	1.6
Brazil	509	242	11,488	162,426	47,970	4.0
Total Other Americas	1,081	790	21,641	275,023	154,138	12.9
United Kingdom	308	191	5,652	251,588	149,123	12.4
France	259	203	5,055	38,136	26,054	2.2
Germany	46	42	1,149	17,960	17,142	1.4
Netherlands	25	25	721	9,525	9,525	0.8
Remaining European countries (8 countries)	1,293	1,221	25,148	215,302	198,538	16.5
Total Europe	1,931	1,682	37,725	532,511	400,382	33.3
Japan	101	101	5,812	148,829	148,829	12.4
China	133	20	4,817	43,187	6,478	0.5
Singapore	-	-	-	-	-	-
Total Asia	234	121	10,629	192,016	155,307	12.9
Total Outside the U.S.	3,246	2,593	69,995	999,550	709,827	59.1
Total Land Portfolio	5,468	4,776	110,293	\$ 1,501,027	\$ 1,200,903	100.0

Capital Deployment

2Q 2019 Supplemental

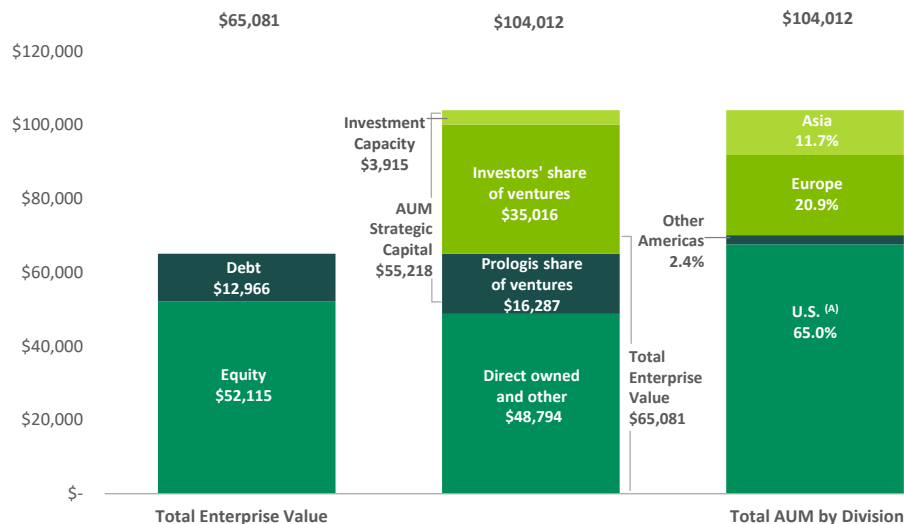
Land Portfolio – Summary and Roll Forward

dollars in thousands	Acres			Current Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Central	369	357	7.5	\$ 49,683	\$ 48,039	4.0
East	466	450	9.4	147,996	142,571	11.9
West	1,387	1,376	28.8	303,798	300,466	25.0
Total U.S.	2,222	2,183	45.7	501,477	491,076	40.9
Mexico	501	477	10.0	93,850	87,421	7.3
Canada	71	71	1.5	18,747	18,747	1.6
Brazil	509	242	5.1	162,426	47,970	4.0
Total Other Americas	1,081	790	16.6	275,023	154,138	12.9
Central Europe	882	831	17.4	109,328	98,248	8.2
Northern Europe	119	113	2.4	42,362	40,917	3.4
Southern Europe	622	547	11.4	129,233	112,094	9.3
United Kingdom	308	191	4.0	251,588	149,123	12.4
Total Europe	1,931	1,682	35.2	532,511	400,382	33.3
Japan	101	101	2.1	148,829	148,829	12.4
China	133	20	0.4	43,187	6,478	0.5
Total Asia	234	121	2.5	192,016	155,307	12.9
Total Outside the U.S.	3,246	2,593	54.3	999,550	709,827	59.1
Total Land Portfolio	5,468	4,776	100.0	\$ 1,501,027	\$ 1,200,903	100.0
Estimated build out of land portfolio (in TEI)				8,800,000	7,800,000	
Estimated build out of other land (in TEI) ^(A)				2,800,000	2,700,000	
Total				\$ 11,600,000	\$ 10,500,000	
Land Roll Forward - Prologis Share		U.S.	Other Americas	Europe	Asia	Total
As of March 31, 2018	\$	482,961	\$ 174,694	\$ 383,280	\$ 149,940	\$ 1,190,875
Acquisitions		23,933	-	31,178	-	55,111
Dispositions		-	-	-	-	-
Development starts		(30,671)	(18,129)	(22,880)	(4,511)	(76,191)
Infrastructure costs		16,117	586	10,310	6,168	33,181
Effect of changes in foreign exchange rates and other		(1,264)	(3,013)	(1,506)	3,710	(2,073)
As of June 30, 2019	\$	491,076	\$ 154,138	\$ 400,382	\$ 155,307	\$ 1,200,903

A. Amounts include approximately 2,500 acres that we could develop through options, ground leases, unconsolidated joint ventures and other contractual arrangements.

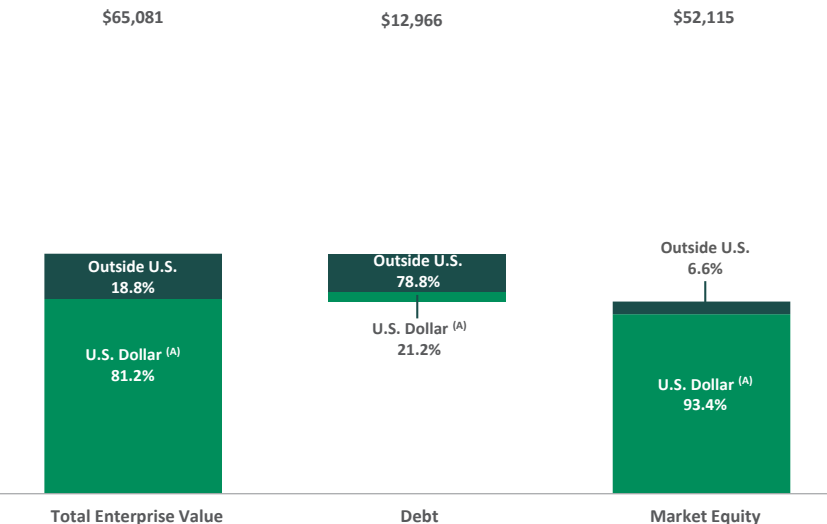
ASSETS UNDER MANAGEMENT

(dollars in millions)



U.S. DOLLAR EXPOSURE

(dollars in millions)



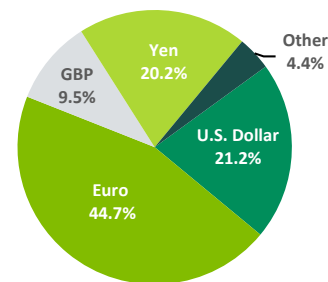
Prologis Share - Debt Metrics ^(B)

	June 30, 2019	March 31, 2019
Debt as % of gross market capitalization*	19.4%	20.8%
Debt as % of gross real estate assets*	29.7%	29.6%
Secured debt as % of gross real estate assets*	2.7%	3.8%
Unencumbered gross real estate assets to unsecured debt*	330.7%	335.3%
Fixed charge coverage ratio*	8.90x	8.05x
Fixed charge coverage ratio, excluding development gains*	7.46x	7.03x
Debt/Adjusted EBITDA*	4.14x	4.32x
Debt/Adjusted EBITDA, excluding development gains*	4.94x	4.94x
Weighted average interest rate	2.5%	2.7%
Weighted average remaining maturity in years	6.1	6.3
Floating Debt	16%	14%

Credit Ratings at June 30, 2019 ^(C)

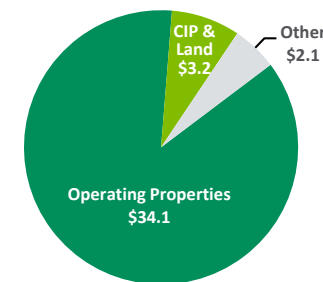
Moody's	A3 (Outlook Stable)
Standard & Poor's	A- (Outlook Stable)

DEBT BY CURRENCY-PROLOGIS SHARE



UNENCUMBERED ASSETS - PROLOGIS SHARE

(dollars in billions)



* This is a non-GAAP financial measure. Please see our Notes and Definitions for detailed calculation.

A. Mexico is included in the U.S. as it is U.S. dollar functional.

B. The detail calculations are included in the Notes and Definitions section and are not in accordance with the applicable SEC rules.

C. 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 Components- Consolidated

2Q 2019 Supplemental

dollars in thousands

Maturity	Unsecured Credit			Secured Mortgage	Total	Wtd. Avg. Interest Rate	% Fixed
	Senior	Facilities ^(A)	Other ^(A)				
2019	\$ -	\$ -	\$ 11,209	\$ 4,418	\$ 15,627	6.0%	100%
2020	1,138,000	-	-	34,370	1,172,370	1.0%	98%
2021	796,600	-	-	96,330	892,930	1.6%	93%
2022	796,600	-	441,040	12,216	1,249,856	3.1%	65%
2023	850,000	-	130,287	39,377	1,019,664	4.2%	87%
2024	796,600	112,906	-	263,327	1,172,833	3.5%	79%
2025	796,411	-	-	138,544	934,955	3.7%	100%
2026	569,000	-	788,989	1,213	1,359,202	1.6%	42%
2027	-	-	66,831	1,255	68,086	1.0%	100%
2028	771,289	-	137,377	-	908,666	2.3%	90%
2029	1,431,255	-	-	-	1,431,255	2.1%	100%
Thereafter	486,572	-	324,878	-	811,450	2.3%	83%
Subtotal	8,432,327	112,906	1,900,611	591,050	11,036,894	2.5%	83%
Unamortized net premiums (discounts)	(24,166)	-	-	720	(23,446)		
Unamortized finance costs	(32,445)	-	(9,579)	(3,104)	(45,128)		
Total consolidated debt, net of premium (discount)	\$ 8,375,716	\$ 112,906	\$ 1,891,032	\$ 588,666	\$ 10,968,320		
Weighted average interest rate	2.7%	1.8%	1.4%	3.7%	2.5%		
Weighted average remaining maturity in years	6.4	4.5	6.8	4.6	6.4		

Prologis debt by local currency

	Credit Facilities			Secured Mortgage	Total	Investment Hedges ^(B)		% of Total	Liquidity	
	Senior	Facilities	Other			Total	Hedges		Total	
Dollars	\$ 2,277,558	\$ 42,000	\$ 360,585	\$ 237,639	\$ 2,917,782	\$ (1,133,468)	\$ 1,784,314	16%	Aggregate lender commitments- GLOC and revolver	\$ 3,963,466
Euro	4,866,833	45,520	91,040	-	5,003,393	338,248	5,341,641	49%	Less:	
GBP	630,822	25,386	-	-	656,208	436,957	1,093,165	10%	Borrowings outstanding	112,906
Yen	600,503	-	1,310,014	202,856	2,113,373	176,547	2,289,920	21%	Outstanding letters of credit	30,356
CAD	-	-	129,393	148,171	277,564	181,716	459,280	4%	Current availability- credit facilities	3,820,204
Other	-	-	-	-	-	-	-	0%	Cash and cash equivalents	401,190
Total Debt	\$ 8,375,716	\$ 112,906	\$ 1,891,032	\$ 588,666	\$ 10,968,320	\$ -	\$ 10,968,320	100%	Total liquidity	\$ 4,221,394

- A. The maturity for the global senior credit facility (\$113 million) and a certain term loan (\$441 million) are reflected at the extended maturity date as the extension is at our option.
- B. We manage our exposure to changes in foreign currency exchange rates 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 reflected in the table under Investment Hedges. See also page 28 for our market equity exposure by currency.

Capitalization

2Q 2019 Supplemental

Debt Components- Noncontrolling Interests and Unconsolidated ^(A)

dollars in thousands

Maturity	Noncontrolling Interests					Prologis Share of Unconsolidated Co-Investment Ventures				
	Unsecured	Secured	Total	Wtd. Avg. Interest Rate	% Fixed	Unsecured ^(B)	Secured	Total	Wtd. Avg. Interest Rate	% Fixed
2019	\$ -	\$ 603	\$ 603	4.2%	100%	\$ 13,340	\$ 1,078	\$ 14,418	3.0%	26%
2020	-	4,785	4,785	4.2%	76%	14	70,755	70,769	3.8%	99%
2021	-	1,245	1,245	4.3%	100%	93,068	144,523	237,591	3.5%	99%
2022	-	1,207	1,207	4.3%	100%	333,391	104,262	437,653	3.8%	81%
2023	-	3,095	3,095	4.7%	100%	178,109	97,260	275,369	3.6%	94%
2024	-	412	412	3.5%	100%	262,435	74,621	337,056	3.0%	83%
2025	-	427	427	3.5%	100%	113,342	1,780	115,122	1.6%	99%
2026	-	441	441	3.5%	100%	41,686	53,563	95,249	2.9%	100%
2027	-	457	457	3.5%	100%	62,970	-	62,970	2.0%	100%
2028	-	-	-	-	-	195,163	-	195,163	2.6%	100%
2029	-	-	-	-	-	83,742	-	83,742	3.0%	100%
Thereafter	-	-	-	-	-	95,422	-	95,422	2.7%	100%
Subtotal	\$ -	\$ 12,672	\$ 12,672	4.2%	91%	\$ 1,472,682	\$ 547,842	\$ 2,020,524	3.2%	92%
Unamortized net premiums (discounts)	-	226	226			(1,455)	950	(505)		
Unamortized finance costs	-	(74)	(74)			(7,834)	(2,001)	(9,835)		
Noncontrolling interests share and Prologis Share of unconsolidated debt	\$ -	\$ 12,824	\$ 12,824			\$ 1,463,393	\$ 546,791	\$ 2,010,184		
Weighted average interest rate	-	4.2%	4.2%			2.9%	3.9%	3.2%		
Weighted average remaining maturity in years	-	4.1	4.1			5.6	3.2	4.9		

Noncontrolling interests share of Consolidated debt by local currency

	Unsecured	Secured	Total	% of Total
Dollars	\$ -	\$ 12,824	\$ 12,824	100%
Euro	-	-	-	-
GBP	-	-	-	-
Yen	-	-	-	-
Other	-	-	-	-
Total Debt	\$ -	\$ 12,824	\$ 12,824	100%

Prologis Share of unconsolidated debt by local currency

Unsecured	Secured	Total	Investment Hedges ^(C)		Total	% of Total
\$ 689,049	\$ 312,742	\$ 1,001,791	\$ (27,960)	\$	\$ 973,831	48%
385,325	70,500	455,825	-	-	455,825	23%
-	141,625	141,625	-	-	141,625	7%
328,164	-	328,164	-	-	328,164	16%
60,855	21,924	82,779	27,960	-	110,739	6%
\$ 1,463,393	\$ 546,791	\$ 2,010,184	\$ -	\$	\$ 2,010,184	100.00%

- A. Refer to Notes and Definitions under Non-GAAP Pro-Rata Financial Information for further explanation on how these amounts are calculated.
- B. The maturity of certain unsecured debt (Prologis Share \$473 million) is reflected at the extended maturity dates as the extensions are at the entity's option.
- C. We manage our exposure to changes in foreign currency exchange rates 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 reflected in the table under Investment Hedges. See also page 28 for our market equity exposure by currency.

Net Asset Value

2Q 2019 Supplemental

Components – Prologis Share

in thousands, except for percentages and per square foot

Operating

	Square Feet	Gross Book Value	GBV per Sq Ft	Adjusted Cash NOI (Actual)*	Adjusted Cash NOI (Pro Forma)*	Annualized Adjusted Cash NOI*	Percent Occupied
Consolidated Operating Portfolio							
U.S.	300,274	\$25,957,692	86	\$ 415,951	\$ 415,951	\$ 1,663,804	96.9%
Other Americas	12,931	977,433	76	16,222	16,222	64,888	98.6%
Europe	4,959	418,042	84	5,636	5,636	22,544	88.6%
Asia	2,303	330,677	144	5,002	5,002	20,008	98.7%
Pro forma adjustments for mid-quarter acquisitions/development completions						3,200	12,800
Total consolidated operating portfolio	320,467	27,683,844	86	442,811	446,011	1,784,044	96.9%
Unconsolidated Operating Portfolio							
U.S.	24,671	2,173,286	88	34,410	34,410	137,640	96.9%
Other Americas	17,918	1,086,841	61	22,593	22,593	90,372	96.2%
Europe	52,720	4,377,047	83	69,415	69,415	277,660	97.2%
Asia	8,686	1,105,716	127	14,675	14,675	58,700	95.3%
Pro forma adjustments for mid-quarter acquisitions/development completions						2,649	10,596
Total unconsolidated operating portfolio	103,995	8,742,890	84	141,093	143,742	574,968	96.8%
Total Operating Portfolio	424,462	\$ 36,426,734	\$ 86	\$ 583,904	\$ 589,753	\$ 2,359,012	96.9%

Development

	Square Feet	Investment Balance	TEI	TEI per Sq Ft	Annualized Estimated NOI	Percent Occupied
Consolidated Prestabilized						
U.S.	5,899	\$ 537,767	\$ 638,518	\$ 108	\$ 38,009	7.8%
Other Americas	-	-	-	-	-	-
Europe	2,153	125,710	150,741	70	10,136	29.4%
Asia	260	33,365	34,726	-	2,274	0.0%
Properties under development						
U.S.	11,801	626,668	1,092,573	93	66,325	
Other Americas	2,172	122,334	190,097	88	13,380	
Europe	5,009	235,772	430,483	86	26,488	
Asia	2,655	269,613	438,917	165	24,038	
Total consolidated development portfolio	29,949	1,951,229	2,976,055	99	180,650	
Unconsolidated						
U.S.	-	-	-	-	-	-
Other Americas	202	4,436	11,925	-	1,127	
Europe	327	26,305	35,193	108	2,195	
Asia	2,719	74,058	148,057	54	10,115	
Total unconsolidated development portfolio	3,248	104,799	195,175	60	13,437	
Total Development Portfolio	33,197	\$ 2,056,028	\$ 3,171,230	\$ 96	\$ 194,087	

Prologis share of est. value creation (see Capital Deployment - Development Portfolio)

735,294

Total development portfolio, including est. value creation

\$ 2,791,322



* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

Net Asset Value

Components - continued

2Q 2019 Supplemental

in thousands

Balance Sheet and Other Items			
Consolidated			
Other assets			
Cash and cash equivalents		\$	401,190
Restricted cash			13,988
Accounts receivable, prepaid assets and other tangible assets			892,128
Other real estate investments and gross book value of assets held for sale			1,119,234
Prologis share of value added operating properties			691,790
Prologis receivable from unconsolidated co-investment ventures			268,299
Investments in and advances to other unconsolidated joint ventures			353,609
Less: noncontrolling interests share of other assets			(59,415)
Total other assets		\$	3,680,823
Other liabilities			
Accounts payable and other current liabilities		\$	740,941
Deferred income taxes			61,617
Value added tax and other tax liabilities			34,822
Tenant security deposits			260,283
Other liabilities			376,480
Less: noncontrolling interests share of other liabilities			(39,471)
Total liabilities		\$	1,434,672
Unconsolidated			
Prologis share of net tangible other assets		\$	125,222
Land			
Current book value of land		\$	1,156,846
Less: noncontrolling interests share of the current book value of land			(22,512)
Prologis share of book value of land in unconsolidated co-investment ventures			66,569
Total land portfolio		\$	1,200,903
Strategic Capital / Development Management			
Strategic Capital			
Third party share of asset management fees from consolidated and unconsolidated co-investment ventures (annualized)		\$	47,420
Third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months)			10,557
Strategic capital expenses for asset management and other transactional fees (annualized based on actuals plus remaining forecast for the year)			(14,675)
Total strategic capital		\$	43,302
Promotes, net of expenses (trailing 12 months) ^(A)		\$	436
Development management income (trailing 12 months)		\$	539
Debt (at par) and Preferred Stock			
Debt			
Consolidated debt		\$	11,036,894
Noncontrolling interests share of consolidated debt			(12,672)
Prologis share of unconsolidated co-investment ventures debt			2,020,524
Total debt			13,044,746
Preferred stock			68,948
Total debt and preferred stock		\$	13,113,694
Outstanding shares of common stock and limited operating partnership units			649,775



Prologis Fokker Park, Oude Meer, the Netherlands

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.

Acquisition Price, as presented for building acquisitions, represent economic cost. This amount includes the building purchase price plus 1) transaction closing costs, 2) due diligence costs, 3) immediate capital expenditures (including two years of property improvements and all leasing commissions and tenant improvements required to stabilize the property), 4) the effects of marking assumed debt to market and 5) the net present value of free rent and discounts, if applicable.

Adjusted Cash NOI (Actual) is a non-Generally Accepted Accounting Principles (“GAAP”) financial measure and a component of Net Asset Value (“NAV”). It is used to assess the operating performance of our properties and enables both management and investors to estimate the fair value of our operating portfolio. A reconciliation for the most recent quarter ended of our rental income and rental expenses included in our Consolidated Statement of Income to Adjusted Cash NOI for the consolidated Operating Portfolio is as follows (*in thousands*):

Rental revenues	\$ 700,689
Rental expenses	(181,138)
NOI	519,551
Net termination fees and adjustments (a)	(1,430)
Less: actual NOI for development portfolio and other	(21,372)
Property management fees	(30)
Less: properties contributed or sold (b)	(5,147)
Less: noncontrolling interests share of NOI	(44,160)
Prologis share of adjusted NOI for consolidated Operating Portfolio at June 30, 2019	447,412
Straight-line rents (c)	(14,788)
Free rent (c)	13,229
Amortization of lease intangibles (c)	(3,581)
Effect of foreign currency exchange (d)	383
Less: noncontrolling interests and other	156
Second quarter Adjusted Cash NOI (Actual)	\$ 442,811

(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 rent 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 (Actual) to include only rental income that is indicative of the property’s recurring operating performance.

(b) Actual NOI for properties that were contributed or sold during the three-month period is removed.

(c) Straight-line rents, free rent and amortization of lease intangibles (above and below market leases) are removed from the rental income of our Operating Portfolio to allow for the calculation of a cash yield.

(d) Actual NOI and related adjustments are calculated in local currency and translated at the period end rate to allow for consistency with other assets and liabilities as of the reporting date.

Adjusted Cash NOI (Pro forma) is a non-GAAP financial measure and 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 EBITDA. We use Adjusted EBITDA attributable to common stockholders/unitholders (“Adjusted EBITDA”), a non-GAAP financial measure, as a measure of our operating performance. The most directly comparable GAAP measure to Adjusted EBITDA is net earnings.

We calculate Adjusted EBITDA beginning with consolidated net earnings attributable to common stockholders and removing the effect of: interest expense, income taxes, depreciation and amortization, impairment charges, gains or losses from the disposition of investments in real estate (excluding development properties and land), 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 items, such as, stock based compensation and unrealized gains or losses on foreign currency and derivatives. We also include a pro forma adjustment to reflect a full period of NOI on the operating properties we acquire or stabilize during the quarter and to remove NOI on properties we dispose of during the quarter, assuming all transactions occurred at the beginning of the quarter. The pro forma adjustment also includes economic ownership changes in our ventures to reflect the full quarter at the new ownership percentage.

We believe Adjusted EBITDA provides investors relevant and useful information because it permits investors to view our operating performance, analyze our ability to meet interest payment obligations and make quarterly preferred stock dividends on an unleveraged basis before the effects of income tax, depreciation and amortization expense, gains and losses on the disposition of non-development properties and other items (outlined above), that affect comparability. While all items are not infrequent or unusual in nature, these items may 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 calculate our Adjusted EBITDA, based on our proportionate ownership share of both our unconsolidated and consolidated ventures. We reflect our share of our Adjusted EBITDA 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 Adjusted EBITDA measures to remove the noncontrolling interests share of the applicable reconciling items based on our average ownership percentage for the applicable periods.

While we believe Adjusted EBITDA is an important measure, it should not be used alone because it excludes significant components of net earnings, such as our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements, contractual commitments or interest and principal payments on our outstanding debt and is therefore limited as an analytical tool.

Our computation of Adjusted EBITDA may not be comparable to EBITDA reported by other companies in both the real estate industry and other industries. 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 to Adjusted EBITDA from consolidated net earnings attributable to common stockholders.

Annualized Estimated NOI for the properties in our Development Portfolio is based on current TEI multiplied by the Estimated Weighted Average Stabilized Yield.

Assets Under Management (“AUM”) represents the estimated fair value of the real estate we own or manage through both our consolidated and unconsolidated entities. We calculate AUM by adding Investment Capacity and the third-party investors’ share of the estimated fair value of the assets in the co-investment ventures to Enterprise Value.

Notes and Definitions (continued)

2Q 2019 Supplemental

Business Line Reporting is a non-GAAP financial measure. Core FFO and development gains are generated by our three lines of business: (i) real estate operations; (ii) strategic capital; and (iii) development. The real estate operations line of business 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 asset management, Net Promotes and transactional fees that we earn from our consolidated and unconsolidated co-investment ventures less costs directly associated to our strategic capital group. Realized 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 per share calculation. 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

in thousands, except per share amount	Three Months Ended Jun. 30,		Six Months Ended Jun. 30,	
	2019	2018	2019	2018
Net earnings				
Net earnings attributable to common stockholders	\$ 383,784	\$ 334,611	\$ 730,831	\$ 700,513
Noncontrolling interest attributable to exchangeable limited partnership units	11,759	10,216	22,416	20,909
Adjusted net earnings attributable to common stockholders - Diluted	\$ 395,543	\$ 344,827	\$ 753,247	\$ 721,422
Weighted average common shares outstanding - Basic	630,271	532,639	629,990	532,427
Incremental weighted average effect on exchange of limited partnership units	19,556	16,847	19,637	16,560
Incremental weighted average effect of equity awards	5,620	5,029	5,139	5,079
Weighted average common shares outstanding - Diluted	655,447	554,515	654,766	554,066
Net earnings per share - Basic	\$ 0.61	\$ 0.63	\$ 1.16	\$ 1.32
Net earnings per share - Diluted	\$ 0.60	\$ 0.62	\$ 1.15	\$ 1.30
Core FFO				
Core FFO attributable to common stockholders/unitholders	\$ 506,196	\$ 391,224	\$ 980,447	\$ 834,344
Noncontrolling interest attributable to exchangeable limited partnership units	159	412	353	782
Core FFO attributable to common stockholders/unitholders - Diluted	\$ 506,355	\$ 391,636	\$ 980,800	\$ 835,126
Weighted average common shares outstanding - Basic	630,271	532,639	629,990	532,427
Incremental weighted average effect on exchange of limited partnership units	19,556	16,847	19,637	16,560
Incremental weighted average effect of equity awards	5,620	5,029	5,139	5,079
Weighted average common shares outstanding - Diluted	655,447	554,515	654,766	554,066
Core FFO per share - Diluted	\$ 0.77	\$ 0.71	\$ 1.50	\$ 1.51

Debt Covenants are calculated in accordance with the respective debt agreements and may be different than other covenants or metrics presented. They are not calculated in accordance with the applicable Securities Exchange Commission rules. Please refer to the respective agreements for full financial covenant descriptions. Debt covenants as of the period end were as follows:

	Indenture		Global Line	
	Covenant	Actual	Covenant	Actual
Leverage ratio	<60%	25.5%	<60%	22.5%
Fixed charge coverage ratio	>1.5x	11.13x	>1.5x	14.82x
Secured debt leverage ratio	<40%	1.4%	<40%	1.2%
Unencumbered asset to unsecured debt ratio	>150%	345.2%	N/A	N/A
Unencumbered debt service coverage ratio	N/A	N/A	>150%	1910.3%

Notes and Definitions (continued)

2Q 2019 Supplemental

Debt Metrics. We evaluate the following debt metrics to monitor the strength and flexibility of our capital structure and evaluate the performance of our management. Investors can utilize these metrics to make a determination about our ability to service or refinance our debt. See below for the calculations.

dollars in thousands	Three Months Ended	
	Jun. 30, 2019	Mar. 31, 2019
Debt as a % of gross real estate assets:		
Consolidated debt (at par)	\$ 11,036,894	\$ 10,777,280
Noncontrolling interests share of consolidated debt (at par)	(12,672)	(12,880)
Prologis share of unconsolidated debt (at par)	2,020,524	2,058,866
Total Prologis share of debt (at par)	13,044,746	12,823,266
Prologis share of outstanding foreign currency derivatives	(6,817)	(826)
Consolidated cash and cash equivalents	(401,190)	(251,030)
Noncontrolling interests share of consolidated cash and cash equivalents	19,028	16,316
Prologis share of unconsolidated cash and cash equivalents	(161,410)	(268,625)
Total Prologis share of debt, net of adjustments	\$ 12,494,357	\$ 12,319,101
Consolidated gross real estate assets	36,242,667	36,022,090
Noncontrolling interests share of consolidated gross real estate assets	(3,062,462)	(3,056,890)
Prologis share of unconsolidated gross real estate assets	8,947,352	8,641,725
Total Prologis share of gross real estate assets	\$ 42,127,557	\$ 41,606,925
Debt as a % of gross real estate assets	29.7%	29.6%
Debt as a % of gross Market Capitalization:		
Total Prologis share of debt, net of adjustments	\$ 12,494,357	\$ 12,319,101
Total outstanding common stock and limited partnership units	649,775	650,291
Share price at quarter end	\$ 80.10	\$ 71.95
Total equity capitalization	\$ 52,046,978	\$ 46,788,437
Total Prologis share of debt, net of adjustments	12,494,357	12,319,101
Gross Market Capitalization	\$ 64,541,335	\$ 59,107,538
Debt as a % of gross Market Capitalization	19.4%	20.8%
Secured debt as a % of gross real estate assets:		
Consolidated secured debt (at par)	\$ 591,050	\$ 956,565
Noncontrolling interests share of consolidated secured debt (at par)	(12,672)	(12,880)
Prologis share of unconsolidated secured debt (at par)	547,842	637,026
Total Prologis share of secured debt (at par)	\$ 1,126,220	\$ 1,580,711
Total Prologis share of gross real estate assets	\$ 42,127,557	\$ 41,606,925
Secured debt as a % of gross real estate assets	2.7%	3.8%
Unencumbered gross real estate assets to unsecured debt:		
Consolidated unencumbered gross real estate assets	\$ 34,778,637	\$ 33,613,448
Noncontrolling interests share of consolidated unencumbered gross real estate assets	(2,978,120)	(2,972,766)
Prologis share of unconsolidated unencumbered gross real estate assets	7,619,157	7,050,610
Total Prologis share of unencumbered gross real estate assets	\$ 39,419,674	\$ 37,691,292
Consolidated unsecured debt (at par)	10,445,844	9,820,715
Noncontrolling interests share of consolidated unsecured debt (at par)	-	-
Prologis share of unconsolidated unsecured debt (at par)	1,472,682	1,421,840
Total Prologis share of unsecured debt (at par)	\$ 11,918,526	\$ 11,242,555
Unencumbered gross real estate assets to unsecured debt	330.7%	335.3%

dollars in thousands

Fixed Charge Coverage ratio:

	Jun. 30, 2019	Mar. 31, 2019
Adjusted EBITDA	\$ 823,426	\$ 654,410
Adjusted EBITDA-annualized including development gains and excluding net promotes (a)	\$ 2,990,880	\$ 2,826,308
Net promotes for the trailing 12 months	26,987	26,926
Adjusted EBITDA-annualized	\$ 3,017,867	\$ 2,853,234
Pro forma adjustment annualized	960	(10,188)
Adjusted EBITDA, including NOI from disposed properties, annualized	\$ 3,018,827	\$ 2,843,046
Interest expense	\$ 59,122	\$ 60,507
Amortization and write-off of deferred loan costs	(3,422)	(3,323)
Amortization of debt premiums, net	(835)	(839)
Capitalized interest	12,555	13,722
Preferred stock dividends	1,492	1,499
Noncontrolling interests share of consolidated fixed charges	(166)	(35)
Prologis share of unconsolidated fixed charges	16,091	16,789
Total Prologis share of fixed charges	\$ 84,837	\$ 88,320
Total Prologis share of fixed charges, annualized	\$ 339,348	\$ 353,280
Fixed charge coverage ratio	8.90	8.05

Debt to Adjusted EBITDA:

	Jun. 30, 2019	Mar. 31, 2019
Total Prologis share of debt, net of adjustments	\$ 12,494,357	\$ 12,319,101
Adjusted EBITDA-annualized	\$ 3,017,867	\$ 2,853,234
Debt to Adjusted EBITDA ratio	4.14	4.32

(a) Prologis share of gains on dispositions of development properties for the trailing 12 months was \$486.6 million and \$358.1 million for the current quarter and the previous quarter, respectively.

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

Enterprise Value equals our Market Equity plus our share of total debt.

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

Estimated Value Creation represents the value that we expect to create through our development and leasing activities. We calculate Estimated Value Creation by estimating the Stabilized NOI that the property will generate and applying a stabilized capitalization rate applicable to that property. Estimated Value Creation is calculated as the amount by which the value exceeds our TEI and does not include any fees or promotes we may earn. Estimated Value Creation for our Value-Added Properties that are sold includes the realized economic gain.

Estimated Weighted Average Margin is calculated on development properties as Estimated Value Creation, less estimated closing costs and taxes, if any, on properties expected to be sold or contributed, divided by TEI.

Estimated Weighted Average Stabilized Yield is calculated on development properties as Stabilized NOI divided by TEI.

FFO, as modified by Prologis attributable to common stockholders/unitholders (“FFO, as modified by Prologis”); Core FFO attributable to common stockholders/unitholders (“Core FFO”); AFFO attributable to common stockholders/unitholders (“AFFO”); (collectively referred to as “FFO”). FFO is a non-GAAP financial measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net earnings.

The National Association of Real Estate Investment Trusts (“NAREIT”) defines FFO as 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 also exclude the gains on revaluation of equity investments upon acquisition of a controlling interest and the gain recognized from a partial sale of our investment, as these are similar to gains from the sales of previously depreciated properties. We exclude similar adjustments from our unconsolidated entities and the third parties’ share of our consolidated co-investment ventures.

Our FFO Measures

Our FFO measures begin with NAREIT’s definition and we make certain adjustments to reflect our business and the way that management plans and executes our business strategy. While not infrequent or unusual, the additional items we adjust for in calculating *FFO, as modified by Prologis*, *Core FFO* and *AFFO*, as defined below, are subject to significant fluctuations from period to period. Although these items may have 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. These items have 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 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 noncontrolling interests share of the applicable reconciling items based on our average ownership percentage for the applicable periods.

These FFO measures are used by management as supplemental financial measures of operating performance and we believe that it is important that stockholders, potential investors and financial analysts understand the measures management uses. 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.

We analyze our operating performance principally by the rental revenues of our real estate and the revenues from 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.

FFO, as modified by Prologis

To arrive at *FFO, as modified by Prologis*, we adjust the NAREIT defined FFO measure to exclude the impact of foreign currency related items and deferred tax, specifically:

- (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 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 and unconsolidated entities; and
- (v) mark-to-market adjustments associated with derivative financial instruments.

We use FFO, as modified by Prologis, so that management, analysts and investors are able to evaluate our performance against other REITs that do not have similar operations or operations in jurisdictions outside the U.S.

Core FFO

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

- (i) gains or losses from the disposition of land and development properties that were developed with the intent to contribute or sell;
- (ii) income tax expense related to the sale of investments in 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; and
- (v) expenses related to natural disasters.

We use Core FFO, including by segment and region, to: (i) assess our operating performance as compared to other real estate companies; (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods; (iii) evaluate the performance of our management; (iv) budget and forecast future results to assist in the allocation of resources; (v) provide guidance to the financial markets to understand our expected operating performance; and (vi) evaluate how a specific potential investment will impact our future results.

AFFO

To arrive at *AFFO*, we adjust Core FFO to include realized gains from the disposition of land and development properties and recurring capital expenditures and exclude the following items that we recognize directly in Core FFO:

- (i) straight-line rents;
- (ii) amortization of above- and below-market lease intangibles;
- (iii) amortization of management contracts;
- (iv) amortization of debt premiums and discounts and financing costs, net of amounts capitalized, and;
- (v) stock compensation expense.

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We use AFFO to (i) assess our operating performance as compared to other real estate companies, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods, (iii) evaluate the performance of our management, (iv) budget and forecast future results to assist in the allocation of resources, and (v) evaluate how a specific potential investment will impact our future results.

Limitations on the use of our FFO measures

While we believe our modified 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 the limitations are:

- The current income tax expenses that are excluded from our modified 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. Furthermore, the amortization of capital expenditures and leasing costs necessary to maintain the operating performance of logistics facilities are not reflected in FFO.
- Gains or losses from non-development property dispositions and 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 disposed properties arising from changes in market conditions.
- The deferred income tax benefits and expenses that are excluded from our modified 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 modified 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 modified 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 or preferred stock that we exclude from our Core FFO, may provide a benefit or cost to us as we may be settling our obligation at less or more than our future obligation.
- 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 modified FFO measures to our net earnings computed under GAAP.

General and Administrative Expenses ("G&A"). Generally our property management personnel perform the property-level management of the properties in our owned and managed portfolio, which include properties we consolidate and those we manage that are owned by the unconsolidated co-investment ventures. We allocate the costs of our property management function to the properties we consolidate (included in Rental Expenses) and the properties owned by the unconsolidated co-

investment ventures (included in Strategic Capital Expenses) by using the square feet owned by the respective portfolios. Strategic Capital Expenses also include the direct expenses associated with the asset management of the unconsolidated co-investment ventures provided by our employees who are assigned to our Strategic Capital segment. We do not allocate indirect costs to Strategic Capital Expenses.

We capitalize certain costs directly related to our development. We also capitalized certain costs directly related to our leasing activities through 2018. 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		Six Months Ended	
	2019	Jun. 30, 2018	2019	Jun. 30, 2018
Building and land development activities	\$ 15,759	\$ 15,017	\$ 35,029	\$ 31,108
Leasing activities	-	5,100	-	10,488
Operating building improvements and other	4,698	4,080	9,803	8,324
Total capitalized G&A	\$ 20,457	\$ 24,197	\$ 44,832	\$ 49,920

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

Net G&A - midpoint of 2019 guidance	\$ 255,000
Add: estimated 2019 strategic capital expenses (excluding promote expense)	130,000
Less: estimated 2019 strategic capital property management expenses	(70,000)
Adjusted G&A, using 2019 guidance amounts	\$ 315,000
Gross book value at period end (a):	
Operating properties	\$ 64,006,019
Development portfolio - TEI	4,217,005
Land portfolio	1,501,027
Other real estate investments and gross book value of assets held for sale	1,119,234
Total value of assets under management	\$ 70,843,285
G&A as % of assets under management	0.44%

(a) This does not represent enterprise value.

Guidance. The following is a reconciliation of our annual guided Net Earnings per share to our guided Core FFO per share:

	Low	High
Net Earnings (a)	\$ 2.38	\$ 2.46
Our share of:		
Depreciation and amortization	1.92	1.96
Net gains on real estate transactions, net of taxes	(1.05)	(1.13)
Unrealized foreign currency gains and other, net	0.01	0.01
Core FFO	\$ 3.26	\$ 3.30

(a) Earnings guidance includes potential future gains recognized from real estate transactions, but excludes future foreign currency or derivative gains or losses as these items are difficult to predict.

Income Taxes.

in thousands	Three Months Ended Jun. 30,		Six Months Ended Jun. 30,	
	2019	2018	2019	2018
Current income tax expense	\$ 10,545	\$ 9,426	\$ 20,865	\$ 20,553
Current income tax expense (benefit) on dispositions	7,645	3,808	10,044	10,419
Current income tax expense (benefit) on dispositions related to acquired tax liabilities	-	-	-	878
Total current income tax expense	18,190	13,234	30,909	31,850
Deferred income tax (benefit) expense	8,442	870	9,235	(316)
Deferred income tax (benefit) expense on dispositions related to acquired tax liabilities	-	-	-	(878)
Total income tax expense	\$ 26,632	\$ 14,104	\$ 40,144	\$ 30,656

Interest Expense.

in thousands	Three Months Ended Jun. 30,		Six Months Ended Jun. 30,	
	2019	2018	2019	2018
Gross interest expense	\$ 67,420	\$ 65,702	\$ 137,487	\$ 120,068
Amortization of debt premiums, net	835	(158)	1,674	(502)
Amortization of finance costs	3,422	3,115	6,745	6,473
Interest expense before capitalization	71,677	68,659	145,906	126,039
Capitalized amounts	(12,555)	(12,345)	(26,277)	(23,464)
Interest expense	\$ 59,122	\$ 56,314	\$ 119,629	\$ 102,575

Investment Capacity is our estimate of the gross real estate that could be acquired by our co-investment ventures through the use of existing equity commitments from us and our partners assuming the maximum leverage limits of the ventures are used.

Market Capitalization equals Market Equity, less liquidation preference of the preferred shares/units, plus our share of total debt.

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.

Market Equity equals outstanding shares of common stock and units multiplied by the closing stock price plus the liquidation preference of the preferred shares/units.

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 line 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 components that we believe are important in calculating our NAV but we 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 estimated total cash rent to be received over the term 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 Net Effective Rent by the occupied square feet of the lease.

Net Operating Income (“NOI”) is a non-GAAP financial measure used to evaluate our operating performance and represents Rental Revenue less rental expenses.

Net Promote includes actual promote revenue earned from third party investors during the period, net of related cash and stock compensation expenses.

Non-GAAP Pro-Rata Financial Information. This information includes non-GAAP financial measures. The Prologis share of unconsolidated co-investment ventures are derived on an entity-by-entity basis by applying our ownership percentage to each line item in the GAAP financial statements of these ventures to calculate our share of that line item. For purposes of balance sheet data, we use our ownership percentage at the end of the period and for operating information we use our average ownership percentage during the period consistent with how we calculate our share of net earnings (loss) during the period for our consolidated financial statements. We use a similar calculation to derive the noncontrolling interests’ share of each line item in our consolidated financial statements.

We believe this form of presentation offers insights into the financial performance and condition of our company as a whole, given the significance of our co-investment ventures that are accounted for either under the equity method or consolidated with the third parties’ share included in noncontrolling interests, although the presentation of such information may not accurately depict the legal and economic implications of holding a non-controlling interest in the co-investment venture. Other companies may calculate their proportionate interest differently than we do, limiting the usefulness as a comparative measure.

We do not control the unconsolidated co-investment ventures for purposes of GAAP and the presentation of the assets and liabilities and revenues and expenses do not represent a legal claim to such items. The operating agreements of the unconsolidated co-investment ventures generally provide that investors, including Prologis, may receive cash distributions (1) to the extent there is available cash from operations, (2) upon a capital event, such as a refinancing or sale, or (3) upon liquidation of the venture. The amount of cash each investor receives is based upon specific provisions of each operating agreement and varies depending on factors including the amount of capital contributed by each investor and whether any contributions are entitled to priority distributions. Upon liquidation of the co-investment venture and after all liabilities, priority distributions and initial equity contributions have been repaid, the investors generally would be entitled to any residual cash remaining based on their respective legal ownership percentages.

Because of these limitations, the Non-GAAP Pro-Rata Financial Information should not be considered in isolation or as a substitute for our consolidated financial statements as reported under GAAP.

Operating Portfolio represents industrial properties in our owned and managed portfolio that have reached Stabilization. Prologis share of NOI excludes termination fees and adjustments and includes NOI for the properties contributed to or acquired from co-investment ventures at our actual share

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prior to and subsequent to change in ownership. The markets presented represent markets that are generally greater than 1% of Prologis share of NOI. Assets held for sale are excluded from the portfolio.

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

Rental Revenue.

in thousands	Three Months Ended		Six Months Ended	
	2019	2018	2019	2018
Rental revenues	\$ 516,423	\$ 415,240	\$ 1,018,328	\$ 828,081
Rental recoveries	158,864	118,130	324,217	246,172
Amortization of lease intangibles	4,292	(734)	8,526	(1,362)
Straight-lined rents	21,110	12,043	46,425	27,731
Rental Revenue	\$ 700,689	\$ 544,679	\$ 1,397,496	\$ 1,100,622

Rent Change (Cash) represents the percentage change in starting rental rates per the lease agreement, on new and renewed leases, commenced during the period compared with the previous ending rental rates in that same space. This measure excludes any short-term leases of less than one-year, holdover payments, free rent periods and introductory (teaser rates) defined as 50% or less of the stabilized rate.

Rent Change (Net Effective) represents the percentage change in net effective rental rates (average rate over the lease term), on new and renewed leases, commenced during the period compared with the previous net effective rental rates in that same space. This measure excludes any short-term leases of less than one year and holdover payments.

Retention is the square footage of all leases commenced during the period that are rented by existing tenants divided by the square footage of all expiring and in-place leases during the reporting period. The square footage of tenants that default or buy-out prior to expiration of their lease and short-term leases of less than one year, are not included in the calculation.

Same Store. Our same store metrics are non-GAAP financial measures, which are commonly used in the real estate industry and expected from the financial community, on both a net effective and cash basis. We evaluate the 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, which allows us and investors to analyze our ongoing business operations. We determine our same store metrics on property NOI, which is calculated as rental revenue less rental expense for the applicable properties in the same store population for both consolidated and unconsolidated properties based on our ownership interest, as further defined below.

We define our same store population for the three months ended June 30, 2019 as the properties in our Owned and Managed operating portfolio, including the property NOI for both consolidated properties and properties owned by the unconsolidated co-investment ventures at January 1, 2018 and owned throughout the same three-month period in both 2018 and 2019. We believe the drivers of property NOI for the consolidated portfolio are generally the same for the properties owned by the ventures in which we invest and therefore we evaluate the same store metrics of the Owned and Managed portfolio based on Prologis’ ownership in the properties (“Prologis Share”). The same store population excludes properties held for sale to third parties, along with development properties that were not stabilized at the beginning of the period (January 1, 2018) and properties acquired or disposed

of to third parties during the period. To derive an appropriate measure of period-to-period operating performance, we remove the effects of foreign currency exchange rate movements by using the reported period-end exchange rate to translate from local currency into the U.S. dollar, for both periods.

As non-GAAP financial measures, the same store metrics have certain limitations as an analytical tool and may vary among real estate companies. As a result, we provide a reconciliation of Rental Revenues less Rental Expenses (“Property NOI”) (from our Consolidated Financial Statements prepared in accordance with U.S. GAAP) to our Same Store Property NOI measures, as follows:

dollars in thousands	Three Months Ended		
	2019	2018	Change (%)
Reconciliation of Consolidated Property NOI to Same Store Property NOI measures:			
Rental revenues	\$ 700,689	\$ 544,679	
Rental expenses	(181,138)	(133,329)	
Consolidated Property NOI	\$ 519,551	\$ 411,350	
<i>Adjustments to derive same store results:</i>			
Property NOI from consolidated properties not included in same store portfolio and other adjustments (a)	(141,732)	(39,949)	
Property NOI from unconsolidated co-investment ventures included in same store portfolio (a)(b)	454,433	434,230	
Third parties’ share of Property NOI from properties included in same store portfolio (a)(b)	(365,783)	(357,797)	
Prologis Share of Same Store Property NOI – Net Effective (b)	\$ 466,469	\$ 447,834	4.2%
Consolidated properties straight-line rent and fair value lease adjustments included in the same store portfolio (c)	(4,351)	(3,659)	
Unconsolidated co-investment ventures straight-line rent and fair value lease adjustments included in the same store portfolio (c)	(2,750)	(8,768)	
Third parties’ share of straight-line rent and fair value lease adjustments included in the same store portfolio (b)(c)	2,965	6,706	
Prologis Share of Same Store Property NOI – Cash (b)(c)	\$ 462,333	\$ 442,113	4.6%

- (a) We exclude properties held for sale to third parties, along with development properties that were not stabilized at the beginning of the period and properties acquired or disposed of to third parties during the period. We also exclude net termination and renegotiation fees to allow us to evaluate the growth or decline in each property’s rental revenues without regard to one-time items that are not indicative of the property’s recurring operating performance. Net termination and renegotiation fees represent the gross fee negotiated to allow a customer to terminate or renegotiate their lease, offset by the write-off of the asset recorded due to the adjustment to straight-line rents over the lease term. Same Store Property NOI is adjusted to include an allocation of property management expenses for our consolidated properties based on the property management services provided to each property (generally, based on a percentage of revenues). On consolidation, these amounts are eliminated and the actual costs of providing property management services are recognized as part of our consolidated rental expense.
- (b) We include the Property NOI for the same store portfolio for both consolidated properties and properties owned by the co-investment ventures based on our investment in the underlying properties. In order to calculate our share of Same Store Property NOI from the co-investment ventures in which we own less than 100%, we use the co-investment ventures’ underlying Property NOI for the same store portfolio and apply our ownership percentage at June 30, 2019 to the Property NOI for both periods, including the properties contributed during the period. We adjust the total Property NOI from the same store portfolio of the co-investment ventures by subtracting the third parties’ share of both consolidated and unconsolidated co-investment ventures.

During the periods presented, certain wholly owned properties were contributed to a co-investment venture and are included in the same store portfolio. Neither our consolidated results nor those of the co-investment ventures, when viewed individually, would be comparable on a same store basis because of the changes in composition of the respective portfolios from period to period (e.g. the results of a contributed property are included in our consolidated results through the contribution date and in the results of the venture subsequent to the contribution date based on our ownership interest at the end of the period). As a result, only line items labeled "Prologis Share of Same Store Property NOI" are comparable period over period.

- (c) *We further remove certain noncash items (straight-line rent and amortization of fair value lease adjustments) included in the financial statements prepared in accordance with U.S. GAAP to reflect a Same Store Property NOI – Cash measure. We manage our business and compensate our executives based on the same store results of our Owned and Managed portfolio at 100% as we manage our portfolio on an ownership blind basis. We calculate those results by including 100% of the properties included in our same store portfolio.*

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

Stabilization is defined as the earlier of 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.

Stabilized NOI is equal to the estimated twelve months of potential gross rental revenue (base rent, including above or below market rents plus operating expense reimbursements) multiplied by 95% to adjust income to a stabilized vacancy factor of 5%, minus estimated operating expenses.

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.

Turnover Costs represent the estimated obligations incurred in connection with the signing of a lease; including leasing commissions and tenant improvements and are presented for leases that commenced during the period. Tenant improvements include costs to prepare a space for a new tenant or a lease renewal with the current tenant. It excludes costs for a first generation lease (i.e. a new development property) and short-term leases of less than one year.

Value-Added Properties are properties we have either acquired at a discount and believe we could provide greater returns post-stabilization or properties we expect to repurpose to a higher and better use.

Weighted Average Interest Rate is based on the effective rate, which includes the amortization of related premiums and discounts and finance costs.

Weighted Average Stabilized Capitalization ("Cap") Rate is calculated as Stabilized NOI divided by the Acquisition Price.