

Fourth Quarter 2016

Prologis Supplemental Information

Unaudited



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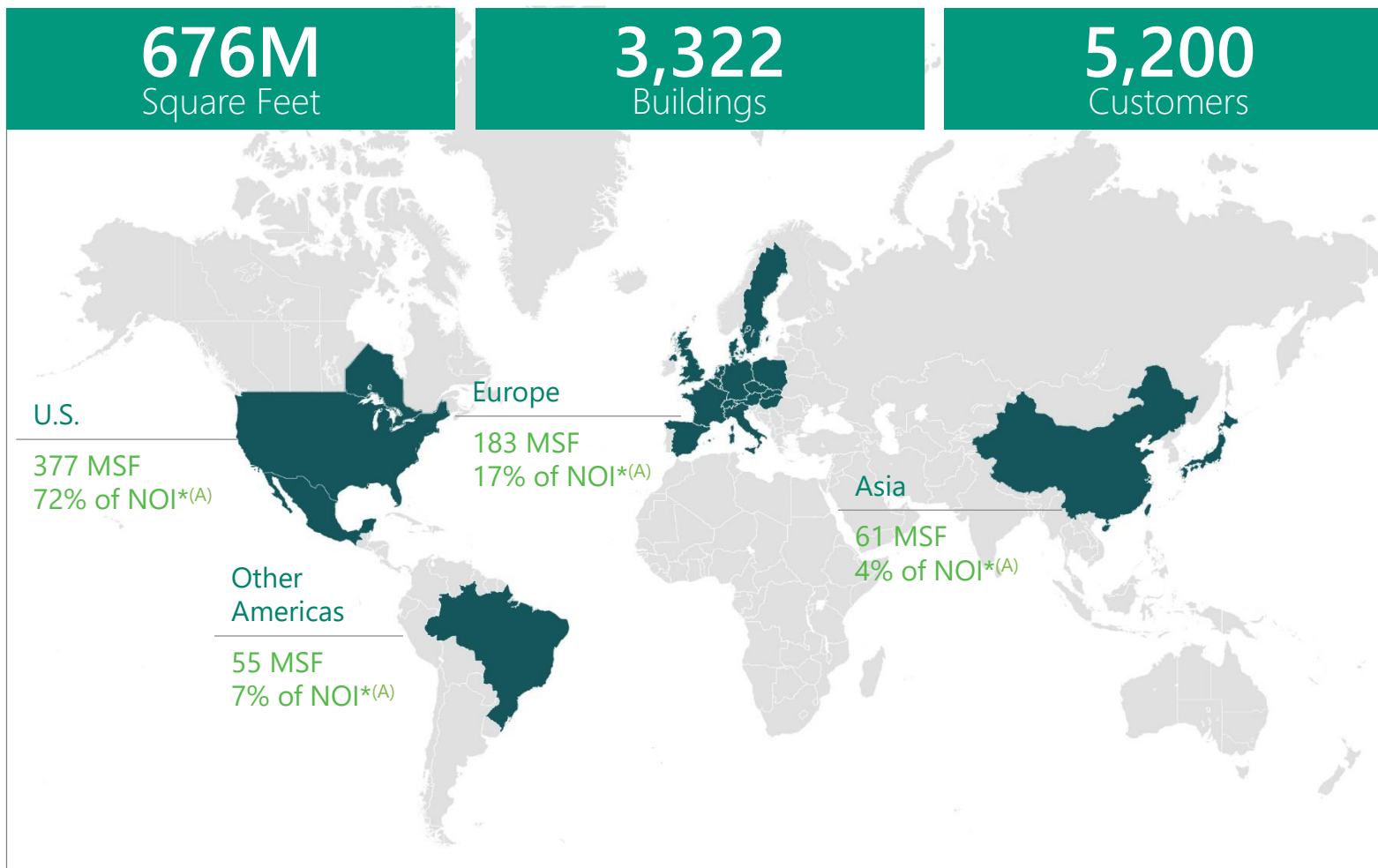
Net Asset Value

- 31 Components

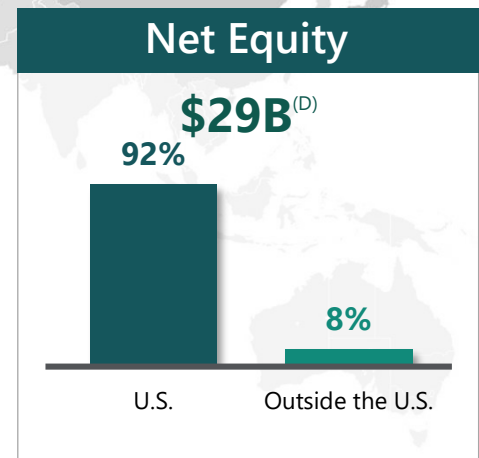
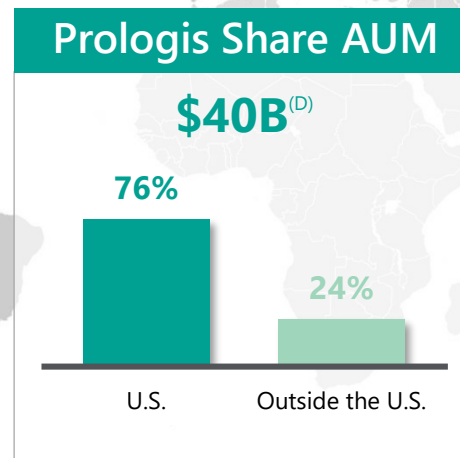
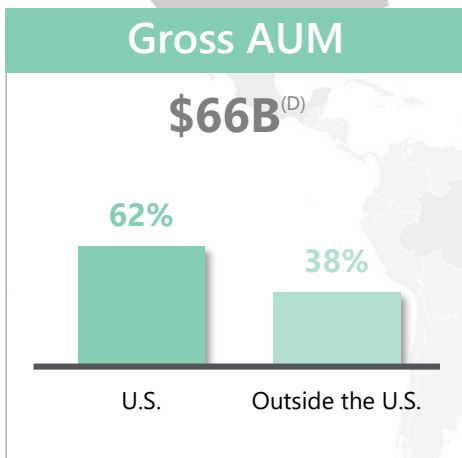
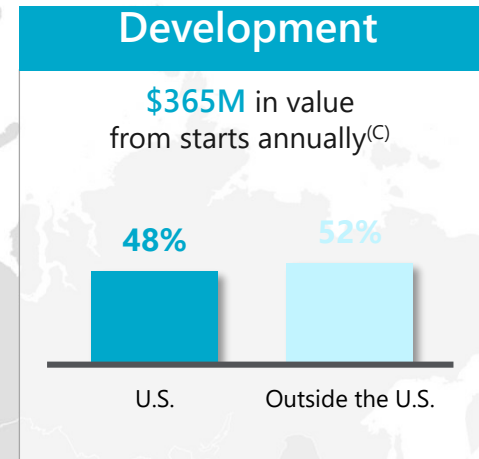
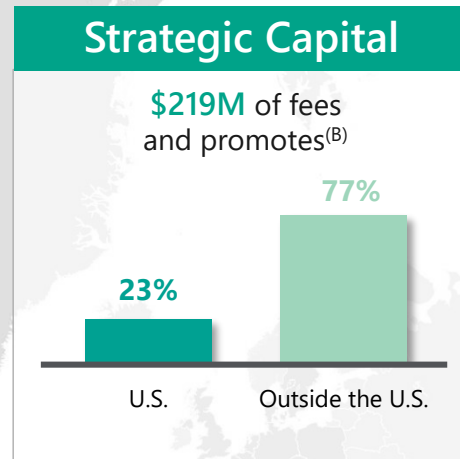
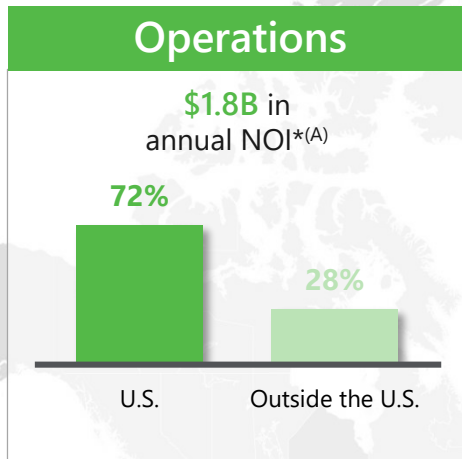
Notes and Definitions

- 33 Notes and Definitions ^(A)

Prologis, Inc., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of December 31, 2016, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 676 million square feet (63 million square meters) in 20 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,200 customers across two major categories: business-to-business and retail/online fulfillment.



* This is a non-GAAP financial measure, please see our Notes and Definitions for further explanation.
(A) NOI calculation based on Prologis share of the Operating Portfolio.



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

(A) 4Q 2016 Prologis share of NOI of the operating portfolio annualized.

(B) 4Q 2016 third-party share of asset management fees annualized plus trailing twelve month third-party share of transaction fees and net promotes.

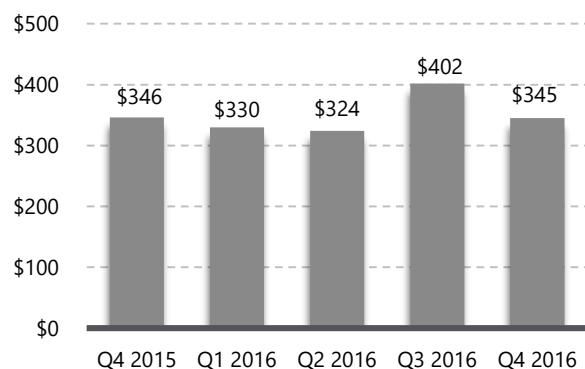
(C) Prologis share of trailing twelve month estimated value creation from development starts.

(D) Mexico is included in the U.S. as it is U.S. dollar functional.

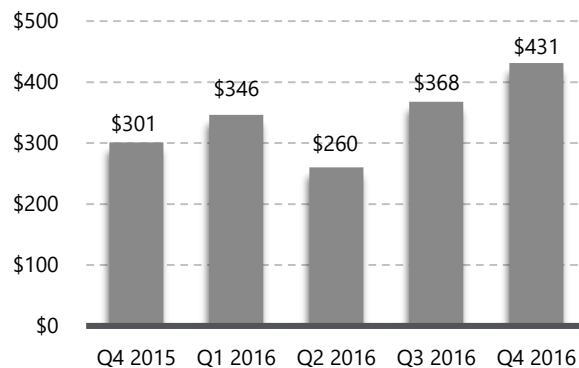
dollars in millions, except per share/unit data

	Three Months ended December 31,		Twelve Months ended December 31,	
	2016	2015	2016	2015
Revenues	\$ 620	\$ 643	\$ 2,533	\$ 2,197
Net earnings attributable to common stockholders	441	118	1,203	863
Core FFO*	345	346	1,400	1,181
AFFO*	431	301	1,405	1,160
Adjusted EBITDA*	641	515	2,223	1,936
Estimated value creation from development starts - Prologis share	167	115	365	380
Common stock dividends and common limited partnership unit distributions	231	219	923	807
Per common share - diluted:				
Net earnings attributable to common stockholders	\$ 0.82	\$ 0.23	\$ 2.27	\$ 1.64
Core FFO*	0.63	0.64	2.57	2.23
Business line reporting:				
Real estate operations*	0.57	0.55	2.22	2.02
Strategic capital*	0.06	0.09	0.35	0.21
Core FFO*	0.63	0.64	2.57	2.23
Realized development gains, net of taxes	0.30	0.10	0.57	0.49
Dividends and distributions per common share/unit	0.42	0.40	1.68	1.52

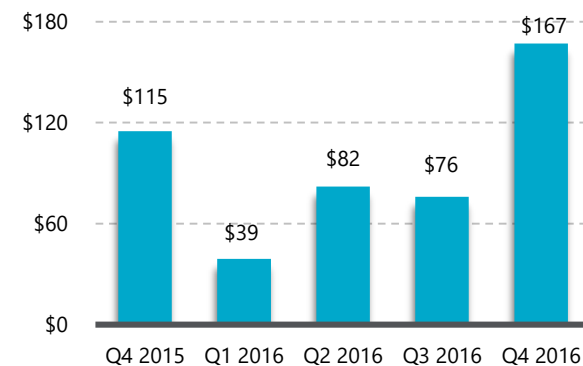
Core FFO*



AFFO*

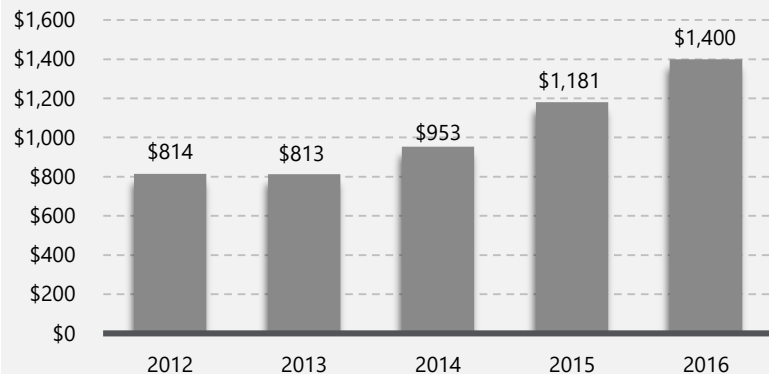


Estimated Value Creation

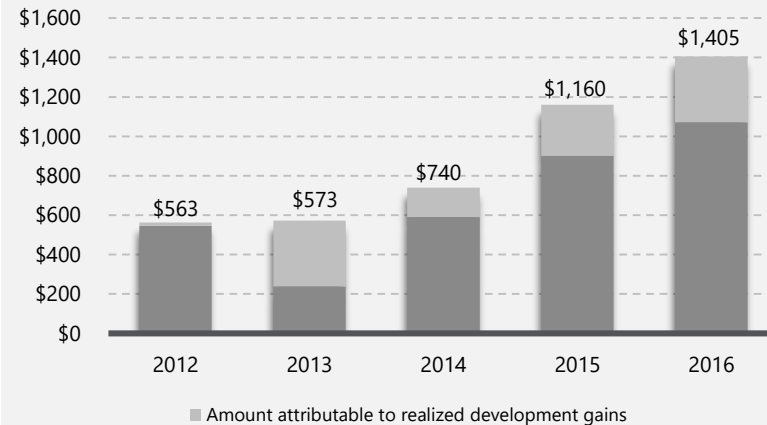


(in millions)

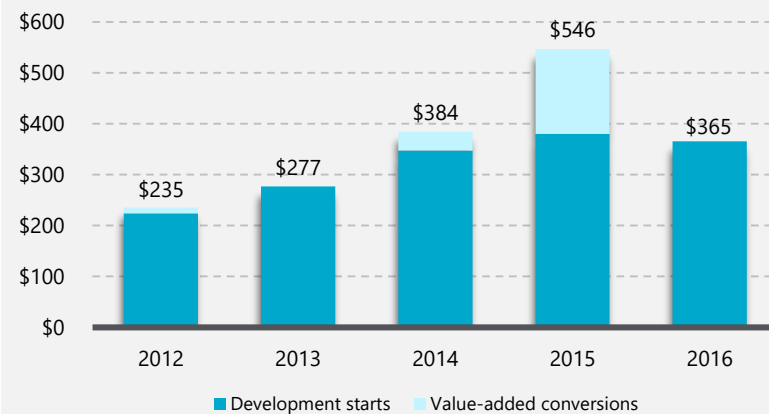
Core FFO*



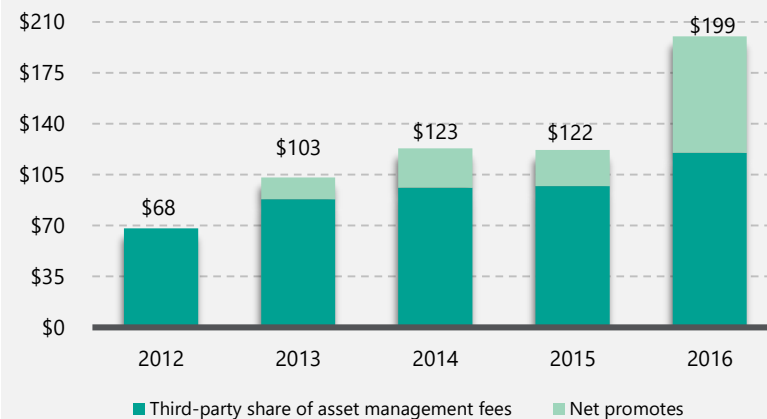
AFFO*



Estimated Value Creation



Asset Management Fees and Net Promotes



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

dollars in millions, except per share

2017 Guidance			Low	High
Net earnings (A)(B)(C)			\$ 1.55	\$ 1.70
Core FFO* (A)(B)(C)			\$ 2.60	\$ 2.70
Operations				
Year-end occupancy			95.5%	96.5%
Same store NOI - growth - Prologis share*			4.00%	5.00%
Other Assumptions				
Strategic capital revenue, excluding promote revenue			\$ 205	\$ 215
Net promote income			\$ 35	\$ 45
General & administrative expenses			\$ 210	\$ 220
Realized development gains			\$ 250	\$ 300
Capital Deployment				
	<i>PROLOGIS SHARE</i>		<i>OWNED AND MANAGED</i>	
	<i>Low</i>	<i>High</i>		
Development stabilizations	\$ 1,600	\$ 2,000	\$ 1,900	\$ 2,300
Development starts	\$ 1,600	\$ 1,900	\$ 2,000	\$ 2,400
Building acquisitions	\$ 100	\$ 300	\$ 200	\$ 500
Building and land dispositions	\$ 850	\$ 1,100	\$ 1,300	\$ 1,700
Building contributions	\$ 850	\$ 1,100	\$ 1,000	\$ 1,300

Exchange Rates

We have hedged the rates for the majority of our estimated 2017 Euro, Sterling and Yen Core FFO, effectively insulating 2017 results from any FX movements. For purposes of capital deployment and other metrics, we assumed effective rates for EUR, GBP and JPY of 1.05 (\$/€), 1.20 (\$/£) and 115 (¥/\$), respectively.

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

- (A) The difference between Core FFO and Net Earnings predominately relates to real estate depreciation, gains or losses on real estate transactions, acquisition expenses and early extinguishment of debt. See the Notes and Definitions for more information.
- (B) Net promote guidance is \$0.06 to \$0.08 per share.
- (C) Earnings guidance includes potential future gains (losses) recognized from real estate transactions, but excludes future foreign currency or derivative gains or losses as these items are difficult to predict.

Financial Information

Consolidated Balance Sheets

4Q 2016 Supplemental

in thousands

	December 31, 2016	September 30, 2016	December 31, 2015
Assets:			
Investments in real estate properties:			
Operating properties	\$ 23,943,457	\$ 23,876,290	\$ 23,735,745
Development portfolio	1,432,082	1,809,002	1,872,903
Land	1,218,904	1,352,600	1,359,794
Other real estate investments	524,887	532,812	552,926
	27,119,330	27,570,704	27,521,368
Less accumulated depreciation	3,758,372	3,638,688	3,274,284
Net investments in real estate properties	23,360,958	23,932,016	24,247,084
Investments in and advances to unconsolidated entities	4,230,429	4,580,584	4,755,620
Assets held for sale	322,139	450,349	378,423
Notes receivable backed by real estate	32,100	33,800	235,050
Net investments in real estate	27,945,626	28,996,749	29,616,177
Cash and cash equivalents	807,316	375,120	264,080
Other assets	1,496,990	1,516,340	1,514,510
Total assets	\$ 30,249,932	\$ 30,888,209	\$ 31,394,767
Liabilities and Equity:			
Liabilities:			
Debt	\$ 10,608,294	\$ 11,256,997	\$ 11,626,831
Accounts payable, accrued expenses and other liabilities	1,183,498	1,347,942	1,347,100
Total liabilities	11,791,792	12,604,939	12,973,931
Equity:			
Stockholders' equity	14,991,081	14,799,167	14,667,935
Noncontrolling interests	3,072,469	3,092,988	3,320,227
Noncontrolling interests - limited partnership unitholders	394,590	391,115	432,674
Total equity	18,458,140	18,283,270	18,420,836
Total liabilities and equity	\$ 30,249,932	\$ 30,888,209	\$ 31,394,767

Financial Information

Consolidated Statements of Income

4Q 2016 Supplemental

in thousands, except per share amounts

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Revenues:				
Rental	\$ 559,885	\$ 560,186	\$ 2,220,409	\$ 1,973,187
Strategic capital	52,987	77,115	294,552	210,362
Development management and other	7,243	5,900	18,174	13,525
Total revenues	620,115	643,201	2,533,135	2,197,074
Expenses:				
Rental	141,050	150,983	568,870	544,182
Strategic capital	30,723	31,761	128,506	108,422
General and administrative	56,433	59,769	222,067	217,227
Depreciation and amortization	225,736	272,906	930,985	880,373
Other	1,965	22,231	14,329	66,698
Total expenses	455,907	537,650	1,864,757	1,816,902
Operating income	164,208	105,551	668,378	380,172
Other income (expense):				
Earnings from unconsolidated co-investment ventures, net	59,204	51,669	191,877	155,373
Earnings from other unconsolidated ventures, net	1,481	1,210	14,430	3,889
Interest expense	(70,569)	(82,665)	(303,146)	(301,363)
Gains on dispositions of development properties and land, net	174,368	47,978	334,369	258,088
Gains on dispositions of real estate, net (excluding development properties and land)	121,067	55,621	423,029	500,799
Foreign currency and derivative gains and interest and other income, net	34,909	19,191	15,683	37,950
Gains (losses) on early extinguishment of debt, net	-	(69,778)	2,484	(86,303)
Total other income	320,460	23,226	678,726	568,433
Earnings before income taxes	484,668	128,777	1,347,104	948,605
Current income tax expense	(21,754)	(5,319)	(60,089)	(28,147)
Deferred income tax benefit	3,788	3,299	5,525	5,057
Consolidated net earnings	466,702	126,757	1,292,540	925,515
Net earnings attributable to noncontrolling interests	(12,442)	(1,392)	(48,307)	(44,950)
Net earnings attributable to noncontrolling interests - limited partnership units	(12,063)	(5,370)	(34,301)	(11,126)
Net earnings attributable to controlling interests	442,197	119,995	1,209,932	869,439
Preferred stock dividends	(1,658)	(1,632)	(6,714)	(6,651)
Net earnings attributable to common stockholders	\$ 440,539	\$ 118,363	\$ 1,203,218	\$ 862,788
Weighted average common shares outstanding - Diluted	550,885	542,435	546,666	533,944
Net earnings per share attributable to common stockholders - Diluted	\$ 0.82	\$ 0.23	\$ 2.27	\$ 1.64

Financial Information

Reconciliations of Net Earnings to FFO*

4Q 2016 Supplemental

in thousands	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
		\$	\$	\$
Net earnings attributable to common stockholders	440,539	118,363	1,203,218	862,788
Add (deduct) NAREIT defined adjustments:				
Real estate related depreciation and amortization	217,955	267,087	899,821	854,471
Gains on dispositions of real estate, net (excluding development properties and land)	(121,067)	(55,621)	(423,029)	(500,799)
Reconciling items related to noncontrolling interests	(17,514)	(44,733)	(104,832)	(78,106)
Our share of reconciling items related to unconsolidated co-investment ventures	43,135	34,732	159,956	179,031
Our share of reconciling items related to other unconsolidated ventures	1,718	1,637	2,154	6,585
Subtotal-NAREIT defined FFO*	\$ 564,766	\$ 321,465	\$ 1,737,288	\$ 1,323,970
Add (deduct) our defined adjustments:				
Unrealized foreign currency and derivative losses (gains), net	(29,369)	(7,830)	(7,505)	1,026
Deferred income tax benefit	(3,788)	(3,299)	(5,525)	(5,057)
Current income tax expense related to acquired tax liabilities	-	-	-	3,497
Reconciling items related to noncontrolling interests	643	(163)	682	(1,330)
Our share of reconciling items related to unconsolidated co-investment ventures	(24,010)	(1,793)	(22,840)	(13,564)
FFO, as modified by Prologis*	\$ 508,242	\$ 308,380	\$ 1,702,100	\$ 1,308,542
Gains on dispositions of development properties and land, net	(174,368)	(47,978)	(334,369)	(258,088)
Current income tax expense (benefit) on dispositions	9,332	(5,130)	24,152	(200)
Acquisition expenses	2,075	17,485	4,607	47,034
Losses (gains) on early extinguishment of debt, net	-	69,778	(2,484)	86,303
Reconciling items related to noncontrolling interests	1	1,286	4,299	(11,121)
Our share of reconciling items related to unconsolidated co-investment ventures	929	1,937	5,612	8,820
Our share of reconciling items related to other unconsolidated ventures	(1,424)	-	(3,419)	-
Core FFO*	\$ 344,787	\$ 345,758	\$ 1,400,498	\$ 1,181,290
Adjustments to arrive at Adjusted FFO ("AFFO"), including our share of unconsolidated co-investment ventures less noncontrolling interests:				
Gains on dispositions of development properties and land, net	174,368	47,978	334,369	258,088
Current income tax (expense) benefit on dispositions	(9,332)	5,130	(24,152)	200
Straight-lined rents and amortization of lease intangibles	(18,944)	(22,082)	(104,886)	(59,619)
Property improvements	(28,451)	(29,743)	(78,745)	(75,283)
Turnover costs	(40,891)	(45,902)	(165,992)	(154,524)
Amortization of debt premiums, financing costs and management contracts, net	(1,172)	(7,666)	(11,420)	(25,830)
Stock compensation expense	16,683	13,541	60,341	53,665
Reconciling items related to noncontrolling interests	13,108	13,862	56,917	44,971
Our share of reconciling items related to unconsolidated co-investment ventures	(19,591)	(19,913)	(61,923)	(63,257)
AFFO*	\$ 430,565	\$ 300,963	\$ 1,405,007	\$ 1,159,701

Financial Information

Reconciliations of Net Earnings to Adjusted EBITDA*

4Q 2016 Supplemental

in thousands

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Net earnings attributable to common stockholders	\$ 440,539	\$ 118,363	\$ 1,203,218	\$ 862,788
Gains on dispositions of real estate, net (excluding development properties and land)	(121,067)	(55,621)	(423,029)	(500,799)
Depreciation and amortization	225,736	272,906	930,985	880,373
Interest expense	70,569	82,665	303,146	301,363
Losses (gains) on early extinguishment of debt, net	-	69,778	(2,484)	86,303
Current and deferred income tax expense, net	17,966	2,020	54,564	23,090
Net earnings attributable to noncontrolling interests - limited partnership unitholders	12,063	5,370	34,301	11,126
Pro forma adjustments	(1,382)	(9,354)	(10,248)	19,397
Preferred stock dividends	1,658	1,632	6,714	6,651
Unrealized foreign currency and derivative losses (gains), net	(29,369)	(7,830)	(7,505)	1,026
Stock compensation expense	16,683	13,541	60,341	53,665
Acquisition expenses	2,075	17,485	4,607	47,034
Adjusted EBITDA, consolidated*	\$ 635,471	\$ 510,955	\$ 2,154,610	\$ 1,792,017
Reconciling items related to noncontrolling interests	(34,140)	(53,600)	(152,082)	(117,817)
Our share of reconciling items related to unconsolidated co-investment ventures	39,590	57,350	219,975	262,151
Adjusted EBITDA*	\$ 640,921	\$ 514,705	\$ 2,222,503	\$ 1,936,351

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

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Co-Investment Ventures	Type	Established	Accounting Method	Region	Ownership	Structure	Next Promote Opportunity
Prologis U.S. Logistics Venture	Core	2014	Consolidated	U.S.	55.0%	Open end	Q4 2019
Prologis North American Industrial Fund	Core	2006	Consolidated	U.S.	66.1%	Open end	Q1 2018
Prologis Targeted U.S. Logistics Fund	Core	2004	Unconsolidated	U.S.	14.9%	Open end	Q2 2017
FIBRA Prologis	Core	2014	Unconsolidated	Mexico	45.9%	Public, Mexican Exchange	Q2 2017
Brazil Fund and joint ventures	Core/Development	2010	Unconsolidated	Brazil	various	Closed end	Q4 2017
Prologis Targeted Europe Logistics Fund (A)	Core	2007	Unconsolidated	Europe	23.5%	Open end	Q3 2019
Prologis European Properties Fund II	Core	2007	Unconsolidated	Europe	31.2%	Open end	Q3 2019
Europe Logistics Venture 1 (A)	Core	2011	Unconsolidated	Europe	15.0%	Open end	Q4 2018
Prologis European Logistics Partners	Core	2013	Unconsolidated	Europe	50.0%	Open end	Q4 2018
Nippon Prologis REIT	Core	2013	Unconsolidated	Japan	15.1%	Public, Tokyo Exchange	n/a
Prologis China Logistics Venture	Core/Development	2011	Unconsolidated	China	15.0%	Closed end	Q1 2018

in thousands

	Venture (at 100%) (B)		
	Square Feet	GBV of Operating Bldgs	Debt
Unconsolidated Co-Investment Ventures			
Prologis Targeted U.S. Logistics Fund	49,976	\$ 4,704,167	\$ 1,414,110
FIBRA Prologis (C)	34,167	1,941,918	738,878
Brazil Fund and joint ventures	8,052	505,014	-
Prologis Targeted Europe Logistics Fund (A)	25,582	2,458,142	670,973
Prologis European Properties Fund II	72,024	4,881,232	1,775,329
Europe Logistics Venture 1 (A)	5,622	378,077	-
Prologis European Logistics Partners	59,317	3,768,979	-
Nippon Prologis REIT (C)	24,789	4,100,623	1,615,573
Prologis China Logistics Venture	11,514	558,398	331,391
Unconsolidated Co-Investment Ventures Total	291,043	23,296,550	6,546,254
Consolidated Co-Investment Ventures			
Prologis U.S. Logistics Venture	71,655	6,057,833	704,017
Prologis North American Industrial Fund	40,224	2,438,490	961,525
Consolidated Co-Investment Ventures Total	111,879	8,496,323	1,665,542
Total	402,922	\$ 31,792,873	\$ 8,211,796

(A) In January 2017, Prologis announced the consolidation of Europe Logistic Venture 1 with Prologis Targeted Europe Logistics Fund.

(B) 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.

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

Strategic Capital

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

4Q 2016 Supplemental

dollars in thousands	U.S.	Other Americas	Europe	Asia	Total
Operating Information					
For the Three Months Ended December 31, 2016					
Rental revenues	\$ 99,123	\$ 63,489	\$ 239,455	\$ 88,838	\$ 490,905
Rental expenses	(26,214)	(9,263)	(55,728)	(18,865)	(110,070)
General and administrative expenses	(6,132)	(6,320)	(17,287)	(9,845)	(39,584)
Depreciation and amortization	(40,938)	(19,717)	(82,293)	(21,681)	(164,629)
Other operating revenue (expense)	(2,281)	(405)	(1,341)	(1,517)	(5,544)
Operating income	23,558	27,784	82,806	36,930	171,078
Interest expense	(15,551)	(7,642)	(18,011)	(7,812)	(49,016)
Gains on dispositions of real estate	1,630	78	2,497	-	4,205
Current and deferred income tax benefit (expense)	36	(1,691)	48,882	(2,567)	44,660
Other income (expense)	248	(1,011)	(961)	1,057	(667)
Net earnings	9,921	17,518	115,213	27,608	170,260
Real estate related depreciation and amortization	40,197	19,407	80,908	20,911	161,423
Gains on dispositions of real estate, net (excluding development properties and land)	(602)	-	(2,513)	-	(3,115)
Unrealized foreign currency and derivative losses (gains), net	-	(345)	698	(1,077)	(724)
Deferred income tax expense, benefit	-	-	(59,320)	-	(59,320)
FFO, as modified by Prologis*	49,516	36,580	134,986	47,442	268,524
Gains on dispositions of development properties and land, net	(1,028)	(78)	16	-	(1,090)
Current income tax benefit on dispositions	-	-	(232)	-	(232)
Acquisition expenses	709	1,485	1,348	269	3,811
Losses (gains) on early extinguishment of debt, net	(272)	140	138	-	6
Core FFO*	\$ 48,925	\$ 38,127	\$ 136,256	\$ 47,711	\$ 271,019
Balance Sheet Information					
As of December 31, 2016					
Operating properties, before depreciation	\$ 4,704,167	\$ 2,446,931	\$ 11,486,431	\$ 4,659,021	\$ 23,296,550
Accumulated depreciation	(697,792)	(146,240)	(1,372,762)	(238,677)	(2,455,471)
Properties under development and land	-	238,363	95,901	428,234	762,498
Other assets	231,659	253,986	643,312	323,994	1,452,951
Total assets	\$ 4,238,034	\$ 2,793,040	\$ 10,852,882	\$ 5,172,572	\$ 23,056,528
Third party debt	\$ 1,414,110	\$ 738,878	\$ 2,446,302	\$ 1,946,964	\$ 6,546,254
Other liabilities	126,061	75,327	836,563	291,972	1,329,923
Total liabilities	\$ 1,540,171	\$ 814,205	\$ 3,282,865	\$ 2,238,936	\$ 7,876,177
Weighted average ownership	14.9%	43.9%	35.1%	15.1%	27.9%

* 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

Non-GAAP Pro-rata Financial Information (A)

4Q 2016 Supplemental

dollars in thousands

	Non Controlling Interests included in Consolidated Amounts*(B)	Prologis Share of Unconsolidated Co-Investment Ventures*(C)
Operating Information for the Three Months Ended December 31, 2016		
Rental revenues	\$ 76,908	\$ 140,652
Rental expenses	(20,066)	(30,359)
General and administrative expenses	(5,084)	(11,671)
Depreciation and amortization	(34,985)	(45,812)
Other operating revenue (expense)	(6,733)	(1,465)
Operating income	10,040	51,345
Interest expense	(4,273)	(12,301)
Gains on dispositions of real estate	5,925	2,032
Current and deferred income tax expense	52	18,752
Other income (expense)	(394)	(624)
Earnings from unconsolidated co-investment ventures, net	1,092	-
Net earnings	12,442	59,204
Real estate related depreciation and amortization	34,985	44,977
Gains on dispositions of real estate, net (excluding development properties and land)	(5,408)	(1,842)
Unrealized foreign currency and derivative losses (gains), net	341	(47)
Deferred income tax benefit	(984)	(23,963)
FFO, as modified by Prologis*	41,376	78,329
Gains on dispositions of development properties and land, net	(517)	(190)
Current income tax expense (benefit) on dispositions	514	(116)
Acquisition expenses	2	1,179
Losses on early extinguishment of debt, net	-	56
Core FFO*	\$ 41,375	\$ 79,258
Balance Sheet Information as of December 31, 2016		
Operating properties, before depreciation	\$ 3,620,733	\$ 6,455,471
Accumulated depreciation	(216,880)	(674,813)
Properties under development, land and other real estate	96,905	214,728
Other assets	309,560	445,957
Total assets	\$ 3,810,318	\$ 6,441,343
Third party debt	\$ 646,334	\$ 1,553,731
Other liabilities	70,996	372,090
Total liabilities	\$ 717,330	\$ 1,925,821
Weighted average ownership	38.6%	27.9%
Noncontrolling interests investment	\$ 3,072,469	
Investment in and advances to unconsolidated co-investment ventures (D)		\$ 4,057,524
Investment in and advances to other unconsolidated ventures		172,905
Investment in and advances to unconsolidated entities		\$ 4,230,429

* 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.

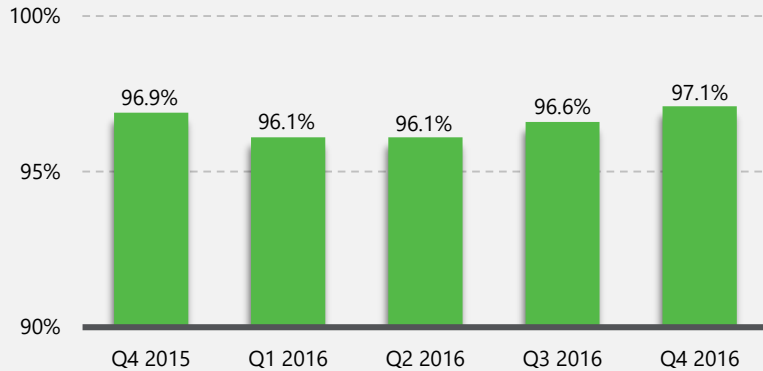
(B) Represents noncontrolling interests share of Prologis' Consolidated Financial Statements.

(C) Represents Prologis' share of unconsolidated co-investment ventures.

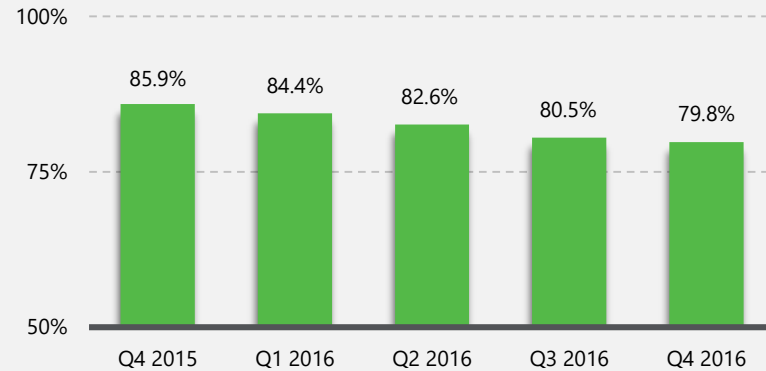
(D) This balance includes the deferred portion of gains on the contribution of our properties to the ventures, net of any additional costs, included in our investment in the venture.



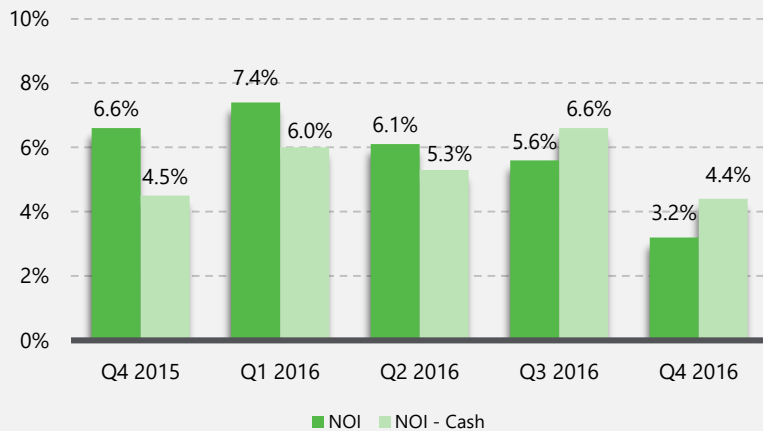
Period End Occupancy



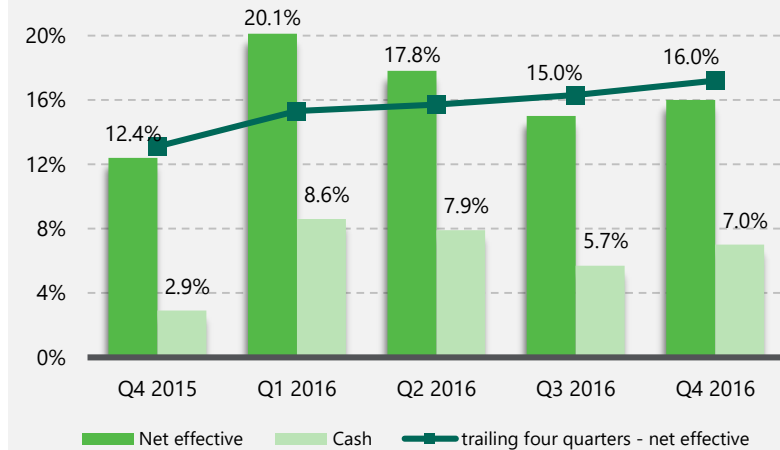
Customer Retention



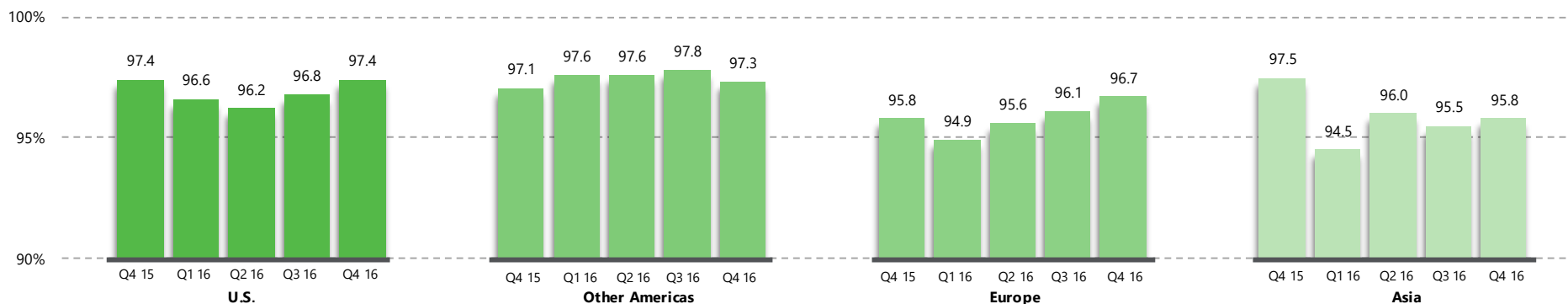
Same Store Change Over Prior Year – Prologis Share*



Rent Change – Prologis Share



Period Ending Occupancy (%)



square feet in thousands

Leasing Activity

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Square feet of leases signed:					
Operating portfolio:					
Renewals	23,155	29,380	26,682	26,354	20,271
New leases	10,192	9,939	12,339	14,371	12,554
Total operating portfolio	33,347	39,319	39,021	40,725	32,825
Properties under development	6,774	7,006	9,488	5,767	6,047
Total Square Feet of Leases Signed	40,121	46,325	48,509	46,492	38,872
Average term of leases signed (months)	56	54	61	54	54
Operating Portfolio:					
Trailing four quarters - square feet of leases signed	143,078	147,036	149,604	152,412	151,890
Trailing four quarters - % of average portfolio	24.8%	24.7%	24.5%	24.8%	24.7%
Rent change (net effective)	9.5%	16.2%	14.6%	11.7%	12.7%
Rent change (net effective) - Prologis share	12.4%	20.1%	17.8%	15.0%	16.0%
Rent change (cash)	1.9%	5.5%	5.8%	3.3%	4.9%
Rent change (cash) - Prologis share	2.9%	8.6%	7.9%	5.7%	7.0%

Operations

Operating Metrics – Owned and Managed

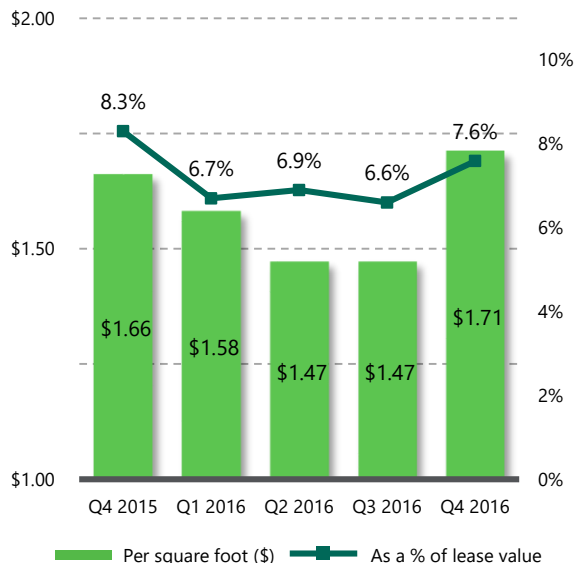
4Q 2016 Supplemental

in thousands, except for percentages and per square foot

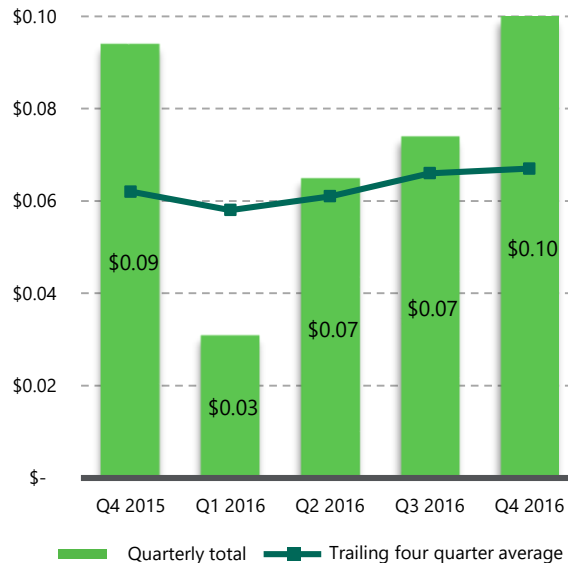
Capital Expenditures					
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Property improvements	\$ 57,535	\$ 19,104	\$ 40,237	\$ 45,561	\$ 60,128
Tenant improvements	37,167	29,160	33,646	28,698	28,499
Leasing commissions	31,105	28,684	27,604	27,531	33,475
Total turnover costs	68,272	57,844	61,250	56,229	61,974
Total Capital Expenditures	\$125,807	\$ 76,948	\$101,487	\$101,790	\$122,102
Trailing four quarters - % of NOI*	13.9%	13.4%	13.5%	13.6%	13.3%
Weighted average ownership percent	67.2%	67.6%	67.5%	62.5%	62.7%
Prologis share	\$ 84,584	\$ 51,995	\$ 68,490	\$ 63,668	\$ 76,548

Same Store Information					
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Square feet	491,666	517,525	511,133	504,259	500,668
Average occupancy	96.7%	96.4%	96.1%	96.4%	97.0%
Period end occupancy	97.1%	96.4%	96.5%	96.9%	97.5%
Percentage change:					
Rental revenue	4.0%	3.6%	3.8%	2.9%	2.7%
Rental expenses	2.4%	(1.7%)	1.1%	(1.5%)	2.5%
Same store NOI*	4.5%	5.6%	4.7%	4.4%	2.8%
Same store NOI - Prologis share*	6.6%	7.4%	6.1%	5.6%	3.2%
Same store NOI - cash*	3.5%	4.9%	4.4%	4.8%	3.8%
Same store NOI - cash - Prologis share*	4.5%	6.0%	5.3%	6.6%	4.4%
Average occupancy	1.0%	1.4%	1.1%	1.1%	0.6%

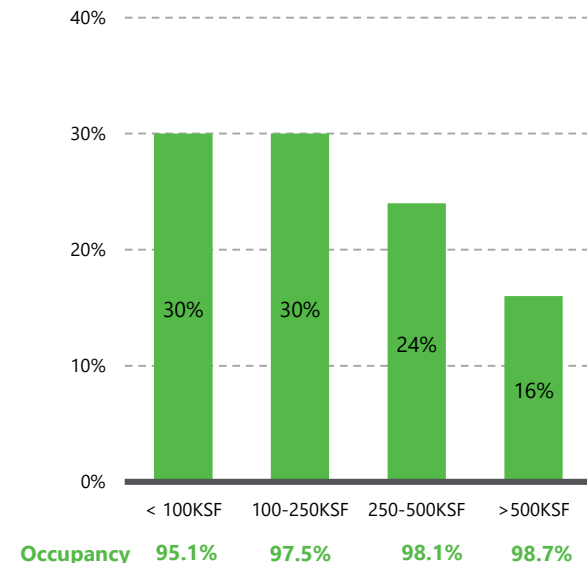
Turnover Costs on Leases Signed



Property Improvements per Square Foot



Composition of Portfolio (by Unit Size) and Occupancy



Operations

Operating Portfolio – Square Feet, Occupied and Leased

4Q 2016 Supplemental

square feet in thousands and ordered by Prologis share of NOI (%)

	# of Buildings	Square Feet			Occupied %		Leased %	
		Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Southern California	345	72,277	55,238	14.8	98.2	98.3	98.6	98.8
New Jersey/New York City	144	32,845	24,322	6.5	98.6	98.4	98.6	98.4
San Francisco Bay Area	217	19,333	15,479	4.1	97.5	97.5	97.5	97.5
Chicago	237	40,574	28,668	7.7	97.1	97.1	97.1	97.1
Dallas/Ft. Worth	156	25,439	19,195	5.1	97.2	97.6	97.3	97.7
South Florida	131	14,452	9,256	2.5	97.9	97.5	98.3	98.1
Central & Eastern PA	33	17,756	13,292	3.5	92.9	90.5	92.9	90.5
Atlanta	102	17,300	13,387	3.6	97.4	97.0	98.2	97.9
Central Valley	23	11,178	10,111	2.7	96.0	97.1	96.0	97.1
Baltimore/Washington	65	7,957	5,600	1.5	98.5	98.4	98.9	99.0
Seattle	107	15,368	7,680	2.0	95.7	95.7	95.8	95.8
Houston	100	12,661	8,518	2.3	95.5	94.8	95.8	95.2
Las Vegas	46	6,101	4,305	1.1	99.2	99.4	99.2	99.4
Denver	29	5,286	4,976	1.3	100.0	100.0	100.0	100.0
Columbus	24	7,246	5,915	1.6	100.0	100.0	100.0	100.0
Orlando	37	4,597	3,850	1.0	98.7	98.5	99.0	98.8
San Antonio	38	4,735	4,220	1.1	99.4	99.4	99.4	99.4
Remaining U.S. markets (15 markets)	224	43,344	36,209	9.7	98.4	98.6	98.4	98.6
Total U.S.	2,058	358,449	270,221	72.1	97.4	97.4	97.6	97.6
Mexico	196	34,519	16,026	4.3	96.6	96.4	96.6	96.4
Canada	25	8,066	7,493	2.0	97.6	97.4	97.6	97.4
Brazil	19	8,052	2,037	0.5	100.0	100.0	100.0	100.0
Total Other Americas	240	50,637	25,556	6.8	97.3	97.0	97.3	97.0
United Kingdom	97	23,357	9,678	2.6	99.2	99.0	99.5	99.4
France	134	33,111	13,059	3.5	94.3	95.0	94.3	95.0
Germany	99	23,239	8,480	2.3	98.8	98.8	98.8	98.8
Poland	111	24,715	10,009	2.7	94.8	95.3	95.1	95.6
Netherlands	72	17,509	6,075	1.6	95.7	92.9	97.7	95.8
Czech Republic	56	10,939	4,641	1.2	97.1	97.4	97.6	97.9
Spain	36	8,169	3,852	1.0	96.0	95.9	96.2	96.2
Remaining European countries (6 countries)	131	30,431	13,027	3.5	97.7	97.2	97.8	97.2
Total Europe	736	171,470	68,821	18.4	96.7	96.5	97.0	96.9
Japan	38	26,147	5,103	1.4	95.6	87.9	96.7	88.8
China	59	13,837	4,052	1.1	97.4	96.6	98.4	97.4
Singapore	5	969	969	0.2	77.8	77.8	100.0	100.0
Total Asia	102	40,953	10,124	2.7	95.8	90.4	97.3	93.3
Total Outside the U.S.	1,078	263,060	104,501	27.9	96.7	96.0	97.1	96.6
Total Operating Portfolio	3,136	621,509	374,722	100.0	97.1	97.0	97.4	97.3
Total Global markets	2,568	520,798	302,553	80.7	96.9	96.7	97.3	97.1
Total Regional markets	556	99,287	71,245	19.0	98.2	98.3	98.2	98.3
Total Other markets	12	1,424	924	0.3	87.5	90.0	87.5	90.0

Operations

Operating Portfolio – NOI* and Gross Book Value

4Q 2016 Supplemental

dollars in thousands and ordered by Prologis share of NOI (%)

	Fourth Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Southern California	\$ 100,520	\$ 76,146	17.1	\$ 6,922,473	\$ 5,127,863	19.1
New Jersey/New York City	49,711	34,392	7.7	3,372,347	2,331,467	8.7
San Francisco Bay Area	36,576	29,300	6.6	1,971,793	1,565,065	5.8
Chicago	40,456	27,271	6.1	2,616,290	1,786,519	6.6
Dallas/Ft. Worth	23,964	17,582	4.0	1,446,320	1,026,362	3.8
South Florida	23,327	14,833	3.3	1,500,759	993,158	3.7
Central & Eastern PA	18,844	13,710	3.1	1,103,542	806,235	3.0
Atlanta	14,948	11,218	2.5	812,363	608,233	2.3
Central Valley	11,033	10,129	2.3	637,833	581,123	2.2
Baltimore/Washington	13,176	9,715	2.2	703,625	491,075	1.8
Seattle	19,992	9,308	2.1	1,514,847	758,531	2.8
Houston	13,610	8,541	1.9	831,739	499,175	1.8
Las Vegas	8,735	6,072	1.4	429,764	292,650	1.1
Denver	6,085	5,737	1.3	316,279	298,885	1.1
Columbus	5,759	4,727	1.1	265,454	221,405	0.8
Orlando	5,380	4,480	1.0	314,000	264,108	1.0
San Antonio	4,802	4,256	1.0	232,043	206,463	0.8
Remaining U.S. markets (15 markets)	40,350	33,545	7.6	2,156,933	1,742,947	6.5
Total U.S.	437,268	320,962	72.3	27,148,404	19,601,264	72.9
Mexico	38,524	17,621	4.0	1,960,201	909,235	3.4
Canada	9,108	8,410	1.9	634,857	585,223	2.2
Brazil	14,986	3,763	0.8	505,014	122,544	0.4
Total Other Americas	62,618	29,794	6.7	3,100,072	1,617,002	6.0
United Kingdom	43,013	17,817	4.0	2,717,821	1,077,875	4.0
France	33,489	12,869	2.9	2,140,610	781,355	2.9
Germany	27,492	9,683	2.2	1,648,154	569,773	2.1
Poland	19,998	8,119	1.8	1,337,578	518,007	1.9
Netherlands	21,003	7,409	1.7	1,280,947	417,971	1.6
Czech Republic	11,190	4,721	1.1	662,891	275,592	1.0
Spain	9,449	4,481	1.0	536,812	257,851	1.0
Remaining European countries (6 countries)	28,030	11,361	2.5	1,684,749	702,894	2.6
Total Europe	193,664	76,460	17.2	12,009,562	4,601,318	17.1
Japan	62,532	12,135	2.7	4,265,315	784,297	2.9
China	11,955	2,863	0.7	627,382	152,744	0.6
Singapore	1,947	1,947	0.4	128,557	128,557	0.5
Total Asia	76,434	16,945	3.8	5,021,254	1,065,598	4.0
Total Outside the U.S.	332,716	123,199	27.7	20,130,888	7,283,918	27.1
Total Operating Portfolio	\$ 769,984	\$ 444,161	100.0	\$ 47,279,292	\$ 26,885,182	100.0
Total Global markets	668,034	371,921	83.7	42,011,508	23,199,363	86.3
Total Regional markets	99,562	70,850	16.0	5,153,156	3,622,408	13.5
Total Other markets	2,388	1,390	0.3	114,628	63,411	0.2

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

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Operations

Operating Portfolio – Summary by Division

4Q 2016 Supplemental

square feet and dollars in thousands	# of Buildings	Square Feet			Occupied %		Leased %	
	Owned and Managed	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Consolidated								
Total U.S.	1,691	308,576	262,800	70.1	97.2	97.4	97.4	97.6
Total Outside the U.S.	86	23,548	22,974	6.2	93.7	93.6	94.7	94.6
Total Operating Portfolio - Consolidated	1,777	332,124	285,774	76.3	97.0	97.1	97.2	97.3
Unconsolidated								
Total U.S.	367	49,873	7,421	2.0	98.7	98.7	98.8	98.8
Total Outside the U.S.	992	239,512	81,527	21.7	96.9	96.7	97.4	97.1
Total Operating Portfolio - Unconsolidated	1,359	289,385	88,948	23.7	97.2	96.9	97.6	97.3
Total								
Total U.S.	2,058	358,449	270,221	72.1	97.4	97.4	97.6	97.6
Total Outside the U.S.	1,078	263,060	104,501	27.9	96.7	96.0	97.1	96.6
Total Operating Portfolio	3,136	621,509	374,722	100.0	97.1	97.0	97.4	97.3
Value added properties - consolidated	8	1,526	1,188		39.9	47.1	39.9	47.1
Value added properties - unconsolidated	8	1,658	616		42.9	34.3	42.9	34.3
Total	3,152	624,693	376,526		96.8	96.8	97.1	97.1

	Fourth Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Consolidated						
Total U.S.	\$ 365,871	\$ 310,338	69.9	\$ 22,457,824	\$ 18,903,306	70.3
Total Outside the U.S.	23,939	23,241	5.2	1,598,998	1,549,364	5.8
Total Operating Portfolio - Consolidated	\$ 389,810	\$ 333,579	75.1	\$ 24,056,822	\$ 20,452,670	76.1
Unconsolidated						
Total U.S.	\$ 71,397	\$ 10,624	2.4	\$ 4,690,580	\$ 697,958	2.6
Total Outside the U.S.	308,777	99,958	22.5	18,531,890	5,734,554	21.3
Total Operating Portfolio - Unconsolidated	\$ 380,174	\$ 110,582	24.9	\$ 23,222,470	\$ 6,432,512	23.9
Total						
Total U.S.	\$ 437,268	\$ 320,962	72.3	\$ 27,148,404	\$ 19,601,264	72.9
Total Outside the U.S.	332,716	123,199	27.7	20,130,888	7,283,918	27.1
Total Operating Portfolio	\$ 769,984	\$ 444,161	100.0	\$ 47,279,292	\$ 26,885,182	100.0
Value added properties - consolidated	618	627		117,347	100,766	
Value added properties - unconsolidated	582	139		74,080	22,959	
Total	\$ 771,184	\$ 444,927		\$ 47,470,719	\$ 27,008,907	

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

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Operations

Customer Information – Owned and Managed

4Q 2016 Supplemental

square feet and dollars in thousands

Top Customers

	% of Net Effective Rent	Total Square Feet
1 Amazon.com	3.1	15,092
2 DHL	1.6	10,470
3 Geodis	1.2	8,835
4 XPO Logistics	1.2	8,656
5 Kuehne + Nagel	1.1	6,630
6 FedEx	1.0	3,534
7 Home Depot	0.9	5,625
8 CEVA Logistics	0.9	6,484
9 Wal-Mart	0.8	5,118
10 DSV Air and Sea	0.8	5,302

Top 10 Customers

	12.6	75,746
11 Nippon Express	0.7	2,889
12 BMW	0.6	3,805
13 UPS	0.6	3,333
14 Hitachi	0.5	1,951
15 DB Schenker	0.5	3,987
16 U.S. Government	0.5	1,162
17 Tesco	0.5	2,785
18 Ingram Micro	0.5	2,959
19 Panalpina	0.4	2,235
20 PepsiCo	0.4	2,586
21 Samsung Electronics	0.3	2,184
22 Best Buy	0.3	1,946
23 APL Logistics	0.3	2,527
24 Under Armour	0.3	2,026
25 La Poste	0.3	1,657

Top 25 Customers

19.3 113,778

Lease Expirations - Operating Portfolio - Owned and Managed

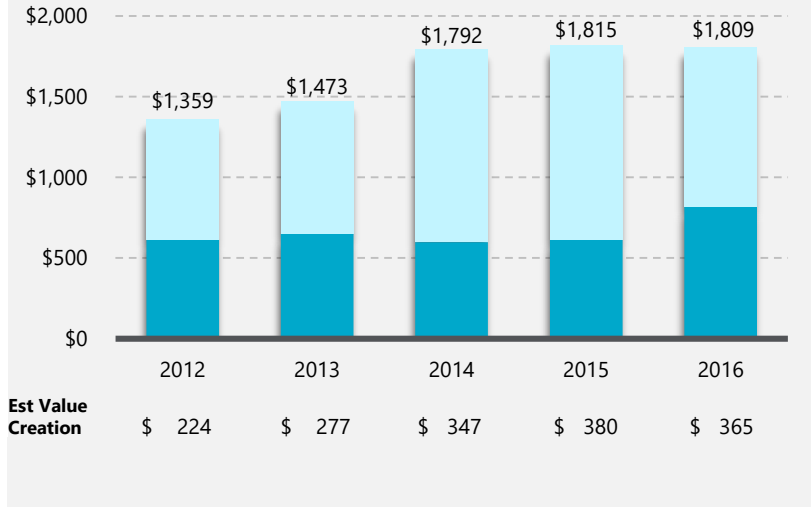
Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2017	88,531	\$ 443,415	14.1	5.05
2018	100,130	503,517	16.0	5.05
2019	92,882	469,677	14.9	5.08
2020	76,090	404,811	12.9	5.38
2021	72,396	394,472	12.5	5.45
Thereafter	161,881	929,885	29.6	5.87
	591,910	\$ 3,145,777	100.0	5.37
Month to month	11,514			
Total	603,424			

Lease Expirations - Operating Portfolio - Prologis Share

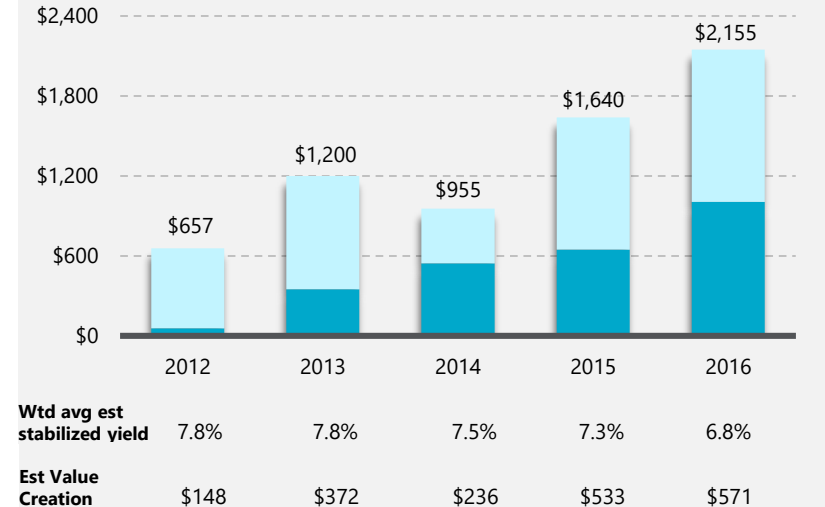
Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2017	47,823	\$ 228,706	12.5	4.82
2018	58,610	287,716	15.8	4.92
2019	58,160	276,280	15.1	4.77
2020	42,214	218,615	12.0	5.24
2021	47,933	249,968	13.7	5.22
Thereafter	101,573	563,908	30.9	5.63
	356,313	\$ 1,825,193	100.0	5.16
Month to month	7,251			
Total	363,564			

(in millions)

Development Starts (TEI)

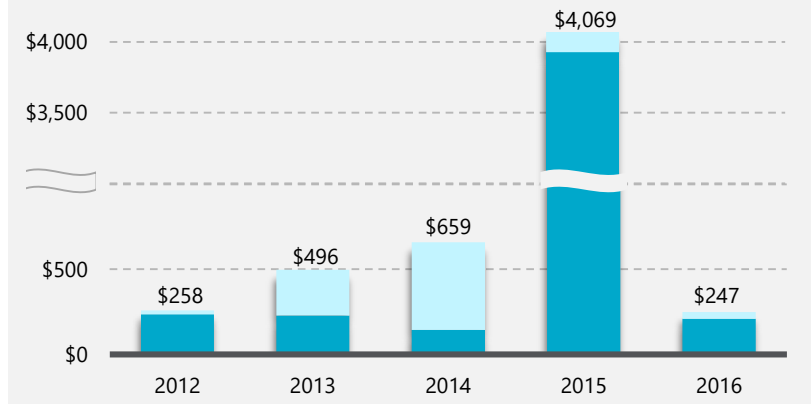


Development Stabilizations (TEI)

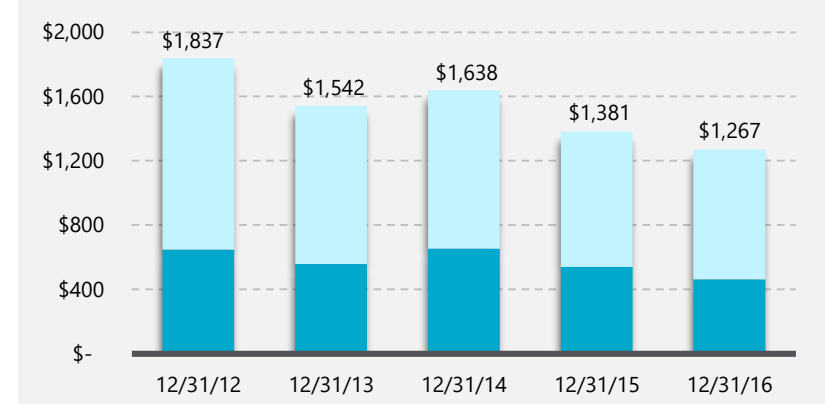


Year	Wtd avg est stabilized yield	Est Value Creation
2012	7.8%	\$148
2013	7.8%	\$372
2014	7.5%	\$236
2015	7.3%	\$533
2016	6.8%	\$571

Building Acquisitions



Land Portfolio



■ U.S. ■ Outside the U.S.

Capital Deployment Development Stabilizations

4Q 2016 Supplemental

square feet and dollars in the thousands

	Q4 2016			FY 2016		
	Square Feet	TEI		Square Feet	TEI	
		Owned and Managed	Prologis Share		Owned and Managed	Prologis Share
Central	317	\$ 23,499	\$ 23,499	5,629	\$ 366,281	\$ 339,946
East	1,568	137,331	137,331	3,373	306,229	306,229
Northwest	41	5,693	3,134	2,860	240,604	204,789
Southwest	1,586	138,215	102,328	2,404	208,621	154,749
Total U.S.	3,512	304,738	266,292	14,266	1,121,735	1,005,713
Canada	-	-	-	105	9,999	9,999
Mexico	543	28,939	23,922	1,408	84,863	78,723
Brazil	-	-	-	1,349	84,603	42,302
Total Other Americas	543	28,939	23,922	2,862	179,465	131,024
Northern	773	60,273	60,273	4,087	269,397	247,328
Southern	-	-	-	760	46,548	46,548
Central	306	13,461	11,089	2,529	127,385	110,405
United Kingdom	351	33,992	33,992	1,285	126,633	126,633
Total Europe	1,430	107,726	105,354	8,661	569,963	530,914
Japan	2,096	274,570	274,570	3,500	461,024	461,024
China	597	26,518	3,978	3,095	177,402	26,610
Singapore	-	-	-	-	-	-
Total Asia	2,693	301,088	278,548	6,595	638,426	487,634
Total Outside the U.S.	4,666	437,753	407,824	18,118	1,387,854	1,149,572
Total Development Stabilizations	8,178	\$ 742,491	\$ 674,116	32,384	\$ 2,509,589	\$ 2,155,285
Percent build to suit			47.4%			41.4%
Estimated weighted average yield			6.5%			6.8%
Annualized estimated NOI			\$ 43,649			\$ 145,688
Weighted average estimated cap rate			5.1%			5.2%
Estimated weighted average margin			23.9%			26.5%
Estimated value creation			\$ 161,037			\$ 570,591

Capital Deployment Development Starts

4Q 2016 Supplemental

square feet and dollars in thousands

	Q4 2016				FY 2016			
	Square Feet	Leased % at Start	TEI		Square Feet	Leased % at Start	TEI	
			Owned and Managed	Prologis Share			Owned and Managed	Prologis Share
Central	-	-	\$ -	\$ -	2,289	81.5	\$ 127,348	\$ 127,348
East	850	33.4	125,861	125,861	2,205	63.7	220,668	220,668
Northwest	1,909	34.8	151,986	151,986	2,444	27.2	195,521	195,521
Southwest	1,810	6.3	140,158	118,759	3,899	44.6	295,738	274,339
Total U.S.	4,569	23.2	418,005	396,606	10,837	52.3	839,275	817,876
Canada	-	-	-	-	323	0.0	26,924	26,924
Mexico	581	46.3	34,234	34,234	1,493	58.2	75,289	75,289
Brazil	-	-	-	-	-	-	-	-
Total Other Americas	581	46.3	34,234	34,234	1,816	47.9	102,213	102,213
Northern	375	0.0	24,869	24,869	2,369	67.4	179,549	179,549
Southern	637	63.9	46,483	46,483	1,139	35.7	77,533	77,533
Central	1,349	100.0	64,135	54,694	3,767	81.3	194,598	178,411
United Kingdom	964	43.2	83,653	83,653	1,396	51.4	136,981	125,759
Total Europe	3,325	65.3	219,140	209,699	8,671	66.7	588,661	561,252
Japan	314	100.0	38,137	38,137	1,510	38.6	270,275	270,275
China	4,790	0.0	252,796	37,919	6,975	0.0	380,842	57,126
Total Asia	5,104	6.2	290,933	76,056	8,485	6.9	651,117	327,401
Total Outside the U.S.	9,010	30.6	544,307	319,989	18,972	43.0	1,341,991	990,866
Total Development Starts	13,579	28.1	\$ 962,312	\$ 716,595	29,809	43.3	\$ 2,181,266	\$ 1,808,742
Percent build to suit				34.3%				41.7%
Estimated weighted average start yield				6.6%				6.5%
Annualized estimated NOI				\$ 47,285				\$ 117,916
Weighted average estimated cap rate at stabilization				5.2%				5.3%
Estimated weighted average margin				23.3%				20.2%
Estimated value creation				\$ 167,203				\$ 365,088

Capital Deployment Development Portfolio

4Q 2016 Supplemental

square feet and dollars in thousands

	Pre-Stabilized Developments				Under Development						Total Development Portfolio			
	TEI				2017 Expected Completion			2018 and Thereafter Expected Completion			TEI			
	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
Central	490	89.1	\$ 36,796	\$ 29,368	2,134	\$ 119,891	\$ 119,891	-	\$ -	\$ -	2,624	81.8	\$ 156,687	\$ 149,259
East	-	-	-	-	2,205	221,417	221,417	-	-	-	2,205	63.7	221,417	221,417
Northwest	517	86.9	51,190	36,793	2,445	195,514	195,514	-	-	-	2,962	39.8	246,704	232,307
Southwest	407	15.6	33,691	33,691	3,487	265,436	244,037	-	-	-	3,894	40.8	299,127	277,728
Total U.S.	1,414	67.2	121,677	99,852	10,271	802,258	780,859	-	-	-	11,685	54.1	923,935	880,711
Canada	702	66.4	56,399	56,399	-	-	-	-	-	-	702	66.4	56,399	56,399
Mexico	960	59.2	62,806	62,806	1,244	64,750	64,750	-	-	-	2,204	65.2	127,556	127,556
Brazil	1,705	12.8	119,654	59,827	-	-	-	-	-	-	1,705	12.8	119,654	59,827
Total Other Americas	3,367	37.2	238,859	179,032	1,244	64,750	64,750	-	-	-	4,611	46.0	303,609	243,782
Northern Europe	-	-	-	-	1,979	145,177	145,177	-	-	-	1,979	73.5	145,177	145,177
Southern Europe	707	91.2	39,525	39,525	1,139	75,808	75,808	-	-	-	1,846	57.0	115,333	115,333
Central and Eastern Europe	809	93.0	48,008	46,285	2,558	125,945	111,732	-	-	-	3,367	86.3	173,953	158,017
United Kingdom	759	20.0	135,784	104,380	1,115	98,683	98,683	-	-	-	1,874	38.4	234,467	203,063
Total Europe	2,275	68.1	223,317	190,190	6,791	445,613	431,400	-	-	-	9,066	67.7	668,930	621,590
Japan	3,420	62.8	488,954	488,954	757	138,225	138,225	966	126,984	126,984	5,143	57.2	754,163	754,163
China	2,053	18.3	113,769	17,065	6,018	321,819	48,273	5,455	298,289	44,744	13,526	2.8	733,877	110,082
Singapore	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Asia	5,473	46.1	602,723	506,019	6,775	460,044	186,498	6,421	425,273	171,728	18,669	17.8	1,488,040	864,245
Total Outside the U.S.	11,115	47.9	1,064,899	875,241	14,810	970,407	682,648	6,421	425,273	171,728	32,346	35.8	2,460,579	1,729,617
Total Development Portfolio	12,529	50.1	\$ 1,186,576	\$ 975,093	25,081	\$ 1,772,665	\$ 1,463,507	6,421	\$ 425,273	\$ 171,728	44,031	40.6	\$ 3,384,514	\$ 2,610,328
Cost to complete			\$ 98,938	\$ 82,048		\$ 901,070	\$ 782,218		\$ 308,078	\$ 136,858			\$ 1,308,086	\$ 1,001,124
Percent build to suit				2.6%			43.4%			22.2%				26.8%
Wtd. avg. estimated stabilized yield														
U.S.				6.7%			6.1%			-				6.2%
Other Americas				7.9%			7.5%			-				7.8%
Europe				6.9%			7.1%			-				7.0%
Asia				6.2%			5.9%			6.4%				6.2%
Total				6.7%			6.4%			6.4%				6.5%

Annualized estimated NOI	\$170,319
Weighted average estimated cap rate at stabilization	5.4%
Estimated development margin	19.9%
Estimated value creation	\$520,227

Capital Deployment

Third Party Building Acquisitions

4Q 2016 Supplemental

square feet and dollars in thousands

	Q4 2016				FY 2016			
	Square Feet		Acquisition Costs		Square Feet		Acquisition Costs	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Prologis Wholly Owned	892	892	\$ 112,633	\$ 112,633	1,613	1,613	\$ 194,864	\$ 194,864
Prologis Targeted U.S. Logistics Fund	778	115	62,594	9,312	965	154	84,062	13,652
Total U.S.	1,670	1,007	175,227	121,945	2,578	1,767	278,926	208,516
Prologis Wholly Owned	-	-	-	-	210	210	15,338	15,338
Total Other Americas	-	-	-	-	210	210	15,338	15,338
Prologis Targeted Europe Logistics Fund	-	-	-	-	269	75	18,328	5,109
Prologis European Properties Fund II	338	106	15,927	4,960	1,040	324	58,775	18,285
Total Europe	338	106	15,927	4,960	1,309	399	77,103	23,394
Total Outside the U.S.	338	106	15,927	4,960	1,519	609	92,441	38,732
Total Third Party Building Acquisitions	2,008	1,113	\$ 191,154	\$ 126,905	4,097	2,376	\$ 371,367	\$ 247,248
Weighted average stabilized cap rate				5.2%				5.7%

Capital Deployment Dispositions and Contributions

4Q 2016 Supplemental

square feet and dollars in thousands

	Q4 2016				FY 2016			
	Square Feet		Sales Price		Square Feet		Sales Price	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Third-Party Building Dispositions								
Prologis Wholly Owned	3,191	3,191	\$ 262,251	\$ 262,251	11,775	11,775	\$ 745,710	\$ 745,710
Prologis U.S. Logistics Venture	41	23	7,917	4,357	3,947	2,173	458,143	252,161
Prologis North American Industrial Fund	614	406	45,044	29,792	3,245	2,146	179,954	119,022
Prologis Targeted U.S. Logistics Fund	-	-	-	-	907	181	109,564	22,627
Total U.S.	3,846	3,620	315,212	296,400	19,874	16,275	1,493,371	1,139,520
FIBRA Prologis	-	-	-	-	47	21	1,750	803
Total Other Americas	-	-	-	-	47	21	1,750	803
Prologis Wholly Owned	-	-	-	-	398	398	23,748	23,748
Prologis Targeted Europe Logistics Fund	-	-	-	-	159	64	20,574	8,236
Prologis European Properties Fund II	140	44	6,854	2,135	1,574	490	88,983	27,678
Prologis European Logistics Partners	120	60	11,722	5,861	2,361	1,181	156,936	78,468
Total Europe	260	104	18,576	7,996	4,492	2,133	290,241	138,130
Prologis Wholly Owned	908	908	109,711	109,711	908	908	109,711	109,711
Total Asia	908	908	109,711	109,711	908	908	109,711	109,711
Total Outside the U.S.	1,168	1,012	128,287	117,707	5,447	3,062	401,702	248,644
Total Third Party Building Dispositions	5,014	4,632	\$ 443,499	\$ 414,107	25,321	19,337	\$ 1,895,073	\$ 1,388,164
Building Contributions to Co-Investment Ventures								
FIBRA Prologis	867	867	\$ 63,850	\$ 34,556	1,617	1,617	\$ 114,350	\$ 61,887
Total Other Americas	867	867	63,850	34,556	1,617	1,617	114,350	61,887
Prologis Targeted Europe Logistics Fund	2,197	2,197	258,841	198,091	3,696	3,696	368,446	272,808
Prologis European Properties Fund II	274	274	15,268	10,512	832	832	36,479	25,126
Prologis European Logistics Partnership	-	-	-	-	1,597	1,597	103,903	51,952
Total Europe	2,471	2,471	274,109	208,603	6,125	6,125	508,828	349,886
Nippon Prologis REIT	1,610	1,610	280,134	237,806	3,882	3,882	664,568	564,037
Total Asia	1,610	1,610	280,134	237,806	3,882	3,882	664,568	564,037
Total Outside the U.S. Contributions to Co-Investment Ventures	4,948	4,948	618,093	480,965	11,624	11,624	1,287,746	975,810
Total Building Dispositions and Contributions	9,962	9,580	\$ 1,061,592	\$ 895,072	36,945	30,961	\$ 3,182,819	\$ 2,363,974
Weighted average stabilized cap rate				5.4%				5.8%
Land dispositions			37,283	36,267			181,597	161,951
Dispositions of other investments in real estate			2,651	2,611			100,572	100,532
Grand Total Dispositions and Contributions			\$ 1,101,526	\$ 933,950			\$ 3,464,988	\$ 2,626,457

Capital Deployment

Land Portfolio – Owned and Managed

4Q 2016 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	144	139	2,695	\$ 30,399	\$ 28,550	2.3
New Jersey/New York City	119	97	1,364	37,906	30,976	2.4
San Francisco Bay Area	-	-	-	-	-	0.0
Chicago	219	214	3,785	18,644	18,093	1.4
Dallas/Ft. Worth	178	135	3,307	22,551	18,580	1.5
South Florida	215	214	4,415	117,177	116,951	9.2
Central & Eastern PA	137	137	1,623	23,887	23,887	1.9
Atlanta	135	135	1,655	3,821	3,821	0.3
Central Valley	1,090	1,090	22,111	92,832	92,832	7.3
Baltimore/Washington	81	81	400	20,600	20,600	1.6
Seattle	43	43	1,128	30,157	30,157	2.4
Houston	185	173	2,855	15,288	13,633	1.1
Las Vegas	45	45	861	8,332	8,332	0.7
Denver	51	51	913	18,611	18,611	1.5
Columbus	25	25	450	1,614	1,614	0.1
Orlando	48	48	702	12,991	12,991	1.0
San Antonio	-	-	-	-	-	0.0
Remaining U.S. markets (15 markets)	328	321	4,844	19,760	18,962	1.5
Total U.S.	3,043	2,948	53,108	474,570	458,590	36.2
Mexico	734	729	13,926	186,342	185,021	14.6
Canada	161	161	3,224	41,278	41,278	3.3
Brazil	441	166	9,784	127,957	52,340	4.1
Total Other Americas	1,336	1,056	26,934	355,577	278,639	22.0
United Kingdom	291	291	4,194	131,592	131,592	10.4
France	322	269	6,154	56,060	48,153	3.8
Germany	59	53	1,132	15,054	13,848	1.1
Poland	515	479	9,240	56,549	49,224	3.9
Netherlands	46	46	1,292	28,076	28,076	2.2
Czech Republic	167	163	2,586	28,914	27,731	2.2
Spain	110	91	2,968	36,034	31,332	2.5
Remaining European countries (6 countries)	559	519	9,377	78,791	71,664	5.6
Total Europe	2,069	1,911	36,943	431,070	401,620	31.7
Japan	54	54	3,568	116,240	116,240	9.2
China	116	33	3,868	47,786	11,691	0.9
Singapore	-	-	-	-	-	0.0
Total Asia	170	87	7,436	164,026	127,931	10.1
Total Outside the U.S.	3,575	3,054	71,313	950,673	808,190	63.8
Total Land Portfolio	6,618	6,002	124,421	\$ 1,425,243	\$ 1,266,780	100.0

Capital Deployment

Land Portfolio – Summary and Roll Forward

4Q 2016 Supplemental

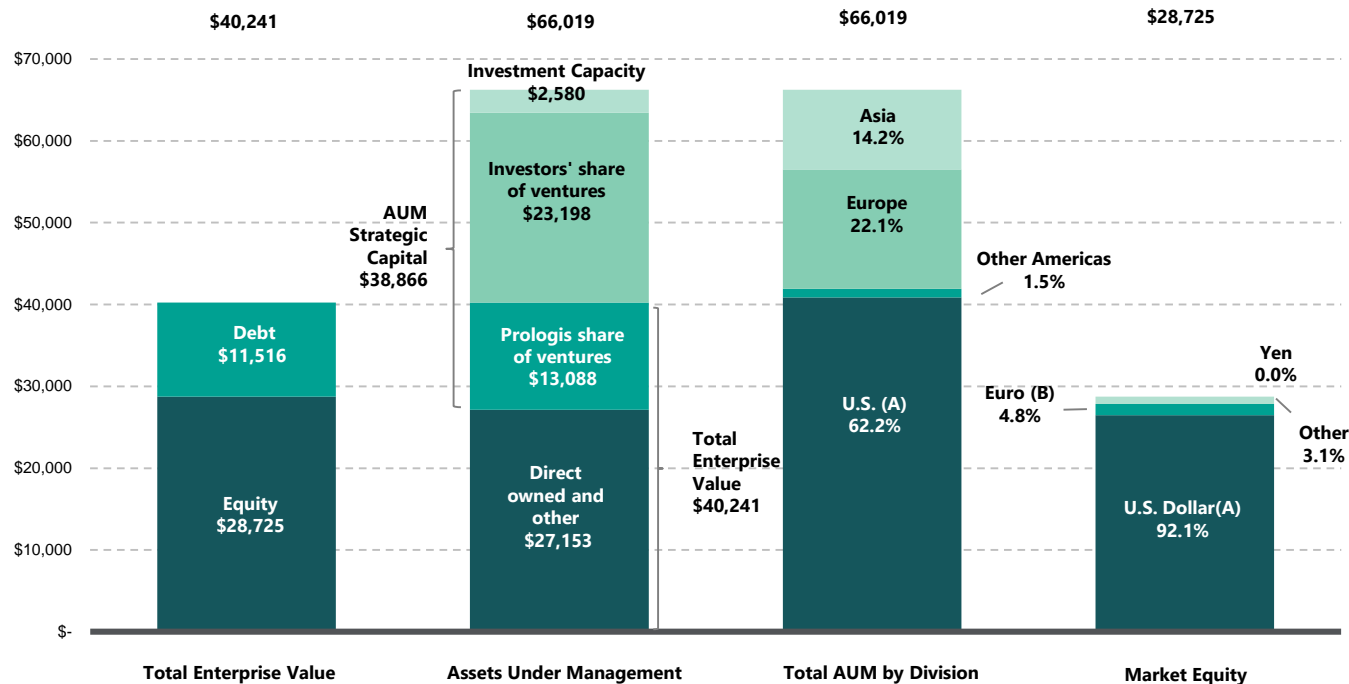
dollars in thousands	Acres			Current Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Central	658	598	10.0	\$ 60,855	\$ 54,677	4.3
East	859	835	13.9	224,530	217,373	17.2
Northwest	1,294	1,294	21.5	146,340	146,340	11.6
Southwest	232	221	3.7	42,845	40,200	3.1
Total U.S.	3,043	2,948	49.1	474,570	458,590	36.2
Mexico	734	729	12.1	186,342	185,021	14.6
Canada	161	161	2.7	41,278	41,278	3.3
Brazil	441	166	2.8	127,957	52,340	4.1
Total Other Americas	1,336	1,056	17.6	355,577	278,639	22.0
Central	1,085	1,019	17.0	123,349	112,640	8.9
Northern	153	145	2.4	56,594	54,774	4.3
Southern	540	456	7.6	119,535	102,614	8.1
United Kingdom	291	291	4.9	131,592	131,592	10.4
Total Europe	2,069	1,911	31.9	431,070	401,620	31.7
Japan	54	54	0.9	116,240	116,240	9.2
China	116	33	0.5	47,786	11,691	0.9
Total Asia	170	87	1.4	164,026	127,931	10.1
Total Outside the U.S.	3,575	3,054	50.9	950,673	808,190	63.8
Total Land Portfolio	6,618	6,002	100.0	\$ 1,425,243	\$ 1,266,780	100.0
Estimated build out of land portfolio (in TEI)				\$ 8,400,000	\$ 7,900,000	
Estimated build out of other land (in TEI) (A)				1,800,000	1,500,000	
Total				\$ 10,200,000	\$ 9,400,000	

Land Roll Forward - Prologis Share	U.S.	Other Americas	Europe	Asia	Total
As of September 30, 2016	\$ 511,973	\$ 298,579	\$ 454,306	\$ 137,859	\$ 1,402,717
Acquisitions	15,407	-	15,100	17,130	47,637
Dispositions	(11,660)	(4,546)	(15,003)	-	(31,209)
Development starts	(84,130)	(13,351)	(46,040)	(16,160)	(159,681)
Infrastructure costs	27,321	5,751	17,905	6,382	57,359
Effect of changes in foreign exchange rates and other	(321)	(7,794)	(24,648)	(17,280)	(50,043)
As of December 31, 2016	\$ 458,590	\$ 278,639	\$ 401,620	\$ 127,931	\$ 1,266,780

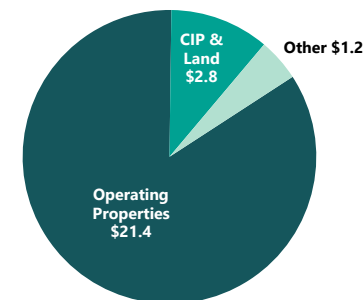
(A) Amounts include approximately 1,600 acres that we currently control through options, ground leases, unconsolidated joint ventures and other contractual arrangements.

Capitalization Overview

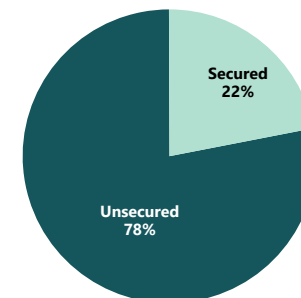
Assets Under Management (dollars in millions)



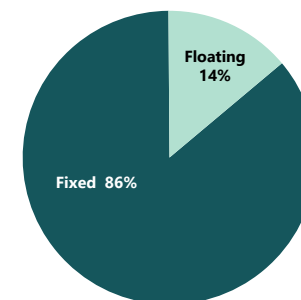
Unencumbered Assets – Prologis Share (in billions)



Secured & Unsecured Debt- Prologis Share



Fixed vs. Floating Debt- Prologis Share



Prologis Share - Debt Metrics (C)		
	December 31, 2016	September 30, 2016
Debt as % of gross real estate assets*	34.6%	37.0%
Debt as % of gross market capitalization*	27.1%	28.8%
Secured debt as % of gross real estate assets*	8.3%	8.4%
Unencumbered gross real estate assets to unsecured debt*	282.5%	271.1%
Fixed charge coverage ratio*	5.75x	5.09x
Fixed charge coverage ratio, excluding development gains*	4.90x	4.59x
Debt/Adjusted EBITDA*	4.72x	5.60x
Debt/Adjusted EBITDA, excluding development gains*	5.55x	6.21x
Weighted average interest rate	3.2%	3.1%
Weighted average remaining maturity in years	5.0	5.2
Credit Ratings at December 31, 2016 (D)		
Moody's	A3 (Outlook Stable)	
Standard & Poor's	A- (Outlook Stable)	

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

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

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

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

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

Capitalization

Debt Components- Consolidated

4Q 2016 Supplemental

dollars in thousands

Maturity	Unsecured			Secured Mortgage	Total	% Ownership	Wtd. Avg. Interest Rate	% Fixed
	Senior	Credit Facilities (A)	Other (A)					
2017	\$ -	\$ -	\$ 857	\$ 428,196	\$ 429,053	59%	2.8%	100%
2018	175,000	35,023	961	570,291	781,275	79%	3.4%	96%
2019	618,294	-	194,377	446,360	1,259,031	95%	4.3%	81%
2020	831,071	-	1,190	428,725	1,260,986	93%	2.3%	82%
2021	1,237,871	-	1,012	141,548	1,380,431	97%	2.5%	100%
2022	737,870	-	427,886	163,172	1,328,928	96%	2.5%	68%
2023	850,000	-	874,916	174,624	1,899,540	97%	3.1%	69%
2024	737,870	-	911	133,308	872,089	100%	4.2%	100%
2025	750,000	-	976	134,727	885,703	100%	3.9%	100%
2026	527,050	-	696	1,223	528,969	100%	3.1%	100%
2027	-	-	641	1,161	1,802	77%	4.3%	100%
Thereafter	-	-	4,727	-	4,727	100%	5.8%	100%
Subtotal	6,465,026	35,023	1,509,150	2,623,335	10,632,534	94%	3.2%	86%
Unamortized net premiums (discounts)	(19,573)	-	-	43,286	23,713			
Unamortized finance costs	(27,961)	-	(10,149)	(9,843)	(47,953)			
Total consolidated debt, net of premium (discount)	\$ 6,417,492	\$ 35,023	\$ 1,499,001	\$ 2,656,778	\$ 10,608,294			
Weighted average interest rate	3.3%	1.0%	1.5%	3.7%	3.2%			
Weighted average remaining maturity in years	5.6	1.4	5.8	3.3	5.0			

Prologis debt by local currency

	Prologis debt by local currency							Liquidity	
	Senior	Credit Facilities	Other	Secured Mortgage	Total	Investment Hedges (B)	Total		
Dollars	\$ 2,988,688	\$ -	\$ 14,478	\$ 2,340,885	\$ 5,344,051	\$ (496,124)	\$ 4,847,927	Aggregate lender commitments- GLOC and revolver	\$ 3,306,368
Euro	3,342,916	-	-	-	3,342,916	152,064	3,494,980	Less:	
GBP	-	-	192,913	-	192,913	77,013	269,926	Borrowings outstanding	35,023
Yen	85,888	35,023	1,017,454	170,224	1,308,589	144,452	1,453,041	Outstanding letters of credit	35,983
CAD	-	-	274,156	145,669	419,825	122,595	542,420	Current availability- credit facilities	3,235,362
Other	-	-	-	-	-	-	-	Cash and cash equivalents	807,316
Total Debt	\$ 6,417,492	\$ 35,023	\$ 1,499,001	\$ 2,656,778	\$ 10,608,294	\$ -	\$ 10,608,294	Total liquidity	\$ 4,042,678

- (A) The maturity of our credit facilities and certain term loan debt (\$193.3 million) is reflected at the extended maturity date as the extension is at our option.
- (B) We hedge the net assets of certain international subsidiaries using foreign currency forward contracts, including those that are accounted for as net investment hedges, to economically reduce our exposure to fluctuations in foreign currency rates. The effect is to essentially exchange U.S. dollar denominated debt as reflected in the table under Investment Hedges. See also page 28 for our net equity exposure by currency.

Capitalization

Debt Components- Unconsolidated and Noncontrolling Interests (A)

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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
2017	\$ -	\$ 176,703	\$ 176,703	2.7%	100%	\$ 11,616	\$ 118,792	\$ 130,408	3.9%	93%
2018	-	162,661	162,661	2.8%	100%	188,920	82,914	271,834	3.1%	91%
2019	-	64,294	64,294	2.8%	65%	133,299	75,150	208,449	2.9%	42%
2020	-	85,959	85,959	3.2%	77%	266,786	62,465	329,251	3.7%	91%
2021	-	43,382	43,382	3.3%	100%	81,041	114,292	195,333	3.5%	99%
2022	-	52,059	52,059	3.5%	100%	132,064	36,615	168,679	2.9%	100%
2023	-	48,145	48,145	3.6%	100%	27,750	25,790	53,540	2.3%	99%
2024	-	416	416	3.5%	100%	40,542	1,579	42,121	2.3%	99%
2025	-	430	430	3.5%	100%	98,506	1,356	99,862	2.0%	100%
2026	-	475	475	3.6%	100%	12,133	45,951	58,084	3.9%	100%
2027	-	421	421	3.5%	0%	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ 634,945	\$ 634,945	3.0%	93%	\$ 992,657	\$ 564,904	\$ 1,557,561	3.2%	88%
Unamortized net premiums (discounts)	-	13,062	13,062			(1,155)	3,930	2,775		
Unamortized finance costs	-	(1,673)	(1,673)			(4,139)	(2,466)	(6,605)		
Prologis share of unconsolidated debt/ noncontrolling interests share of debt	\$ -	\$ 646,334	\$ 646,334			\$ 987,363	\$ 566,368	\$ 1,553,731		
Weighted average interest rate	-	3.0%	3.0%			2.7%	4.2%	3.2%		
Weighted average remaining maturity in years	-	2.5	2.5			4.0	3.5	3.8		

Prologis share of unconsolidated debt/ noncontrolling interests share of debt by local currency

	Unsecured	Secured	Total	Unsecured (B)	Secured	Total	Investment Hedges (C)	Total
Dollars	\$ -	\$ 646,334	\$ 646,334	\$ 352,137	\$ 331,240	\$ 683,377	\$ (115,530)	\$ 567,847
Euro	-	-	-	383,881	101,787	485,668	93,450	579,118
GBP	-	-	-	-	119,366	119,366	-	119,366
Yen	-	-	-	244,113	-	244,113	-	244,113
CAD	-	-	-	-	-	-	-	-
Other	-	-	-	7,232	13,975	21,207	22,080	43,287
Total Debt	\$ -	\$ 646,334	\$ 646,334	\$ 987,363	\$ 566,368	\$ 1,553,731	\$ -	\$ 1,553,731

- (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 \$264.0 million) is reflected at the extended maturity date as the extension is at the entity's option.
- (C) We hedge the net assets of certain international ventures using foreign currency forward contracts, including those that are accounted for as net investment hedges, to economically reduce our exposure to fluctuations in foreign currency rates. The effect is to essentially exchange U.S. dollar denominated debt as reflected in the table under Investment Hedges. See also page 28 for our net equity exposure by currency.

Net Asset Value

Components – Prologis Share

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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.	262,800	\$ 18,903,306	\$ 72	\$ 310,250	\$ 310,250	\$ 1,241,000	97.4%
Other Americas	7,843	603,506	77	8,600	8,600	34,400	96.6%
Europe	10,480	583,624	56	10,252	10,252	41,008	96.5%
Asia	4,651	362,234	78	4,270	4,270	17,080	82.0%
Pro forma adjustments for mid-quarter acquisitions/development completions					4,954	19,816	
Total consolidated operating portfolio	285,774	20,452,670	72	333,372	338,326	1,353,304	97.1%
Unconsolidated Operating Portfolio							
U.S.	7,421	697,958	94	10,870	10,870	43,480	98.7%
Other Americas	17,713	1,013,496	57	21,572	21,572	86,288	97.2%
Europe	58,341	4,017,694	69	65,788	65,788	263,152	96.5%
Asia	5,473	703,364	129	10,024	10,024	40,096	97.5%
Pro forma adjustments for mid-quarter acquisitions/development completions					607	2,428	
Total unconsolidated operating portfolio	88,948	6,432,512	72	108,254	108,861	435,444	96.9%
Total Operating Portfolio	374,722	\$ 26,885,182	\$ 72	\$ 441,626	\$ 447,187	\$ 1,788,748	97.0%
Development							
	Square Feet	Investment Balance	TEI	TEI per Sq Ft		Annualized Estimated NOI	Percent Occupied
Consolidated Prestabilized							
U.S.	1,199	\$ 82,525	\$ 99,852	\$ 83		\$ 6,681	24.1%
Other Americas	1,662	101,459	119,205	72		8,000	8.9%
Europe	1,761	132,346	163,634	93		11,127	39.3%
Asia	3,420	463,153	488,954	143		30,020	17.1%
							21.3%
Properties under development							
U.S.	10,000	318,391	780,859	78		47,520	
Other Americas	1,244	33,286	64,750	52		4,859	
Europe	6,302	189,615	417,891	66		29,746	
Asia	1,723	82,545	265,210	154		15,382	
Total consolidated development portfolio	27,311	1,403,320	2,400,355	88		\$ 153,335	
Unconsolidated							
Other Americas	853	53,983	59,827	70		\$ 6,138	
Europe	457	28,192	40,065	88		2,862	
Asia	2,029	57,865	110,081	54		7,984	
Total unconsolidated development portfolio	3,339	140,040	209,973	63		\$ 16,984	
Total Development Portfolio	30,650	\$ 1,543,360	\$ 2,610,328	\$ 85		\$ 170,319	
Prologis share of estimated value creation (see Capital Deployment - Development Portfolio)						520,227	
Total development portfolio, including estimated value creation		\$ 2,063,587					

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

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Net Asset Value

Components - Continued

4Q 2016 Supplemental

in thousands

Balance Sheet and Other Items

		As of December 31, 2016	
Consolidated			
Other assets			
Cash and cash equivalents		\$	807,316
Restricted cash			1,911
Accounts receivable, prepaid assets and other tangible assets			851,555
Other real estate investments and assets held for sale			534,633
Note receivable backed by real estate			32,100
Prologis share of value added operating properties			123,725
Prologis receivable from unconsolidated co-investment ventures			166,110
Investments in and advances to other unconsolidated joint ventures			172,905
Less: noncontrolling interests share of other assets			(137,850)
Total other assets		\$	2,552,405
Other liabilities			
Accounts payable and other current liabilities		\$	556,179
Deferred income taxes			65,666
Value added tax and other tax liabilities			18,888
Tenant security deposits			206,301
Other liabilities			304,758
Less: noncontrolling interests share of other liabilities			(65,136)
Total liabilities and noncontrolling interests		\$	1,086,656
Unconsolidated			
Prologis share of net tangible other assets		\$	201,308
Land			
Current book value of land		\$	1,218,904
Less: noncontrolling interests share of the current book value of land			(26,812)
Prologis share of book value of land in unconsolidated entities			74,688
Total Land Portfolio		\$	1,266,780
Strategic Capital / Development Management			
		Fourth Quarter	Annualized
Strategic Capital			
Third party share of asset management fees from consolidated and unconsolidated co-investment ventures	\$	31,405	\$ 125,620
Third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months)		4,404	14,686
Strategic capital expenses for asset management and other transactional fees (annualized based on estimated 12 months)		(15,039)	(55,204)
Total Strategic Capital	\$	20,770	\$ 85,102
Promotes, net of cash expenses (trailing 12 months)	\$	5,572	\$ 78,917
Development management income (trailing 12 months)	\$	7,243	\$ 18,174
Debt (at par) and Preferred Stock			
		As of December 31, 2016	
Debt			
Prologis debt		\$	10,632,534
Noncontrolling interests share of consolidated debt			(634,945)
Prologis share of unconsolidated debt			1,557,561
Total debt			11,555,150
Preferred stock			78,235
Total debt and preferred stock		\$	11,633,385
Outstanding shares of common stock and limited operating partnership units			542,660

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 Costs, as presented for building acquisitions, represents the economic cost and not necessarily what is capitalized. This amount includes the building purchase price plus 1) transaction closing costs, 2) all 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, if applicable.

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

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

We believe that Adjusted EBITDA helps investors to analyze our ability to meet interest payment obligations and to make quarterly preferred share dividends. We believe that investors should consider Adjusted EBITDA in conjunction with net earnings and the other GAAP measures of our performance to improve their understanding of our operating results, and to make more meaningful comparisons of our performance against other companies. By using Adjusted EBITDA, an investor is assessing the earnings generated by our operations but not taking into account the eliminated expenses or gains incurred in connection with such operations. As a result, Adjusted EBITDA has limitations as an analytical tool and should be used in conjunction with our GAAP presentations. Adjusted EBITDA does not reflect our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements, contractual commitments or interest and principal payments on our outstanding debt.

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

Adjusted Cash NOI (Actual) is a non-GAAP financial measure and is a component of Net Asset Value (“NAV”) and used to assess the operating performance of our properties, which we believe enable both management and investors to estimate the fair value of our operating buildings. A reconciliation of our rental income and rental

expenses included in our Statement of Operations to adjusted cash for the consolidated operating portfolio is as follows (*in thousands*):

Rental revenue	\$ 559,885
Rental expenses	(141,050)
NOI	418,835
Net termination fees and adjustments (a)	(1,118)
Less: actual NOI for development portfolio and other	(19,981)
Less: properties contributed or sold (b)	(7,315)
Less: noncontrolling interests share of NOI	(56,842)
Adjusted NOI for consolidated operating portfolio owned at December 31, 2016	333,579
Straight-line rents (c)	(14,177)
Free rent (c)	14,122
Amortization of lease intangibles (c)	(747)
Effect of foreign currency exchange (d)	(482)
Less: noncontrolling interests	1,077
Fourth Quarter Adjusted Cash NOI (Actual)	\$ 333,372

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

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

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

(d) The 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.

Annualized Estimated NOI for the properties in our Development Portfolio is based on current Total Expected Investment and an estimated stabilized yield.

Asset Management Fees represents the third party share of asset management and transactional fees from both consolidated and unconsolidated co-investment ventures.

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

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

Notes and Definitions (continued)

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Calculation of Per Share Amounts

in thousands, except per share amount	Three Months Ended Dec. 31,		Twelve Months Ended Dec. 31,	
	2016	2015	2016	2015
Net earnings				
Net earnings	\$ 440,539	\$ 118,363	\$ 1,203,218	\$ 862,788
Noncontrolling interest attributable to exchangeable limited partnership units	12,600	5,745	37,079	13,120
Gains, net of expenses, associated with exchangeable debt assumed exchanged	-	-	-	(1,614)
Adjusted net earnings - Diluted	\$ 453,139	\$ 124,108	\$ 1,240,297	\$ 874,294
Weighted average common shares outstanding - Basic	528,012	523,770	526,103	521,241
Incremental weighted average effect on exchange of limited partnership units	15,869	16,393	16,833	8,569
Incremental weighted average effect of equity awards	7,004	2,272	3,730	1,961
Incremental weighted average effect on exchangeable debt assumed exchanged (a)	-	-	-	2,173
Weighted average common shares outstanding - Diluted	550,885	542,435	546,666	533,944
Net earnings per share - Basic	\$ 0.83	\$ 0.23	\$ 2.29	\$ 1.66
Net earnings per share - Diluted	\$ 0.82	\$ 0.23	\$ 2.27	\$ 1.64
Core FFO				
Core FFO	\$ 344,787	\$ 345,758	\$ 1,400,498	\$ 1,181,290
Noncontrolling interest attributable to exchangeable limited partnership units	991	53	4,273	213
Interest expense on exchangeable debt assumed exchanged	-	-	-	3,506
Core FFO - Diluted	\$ 345,778	\$ 345,811	\$ 1,404,771	\$ 1,185,009
Weighted average common shares outstanding - Basic	528,012	523,770	526,103	521,241
Incremental weighted average effect on exchange of limited partnership units	15,869	14,897	16,833	6,897
Incremental weighted average effect of equity awards	7,004	2,272	3,730	1,961
Incremental weighted average effect on exchangeable debt assumed exchanged (a)	-	-	-	2,173
Weighted average common shares outstanding - Diluted	550,885	540,939	546,666	532,272
Core FFO per share - Diluted	\$ 0.63	\$ 0.64	\$ 2.57	\$ 2.23

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

Debt Covenants are made in accordance with the respective debt agreements, may be different than other covenants or metrics presented and are not calculated in accordance with the applicable 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:

dollars in thousands	Indenture		Global Line	
	Covenant	Actual	Covenant	Actual
Leverage ratio	<60%	31.6%	<60%	27.4%
Fixed charge coverage ratio	>1.5x	6.92x	>1.5x	6.52x
Secured debt leverage ratio	<40%	7.8%	<40%	7.2%
Unencumbered asset to unsecured debt ratio	>150%	300.6%	N/A	N/A
Unencumbered debt service coverage ratio	N/A	N/A	>150%	937.9%

Notes and Definitions (continued)

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Debt Metrics

dollars in thousands	Three Months Ended	
	Dec. 31,	Sep. 30,
	2016	2016
<i>Debt as a % of gross real estate assets:</i>		
Consolidated debt - at par	\$ 10,632,534	\$ 11,280,206
Less: noncontrolling interests share of consolidated debt - at par	(634,945)	(636,596)
Prologis share of unconsolidated entities debt - at par	1,557,561	1,666,810
Total Prologis share of debt - at par	11,555,150	12,310,420
Less: Prologis share of outstanding foreign currency derivatives	(22,349)	(64,607)
Less: consolidated cash and cash equivalents	(807,316)	(375,120)
Add: consolidated cash and cash equivalents - third party share	52,519	55,862
Less: unconsolidated entities cash - Prologis share	(138,773)	(170,559)
Total Prologis share of debt, net of adjustments	\$ 10,639,231	\$ 11,755,996
Gross real estate assets - consolidated	27,937,964	28,500,720
Less: gross real estate assets - noncontrolling interests	(3,824,024)	(3,814,826)
Gross real estate assets - Prologis share of unconsolidated entities	6,670,199	7,107,688
Gross real estate assets - Prologis share	\$ 30,784,139	\$ 31,793,582
Debt as a % of gross real estate assets	34.6%	37.0%
<i>Debt as a % of gross market capitalization:</i>		
Total Prologis share of debt, net of adjustments	\$ 10,639,231	\$ 11,755,996
Total outstanding common stock and limited partnership units	542,660	542,644
Share price at quarter end	\$ 52.79	\$ 53.54
Total equity capitalization	\$ 28,647,021	\$ 29,053,160
Total Prologis share of debt, net of adjustments	10,639,231	11,755,996
Gross market capitalization	\$ 39,286,252	\$ 40,809,156
Debt as a % of gross market capitalization	27.1%	28.8%
<i>Secured debt as a % of gross real estate assets:</i>		
Consolidated secured debt - at par	2,623,335	2,699,850
Less: noncontrolling interests share of secured debt - at par	(634,945)	(636,596)
Prologis share of unconsolidated entities secured debt - at par	564,904	620,337
Prologis share of secured debt - at par	\$ 2,553,294	\$ 2,683,591
Gross real estate assets - Prologis share	\$ 30,784,139	\$ 31,793,582
Secured debt as a % of gross real estate assets	8.3%	8.4%
<i>Unencumbered gross real estate assets to unsecured debt:</i>		
Consolidated unencumbered gross real estate assets	22,583,189	22,928,847
Less: unencumbered gross real estate assets - noncontrolling interests	(2,645,738)	(2,638,728)
Unencumbered gross real estate assets - Prologis share of unconsolidated entities	5,489,820	5,812,885
Unencumbered gross real estate assets - Prologis share	\$ 25,427,271	\$ 26,103,004
Consolidated unsecured debt - at par	8,009,199	8,580,356
Less: noncontrolling interests share of unsecured debt - at par	-	-
Prologis share of unconsolidated entities unsecured debt - at par	992,657	1,046,473
Prologis share of unsecured debt - at par	\$ 9,001,856	\$ 9,626,829
Unencumbered gross real estate assets to unsecured debt	282.5%	271.1%

	Three Months Ended	
	Dec. 31,	Sep. 30,
	2016	2016
<i>Fixed Charge Coverage ratio:</i>		
Adjusted EBITDA	\$ 640,921	\$ 573,000
Adjusted EBITDA-annualized including development gains (a)	\$ 2,173,919	\$ 2,001,725
Net promote for the twelve months ended	78,917	97,731
Adjusted EBITDA-annualized	\$ 2,252,836	\$ 2,099,456
Pro forma adjustment for mid-quarter activity and NOI from disposed properties - annualized	5,532	(7,448)
Adjusted EBITDA, including NOI from disposed properties, annualized	\$ 2,258,368	\$ 2,092,008
Interest expense	\$ 70,569	\$ 75,310
Amortization and write-off of deferred loan costs	(4,370)	(3,619)
Amortization of debt premium (discount), net	6,460	7,050
Capitalized interest	18,248	16,292
Preferred stock dividends	1,658	1,671
Noncontrolling interests share of consolidated fixed charges	(7,030)	(7,476)
Prologis share of fixed charges from unconsolidated entities	12,654	13,477
Total fixed charges	\$ 98,189	\$ 102,705
Total fixed charges, annualized	\$ 392,756	\$ 410,820
Fixed charge coverage ratio	5.75	5.09
<i>Debt to Adjusted EBITDA:</i>		
Total Prologis share of debt, net of adjustments	\$ 10,639,231	\$ 11,755,996
Adjusted EBITDA-annualized	\$ 2,252,836	\$ 2,099,456
Debt to Adjusted EBITDA ratio	4.72	5.60

(a) Prologis share of gains on dispositions of development properties for the rolling 12-month period was \$334.5 million and \$207.4 million for the current quarter and the previous quarter, respectively.

Development Margin is calculated on developed properties as the Value Creation less estimated closing costs and taxes, if any, on properties expected to be sold or contributed, divided by the TEI.

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

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

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; (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. We exclude similar adjustments from our unconsolidated entities and the third parties' share of our consolidated 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 primarily 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 contribution or sale of land or 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 and third-party acquisition costs related to the acquisition of real estate;
- (iii) impairment charges recognized related to our investments in real estate generally as a result of our change in intent to contribute or sell these properties;
- (iv) gains or losses from the early extinguishment of debt and redemption and repurchase of preferred stock; 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 similar real estate companies and the industry in general, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods, relative to resource allocation decisions; (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.

We use AFFO to (i) assess our operating performance as compared to similar real estate companies and the industry in general, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods, relative to resource allocation decisions, (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 these limitations are:

- The current income tax expenses and acquisition costs 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 industrial properties are not reflected in FFO.
- Gains or losses from non-development property acquisitions and dispositions or impairment charges related to expected dispositions represent changes in value of the properties. By excluding these gains and losses, FFO does not capture realized changes in the value of acquired or disposed properties arising from changes in market conditions.
- The deferred income tax benefits and expenses that are excluded from our 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.

Notes and Definitions

(continued)

- 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 that we exclude from our Core FFO, may provide a benefit or cost to us as we may be settling our debt at less or more than our future obligation.
- The 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 FFO measures to our net earnings computed under GAAP.

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

General and Administrative Expenses ("G&A"). All of the property management functions are provided by property management personnel of Prologis who 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 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 the indirect costs to Strategic Capital Expenses.

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

in thousands	Three Months Ended		Twelve Months Ended	
	Dec. 31,		Dec. 31,	
	2016	2015	2016	2015
Building and land development activities	\$ 14,277	\$ 16,559	\$ 60,643	\$ 63,174
Leasing activities	6,123	5,416	23,935	21,293
Operating building improvements and other	4,070	3,827	16,168	15,898
Total capitalized G&A	\$ 24,470	\$ 25,802	\$ 100,746	\$ 100,365

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

Net G&A	\$ 222,067
Add: strategic capital expenses (excluding promote expense)	111,908
Less: strategic capital property management expenses	(56,704)
Adjusted G&A	\$ 277,271
Gross book value at period end (a):	
Operating properties	\$ 47,470,719
Development portfolio - TEI	3,384,514
Land portfolio	1,425,243
Other real estate investments, assets held for sale and note receivable backed by real estate	566,733
Total Gross Book Value of Assets Under Management	\$ 52,847,209
G&A as % of Assets Under Management	0.52%

(a) This amount does not represent enterprise value.

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

	Low	High
Net Earnings	\$ 1.55	\$ 1.70
Our share of:		
Depreciation and amortization	1.65	1.70
Net gains of real estate transactions, net of taxes	(0.60)	(0.70)
Core FFO	\$ 2.60	\$ 2.70

Income Taxes.

in thousands	Three Months Ended		Twelve Months Ended	
	Dec. 31,		Dec. 31,	
	2016	2015	2016	2015
Current income tax expense	\$ 12,422	\$ 10,449	\$ 35,937	\$ 24,850
Current income tax expense (benefit) on dispositions	9,332	(5,130)	24,152	(200)
Current income tax expense on dispositions related to acquired tax liabilities	-	-	-	3,497
Total current income tax expense	21,754	5,319	60,089	28,147
Deferred income tax benefit	(3,788)	(3,299)	(5,525)	(1,560)
Deferred income tax benefit on dispositions related to acquired tax liabilities	-	-	-	(3,497)
Total income tax expense	\$ 17,966	\$ 2,020	\$ 54,564	\$ 23,090

Interest Expense.

in thousands	Three Months Ended		Twelve Months Ended	
	Dec. 31,		Dec. 31,	
	2016	2015	2016	2015
Gross interest expense	\$ 90,907	\$ 106,357	\$ 383,098	\$ 394,012
Amortization of premium, net	(6,460)	(13,098)	(30,596)	(45,253)
Amortization of deferred loan costs	4,370	3,528	15,459	13,412
Interest expense before capitalization	88,817	96,787	367,961	362,171
Capitalized amounts	(18,248)	(14,122)	(64,815)	(60,808)
Interest expense	\$ 70,569	\$ 82,665	\$ 303,146	\$ 301,363

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

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.

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

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

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

Net 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 earned from third party investors during the period, net of related cash expenses.

Non-GAAP Pro-Rata Financial Information. This information includes non-GAAP financial measures. The Prologis share of unconsolidated co-investment ventures amounts 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 in our industry 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 financial statements as reported under GAAP.

Operating Portfolio includes stabilized industrial properties in our owned and managed portfolio. A developed property moves into the Operating Portfolio when it meets Stabilization. Prologis share of NOI, excluding termination fees and adjustments, includes NOI for the properties contributed to or acquired from co-investment ventures at our actual share prior to and subsequent to change in ownership. The markets presented represent markets that are generally greater than 1% of Prologis share of NOI.

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		Twelve Months Ended	
	Dec. 31,		Dec. 31,	
	2016	2015	2016	2015
Rental revenue	\$ 416,778	\$ 413,544	\$ 1,641,236	\$ 1,476,498
Rental expense recoveries	124,163	124,560	485,565	437,070
Amortization of lease intangibles	787	(157)	1,755	(9,604)
Straight-lined rents	18,157	22,239	91,853	69,223
Rental revenue	\$ 559,885	\$ 560,186	\$ 2,220,409	\$ 1,973,187

Rent Change (Cash) represents the change in starting rental rates per the lease agreement on new and renewed leases signed during the periods as compared with the previous ending rental rates in that same space. This measure excludes any free rent periods and teaser rates defined as 50% or less of the stabilized rate.

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

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

Same Store. We evaluate the operating performance of the operating properties we own and manage using a “same store” analysis because the population of properties in this analysis is consistent from period to period, thereby eliminating the effects of changes in the composition of the portfolio on performance measures. We include properties from our owned and managed portfolio in our same store analysis. We have defined the same store portfolio, for the three months ended December 31, 2016, as those properties that were in operation at January 1, 2015, and have been in operation throughout the same three-month periods in both 2016 and 2015 (including development properties that have been completed and available for lease). We have removed all properties that were disposed of to a third party or were classified as held for sale to a third party from the population for both periods. We believe the factors that affect rental revenues, rental expenses and NOI in the same store portfolio are generally the same as for the total operating portfolio. To derive an appropriate measure of period-to-period operating performance, we remove the effects of foreign currency exchange rate movements by using the recent period end exchange rate to translate from local currency into the U.S. dollar, for both periods.

Notes and Definitions (continued)

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

The following is a reconciliation of our consolidated rental revenues, rental recoveries, rental expenses and NOI, as included in the Consolidated Statements of Operations, to the respective amounts in our Same Store portfolio analysis:

dollars in thousands	Three Months Ended December 31,		
	2016	2015	Change (%)
Rental Revenue:			
Rental Revenue	\$ 435,722	\$ 435,626	
Rental Recoveries	124,163	124,560	
Per the Consolidated Statements of Operations	559,885	560,186	
Properties not included and other adjustments (a)	(168,972)	(177,920)	
Unconsolidated Co-Investment Ventures	436,500	423,065	
Same Store - Rental Revenue	\$ 827,413	\$ 805,331	2.7%
Rental Expense:			
Per the Consolidated Statements of Operations	\$ 141,050	\$ 150,983	
Properties not included and other adjustments (b)	(32,106)	(44,394)	
Unconsolidated Co-Investment Ventures	99,212	96,511	
Same Store - Rental Expense	\$ 208,156	\$ 203,100	2.5%
NOI:			
Consolidated NOI	\$ 418,835	\$ 409,203	
Properties not included and other adjustments	(136,866)	(133,526)	
Unconsolidated Co-Investment Ventures	337,288	326,554	
Same Store - NOI	\$ 619,257	\$ 602,231	2.8%
Same Store - NOI - Prologis Share (c)	\$ 355,837	\$ 344,739	3.2%
NOI- Cash:			
Same store- NOI	\$ 619,257	\$ 602,231	
Straight-line rent adjustments (d)	\$ (8,783)	\$ (14,539)	
Fair value lease adjustments (d)	(1,203)	(477)	
Same Store - NOI- Cash	\$ 609,271	\$ 587,215	3.8%
Same Store - NOI- Prologis Share (c)	\$ 349,502	\$ 334,697	4.4%

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

(b) To calculate Same Store rental expense, we include an allocation of the property management expenses for our consolidated properties based on the property management fee that is provided for in the individual management agreements under which our wholly owned management companies provide property

management services (generally the fee is based on a percentage of revenue). On consolidation, the management fee income and expenses are eliminated and the actual cost of providing property management services is recognized.

(c) Prologis share of Same Store is calculated using the underlying building information from the Same Store NOI and NOI - Cash calculations and applying our ownership percentage as of December 31, 2016 to the NOI of each building for both periods.

(d) In order to derive Same Store- NOI - Cash, we adjust Same Store- NOI to exclude non-cash items included in our rental income in our financial statements, including straight line rent adjustments and adjustments related to purchase accounting to reflect leases at fair value at the time of acquisition.

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

Stabilization is defined 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 Capitalization Rate is calculated as "Stabilized NOI" divided by the "Acquisition Cost".

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.

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

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

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

Value-Added 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.

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

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