

Second Quarter 2016

# Prologis Supplemental Information

Unaudited

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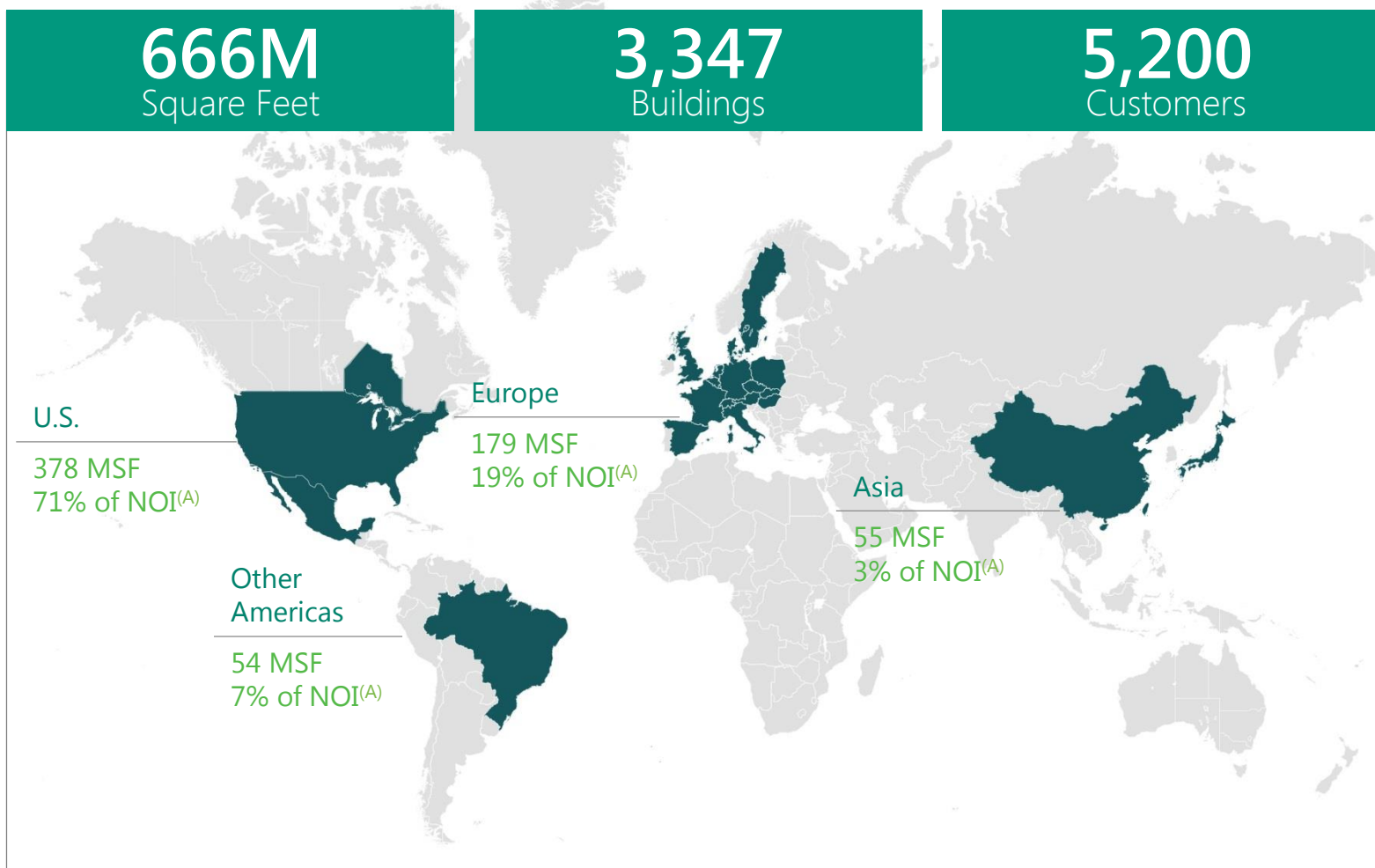
**Net Asset Value**

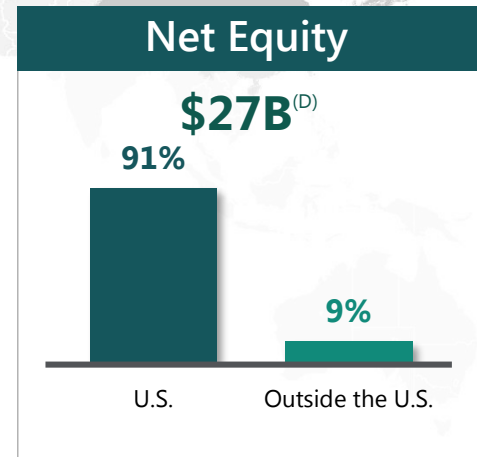
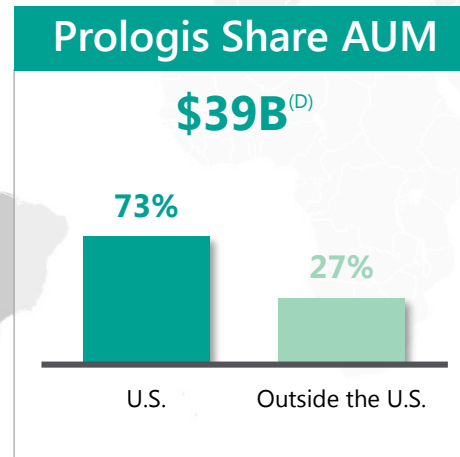
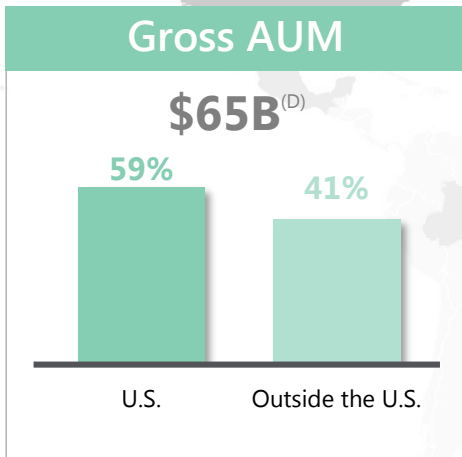
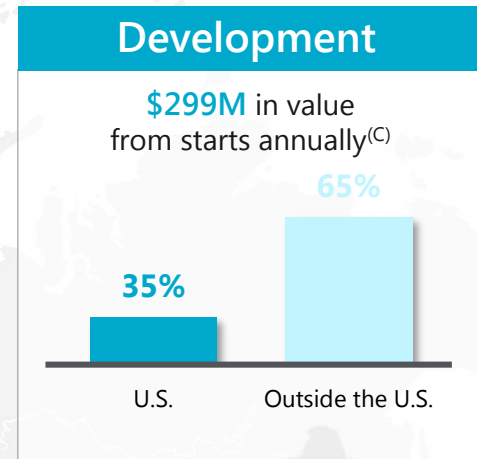
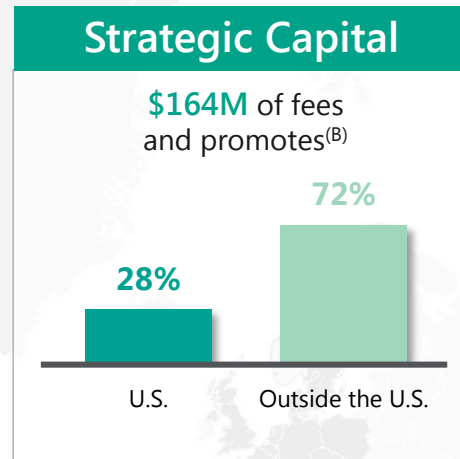
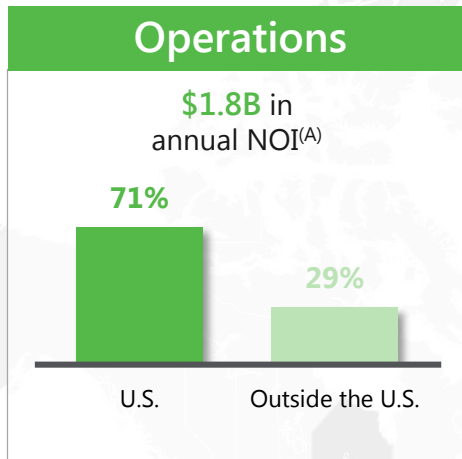
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**Notes and Definitions**

- 35 Notes and Definitions <sup>(A)</sup>

Prologis, Inc., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of June 30, 2016, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 666 million square feet (62 million square meters) in 20 countries. Prologis leases modern distribution facilities to a diverse base of approximately 5,200 customers across two major categories: business-to-business and retail/online fulfillment.





(A) 2Q 2016 Prologis share of NOI annualized.

(B) 2Q 2016 third-party share of asset management fees annualized plus trailing twelve month third party 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.

# Highlights

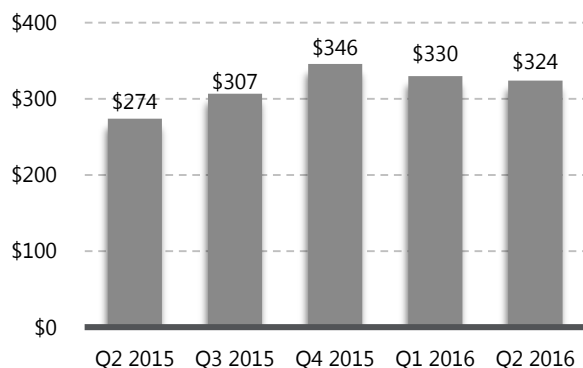
## Company Performance

2Q 2016 Supplemental

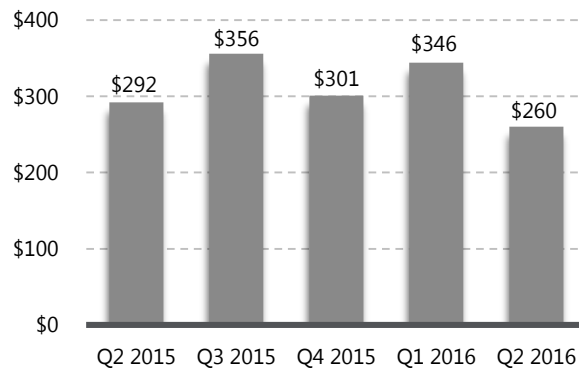
dollars in millions, except per share/unit data

|  | Three Months ended<br>June 30, |         | Six Months ended<br>June 30, |         |
|--|--------------------------------|---------|------------------------------|---------|
|  | 2016                           | 2015    | 2016                         | 2015    |
| Revenues   | \$ 602                         | \$ 510  | \$ 1,208                     | \$ 973  |
| Revenues - Prologis share  | 674                            | 610     | 1,351                        | 1,189   |
| Net earnings attributable to common stockholders                         | 275                            | 140     | 483                          | 485     |
| Core FFO   | 324                            | 274     | 654                          | 528     |
| AFFO   | 260                            | 292     | 606                          | 503     |
| Adjusted EBITDA  | 459                            | 490     | 1,009                        | 858     |
| Estimated value creation from development starts - Prologis share        | 82                             | 156     | 121                          | 202     |
| Common stock dividends and common limited partnership unit distributions | 231                            | 189     | 461                          | 378     |
| Per common share - diluted:  |                                |         |                              |         |
| Net earnings attributable to common stockholders                         | \$ 0.52                        | \$ 0.27 | \$ 0.92                      | \$ 0.92 |
| Core FFO   | 0.60                           | 0.52    | 1.20                         | 1.01    |
| AFFO   | 0.48                           | 0.55    | 1.12                         | 0.96    |
| Business line reporting:   |                                |         |                              |         |
| Real estate operations   | 0.54                           | 0.48    | 1.10                         | 0.93    |
| Strategic capital  | 0.06                           | 0.04    | 0.10                         | 0.08    |
| Core FFO   | 0.60                           | 0.52    | 1.20                         | 1.01    |
| Realized development gains, net of taxes                                 | 0.02                           | 0.14    | 0.18                         | 0.15    |
| Dividends and distributions per common share/unit                        | 0.42                           | 0.36    | 0.84                         | 0.72    |

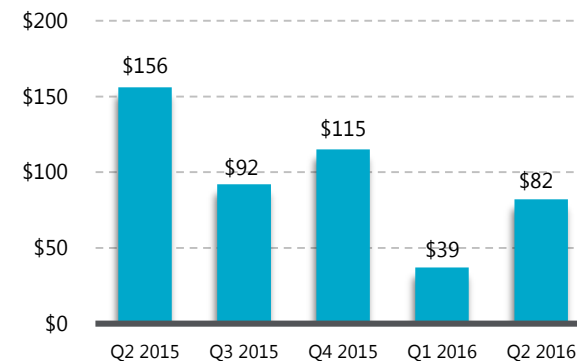
### Core FFO



### AFFO



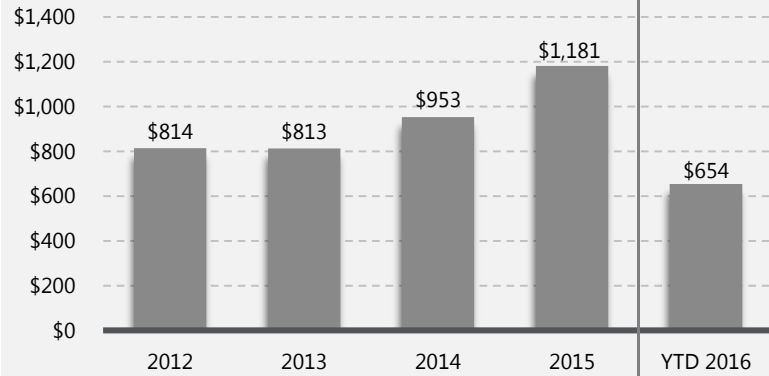
### Estimated Value Creation (A)



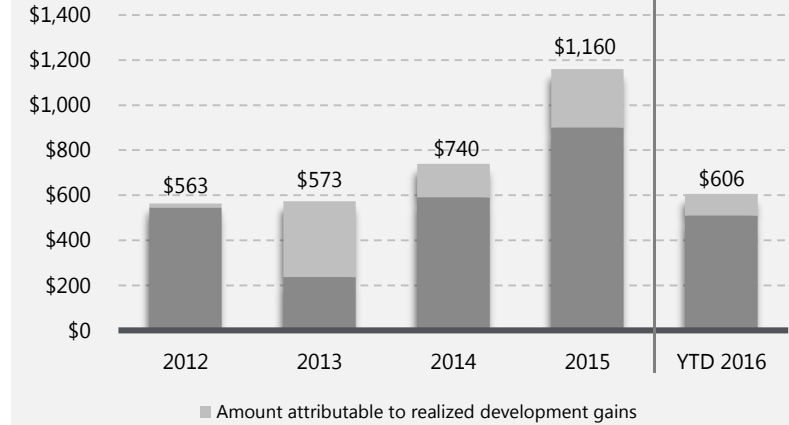
(A) Includes value creation from value added conversions, including \$29 million in Q3 2015.

(in millions)

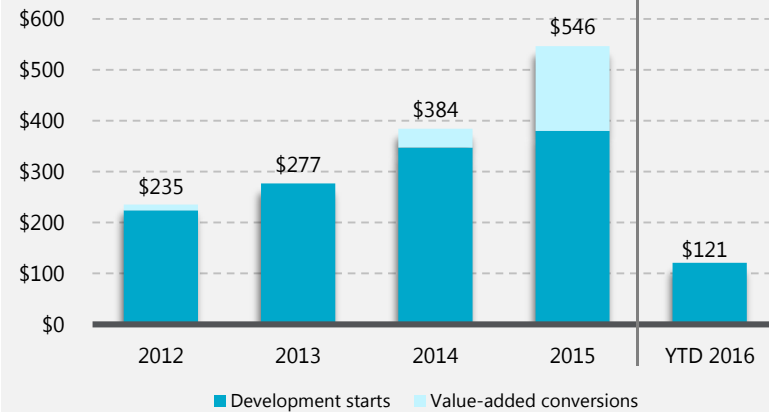
### Core FFO



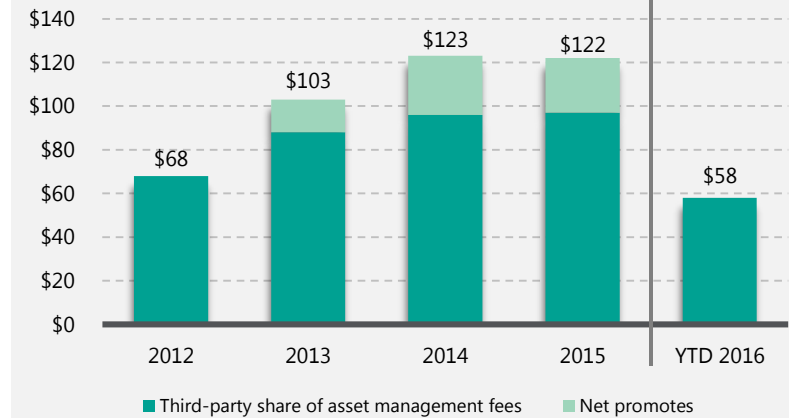
### AFFO



### Estimated Value Creation



### Asset Management Fees and Net Promotes



dollars in millions, except per share

| 2016 Guidance                                       | Low            |             | High              |             |
|---|----------------|-------------|-------------------|-------------|
|   |                |             |                   |             |
| <b>Net earnings (A)(B)(C)</b>                       | \$             | <b>1.70</b> | \$                | <b>1.90</b> |
| <b>Core FFO (A)(B)(C)</b>                           | \$             | <b>2.52</b> | \$                | <b>2.58</b> |
| <b>AFFO</b>   | \$             | <b>2.40</b> | \$                | <b>2.50</b> |
| <b>Operations</b>                                   |                |             |                   |             |
| Year-end occupancy                                  |                | 96.0%       |                   | 97.0%       |
| Same store NOI - increase - Prologis share          |                | 4.75%       |                   | 5.25%       |
| <b>Other Assumptions</b>                            |                |             |                   |             |
| Strategic capital revenue- without promote income   | \$             | 190         | \$                | 200         |
| Net promote income                                  | \$             | 75          | \$                | 85          |
| General & administrative expenses                   | \$             | 218         | \$                | 228         |
| Liquidity   | \$             | 3,700       | \$                | 4,000       |
| Realized development gains                          | \$             | 200         | \$                | 250         |
| Annualized second quarter 2016 dividend             |                |             | \$                | 1.68        |
| <b>Capital Deployment</b>                           |                |             |                   |             |
|   | PROLOGIS SHARE |             | OWNED AND MANAGED |             |
|   | Low            | High        |                   |             |
| Development stabilizations (85% Prologis share)     | \$ 1,870       | \$ 2,040    | \$ 2,200          | \$ 2,400    |
| Development starts (85% Prologis share)             | \$ 1,700       | \$ 1,960    | \$ 2,000          | \$ 2,300    |
| Building acquisitions (50% Prologis share)          | \$ 150         | \$ 250      | \$ 300            | \$ 500      |
| Building and land dispositions (75% Prologis share) | \$ 1,500       | \$ 1,730    | \$ 2,000          | \$ 2,300    |
| Building contributions (75% Prologis share)         | \$ 825         | \$ 1,050    | \$ 1,100          | \$ 1,400    |

In addition to the capital deployment guidance shown above, we expect an incremental \$809 million of cash proceeds, \$198 million of which are from the installment sale related to Facebook and \$611 million of which are from fund ownership rebalances.

### Exchange Rates

We have hedged the rates for the majority of our estimated 2016 Euro, Sterling and Yen Core FFO, effectively insulating 2016 results from any FX movements. For purposes of capital deployment and other metrics, we assumed effective rates for EUR, GBP and JPY of 1.10 (\$/€), 1.30 (\$/£) and 105 (¥/\$), respectively.

(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 range is \$0.14 to \$0.16 per share.

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

# Financial Information

## Consolidated Balance Sheets

2Q 2016 Supplemental

in thousands

|  | June 30, 2016        | March 31, 2016       | December 31, 2015    |
|--|----------------------|----------------------|----------------------|
| <b>Assets:</b>   |                      |                      |                      |
| Investments in real estate properties:                     |                      |                      |                      |
| Operating properties                                       | \$ 23,913,335        | \$ 23,788,600        | \$ 23,735,745        |
| Development portfolio                                      | 1,770,771            | 1,923,362            | 1,872,903            |
| Land   | 1,322,214            | 1,341,600            | 1,359,794            |
| Other real estate investments                              | 550,090              | 575,118              | 552,926              |
|  | 27,556,410           | 27,628,680           | 27,521,368           |
| Less accumulated depreciation                              | 3,521,198            | 3,424,143            | 3,274,284            |
| Net investments in real estate properties                  | 24,035,212           | 24,204,537           | 24,247,084           |
| Investments in and advances to unconsolidated entities     | 4,483,804            | 4,866,664            | 4,755,620            |
| Assets held for sale                                       | 393,434              | 431,332              | 378,423              |
| Notes receivable backed by real estate                     | 33,800               | 37,550               | 235,050              |
| Net investments in real estate                             | 28,946,250           | 29,540,083           | 29,616,177           |
| Cash and cash equivalents                                  | 332,221              | 369,737              | 264,080              |
| Other assets   | 1,467,463            | 1,465,928            | 1,514,510            |
| <b>Total assets</b>  | <b>\$ 30,745,934</b> | <b>\$ 31,375,748</b> | <b>\$ 31,394,767</b> |
| <b>Liabilities and Equity:</b>                             |                      |                      |                      |
| Liabilities:   |                      |                      |                      |
| Debt   | \$ 11,139,415        | \$ 11,687,171        | \$ 11,626,831        |
| Accounts payable, accrued expenses and other liabilities   | 1,323,485            | 1,347,953            | 1,347,100            |
| Total liabilities  | 12,462,900           | 13,035,124           | 12,973,931           |
| Equity:  |                      |                      |                      |
| Stockholders' equity:                                      |                      |                      |                      |
| Preferred stock  | 78,235               | 78,235               | 78,235               |
| Common stock   | 5,265                | 5,251                | 5,245                |
| Additional paid-in capital                                 | 19,361,787           | 19,302,387           | 19,302,367           |
| Accumulated other comprehensive loss                       | (848,079)            | (813,900)            | (791,429)            |
| Distributions in excess of net earnings                    | (3,885,017)          | (3,939,312)          | (3,926,483)          |
| Total stockholders' equity                                 | 14,712,191           | 14,632,661           | 14,667,935           |
| Noncontrolling interests                                   | 3,154,205            | 3,264,088            | 3,320,227            |
| Noncontrolling interests - limited partnership unitholders | 416,638              | 443,875              | 432,674              |
| Total equity   | 18,283,034           | 18,340,624           | 18,420,836           |
| <b>Total liabilities and equity</b>                        | <b>\$ 30,745,934</b> | <b>\$ 31,375,748</b> | <b>\$ 31,394,767</b> |



# Financial Information

## Pro-rata Balance Sheet

2Q 2016 Supplemental

in thousands

|  | Prologis Consolidated | Less Non Controlling Interests | Plus Prologis Share of Unconsolidated Co-Investment Ventures | Prologis Total Share | Investors' Share of     |                       | Total Owned and Managed |
|--|-----------------------|--------------------------------|--|----------------------|-------------------------|-----------------------|-------------------------|
|  |                       |                                |  |                      | Unconsolidated Ventures | Consolidated Ventures |                         |
| <b>Assets:</b>   |                       |                                |  |                      |                         |                       |                         |
| Investments in real estate properties:                     |                       |                                |  |                      |                         |                       |                         |
| Operating properties                                       | \$ 23,913,335         | \$ (3,629,467)                 | \$ 6,847,907   | \$ 27,131,775        | \$ 16,931,912           | \$ 3,629,467          | \$ 47,693,154           |
| Other real estate  | 4,070,309             | (131,328)                      | 193,661  | 4,132,642            | 473,682                 | 131,328               | 4,737,652               |
| Accumulated depreciation                                   | (3,521,198)           | 171,046                        | (656,275)  | (4,006,427)          | (1,606,203)             | (171,046)             | (5,783,676)             |
| Net investments in real estate properties                  | 24,462,446            | (3,589,749)                    | 6,385,293  | 27,257,990           | 15,799,391              | 3,589,749             | 46,647,130              |
| Investments in unconsolidated co-investment ventures       | 4,328,459             | (57,523)                       | (4,574,102)  | (303,166)            | -                       | 57,523                | (245,643)               |
| Investments in other unconsolidated ventures               | 155,345               | (8,317)                        | -  | 147,028              | -                       | 8,317                 | 155,345                 |
| Other assets   | 1,799,684             | (267,940)                      | 252,371  | 1,784,115            | 1,005,840               | 267,940               | 3,057,895               |
| <b>Total assets</b>  | <b>\$ 30,745,934</b>  | <b>\$ (3,923,529)</b>          | <b>\$ 2,063,562</b>  | <b>\$ 28,885,967</b> | <b>\$ 16,805,231</b>    | <b>\$ 3,923,529</b>   | <b>\$ 49,614,727</b>    |
| <b>Liabilities and Equity:</b>                             |                       |                                |  |                      |                         |                       |                         |
| Liabilities:   |                       |                                |  |                      |                         |                       |                         |
| Debt   | \$ 11,139,415         | \$ (685,684)                   | \$ 1,631,824   | \$ 12,085,555        | \$ 4,988,065            | \$ 685,684            | \$ 17,759,304           |
| Other liabilities  | 1,323,485             | (83,640)                       | 431,738  | 1,671,583            | 995,599                 | 83,640                | 2,750,822               |
| <b>Total liabilities</b>                                   | <b>12,462,900</b>     | <b>(769,324)</b>               | <b>2,063,562</b>   | <b>13,757,138</b>    | <b>5,983,664</b>        | <b>769,324</b>        | <b>20,510,126</b>       |
| Equity:  |                       |                                |  |                      |                         |                       |                         |
| Stockholders' / partners' equity                           | 14,712,191            | -                              | -  | 14,712,191           | 10,821,567              | 3,154,205             | 28,687,963              |
| Noncontrolling interests                                   | 3,154,205             | (3,154,205)                    | -  | -                    | -                       | -                     | -                       |
| Noncontrolling interests - limited partnership unitholders | 416,638               | -                              | -  | 416,638              | -                       | -                     | 416,638                 |
| <b>Total equity</b>  | <b>18,283,034</b>     | <b>(3,154,205)</b>             | <b>-</b>   | <b>15,128,829</b>    | <b>10,821,567</b>       | <b>3,154,205</b>      | <b>29,104,601</b>       |
| <b>Total liabilities and equity</b>                        | <b>\$ 30,745,934</b>  | <b>\$ (3,923,529)</b>          | <b>\$ 2,063,562</b>  | <b>\$ 28,885,967</b> | <b>\$ 16,805,231</b>    | <b>\$ 3,923,529</b>   | <b>\$ 49,614,727</b>    |

# Financial Information

## Consolidated Statements of Income

2Q 2016 Supplemental

in the thousands, except per share amounts

|   | Three Months Ended<br>June 30, |                   | Six Months Ended<br>June 30, |                   |
|---|--------------------------------|-------------------|------------------------------|-------------------|
|   | 2016                           | 2015              | 2016                         | 2015              |
| <b>Revenues:</b>  |                                |                   |                              |                   |
| Rental  | \$ 546,131                     | \$ 461,444        | \$ 1,100,247                 | \$ 880,246        |
| Strategic capital   | 51,322                         | 47,046            | 100,988                      | 89,071            |
| Development management and other  | 4,702                          | 1,914             | 7,220                        | 3,934             |
| Total revenues  | 602,155                        | 510,404           | 1,208,455                    | 973,251           |
| <b>Expenses:</b>  |                                |                   |                              |                   |
| Rental  | 140,725                        | 125,820           | 287,306                      | 252,915           |
| Strategic capital   | 27,866                         | 24,947            | 53,159                       | 50,129            |
| General and administrative  | 56,934                         | 51,974            | 107,477                      | 103,280           |
| Depreciation and amortization   | 230,382                        | 190,188           | 480,382                      | 359,996           |
| Other   | 3,900                          | 30,127            | 8,585                        | 35,702            |
| Total expenses  | 459,807                        | 423,056           | 936,909                      | 802,022           |
| <b>Operating income</b>   | <b>142,348</b>                 | <b>87,348</b>     | <b>271,546</b>               | <b>171,229</b>    |
| <b>Other income (expense):</b>  |                                |                   |                              |                   |
| Earnings from unconsolidated entities, net  | 41,454                         | 41,784            | 99,765                       | 72,826            |
| Interest expense  | (76,455)                       | (68,902)          | (157,267)                    | (137,663)         |
| Gains on dispositions of development properties and land, net                               | 12,299                         | 74,236            | 106,284                      | 75,067            |
| Gains on dispositions of real estate, net (excluding development properties and land)       | 188,051                        | 34,546            | 238,383                      | 311,430           |
| Foreign currency and derivative gains (losses) and interest and other income (expense), net | (8,808)                        | (23,665)          | (20,428)                     | 21,950            |
| Gain (losses) on early extinguishment of debt, net  | 2,044                          | (236)             | 992                          | (16,525)          |
| Total other income  | 158,585                        | 57,763            | 267,729                      | 327,085           |
| <b>Earnings before income taxes</b>   | <b>300,933</b>                 | <b>145,111</b>    | <b>539,275</b>               | <b>498,314</b>    |
| Current income tax expense  | (9,125)                        | (4,706)           | (25,281)                     | (5,545)           |
| Deferred income tax benefit (expense)   | 3,983                          | (145)             | 4,602                        | (1,197)           |
| <b>Consolidated net earnings</b>  | <b>295,791</b>                 | <b>140,260</b>    | <b>518,596</b>               | <b>491,572</b>    |
| Net loss (earnings) attributable to noncontrolling interests                                | (18,712)                       | 1,658             | (31,787)                     | (2,778)           |
| <b>Net earnings attributable to controlling interests</b>                                   | <b>277,079</b>                 | <b>141,918</b>    | <b>486,809</b>               | <b>488,794</b>    |
| Preferred stock dividends   | (1,696)                        | (1,678)           | (3,385)                      | (3,348)           |
| <b>Net earnings attributable to common stockholders</b>                                     | <b>\$ 275,383</b>              | <b>\$ 140,240</b> | <b>\$ 483,424</b>            | <b>\$ 485,446</b> |
| Weighted average common shares outstanding - Diluted  | 545,388                        | 530,640           | 544,293                      | 529,827           |
| <b>Net earnings per share attributable to common stockholders - Diluted</b>                 | <b>\$ 0.52</b>                 | <b>\$ 0.27</b>    | <b>\$ 0.92</b>               | <b>\$ 0.92</b>    |

# Financial Information

## Pro-rata Statement of Income

2Q 2016 Supplemental

in thousands

|   | Prologis Consolidated | Less Non Controlling Interests | Plus Prologis Share of Unconsolidated Co-Investment Ventures | Prologis Total Share | Investors' Share of     |                       | Total Owned and Managed |
|---|-----------------------|--------------------------------|--|----------------------|-------------------------|-----------------------|-------------------------|
|   |                       |                                |  |                      | Unconsolidated Ventures | Consolidated Ventures |                         |
| <b>Revenues:</b>  |                       |                                |  |                      |                         |                       |                         |
| Rental  | \$ 546,131            | \$ (75,813)                    | \$ 146,517   | \$ 616,835           | \$ 344,837              | \$ 75,813             | \$ 1,037,485            |
| Strategic capital   | 51,322                | -                              | 663  | 51,985               | 664                     | -                     | 52,649                  |
| Development management and other  | 4,702                 | (1)                            | 189  | 4,890                | 133                     | 1                     | 5,024                   |
| Total revenues  | 602,155               | (75,814)                       | 147,369  | 673,710              | 345,634                 | 75,814                | 1,095,158               |
| <b>Expenses:</b>  |                       |                                |  |                      |                         |                       |                         |
| Rental  | 140,725               | (21,219)                       | 31,176   | 150,682              | 79,533                  | 21,219                | 251,434                 |
| Strategic capital   | 27,866                | -                              | -  | 27,866               | -                       | -                     | 27,866                  |
| General and administrative  | 56,934                | (9,729)                        | 12,846   | 60,051               | 27,878                  | 9,729                 | 97,658                  |
| Depreciation and amortization   | 230,382               | (36,116)                       | 47,654   | 241,920              | 117,289                 | 36,116                | 395,325                 |
| Other   | 3,900                 | (4)                            | 2,980  | 6,876                | 238                     | 4                     | 7,118                   |
| Total expenses  | 459,807               | (67,068)                       | 94,656   | 487,395              | 224,938                 | 67,068                | 779,401                 |
| <b>Operating income</b>   | <b>142,348</b>        | <b>(8,746)</b>                 | <b>52,713</b>  | <b>186,315</b>       | <b>120,696</b>          | <b>8,746</b>          | <b>315,757</b>          |
| Earnings from unconsolidated co-investment ventures, net                                    | 40,934                | (1,108)                        | (39,826)   | -                    | -                       | 1,108                 | 1,108                   |
| Earnings from other unconsolidated joint ventures, net                                      | 520                   | -                              | -  | 520                  | -                       | -                     | 520                     |
| Interest expense  | (76,455)              | 4,666                          | (13,322)   | (85,111)             | (37,404)                | (4,666)               | (127,181)               |
| Gains on dispositions of development properties and land, net                               | 12,299                | (14)                           | (1)  | 12,284               | (5)                     | 14                    | 12,293                  |
| Gains on dispositions of real estate, net (excluding development properties and land)       | 188,051               | (3,785)                        | 7,627  | 191,893              | 5,998                   | 3,785                 | 201,676                 |
| Foreign currency and derivative gains (losses) and interest and other income (expense), net | (8,808)               | 453                            | (1,447)  | (9,802)              | (4,437)                 | (453)                 | (14,692)                |
| Gains (losses) on early extinguishment of debt, net   | 2,044                 | (952)                          | (203)  | 889                  | (157)                   | 952                   | 1,684                   |
| Current income tax expense  | (9,125)               | 406                            | (4,714)  | (13,433)             | (7,987)                 | (406)                 | (21,826)                |
| Deferred income tax benefit (expense)   | 3,983                 | (1,316)                        | (827)  | 1,840                | (1,454)                 | 1,316                 | 1,702                   |
| <b>Consolidated net earnings</b>  | <b>295,791</b>        | <b>(10,396)</b>                | <b>-</b>   | <b>285,395</b>       | <b>75,250</b>           | <b>10,396</b>         | <b>371,041</b>          |
| Net earnings attributable to noncontrolling interests                                       | (10,396)              | 10,396                         | -  | -                    | -                       | -                     | -                       |
| Net earnings attributable to limited partnership unitholders                                | (8,316)               | -                              | -  | (8,316)              | -                       | -                     | (8,316)                 |
| Preferred stock dividends   | (1,696)               | -                              | -  | (1,696)              | -                       | -                     | (1,696)                 |
| <b>Net earnings attributable to common stockholders</b>                                     | <b>\$ 275,383</b>     | <b>\$ -</b>                    | <b>\$ -</b>  | <b>\$ 275,383</b>    | <b>\$ 75,250</b>        | <b>\$ 10,396</b>      | <b>\$ 361,029</b>       |

# Financial Information

## Reconciliations of Net Earnings to FFO

2Q 2016 Supplemental

| in thousands  | Three Months Ended<br>June 30, |                   | Six Months Ended<br>June 30, |                   |
|---|--------------------------------|-------------------|------------------------------|-------------------|
|   | 2016                           | 2015              | 2016                         | 2015              |
|   |                                | \$                | \$                           | \$                |
| Net earnings attributable to common stockholders  | 275,383                        | 140,240           | 483,424                      | 485,446           |
| Add (deduct) NAREIT defined adjustments:  |                                |                   |                              |                   |
| Real estate related depreciation and amortization   | 221,233                        | 183,237           | 464,825                      | 347,488           |
| Gains on dispositions of real estate, net (excluding development properties and land)   | (188,051)                      | (34,546)          | (238,383)                    | (311,430)         |
| Reconciling items related to noncontrolling interests   | (24,015)                       | (20,781)          | (64,290)                     | (32,293)          |
| Our share of reconciling items related to unconsolidated co-investment ventures   | 40,027                         | 47,578            | 80,027                       | 94,950            |
| Our share of reconciling items related to other unconsolidated ventures   | 1,522                          | 1,577             | (984)                        | 3,298             |
| <b>Subtotal-NAREIT defined FFO</b>  | <b>\$ 326,099</b>              | <b>\$ 317,305</b> | <b>\$ 724,619</b>            | <b>\$ 587,459</b> |
| Add (deduct) our defined adjustments:   |                                |                   |                              |                   |
| Unrealized foreign currency and derivative losses (gains), net  | 8,451                          | 29,354            | 23,779                       | (3,506)           |
| Deferred income tax expense (benefit)   | (3,983)                        | 145               | (4,602)                      | 1,197             |
| Reconciling items related to noncontrolling interests   | 803                            | 776               | 1,286                        | (792)             |
| Our share of reconciling items related to unconsolidated co-investment ventures   | 2,314                          | (15,836)          | 340                          | (13,887)          |
| <b>FFO, as defined by Prologis</b>  | <b>\$ 333,684</b>              | <b>\$ 331,744</b> | <b>\$ 745,422</b>            | <b>\$ 570,471</b> |
| Adjustments to arrive at Core FFO:  |                                |                   |                              |                   |
| Net gain on dispositions of development properties and land, net of taxes   | (10,503)                       | (76,306)          | (96,165)                     | (79,540)          |
| Acquisition expenses  | 967                            | 26,130            | 2,228                        | 27,434            |
| Losses (gains) on early extinguishment of debt, net   | (2,044)                        | 236               | (992)                        | 16,525            |
| Reconciling items related to noncontrolling interests   | 966                            | (10,198)          | 1,056                        | (12,227)          |
| Our share of reconciling items related to unconsolidated entities   | 855                            | 2,279             | 2,009                        | 5,601             |
| <b>Core FFO</b>   | <b>\$ 323,925</b>              | <b>\$ 273,885</b> | <b>\$ 653,558</b>            | <b>\$ 528,264</b> |
| Adjustments to arrive at Adjusted FFO ("AFFO"), including our share of unconsolidated co-investment ventures less third party share of consolidated entities: |                                |                   |                              |                   |
| Net gains on dispositions of development properties and land, net of taxes  | 10,503                         | 76,306            | 96,165                       | 79,540            |
| Straight-lined rents and amortization of lease intangibles  | (22,830)                       | (10,528)          | (54,391)                     | (15,360)          |
| Property improvements   | (20,700)                       | (14,487)          | (27,957)                     | (25,957)          |
| Tenant improvements   | (26,592)                       | (18,390)          | (46,881)                     | (36,724)          |
| Leasing commissions   | (20,558)                       | (16,187)          | (41,838)                     | (28,613)          |
| Amortization of management contracts  | 938                            | 1,351             | 1,854                        | 2,295             |
| Amortization of debt premiums and financing costs, net  | (4,225)                        | (7,967)           | (9,616)                      | (14,386)          |
| Stock compensation expense  | 16,747                         | 13,484            | 29,212                       | 26,718            |
| Reconciling items related to noncontrolling interests   | 14,587                         | 9,993             | 32,028                       | 17,775            |
| Our share of reconciling items related to unconsolidated co-investment ventures   | (11,526)                       | (15,680)          | (26,190)                     | (30,448)          |
| <b>AFFO</b>   | <b>\$ 260,269</b>              | <b>\$ 291,780</b> | <b>\$ 605,944</b>            | <b>\$ 503,104</b> |

# Financial Information

## Pro-rata Reconciliation of Net Earnings to FFO

2Q 2016 Supplemental

| in thousands  | Prologis Consolidated | Less Non Controlling Interests | Plus Prologis Share of Unconsolidated Co-Investment Ventures | Prologis Total Share | Investors' Share of     |                       | Total Owned and Managed |
|---|-----------------------|--------------------------------|--|----------------------|-------------------------|-----------------------|-------------------------|
|   |                       |                                |  |                      | Unconsolidated Ventures | Consolidated Ventures |                         |
| Net earnings attributable to common stockholders  | \$ 275,383            | \$ -                           | \$ -   | \$ 275,383           | \$ 75,250               | \$ 10,396             | \$ 361,029              |
| Add (deduct) adjustments to arrive at FFO, as defined by Prologis:                      |                       |                                |  |                      |                         |                       |                         |
| Real estate related depreciation and amortization                                       | 221,233               | (36,116)                       | 47,654   | 232,771              | 117,289                 | 36,116                | 386,176                 |
| Gains on dispositions of real estate, net (excluding development properties and land)   | (188,051)             | 3,785                          | (7,627)  | (191,893)            | (5,998)                 | (3,785)               | (201,676)               |
| Unrealized foreign currency and derivative losses (gains), net                          | 8,451                 | (513)                          | 1,487  | 9,425                | 4,457                   | 513                   | 14,395                  |
| Deferred income tax expense (benefit)   | (3,983)               | 1,316                          | 827  | (1,840)              | 1,454                   | (1,316)               | (1,702)                 |
| Reconciling items related to noncontrolling interests                                   | (31,528)              | 31,528                         | -  | -                    | -                       | -                     | -                       |
| Reconciling items related to noncontrolling interests - limited partnership unitholders | 8,316                 | -                              | -  | 8,316                | -                       | -                     | 8,316                   |
| Our share of reconciling items related to unconsolidated co-investment ventures         | 42,341                | -                              | (42,341)   | -                    | -                       | -                     | -                       |
| Our share of reconciling items related to other unconsolidated ventures                 | 1,522                 | -                              | -  | 1,522                | -                       | -                     | 1,522                   |
| <b>FFO, as defined by Prologis</b>  | <b>\$ 333,684</b>     | <b>\$ -</b>                    | <b>\$ -</b>  | <b>\$ 333,684</b>    | <b>\$ 192,452</b>       | <b>\$ 41,924</b>      | <b>\$ 568,060</b>       |
| Adjustments to arrive at Core FFO:  |                       |                                |  |                      |                         |                       |                         |
| Net gains on dispositions of development properties and land, net of taxes              | (10,503)              | 14                             | (697)  | (11,186)             | (822)                   | (14)                  | (12,022)                |
| Acquisition expenses  | 967                   | -                              | 1,349  | 2,316                | 2,654                   | -                     | 4,970                   |
| Losses (gains) on early extinguishment of debt, net                                     | (2,044)               | 952                            | 203  | (889)                | 157                     | (952)                 | (1,684)                 |
| Reconciling items related to noncontrolling interests                                   | 966                   | (966)                          | -  | -                    | -                       | -                     | -                       |
| Our share of reconciling items related to unconsolidated co-investment ventures         | 855                   | -                              | (855)  | -                    | -                       | -                     | -                       |
| <b>Core FFO</b>   | <b>\$ 323,925</b>     | <b>\$ -</b>                    | <b>\$ -</b>  | <b>\$ 323,925</b>    | <b>\$ 194,441</b>       | <b>\$ 40,958</b>      | <b>\$ 559,324</b>       |
| Adjustments to arrive at AFFO:  |                       |                                |  |                      |                         |                       |                         |
| Net gains on dispositions of development properties and land, net of taxes              | 10,503                | (14)                           | 697  | 11,186               | 822                     | 14                    | 12,022                  |
| Straight-lined rents and amortization of lease intangibles                              | (22,830)              | 3,089                          | (2,819)  | (22,560)             | (5,159)                 | (3,089)               | (30,808)                |
| Property improvements   | (20,700)              | 1,639                          | (5,647)  | (24,708)             | (13,890)                | (1,639)               | (40,237)                |
| Tenant improvements   | (26,592)              | 4,283                          | (1,830)  | (24,139)             | (5,224)                 | (4,283)               | (33,646)                |
| Leasing commissions   | (20,558)              | 2,759                          | (1,844)  | (19,643)             | (5,202)                 | (2,759)               | (27,604)                |
| Amortization of management contracts  | 938                   | -                              | -  | 938                  | -                       | -                     | 938                     |
| Amortization of debt premiums and financing costs, net                                  | (4,225)               | 2,831                          | (83)   | (1,477)              | 1,262                   | (2,831)               | (3,046)                 |
| Stock compensation expense  | 16,747                | -                              | -  | 16,747               | -                       | -                     | 16,747                  |
| Reconciling items related to noncontrolling interests                                   | 14,587                | (14,587)                       | -  | -                    | -                       | -                     | -                       |
| Our share of reconciling items related to unconsolidated co-investment ventures         | (11,526)              | -                              | 11,526   | -                    | -                       | -                     | -                       |
| <b>AFFO</b>   | <b>260,269</b>        | <b>\$ -</b>                    | <b>\$ -</b>  | <b>\$ 260,269</b>    | <b>\$ 167,050</b>       | <b>\$ 26,371</b>      | <b>\$ 453,690</b>       |

# Financial Information

## Reconciliations of Net Earnings to EBITDA

2Q 2016 Supplemental

in thousands

|  | Three Months Ended<br>June 30, |                   | Six Months Ended<br>June 30, |                   |
|--|--------------------------------|-------------------|------------------------------|-------------------|
|  | 2016                           | 2015              | 2016                         | 2015              |
| Net earnings attributable to common stockholders   | \$ 275,383                     | \$ 140,240        | \$ 483,424                   | \$ 485,446        |
| Gains on dispositions of real estate, net (excluding development properties and land)                        | (188,051)                      | (34,546)          | (238,383)                    | (311,430)         |
| Depreciation and amortization expenses   | 230,382                        | 190,188           | 480,382                      | 359,996           |
| Interest expense   | 76,455                         | 68,902            | 157,267                      | 137,663           |
| Losses (gains) on early extinguishment of debt, net  | (2,044)                        | 236               | (992)                        | 16,525            |
| Current and deferred income tax expense, net   | 5,142                          | 4,851             | 20,679                       | 6,742             |
| Reconciling items related to noncontrolling interests - limited partnership unitholders                      | 8,316                          | 1,298             | 14,550                       | 2,580             |
| Pro forma adjustments  | (1,069)                        | 28,675            | (7,004)                      | 29,415            |
| Preferred stock dividends  | 1,696                          | 1,678             | 3,385                        | 3,348             |
| Unrealized foreign currency and derivative losses (gains), net   | 8,451                          | 29,354            | 23,779                       | (3,506)           |
| Stock compensation expense   | 16,747                         | 13,484            | 29,212                       | 26,718            |
| Acquisition expenses   | 967                            | 26,130            | 2,228                        | 27,434            |
| <b>Adjusted EBITDA, consolidated</b>   | <b>\$ 432,375</b>              | <b>\$ 470,490</b> | <b>\$ 968,527</b>            | <b>\$ 780,931</b> |
| Our share of reconciling items from unconsolidated entities less third party share of consolidated entities: |                                |                   |                              |                   |
| Losses (gains) on dispositions of real estate, net (excluding development properties and land)               | (3,842)                        | 472               | (15,181)                     | 477               |
| Depreciation and amortization expenses   | 12,240                         | 26,953            | 17,456                       | 65,134            |
| Interest expense   | 8,656                          | 10,870            | 18,814                       | 24,643            |
| Losses on early extinguishment of debt, net  | 1,155                          | 711               | 2,699                        | 1,053             |
| Current income tax expense   | 4,308                          | 4,475             | 9,885                        | 6,664             |
| Unrealized foreign currency and derivative losses (gains) and deferred income tax expense, net               | 3,117                          | (15,060)          | 4,608                        | (14,679)          |
| Acquisition expenses   | 1,349                          | (8,578)           | 1,774                        | (6,612)           |
| <b>Adjusted EBITDA</b>   | <b>\$ 459,358</b>              | <b>\$ 490,333</b> | <b>\$ 1,008,582</b>          | <b>\$ 857,611</b> |

| 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 2016                  |
| 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.   | 17.6%     | 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 | Core             | 2007        | Unconsolidated    | Europe | 27.9%     | Open end                 | Q3 2016                  |
| Prologis European Properties Fund II    | Core             | 2007        | Unconsolidated    | Europe | 31.1%     | Open end                 | Q3 2016                  |
| Europe Logistics Venture I              | 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        |                        |                     | Prologis Share            |                     | Prologis Investment |
|--|----------------|------------------------|---------------------|---------------------------|---------------------|---------------------|
|  | Square Feet    | GBV of Operating Bldgs | Debt                | Net Tangible Other Assets | Debt                |                     |
| <b>Unconsolidated Co-Investment Ventures</b>       |                |                        |                     |                           |                     |                     |
| Prologis Targeted U.S. Logistics Fund              | 49,484         | \$ 4,649,381           | \$ 1,424,904        | \$ 18,211                 | \$ 251,068          | \$ 518,025          |
| FIBRA Prologis (A)                                 | 33,137         | 1,925,928              | 677,273             | 10,743                    | 310,733             | 562,311             |
| Brazil Fund and joint ventures                     | 8,053          | 532,526                | -                   | 21,917                    | -                   | 286,021             |
| Prologis Targeted Europe Logistics Fund            | 22,379         | 2,230,178              | 691,530             | 20,387                    | 192,799             | 306,098             |
| Prologis European Properties Fund II               | 72,185         | 5,189,243              | 1,874,273           | 52,280                    | 582,899             | 386,036             |
| Europe Logistics Venture I                         | 5,622          | 395,277                | -                   | 1,556                     | -                   | 52,177              |
| Prologis European Logistics Partners               | 59,418         | 3,954,223              | -                   | 39,030                    | -                   | 1,719,947           |
| Nippon Prologis REIT (A)                           | 23,179         | 4,368,246              | 1,709,437           | 31,273                    | 257,954             | 398,601             |
| Prologis China Logistics Venture                   | 10,446         | 534,817                | 242,472             | 7,912                     | 36,371              | 99,243              |
| <b>Unconsolidated Co-Investment Ventures Total</b> | <b>283,903</b> | <b>23,779,819</b>      | <b>6,619,889</b>    | <b>203,309</b>            | <b>1,631,824</b>    | <b>4,328,459</b>    |
| <b>Consolidated Co-Investment Ventures</b>         |                |                        |                     |                           |                     |                     |
| Prologis U.S. Logistics Venture                    | 71,583         | 6,038,503              | 714,205             | 11,781                    | 393,098             | 3,060,146           |
| Prologis North American Industrial Fund            | 41,179         | 2,477,895              | 1,063,247           | 90,522                    | 703,232             | 965,447             |
| <b>Consolidated Co-Investment Ventures Total</b>   | <b>112,762</b> | <b>8,516,398</b>       | <b>1,777,452</b>    | <b>102,303</b>            | <b>1,096,330</b>    | <b>4,025,593</b>    |
| <b>Total</b>                                       | <b>396,665</b> | <b>\$ 32,296,217</b>   | <b>\$ 8,397,341</b> | <b>\$ 305,612</b>         | <b>\$ 2,728,154</b> | <b>\$ 8,354,052</b> |

# Strategic Capital

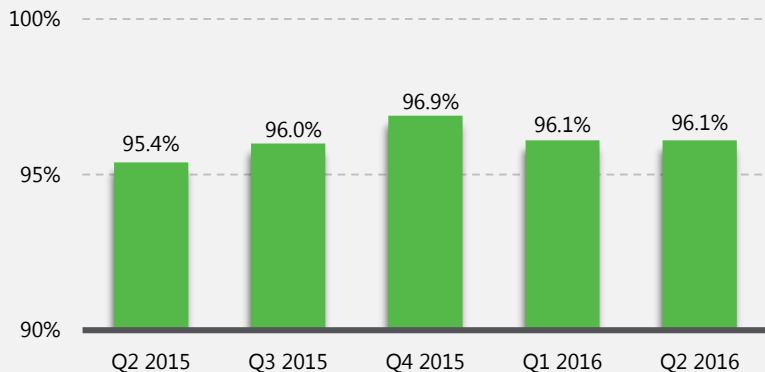
## Operating and Balance Sheet Information of the Unconsolidated Co-Investment Ventures

2Q 2016 Supplemental

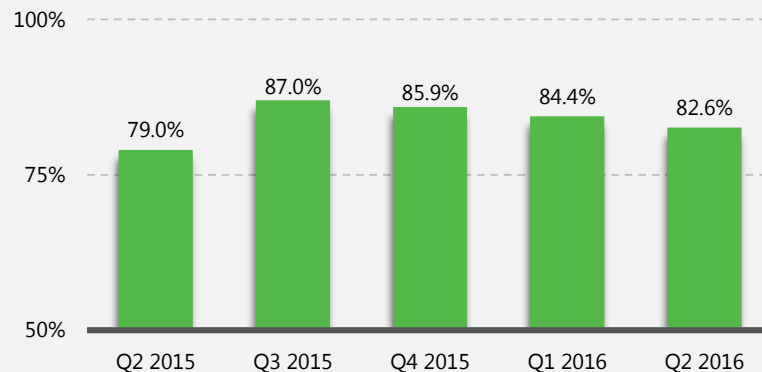
| dollars in thousands   | U.S.                | Other Americas      | Europe               | Asia                | Total                |
|--|---------------------|---------------------|----------------------|---------------------|----------------------|
| <b>Core FFO and Net Earnings</b>   |                     |                     |                      |                     |                      |
| <b>For the Three Months Ended June 30, 2016</b>  |                     |                     |                      |                     |                      |
| Rental revenues  | \$ 98,009           | \$ 59,669           | \$ 247,264           | \$ 86,412           | \$ 491,354           |
| Rental expenses  | (28,161)            | (8,651)             | (54,568)             | (19,329)            | (110,709)            |
| <b>Net operating income from properties</b>  | <b>69,848</b>       | <b>51,018</b>       | <b>192,696</b>       | <b>67,083</b>       | <b>380,645</b>       |
| Other income (expense), net  | 590                 | 2,966               | (1,244)              | 176                 | 2,488                |
| General and administrative expenses  | (6,114)             | (5,720)             | (18,914)             | (9,976)             | (40,724)             |
| Interest expense   | (15,721)            | (7,080)             | (20,123)             | (7,802)             | (50,726)             |
| Current income tax expense   | (179)               | (2,068)             | (10,218)             | (1,755)             | (14,220)             |
| <b>Core FFO</b>  | <b>48,424</b>       | <b>39,116</b>       | <b>142,197</b>       | <b>47,726</b>       | <b>277,463</b>       |
| Acquisition expenses, gains on dispositions of development properties and land and early extinguishment of debt, net | (226)               | 64                  | (1,878)              | (804)               | (2,844)              |
| <b>FFO, as defined by Prologis</b>   | <b>48,198</b>       | <b>39,180</b>       | <b>140,319</b>       | <b>46,922</b>       | <b>274,619</b>       |
| Real estate related depreciation and amortization  | (40,233)            | (17,582)            | (85,888)             | (21,240)            | (164,943)            |
| Gains (losses) on dispositions of real estate, net (excluding development properties and land)                       | (2,680)             | 22                  | 16,283               | -                   | 13,625               |
| Unrealized foreign currency and derivative gains (losses), net   | -                   | (2,169)             | 134                  | (3,909)             | (5,944)              |
| Deferred tax expense, net  | -                   | -                   | (2,281)              | -                   | (2,281)              |
| <b>Net earnings</b>  | <b>\$ 5,285</b>     | <b>\$ 19,451</b>    | <b>\$ 68,567</b>     | <b>\$ 21,773</b>    | <b>\$ 115,076</b>    |
| <b>Prologis' Share of Core FFO and Net Earnings</b>  |                     |                     |                      |                     |                      |
| <b>For the Three Months Ended June 30, 2016</b>  |                     |                     |                      |                     |                      |
| <b>AFFO from unconsolidated co-investment ventures, net</b>  | <b>\$ 6,126</b>     | <b>\$ 13,449</b>    | <b>\$ 46,386</b>     | <b>\$ 6,643</b>     | <b>\$ 72,604</b>     |
| Core FFO from unconsolidated co-investment ventures, net   | \$ 8,422            | \$ 16,088           | \$ 52,486            | \$ 7,134            | \$ 84,130            |
| Fees earned by Prologis  | 9,179               | 5,693               | 25,428               | 10,448              | 50,748               |
| <b>Total Core FFO recognized by Prologis, net</b>  | <b>\$ 17,601</b>    | <b>\$ 21,781</b>    | <b>\$ 77,914</b>     | <b>\$ 17,582</b>    | <b>\$ 134,878</b>    |
| Prologis' share of the unconsolidated co-investment ventures' net earnings   | \$ 718              | \$ 7,509            | \$ 29,014            | \$ 3,693            | \$ 40,934            |
| Fees earned by Prologis  | 9,179               | 5,693               | 25,428               | 10,448              | 50,748               |
| <b>Total earnings recognized by Prologis, net</b>  | <b>\$ 9,897</b>     | <b>\$ 13,202</b>    | <b>\$ 54,442</b>     | <b>\$ 14,141</b>    | <b>\$ 91,682</b>     |
| <b>Condensed Balance Sheet</b>   |                     |                     |                      |                     |                      |
| <b>As of June 30, 2016</b>   |                     |                     |                      |                     |                      |
| Operating industrial properties, before depreciation   | \$ 4,649,381        | \$ 2,458,454        | \$ 11,768,921        | \$ 4,903,063        | \$ 23,779,819        |
| Accumulated depreciation   | (627,367)           | (115,551)           | (1,319,317)          | (200,243)           | (2,262,478)          |
| Properties under development and land  | -                   | 241,195             | 74,569               | 351,579             | 667,343              |
| Other assets   | 205,850             | 110,456             | 663,462              | 292,019             | 1,271,787            |
| <b>Total assets</b>  | <b>\$ 4,227,864</b> | <b>\$ 2,694,554</b> | <b>\$ 11,187,635</b> | <b>\$ 5,346,418</b> | <b>\$ 23,456,471</b> |
| Third party debt   | \$ 1,424,904        | \$ 677,273          | \$ 2,565,803         | \$ 1,951,909        | \$ 6,619,889         |
| Other liabilities  | 79,093              | 95,268              | 954,839              | 298,137             | 1,427,337            |
| <b>Total liabilities</b>   | <b>\$ 1,503,997</b> | <b>\$ 772,541</b>   | <b>\$ 3,520,642</b>  | <b>\$ 2,250,046</b> | <b>\$ 8,047,226</b>  |
| Weighted average ownership   | <b>17.6%</b>        | <b>43.6%</b>        | <b>36.2%</b>         | <b>15.0%</b>        | <b>28.8%</b>         |



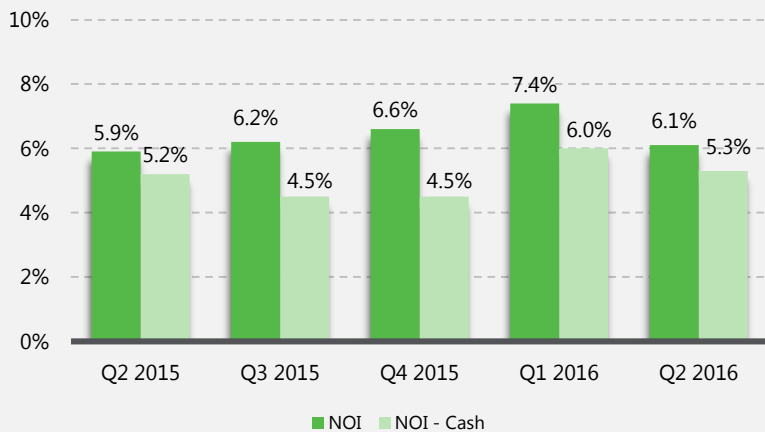
### Period End Occupancy



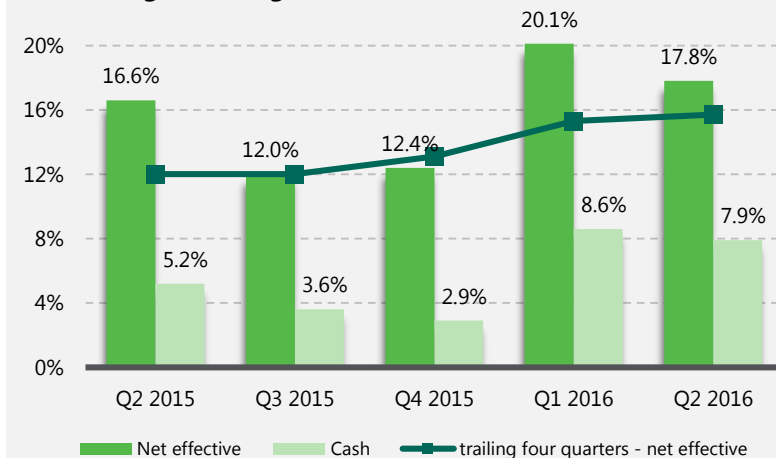
### Customer Retention



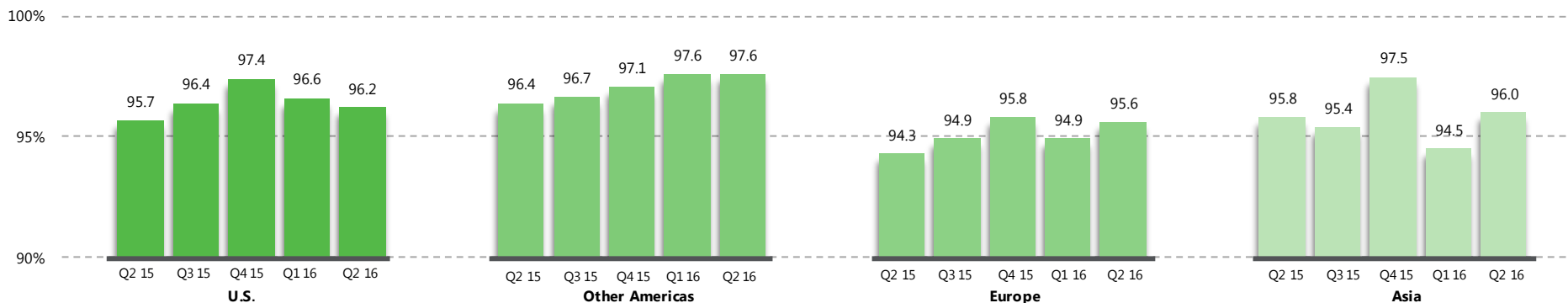
### Same Store Change Over Prior Year – Prologis Share



### Rent Change – Prologis Share



Period Ending Occupancy (%)



square feet in thousands

Leasing Activity

|   | Q2 2015       | Q3 2015       | Q4 2015       | Q1 2016       | Q2 2016       |
|---|---------------|---------------|---------------|---------------|---------------|
| Square feet of leases signed:                       |               |               |               |               |               |
| Operating portfolio:                                |               |               |               |               |               |
| Renewals  | 24,581        | 26,870        | 23,155        | 29,380        | 26,682        |
| New leases  | 11,872        | 11,047        | 10,192        | 9,939         | 12,339        |
| Total operating portfolio                           | 36,453        | 37,917        | 33,347        | 39,319        | 39,021        |
| Properties under development                        | 8,156         | 4,245         | 6,774         | 7,006         | 9,488         |
| <b>Total Square Feet of Leases Signed</b>           | <b>44,609</b> | <b>42,162</b> | <b>40,121</b> | <b>46,325</b> | <b>48,509</b> |
| Average term of leases signed (months)              | 56            | 45            | 56            | 54            | 61            |
| Operating Portfolio:                                |               |               |               |               |               |
| Trailing four quarters - leases signed              | 141,533       | 142,600       | 143,078       | 147,036       | 149,604       |
| Trailing four quarters - % of average portfolio     | 26.1%         | 25.4%         | 24.8%         | 24.7%         | 24.5%         |
| Rent change (net effective)                         | 14.4%         | 10.2%         | 9.5%          | 16.2%         | 14.6%         |
| <b>Rent change (net effective) - Prologis share</b> | <b>16.6%</b>  | <b>12.0%</b>  | <b>12.4%</b>  | <b>20.1%</b>  | <b>17.8%</b>  |
| Rent change (cash)                                  | 3.7%          | 2.4%          | 1.9%          | 5.5%          | 5.8%          |
| <b>Rent change (cash) - Prologis share</b>          | <b>5.2%</b>   | <b>3.6%</b>   | <b>2.9%</b>   | <b>8.6%</b>   | <b>7.9%</b>   |
| Customer retention                                  | 79.0%         | 87.0%         | 85.9%         | 84.4%         | 82.6%         |

# Operations

## Operating Metrics – Owned and Managed

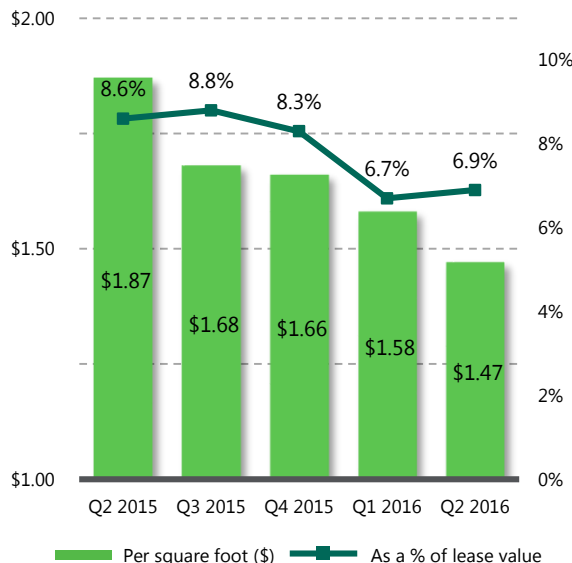
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in thousands, except for percentages and per square foot

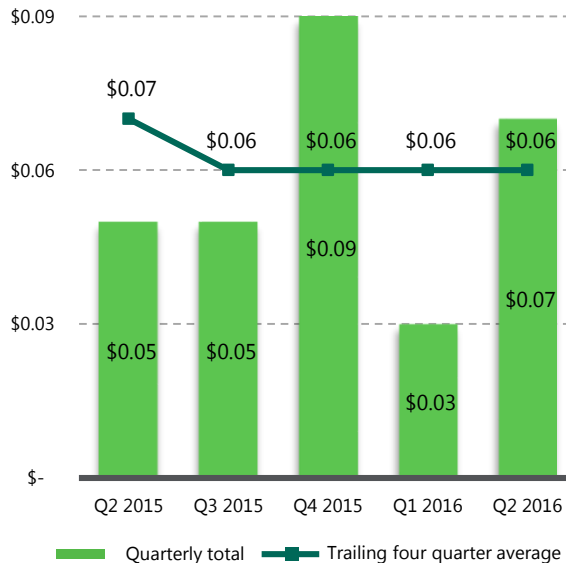
| Capital Expenditures                    |                  |                  |                   |                  |                   |
|---|------------------|------------------|-------------------|------------------|-------------------|
|   | Q2 2015          | Q3 2015          | Q4 2015           | Q1 2016          | Q2 2016           |
| Property improvements                   | \$ 30,064        | \$ 31,650        | \$ 57,535         | \$ 19,104        | \$ 40,237         |
| Tenant improvements                     | 28,848           | 32,187           | 37,167            | 29,160           | 33,646            |
| Leasing commissions                     | 25,790           | 29,796           | 31,105            | 28,684           | 27,604            |
| Total turnover costs                    | 54,638           | 61,983           | 68,272            | 57,844           | 61,250            |
| <b>Total Capital Expenditures</b>       | <b>\$ 84,702</b> | <b>\$ 93,633</b> | <b>\$ 125,807</b> | <b>\$ 76,948</b> | <b>\$ 101,487</b> |
| Trailing four quarters - % of gross NOI | 14.3%            | 13.7%            | 13.9%             | 13.4%            | 13.5%             |
| Weighted average ownership percent      | 66.4%            | 71.4%            | 67.2%             | 67.6%            | 67.5%             |
| Prologis share                          | \$ 56,226        | \$ 66,875        | \$ 84,584         | \$ 51,995        | \$ 68,490         |

| Same Store Information                        |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|
|   | Q2 2015     | Q3 2015     | Q4 2015     | Q1 2016     | Q2 2016     |
| Square feet                                   | 508,195     | 504,807     | 491,666     | 517,525     | 511,133     |
| Average occupancy                             | 95.8%       | 95.9%       | 96.7%       | 96.4%       | 96.1%       |
| Period end occupancy                          | 95.8%       | 96.4%       | 97.1%       | 96.4%       | 96.5%       |
| Percentage change:                            |             |             |             |             |             |
| Rental revenue                                | 4.2%        | 4.6%        | 4.0%        | 3.6%        | 3.8%        |
| Rental expenses                               | 3.4%        | 4.6%        | 2.4%        | (1.7%)      | 1.1%        |
| Same store NOI                                | 4.5%        | 4.7%        | 4.5%        | 5.6%        | 4.7%        |
| <b>Same store NOI - Prologis share</b>        | <b>5.9%</b> | <b>6.2%</b> | <b>6.6%</b> | <b>7.4%</b> | <b>6.1%</b> |
| Same store NOI - cash                         | 4.1%        | 3.6%        | 3.5%        | 4.9%        | 4.4%        |
| <b>Same store NOI - cash - Prologis share</b> | <b>5.2%</b> | <b>4.5%</b> | <b>4.5%</b> | <b>6.0%</b> | <b>5.3%</b> |
| Average occupancy                             | 1.7%        | 1.1%        | 1.0%        | 1.4%        | 1.1%        |

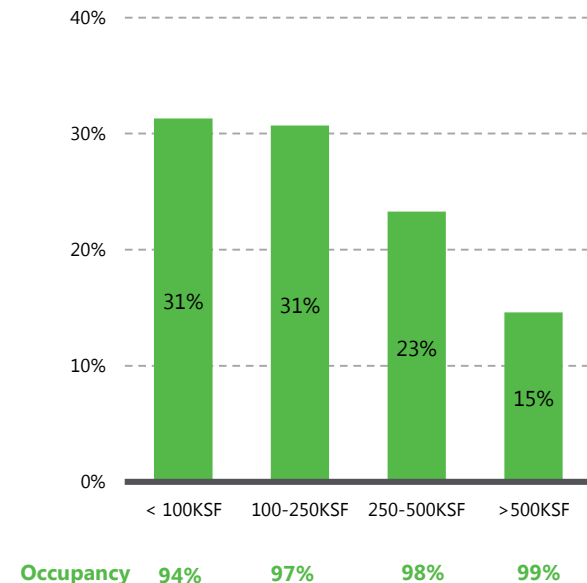
Turnover Costs on Leases Signed



Property Improvements per Square Foot



Composition of Portfolio (by Unit Size) and Occupancy



# Operations

## Operating Portfolio – Square Feet, Occupied and Leased

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| square feet in thousands and ordered by Prologis share of NOI (%) | # of Buildings | Square Feet       |                   |                | Occupied %  |                   | Leased %       |                   |
|---|----------------|-------------------|-------------------|----------------|-------------|-------------------|----------------|-------------------|
|   |                | Owned and Managed | Owned and Managed | Prologis Share | % of Total  | Owned and Managed | Prologis Share | Owned and Managed |
| Southern California   | 342            | 70,499            | 54,509            | 14.3           | 97.4        | 97.8              | 97.9           | 98.3              |
| New Jersey/New York City  | 160            | 32,865            | 24,247            | 6.4            | 95.2        | 94.3              | 95.2           | 94.3              |
| San Francisco Bay Area  | 226            | 20,396            | 16,339            | 4.3            | 97.0        | 96.8              | 97.0           | 96.8              |
| Chicago   | 239            | 41,017            | 29,417            | 7.7            | 95.0        | 95.7              | 95.2           | 95.9              |
| Dallas/Ft. Worth  | 172            | 27,629            | 21,570            | 5.7            | 94.4        | 95.0              | 94.6           | 95.3              |
| South Florida   | 132            | 14,451            | 9,440             | 2.5            | 97.5        | 97.0              | 98.1           | 97.8              |
| Central & Eastern PA  | 32             | 16,726            | 12,263            | 3.2            | 96.6        | 95.4              | 98.5           | 98.0              |
| Atlanta   | 108            | 17,988            | 14,123            | 3.7            | 97.5        | 97.1              | 97.9           | 97.6              |
| Baltimore/Washington  | 67             | 8,208             | 5,908             | 1.6            | 97.7        | 98.0              | 98.8           | 98.3              |
| Seattle   | 103            | 14,380            | 6,902             | 1.8            | 95.9        | 94.3              | 95.9           | 94.3              |
| Central Valley  | 25             | 11,360            | 10,277            | 2.7            | 96.1        | 97.1              | 96.1           | 97.1              |
| Houston   | 100            | 12,661            | 8,622             | 2.3            | 90.6        | 88.4              | 91.3           | 89.1              |
| Las Vegas   | 47             | 6,160             | 4,364             | 1.1            | 96.5        | 97.2              | 96.6           | 97.4              |
| Denver  | 29             | 5,286             | 4,976             | 1.3            | 99.8        | 99.8              | 99.8           | 99.8              |
| San Antonio   | 50             | 5,768             | 5,143             | 1.4            | 98.3        | 98.2              | 98.6           | 98.5              |
| Columbus  | 26             | 7,793             | 6,463             | 1.7            | 99.6        | 99.6              | 99.6           | 99.6              |
| Nashville   | 28             | 6,292             | 5,251             | 1.4            | 92.0        | 94.7              | 92.0           | 94.7              |
| Louisville  | 11             | 5,689             | 4,527             | 1.2            | 100.0       | 100.0             | 100.0          | 100.0             |
| Remaining U.S. markets (14 markets)                               | 222            | 35,423            | 30,090            | 7.8            | 95.7        | 96.5              | 97.9           | 98.1              |
| <b>Total U.S.</b>   | <b>2,119</b>   | <b>360,591</b>    | <b>274,431</b>    | <b>72.1</b>    | <b>96.2</b> | <b>96.3</b>       | <b>96.7</b>    | <b>96.9</b>       |
| Mexico  | 192            | 33,360            | 15,427            | 4.1            | 96.4        | 96.5              | 96.5           | 96.5              |
| Canada  | 24             | 7,960             | 7,387             | 1.9            | 100.0       | 100.0             | 100.0          | 100.0             |
| Brazil  | 19             | 8,054             | 2,037             | 0.5            | 100.0       | 100.0             | 100.0          | 100.0             |
| <b>Total Other Americas</b>                                       | <b>235</b>     | <b>49,374</b>     | <b>24,851</b>     | <b>6.5</b>     | <b>97.6</b> | <b>97.8</b>       | <b>97.6</b>    | <b>97.8</b>       |
| United Kingdom  | 92             | 22,417            | 9,406             | 2.5            | 98.8        | 99.1              | 98.8           | 99.1              |
| France  | 140            | 35,392            | 14,762            | 3.9            | 93.1        | 92.3              | 93.6           | 93.5              |
| Germany   | 99             | 22,864            | 8,665             | 2.3            | 98.1        | 98.9              | 99.5           | 99.5              |
| Poland  | 110            | 24,473            | 10,111            | 2.7            | 93.1        | 93.7              | 94.3           | 94.8              |
| Netherlands   | 71             | 16,736            | 6,323             | 1.7            | 97.4        | 95.5              | 97.6           | 95.7              |
| Czech Republic  | 54             | 10,614            | 5,117             | 1.3            | 97.6        | 97.3              | 98.3           | 98.8              |
| Remaining European countries (7 countries)                        | 161            | 37,341            | 16,822            | 4.4            | 94.7        | 92.9              | 94.9           | 93.0              |
| <b>Total Europe</b>   | <b>727</b>     | <b>169,837</b>    | <b>71,206</b>     | <b>18.8</b>    | <b>95.6</b> | <b>95.0</b>       | <b>96.2</b>    | <b>95.6</b>       |
| Japan   | 37             | 24,958            | 5,276             | 1.4            | 96.7        | 95.0              | 97.1           | 95.4              |
| China   | 54             | 12,769            | 3,891             | 1.0            | 96.2        | 94.1              | 96.3           | 94.2              |
| Singapore   | 5              | 959               | 959               | 0.2            | 77.6        | 77.6              | 77.6           | 77.6              |
| <b>Total Asia</b>   | <b>96</b>      | <b>38,686</b>     | <b>10,126</b>     | <b>2.6</b>     | <b>96.0</b> | <b>93.0</b>       | <b>96.3</b>    | <b>93.2</b>       |
| <b>Total Outside the U.S.</b>                                     | <b>1,058</b>   | <b>257,897</b>    | <b>106,183</b>    | <b>27.9</b>    | <b>96.0</b> | <b>95.5</b>       | <b>96.5</b>    | <b>95.9</b>       |
| <b>Total Operating Portfolio</b>                                  | <b>3,177</b>   | <b>618,488</b>    | <b>380,614</b>    | <b>100.0</b>   | <b>96.1</b> | <b>96.1</b>       | <b>96.6</b>    | <b>96.6</b>       |
| Total Global markets  | 2,600          | 517,871           | 307,369           | 80.7           | 96.0        | 95.8              | 96.4           | 96.3              |
| Total Regional markets  | 564            | 99,137            | 72,279            | 19.0           | 96.9        | 97.4              | 97.7           | 98.1              |
| Total Other markets   | 13             | 1,480             | 966               | 0.3            | 85.6        | 88.2              | 86.8           | 89.0              |

# Operations

## Operating Portfolio – NOI and Gross Book Value

2Q 2016 Supplemental

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

|                                     | Second Quarter NOI |                   |              | Gross Book Value     |                      |              |
|-------------------------------------|--------------------|-------------------|--------------|----------------------|----------------------|--------------|
|                                     | Owned and Managed  | Prologis Share    | % of Total   | Owned and Managed    | Prologis Share       | % of Total   |
| Southern California                 | \$ 91,834          | \$ 69,994         | 15.9         | \$ 6,732,056         | \$ 5,048,389         | 18.4         |
| New Jersey/New York City            | 53,497             | 38,142            | 8.7          | 3,326,049            | 2,285,797            | 8.4          |
| San Francisco Bay Area              | 33,758             | 26,851            | 6.1          | 2,089,190            | 1,655,265            | 6.0          |
| Chicago                             | 36,751             | 25,365            | 5.7          | 2,621,460            | 1,817,161            | 6.6          |
| Dallas/Ft. Worth                    | 23,949             | 17,964            | 4.1          | 1,512,779            | 1,113,758            | 4.1          |
| South Florida                       | 23,707             | 15,764            | 3.6          | 1,484,525            | 998,607              | 3.6          |
| Central & Eastern PA                | 16,968             | 12,060            | 2.7          | 1,049,193            | 752,273              | 2.7          |
| Atlanta                             | 14,066             | 10,790            | 2.4          | 826,958              | 627,421              | 2.3          |
| Baltimore/Washington                | 13,747             | 10,376            | 2.3          | 725,662              | 519,295              | 1.9          |
| Seattle                             | 19,631             | 9,045             | 2.1          | 1,380,273            | 653,824              | 2.4          |
| Central Valley                      | 9,709              | 8,792             | 2.0          | 629,867              | 572,730              | 2.1          |
| Houston                             | 13,301             | 8,638             | 2.0          | 825,788              | 503,767              | 1.8          |
| Las Vegas                           | 8,016              | 5,575             | 1.3          | 428,085              | 291,823              | 1.1          |
| Denver                              | 5,615              | 5,279             | 1.2          | 314,501              | 297,161              | 1.1          |
| San Antonio                         | 5,334              | 4,694             | 1.1          | 268,007              | 238,380              | 0.9          |
| Columbus                            | 5,245              | 4,241             | 1.0          | 280,463              | 236,650              | 0.9          |
| Nashville                           | 4,885              | 4,207             | 1.0          | 252,753              | 214,111              | 0.8          |
| Louisville                          | 5,256              | 4,174             | 1.0          | 299,976              | 224,701              | 0.8          |
| Remaining U.S. markets (14 markets) | 34,049             | 28,467            | 6.5          | 1,868,796            | 1,537,087            | 5.6          |
| <b>Total U.S.</b>                   | <b>419,318</b>     | <b>310,418</b>    | <b>70.7</b>  | <b>26,916,381</b>    | <b>19,588,200</b>    | <b>71.5</b>  |
| Mexico                              | 38,436             | 18,283            | 4.1          | 1,938,570            | 896,257              | 3.2          |
| Canada                              | 9,274              | 8,594             | 2.0          | 648,977              | 597,467              | 2.2          |
| Brazil                              | 13,460             | 3,430             | 0.8          | 532,526              | 133,649              | 0.5          |
| <b>Total Other Americas</b>         | <b>61,170</b>      | <b>30,307</b>     | <b>6.9</b>   | <b>3,120,073</b>     | <b>1,627,373</b>     | <b>5.9</b>   |
| United Kingdom                      | 47,115             | 19,740            | 4.5          | 2,806,328            | 1,141,003            | 4.1          |
| France                              | 37,380             | 14,605            | 3.3          | 2,348,240            | 920,896              | 3.4          |
| Germany                             | 28,636             | 10,574            | 2.4          | 1,695,445            | 611,935              | 2.2          |
| Poland                              | 20,118             | 8,448             | 1.9          | 1,379,196            | 540,543              | 2.0          |
| Netherlands                         | 20,647             | 7,549             | 1.7          | 1,240,637            | 445,582              | 1.6          |
| Czech Republic                      | 11,494             | 5,454             | 1.3          | 641,401              | 293,761              | 1.1          |
| Remaining European countries (7)    | 36,811             | 16,136            | 3.7          | 2,271,443            | 1,010,666            | 3.7          |
| <b>Total Europe</b>                 | <b>202,201</b>     | <b>82,506</b>     | <b>18.8</b>  | <b>12,382,690</b>    | <b>4,964,386</b>     | <b>18.1</b>  |
| Japan                               | 59,133             | 10,977            | 2.5          | 4,645,593            | 936,515              | 3.4          |
| China                               | 11,764             | 2,885             | 0.7          | 606,954              | 152,360              | 0.6          |
| Singapore                           | 1,969              | 1,969             | 0.4          | 137,885              | 137,885              | 0.5          |
| <b>Total Asia</b>                   | <b>72,866</b>      | <b>15,831</b>     | <b>3.6</b>   | <b>5,390,432</b>     | <b>1,226,760</b>     | <b>4.5</b>   |
| <b>Total Outside the U.S.</b>       | <b>336,237</b>     | <b>128,644</b>    | <b>29.3</b>  | <b>20,893,195</b>    | <b>7,818,519</b>     | <b>28.5</b>  |
| <b>Total Operating Portfolio</b>    | <b>\$ 755,555</b>  | <b>\$ 439,062</b> | <b>100.0</b> | <b>\$ 47,809,576</b> | <b>\$ 27,406,719</b> | <b>100.0</b> |
| Total Global markets                | 656,836            | 368,979           | 84.0         | 42,539,256           | 23,693,423           | 86.6         |
| Total Regional markets              | 96,600             | 68,778            | 15.7         | 5,153,272            | 3,647,150            | 13.3         |
| Total Other markets                 | 2,119              | 1,305             | 0.3          | 117,048              | 66,146               | 0.1          |

# Operations

## Operating Portfolio – Summary by Division

2Q 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 |
| <b>Consolidated</b>                               |                   |                   |                |              |                   |                |                   |                |
| Total U.S.  | 1,745             | 311,757           | 265,826        | 69.8         | 96.0              | 96.3           | 96.6              | 96.8           |
| Total Outside the U.S.                            | 93                | 26,131            | 25,557         | 6.7          | 93.0              | 92.9           | 94.0              | 93.9           |
| <b>Total Operating Portfolio - Consolidated</b>   | <b>1,838</b>      | <b>337,888</b>    | <b>291,383</b> | <b>76.5</b>  | <b>95.7</b>       | <b>96.0</b>    | <b>96.4</b>       | <b>96.6</b>    |
| <b>Unconsolidated</b>                             |                   |                   |                |              |                   |                |                   |                |
| Total U.S.  | 374               | 48,834            | 8,605          | 2.3          | 97.5              | 97.5           | 97.7              | 97.7           |
| Total Outside the U.S.                            | 965               | 231,766           | 80,626         | 21.2         | 96.4              | 96.3           | 96.7              | 96.5           |
| <b>Total Operating Portfolio - Unconsolidated</b> | <b>1,339</b>      | <b>280,600</b>    | <b>89,231</b>  | <b>23.5</b>  | <b>96.6</b>       | <b>96.4</b>    | <b>96.9</b>       | <b>96.7</b>    |
| <b>Total</b>                                      |                   |                   |                |              |                   |                |                   |                |
| Total U.S.  | 2,119             | 360,591           | 274,431        | 72.1         | 96.2              | 96.3           | 96.7              | 96.9           |
| Total Outside the U.S.                            | 1,058             | 257,897           | 106,183        | 27.9         | 96.0              | 95.5           | 96.5              | 95.9           |
| <b>Total Operating Portfolio</b>                  | <b>3,177</b>      | <b>618,488</b>    | <b>380,614</b> | <b>100.0</b> | <b>96.1</b>       | <b>96.1</b>    | <b>96.6</b>       | <b>96.6</b>    |
| Value added properties - consolidated             | 6                 | 1,515             | 964            |              | 10.8              | 9.8            | 32.2              | 28.4           |
| Value added properties - unconsolidated           | 16                | 3,303             | 1,034          |              | 53.7              | 49.4           | 63.4              | 56.0           |
| <b>Total</b>                                      | <b>3,199</b>      | <b>623,306</b>    | <b>382,612</b> |              | <b>95.7</b>       | <b>95.7</b>    | <b>96.3</b>       | <b>96.3</b>    |

|   | Second Quarter NOI |                   |              | Gross Book Value     |                      |              |
|---|--------------------|-------------------|--------------|----------------------|----------------------|--------------|
|   | Owned and Managed  | Prologis Share    | % of Total   | Owned and Managed    | Prologis Share       | % of Total   |
| <b>Consolidated</b>                               |                    |                   |              |                      |                      |              |
| Total U.S.  | \$ 351,105         | \$ 298,399        | 68.0         | \$ 22,328,311        | \$ 18,779,782        | 68.6         |
| Total Outside the U.S.                            | 27,601             | 26,922            | 6.1          | 1,878,389            | 1,826,879            | 6.6          |
| <b>Total Operating Portfolio - Consolidated</b>   | <b>\$ 378,706</b>  | <b>\$ 325,321</b> | <b>74.1</b>  | <b>\$ 24,206,700</b> | <b>\$ 20,606,661</b> | <b>75.2</b>  |
| <b>Unconsolidated</b>                             |                    |                   |              |                      |                      |              |
| Total U.S.  | \$ 68,213          | \$ 12,019         | 2.7          | \$ 4,588,070         | \$ 808,418           | 2.9          |
| Total Outside the U.S.                            | 308,636            | 101,722           | 23.2         | 19,014,806           | 5,991,640            | 21.9         |
| <b>Total Operating Portfolio - Unconsolidated</b> | <b>\$ 376,849</b>  | <b>\$ 113,741</b> | <b>25.9</b>  | <b>\$ 23,602,876</b> | <b>\$ 6,800,058</b>  | <b>24.8</b>  |
| <b>Total</b>                                      |                    |                   |              |                      |                      |              |
| Total U.S.  | \$ 419,318         | \$ 310,418        | 70.7         | \$ 26,916,381        | \$ 19,588,200        | 71.5         |
| Total Outside the U.S.                            | 336,237            | 128,644           | 29.3         | 20,893,195           | 7,818,519            | 28.5         |
| <b>Total Operating Portfolio</b>                  | <b>\$ 755,555</b>  | <b>\$ 439,062</b> | <b>100.0</b> | <b>\$ 47,809,576</b> | <b>\$ 27,406,719</b> | <b>100.0</b> |
| Value added properties - consolidated             | (297)              | (245)             |              | 82,298               | 52,870               |              |
| Value added properties - unconsolidated           | 1,889              | 560               |              | 176,943              | 47,849               |              |
| <b>Total</b>                                      | <b>\$ 757,147</b>  | <b>\$ 439,377</b> |              | <b>\$ 48,068,817</b> | <b>\$ 27,507,438</b> |              |

# Operations

## Customer Information – Owned and Managed

2Q 2016 Supplemental

square feet and dollars in thousands

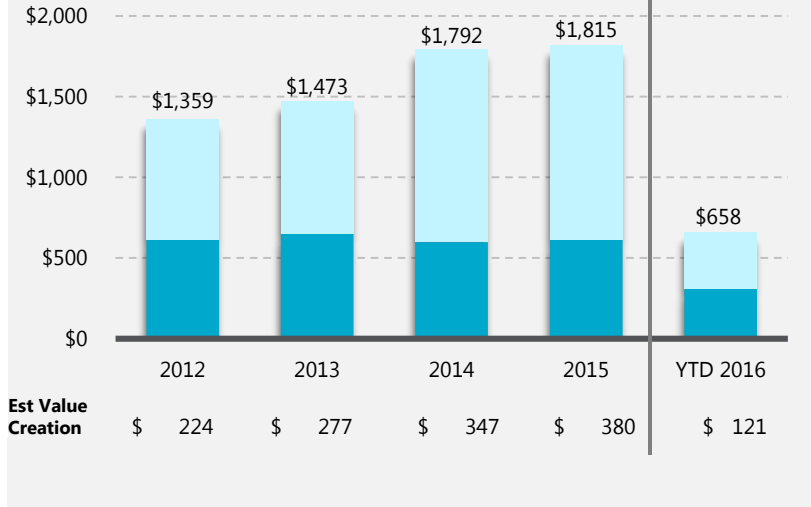
| Top Customers           |                         |                   |                |
|-------------------------|-------------------------|-------------------|----------------|
|                         | % of Net Effective Rent | Total Square Feet |                |
| 1                       | Amazon.com              | 3.1               | 14,836         |
| 2                       | DHL                     | 1.6               | 10,664         |
| 3                       | XPO Logistics           | 1.2               | 9,197          |
| 4                       | Geodis                  | 1.2               | 8,535          |
| 5                       | Kuehne + Nagel          | 1.1               | 6,173          |
| 6                       | FedEx                   | 1.0               | 3,587          |
| 7                       | Home Depot              | 1.0               | 5,533          |
| 8                       | CEVA Logistics          | 1.0               | 6,469          |
| 9                       | Wal-Mart                | 0.8               | 4,924          |
| 10                      | Nippon Express          | 0.6               | 2,666          |
| <b>Top 10 Customers</b> |                         | <b>12.6</b>       | <b>72,584</b>  |
| 11                      | U.S. Government         | 0.6               | 1,201          |
| 12                      | BMW                     | 0.6               | 3,533          |
| 13                      | DSV Air and Sea         | 0.5               | 4,444          |
| 14                      | UPS                     | 0.5               | 3,333          |
| 15                      | DB Schenker             | 0.5               | 3,767          |
| 16                      | Hitachi                 | 0.5               | 1,906          |
| 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                      | Cal Cartage             | 0.4               | 1,345          |
| 22                      | Samsung Electronics     | 0.3               | 2,183          |
| 23                      | Kimberly-Clark          | 0.3               | 2,841          |
| 24                      | Best Buy                | 0.3               | 1,827          |
| 25                      | La Poste                | 0.3               | 1,673          |
| <b>Top 25 Customers</b> |                         | <b>19.2</b>       | <b>111,202</b> |

| Lease Expirations - Operating Portfolio - Owned and Managed |                |                     |              |              |
|---|----------------|---------------------|--------------|--------------|
| Year  | Occupied Sq Ft | Net Effective Rent  |              |              |
|   |                | \$                  | % of Total   | \$ Per Sq Ft |
| 2016  | 44,659         | \$ 190,610          | 6.4          | 4.80         |
| 2017  | 98,030         | 461,050             | 15.4         | 4.78         |
| 2018  | 102,466        | 508,014             | 17.0         | 5.01         |
| 2019  | 78,133         | 387,629             | 13.0         | 5.17         |
| 2020  | 74,125         | 390,456             | 13.1         | 5.32         |
| Thereafter  | 187,444        | 1,049,190           | 35.1         | 5.74         |
|   | <b>584,857</b> | <b>\$ 2,986,949</b> | <b>100.0</b> | <b>5.25</b>  |
| Month to month  | 9,561          |                     |              |              |
| Total   | 594,418        |                     |              |              |

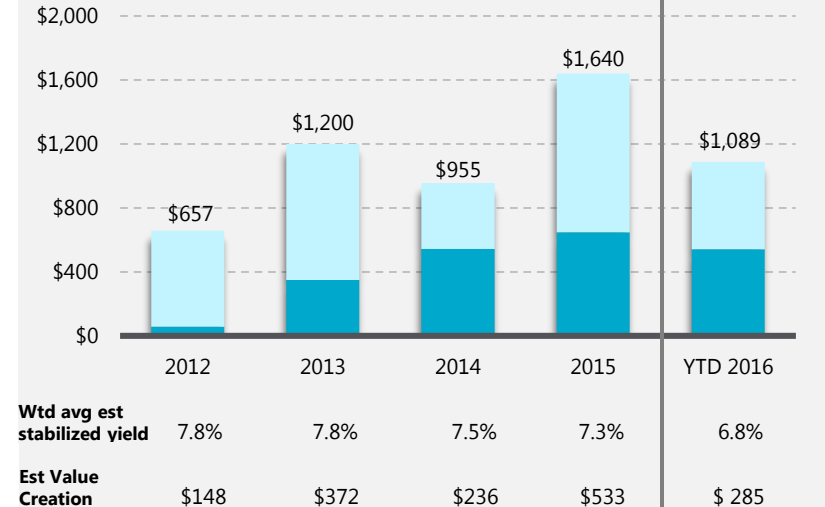
| Lease Expirations - Operating Portfolio - Prologis Share |                |                     |              |              |
|--|----------------|---------------------|--------------|--------------|
| Year   | Occupied Sq Ft | Net Effective Rent  |              |              |
|  |                | \$                  | % of Total   | \$ Per Sq Ft |
| 2016   | 27,549         | \$ 112,968          | 6.4          | 4.59         |
| 2017   | 57,574         | 256,864             | 14.5         | 4.52         |
| 2018   | 61,351         | 296,742             | 16.8         | 4.88         |
| 2019   | 49,020         | 231,460             | 13.1         | 4.89         |
| 2020   | 42,016         | 217,657             | 12.3         | 5.21         |
| Thereafter   | 122,290        | 652,314             | 36.9         | 5.47         |
|  | <b>359,800</b> | <b>\$ 1,768,005</b> | <b>100.0</b> | <b>5.03</b>  |
| Month to month   | 5,912          |                     |              |              |
| Total  | 365,712        |                     |              |              |

(in millions)

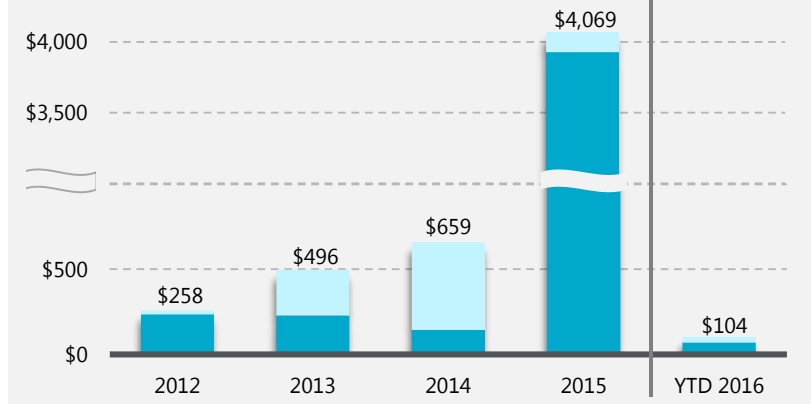
### Development Starts (TEI)



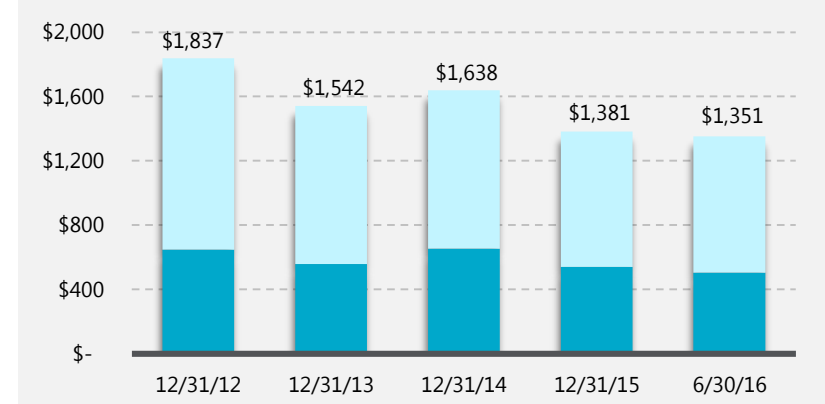
### Development Stabilizations (TEI)



### Building Acquisitions



### Land Portfolio



■ U.S.      ■ Outside the U.S.



# Capital Deployment Development Stabilizations

2Q 2016 Supplemental

square feet and dollars in thousands

|   | Q2 2016       |                   |                   | YTD           |                     |                     |
|---|---------------|-------------------|-------------------|---------------|---------------------|---------------------|
|   | Square Feet   | TEI               |                   | Square Feet   | TEI                 |                     |
|   |               | Owned and Managed | Prologis Share    |               | Owned and Managed   | Prologis Share      |
| Central                                 | 2,612         | \$ 136,676        | \$ 124,940        | 3,583         | \$ 194,681          | \$ 182,945          |
| East                                    | 484           | 31,793            | 31,793            | 1,509         | 144,963             | 144,963             |
| Northwest                               | 2,550         | 206,175           | 172,919           | 2,550         | 206,175             | 172,919             |
| Southwest                               | 654           | 58,548            | 40,563            | 654           | 58,548              | 40,563              |
| <b>Total U.S.</b>                       | <b>6,300</b>  | <b>433,192</b>    | <b>370,215</b>    | <b>8,296</b>  | <b>604,367</b>      | <b>541,390</b>      |
| Canada                                  | -             | -                 | -                 | -             | -                   | -                   |
| Mexico                                  | 248           | 12,507            | 11,384            | 248           | 12,507              | 11,384              |
| Brazil                                  | 1,071         | 64,362            | 32,181            | 1,349         | 84,603              | 42,302              |
| <b>Total Other Americas</b>             | <b>1,319</b>  | <b>76,869</b>     | <b>43,565</b>     | <b>1,597</b>  | <b>97,110</b>       | <b>53,686</b>       |
| Northern                                | 2,580         | 162,681           | 151,111           | 2,867         | 177,919             | 155,850             |
| Southern                                | 64            | 3,314             | 3,314             | 760           | 46,548              | 46,548              |
| Central                                 | 462           | 21,197            | 14,732            | 1,419         | 71,154              | 63,488              |
| United Kingdom                          | 228           | 22,695            | 22,695            | 228           | 22,695              | 22,695              |
| <b>Total Europe</b>                     | <b>3,334</b>  | <b>209,887</b>    | <b>191,852</b>    | <b>5,274</b>  | <b>318,316</b>      | <b>288,581</b>      |
| Japan                                   | -             | -                 | -                 | 1,404         | 186,454             | 186,454             |
| China                                   | 1,521         | 100,316           | 15,047            | 2,026         | 125,478             | 18,821              |
| Singapore                               | -             | -                 | -                 | -             | -                   | -                   |
| <b>Total Asia</b>                       | <b>1,521</b>  | <b>100,316</b>    | <b>15,047</b>     | <b>3,430</b>  | <b>311,932</b>      | <b>205,275</b>      |
| <b>Total Outside the U.S.</b>           | <b>6,174</b>  | <b>387,072</b>    | <b>250,464</b>    | <b>10,301</b> | <b>727,358</b>      | <b>547,542</b>      |
| <b>Total Development Stabilizations</b> | <b>12,474</b> | <b>\$ 820,264</b> | <b>\$ 620,679</b> | <b>18,597</b> | <b>\$ 1,331,725</b> | <b>\$ 1,088,932</b> |
| Percent build to suit                   |               |                   | 41.3%             |               |                     | 35.0%               |
| Estimated weighted average yield        |               |                   | 6.8%              |               |                     | 6.8%                |
| Pro forma NOI                           |               |                   | \$ 41,920         |               |                     | \$ 73,776           |
| Weighted average estimated cap rate     |               |                   | 5.2%              |               |                     | 5.3%                |
| Estimated weighted average margin       |               |                   | 25.7%             |               |                     | 26.2%               |
| <b>Estimated value creation</b>         |               |                   | <b>\$ 159,283</b> |               |                     | <b>\$ 284,810</b>   |

# Capital Deployment Development Starts

2Q 2016 Supplemental

square feet and dollars in thousands

|  | Q2 2016      |                   |                   |                   | YTD          |                   |                   |                   |
|--|--------------|-------------------|-------------------|-------------------|--------------|-------------------|-------------------|-------------------|
|  | Square Feet  | Leased % at Start | T E I             |                   | Square Feet  | Leased % at Start | T E I             |                   |
|  |              |                   | Owned and Managed | Prologis Share    |              |                   | Owned and Managed | Prologis Share    |
| Central  | 1,721        | 100.0             | \$ 87,148         | \$ 87,148         | 1,721        | 100.0             | \$ 87,148         | \$ 87,148         |
| East   | 1,151        | 97.4              | 61,006            | 61,006            | 1,355        | 82.7              | 94,807            | 94,807            |
| Northwest  | -            | -                 | -                 | -                 | -            | -                 | -                 | -                 |
| Southwest  | 924          | 56.8              | 60,799            | 60,799            | 1,677        | 64.5              | 125,441           | 125,441           |
| <b>Total U.S.</b>                                    | <b>3,796</b> | <b>88.7</b>       | <b>208,953</b>    | <b>208,953</b>    | <b>4,753</b> | <b>82.6</b>       | <b>307,396</b>    | <b>307,396</b>    |
| Canada   | -            | -                 | -                 | -                 | 323          | 0.0               | 26,924            | 26,924            |
| Mexico   | -            | -                 | -                 | -                 | 249          | 0.0               | 14,191            | 14,191            |
| Brazil   | -            | -                 | -                 | -                 | -            | -                 | -                 | -                 |
| <b>Total Other Americas</b>                          | <b>-</b>     | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>572</b>   | <b>0.0</b>        | <b>41,115</b>     | <b>41,115</b>     |
| Northern   | 398          | 0.0               | 41,304            | 41,304            | 792          | 49.7              | 66,554            | 66,554            |
| Southern   | -            | -                 | -                 | -                 | -            | -                 | -                 | -                 |
| Central  | 1,099        | 83.6              | 58,173            | 56,357            | 1,210        | 85.1              | 65,523            | 63,707            |
| United Kingdom                                       | 302          | 100.0             | 32,251            | 21,029            | 432          | 69.9              | 53,328            | 42,106            |
| <b>Total Europe</b>                                  | <b>1,799</b> | <b>67.9</b>       | <b>131,728</b>    | <b>118,690</b>    | <b>2,434</b> | <b>70.9</b>       | <b>185,405</b>    | <b>172,367</b>    |
| Japan  | 544          | 49.3              | 129,076           | 129,076           | 544          | 49.3              | 129,076           | 129,076           |
| China  | 1,048        | 0.0               | 56,553            | 8,483             | 1,048        | 0.0               | 56,553            | 8,483             |
| <b>Total Asia</b>                                    | <b>1,592</b> | <b>16.8</b>       | <b>185,629</b>    | <b>137,559</b>    | <b>1,592</b> | <b>16.8</b>       | <b>185,629</b>    | <b>137,559</b>    |
| <b>Total Outside the U.S.</b>                        | <b>3,391</b> | <b>43.9</b>       | <b>317,357</b>    | <b>256,249</b>    | <b>4,598</b> | <b>43.4</b>       | <b>412,149</b>    | <b>351,041</b>    |
| <b>Total Development Starts</b>                      | <b>7,187</b> | <b>67.6</b>       | <b>\$ 526,310</b> | <b>\$ 465,202</b> | <b>9,351</b> | <b>63.3</b>       | <b>\$ 719,545</b> | <b>\$ 658,437</b> |
| Percent build to suit                                |              |                   |                   | 49.8%             |              |                   |                   | 47.4%             |
| Estimated weighted average start yield               |              |                   |                   | 6.4%              |              |                   |                   | 6.5%              |
| Pro forma NOI  |              |                   |                   | \$ 29,767         |              |                   |                   | \$ 42,597         |
| Weighted average estimated cap rate at stabilization |              |                   |                   | 5.4%              |              |                   |                   | 5.4%              |
| Estimated weighted average margin                    |              |                   |                   | 17.6%             |              |                   |                   | 18.4%             |
| <b>Estimated value creation</b>                      |              |                   |                   | <b>\$ 82,100</b>  |              |                   |                   | <b>\$ 121,415</b> |

# Capital Deployment Development Portfolio

2Q 2016 Supplemental

square feet and dollars in thousands

|                                      | Pre-Stabilized Developments |             |                    |                   | Under Development           |                     |                     |  |                   |                   | Total Development Portfolio |             |                     |                     |
|--------------------------------------|-----------------------------|-------------|--------------------|-------------------|-----------------------------|---------------------|---------------------|--|-------------------|-------------------|-----------------------------|-------------|---------------------|---------------------|
|                                      | TEI                         |             |                    |                   | 2016<br>Expected Completion |                     |                     | 2017 and Thereafter<br>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                              | 909                         | 53.5        | \$ 73,406          | \$ 49,679         | 1,626                       | \$ 132,022          | \$ 132,022          | 1,565                                      | \$ 78,851         | \$ 78,851         | 4,100                       | 83.1        | \$ 284,279          | \$ 260,552          |
| East                                 | 1,030                       | 0.0         | 60,626             | 60,626            | 946                         | 114,938             | 114,938             | 1,244                                      | 83,116            | 83,116            | 3,220                       | 60.7        | 258,680             | 258,680             |
| Northwest                            | 521                         | 26.4        | 48,253             | 48,253            | 308                         | 39,030              | 21,482              | -  | -                 | -                 | 829                         | 53.7        | 87,283              | 69,735              |
| Southwest                            | 1,371                       | 24.9        | 127,086            | 90,450            | 786                         | 59,577              | 59,577              | 1,267                                      | 97,697            | 97,697            | 3,424                       | 46.4        | 284,360             | 247,724             |
| <b>Total U.S.</b>                    | <b>3,831</b>                | <b>25.2</b> | <b>309,371</b>     | <b>249,008</b>    | <b>3,666</b>                | <b>345,567</b>      | <b>328,019</b>      | <b>4,076</b>                               | <b>259,664</b>    | <b>259,664</b>    | <b>11,573</b>               | <b>63.9</b> | <b>914,602</b>      | <b>836,691</b>      |
| Canada                               | 484                         | 21.8        | 41,503             | 41,503            | 324                         | 26,902              | 26,902              | -  | -                 | -                 | 808                         | 22.6        | 68,405              | 68,405              |
| Mexico                               | 1,053                       | 63.6        | 70,392             | 64,555            | 1,067                       | 67,295              | 67,295              | -  | -                 | -                 | 2,120                       | 31.6        | 137,687             | 131,850             |
| Brazil                               | 1,119                       | 0.0         | 81,432             | 40,716            | 586                         | 37,256              | 18,628              | -  | -                 | -                 | 1,705                       | 0.0         | 118,688             | 59,344              |
| <b>Total Other Americas</b>          | <b>2,656</b>                | <b>29.2</b> | <b>193,327</b>     | <b>146,774</b>    | <b>1,977</b>                | <b>131,453</b>      | <b>112,825</b>      | <b>-</b>                                   | <b>-</b>          | <b>-</b>          | <b>4,633</b>                | <b>18.4</b> | <b>324,780</b>      | <b>259,599</b>      |
| Northern Europe                      | 447                         | 100.0       | 31,548             | 31,548            | 773                         | 65,267              | 65,267              | 397  | 41,304            | 41,304            | 1,617                       | 75.4        | 138,119             | 138,119             |
| Southern Europe                      | 385                         | 51.4        | 20,967             | 20,967            | 322                         | 20,500              | 20,500              | -  | -                 | -                 | 707                         | 28.0        | 41,467              | 41,467              |
| Central and Eastern Europe           | 262                         | 79.3        | 14,069             | 4,375             | 1,294                       | 72,127              | 70,311              | 360  | 21,835            | 21,835            | 1,916                       | 83.6        | 108,031             | 96,521              |
| United Kingdom                       | 891                         | 0.0         | 106,597            | 83,430            | 765                         | 143,017             | 143,017             | 303  | 32,251            | 21,029            | 1,959                       | 35.7        | 281,865             | 247,476             |
| <b>Total Europe</b>                  | <b>1,985</b>                | <b>43.0</b> | <b>173,181</b>     | <b>140,320</b>    | <b>3,154</b>                | <b>300,911</b>      | <b>299,095</b>      | <b>1,060</b>                               | <b>95,390</b>     | <b>84,168</b>     | <b>6,199</b>                | <b>60.0</b> | <b>569,482</b>      | <b>523,583</b>      |
| Japan                                | 2,820                       | 32.9        | 436,550            | 436,550           | 2,685                       | 441,277             | 441,277             | 756  | 157,740           | 157,740           | 6,261                       | 39.1        | 1,035,567           | 1,035,567           |
| China                                | 960                         | 49.1        | 51,304             | 7,696             | 2,159                       | 125,512             | 18,827              | 5,546                                      | 311,167           | 46,675            | 8,665                       | 5.4         | 487,983             | 73,198              |
| Singapore                            | -                           | -           | -                  | -                 | -                           | -                   | -                   | -  | -                 | -                 | -                           | -           | -                   | -                   |
| <b>Total Asia</b>                    | <b>3,780</b>                | <b>37.0</b> | <b>487,854</b>     | <b>444,246</b>    | <b>4,844</b>                | <b>566,789</b>      | <b>460,104</b>      | <b>6,302</b>                               | <b>468,907</b>    | <b>204,415</b>    | <b>14,926</b>               | <b>19.6</b> | <b>1,523,550</b>    | <b>1,108,765</b>    |
| <b>Total Outside the U.S.</b>        | <b>8,421</b>                | <b>35.9</b> | <b>854,362</b>     | <b>731,340</b>    | <b>9,975</b>                | <b>999,153</b>      | <b>872,024</b>      | <b>7,362</b>                               | <b>564,297</b>    | <b>288,583</b>    | <b>25,758</b>               | <b>29.1</b> | <b>2,417,812</b>    | <b>1,891,947</b>    |
| <b>Total Development Portfolio</b>   | <b>12,252</b>               | <b>32.6</b> | <b>\$1,163,733</b> | <b>\$ 980,348</b> | <b>13,641</b>               | <b>\$ 1,344,720</b> | <b>\$ 1,200,043</b> | <b>11,438</b>                              | <b>\$823,961</b>  | <b>\$ 548,247</b> | <b>37,331</b>               | <b>39.9</b> | <b>\$ 3,332,414</b> | <b>\$ 2,728,638</b> |
| Cost to complete                     |                             |             | \$ 97,541          | \$ 84,835         |                             | \$ 379,792          | \$ 345,432          |  | \$561,679         | \$ 405,577        |                             |             | \$ 1,039,012        | \$ 835,844          |
| Percent build to suit                |                             |             |                    | 3.2%              |                             |                     | 41.8%               |  |                   | 48.9%             |                             |             |                     | 29.3%               |
| Wtd. avg. estimated stabilized yield |                             |             |                    |                   |                             |                     |                     |  |                   |                   |                             |             |                     |                     |
| U.S.                                 |                             |             |                    | 6.0%              |                             |                     | 6.3%                |  |                   | 6.4%              |                             |             |                     | 6.3%                |
| Other Americas                       |                             |             |                    | 8.3%              |                             |                     | 8.2%                |  |                   | -                 |                             |             |                     | 8.3%                |
| Europe                               |                             |             |                    | 7.4%              |                             |                     | 7.0%                |  |                   | 7.2%              |                             |             |                     | 7.2%                |
| Asia                                 |                             |             |                    | 6.2%              |                             |                     | 6.2%                |  |                   | 5.8%              |                             |             |                     | 6.2%                |
| Total                                |                             |             |                    | 6.7%              |                             |                     | 6.7%                |  |                   | 6.3%              |                             |             |                     | 6.6%                |

|  |                  |
|--|------------------|
| Pro forma NOI  | \$179,522        |
| Weighted average estimated cap rate at stabilization | 5.4%             |
| Estimated development margin                         | 19.0%            |
| <b>Value creation</b>                                | <b>\$518,416</b> |

# Capital Deployment

## Third Party Building Acquisitions

2Q 2016 Supplemental

square feet and dollars in thousands

|  | Q2 2016           |                |                   |                  | YTD               |                |                   |                   |
|--|-------------------|----------------|-------------------|------------------|-------------------|----------------|-------------------|-------------------|
|  | 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                          | 345               | 345            | \$ 48,322         | \$ 48,322        | 679               | 679            | \$ 65,436         | \$ 65,436         |
| Prologis Targeted U.S. Logistics Fund          | 56                | 10             | 10,011            | 1,763            | 187               | 39             | 21,468            | 4,340             |
| <b>Total U.S.</b>                              | <b>401</b>        | <b>355</b>     | <b>58,333</b>     | <b>50,085</b>    | <b>866</b>        | <b>718</b>     | <b>86,904</b>     | <b>69,776</b>     |
| Prologis Wholly Owned                          | -                 | -              | -                 | -                | 210               | 210            | 15,338            | 15,338            |
| <b>Total Other Americas</b>                    | <b>-</b>          | <b>-</b>       | <b>-</b>          | <b>-</b>         | <b>210</b>        | <b>210</b>     | <b>15,338</b>     | <b>15,338</b>     |
| Prologis Targeted Europe Logistics Fund        | 269               | 75             | 18,328            | 5,109            | 269               | 75             | 18,328            | 5,109             |
| Prologis European Properties Fund II           | 133               | 41             | 8,991             | 2,796            | 702               | 218            | 42,848            | 13,325            |
| <b>Total Europe</b>                            | <b>402</b>        | <b>116</b>     | <b>27,319</b>     | <b>7,905</b>     | <b>971</b>        | <b>293</b>     | <b>61,176</b>     | <b>18,434</b>     |
| <b>Total Outside the U.S.</b>                  | <b>402</b>        | <b>116</b>     | <b>27,319</b>     | <b>7,905</b>     | <b>1,181</b>      | <b>503</b>     | <b>76,514</b>     | <b>33,772</b>     |
| <b>Total Third Party Building Acquisitions</b> | <b>803</b>        | <b>471</b>     | <b>\$ 85,652</b>  | <b>\$ 57,990</b> | <b>2,047</b>      | <b>1,221</b>   | <b>\$ 163,418</b> | <b>\$ 103,548</b> |
| <b>Weighted average stabilized cap rate</b>    |                   |                |                   | <b>6.4%</b>      |                   |                |                   | <b>6.5%</b>       |

# Capital Deployment Dispositions and Contributions

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square feet and dollars in thousands

|   | Q2 2016           |                |                   |                   | YTD               |                |                     |                     |
|---|-------------------|----------------|-------------------|-------------------|-------------------|----------------|---------------------|---------------------|
|   | 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      |
| <b>Third-Party Building Dispositions</b>                              |                   |                |                   |                   |                   |                |                     |                     |
| Prologis Wholly Owned   | 4,571             | 4,571          | \$ 274,497        | \$ 274,497        | 5,210             | 5,210          | \$ 314,527          | \$ 314,527          |
| Prologis U.S. Logistics Venture                                       | 2,011             | 1,107          | 215,686           | 118,713           | 2,870             | 1,580          | 312,006             | 171,728             |
| Prologis North American Industrial Fund                               | 1,652             | 1,093          | 93,435            | 61,798            | 2,398             | 1,586          | 125,598             | 83,071              |
| Prologis Targeted U.S. Logistics Fund                                 | 187               | 33             | 12,094            | 2,131             | 619               | 130            | 78,993              | 17,176              |
| <b>Total U.S.</b>   | <b>8,421</b>      | <b>6,804</b>   | <b>595,712</b>    | <b>457,139</b>    | <b>11,097</b>     | <b>8,506</b>   | <b>831,124</b>      | <b>586,502</b>      |
| FIBRA   | 47                | 21             | 1,750             | 803               | 47                | 21             | 1,750               | 803                 |
| <b>Total Other Americas</b>   | <b>47</b>         | <b>21</b>      | <b>1,750</b>      | <b>803</b>        | <b>47</b>         | <b>21</b>      | <b>1,750</b>        | <b>803</b>          |
| Prologis Targeted Europe Logistics Fund                               | -                 | -              | -                 | -                 | 159               | 64             | 20,574              | 8,236               |
| ProLogis European Properties Fund II                                  | 89                | 28             | 13,008            | 4,046             | 89                | 28             | 13,008              | 4,046               |
| Prologis European Logistics Partners                                  | 313               | 157            | 41,015            | 20,508            | 1,175             | 588            | 88,818              | 44,409              |
| <b>Total Europe</b>   | <b>402</b>        | <b>185</b>     | <b>54,023</b>     | <b>24,554</b>     | <b>1,423</b>      | <b>680</b>     | <b>122,400</b>      | <b>56,691</b>       |
| <b>Total Outside the U.S.</b>   | <b>449</b>        | <b>206</b>     | <b>55,773</b>     | <b>25,357</b>     | <b>1,470</b>      | <b>701</b>     | <b>124,150</b>      | <b>57,494</b>       |
| <b>Total Third Party Building Dispositions</b>                        | <b>8,870</b>      | <b>7,010</b>   | <b>\$ 651,485</b> | <b>\$ 482,496</b> | <b>12,567</b>     | <b>9,207</b>   | <b>\$ 955,274</b>   | <b>\$ 643,996</b>   |
| <b>Building Contributions to Co-Investment Ventures</b>               |                   |                |                   |                   |                   |                |                     |                     |
| FIBRA   | 750               | 750            | \$ 50,500         | \$ 27,331         | 750               | 750            | \$ 50,500           | \$ 27,331           |
| <b>Total Other Americas</b>   | <b>750</b>        | <b>750</b>     | <b>50,500</b>     | <b>27,331</b>     | <b>750</b>        | <b>750</b>     | <b>50,500</b>       | <b>27,331</b>       |
| Prologis Targeted Europe Logistics Fund                               | -                 | -              | -                 | -                 | 439               | 439            | 30,911              | 18,537              |
| ProLogis European Properties Fund II                                  | 558               | 558            | 21,211            | 14,614            | 558               | 558            | 21,211              | 14,614              |
| <b>Total Europe</b>   | <b>558</b>        | <b>558</b>     | <b>21,211</b>     | <b>14,614</b>     | <b>997</b>        | <b>997</b>     | <b>52,122</b>       | <b>33,151</b>       |
| Nippon Prologis REIT  | -                 | -              | -                 | -                 | 2,272             | 2,272          | 384,434             | 326,231             |
| <b>Total Asia</b>   | <b>-</b>          | <b>-</b>       | <b>-</b>          | <b>-</b>          | <b>2,272</b>      | <b>2,272</b>   | <b>384,434</b>      | <b>326,231</b>      |
| <b>Total Outside the U.S. Contributions to Co-Investment Ventures</b> | <b>1,308</b>      | <b>1,308</b>   | <b>71,711</b>     | <b>41,945</b>     | <b>4,019</b>      | <b>4,019</b>   | <b>487,056</b>      | <b>386,713</b>      |
| <b>Total Building Dispositions and Contributions</b>                  | <b>10,178</b>     | <b>8,318</b>   | <b>\$ 723,196</b> | <b>\$ 524,441</b> | <b>16,586</b>     | <b>13,226</b>  | <b>\$ 1,442,330</b> | <b>\$ 1,030,709</b> |
| Land dispositions   |                   |                | 16,401            | 14,818            |                   |                | 48,539              | 46,701              |
| Dispositions of other investments in real estate                      |                   |                | 18,889            | 18,889            |                   |                | 97,921              | 97,921              |
| <b>Grand Total Dispositions and Contributions</b>                     |                   |                | <b>\$ 758,486</b> | <b>\$ 558,148</b> |                   |                | <b>\$ 1,588,790</b> | <b>\$ 1,175,331</b> |
| <b>Weighted average stabilized cap rate</b>                           |                   |                |                   | <b>6.5%</b>       |                   |                |                     | <b>6.1%</b>         |

# Capital Deployment

## Land Portfolio – Owned and Managed

2Q 2016 Supplemental

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

|  | Acres             |                |                             | Current Book Value  |                     |              |
|--|-------------------|----------------|-----------------------------|---------------------|---------------------|--------------|
|  | Owned and Managed | Prologis Share | Estimated Build Out (sq ft) | Owned and Managed   | Prologis Share      | % of Total   |
| Southern California                        | 269               | 250            | 5,472                       | \$ 82,238           | \$ 72,714           | 5.4          |
| New Jersey/New York City                   | 152               | 130            | 1,845                       | 51,831              | 45,454              | 3.3          |
| San Francisco Bay Area                     | -                 | -              | -                           | -                   | -                   | 0.0          |
| Chicago                                    | 451               | 446            | 8,258                       | 21,937              | 21,385              | 1.6          |
| Dallas/Ft. Worth                           | 229               | 186            | 3,956                       | 31,482              | 27,522              | 2.0          |
| South Florida                              | 296               | 295            | 4,718                       | 143,266             | 143,041             | 10.6         |
| Central & Eastern PA                       | 309               | 231            | 3,941                       | 39,696              | 32,455              | 2.4          |
| Atlanta                                    | 132               | 132            | 1,655                       | 3,665               | 3,665               | 0.3          |
| Baltimore/Washington                       | 39                | 39             | 400                         | 1,098               | 1,098               | 0.1          |
| Seattle                                    | -                 | -              | -                           | -                   | -                   | 0.0          |
| Central Valley                             | 1,161             | 1,161          | 23,312                      | 97,221              | 97,221              | 7.2          |
| Houston                                    | 74                | 62             | 1,242                       | 8,304               | 6,595               | 0.5          |
| Las Vegas                                  | 39                | 39             | 745                         | 5,630               | 5,630               | 0.4          |
| Denver                                     | 11                | 11             | 196                         | 2,616               | 2,616               | 0.2          |
| San Antonio                                | -                 | -              | -                           | -                   | -                   | 0.0          |
| Columbus                                   | 25                | 25             | 450                         | 1,749               | 1,749               | 0.1          |
| Nashville                                  | -                 | -              | -                           | -                   | -                   | 0.0          |
| Louisville                                 | -                 | -              | -                           | -                   | -                   | 0.0          |
| Remaining U.S. markets (14 markets)        | 563               | 555            | 8,467                       | 42,621              | 41,824              | 3.1          |
| <b>Total U.S.</b>                          | <b>3,750</b>      | <b>3,562</b>   | <b>64,657</b>               | <b>533,354</b>      | <b>502,969</b>      | <b>37.2</b>  |
| Mexico                                     | 824               | 819            | 15,961                      | 208,020             | 206,699             | 15.3         |
| Canada                                     | 161               | 161            | 3,224                       | 42,170              | 42,170              | 3.1          |
| Brazil                                     | 441               | 166            | 9,784                       | 123,893             | 50,290              | 3.7          |
| <b>Total Other Americas</b>                | <b>1,426</b>      | <b>1,146</b>   | <b>28,969</b>               | <b>374,083</b>      | <b>299,159</b>      | <b>22.1</b>  |
| United Kingdom                             | 313               | 313            | 5,227                       | 125,865             | 125,865             | 9.3          |
| France                                     | 363               | 310            | 6,865                       | 64,329              | 56,005              | 4.1          |
| Germany                                    | 74                | 68             | 1,484                       | 18,630              | 17,359              | 1.3          |
| Poland                                     | 594               | 590            | 11,525                      | 66,672              | 65,951              | 4.9          |
| Netherlands                                | 46                | 46             | 1,538                       | 29,274              | 29,274              | 2.2          |
| Czech Republic                             | 192               | 188            | 3,068                       | 35,664              | 34,489              | 2.6          |
| Remaining European countries (7 countries) | 719               | 679            | 15,001                      | 129,285             | 118,470             | 8.8          |
| <b>Total Europe</b>                        | <b>2,301</b>      | <b>2,194</b>   | <b>44,708</b>               | <b>469,719</b>      | <b>447,413</b>      | <b>33.2</b>  |
| Japan                                      | 45                | 45             | 1,007                       | 84,093              | 84,093              | 6.2          |
| China                                      | 194               | 45             | 6,187                       | 83,336              | 17,204              | 1.3          |
| Singapore                                  | -                 | -              | -                           | -                   | -                   | -            |
| <b>Total Asia</b>                          | <b>239</b>        | <b>90</b>      | <b>7,194</b>                | <b>167,429</b>      | <b>101,297</b>      | <b>7.5</b>   |
| <b>Total Outside the U.S.</b>              | <b>3,966</b>      | <b>3,430</b>   | <b>80,871</b>               | <b>1,011,231</b>    | <b>847,869</b>      | <b>62.8</b>  |
| <b>Total Land Portfolio</b>                | <b>7,716</b>      | <b>6,992</b>   | <b>145,528</b>              | <b>\$ 1,544,585</b> | <b>\$ 1,350,838</b> | <b>100.0</b> |

# Capital Deployment

## Land Portfolio – Summary and Roll Forward

2Q 2016 Supplemental

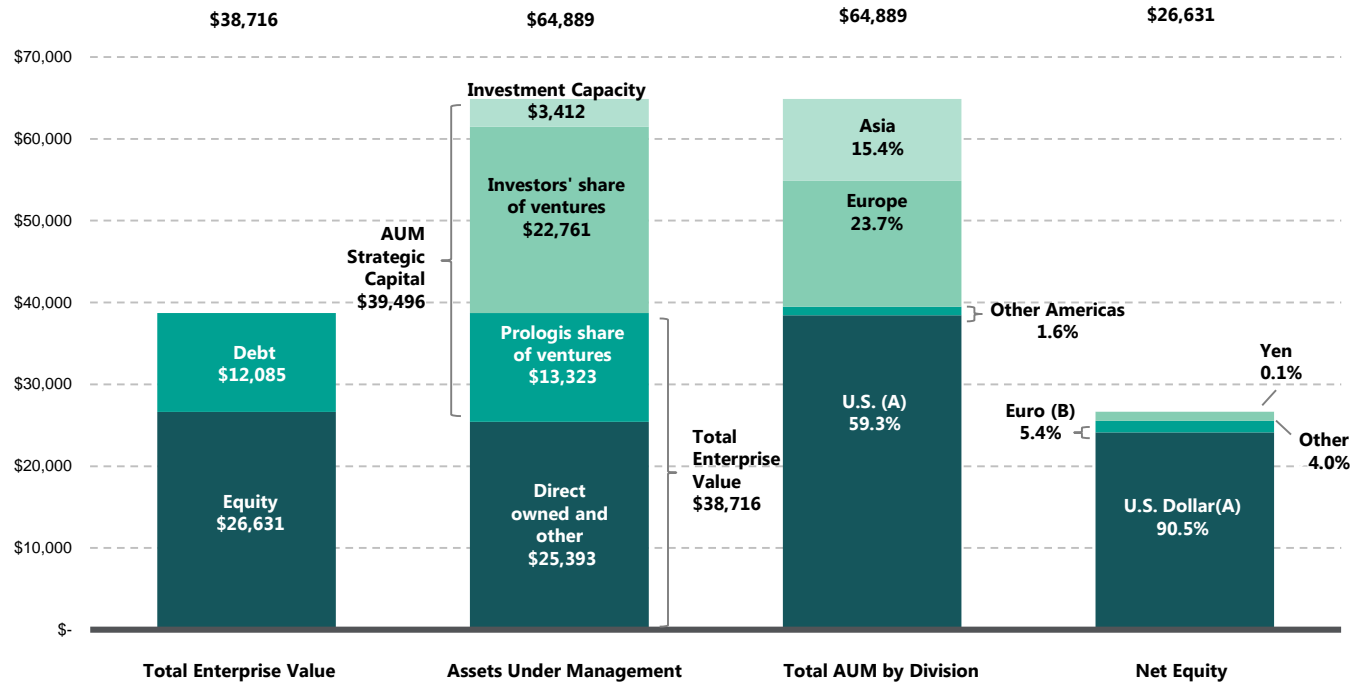
| acres and dollars in thousands          | Acres             |                |              | Current Book Value  |                     |              |
|---|-------------------|----------------|--------------|---------------------|---------------------|--------------|
|   | Owned and Managed | Prologis Share | % of Total   | Owned and Managed   | Prologis Share      | % of Total   |
| Central                                 | 830               | 770            | 11.0         | \$ 66,257           | \$ 60,036           | 4.4          |
| East                                    | 1,274             | 1,173          | 16.8         | 269,820             | 255,975             | 19.0         |
| Northwest                               | 1,282             | 1,282          | 18.4         | 104,561             | 104,561             | 7.7          |
| Southwest                               | 364               | 337            | 4.8          | 92,716              | 82,397              | 6.1          |
| <b>Total U.S.</b>                       | <b>3,750</b>      | <b>3,562</b>   | <b>51.0</b>  | <b>533,354</b>      | <b>502,969</b>      | <b>37.2</b>  |
| Mexico                                  | 824               | 819            | 11.7         | 208,020             | 206,699             | 15.3         |
| Canada                                  | 161               | 161            | 2.3          | 42,170              | 42,170              | 3.1          |
| Brazil                                  | 441               | 166            | 2.4          | 123,893             | 50,290              | 3.7          |
| <b>Total Other Americas</b>             | <b>1,426</b>      | <b>1,146</b>   | <b>16.4</b>  | <b>374,083</b>      | <b>299,159</b>      | <b>22.1</b>  |
| Central                                 | 1,240             | 1,225          | 17.5         | 153,919             | 151,149             | 11.2         |
| Northern                                | 168               | 160            | 2.3          | 61,970              | 60,043              | 4.5          |
| Southern                                | 580               | 496            | 7.1          | 127,965             | 110,356             | 8.2          |
| United Kingdom                          | 313               | 313            | 4.5          | 125,865             | 125,865             | 9.3          |
| <b>Total Europe</b>                     | <b>2,301</b>      | <b>2,194</b>   | <b>31.4</b>  | <b>469,719</b>      | <b>447,413</b>      | <b>33.2</b>  |
| Japan                                   | 45                | 45             | 0.6          | 84,093              | 84,093              | 6.2          |
| China                                   | 194               | 45             | 0.6          | 83,336              | 17,204              | 1.3          |
| <b>Total Asia</b>                       | <b>239</b>        | <b>90</b>      | <b>1.2</b>   | <b>167,429</b>      | <b>101,297</b>      | <b>7.5</b>   |
| <b>Total Outside the U.S.</b>           | <b>3,966</b>      | <b>3,430</b>   | <b>49.0</b>  | <b>1,011,231</b>    | <b>847,869</b>      | <b>62.8</b>  |
| <b>Total Land Portfolio</b>             | <b>7,716</b>      | <b>6,992</b>   | <b>100.0</b> | <b>\$ 1,544,585</b> | <b>\$ 1,350,838</b> | <b>100.0</b> |
| <b>Estimated Build Out (in TEI) (A)</b> |                   |                |              | <b>\$ 8,400,000</b> | <b>\$ 7,400,000</b> |              |

| Land Roll Forward - Prologis Share                    | U.S.              | Other Americas    | Europe            | Asia              | Total               |
|---|-------------------|-------------------|-------------------|-------------------|---------------------|
| <b>As of March 31, 2016</b>                           | \$ 497,501        | \$ 288,653        | \$ 445,573        | \$ 135,754        | \$ 1,367,481        |
| Acquisitions  | 17,259            | -                 | 20,387            | -                 | 37,646              |
| Dispositions  | (1,489)           | (2,248)           | (2,157)           | (3,448)           | (9,342)             |
| Development starts                                    | (26,332)          | -                 | (15,933)          | (42,035)          | (84,300)            |
| Infrastructure costs                                  | 12,007            | 6,833             | 16,599            | 602               | 36,041              |
| Effect of changes in foreign exchange rates and other | 4,023             | 5,921             | (17,056)          | 10,424            | 3,312               |
| <b>As of June 30, 2016</b>                            | <b>\$ 502,969</b> | <b>\$ 299,159</b> | <b>\$ 447,413</b> | <b>\$ 101,297</b> | <b>\$ 1,350,838</b> |

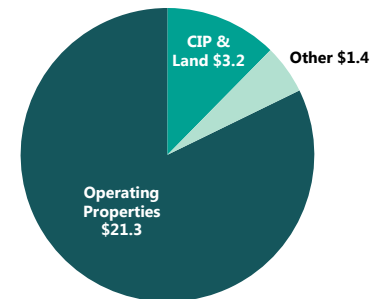
(A) Amounts don't include approximately 1,500 acres of land that we currently control through options, ground leases, joint ventures and other contractual arrangements. This represents a potential estimated build out of approximately \$1.7 billion in TEI.

# Capitalization Overview

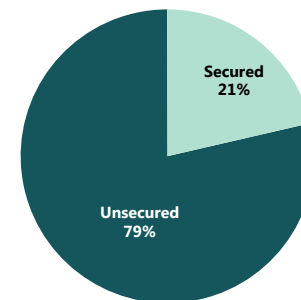
## Assets Under Management (dollars in millions)



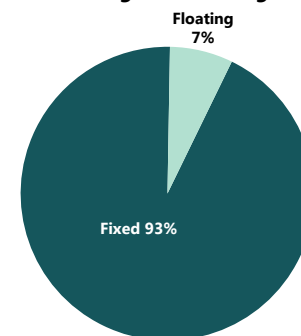
## Unencumbered Assets – Prologis Share (in billions)



## Secured & Unsecured Debt- Prologis Share



## Fixed vs. Floating Debt- Prologis Share



| Debt Metrics (C)   |               |                |
|--|---------------|----------------|
|  | June 30, 2016 | March 31, 2016 |
| Debt as % of gross real estate assets                    | 37.0%         | 38.1%          |
| Debt as % of gross market capitalization                 | 30.6%         | 33.9%          |
| Secured debt as % of gross real estate assets            | 8.2%          | 8.7%           |
| Unencumbered gross real estate assets to unsecured debt  | 271.7%        | 258.1%         |
| Fixed charge coverage ratio                              | 5.02x         | 5.09x          |
| Fixed charge coverage ratio, excluding development gains | 4.32x         | 4.28x          |
| Debt/Adjusted EBITDA                                     | 5.55x         | 5.59x          |
| Debt/Adjusted EBITDA, excluding development gains        | 6.45x         | 6.66x          |

| Investment Ratings at June 30, 2016 (D) |                         |  |
|---|-------------------------|--|
| Moody's                                 | Baa1 (Outlook Positive) |  |
| Standard & Poor's                       | BBB+ (Outlook Positive) |  |

(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 Summary

2Q 2016 Supplemental

dollars in millions

| Maturity                                     | Unsecured       |                       |                 | Secured Mortgage | Total           | Consolidated Entities | Total Consolidated | Unconsolidated Entities (A) | Total            | Prologis Share |               |                         |            |
|--|-----------------|-----------------------|-----------------|------------------|-----------------|-----------------------|--------------------|-----------------------------|------------------|----------------|---------------|-------------------------|------------|
|  | Senior          | Credit Facilities (A) | Other (A)       |                  |                 |                       |                    |                             |                  | (\$)           | % Maturing    | Wtd. Avg. Interest Rate | % Fixed    |
| 2016   | \$ -            | \$ -                  | \$ 1            | \$ 14            | \$ 15           | \$ 6                  | \$ 21              | \$ 12                       | \$ 33            | \$ 20          | 0.2%          | 3.5%                    | 95%        |
| 2017   | -               | -                     | 110             | 8                | 118             | 514                   | 632                | 386                         | 1,018            | 559            | 4.6%          | 2.8%                    | 78%        |
| 2018   | 175             | -                     | 1               | 167              | 343             | 403                   | 746                | 1,339                       | 2,085            | 883            | 7.3%          | 3.5%                    | 99%        |
| 2019   | 618             | -                     | 413             | 319              | 1,350           | 143                   | 1,493              | 857                         | 2,350            | 1,626          | 13.4%         | 3.7%                    | 66%        |
| 2020   | 877             | -                     | 1               | 59               | 937             | 252                   | 1,189              | 1,222                       | 2,411            | 1,452          | 12.0%         | 2.7%                    | 91%        |
| 2021   | 1,277           | -                     | 399             | 14               | 1,690           | 128                   | 1,818              | 1,042                       | 2,860            | 1,990          | 16.4%         | 2.4%                    | 99%        |
| 2022   | 777             | -                     | 632             | 10               | 1,419           | 154                   | 1,573              | 799                         | 2,372            | 1,709          | 14.1%         | 2.6%                    | 100%       |
| 2023   | 850             | -                     | 288             | 33               | 1,171           | 142                   | 1,313              | 299                         | 1,612            | 1,324          | 10.9%         | 3.9%                    | 100%       |
| 2024   | 777             | -                     | 1               | 132              | 910             | 1                     | 911                | 256                         | 1,167            | 954            | 7.9%          | 4.1%                    | 100%       |
| 2025   | 750             | -                     | 1               | 139              | 890             | 1                     | 891                | 336                         | 1,227            | 995            | 8.2%          | 3.8%                    | 100%       |
| 2026   | 555             | -                     | 1               | -                | 556             | 1                     | 557                | 100                         | 657              | 602            | 5.0%          | 3.3%                    | 100%       |
| Thereafter                                   | -               | -                     | 6               | -                | 6               | 1                     | 7                  | -                           | 7                | 6              | 0.0%          | 5.5%                    | 100%       |
| <b>Subtotal</b>                              | <b>6,656</b>    | <b>-</b>              | <b>1,854</b>    | <b>895</b>       | <b>9,405</b>    | <b>1,746</b>          | <b>11,151</b>      | <b>6,648</b>                | <b>17,799</b>    | <b>12,120</b>  | <b>100.0%</b> |                         |            |
| Unamortized net premiums (discounts)         | (22)            | -                     | -               | 11               | (11)            | 49                    | 38                 | 12                          | 50               | 24             |               |                         |            |
| Unamortized finance costs                    | (31)            | -                     | (9)             | (5)              | (45)            | (5)                   | (50)               | (40)                        | (90)             | (59)           |               |                         |            |
| <b>Subtotal</b>                              | <b>6,603</b>    | <b>-</b>              | <b>1,845</b>    | <b>901</b>       | <b>9,349</b>    | <b>1,790</b>          | <b>11,139</b>      | <b>6,620</b>                | <b>17,759</b>    | <b>12,085</b>  |               | <b>3.2%</b>             | <b>93%</b> |
| Third party share of debt                    | -               | -                     | -               | -                | -               | (686)                 | (686)              | (4,988)                     | (5,674)          |                |               |                         |            |
| <b>Prologis share of debt</b>                | <b>\$ 6,603</b> | <b>\$ -</b>           | <b>\$ 1,845</b> | <b>\$ 901</b>    | <b>\$ 9,349</b> | <b>\$ 1,104</b>       | <b>\$ 10,453</b>   | <b>\$ 1,632</b>             | <b>\$ 12,085</b> |                |               |                         |            |
| Weighted average interest rate               | 3.3%            | -                     | 1.9%            | 5.3%             | 3.2%            | 3.0%                  | 3.2%               | 3.2%                        | 3.2%             | 3.2%           |               |                         |            |
| Weighted average remaining maturity in years | 6.1             | -                     | 4.9             | 5.0              | 5.8             | 3.1                   | 5.5                | 4.3                         | 5.3              | 5.3            |               |                         |            |

| Prologis share of debt by local currency | Total           |             |                 |               |                 |                 |                  |                 |                  | Investment Hedges (B) | Total Prologis Share | Wtd. Avg. Interest Rate | Wtd. Avg. Term |
|--|-----------------|-------------|-----------------|---------------|-----------------|-----------------|------------------|-----------------|------------------|-----------------------|----------------------|-------------------------|----------------|
| Dollars                                  | \$ 2,987        | \$ -        | \$ 426          | \$ 680        | \$ 4,093        | \$ 1,104        | \$ 5,197         | \$ 690          | \$ 5,887         | \$ (812)              | \$ 5,075             | 4.0%                    | 4.8            |
| Euro                                     | 3,518           | -           | -               | -             | 3,518           | -               | 3,518            | 533             | 4,051            | 186                   | 4,237                | 2.6%                    | 6.1            |
| GBP                                      | -               | -           | -               | -             | -               | -               | -                | 137             | 137              | 414                   | 551                  | 4.0%                    | 4.9            |
| Yen                                      | 98              | -           | 1,134           | 70            | 1,302           | -               | 1,302            | 258             | 1,560            | 77                    | 1,637                | 1.6%                    | 4.8            |
| CAD                                      | -               | -           | 285             | 151           | 436             | -               | 436              | -               | 436              | 123                   | 559                  | 3.3%                    | 7.5            |
| Other                                    | -               | -           | -               | -             | -               | -               | -                | 14              | 14               | 12                    | 26                   | 2.5%                    | 3.8            |
| <b>Prologis share of debt</b>            | <b>\$ 6,603</b> | <b>\$ -</b> | <b>\$ 1,845</b> | <b>\$ 901</b> | <b>\$ 9,349</b> | <b>\$ 1,104</b> | <b>\$ 10,453</b> | <b>\$ 1,632</b> | <b>\$ 12,085</b> | <b>\$ -</b>           | <b>\$ 12,085</b>     | <b>3.2%</b>             | <b>5.3</b>     |

(A) The maturity of credit facilities, certain term loan debt (Prologis share \$411.9 million) and certain unconsolidated entity debt (Prologis share \$274.8 million) is reflected at the extended maturity date as the extension is at the entity's 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 30 for our net equity exposure by currency.

# Capitalization

## Liquidity and Other Debt Metrics

2Q 2016 Supplemental

dollars in thousands

### Near Term Maturities

|                      | Prologis Share of Debt | Wtd. Avg. Interest Rate |
|----------------------|------------------------|-------------------------|
| Q3 2016              | \$ 5,072               | 4.5%                    |
| Q4 2016              | 15,309                 | 3.2%                    |
| Q1 2017              | 123,950                | 1.3%                    |
| Q2 2017              | 69,949                 | 2.6%                    |
| Total next 12 months | \$ 214,280             | 1.9%                    |

### Liquidity

|  |              |
|--|--------------|
| Aggregate lender commitments- GLOC and revolver    | \$ 3,455,604 |
| Less:  |              |
| Borrowings outstanding                             | -            |
| Outstanding letters of credit                      | 38,534       |
| Current availability - credit facilities           | 3,417,070    |
| Unrestricted cash - Prologis share of consolidated | 252,794      |
| Total liquidity                                    | \$ 3,669,864 |

### Encumbrances

|  | Unencumbered         | Encumbered          | Total                |
|--|----------------------|---------------------|----------------------|
| Consolidated operating properties                              | \$ 18,295,751        | \$ 5,617,584        | \$ 23,913,335        |
| Consolidated development portfolio and land                    | 3,071,913            | 21,072              | 3,092,985            |
| Consolidated other investments in real estate                  | 1,423,138            | -                   | 1,423,138            |
| Total Consolidated   | 22,790,802           | 5,638,656           | 28,429,458           |
| Less: third party share of investments in real estate          | 2,639,692            | 1,229,011           | 3,868,703            |
| Total consolidated - Prologis share                            | 20,151,110           | 4,409,645           | 24,560,755           |
| Unconsolidated operating properties - Prologis share           | 5,531,455            | 1,316,452           | 6,847,907            |
| Unconsolidated development portfolio and land - Prologis share | 192,002              | 1,659               | 193,661              |
| <b>Gross Real Estate Assets - Prologis Share</b>               | <b>\$ 25,874,567</b> | <b>\$ 5,727,756</b> | <b>\$ 31,602,323</b> |

### Secured and Unsecured Debt

|  | Unsecured Debt      | Secured Mortgage Debt | Total                |
|--|---------------------|-----------------------|----------------------|
| Prologis debt  | \$ 8,510,260        | \$ 894,915            | \$ 9,405,175         |
| Consolidated entities debt   | -                   | 1,746,421             | 1,746,421            |
| Our share of unconsolidated entities debt  | 1,013,449           | 623,732               | 1,637,181            |
| Total debt - at par  | 9,523,709           | 3,265,068             | 12,788,777           |
| Less: third party share of consolidated debt   | -                   | (668,987)             | (668,987)            |
| Total Prologis share of debt - at par  | 9,523,709           | 2,596,081             | 12,119,790           |
| Premium (discount) and deferred finance costs - consolidated                               | (18,337)            | 6,156                 | (12,181)             |
| Less: third party share of consolidated debt discount (premium) and deferred finance costs | -                   | (16,697)              | (16,697)             |
| Our share of premium (discount) and deferred finance costs - unconsolidated                | -                   | (5,357)               | (5,357)              |
| <b>Total Prologis Share of Debt, Net of Premium (Discount)</b>                             | <b>\$ 9,505,372</b> | <b>\$ 2,580,183</b>   | <b>\$ 12,085,555</b> |

# 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 |
|---|----------------|----------------------|---------------|----------------------------|-------------------------------|------------------------------|------------------|
| <b>Consolidated Operating Portfolio</b>         |                |                      |               |                            |                               |                              |                  |
| U.S.  | 265,826        | \$ 18,779,782        | \$ 71         | \$ 298,137                 | \$ 298,137                    | \$ 1,192,548                 | 96.3%            |
| Other Americas                                  | 7,610          | 610,109              | 80            | 8,770                      | 8,770                         | 35,080                       | 100.0%           |
| Europe  | 12,885         | 729,401              | 57            | 12,677                     | 12,677                        | 50,708                       | 90.2%            |
| Asia  | 5,062          | 487,369              | 96            | 5,618                      | 5,618                         | 22,472                       | 89.0%            |
| Pro forma adjustments                           |                |                      |               |                            | 4,545                         | 18,179                       |                  |
| <b>Total consolidated operating portfolio</b>   | <b>291,383</b> | <b>20,606,661</b>    | <b>71</b>     | <b>325,202</b>             | <b>329,747</b>                | <b>1,318,987</b>             | <b>96.0%</b>     |
| <b>Unconsolidated Operating Portfolio</b>       |                |                      |               |                            |                               |                              |                  |
| U.S.  | 8,605          | 808,418              | 94            | 12,306                     | 12,306                        | 49,224                       | 97.5%            |
| Other Americas                                  | 17,241         | 1,017,264            | 59            | 21,558                     | 21,558                        | 86,231                       | 96.8%            |
| Europe  | 58,321         | 4,234,985            | 73            | 70,803                     | 70,803                        | 283,212                      | 96.0%            |
| Asia  | 5,064          | 739,391              | 146           | 11,103                     | 11,103                        | 44,411                       | 97.1%            |
| Pro forma adjustments                           |                |                      |               |                            | 290                           | 1,161                        |                  |
| <b>Total unconsolidated operating portfolio</b> | <b>89,231</b>  | <b>6,800,058</b>     | <b>76</b>     | <b>115,770</b>             | <b>116,060</b>                | <b>464,239</b>               | <b>96.4%</b>     |
| <b>Total Operating Portfolio</b>                | <b>380,614</b> | <b>\$ 27,406,719</b> | <b>\$ 72</b>  | <b>\$ 440,972</b>          | <b>\$ 445,807</b>             | <b>\$ 1,783,226</b>          | <b>96.1%</b>     |

### Development

|   | Square Feet   | Investment Balance  | TEI                 | TEI per Sq Ft | Annualized Pro Forma NOI | Percent Occupied |
|---|---------------|---------------------|---------------------|---------------|--------------------------|------------------|
| <b>Consolidated</b>   |               |                     |                     |               |                          |                  |
| <b>Prestabilized</b>  |               |                     |                     |               |                          |                  |
| U.S.  | 3,235         | \$ 214,895          | \$ 249,008          | \$ 77         | \$ 14,989                | 16.3%            |
| Other Americas  | 1,371         | 84,893              | 101,110             | 74            | 7,481                    | 3.8%             |
| Europe  | 1,407         | 93,249              | 112,777             | 80            | 8,495                    | 42.2%            |
| Asia  | 2,820         | 410,119             | 436,550             | 155           | 27,096                   | 17.6%            |
|   |               |                     |                     |               |                          | <b>20.4%</b>     |
| <b>Properties under development</b>   |               |                     |                     |               |                          |                  |
| U.S.  | 7,603         | 283,553             | 587,683             | 77            | 37,305                   |                  |
| Other Americas  | 1,391         | 48,960              | 94,197              | 68            | 7,277                    |                  |
| Europe  | 4,016         | 194,243             | 377,378             | 94            | 26,645                   |                  |
| Asia  | 3,442         | 378,944             | 599,017             | 174           | 35,875                   |                  |
| <b>Total consolidated development portfolio</b>   | <b>25,285</b> | <b>1,708,856</b>    | <b>2,557,720</b>    | <b>101</b>    | <b>\$ 165,163</b>        |                  |
| <b>Unconsolidated</b>   |               |                     |                     |               |                          |                  |
| Other Americas  | 929           | 57,123              | 64,292              | 69            | \$ 6,750                 |                  |
| Europe  | 301           | 25,108              | 33,428              | 111           | 2,381                    |                  |
| Asia  | 1,300         | 41,066              | 73,198              | 56            | 5,228                    |                  |
| <b>Total unconsolidated development portfolio</b>   | <b>2,530</b>  | <b>123,297</b>      | <b>170,918</b>      | <b>68</b>     | <b>\$ 14,359</b>         |                  |
| <b>Total Development Portfolio</b>  | <b>27,815</b> | <b>\$ 1,832,153</b> | <b>\$ 2,728,638</b> | <b>\$ 98</b>  | <b>\$ 179,522</b>        |                  |
| Prologis share of estimated value creation (see Capital Deployment - Development Portfolio) |               | 518,416             |                     |               |                          |                  |
| <b>Total development portfolio, including estimated value creation</b>                      |               | <b>\$ 2,350,569</b> |                     |               |                          |                  |

# Net Asset Value

## Components - Continued

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in thousands

| <b>Balance Sheet and Other Items</b>   |           |                       | <b>As of June 30, 2016</b> |
|--|-----------|-----------------------|----------------------------|
| <b>Consolidated</b>  |           |                       |                            |
| <b>Other assets</b>  |           |                       |                            |
| Cash and cash equivalents  |           | \$                    | 332,221                    |
| Restricted cash  |           |                       | 6,310                      |
| Accounts receivable, prepaid assets and other tangible assets  |           |                       | 779,742                    |
| Other real estate investments and assets held for sale   |           |                       | 555,505                    |
| Note receivable backed by real estate  |           |                       | 33,800                     |
| Prologis share of value added operating properties   |           |                       | 100,719                    |
| Prologis receivable from unconsolidated co-investment ventures   |           |                       | 165,195                    |
| Investments in and advances to other unconsolidated joint ventures   |           |                       | 155,345                    |
| Less: third party share of other assets  |           |                       | (185,705)                  |
| <b>Total other assets</b>  |           | <b>\$</b>             | <b>1,943,132</b>           |
| <b>Other liabilities</b>   |           |                       |                            |
| Accounts payable and other current liabilities   |           | \$                    | 627,441                    |
| Deferred income taxes  |           |                       | 77,763                     |
| Value added tax and other tax liabilities  |           |                       | 13,482                     |
| Tenant security deposits   |           |                       | 215,341                    |
| Other liabilities  |           |                       | 352,209                    |
| Less: third party share of other liabilities   |           |                       | (90,995)                   |
| <b>Total liabilities and noncontrolling interests</b>  |           | <b>\$</b>             | <b>1,195,241</b>           |
| <b>UNCONSOLIDATED</b>  |           |                       |                            |
| Prologis share of net tangible other assets  |           | \$                    | 203,309                    |
| <b>Land</b>  |           |                       |                            |
| Current book value of land   |           | \$                    | 1,322,214                  |
| Less: third party share of the current book value of land  |           |                       | (41,740)                   |
| Prologis share of book value of land in unconsolidated entities  |           |                       | 70,364                     |
| <b>Total Land Portfolio</b>  |           | <b>\$</b>             | <b>1,350,838</b>           |
| <b>Strategic Capital / Development Management</b>  |           |                       |                            |
|  |           | <b>Second Quarter</b> | <b>Annualized</b>          |
| <b>Strategic Capital</b>   |           |                       |                            |
| Third party share of asset management fees from consolidated and unconsolidated co-investment ventures                         | \$        | 30,834                | \$ 123,336                 |
| Third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months) |           | 3,923                 | 15,689                     |
| Strategic capital expenses for asset management and other transactional fees (annualized based on estimated 12 months)         |           | (13,070)              | (53,569)                   |
| <b>Total strategic capital EBITDA</b>  | <b>\$</b> | <b>21,687</b>         | <b>\$ 85,456</b>           |
| <b>Promotes earned in last 12 months, net of cash expenses</b>   |           |                       | \$ 24,517                  |
| <b>Development management income</b>   | \$        | 4,702                 | \$ 18,808                  |
| <b>Debt (at par) and Preferred Stock</b>   |           |                       |                            |
|  |           |                       | <b>As of June 30, 2016</b> |
| <b>Debt</b>  |           |                       |                            |
| Prologis debt  |           | \$                    | 9,405,175                  |
| Consolidated entities debt   |           |                       | 1,746,421                  |
| Less: third party share of consolidated debt   |           |                       | (668,987)                  |
| Prologis share of unconsolidated debt  |           |                       | 1,637,181                  |
| <b>Total debt</b>  |           |                       | 12,119,790                 |
| Preferred stock  |           |                       | 78,235                     |
| <b>Total debt and preferred stock</b>  | <b>\$</b> |                       | <b>12,198,025</b>          |
| Outstanding shares of common stock and limited operating partnership units   |           |                       | 541,449                    |

# 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 to measure our operating performance. We calculate Adjusted EBITDA beginning with consolidated net earnings (loss) attributable to common stockholders and removing the effect of interest, income taxes, depreciation and amortization, impairment charges, third party acquisition expenses related to the acquisition of real estate, gains or losses from the acquisition or disposition of investments in real estate (other than from land and development properties), gains from the revaluation of equity investments upon acquisition of a controlling interest, gains or losses on early extinguishment of debt and derivative contracts (including cash charges), similar adjustments we make to our FFO measures (see definition below), and other non-cash charges or gains (such as stock based compensation and unrealized gains or losses on foreign currency and derivative activity). 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), items that affect comparability, and other significant non-cash items. We also include a pro forma adjustment in Adjusted EBITDA to reflect a full period of NOI on the operating properties we acquire and stabilize and to remove NOI on properties we dispose of during the quarter assuming the transaction occurred at the beginning of the quarter. By excluding interest expense, Adjusted EBITDA allows investors to measure our operating performance independent of our capital structure and indebtedness and, therefore, allows for a more meaningful comparison of our operating performance to that of other companies, both in the real estate industry and in other industries. Gains and losses on the 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 required Generally Accepted Accounting Principles ("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 of Adjusted EBITDA to consolidated net earnings (loss), a GAAP measurement.

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

|   |                   |
|---|-------------------|
| Rental revenue  | \$ 546,131        |
| Rental expenses   | (140,725)         |
| NOI   | 405,406           |
| Net termination fees and adjustments (a)  | (536)             |
| Less: actual NOI for development portfolio and other                            | (18,819)          |
| Less: properties contributed or sold (b)  | (6,136)           |
| Less: third party share of NOI  | (54,594)          |
| <b>Adjusted NOI for consolidated operating portfolio owned at June 30, 2016</b> | <b>325,321</b>    |
| Straight-line rents (c)   | (21,051)          |
| Free rent (c)   | 20,876            |
| Amortization of lease intangibles (c)   | (294)             |
| Effect of foreign currency exchange (d)   | (299)             |
| Less: third party share   | 649               |
| <b>Second Quarter Adjusted Cash NOI (Actual)</b>                                | <b>\$ 325,202</b> |

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

# Notes and Definitions

(continued)

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## Calculation of Per Share Amounts

| in thousands, except per share amount  | Three Months Ended<br>June 30, |                   | Six Months Ended<br>June 30, |                   |
|--|--------------------------------|-------------------|------------------------------|-------------------|
|  | 2016                           | 2015              | 2016                         | 2015              |
| <b>Net earnings</b>  |                                |                   |                              |                   |
| Net earnings   | \$ 275,383                     | \$ 140,240        | \$ 483,424                   | \$ 485,446        |
| Noncontrolling interest attributable to exchangeable limited partnership units | 9,085                          | 1,623             | 15,694                       | 3,273             |
| Gains, net of expenses, associated with exchangeable debt assumed exchanged    | -                              | -                 | -                            | (1,614)           |
| <b>Adjusted net earnings - Diluted</b>   | <b>\$ 284,468</b>              | <b>\$ 141,863</b> | <b>\$ 499,118</b>            | <b>\$ 487,105</b> |
| Weighted average common shares outstanding - Basic                             | 524,842                        | 523,476           | 524,540                      | 518,791           |
| Incremental weighted average effect on exchange of limited partnership units   | 17,703                         | 5,431             | 17,623                       | 4,617             |
| Incremental weighted average effect of stock awards                            | 2,843                          | 1,733             | 2,130                        | 2,037             |
| Incremental weighted average effect on exchangeable debt assumed exchanged (a) | -                              | -                 | -                            | 4,382             |
| <b>Weighted average common shares outstanding - Diluted</b>                    | <b>545,388</b>                 | <b>530,640</b>    | <b>544,293</b>               | <b>529,827</b>    |
| <b>Net earnings per share - Basic</b>  | <b>\$ 0.52</b>                 | <b>\$ 0.27</b>    | <b>\$ 0.92</b>               | <b>\$ 0.94</b>    |
| <b>Net earnings per share - Diluted</b>  | <b>\$ 0.52</b>                 | <b>\$ 0.27</b>    | <b>\$ 0.92</b>               | <b>\$ 0.92</b>    |
| <b>Core FFO</b>  |                                |                   |                              |                   |
| Core FFO   | \$ 323,925                     | \$ 273,885        | \$ 653,558                   | \$ 528,264        |
| Noncontrolling interest attributable to exchangeable limited partnership units | 47                             | 902               | 93                           | 1,782             |
| Interest expense on exchangeable debt assumed exchanged                        | -                              | -                 | -                            | 3,506             |
| <b>Core FFO - Diluted</b>  | <b>\$ 323,972</b>              | <b>\$ 274,787</b> | <b>\$ 653,651</b>            | <b>\$ 533,552</b> |
| Weighted average common shares outstanding - Basic                             | 524,842                        | 523,476           | 524,540                      | 518,791           |
| Incremental weighted average effect on exchange of limited partnership units   | 16,037                         | 5,431             | 15,957                       | 4,617             |
| Incremental weighted average effect of stock awards                            | 2,843                          | 1,733             | 2,130                        | 2,037             |
| Incremental weighted average effect on exchangeable debt assumed exchanged (a) | -                              | -                 | -                            | 4,382             |
| <b>Weighted average common shares outstanding - Diluted</b>                    | <b>543,722</b>                 | <b>530,640</b>    | <b>542,627</b>               | <b>529,827</b>    |
| <b>Core FFO per share - Diluted</b>  | <b>\$ 0.60</b>                 | <b>\$ 0.52</b>    | <b>\$ 1.20</b>               | <b>\$ 1.01</b>    |
| <b>AFFO</b>  |                                |                   |                              |                   |
| AFFO   | \$ 260,269                     | \$ 291,780        | \$ 605,944                   | \$ 503,104        |
| Noncontrolling interest attributable to exchangeable limited partnership units | 47                             | 902               | 93                           | 112               |
| Interest expense on exchangeable debt assumed exchanged                        | -                              | -                 | -                            | 3,113             |
| <b>AFFO - Diluted</b>  | <b>\$ 260,316</b>              | <b>\$ 292,682</b> | <b>\$ 606,037</b>            | <b>\$ 506,329</b> |
| Weighted average common shares outstanding - Basic                             | 524,842                        | 523,476           | 524,540                      | 518,791           |
| Incremental weighted average effect on exchange of limited partnership units   | 16,037                         | 5,431             | 15,957                       | 2,939             |
| Incremental weighted average effect of stock awards                            | 2,843                          | 1,733             | 2,130                        | 2,037             |
| Incremental weighted average effect on exchangeable debt assumed exchanged (a) | -                              | -                 | -                            | 4,382             |
| <b>Weighted average common shares outstanding - Diluted</b>                    | <b>543,722</b>                 | <b>530,640</b>    | <b>542,627</b>               | <b>528,149</b>    |
| <b>AFFO per share - Diluted</b>  | <b>\$ 0.48</b>                 | <b>\$ 0.55</b>    | <b>\$ 1.12</b>               | <b>\$ 0.96</b>    |

(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 SEC 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%      | 33.0%  | <60%        | 31.3%  |
| Fixed charge coverage ratio                | >1.5x     | 5.59x  | >1.5x       | 5.15x  |
| Secured debt leverage ratio                | <40%      | 7.8%   | <40%        | 7.6%   |
| Unencumbered asset to unsecured debt ratio | >150%     | 278.2% | N/A         | N/A    |
| Unencumbered debt service coverage ratio   | N/A       | N/A    | >150%       | 788.8% |

# Notes and Definitions (continued)

2Q 2016 Supplemental

## Debt Metrics

| dollars in thousands  | Three Months Ended   |                      |
|---|----------------------|----------------------|
|   | Jun. 30.             | Mar. 31.             |
|   | 2016                 | 2016                 |
| <i>Debt as a % of gross real estate assets:</i>   |                      |                      |
| Total Prologis share of debt - at par   | \$ 12,119,790        | \$ 12,753,029        |
| Less: Prologis share of outstanding foreign currency derivatives                            | (57,123)             | (47,975)             |
| Less: consolidated cash and cash equivalents  | (332,221)            | (369,737)            |
| Add: consolidated cash and cash equivalents - third party share                             | 79,427               | 55,548               |
| Less: unconsolidated entities cash - Prologis share   | (124,229)            | (143,591)            |
| Total Prologis share of debt, net of adjustments  | <b>\$ 11,685,644</b> | <b>\$ 12,247,274</b> |
| Gross real estate assets - Prologis share   | <b>\$ 31,602,323</b> | <b>\$ 32,161,848</b> |
| <b>Debt as a % of gross real estate assets</b>  | <b>37.0%</b>         | <b>38.1%</b>         |
| <i>Debt as a % of gross market capitalization:</i>  |                      |                      |
| Total Prologis share of debt, net of adjustments  | <b>\$ 11,685,644</b> | <b>\$ 12,247,274</b> |
| Total outstanding common stock and limited partnership units                                | 541,449              | 541,051              |
| Share price at quarter end  | \$ 49.04             | \$ 44.18             |
| Total equity capitalization   | \$ 26,552,659        | \$ 23,903,633        |
| Total Prologis share of debt, net of adjustments  | 11,685,644           | 12,247,274           |
| Gross market capitalization   | <b>\$ 38,238,303</b> | <b>\$ 36,150,907</b> |
| <b>Debt as a % of gross market capitalization</b>   | <b>30.6%</b>         | <b>33.9%</b>         |
| <i>Secured debt as a % of gross real estate assets:</i>                                     |                      |                      |
| Prologis share of secured debt - at par   | \$ 2,596,081         | \$ 2,803,223         |
| Gross real estate assets - Prologis share   | <b>\$ 31,602,323</b> | <b>\$ 32,161,848</b> |
| <b>Secured debt as a % of gross real estate assets</b>                                      | <b>8.2%</b>          | <b>8.7%</b>          |
| <i>Unencumbered gross real estate assets to unsecured debt:</i>                             |                      |                      |
| Unencumbered gross real estate assets - Prologis share                                      | \$ 25,874,567        | \$ 25,683,102        |
| Prologis share of unsecured debt - at par   | \$ 9,523,709         | \$ 9,949,806         |
| <b>Unencumbered gross real estate assets to unsecured debt</b>                              | <b>271.7%</b>        | <b>258.1%</b>        |
| <i>Fixed Charge Coverage ratio:</i>   |                      |                      |
| Adjusted EBITDA   | \$ 459,358           | \$ 549,224           |
| Adjusted EBITDA-annualized including development gains (a)                                  | \$ 2,079,533         | \$ 2,168,138         |
| Net promote for the twelve months ended   | 24,517               | 24,517               |
| Adjusted EBITDA-annualized  | <b>\$ 2,104,050</b>  | <b>\$ 2,192,655</b>  |
| Pro forma adjustment for mid-quarter activity and NOI from disposed properties - annualized | (4,276)              | 23,740               |
| Adjusted EBITDA, including NOI from disposed properties, annualized                         | <b>\$ 2,099,774</b>  | <b>\$ 2,216,395</b>  |
| Interest expense  | \$ 76,455            | \$ 80,812            |
| Amortization and write-off of deferred loan costs   | (3,707)              | (3,763)              |
| Amortization of debt premium (discount), net  | 7,932                | 9,154                |
| Capitalized interest  | 16,473               | 13,802               |
| Preferred stock dividends   | 1,696                | 1,689                |
| Third party share of fixed charges from consolidated entities                               | (7,645)              | (7,846)              |
| Our share of fixed charges from unconsolidated entities                                     | 13,337               | 14,909               |
| Total fixed charges   | \$ 104,541           | \$ 108,757           |
| Total fixed charges, annualized   | <b>\$ 418,164</b>    | <b>\$ 435,028</b>    |
| <b>Fixed charge coverage ratio</b>  | <b>5.02</b>          | <b>5.09</b>          |
| <i>Debt to Adjusted EBITDA:</i>   |                      |                      |
| Total Prologis share of debt, net of adjustments  | <b>\$ 11,685,644</b> | <b>\$ 12,247,274</b> |
| Adjusted EBITDA-annualized  | <b>\$ 2,104,050</b>  | <b>\$ 2,192,655</b>  |
| <b>Debt to Adjusted EBITDA ratio</b>  | <b>5.55</b>          | <b>5.59</b>          |

(a) Prologis share of gains on dispositions of development properties for the rolling 12 month period was \$291.2 million and \$353.2 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 defined by Prologis attributable to common stockholders/unitholders ("FFO, as defined by Prologis"); Core FFO attributable to common stockholders/unitholders ("Core FFO"); AFFO (collectively referred to as "FFO").** FFO is a financial measure that is not determined in accordance with GAAP, but is a measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net earnings. Although the National Association of Real Estate Investment Trusts ("NAREIT") has published a definition of FFO, modifications to the NAREIT calculation of FFO are common among REITs, as companies seek to provide financial measures that meaningfully reflect their business.

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

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

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

### Our FFO Measures

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



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

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

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

#### *FFO, as defined by Prologis*

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

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

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

#### *Core FFO*

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

- (i) gains or losses from contribution or sale of land or development properties;
- (ii) income tax expense related to the sale of investments in real estate and third-party acquisition costs related to the acquisition of real estate;
- (iii) impairment charges recognized related to our investments in real estate generally as a result of our change in intent to contribute or sell these properties;

- (iv) gains or losses from the early extinguishment of debt and redemption and repurchase of preferred stock; and
- (v) expenses related to natural disasters.

#### *AFFO*

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

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

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

As discussed above, we believe *AFFO* is a supplemental measure of operating performance, although we also believe *AFFO* provides a meaningful indicator of our ability to fund our distributions to our stockholders.

#### *Limitations on the use of our FFO measures*

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

# Notes and Definitions

(continued)

- The current income tax expenses and acquisition costs that are excluded from our defined FFO measures represent the taxes and transaction costs that are payable.
- Depreciation and amortization of real estate assets are economic costs that are excluded from FFO. FFO is limited, as it does not reflect the cash requirements that may be necessary for future replacements of the real estate assets. 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 defined FFO measures result from the creation of a deferred income tax asset or liability that may have to be settled at some future point. Our defined FFO measures do not currently reflect any income or expense that may result from such settlement.
- The foreign currency exchange gains and losses that are excluded from our defined FFO measures are generally recognized based on movements in foreign currency exchange rates through a specific point in time. The ultimate settlement of our foreign currency-denominated net assets is indefinite as to timing and amount. Our FFO measures are limited in that they do not reflect the current period changes in these net assets that result from periodic foreign currency exchange rate movements.
- The gains and losses on extinguishment of debt that we exclude from our Core FFO, may provide a benefit or cost to us as we may be settling our debt at less or more than our future obligation.
- The natural disaster expenses that we exclude from Core FFO are costs that we have incurred.

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

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

**General and Administrative Expenses ("G&A").** 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. During the three and six months ended 2016 and 2015, \$8.4 million, \$8.3 million, \$17.0 million and \$16.4 million, respectively of net employee costs related to property management activities were included in Rental Expenses. 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<br>June 30, |                  | Six Months Ended<br>June 30, |                  |
|--|--------------------------------|------------------|------------------------------|------------------|
|  | 2016                           | 2015             | 2016                         | 2015             |
| Building development activities                              | \$ 11,472                      | \$ 11,737        | \$ 22,239                    | \$ 23,292        |
| Leasing activities   | 6,510                          | 5,241            | 11,468                       | 10,289           |
| Operating building improvements, land improvements and other | 8,474                          | 8,099            | 15,815                       | 15,568           |
| <b>Total capitalized G&amp;A</b>                             | <b>\$ 26,456</b>               | <b>\$ 25,077</b> | <b>\$ 49,522</b>             | <b>\$ 49,149</b> |

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

|   |                      |
|---|----------------------|
| Net G&A - midpoint of 2016 guidance range (a)   | \$ 223,000           |
| Add: estimated 2016 strategic capital expenses  | 110,000              |
| Less: estimated 2016 strategic capital property management expenses                           | (56,000)             |
| <b>Adjusted G&amp;A, using 2016 guidance amounts</b>  | <b>\$ 277,000</b>    |
| Gross book value at period end (b):   |                      |
| Operating properties  | \$ 48,068,817        |
| Development portfolio - TEI   | 3,332,414            |
| Land portfolio  | 1,544,585            |
| Other real estate investments, assets held for sale and note receivable backed by real estate | 589,305              |
| <b>Total Gross Book Value of Assets Under Management</b>                                      | <b>\$ 53,535,121</b> |
| <b>G&amp;A as % of Assets Under Management</b>  | <b>0.52%</b>         |

(a) This amount represents the 2016 guidance provided in this Supplemental Package.

(b) 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 and AFFO per share:

|   | Low     | High    |
|---|---------|---------|
| Net Earnings  | \$ 1.70 | \$ 1.90 |
| Our share of:   |         |         |
| Depreciation and amortization                               | 1.71    | 1.73    |
| Net gains of real estate transactions, net of taxes         | (0.94)  | (1.10)  |
| Unrealized foreign currency and other                       | 0.05    | 0.05    |
| Core FFO  | \$ 2.52 | \$ 2.58 |
| Our share of:   |         |         |
| Capital expenditures and other                              | (0.49)  | (0.54)  |
| Net gains on disposition of development properties and land | 0.37    | 0.46    |
| AFFO  | \$ 2.40 | \$ 2.50 |

**Income Taxes.** The following table summarizes our income tax expense:

| in thousands   | Three Months Ended<br>June 30, |                 | Six Months Ended<br>June 30, |                 |
|--|--------------------------------|-----------------|------------------------------|-----------------|
|  | 2016                           | 2015            | 2016                         | 2015            |
| Current income tax expense                           | \$ 7,329                       | \$ 6,777        | \$ 15,162                    | \$ 10,019       |
| Current income tax expense (benefit) on dispositions | 1,796                          | (2,071)         | 10,119                       | (4,474)         |
| Total current income tax expense                     | 9,125                          | 4,706           | 25,281                       | 5,545           |
| Deferred income tax expense (benefit)                | (3,983)                        | 145             | (4,602)                      | 1,197           |
| <b>Total income tax expense</b>                      | <b>\$ 5,142</b>                | <b>\$ 4,851</b> | <b>\$ 20,679</b>             | <b>\$ 6,742</b> |

# Notes and Definitions (continued)

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| Interest Expense<br>in thousands        | Three Months Ended<br>June 30, |                  | Six Months Ended<br>June 30, |                   |
|---|--------------------------------|------------------|------------------------------|-------------------|
|   | 2016                           | 2015             | 2016                         | 2015              |
| Gross interest expense                  | \$ 97,153                      | \$ 93,357        | \$ 197,158                   | \$ 184,821        |
| Amortization of discount (premium), net | (7,932)                        | (10,829)         | (17,086)                     | (20,667)          |
| Amortization of deferred loan costs     | 3,707                          | 2,862            | 7,470                        | 6,281             |
| Interest expense before capitalization  | 92,928                         | 85,390           | 187,542                      | 170,435           |
| Capitalized amounts                     | (16,473)                       | (16,488)         | (30,275)                     | (32,772)          |
| <b>Interest expense</b>                 | <b>\$ 76,455</b>               | <b>\$ 68,902</b> | <b>\$ 157,267</b>            | <b>\$ 137,663</b> |

**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.

**Land Portfolio.** The markets presented represent markets that are generally greater than 1% of NOI in the Operating Portfolio.

#### 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 Equity** represents the sum of all the outstanding shares of common stock, limited partnership units and preferred stock multiplied by the closing stock price at the end of the period.

**Net Operating Income ("NOI")** represents rental income less rental expenses.

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

**Operating Margin** represents NOI divided by rental income and Prologis share was 75% for the trailing twelve months.

**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.

**Pro-Rata Balance Sheet, Income Statement and Reconciliation of Net Earnings to FFO.** The consolidated amounts shown are derived from our consolidated financial statements and are adjusted to remove the amounts attributable to non-controlling interests. 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 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 for the period, consistent with how we calculate our share of net earnings (loss) during the period. We use a similar calculation to derive the noncontrolling interests' share of each line item. In order to present the total owned and managed portfolio, we add our investors' share of each line item in the unconsolidated co-investment ventures and the noncontrolling interests share of each line item to the Prologis Total Share.

The balance remaining of Total Owned and Managed in *Investments in Unconsolidated Co-investment Ventures* 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.

**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<br>June 30, |                   | Six Months Ended<br>June 30, |                   |
|-----------------------------------|--------------------------------|-------------------|------------------------------|-------------------|
|                                   | 2016                           | 2015              | 2016                         | 2015              |
| Rental revenue                    | \$ 403,320                     | \$ 347,302        | \$ 820,141                   | \$ 667,016        |
| Rental expense recoveries         | 119,981                        | 103,615           | 236,993                      | 197,871           |
| Amortization of lease intangibles | (54)                           | (3,276)           | 361                          | (9,129)           |
| Straight-lined rents              | 22,884                         | 13,803            | 42,752                       | 24,488            |
|                                   | <b>\$ 546,131</b>              | <b>\$ 461,444</b> | <b>\$ 1,100,247</b>          | <b>\$ 880,246</b> |

**Rent Change (Cash)** represents the change in rental rates per the lease agreement on new and renewed leases signed during the period as compared with the previous rental rates in that same space. This measure excludes certain adjustments made to GAAP accounting 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 based on rental income in accordance with GAAP) 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 the properties included in our owned and managed portfolio that were in operation (including development properties that have been completed and available for lease) at January 1, 2015 and throughout the full periods in both 2015 and 2016. We have removed all properties that were disposed of to a third party from the population for both periods. We believe the factors that impact rental income, rental expenses and NOI in the

# Notes and Definitions

(continued)

portfolio are generally the same as for the total operating portfolio. In order to derive an appropriate measure of period-to-period operating performance, we remove the effects of foreign currency exchange rate movements by using the current exchange rate to translate from local currency into U.S. dollars, for both periods.

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

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

| dollars in thousands   | Three Months Ended |                   |             |
|--|--------------------|-------------------|-------------|
|  | June 30,           |                   | Change (%)  |
|  | 2016               | 2015              |             |
| <b>Rental Revenue:</b>                                       |                    |                   |             |
| Rental Revenue   | \$ 426,150         | \$ 357,829        |             |
| Rental Recoveries  | 119,981            | 103,615           |             |
| Rental Revenue per the Consolidated Statements of Operations | 546,131            | 461,444           |             |
| Properties not included and other adjustments (a)            | (153,644)          | (81,594)          |             |
| Unconsolidated Co-Investment Ventures                        | 447,530            | 429,785           |             |
| <b>Same Store - Rental Income</b>                            | <b>\$ 840,017</b>  | <b>\$ 809,635</b> | <b>3.8%</b> |
| <b>Rental Expense:</b>                                       |                    |                   |             |
| Per the Consolidated Statements of Operations                | \$ 140,725         | \$ 125,820        |             |
| Properties not included and other adjustments (b)            | (29,884)           | (13,990)          |             |
| Unconsolidated Co-Investment Ventures                        | 100,528            | 97,210            |             |
| <b>Same Store - Rental Expense</b>                           | <b>\$ 211,369</b>  | <b>\$ 209,040</b> | <b>1.1%</b> |
| <b>NOI:</b>  |                    |                   |             |
| Per the Consolidated Statements of Operations                | \$ 405,406         | \$ 335,624        |             |
| Properties not included and other adjustments                | (123,760)          | (67,604)          |             |
| Unconsolidated Co-Investment Ventures                        | 347,002            | 332,575           |             |
| <b>Same Store - NOI</b>                                      | <b>\$ 628,648</b>  | <b>\$ 600,595</b> | <b>4.7%</b> |
| <b>Same Store - NOI - Prologis Share (c)</b>                 | <b>\$ 362,766</b>  | <b>\$ 341,857</b> | <b>6.1%</b> |
| <b>NOI- Cash:</b>  |                    |                   |             |
| Same store- NOI  | \$ 628,648         | \$ 600,595        |             |
| Straight-line rent adjustments (d)                           | \$ (12,033)        | \$ (13,829)       |             |
| Fair value lease adjustments (d)                             | (1,154)            | 2,593             |             |
| <b>Same Store - NOI- Cash</b>                                | <b>\$ 615,461</b>  | <b>\$ 589,359</b> | <b>4.4%</b> |
| <b>Same Store - NOI- Prologis Share (c)</b>                  | <b>\$ 354,103</b>  | <b>\$ 336,401</b> | <b>5.3%</b> |

- (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 June 30, 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 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** equals the estimated twelve months of potential gross rental revenue (base rent, including above or below market rents plus operating expense reimbursements) multiplied by 95% to adjust income to a stabilized vacancy factor of 5%, minus estimated operating expenses.

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

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

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

**Value Creation** represents the value that we will create through our development and leasing activities. We calculate value creation by estimating the 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 conversion properties includes the realized economic gain.

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

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