NAREIT Investor Forum

Dallas, TX

November 15-17, 2011

Forward-Looking Statements

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

CONTENTS

Prologis Overview

World Class Platform

- Deep global presence with AUM of ~$45 billion across ~600 million square feet in 22 countries on four continents
- A broad and diverse customer base, comprising relationships with multinational corporations that result in repeatable business
- Breadth and depth of team is unparalleled in the real estate industry

Differentiated Strategy

- Global operating company with a distinct advantage over allocators and local developers
- Invest in distribution and logistics facilities vital to the global and regional supply chains
- Local market knowledge, construction expertise and commitment to sustainable design

Vibrant Private Capital Franchise

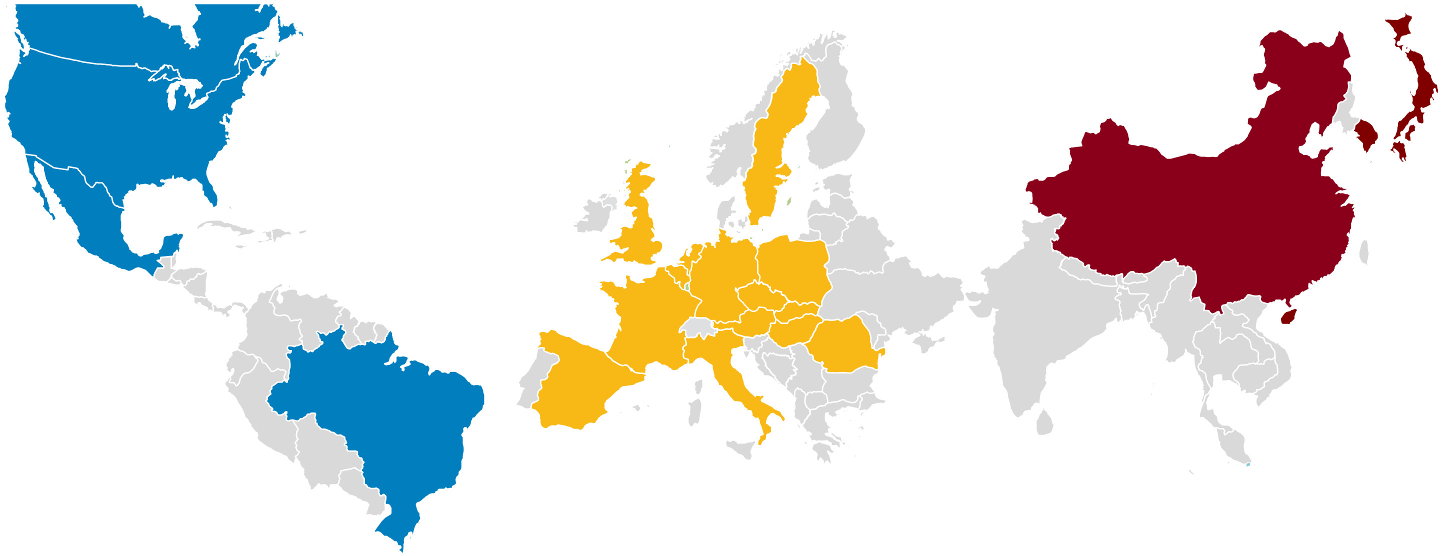
- Focused exclusively on high-quality global and regional industrial logistics properties
- AUM of ~$25 billion in 20 co-investment ventures and funds
- ~$3 billion of deployment capacity

Financial Strength

- Committed to building one of the top three balance sheets in the REIT industry
- Debt maturities well-laddered, geographically diverse and in manageable tranches
- Continued access to debt capital markets through well established lender relationships

Note: Data as of September 30, 2011.

Leader in Global Real Estate



	Americas		Europe		Asia		Total	
	Total	Prologis' Share	Total	Prologis' Share	Total	Prologis' Share	Total	Prologis' Share
Total Portfolio[1] - Square Feet / Square Meters (millions)	418 / 39	*63%*	148 / 14	*68%*	33 / 3	*50%*	599 / 56	*64%*
Development – TEI ($mm)	$309	*79%*	$201	*90%*	$867	*90%*	$1,377	*88%*
Land (acres)	7,285	*95%*	3,757	*97%*	148	*89%*	11,190	*96%*

Platform covers countries representing ~80% of global GDP[2]

Note: Data as of September 30, 2011.
1) Comprises operating, development and other portfolio.
2) International Monetary Fund.

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Prologis' Investment Focus

GLOBAL MARKETS – 82% of NOI

- Typically in markets that are served by a major seaport and/or international airport
- Targeted development opportunities, increased capital deployment
- Operating Portfolio – 428 msf / 40 msm *(295 msf / 28 msm)*[1]

REGIONAL MARKETS – 11% of NOI

- Local and regional distribution, not storage optimization
- Selectively disposing, acquiring and developing
- Operating Portfolio – 87 msf / 8 msm *(57 msf / 5 msm)*[1]

OTHER MARKETS – 7% of NOI

- Exit over time
- Operating Portfolio – 50 msf / 5 msm *(27 msf / 3 msm)*[1]

1) Data represents Prologis' share of NOI from Real Estate Operations.

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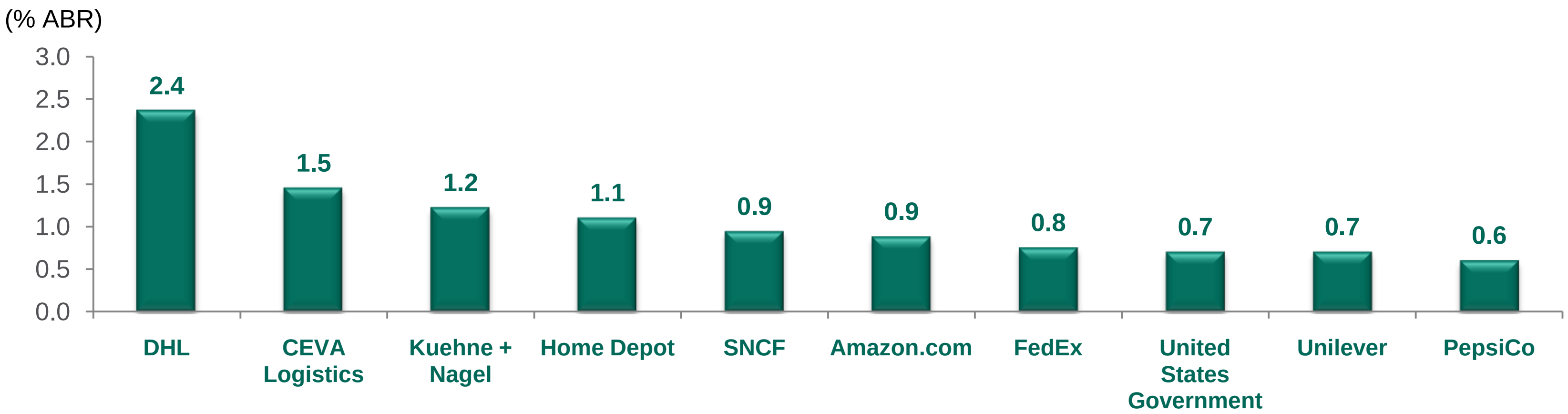
Leading Customer Brand



	DHL	CEVA Logistics	Kuehne + Nagel	Home Depot	SNCF	Amazon.com	FedEx	United States Government	Unilever	PepsiCo
Number of Countries	13	9	11	1	10	3	2	1	2	1
Number of Markets(1)	43	26	25	9	15	7	14	8	5	8
Number of Leases	101	45	43	12	26	9	43	52	6	13

Note: Data as of September 30, 2011.

1) On-Tarmac counted as a separate market.

Prologis Business Lines[1]

REAL ESTATE OPERATIONS	PRIVATE CAPITAL	VALUE CREATION – DEVELOPMENT / REDEVELOPMENT
• Strong income stream • Global presence/local market expertise • Diversified global customer base	• Recurring annuity stream diversified by geography and capital source • Expands global operating platform with less capital and lowers currency exposure • New ventures will be seeded with Prologis assets	• Various demand drivers exist across all business cycles • Established customer relationships drive BTS opportunities • Existing land bank represents an asset as markets recover
• \$2.5B of annualized NOI *(\$1.8B Prologis' share)* • 599 msf *(383 msf Prologis' share)* / 22 countries / 4 continents • 4,500 customers	• \$140M annualized private capital revenue • \$25.0B of AUM *(\$9.9B Prologis' share)*	• \$1.4B under development *(\$1.2B Prologis' share)* • Expected value creation \$220M *(\$190M Prologis' share)*

1) Data as of September 30, 2011.

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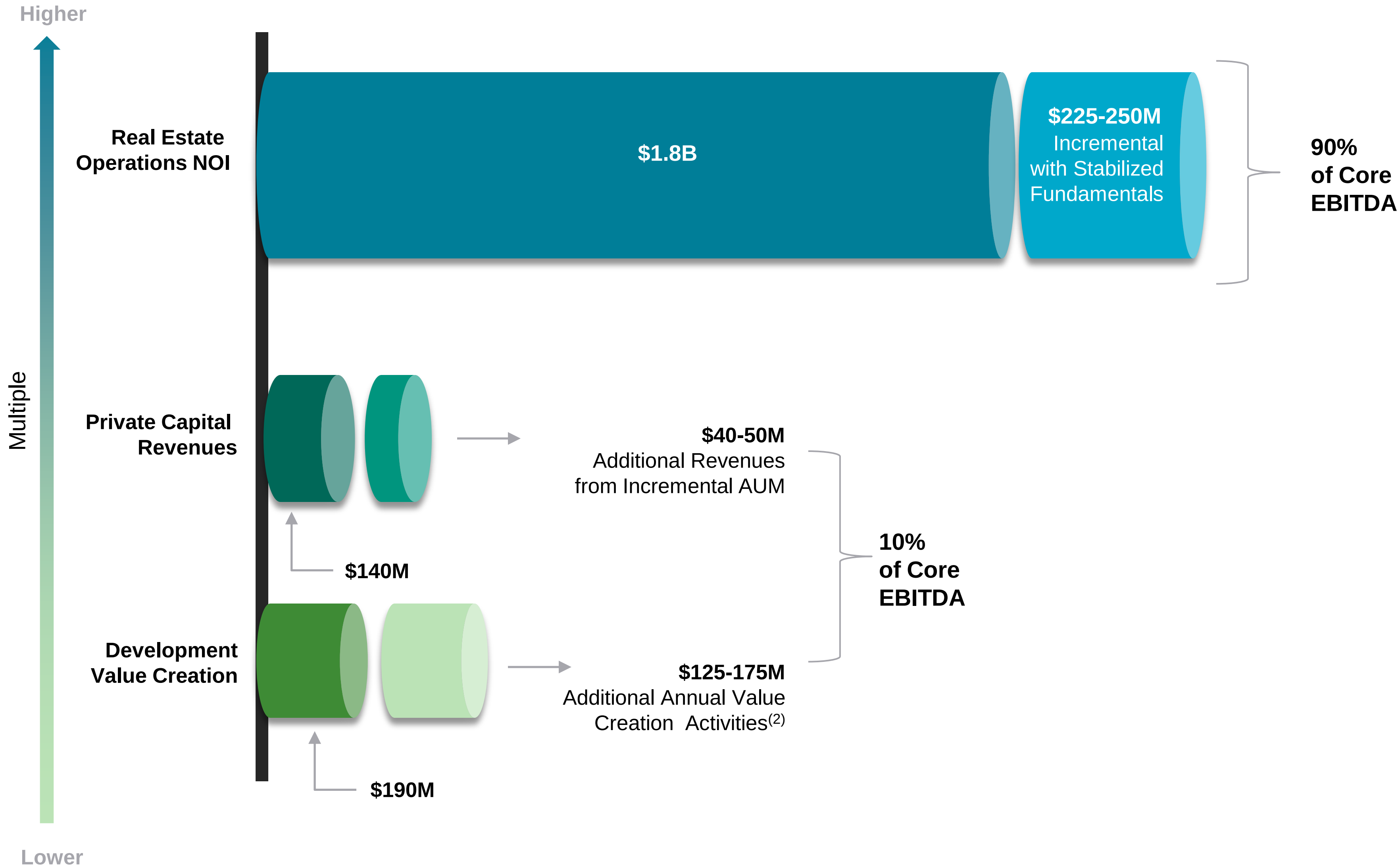
Prologis' Annualized Income[1]



1) Data as of September 30, 2011. Represents a static portfolio which excludes any affects from future dispositions, contributions and debt retirement, etc.
2) Includes development, land bank monetization and value creation activities.

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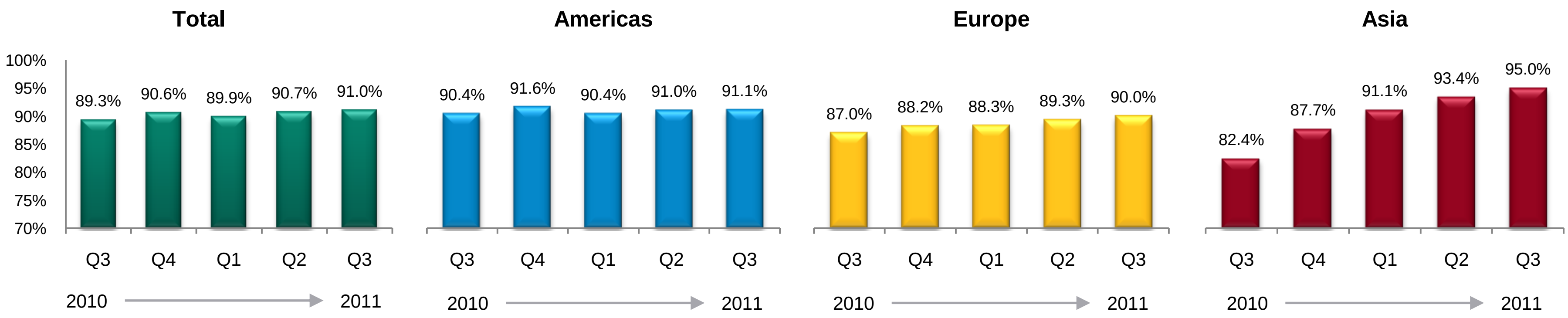
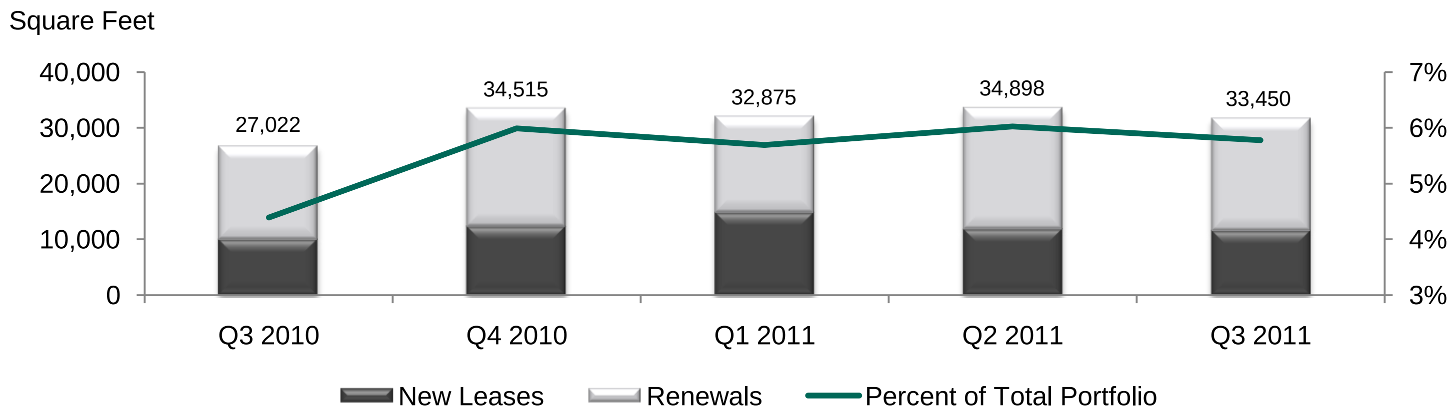
Operating Fundamentals

Operating Portfolio – Period Ending Occupancy



Leasing Activity



Note: Data as of September 30, 2011.

Prologis Private Capital Overview

	AMERICAS			EUROPE	ASIA		Totals
	United States	Mexico	Brazil	Europe	Japan	China	
Number of Funds	10	3	1	4	1	1	**20**
Fund Type[1]	C	C, D	D	C	C / D[2]	D	**C / D**
Current PLD Wtd. Average Ownership	34%	20%	50%[3]	55%	20%	15%	**~30%**
Target PLD Ownership	20%	20%	50%	20%	20%	15%	**~20%**
AUM	$11.0B	$1.3B	$0.5B	$9.3B	$1.8B	$1.3B	**$25.0 billion**
Average Fee [4]	70 bps	110 bps[5]	150 bps[5]	70 bps	75 bps	100 bps[5]	**80 bps of AUM**

Strong alignment of interests with co-investments of ~30%

1) Fund type – Core (C), Development (D)
2) Prologis Japan Development Fund I in discussion.
3) Prologis Brazil Fund is 50% owner in Prologis / CCP joint venture.
4) Represents total fees generated.
5) Higher fees due to near-term development in funds.

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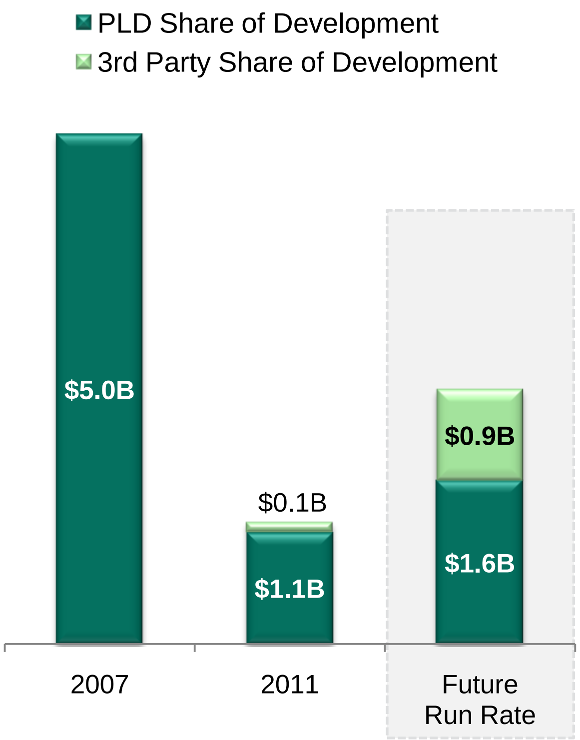
Development Overview

Value Creation

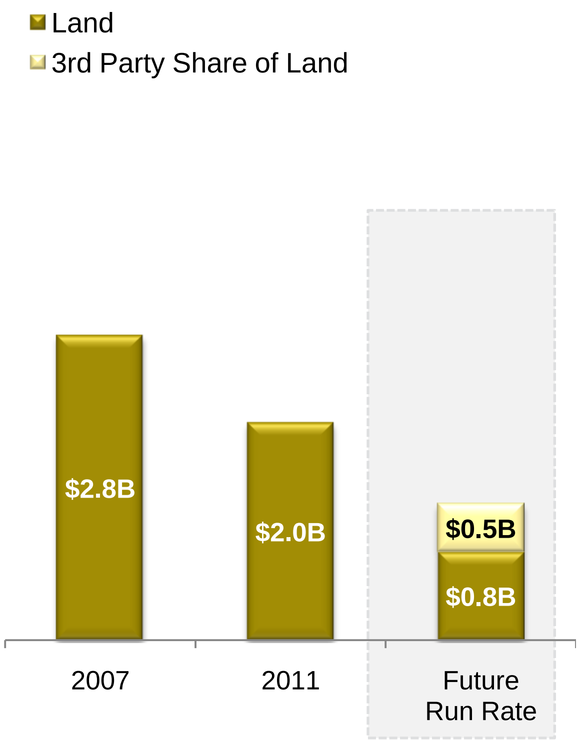
	Future Range	
Development Volume	$2.0B	$2.5B
Overhead Absorption	4%	4%
Expected Margin	15%	20%
Average PLD Ownership	60%	65%
Annual Value Creation	$260M	$425M

Development Starts



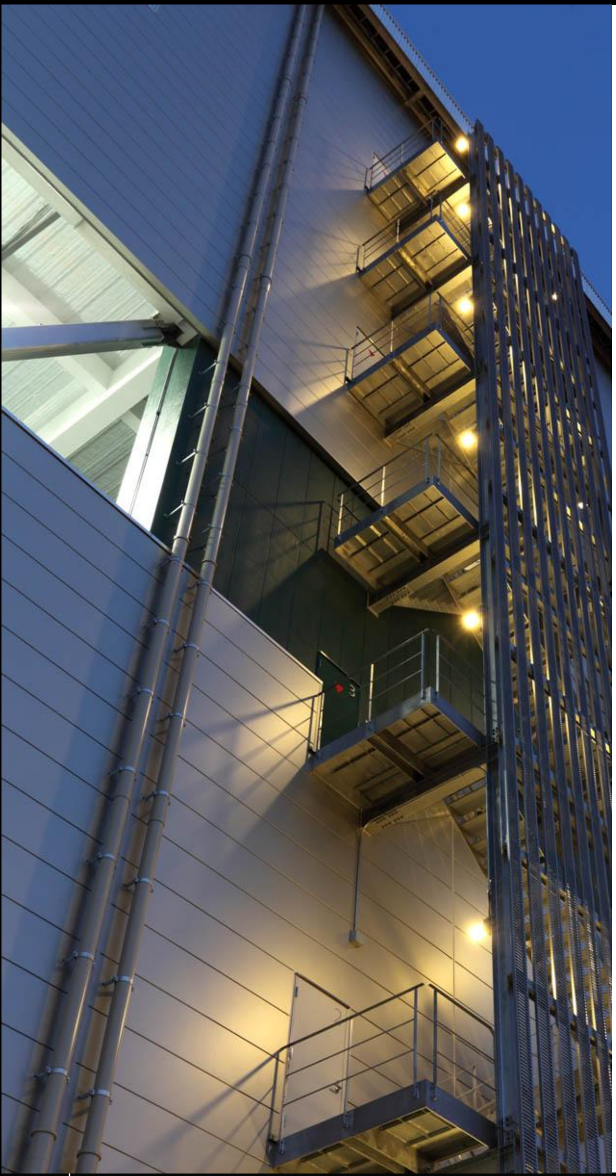
- Removing risk by utilizing private capital to fund development
- Scale of global development business positions us well for future growth

Land Portfolio



- Expect to significantly monetize land bank through development and third party sales.

Integrated Risk Management



Proprietary risk management model with real-time monitoring of total company risk, as well as the individual components

Key benefits

- Increases risk awareness through the identification, assessment and prioritization of risks
- Provides ability to evaluate, measure and manage risk on an integrated basis across geographies and different aspects of our business
- Enables key business units to manage risk components within their own sphere of influence

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Prologis Integrated Risk Index (PIRI) – Methodology

Measured at PLD's Ownership:

Prologis Integrated Risk Index (PIRI) = Business Risk + Currency Risk + Leverage Risk

- **Business Risk** comprises a weighting of real estate-related asset risks (e.g. vacancy, development and land)
- **Currency Risk** is the amount of PLD's equity base that is non-USD denominated
- **Leverage Risk** represents the amount of excess leverage over the company target

Financial Goals 2011-2013

- Target “A” credit rating
- Target look-through leverage of < 30%
- Achieve strong fixed charge coverage ratio of > 2.75x
- Maintain a large, stable pool of wholly-owned unencumbered properties, predominantly U.S. focused
- Maintain staggered debt maturity profile
- Strategically fund development activities, hedge currency risk, and reduce debt through:
  - Disposition of non-strategic assets
  - Fund contributions and formations
  - Equity, as needed
  - Unsecured bond issuances, including non USD denominations

Sources & Uses 2011-2013

Capital Sources

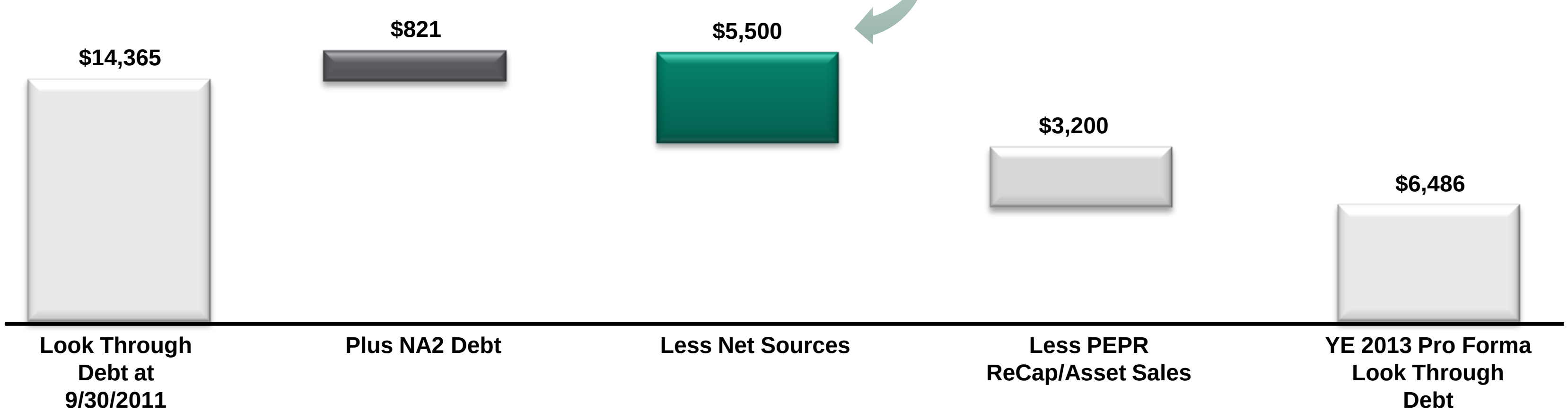
	Contributions			
	Existing Funds	Future Funds	Prologis' Share of Dispositions	Total
Americas	$1,000	$400	$1,900	$3,300
Europe	1,000	-	900	1,900
Asia	-	3,200	100	3,300
Total Sources[(1)]	**$2,000**	**$3,600**	**$2,900**	**$8,500**

Capital Uses

	Prologis' Share of Development Funding[(2)]	Prologis' Share of Future Acquisitions	Total
Americas	$500	$600	$1,100
Europe	700	200	900
Asia	900	100	1,000
Total	**$2,100**	**$900**	**$3,000**

Total Sources Less Uses	**$5,500**

De-Levering Strategy



1) Sources are net of PLD share of equity and debt funding of contributions.
2) Represents estimated funding requirements for developments through 2013 post fund contribution and less land already owned.

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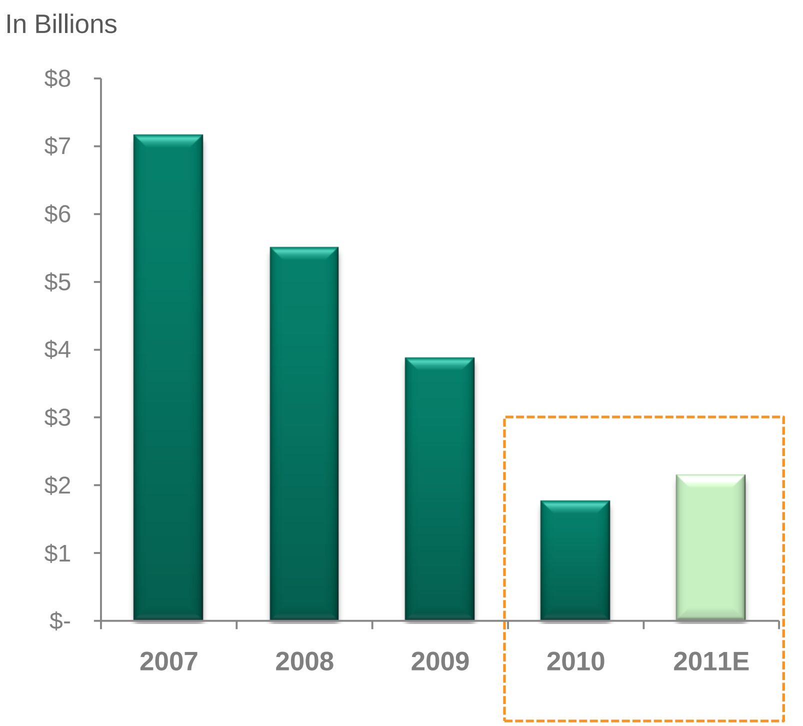
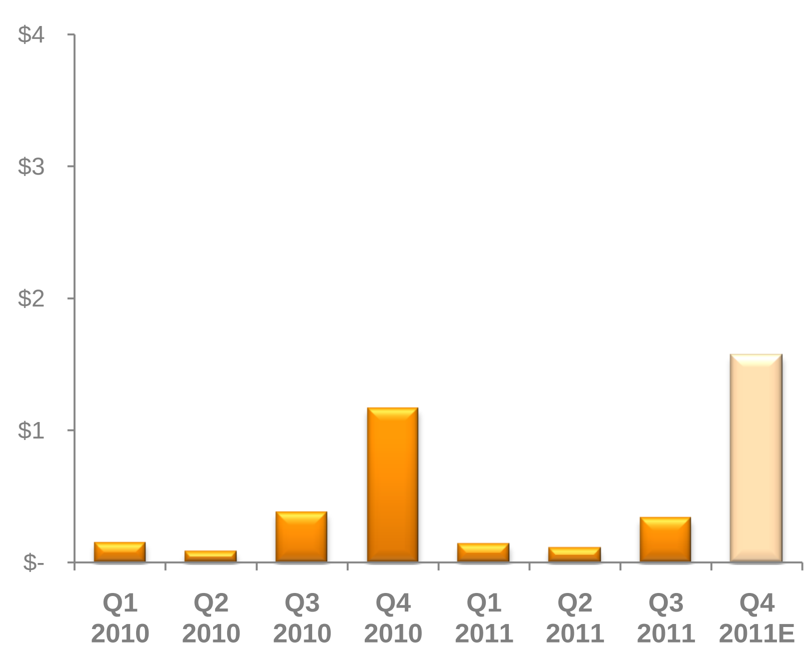
Dispositions / Contributions

Total Dispositions / Contributions[1] (by Year)



Dispositions / Contributions[1] (by Quarter)



1) All periods represent combined company results.

Building Blocks of NAV[1]

	Components	Net Asset Value Range
Properties with Net Operating Income	NOI $1,797M[2] / 6.50% – 6.25%[3]	**$27,647 - $28,753M**
Properties with Net Operating Loss	Book Value	**$1,323M**
Development Portfolio	Stabilized Fair Value	**$1,020 - $1,069M**
Land Bank	Book Value	**$2,006M**
Private Capital / Dev Mgmt	Multiple of Fees	**$611 - $768M**
Other Assets / (Liabilities)	Net Working Capital, Other Real Estate Related Assets & Minority Interests	**($262M)**
Debt	Balance Sheet + % Share of Fund Debt [2]	**($15,483M)**
Preferred Stock	Balance Sheet	**($582M)**

NAV	Implied Cap Rate
$26.00	7.61%
$28.00	7.33%
$30.00	7.09%
$32.00	6.85%
$34.00	6.63%
$36.00	6.42%
$38.00	6.23%

Net Asset Value	**$ 16,281 - $17,593M**
Diluted Shares / Units	**462M**
Net Asset Value Per Diluted Share / Unit	**~$35.00 - $38.00**

NAV range 23% - 33% higher than closing share price of $28.48 on November 11, 2011

1) Data reflects wholly owned and Prologis' share of NOI, assets and debt as of September 30, 2011.
2) Adjusted to reflect 100% of NOI and debt for NA2.
3) Based on weighted average cap rates for Americas, Europe and Asia.

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Waves of Growth *(MVPS)*

MERGER SYNERGIES
VALUE CREATION ACTIVITIES
PRIVATE CAPITAL

STABILIZED FUNDAMENTALS

- Stabilize operating portfolio occupancy from 91% to 95%
- Stabilize development portfolio
- ~2.5% in cumulative contractual rent bumps

MERGER SYNERGIES
VALUE CREATION ACTIVITIES

PRIVATE CAPITAL

- Grow platform increasing revenues, diversification and scale efficiencies
- Recognize net fees from additional assets under management
- Recognize net promotes

MERGER SYNERGIES

VALUE CREATION ACTIVITIES(1)

- $2.5 billion of potential future annual development starts and value-added conversions
- Monetize land bank through development and third-party sales
- Incremental revenue from programs including renewable energy

MERGER SYNERGIES

- G&A and other organizational synergies reflected in current FFO guidance
- Improved cost of capital on unsecured debt
- Revenue synergies (expanded relationships with large, repeat multi-national customers)

2011 → 2013

1) Value Creation activities absorb incremental overhead.

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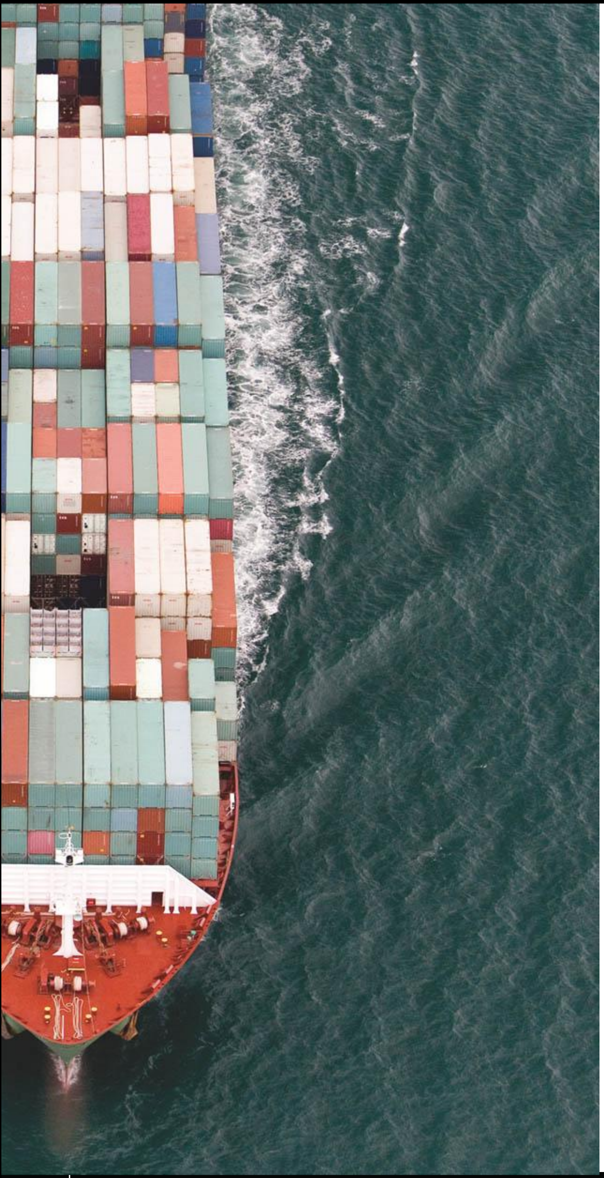
Second Half 2011 Guidance

($ In Millions)	Low	High
Core Funds from Operations *(per fully diluted unit and share)*	$0.83	$0.85
CAPITAL DEPLOYMENT		
Acquisitions		
Total	$225	$275
Prologis' share (30%)	$68	$83
Development Starts		
Total	$325	$375
Prologis' share (65%)	$211	$244
DISPOSITIONS / CONTRIBUTIONS		
Total	$1,800	$2,000
Prologis' share (90%)	$1,620	$1,800

Key Takeaways



- Leasing activity remains solid across all of our major regions
- Integration ahead of schedule with important synergies already being realized
- Balance sheet management and delevering are above plan through robust dispositions and contributions
- Committed to building one of the top three balance sheets in the REIT industry
- Compelling investment opportunity as stock trades well below net asset value
- Additional earnings potential from merger synergies, value creation activities, new private capital ventures and stabilized fundamentals

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Appendix

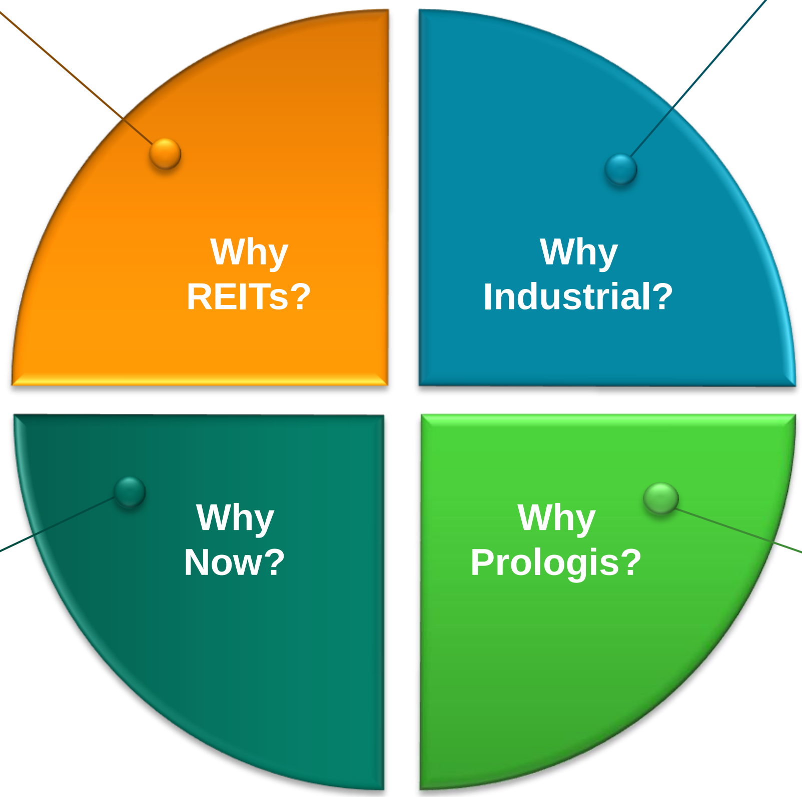
A Compelling Opportunity

Why REITs?

- Consistent income stream
- Consistent out performance vs. major indices *(DJIA/SP500)*
- Hedge against inflation

Why Industrial?

- Stable occupancy
- Lower volatility of returns
- Low levels of capital expenditures in relation to NOI



Why Now?

- Global recovery underway
- Inventories at unprecedented lows
- Operating fundamentals improving
- Trading at a significant discount to NAV

Why Prologis?

- Unmatched global platform
- Best customer brand in the real estate industry
- Market leading Private Capital business
- World's leading industrial property developer
- The best and most diverse real estate organization

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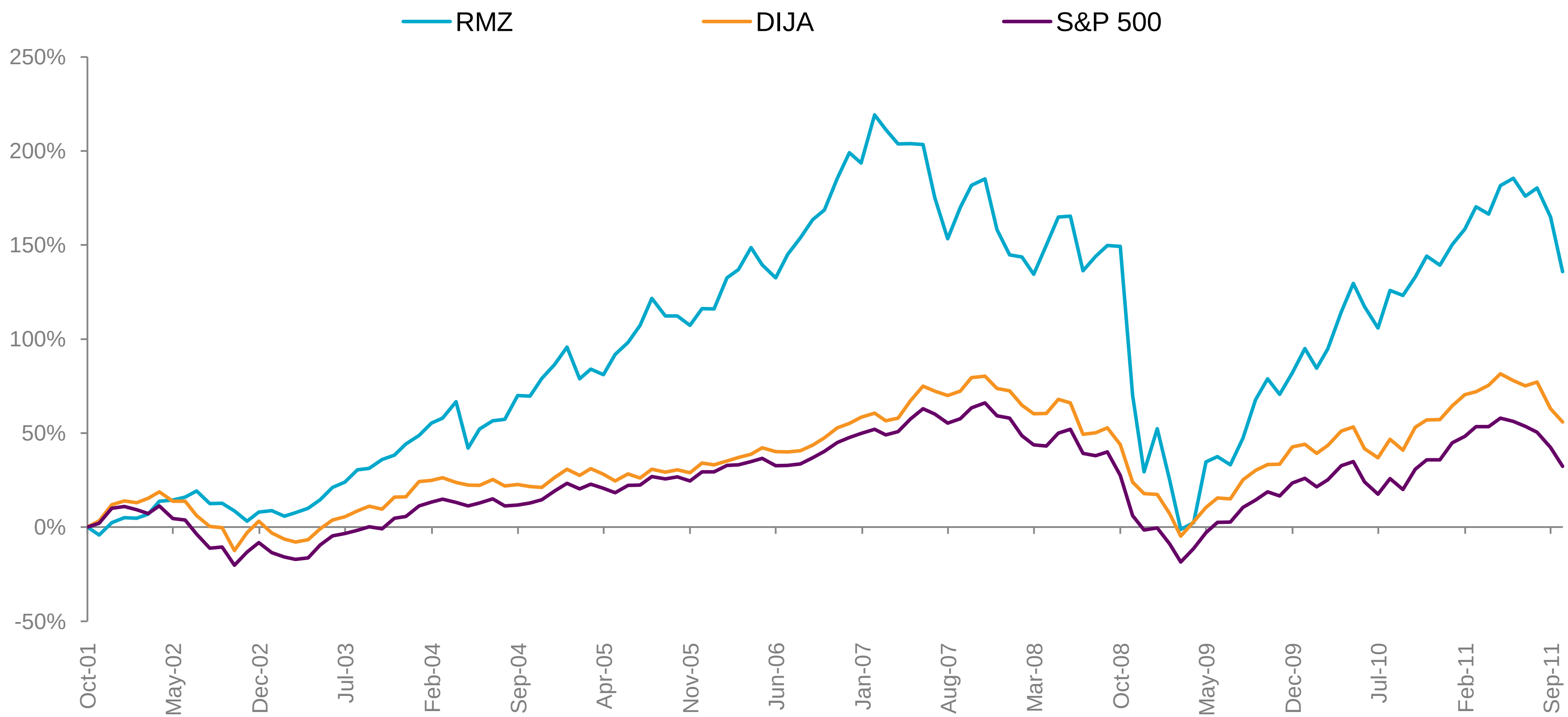
Why REITS? – Total Return Performance[1]

REITs vs. Benchmarks



1) Total return data per Bloomberg. Assume dividends are reinvested by the ex-dividend date to 9/30/2011.

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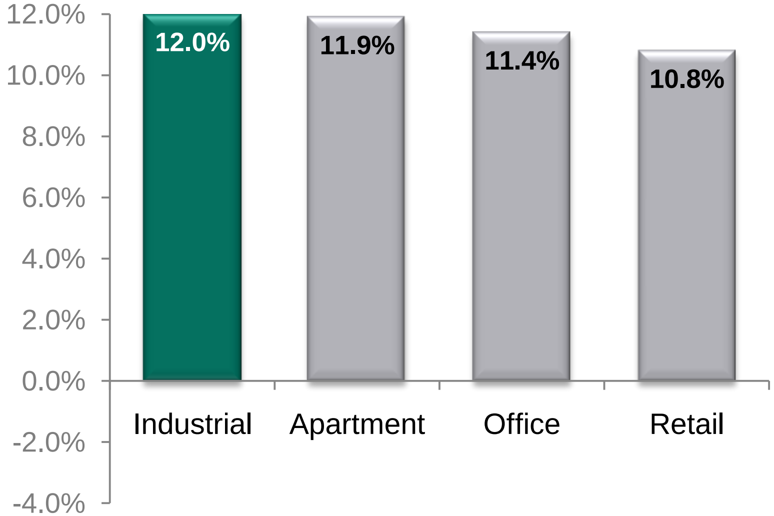
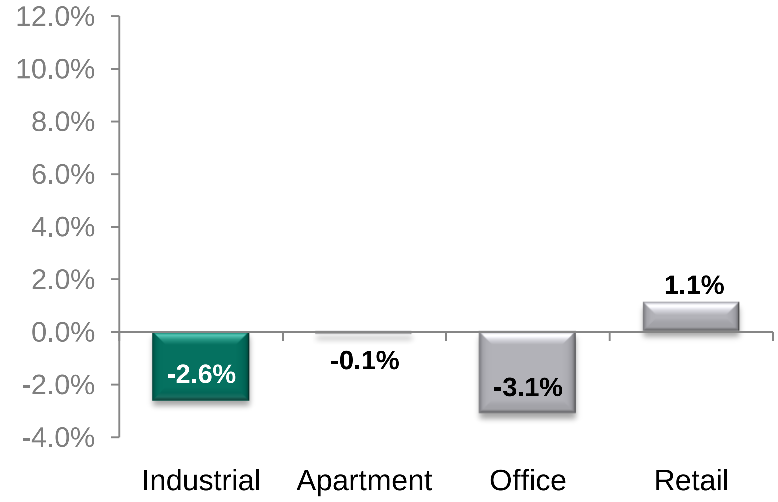
Why Industrial? – Total Return Performance

NCREIF 3Q1993 – 3Q2008 *(15 years ending 2008)*



- Over the last 15 years, industrial has offered the highest returns
- Results represent private assets which trade relative to NAV

NCREIF 3Q2008 – 3Q2011 *(last three years)*



- From the peak, the industrial sector has been severely impacted
- This overcorrection suggests there is an opportunity for significant recovery
- Trading at a significant discount to NAV

Source: National Council of Real Estate Investment Fiduciaries (NCREIF).

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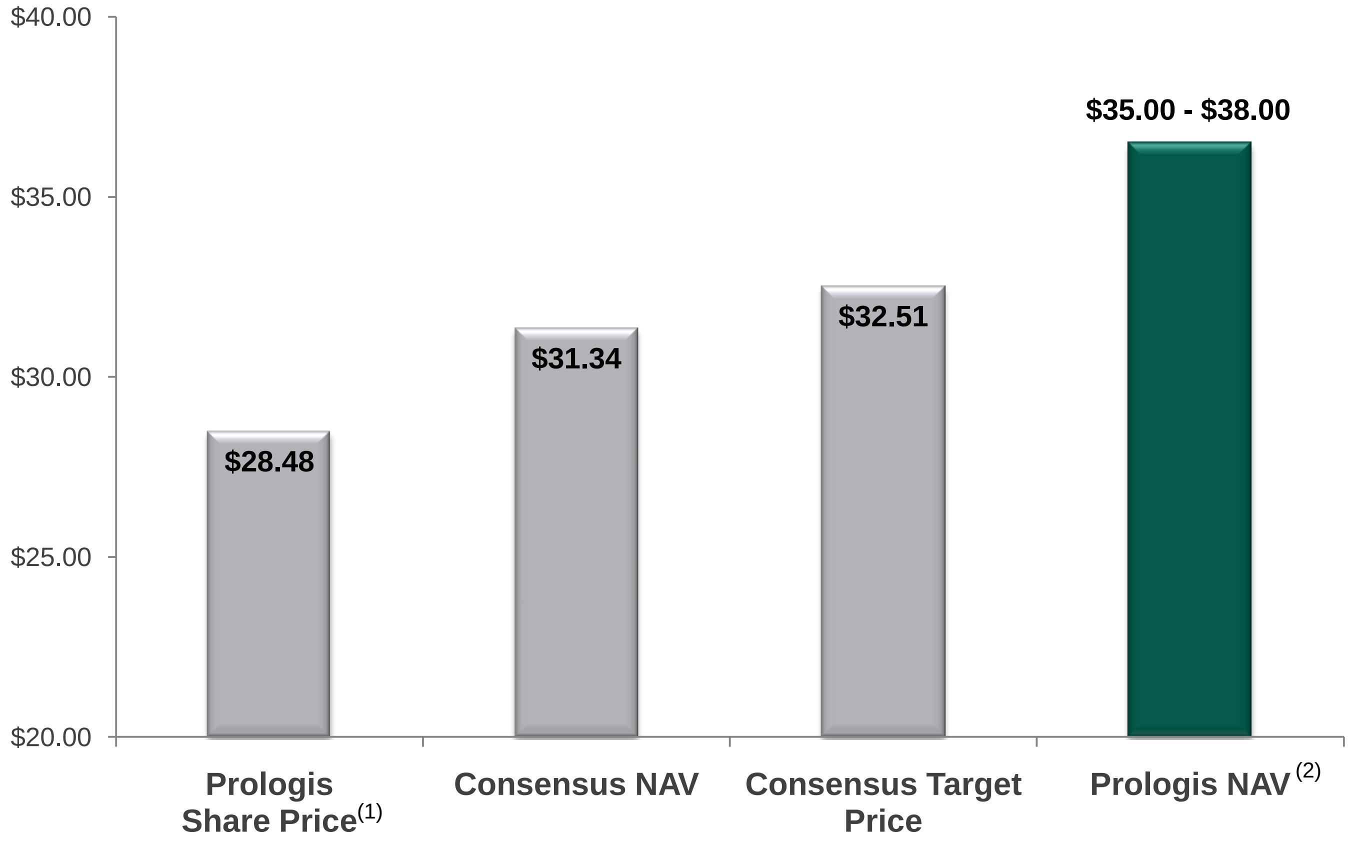
Why Prologis?



1) Closing share price on November 11, 2011.
2) Represents the company's estimate of NAV as of September 30, 2011.

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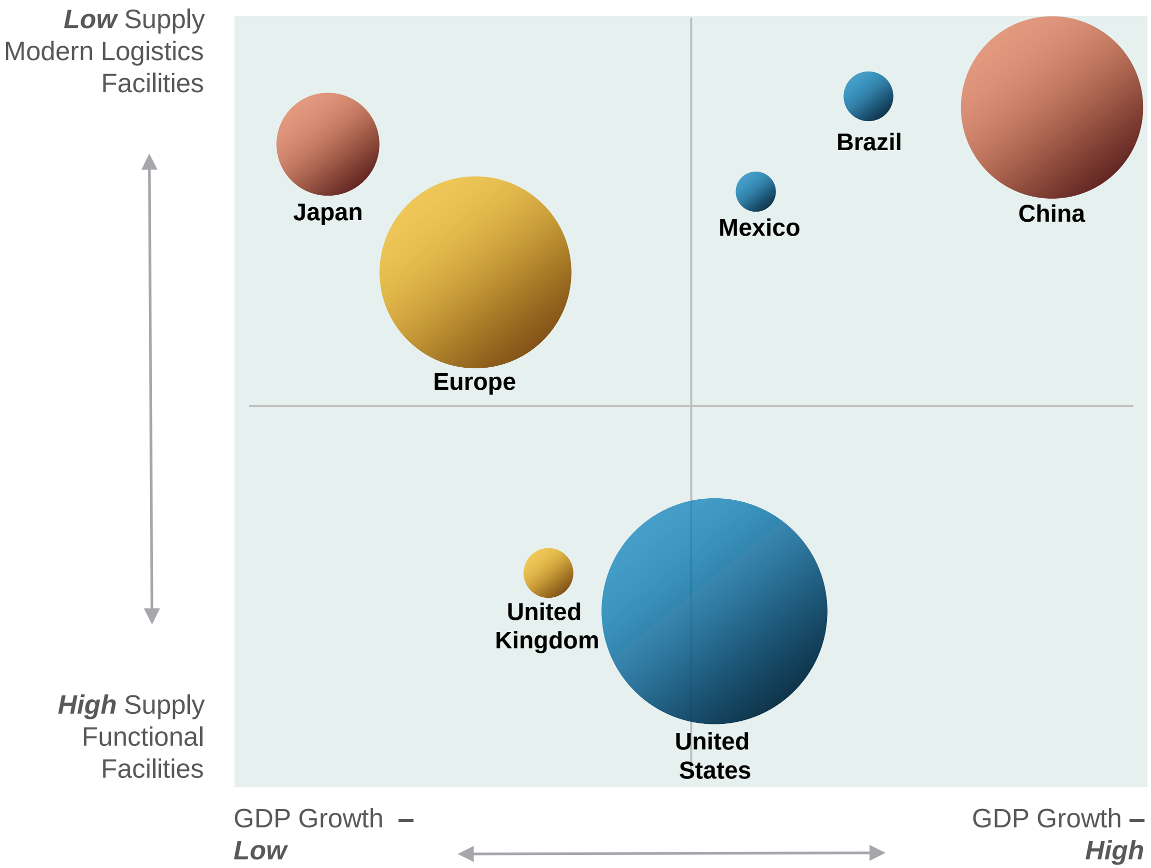
Industrial Real Estate Demand Drivers



- Brazil, China and Mexico are supported by rising per capita income and growth in domestic consumption
- Changes in supply chain networks from local to regional are spurred by Pan-European network
- Japan driven by obsolescence (service-based economy), growth of third-party logistics industry, supply chain reconfiguration and flight to quality
- U.S. fueled by the rebuilding of inventories which are now below where the economy and consumption warrant

Note: Size of country/region depicts GDP relative to purchase power parity.

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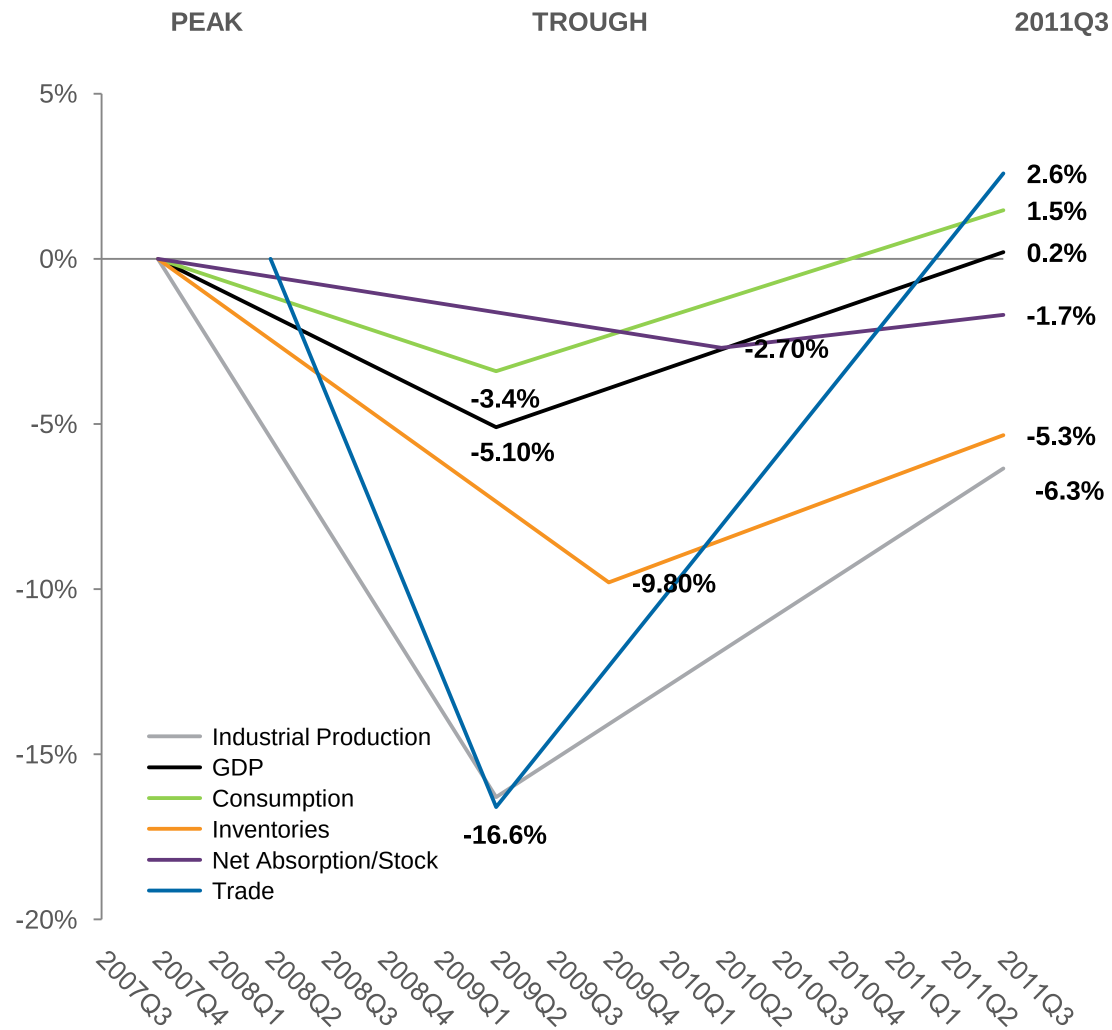
Leading Indicators

Peak-Trough-Current(1)

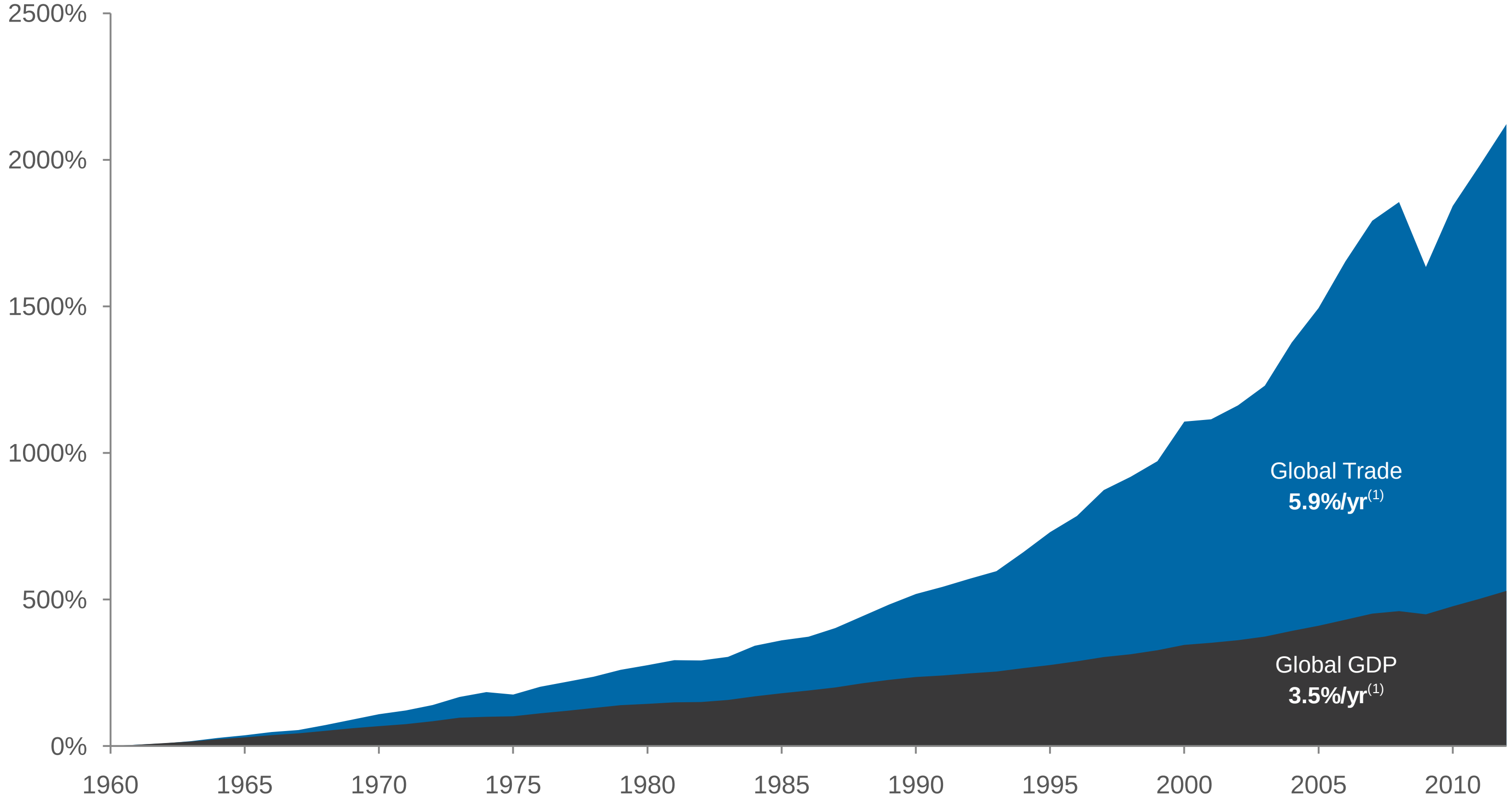


Leading Indicator Forecast

	2012 Forecast(2)
Industrial Production	2.4%
GDP	1.9%
Consumption	1.8%
Inventories	3.0%
Net Absorption / Stock	1.3%
Trade	5.0%

1) PLD Research, Bureau of Economic Analysis: National Income and Product Accounts, Federal Reserve Board.
2) U.S. only from Consensus Economics Inc., except trade which is a global forecast from World Bank.

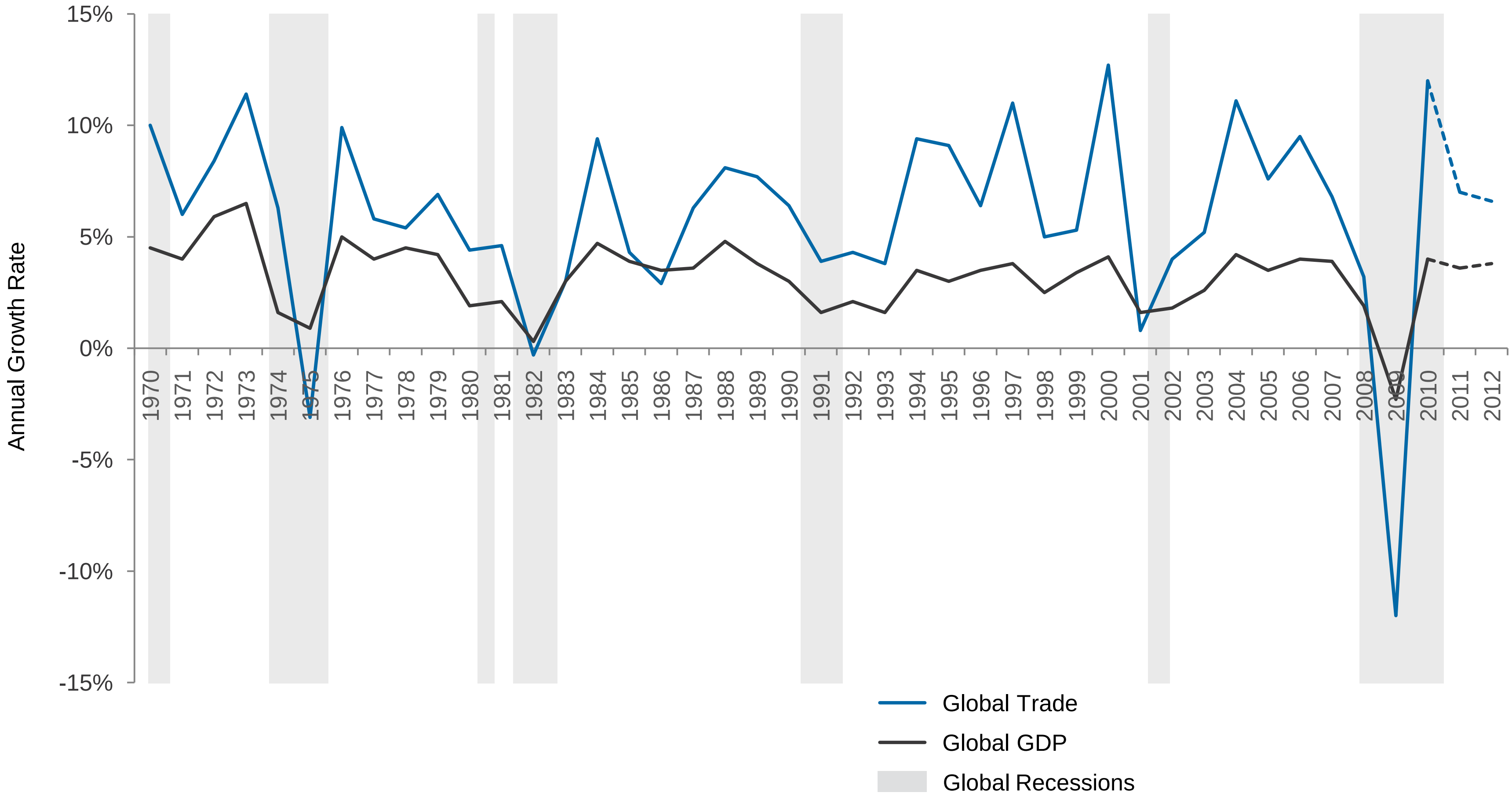
Global Trade Relative to Global GDP



Global trade has outpaced global GDP by 3.5X over the past 49 years[2]

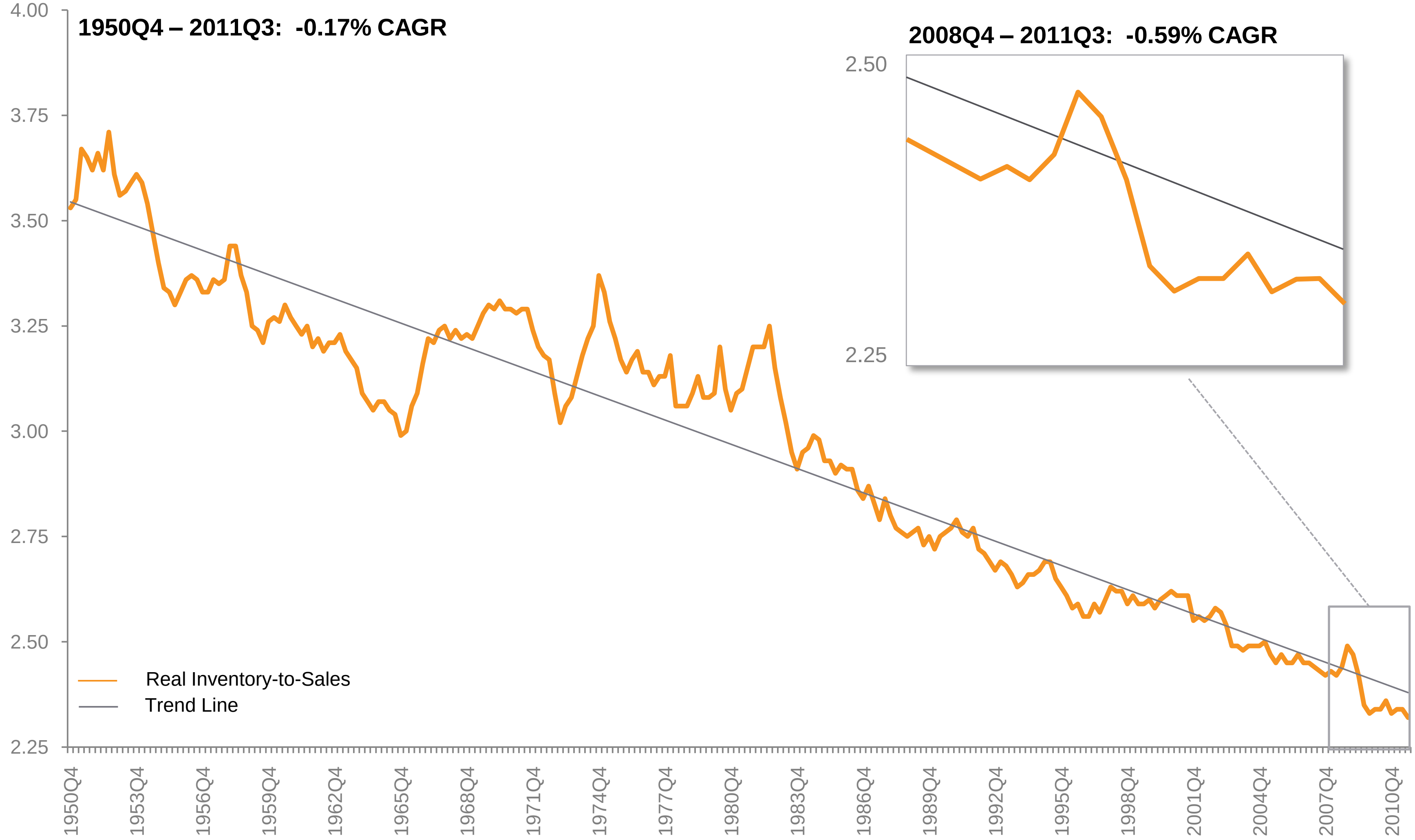
1) Reflects annual compounded growth from 1960-2010.
2) World Bank and International Monetary Fund – 2011.

Long-term Relationship Between Global Trade & GDP



Source: World Bank and International Monetary Fund World Economic Outlook January 2011.

Real Inventory-to-Sales



Inventories at unprecedented lows, economic recovery will drive a substantial restocking of the supply chain

Source: U.S. Bureau of Economic Analysis.

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Reporting 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.

FFO; FFO, as defined by Prologis; Core FFO (collectively referred to as "FFO"). FFO is a non-GAAP measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net earnings. Although the National Association of Real Estate Investment Trusts ("NAREIT") has published a definition of FFO, modifications to the NAREIT calculation of FFO are common among REITs, as companies seek to provide financial measures that meaningfully reflect their business.

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

NAREIT's FFO measure adjusts net earnings computed under GAAP to exclude historical cost depreciation and gains and losses from the sales of previously depreciated properties. We agree that these two 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.
II. REITs were created as a legal form of organization 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 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 from dispositions of land and development properties, as well as our proportionate share of the gains and losses from dispositions recognized by our unconsolidated investees, in 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 use these FFO measures, including by segment and region, to: (i) evaluate our performance and the performance of our properties in comparison to expected results and results of previous periods, relative to resource allocation decisions; (ii) evaluate the performance of our management; (iii) budget and forecast future results to assist in the allocation of resources; (iv) assess our performance as compared to similar real estate companies and the industry in general; and (v) evaluate how a specific potential investment will impact our future results. Because we make decisions with regard to our performance with a long-term outlook, we believe it is appropriate to remove the effects of short-term items that we do not expect to affect the underlying long-term performance of the properties. The long-term performance of our properties is principally driven by rental income. While not infrequent or unusual, these additional items we exclude in calculating FFO, as defined by Prologis, 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. foreign currency exchange gains and losses resulting from debt transactions between us and our foreign consolidated subsidiaries and our foreign unconsolidated investees;
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 investees; and
V. mark-to-market adjustments associated with derivative financial instruments.

We calculate FFO, as defined by Prologis for our unconsolidated investees on the same basis as we calculate our FFO, as defined by Prologis.

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

Core FFO includes FFO, as defined by Prologis, adjusted to remove gains (losses) on acquisitions or dispositions of investments in real estate that are included in FFO, as defined by Prologis. If we recognize impairment charges due to the expected disposition of investments in real estate, we exclude those impairment charges. We may also adjust for certain other significant items that affect comparability as noted in the reconciliation. In 2011, we have adjusted to exclude Merger, Acquisitions and Other Integration Expenses; early extinguishment of debt; and losses for the disaster expenses that occurred in March 2011 in Japan.

Limitations on Use of our FFO Measures

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

- The current income tax expenses that are excluded from our defined FFO measures represent the taxes that are payable.
- Depreciation and amortization of real estate assets are economic costs that are excluded from FFO. FFO is limited, as it does not reflect the cash requirements that may be necessary for future replacements of the real estate assets. Further, the amortization of capital expenditures and leasing costs necessary to maintain the operating performance of industrial properties are not reflected in FFO.
- Gains or losses from property acquisitions and dispositions or impairment charges related to expected dispositions represent changes in the 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.

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

Reporting Definitions

Assets Under Managements ("AUM") represents the estimated value of the real estate we own or manage through our consolidated entities and unconsolidated investees. We calculate AUM by adding the noncontrolling interests' share of the estimated fair value of the real estate investment to our share of total market capitalization.

Core EBITDA. We use Core EBITDA to measure both our operating performance and liquidity. We calculate Core EBITDA beginning with consolidated net earnings/loss and removing the affect of interest, income taxes, depreciation and amortization, impairment charges, gains or losses from the acquisition or disposition of investments in real estate, gains or losses on early extinguishment of debt and derivative contracts (including cash charges), similar adjustments we make to our Core FFO (see definition below), and other non-cash charges or gains (such as stock based compensation amortization and unrealized gains or losses on foreign currency and derivative activity), including our share of these items from unconsolidated investees.

We consider Core EBITDA to provide investors relevant and useful information because it permits investors to view income from operations on an unleveraged basis before the effects of income tax, non-cash depreciation and amortization expense and other items (including stock-based compensation amortization and certain unrealized gains and losses), gains or losses from the acquisition or disposition of investments in real estate, items that affect comparability, and other significant non-cash items. In 2011, we adjusted Core EBITDA to include a pro forma adjustment to reflect a full period of NOI on the operating properties we acquired through the Merger and PEPR acquisition and to exclude Merger, Acquisition and Other Integration Expenses and costs associated with the hurricane and tsunami that occurred in first quarter 2011 in Japan. By excluding interest expense 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 included the costs of repurchasing debt securities. Although difficult to predict, these items may be recurring given the uncertainty of the current economic climate and its adverse effects on the real estate and financial markets. 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.

As a liquidity measure, we believe that Core 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 Core EBITDA in conjunction with net income (the primary measure of our performance) and the other required Generally Accepted Accounting Principles ("GAAP") measures of our performance and liquidity, to improve their understanding of our operating results and liquidity, and to make more meaningful comparisons of our performance against other companies. By using Core 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, Core EBITDA has limitations as an analytical tool and should be used in conjunction with our required GAAP presentations. Core EBITDA does not reflect our historical cash expenditures or future cash requirements for working capital, capital expenditures distribution requirements or contractual commitments. Core EBITDA, also does not reflect the cash required to make interest and principal payments on our outstanding debt.

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

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, in this supplemental report, 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, private capital platform, or development platform.