APRIL 20, 2015

Acquisition of KTR Capital Partners

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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. 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. For instance, the statements in this presentation relating to expected use of proceeds, expected offering size and pricing date, expected or anticipated benefits of the acquisition of KTR, including expected stabilized capitalization rate, unleveraged IRR, stabilized Core FFO, AFFO and general and administrative expenses, the future financial performance of Prologis post-acquisition, the overall benefits to Core FFO and Core AFFO, cost synergies and portfolio benefits, increases to stabilized earnings, increases to U.S. dollar currency exposure, increases in our dividends and enhancements to customer relationships are forward-looking statements. These forward-looking statements are based on current expectations, goals, estimates and projections about the industry and markets in which Prologis operates, management’s beliefs and assumptions made by management and are not predictions or guarantees of actual performance. Such statements involve uncertainties, assumptions and risks that are difficult to predict. Although Prologis believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, Prologis can give no assurance that its expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements depending on a number of factors affecting Prologis’ business, KTR’s business and risks associated with the acquisition and related transactions. Some of these factors include, but are not limited to: (i) the inherent uncertainty associated with financial projections, (ii) risks and uncertainties relating to Prologis’ ability to successfully close the acquisition of KTR and to subsequently integrate KTR’s assets and the ability to recognize the anticipated synergies and benefits of the acquisition, (iii) access to available financing (including financing for the acquisition) and capital on a timely basis and on reasonable terms, (iv) the receipt of required third party consents for the transaction, (v) national, international, regional and local economic climates, (vi) changes in financial markets, interest rates and foreign currency exchange rates, (vii) increased or unanticipated competition for its properties, (viii) risks associated with other acquisitions, dispositions and development of properties, (ix) maintenance of real estate investment trust (“REIT”) status and tax structuring, (x) the levels of debt that Prologis maintains and its credit ratings, (xi) risks related to its investments in its co-investment ventures and funds, including its ability to establish new co-investment ventures and funds, (xii) risks of doing business internationally, including currency risks, (xiii) environmental uncertainties, including risks of natural disasters, and (xiv) 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. Capitalized terms not otherwise defined when first used are defined in the Notes and Definitions at the end of the presentation.

This presentation contains an estimated Stabilized Capitalization Rate for the assets to be acquired from KTR. Inherent in such Stabilized Capitalization Rate, as defined by the Company, are certain assumptions, such as 95% occupancy stabilization, that are based on management’s current beliefs, expectations and operating experience. Pursuant to applicable SEC rules, within specified days of consummating the proposed KTR acquisition, the Company will be required to file with the Securities and Exchange Commission pro forma financial statements giving pro forma effect to the KTR acquisition. These financial statements will be prepared in accordance with the methodology prescribed by applicable SEC rules based on historical financial data for the Company and KTR. Because adjustments will not be made in the preparation of these pro forma financial statements based on the same assumptions incorporated into the Company’s definition of Stabilized Capitalization Rate, accretion and NOI calculated based on such pro forma financial information may differ materially from that implied by the Stabilized Capitalization Rate presented herein.

KTR Acquisition Overview

Transaction	• Prologis signed definitive agreements to acquire KTR Capital Partners' (KTR) real estate assets and operating platform for a total purchase price of $5.9B • The real estate assets will be acquired through the Prologis U.S. Logistics Venture (USLV), a 55-45 consolidated JV between Prologis and Norges Bank Investment Management (NBIM)
KTR Portfolio(1)	• 60 MSF portfolio of very high-quality operating properties • Occupancy of 89% and average building age of 18 years • 3.6 MSF of development-in-progress and land with build-out potential of 6.8 MSF

Prologis Consideration (55%)	• With 45% of the acquisition already funded, Prologis' share of the total purchase price is $3.2B to be partially funded through:
	    • ~$400M of assumed debt
	    • Up to $230M(2) of OP units issued to KTR
	• Several options to fund remaining ~$2.6B capital requirement include:
	    • Asset sales, contributions, equity and corporate level debt
	    • $1.0B bridge facility provided by Morgan Stanley
	• To be funded on a leverage-neutral basis over the long term, maintaining Prologis' strong financial position

Timing	• Expected to close in the next 30-60 days subject to customary closing conditions

1. As of March 23, 2015. Build-out potential based on management estimate
2. Unit price of $44.91 and will be adjusted for assumption of liabilities

Strategic Rationale[1]

Strengthens
PRESENCE

- Highly complementary with investment strategy; ~95% overlap of US operating portfolio
- 5.5% stabilized capitalization rate

Increases
PROFITABILITY

- Immediately accretive, increasing forecasted annual stabilized Core FFO per share by 7%[2] and driving corresponding cash flow growth
- Expected to lower G&A as a % of AUM by approximately 12%

Expands
RELATIONSHIP[3]

- Prologis / NBIM ventures will exceed $11B on two continents
- USLV AUM grows by 6X to $7B

Fuels
GROWTH

- Expands relationships with Focus Customers and augments Prologis' customer base
- 3.6 MSF development portfolio and land bank with build-out potential of 6.8 MSF

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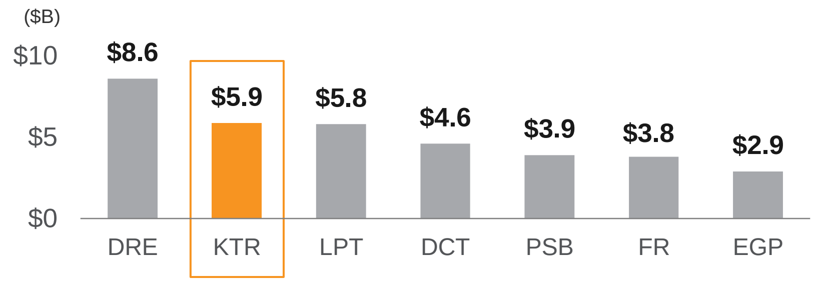
1. Refer to the Forward-Looking Statements for additional detail
2. Core FFO is a non-GAAP financial measure. For more information, see Notes and Definitions at the end of this presentation
3. Based on estimated fair value of properties as of March 31, 2015

About KTR

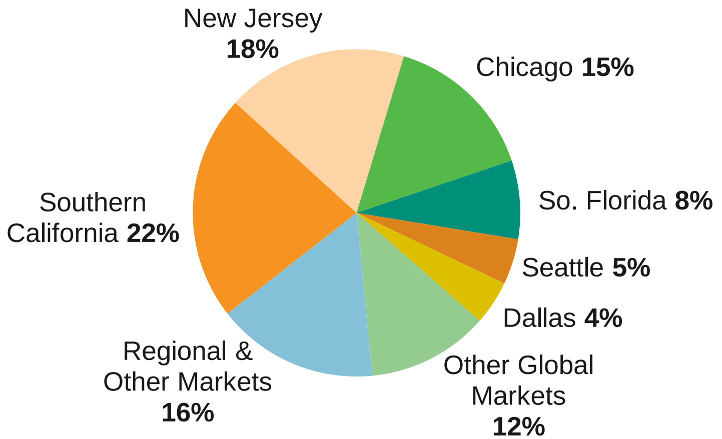
KTR Snapshot

- 60MSF of very high-quality operating properties held in three funds
- Occupancy of 89% and average building age of 18 years
- Investment strategy was to develop and acquire premium industrial real estate in high-barrier U.S. markets; highly consistent with Prologis' strategy

KTR vs. Public Industrial Peers[1]



KTR Geographic Footprint[2]



The Development Portfolio

- 10 Class-A projects totaling 3.6 MSF
- 100% overlap with Prologis target markets
- 65% of development located in California[3]
- Completion of all projects expected by Q1 2016

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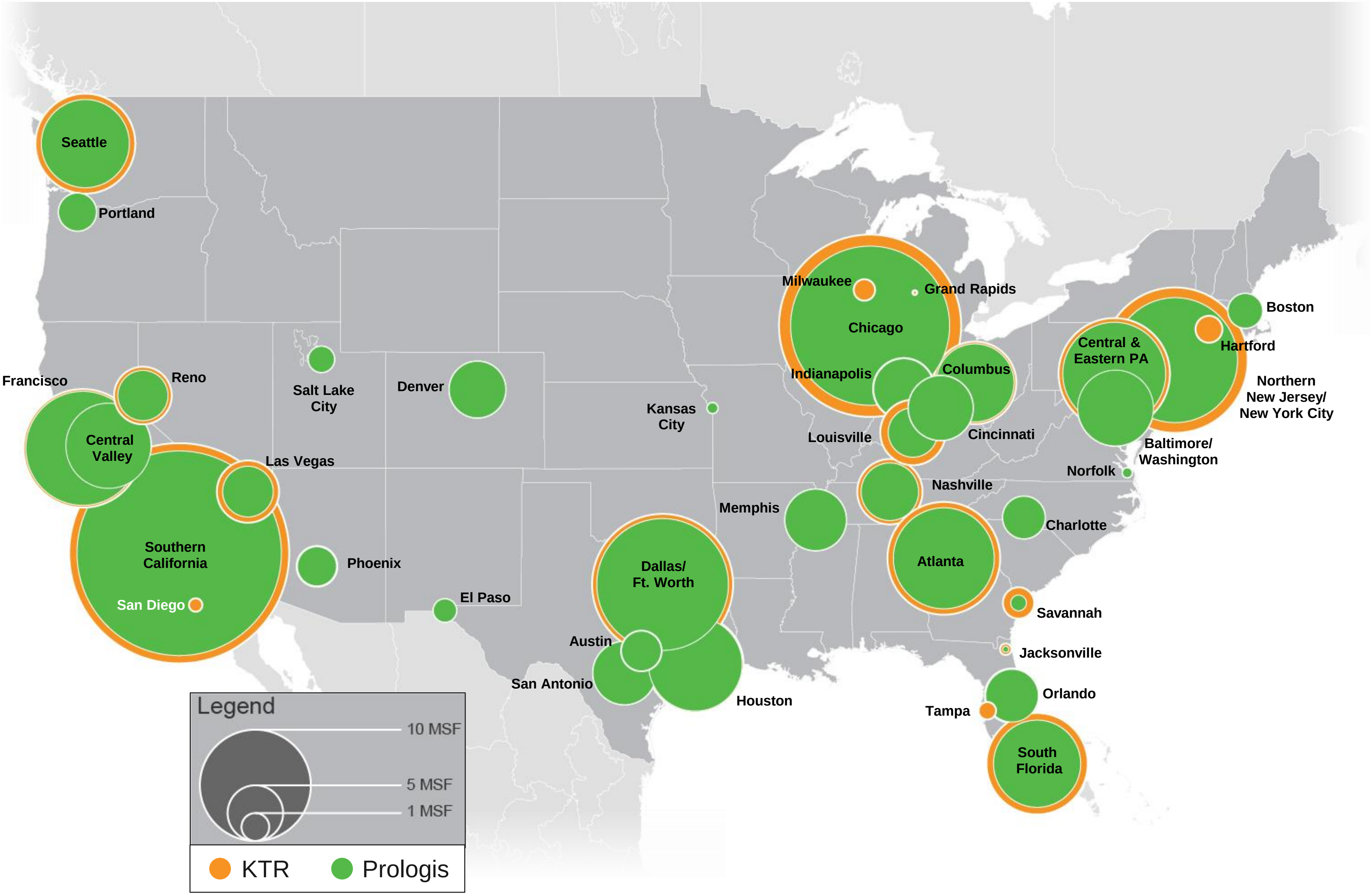
1. For KTR, represents gross consolidated transaction value. For public industrial peers, represents aggregate market value, adjusted to exclude estimated value of non-industrial real estate holdings. Based upon market data as of March 31, 2015, recent company filings and analyst estimates
2. Based on management's estimates of value of operating real estate assets as of March 23, 2015
3. Development in Southern California and Bay Area markets based on management's estimates of completion value as of March 23, 2015

Highly Synergistic Portfolio



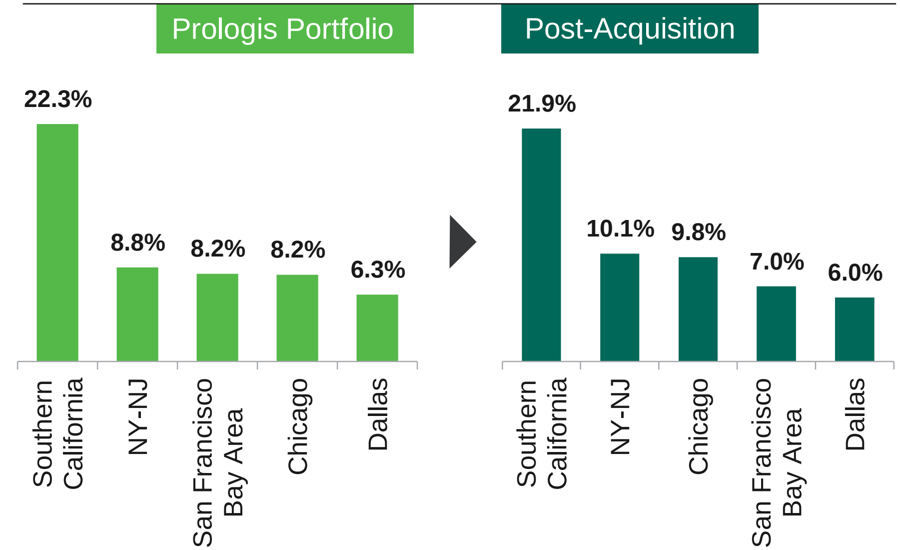
Note: Prologis data as of March 31, 2015. KTR data as of March 23, 2015. Scaling is proportionate to the size of square feet for the combined portfolio.

Strengthens the U.S. Portfolio[1]

U.S. Overview

	Prologis	KTR	Post-Acquisition
Portfolio Size (MSF)	307	60	367
Number of Buildings	1,879	322	2,201
Occupancy Rate	97%	89%	95%
WARLT[2]	3.4	6.3	3.8
Average Property Age	21	18	20

NOI Concentration in U.S.: Top Five Markets



1. Based on Prologis' owned and managed operating portfolio as of March 31, 2015. KTR operating portfolio as of March 23, 2015
2. Weighted average remaining lease term

Enhances Best-in-Class Global Portfolio[(1)(2)]

Global Overview

	Prologis Portfolio	Post-Acquisition
Operating Square Footage	541	601
Total AUM	$52,600	$58,500
Third-Party Strategic Capital AUM	$19,100	$21,800
USD Net Equity[(3)]	$20,900	$22,900

1. Square feet and dollars in millions
2. Based on Prologis' owned and managed portfolio as of March 31, 2015. KTR operating portfolio as of March 23, 2015
3. Based on assumed leverage-neutral funding over the long term

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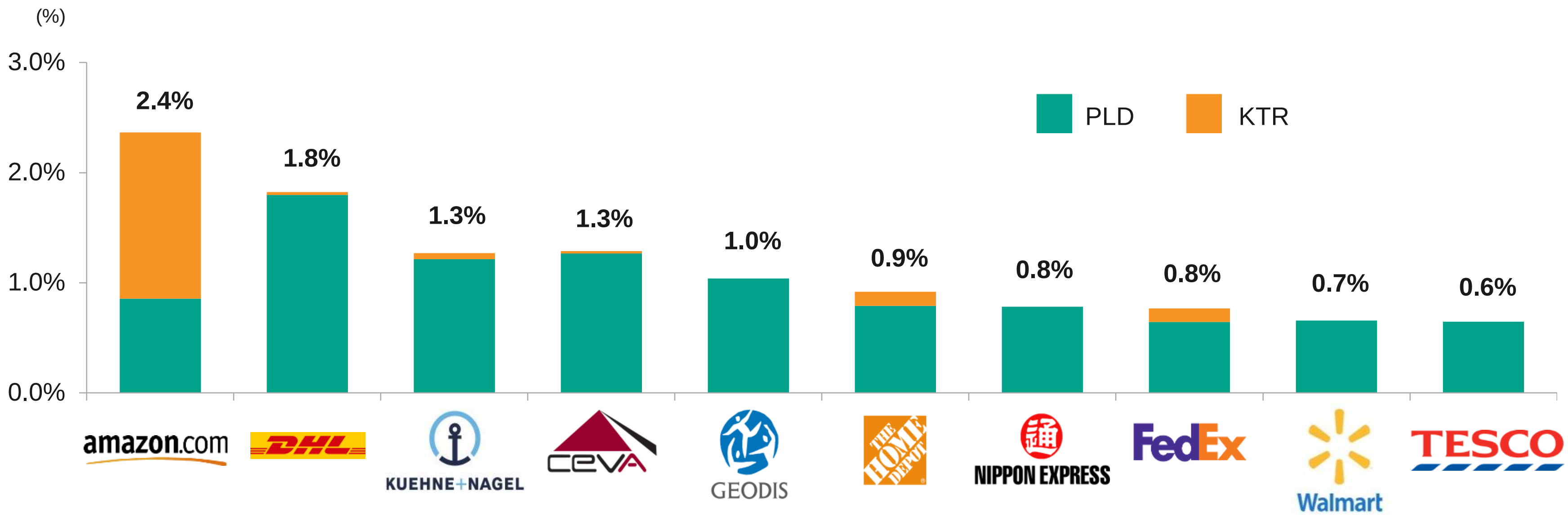
Deepens Customer Relationships

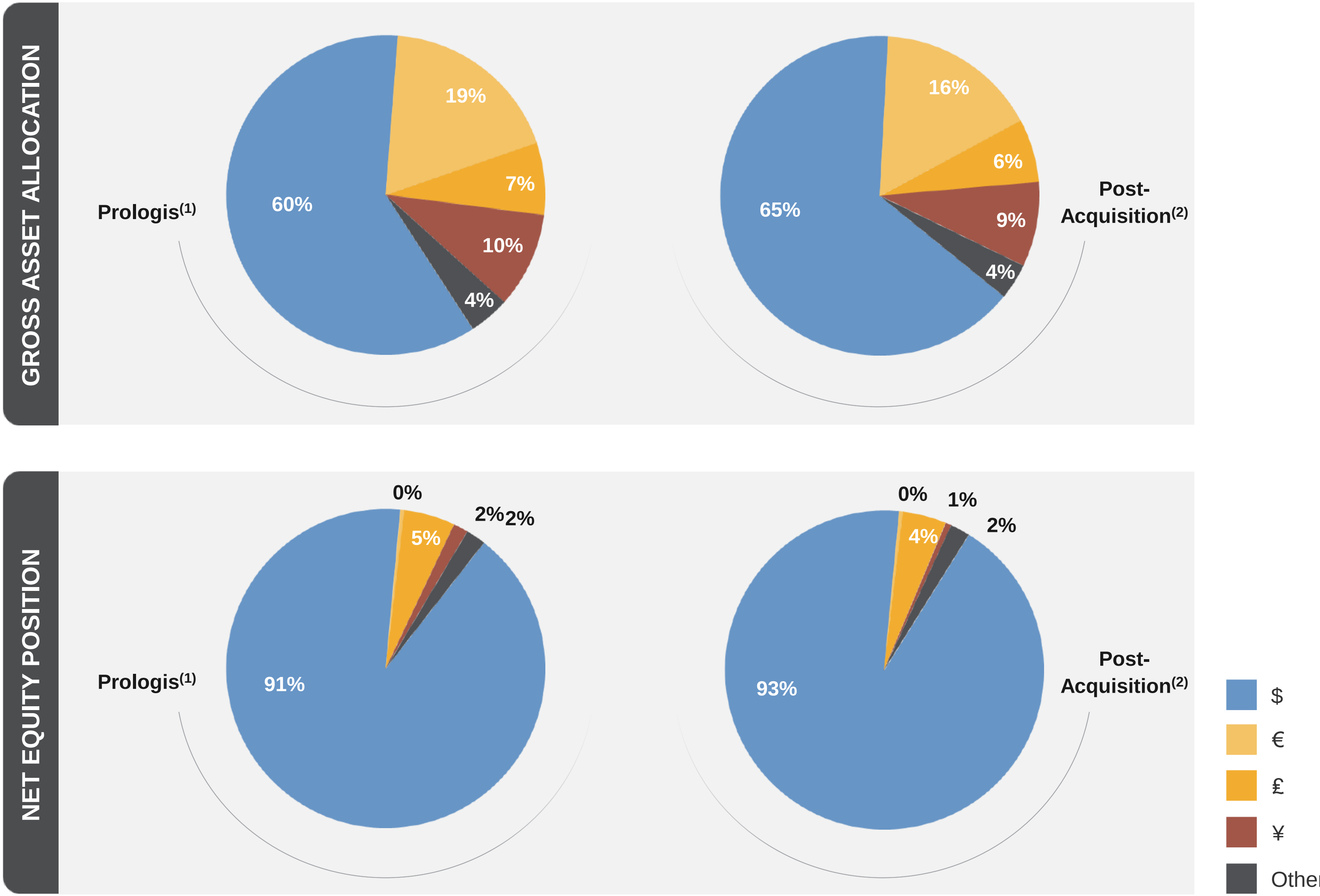
Top Ten Customers Post-Acquisition(1)



- Acquisition of high-quality, well-located assets to better serve customer needs
- Prologis has established relationship with majority of the ~250 multi-market customers in the KTR portfolio
- Significant overlap between KTR and Prologis' existing customer base increases opportunity to leverage these customer relationships for growth
- Opportunity to develop relationships with KTR customers that are new to Prologis

1. Prologis data based on net effective rent as of March 31, 2015. KTR data based on annualized base rent as of March 23, 2015

Increases USD Currency Concentration



1. As of March 31, 2015
2. Based on assumed leverage-neutral funding over the long term

Funding and Capitalization Strategy[1]

- Transaction will be funded on a leverage-neutral basis over the long term, maintaining Prologis' strong financial position
- Prologis has deep and diverse sources of available capital

Credit Metrics[3]:

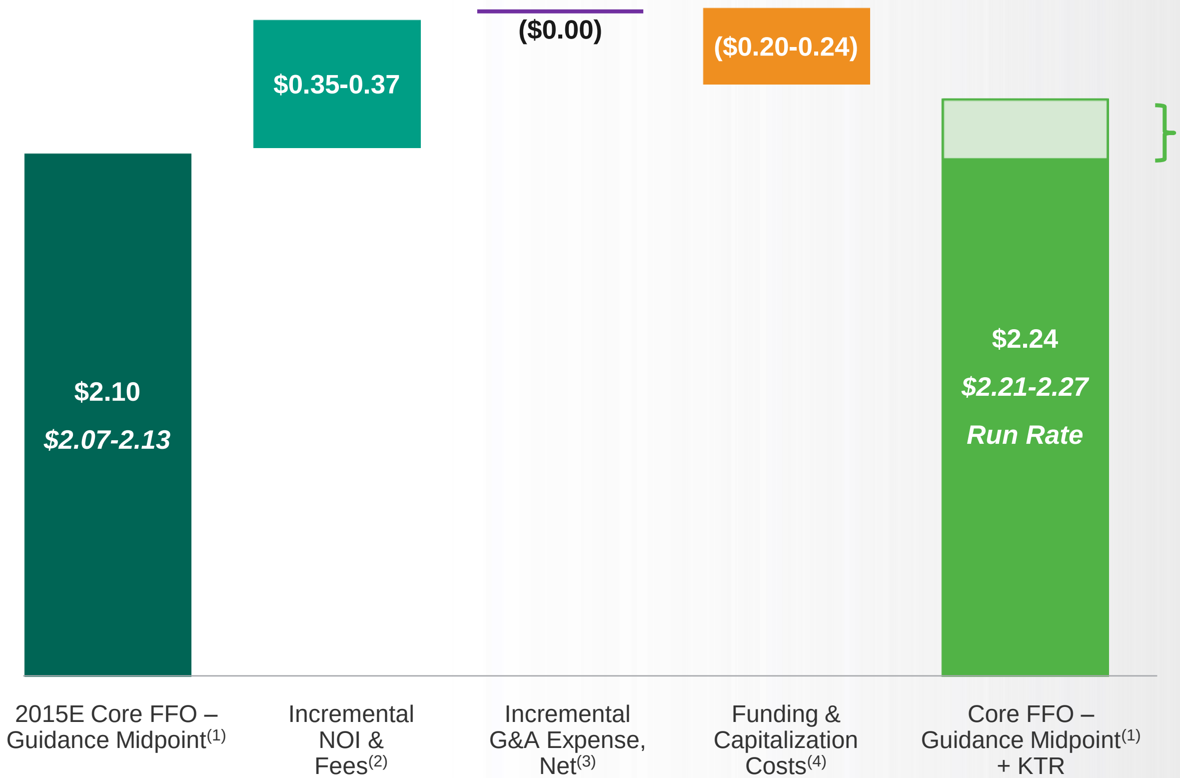
Leverage (% of gross real estate)	34.4%
Debt / Adjusted EBITDA[4]	5.8x
Debt / Adjusted EBITDA[4], excluding development gains	6.4x
Fixed charge coverage ratio	3.9x
Fixed charge coverage ratio, excluding development gains	3.6x

Several Available Options to Fund Remaining $2.6B[2] Requirement

Contributions / Dispositions	Fund contributions and non-strategic asset sales
PELP Ownership	Reduce ownership in PELP to 20% from 50%
Revolving Credit Facility	Readily available, $2.6B of capacity
Unsecured Debt	Interest rates attractive and market highly accessible (USD, Euro and Yen)
Property Level Debt	Strong lender appetite for high quality industrial assets
Equity – At the Market	$750M program facilitates opportunistic raises
Equity – Follow-On Offering	Highly liquid and accessible market
Bridge Facility	$1.0B bridge facility from Morgan Stanley

1. Please refer to Forward-Looking Statements for additional information
2. $3.2B total purchase price less ~$400M of assumed debt and up to $230M of OP units issued to KTR
3. As of March 31, 2015. For more information, see Notes and Definitions at the end of this presentation
4. Adjusted EBITDA is a non-GAAP financial measure. For more information, see Notes and Definitions at the end of this presentation

Increases Stabilized Core FFO – Post KTR Acquisition



Annual Stabilized Impact

~$0.14 accretive to Core FFO, representing 7% growth from the guidance midpoint[1] and driving corresponding cash flow growth

Immediately accretive in 2015 – expected benefit of ~$0.05[5] for Core FFO

Note: Represents expected full year impact of transaction on a stabilized basis for illustrative purposes. Based on assumed leverage-neutral funding over the long term

1. Based on guidance established on April 19, 2015
2. Includes incremental asset management fees
3. Incremental operating expenses are completely offset by incremental property management fees
4. Refer to slide 11 for funding and capitalization strategy
5. Expected to close in the next 30-60 days

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Key Takeaways

- High-quality, well-located portfolio that is complementary with Prologis' long-term investment strategy
- Transaction in line with current valuation of Prologis' U.S. and USLV portfolios
- Immediately accretive to Core FFO, lowers G&A as a % of AUM and further increases USD net equity
- Expands strategic, global relationship with NBIM
- Will be capitalized on a leverage-neutral basis over the long term, consistent with Prologis' conservative balance sheet strategy

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

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

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

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

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

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

Rental income	$	418,802
Rental expenses		(126,934)
NOI		291,868
Net termination fees and adjustments (a)		(1,494)
Less: actual NOI for development portfolio and other		(13,774)
Less: properties contributed or sold (b)		(2,414)
Less: third party share of NOI		(22,268)
Adjusted NOI for consolidated operating portfolio owned at March 31, 2015		251,918
Straight-lined rents (c)		(9,662)
Free rent (c)		10,583
Amortization of lease intangibles (c)		5,549
Less: third party share		124
First Quarter Adjusted Cash NOI (Actual)	$	258,512

(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.*

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

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

Notes and Definitions

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

	Three Months Ended March 31,	
	2015	2014
Net earnings		
Net earnings	$ 345,206	$ 4,666
Noncontrolling interest attributable to exchangeable limited partnership units	1,650	17
Gains, net of expenses, associated with exchangeable debt assumed exchanged	(1,614)	-
Adjusted net earnings - Diluted	**$ 345,242**	**$ 4,683**
Weighted average common shares outstanding - Basic	514,022	498,696
Incremental weighted average effect on exchange of limited partnership units	3,794	1,767
Incremental weighted average effect of stock awards	2,394	3,910
Incremental weighted average effect on exchangeable debt assumed exchanged (a)	8,812	-
Weighted average common shares outstanding - Diluted	**529,022**	**504,373**
Net earnings per share - Basic	**$ 0.67**	**$ 0.01**
Net earnings per share - Diluted	**$ 0.65**	**$ 0.01**
Core FFO		
Core FFO	$ 254,379	$ 217,555
Noncontrolling interest attributable to exchangeable limited partnership units	881	207
Interest expense on exchangeable debt assumed exchanged	3,506	4,246
Core FFO - Diluted	**$ 258,766**	**$ 222,008**
Weighted average common shares outstanding - Basic	514,022	498,696
Incremental weighted average effect on exchange of limited partnership units	3,794	3,715
Incremental weighted average effect of stock awards	2,394	3,910
Incremental weighted average effect on exchangeable debt assumed exchanged (a)	8,812	11,879
Weighted average common shares outstanding - Diluted	**529,022**	**518,200**
Core FFO per share - Diluted	**$ 0.49**	**$ 0.43**

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

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

	Three Months Ended	
	Mar. 31	Dec. 31
	2015	2014
Debt as a % of gross real estate assets:		
Total Prologis share of debt - at par	$ 9,926,040	$ 10,763,232
Less: Prologis share of outstanding foreign currency derivatives	(171,605)	(102,080)
Less: consolidated cash and cash equivalents	(192,013)	(350,692)
Add: consolidated cash and cash equivalents - third party share	38,821	45,236
Less: unconsolidated entities cash - Prologis share	(91,462)	(111,629)
Total Prologis share of debt, net of adjustments	**$ 9,509,781**	**$ 10,244,067**
Gross real estate assets - Prologis share	**$ 27,612,068**	**$ 28,099,831**
Debt as a % of gross real estate assets	**34.4%**	**36.5%**
Secured debt as a % of gross real estate assets:		
Prologis share of secured debt - at par	$ 2,453,166	$ 2,857,196
Gross real estate assets - Prologis share	$ 27,612,068	$ 28,099,831
Secured debt as a % of gross real estate assets	**8.9%**	**10.2%**
Unencumbered gross real estate assets to unsecured debt:		
Unencumbered gross real estate assets - Prologis share	$ 21,912,632	$ 21,862,642
Prologis share of unsecured debt - at par	$ 7,472,874	$ 7,906,036
Unencumbered gross real estate assets to unsecured debt	**293.2%**	**276.5%**
Fixed Charge Coverage ratio:		
Adjusted EBITDA	$ 365,996	$ 367,240
Adjusted EBITDA-annualized including 12 month rolling development gains	$ 1,621,292	$ 1,642,814
Net promote for the twelve months ended	28,378	28,378
Adjusted EBITDA-annualized	$ **1,649,670**	$ **1,671,192**
Pro forma adjustment for mid-quarter activity and NOI from disposed properties - annualized	(2,960)	(8,172)
Adjusted EBITDA, including NOI from disposed properties, annualized	$ **1,646,710**	$ **1,663,020**
Interest expense	$ 68,761	$ 74,092
Amortization and write-off of deferred loan costs	(3,418)	(3,669)
Amortization of debt premium (discount), net	9,837	8,902
Capitalized interest	16,284	16,132
Preferred stock dividends	1,670	1,678
Third party share of fixed charges from consolidated entities	(5,215)	(4,009)
Our share of fixed charges from unconsolidated entities	16,933	19,808
Total fixed charges	$ 104,852	$ 112,934
Total fixed charges, annualized	$ **419,408**	$ **451,736**
Fixed charge coverage ratio	**3.93x**	**3.68x**
Debt to Adjusted EBITDA:		
Total Prologis share of debt, net of adjustments	$ **9,509,781**	$ **10,244,067**
Adjusted EBITDA-annualized	$ **1,649,670**	$ **1,671,192**
Debt to Adjusted EBITDA ratio	**5.76x**	**6.13x**

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

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

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

FFO, as defined by Prologis; Core FFO; AFFO (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.

Notes and Definitions

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.

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

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

FFO, as defined by Prologis

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

(i) deferred income tax benefits and deferred income tax expenses recognized by our subsidiaries;

(ii) current income tax expense related to acquired tax liabilities that were recorded as deferred tax liabilities in an acquisition, to the extent the expense is offset with a deferred income tax benefit in GAAP earnings that is excluded from our defined FFO measure;

(iii) unhedged foreign currency exchange gains and losses resulting from debt transactions between us and our foreign consolidated subsidiaries and our foreign unconsolidated entities;

(iv) foreign currency exchange gains and losses from the remeasurement (based on current foreign currency exchange rates) of certain third party debt of our foreign consolidated subsidiaries and our foreign unconsolidated entities; and

(v) mark-to-market adjustments and related amortization of debt discounts associated with derivative financial instruments.

We calculate *FFO, as defined by Prologis* for our unconsolidated entities 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

In addition to *FFO, as defined by Prologis,* we also use Core FFO. To arrive at *Core FFO,* we adjust *FFO, as defined by Prologis*, to exclude the following recurring and non-recurring items that we recognized directly or our share of these items recognized by our unconsolidated entities to the extent they are included in *FFO, as defined by Prologis*:

(i) gains or losses from contribution or sale of land or development properties;

(ii) income tax expense related to the sale of investments in real estate and third-party acquisition costs related to the acquisition of real estate;

(iii) impairment charges recognized related to our investments in real estate generally as a result of our change in intent to contribute or sell these properties;

(iv) gains or losses from the early extinguishment of debt and redemption and repurchase of preferred stock;

(v) merger, acquisition and other integration expenses; and

(vi) expenses related to natural disasters.

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

Notes and Definitions

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

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

AFFO

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

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

Limitations on Use of our FFO Measures

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

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

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

See our Form 10-K filed on February 25, 2015 and Form 8-K furnished on April 20, 2015 for reconciliations of our FFO measures to net earnings.

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

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

	Three Months Ended March 31,	
	2015	2014
Gross overhead	$ 108,705	$ 117,249
Allocated to rental expenses	(7,984)	(8,123)
Allocated to strategic capital expenses	(20,361)	(24,163)
Capitalized amounts	(24,072)	(21,760)
G&A expenses	**$ 56,288**	**$ 63,203**

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 March 31,	
	2015	2014
Development activities	$ 17,922	$ 16,861
Leasing activities	5,048	4,718
Costs related to internally developed software	1,102	181
Total capitalized G&A	**$ 24,072**	**$ 21,760**

Notes and Definitions

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

Net G&A - midpoint of 2015 guidance range (a)	$	240,000
Add: estimated 2015 strategic capital expenses		91,000
Less: estimated strategic capital property management expenses		(43,000)
Adjusted G&A, using estimated 2015 amounts	$	288,000
Carrying value at period end:		
Operating properties	$	39,796,838
Development portfolio - TEI		3,032,131
Land portfolio		1,750,644
Other real estate investments and assets held for sale		585,613
Total Assets Under Management	$	45,165,226
G&A as % of Assets Under Management		**0.64%**

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

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

	Three Months Ended March 31,			
		2015		2014
Gross interest expense	$	91,464	$	102,464
Amortization of discount (premium), net		(9,837)		(5,835)
Amortization of deferred loan costs		3,418		3,467
Interest expense before capitalization		85,045		100,096
Capitalized amounts		(16,284)		(14,573)
Interest expense	**$**	**68,761**	**$**	**85,523**

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

Market Classification

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

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

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

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

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

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

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

	Ownership Percentage	Noncontrolling Interest	Real Estate	Debt
Brazil Fund	50.0%	$ 56,897	$ -	$ -
Prologis U.S. Logistics Venture	55.0%	423,401	1,008,793	-
Prologis North American Industrial Fund	66.1%	537,996	2,749,785	1,180,409
Other consolidated entities	various	103,707	1,013,008	17,511
Limited partners in the Operating Partnership		55,833	-	-
Noncontrolling interests		**$ 1,177,834**	**$ 4,771,586**	**$ 1,197,920**

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

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

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

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

Notes and Definitions

	Three Months Ended March 31,			
		2015		2014
Rental income	$	319,715	$	295,506
Amortization of lease intangibles		(5,853)		(7,694)
Rental expense recoveries		94,255		87,362
Straight-lined rents		10,685		13,066
	$	**418,802**	$	**388,240**

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

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

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

	Three Months Ended March 31,		
	2015	2014	Change (%)
Rental Income:			
Per the Consolidated Statements of Operations	$ 418,802	$ 388,240	
Properties not included and other adjustments (a)	(37,028)	(47,052)	
Unconsolidated Co-Investment Ventures	415,666	422,070	
Same Store - Rental Income	**$ 797,440**	**$ 763,258**	**4.5%**
Rental Expense:			
Per the Consolidated Statements of Operations	$ 126,934	$ 110,517	
Properties not included and other adjustments (b)	(5,521)	(7,138)	
Unconsolidated Co-Investment Ventures	97,385	101,053	
Same Store - Rental Expense	**$ 218,798**	**$ 204,432**	**7.0%**
NOI-GAAP:			
Per the Consolidated Statements of Operations	$ 291,868	$ 277,723	
Properties not included and other adjustments	(31,507)	(39,914)	
Unconsolidated Co-Investment Ventures	318,281	321,017	
Same Store - NOI - GAAP	**$ 578,642**	**$ 558,826**	**3.5%**
NOI-Adjusted Cash:			
Same store- NOI - GAAP	$ 578,642	$ 558,826	
Adjustments (c)	(7,964)	(9,830)	
Same Store - NOI- Adjusted Cash	**$ 570,678**	**$ 548,996**	**3.9%**

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

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

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

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

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

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

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

Notes and Definitions

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

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

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