11.09.16

Prologis Investor Forum

Future Ready

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Forward-Looking Statements / Non Solicitation

This presentation includes certain terms and non-GAAP financial measures that are not specifically defined herein. These terms and financial measures are defined and, in the case of the non-GAAP financial measures, reconciled to the most directly comparable GAAP measure, in our third quarter Earnings Release and Supplemental Information that is available on our investor relations website at www.ir.prologis.com and on the SEC's website at www.sec.gov.

The statements in this document 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 we operate as well as management's beliefs and assumptions. Such statements involve uncertainties that could significantly impact our financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and 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 properties, disposition activity, general conditions in the geographic areas where we operate, our debt, capital structure and financial position, our ability to form new co-investment ventures and the availability of capital in existing or new co-investment ventures — 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 status, tax structuring and income tax rates (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, 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 us under the heading "Risk Factors." We undertake no duty to update any forward-looking statements appearing in this document.

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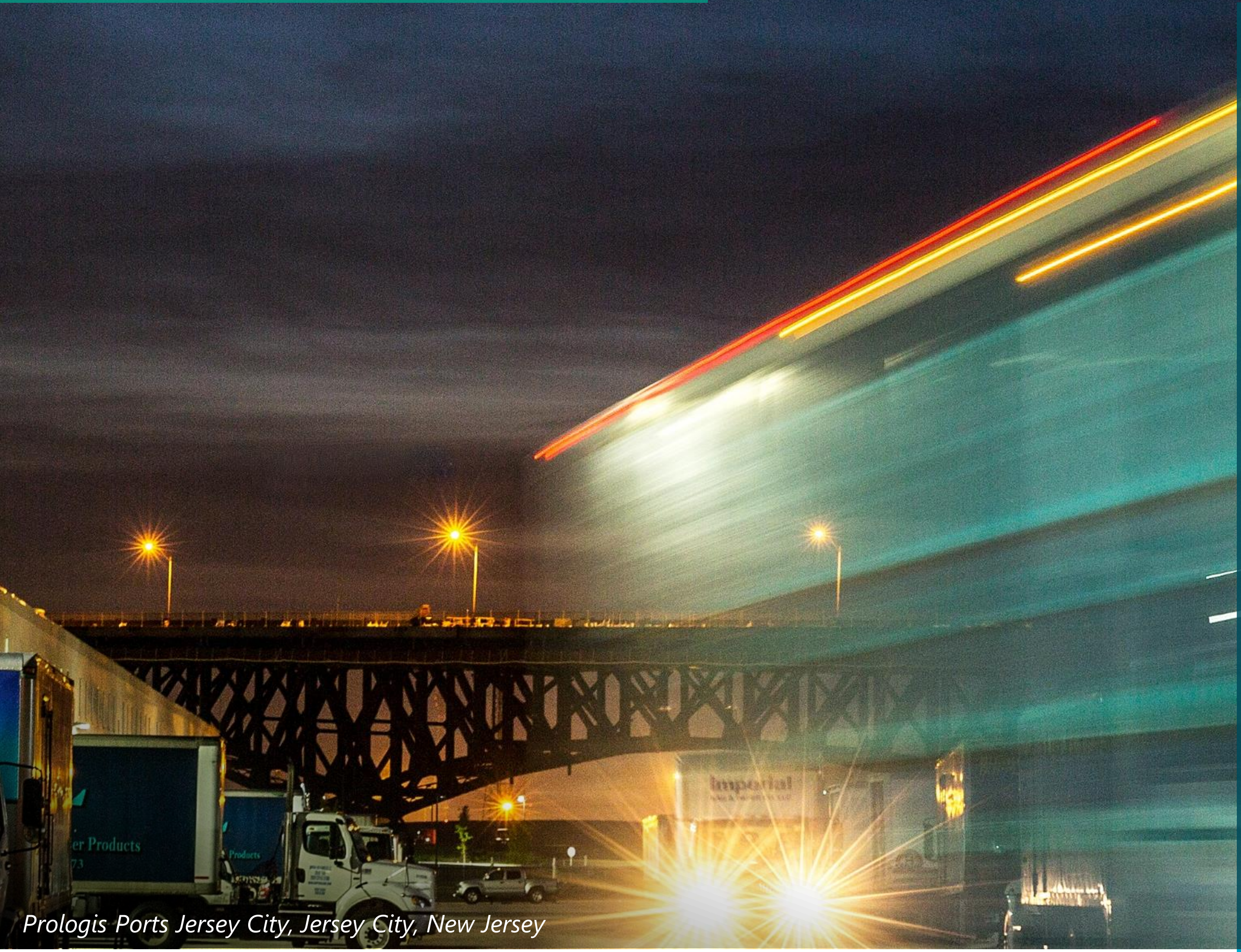

Prologis Ports Jersey City, Jersey City, New Jersey

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Section 01

Vision for Superior Growth

Hamid Moghadam
Chairman & CEO

Building the Foundation

1	2	3	4	5
Portfolio Realignment	Asset Utilization	Monetize Land Bank	Efficient Organization	Strengthen Financial Position
99% Global & Regional Markets	96.6% Occupied	Reduced land bank from \$2.0B to \$1.4B	Lowered G&A as a % of AUM from 85 bps to 52 bps	37% LTV *(book)* 5.6x Debt / EBITDA \$3.8B Liquidity A3/BBB+
Developed \$8B Disposed \$7B Acquired \$6B	Leased an average of 39 MSF per quarter for 21 quarters	Created \$1.7B value on \$6B of stabilizations	Grew AUM 41% while G&A only increased 23%	Reduced debt and borrowing costs by \$2.6B and 190 bps

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Source: Prologis Supplemental Information Q2 2011-Q3 2016

Business is simplified.

From this point forward, it's all about Same Store NOI growth and Value Creation.

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Section 02

The Drivers of Our Business

Chris Caton
SVP, Global Head of Research

Prologis Torrance Distribution Center, Torrance, California

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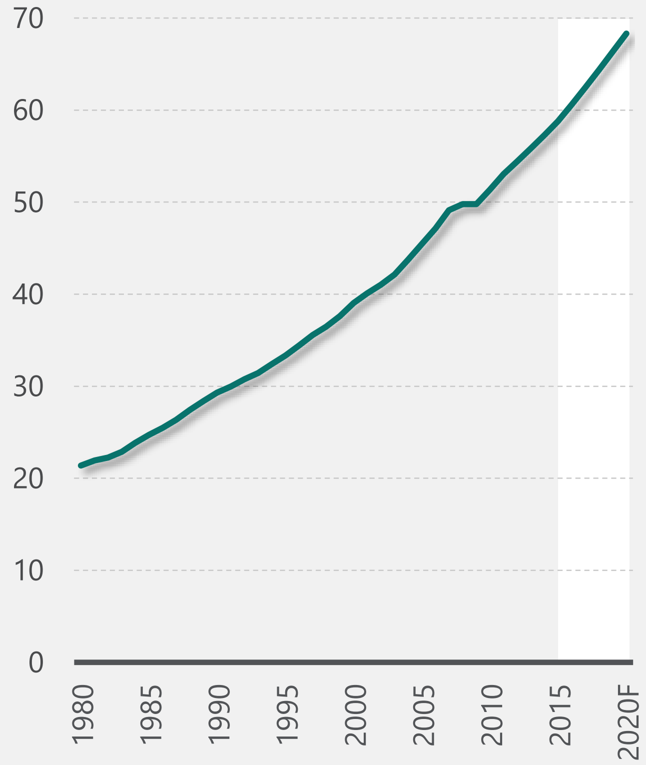
Three Factors Shaping Logistics Real Estate

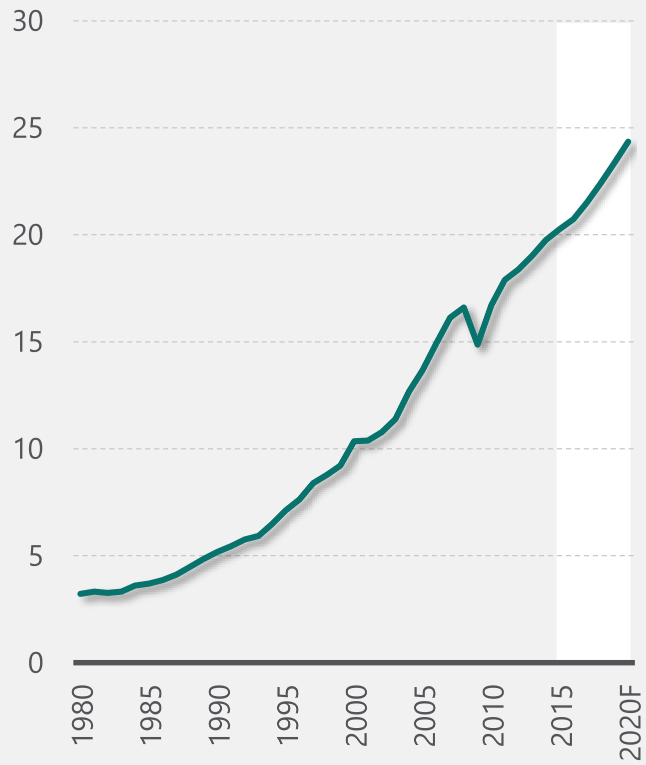
Dynamic Industry	Cycle Continues	Location Matters

Long-Term Drivers of Logistics Real Estate

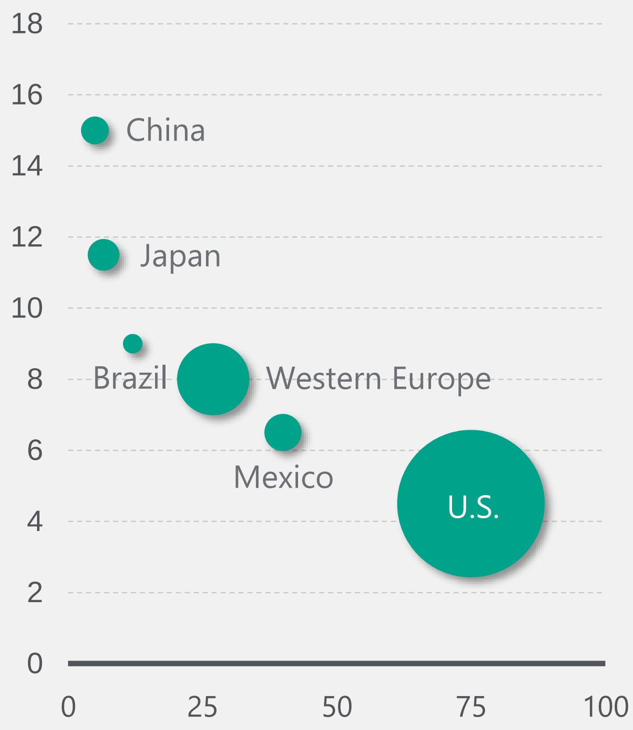
Consumption, Global
Trillions, Inflation Adjusted 2015 Dollars



Trade, Global
Trillions, Inflation Adjusted 2015 Dollars



Supply Chain Reconfiguration
Demand Growth % vs. Modern Stock per Capita



Source: Oxford Economics, World Bank, IMF, CBRE, JLL, Gerald Eve, Cushman & Wakefield, Colliers, Prologis Research
Note: "Demand growth" represented by the annual reversion growth rate. Modern stock represented as a share of consumer households (those earning at least $20,000 USD annually (PPP and inflation-adjusted))

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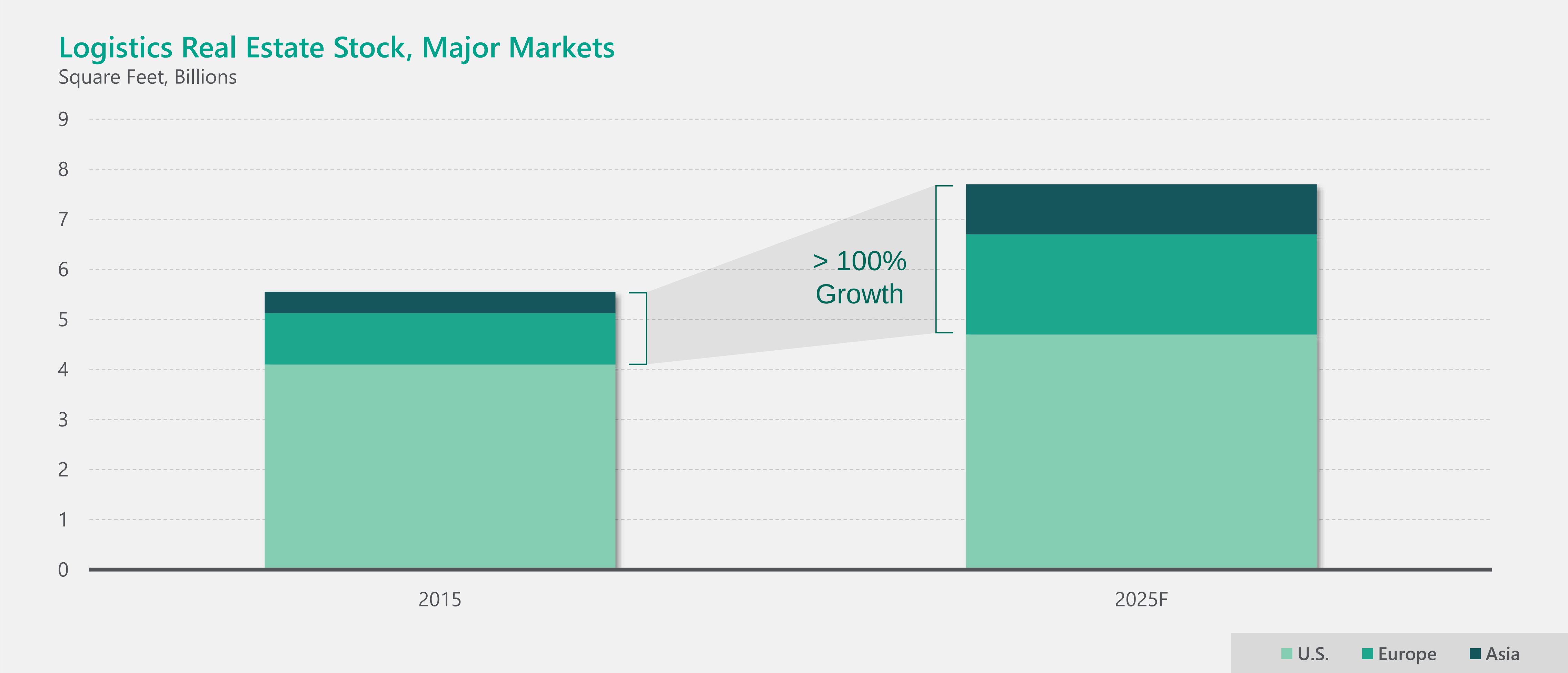
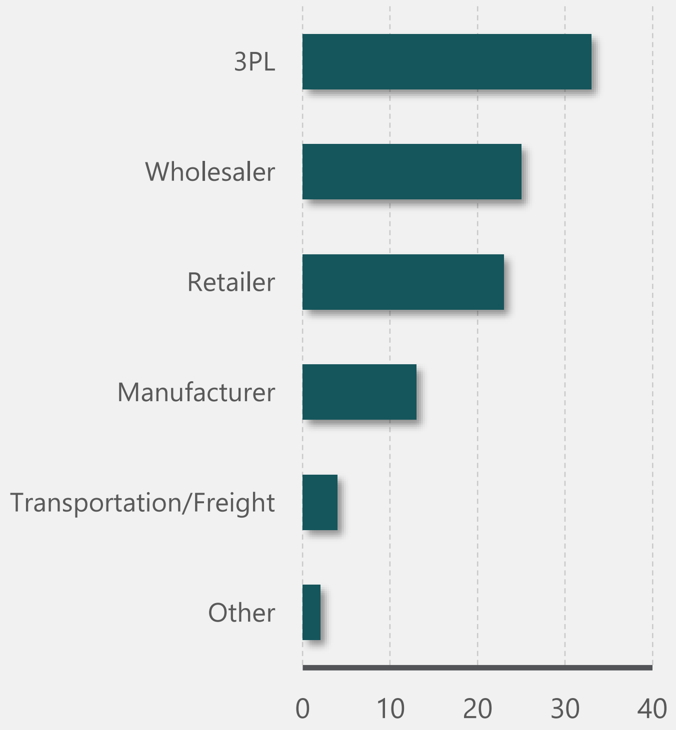
Market Opportunity Increasingly Global



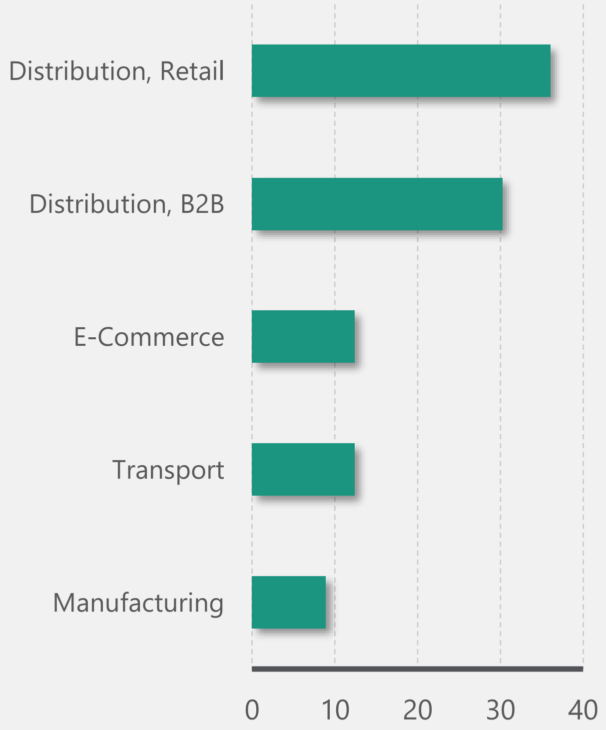
Source: CBRE, JLL, Gerald Eve, Cushman & Wakefield, Colliers, Prologis Research (including forecasts)
Note: Modern logistics stock defined as logistics facilities with advanced functional features and/or superior locations near transit infrastructure or major population bases. Prologis Research estimates of modern stock in the major logistics markets using total stock estimates from preferred data venders, globally

High Diversity Across the Customer Landscape

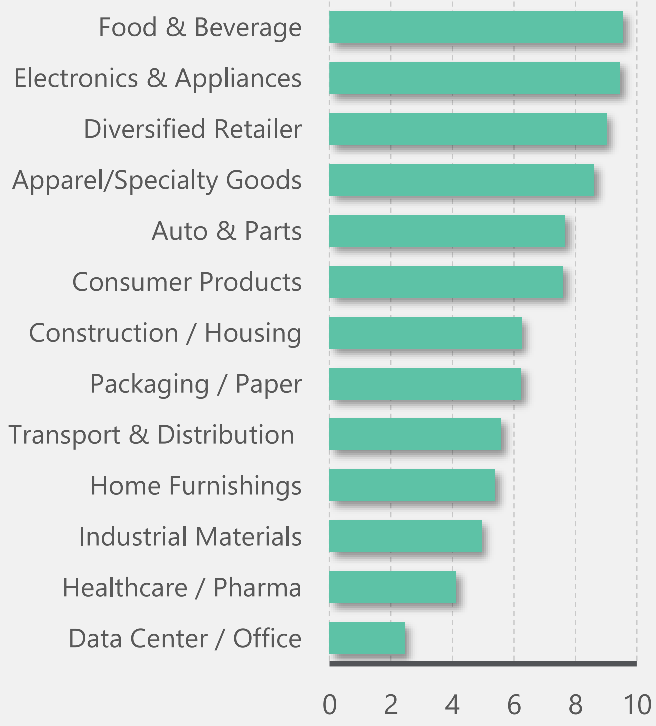
Customer Type
Share of Portfolio, %, NRA



Customer Activity
Share of Portfolio, %, NRA

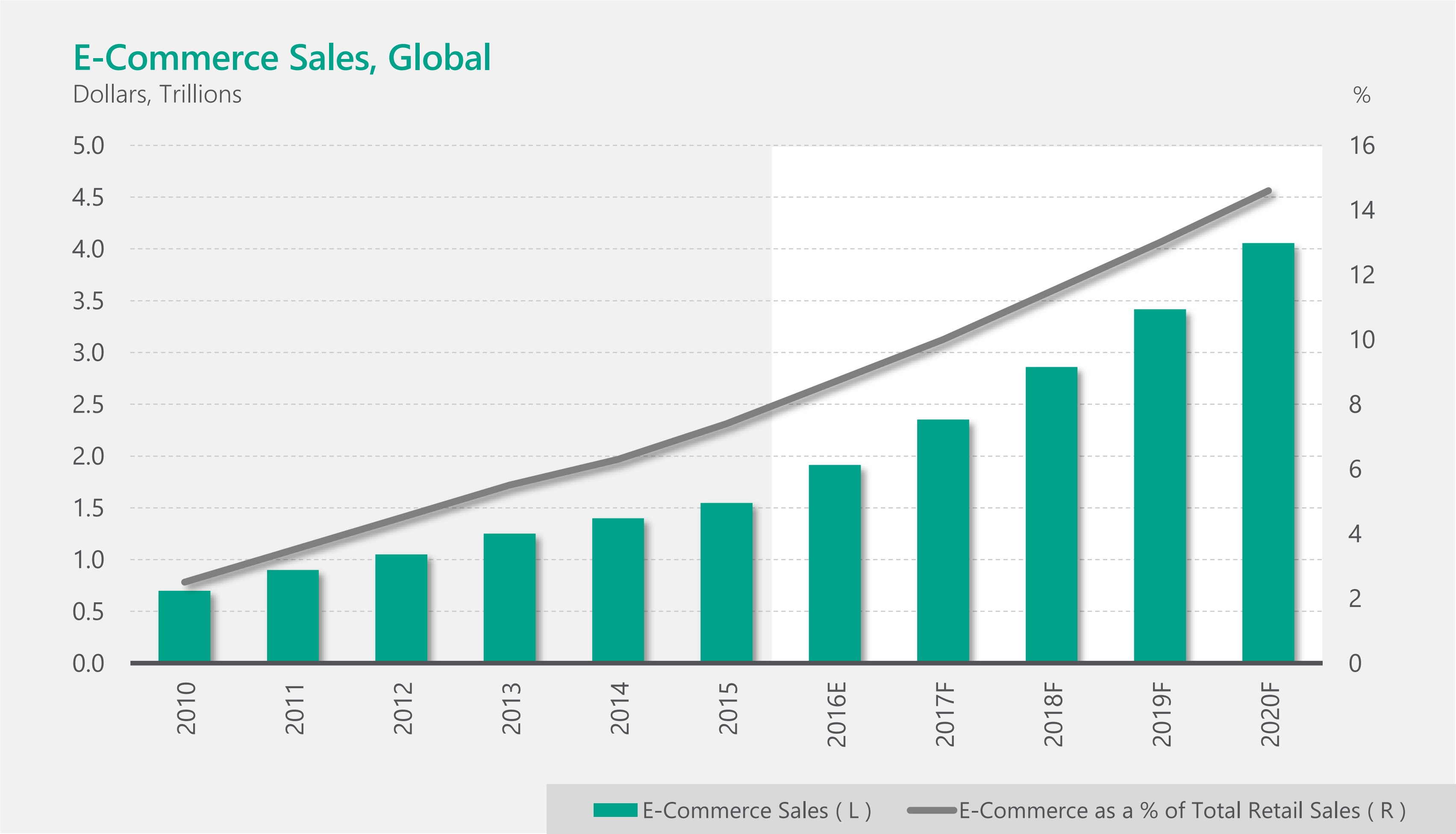


Customer Industry
Share of Portfolio, %, NRA



Source: Prologis Research
Note: Industry classifications do not sum to 100%. The balance, 13%, is ascribable to units where 3PL customers have more than one industry type present

Outsized Growth As Adoption Rate Increases



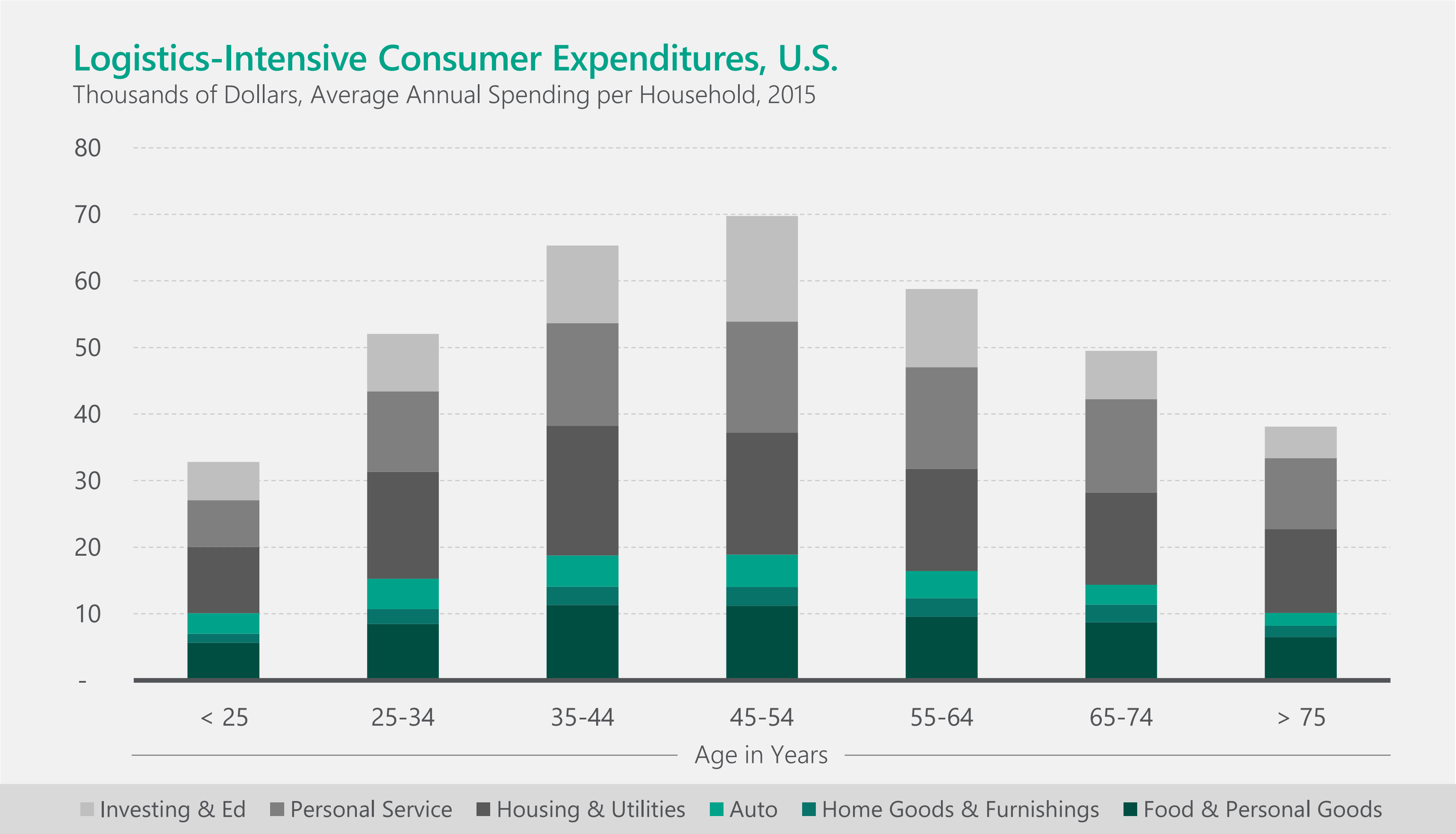
162%

projected growth of e-commerce sales from 2015-2020

- 130% shift to e-commerce
- 16% inflation
- 16% real growth in sales

Source: e-Marketer, Prologis Research
Note: Includes products and services ordered using the internet via any device, regardless of the method of payment or fulfillment, excludes travel and event tickets

Shifting Demographics Affecting Consumption



Millennials beginning to enter their peak spending years

Source: BLS Consumer Expenditure Survey (August 2016), Prologis Research

E-Commerce Requires +/-3x Floor Space

	Sales US$, B	Facilities SF, M	Productivity US$ / SF	Efficiency SF / $1B
 Online	$164B	207	$791	1,265 KSF
 Brick & Mortar	$1,303B	561	$2,321	430 KSF

+/-3x

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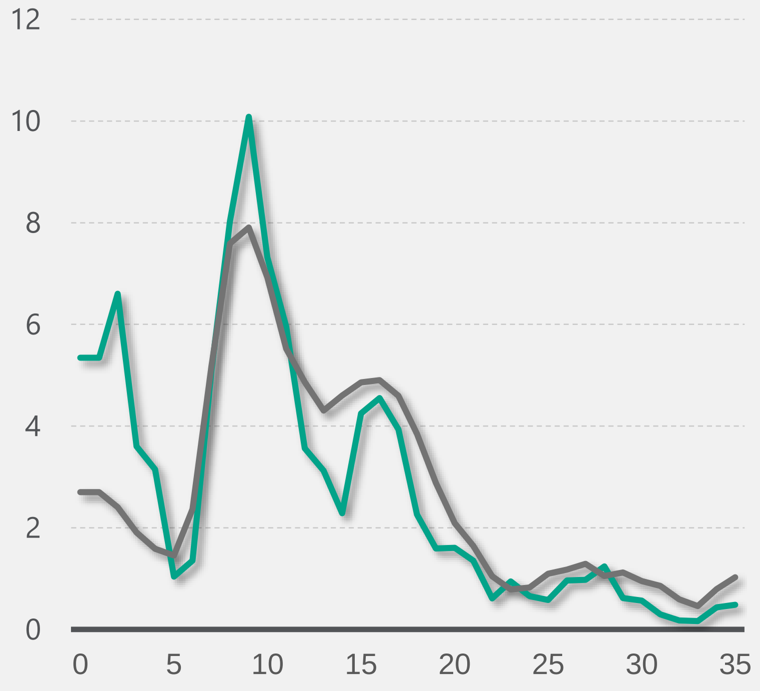
Source: Internet Retailer, company filings, Prologis Research
Note: 2015 data

Not All E-Commerce Facilities Are New or Large

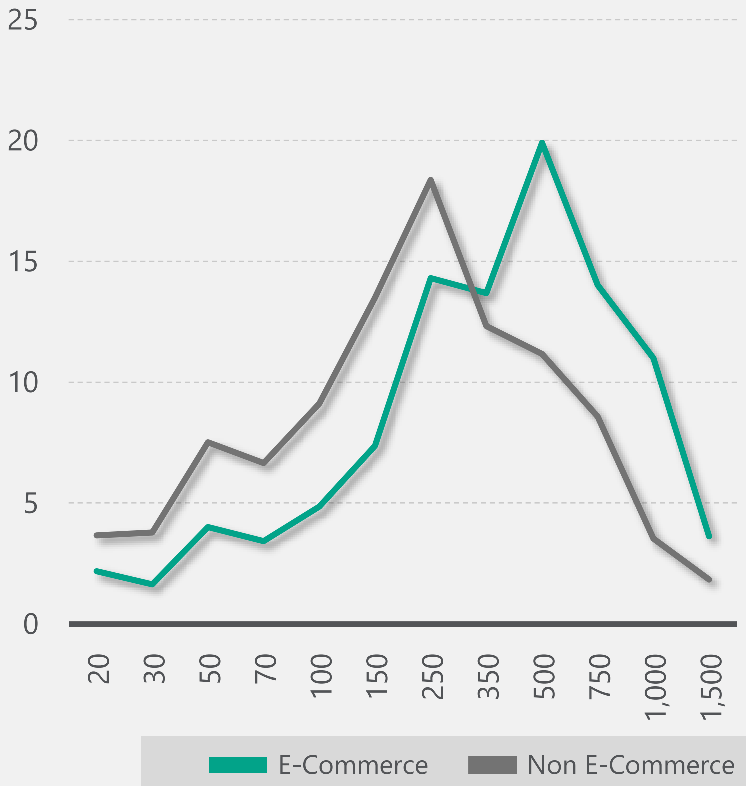
Distribution of Leases by Building Age

%, Share of Prologis Portfolio, Global



Distribution of Leases by Unit Size

%, Share of Prologis Portfolio, Global by Size Category in Thousands SF



130,000 SF

average unit size for e-commerce customers

17 years

average building age for e-commerce customers

Source: Prologis Research

Last Mile Represents Significant Opportunity

Top Global Online Retailers by Revenue

	2010	2015	2020F
Count of Retailers With >$5B in Sales	6	14	38
Total Revenue of Major Online Retailers	$70B	$290B	$775B

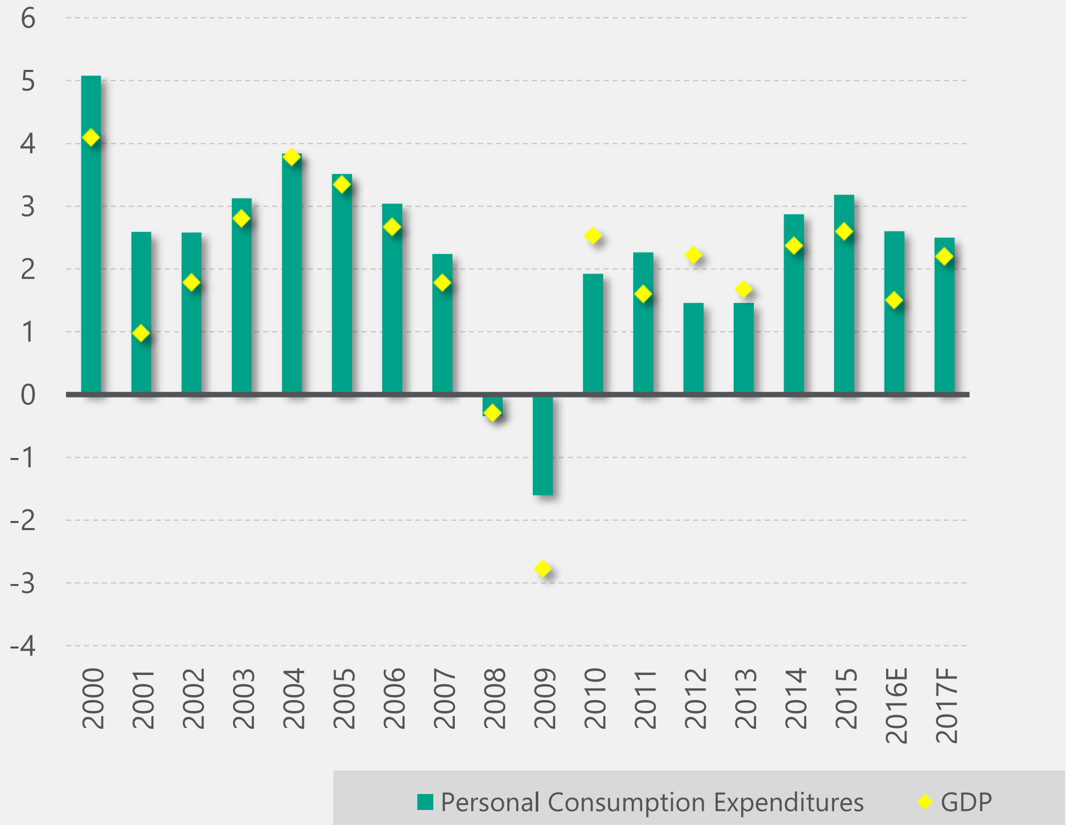
Source: Internet Retailer

Note: Forward estimates growth of individual company revenues at the expected national average pace. Actual results will be different

Other Segments of the Economy Outperforming

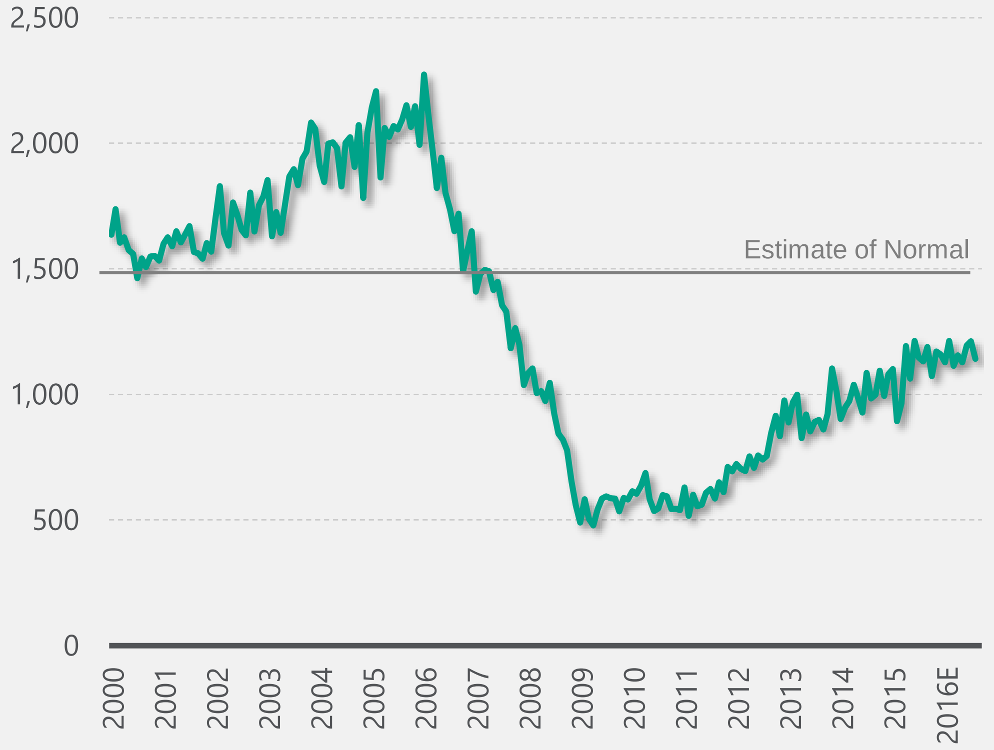
Consumption vs. GDP, U.S.

%, y/y, Inflation Adjusted



Housing Starts, U.S.

Thousands, New Privately Owned Housing Units Started, Monthly, SAAR



Source: U.S. Census, U.S. Bureau of Economic Analysis. Forecasts and estimate of normal come from Consensus Economics and Oxford Economics, respectively

Three Factors Shaping Logistics Real Estate

Dynamic Industry

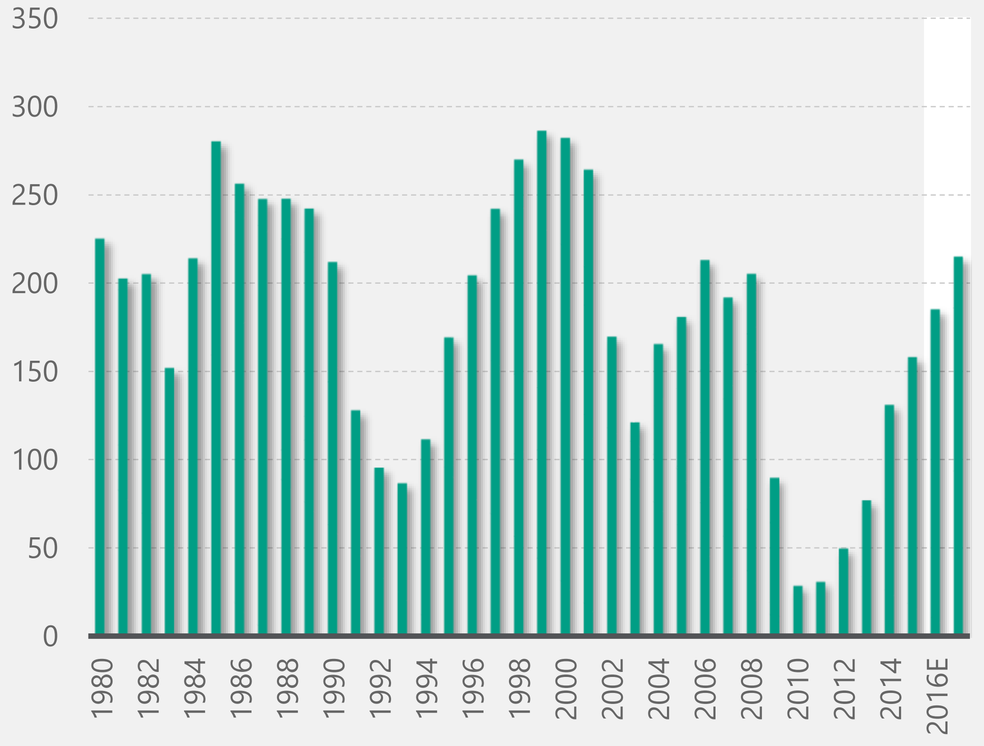
Cycle Continues

Location Matters

Measured Pace of Supply Recovery

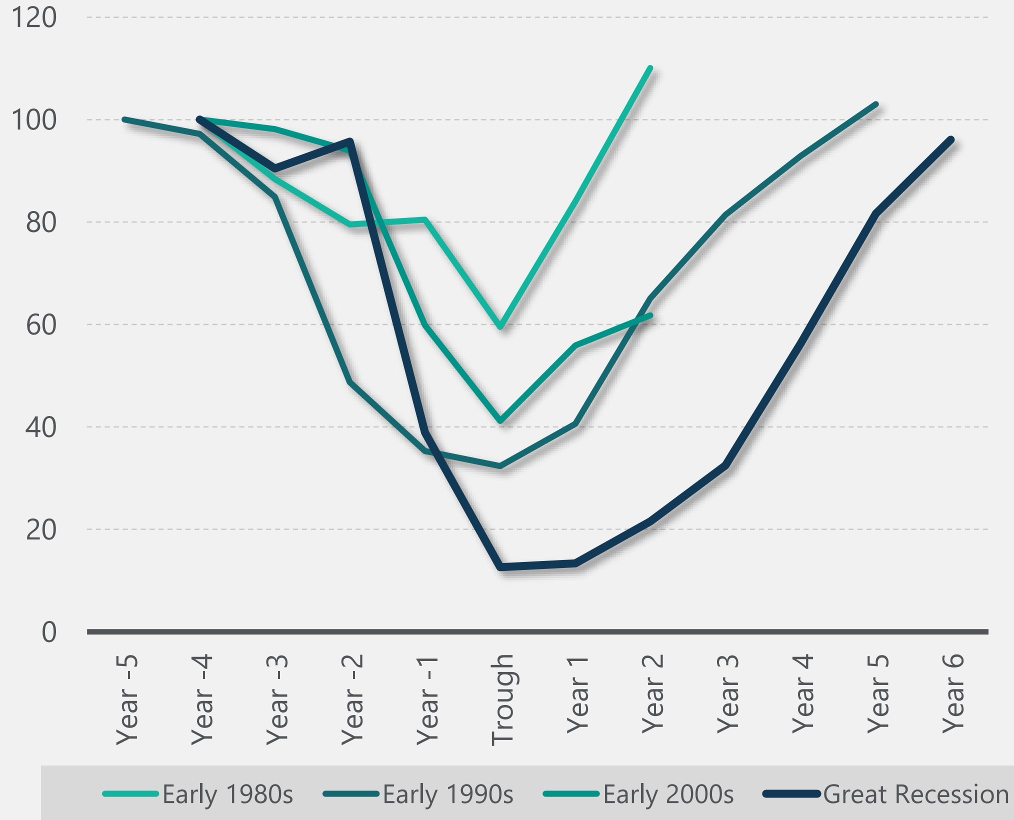
Completions, U.S.

Millions, Square Feet



Completions Index, U.S.

Index, prior peak = 100



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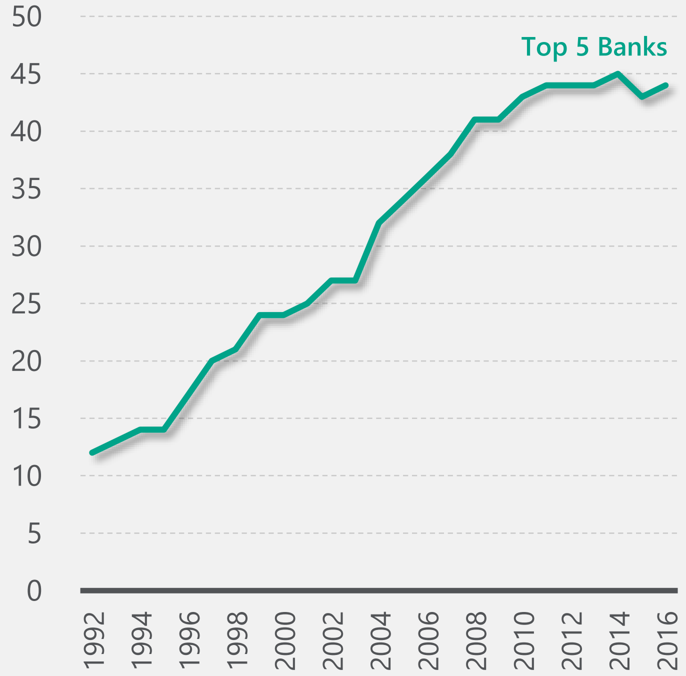
Source: CBRE, Prologis Research

Structural Change for Finance and Development Industries

Banks Assets Concentrated in the Largest Institutions

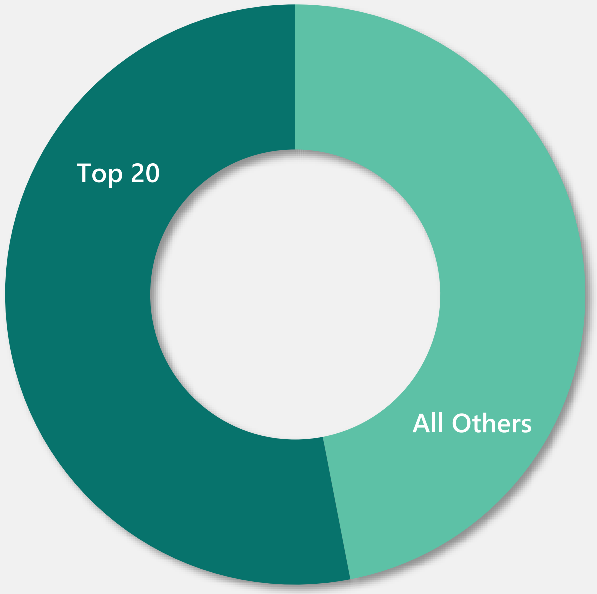
% of Industry Assets



Source: FDIC

Logistics Construction Concentrated Among Largest Developers

% of Total Square Feet Developed in U.S., 2011 – 2Q 2016

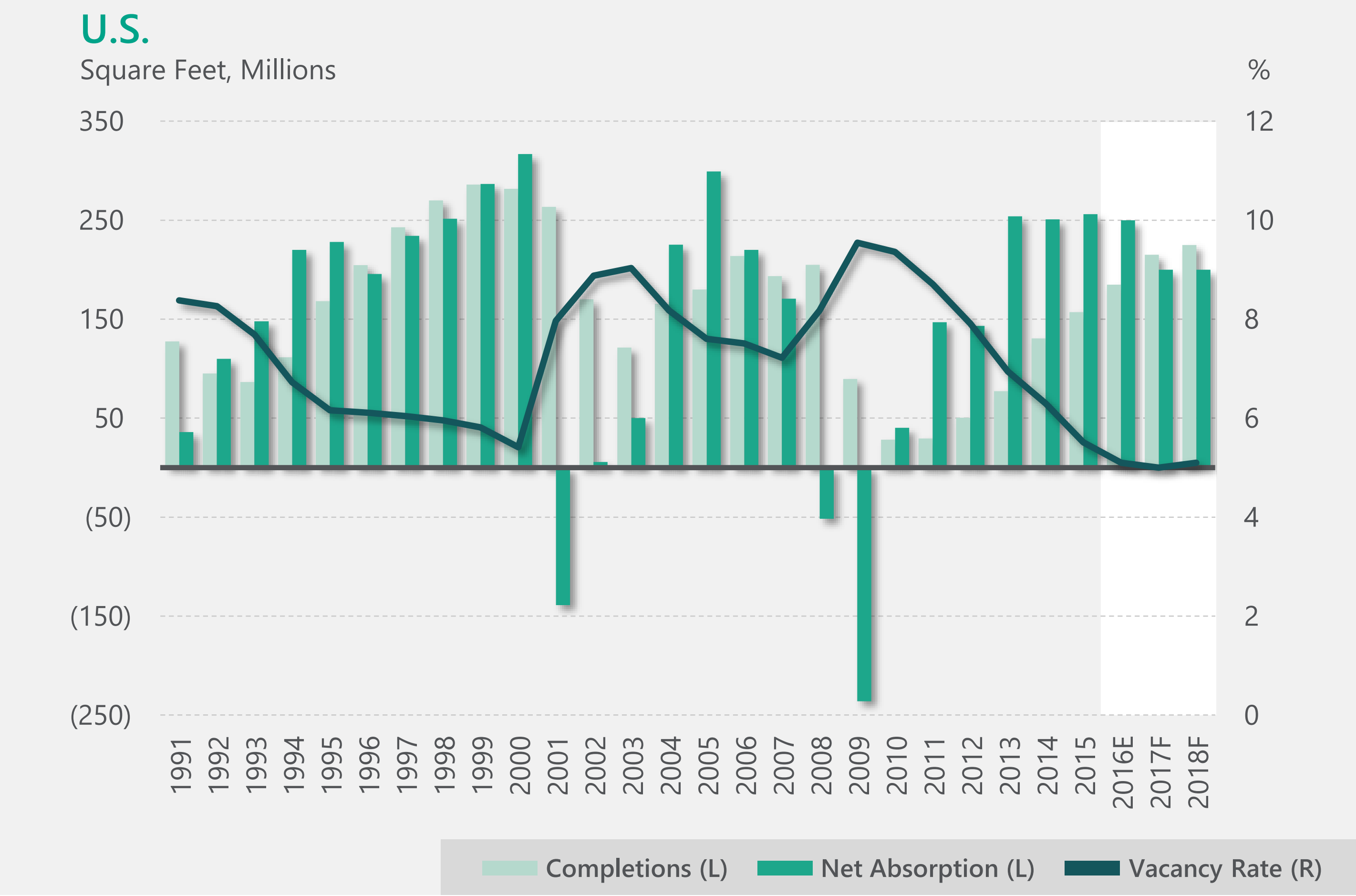


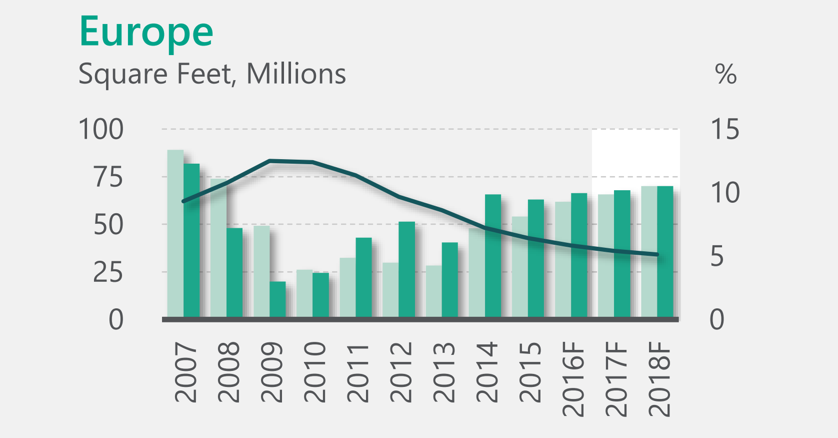
Source: Prologis Research

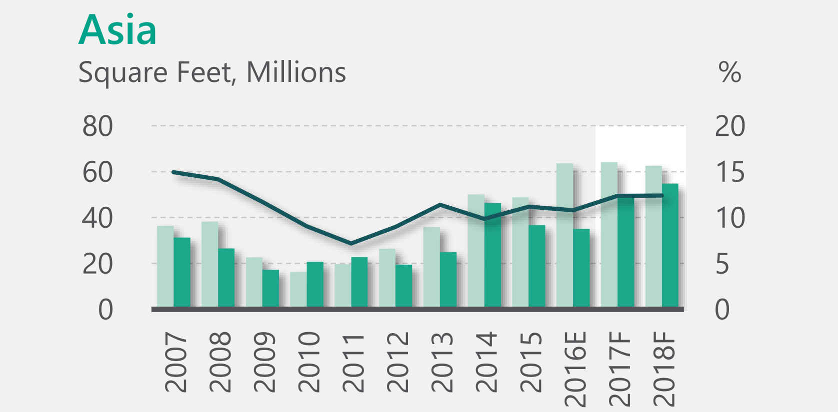
Banks are increasingly consolidated and regulated

Construction financing principally available for established developers

Vacancies Remain At All-Time Lows







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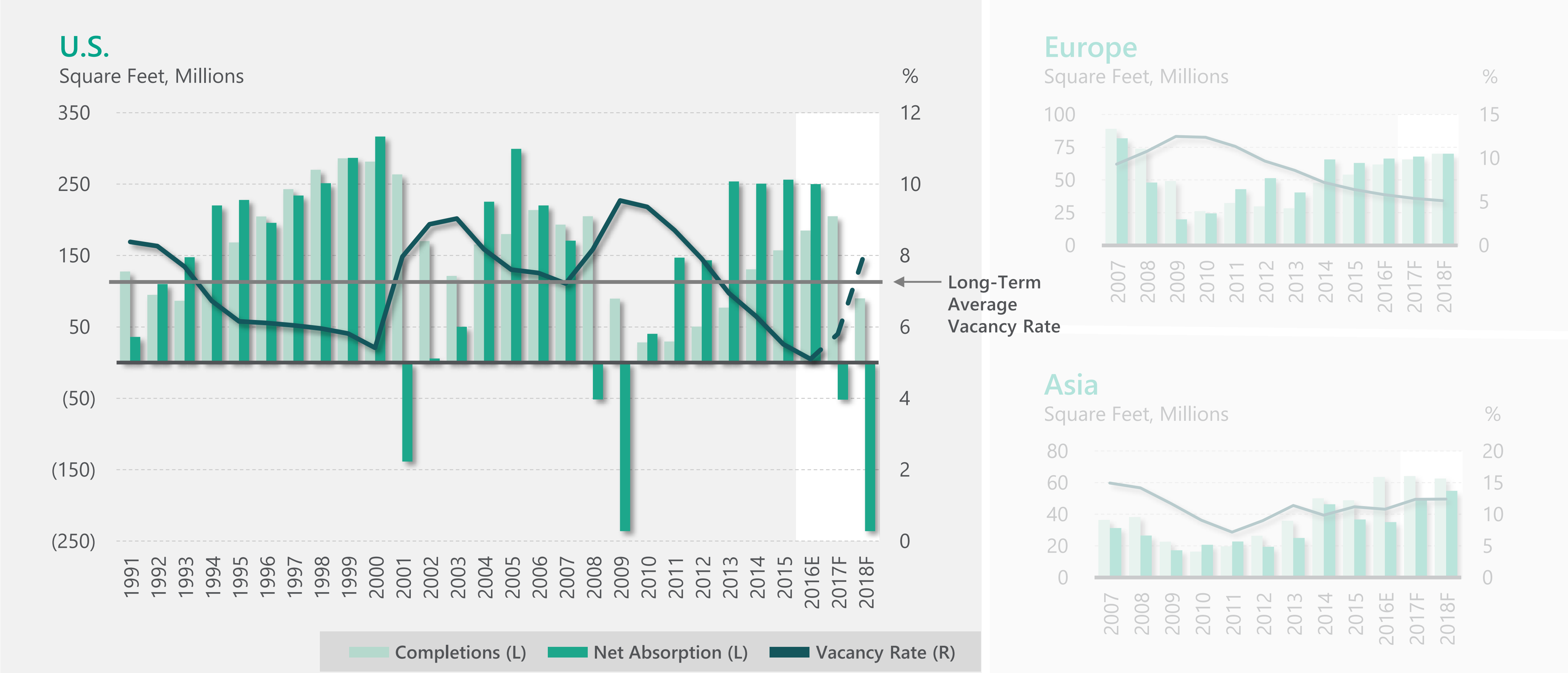
Source: CBRE, JLL, Gerald Eve, Cushman & Wakefield, Colliers, Prologis Research
Note: Prologis Research forecasts as of October 2016

Global Financial Crisis Scenario

Vacancies Normalize to Long-Term Average



Source: CBRE, JLL, Gerald Eve, Cushman & Wakefield, Colliers, Prologis Research
Note: Severe U.S. recession scenario estimated using historical events as a proxy; Prologis Research forecasts as of October 2016

Actual Market Rent Performance Ahead / In-Line With Forecasts

Prior Prologis Forecasts

	2012 Forecast 2013F-2016F (%)	2013 Forecast 2014F-2017F (%)
Americas	25	25
Europe	20	20
Japan	8	8
China	25	25
Global	**20-25**	**20-25**
Growth to Date	27	18
Total Projected	28	22

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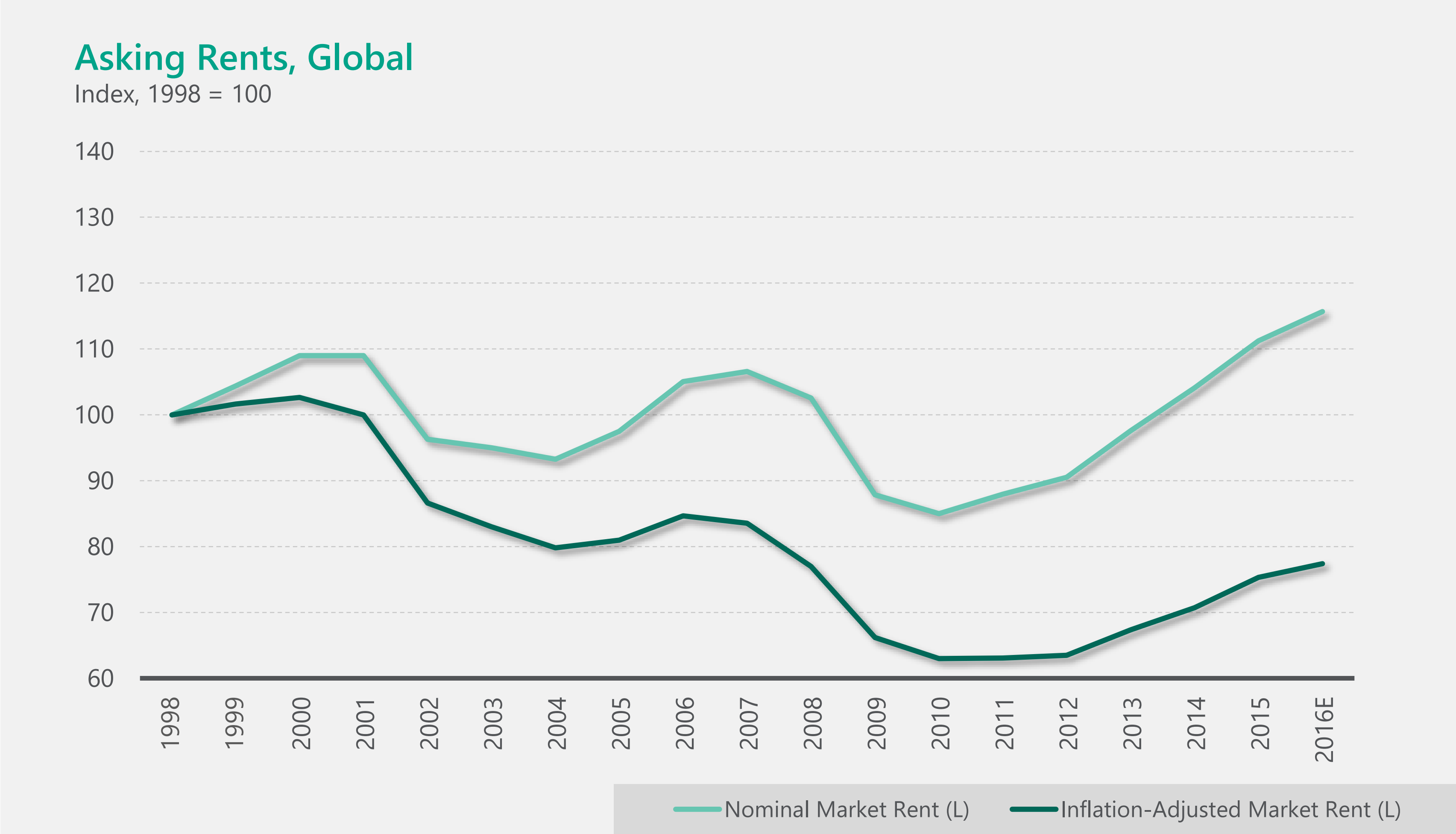
Note: Global based upon Prologis share by geography, specifically 65% Americas, 23% Europe, 8% Japan and 4% China

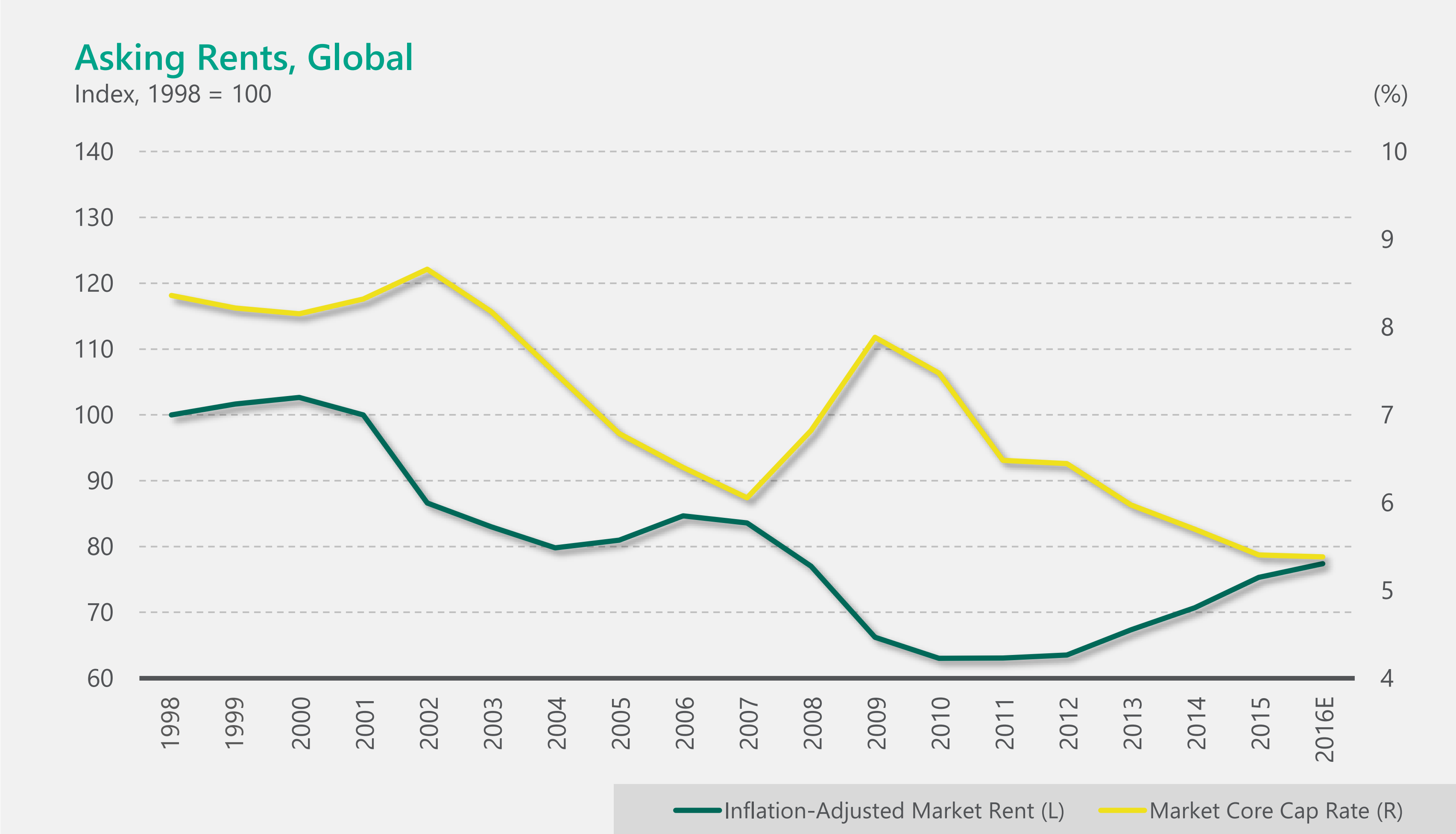
Historic Rental Rate Recovery



Effective rental rates rising in many markets around the world

Note: Global based upon Prologis share by geography, specifically 65% Americas, 23% Europe, 8% Japan and 4% China
Source: CBRE, JLL, DTZ, Prologis Research

Historic Rental Rate Recovery

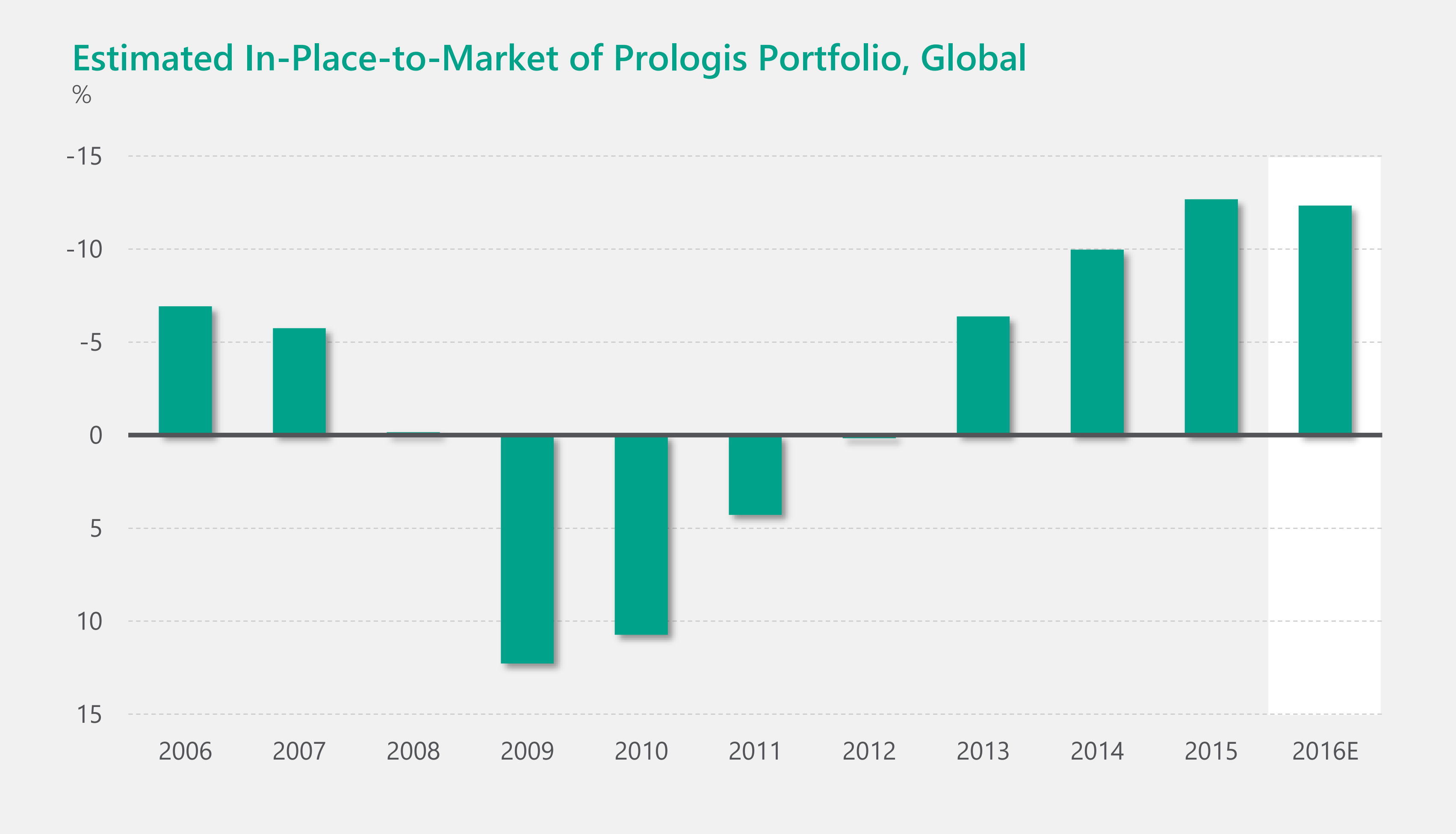


Effective rental rates rising in many markets around the world

The structural decline of cap rates mitigated rent growth

Note: Global based upon Prologis share by geography, specifically 65% Americas, 23% Europe, 8% Japan and 4% China
Source: CBRE, JLL, DTZ, Prologis Research

Significant Embedded In-Place to Market



In place rents

12%

below market

Source: Prologis Research, CBRE
Note: Global based upon 65% Americas, 23% Europe, 8% Japan and 4% China

Three Factors Shaping Logistics Real Estate

Dynamic Industry

Cycle Continues

Location Matters

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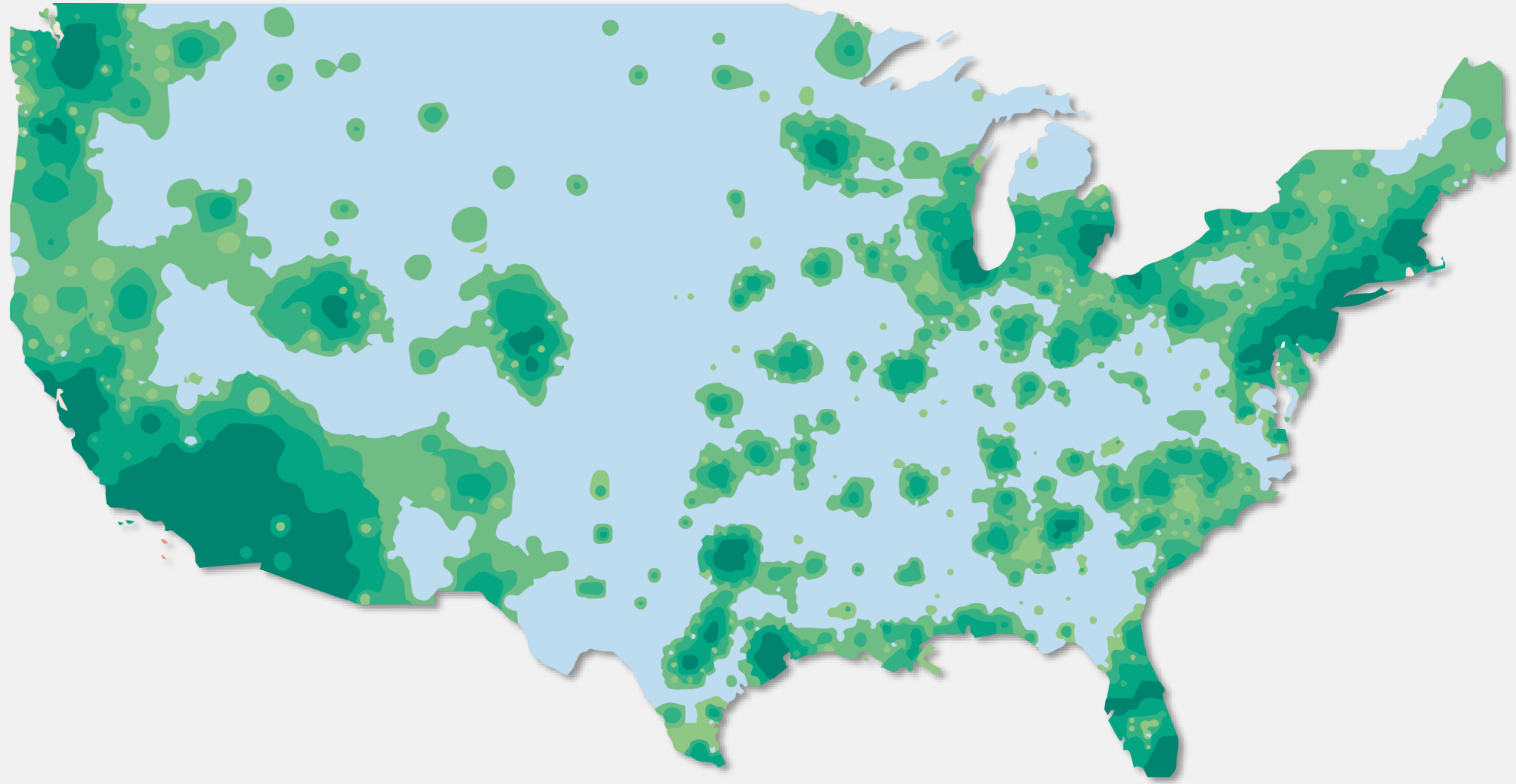
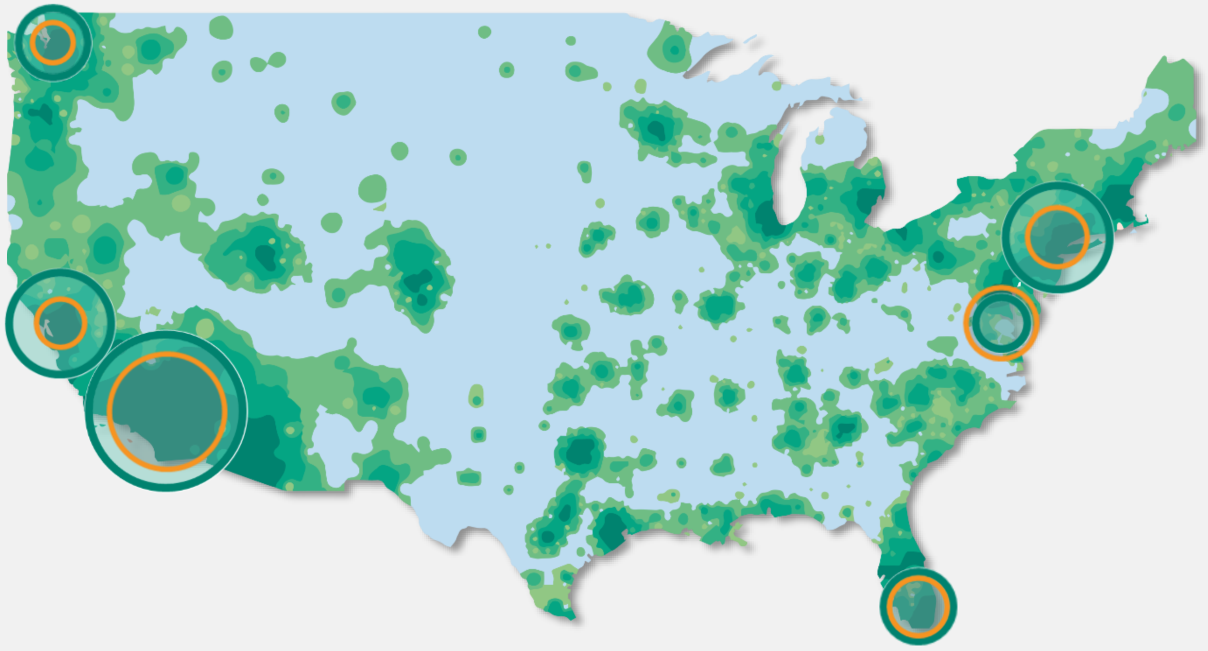
Consumption Concentrated in Largest Metropolitan Areas



Source: 2010 U.S. Census
Note: Shading reflects income weighted population

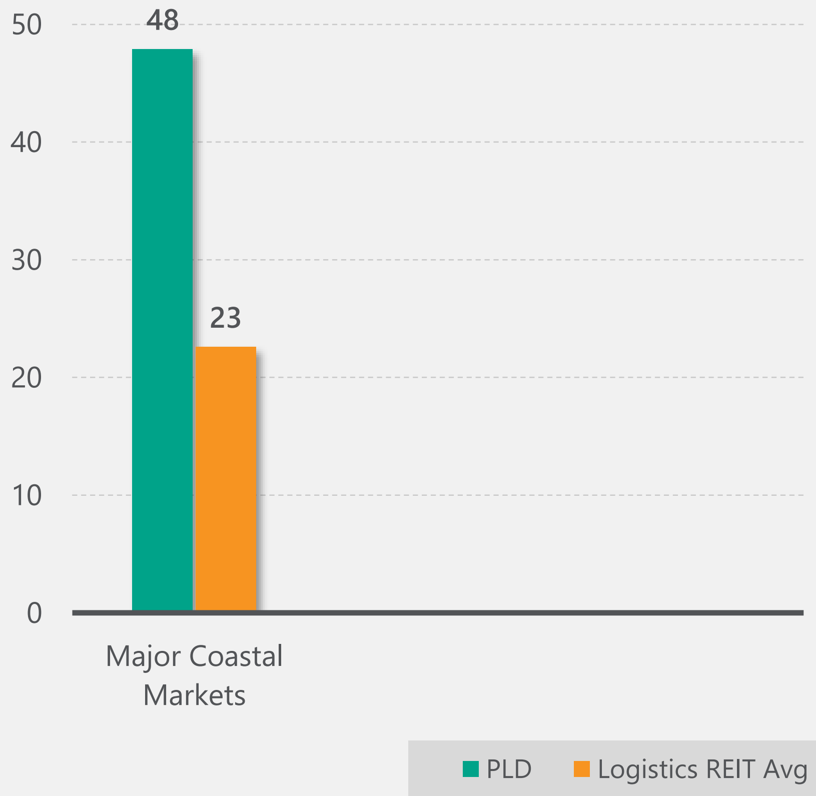
Logistics Stock Concentrated Near Consumers

Portfolio Size, Prologis NRA vs. Sum of Logistics REITs



Market Share of U.S. Operating Portfolio

% of NRA



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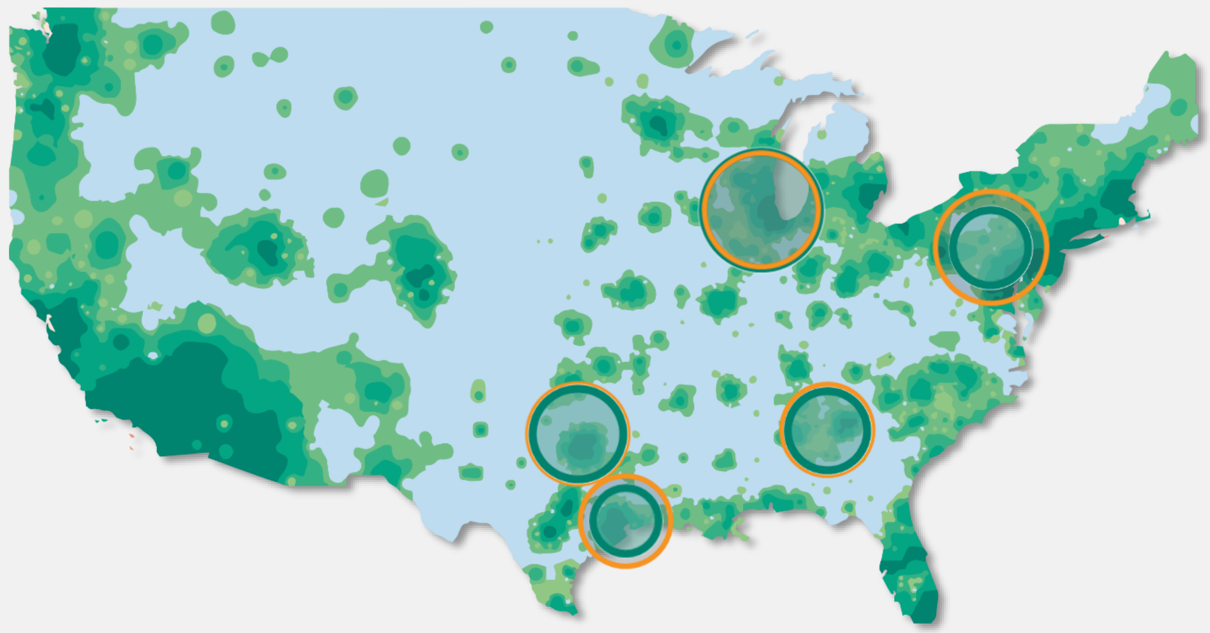
Source: 2010 U.S. Census, company filings, Prologis Research
Note: Owned & Managed NRA of Prologis relative to the combined total Owned & Managed NRA for DCT, REXR, FR, EGP, LPT and DRE. Shading reflects income weighted population

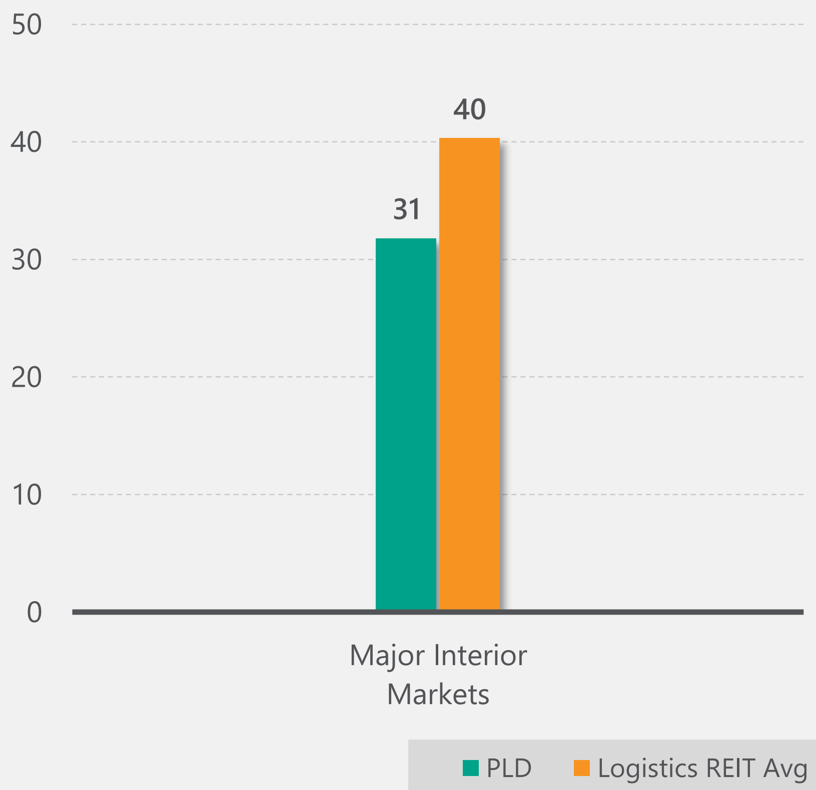
Logistics Stock Concentrated Near Consumers

Portfolio Size, Prologis NRA vs. Sum of Logistics REITs



Market Share of U.S. Operating Portfolio

% of NRA



Source: 2010 U.S. Census, company filings, Prologis Research

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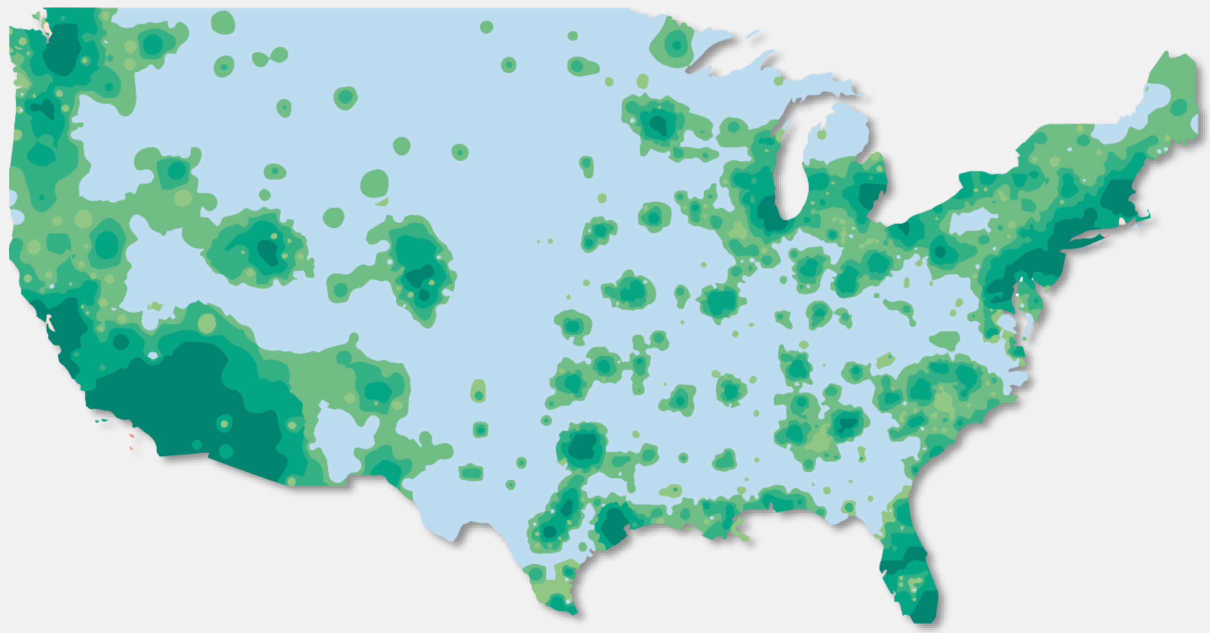
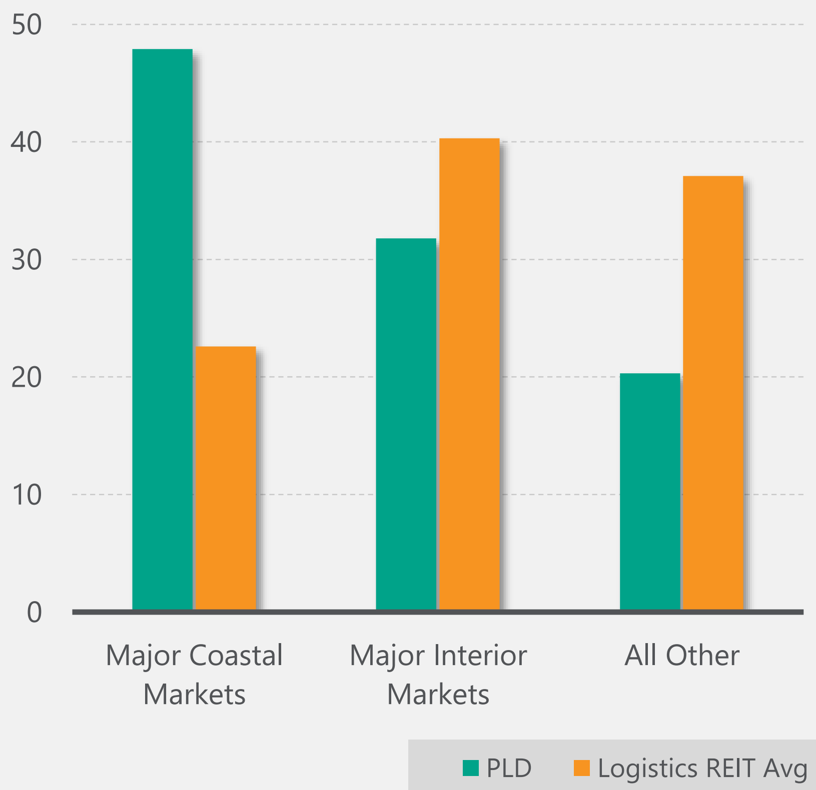
Logistics Stock Concentrated Near Consumers

Portfolio Size, Prologis NRA vs. Sum of Logistics REITs



Market Share of U.S. Operating Portfolio

% of NRA



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Source: 2010 U.S. Census, company filings, Prologis Research
Note: Owned & Managed NRA of Prologis relative to the combined total Owned & Managed NRA for DCT, REXR, FR, EGP, LPT and DRE. Shading reflects income weighted population

Benefits of A Focused Strategy

CoStar Market Data

RENT GROWTH

+85 bps

Annual Difference

2012 -2016E. Average annual market rental growth for Prologis U.S. markets vs. average of other logistics REITs[1]

CAP RATE

-27 bps

Current Difference

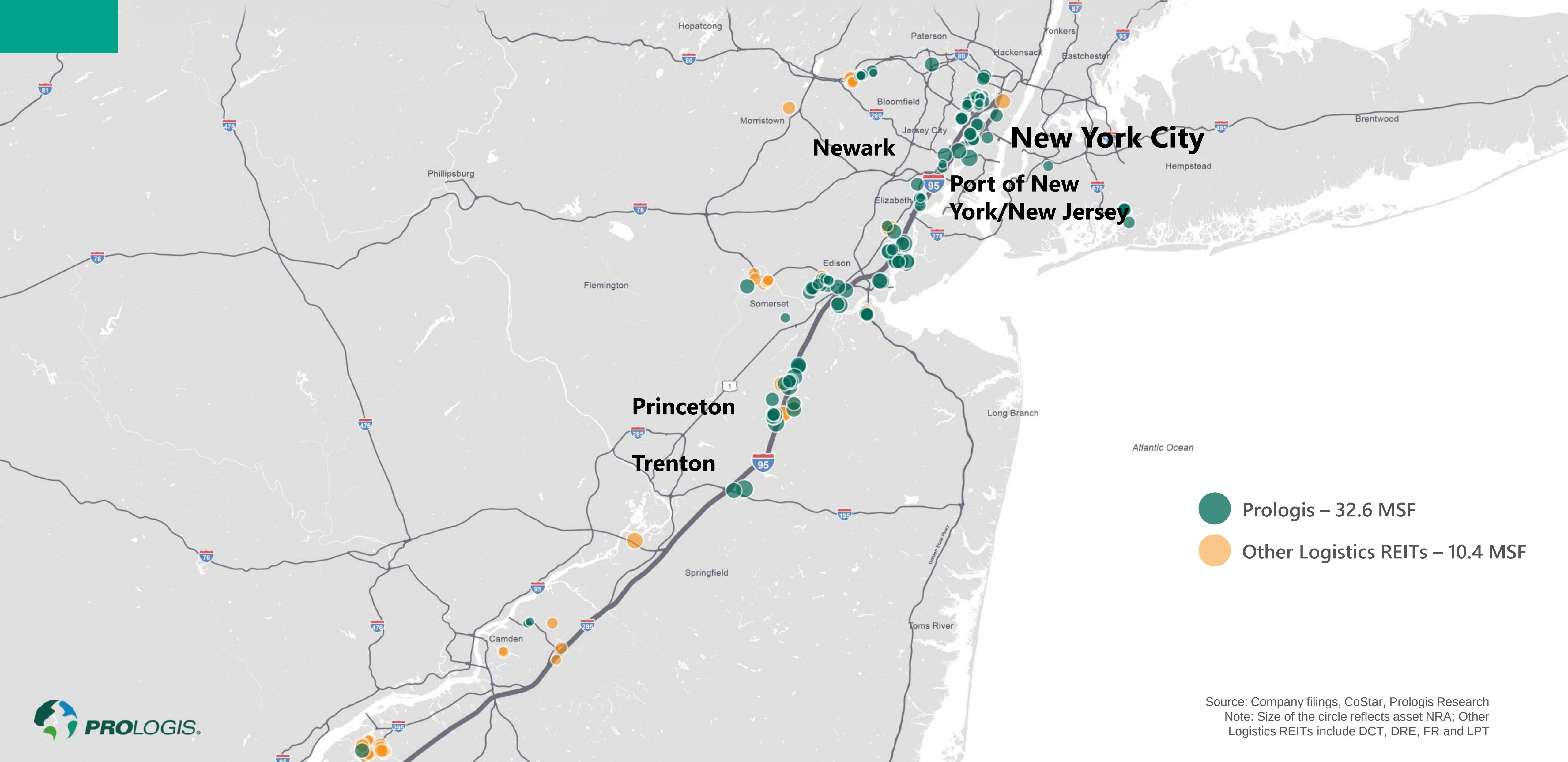
CoStar logistics market cap rate. Differential between Prologis market exposure vs. average of other logistics REITs[1]

Prologis LAX Cargo Center, Los Angeles, California

Source: CoStar and Prologis Research

1. Other logistics REITs include DCT, DRE, EGP, FR, LPT and REXR

Focused Submarket Strategy, New York / New Jersey



Prologis – 32.6 MSF

Other Logistics REITs – 10.4 MSF

Source: Company filings, CoStar, Prologis Research
Note: Size of the circle reflects asset NRA; Other Logistics REITs include DCT, DRE, FR and LPT

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Focused Submarket Strategy, Southern California

Source: Company filings, CoStar, Prologis Research
Note: Size of the circle reflects asset NRA; Other Logistics REITs include EGP, DCT, DRE, FR, LPT and REXR

Three Factors Shaping Logistics Real Estate

Dynamic
Industry

Cycle
Continues

Location
Matters

Section 03

View from the Regions

Gene Reilly, *CEO, Americas*

Ben Bannatyne, *Regional President, Europe*

Kristin Gannon, *Managing Director, Eastdil Secured*

Kim Snyder, *Regional President, Southwest Region*

Prologis Park Stapleton, Denver, Colorado

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Section 04

The Power of Our Customer Network

Gary Anderson, *CEO, Europe & Asia*

Jason Bennett, *SVP, Capital Deployment, East Region*

Joseph Ghazal, *MD, Chief Investment Officer, Europe*

Richard Strader, *MD, Global Customer Solutions*

Prologis Park Douglas Hill, Atlanta, Georgia

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Section 05

The Supply Chain Disrupted

Mike Curless, *Chief Investment Officer*

Ben Conwell, *Senior Managing Director, Americas, Cushman & Wakefield*

Scott Marshall, *Executive Managing Director, Americas, CBRE*

Prologis Ports Jersey City, Jersey City, New Jersey

Section 06

Benefits Of Global Investing

Tim Arndt
MD, Treasury & FP&A

Prologis Park DIRFT, City, United Kingdom

48%

OF S&P 500 REVENUES

ARE GENERATED OUTSIDE THE U.S.

THE 5

LARGEST U.S. REITs ARE

GLOBAL

ALL

LARGE LOGISTICS OPERATORS ARE

GLOBAL

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Objectives of our Global Footprint

SERVE
customers

ACHIEVE
higher risk-adjusted returns

A global investment strategy allows Prologis to achieve outsized returns, while providing a superior global platform for our customers

Unmatched Global Customer Franchise

95%

Of our top 25 customers operate globally

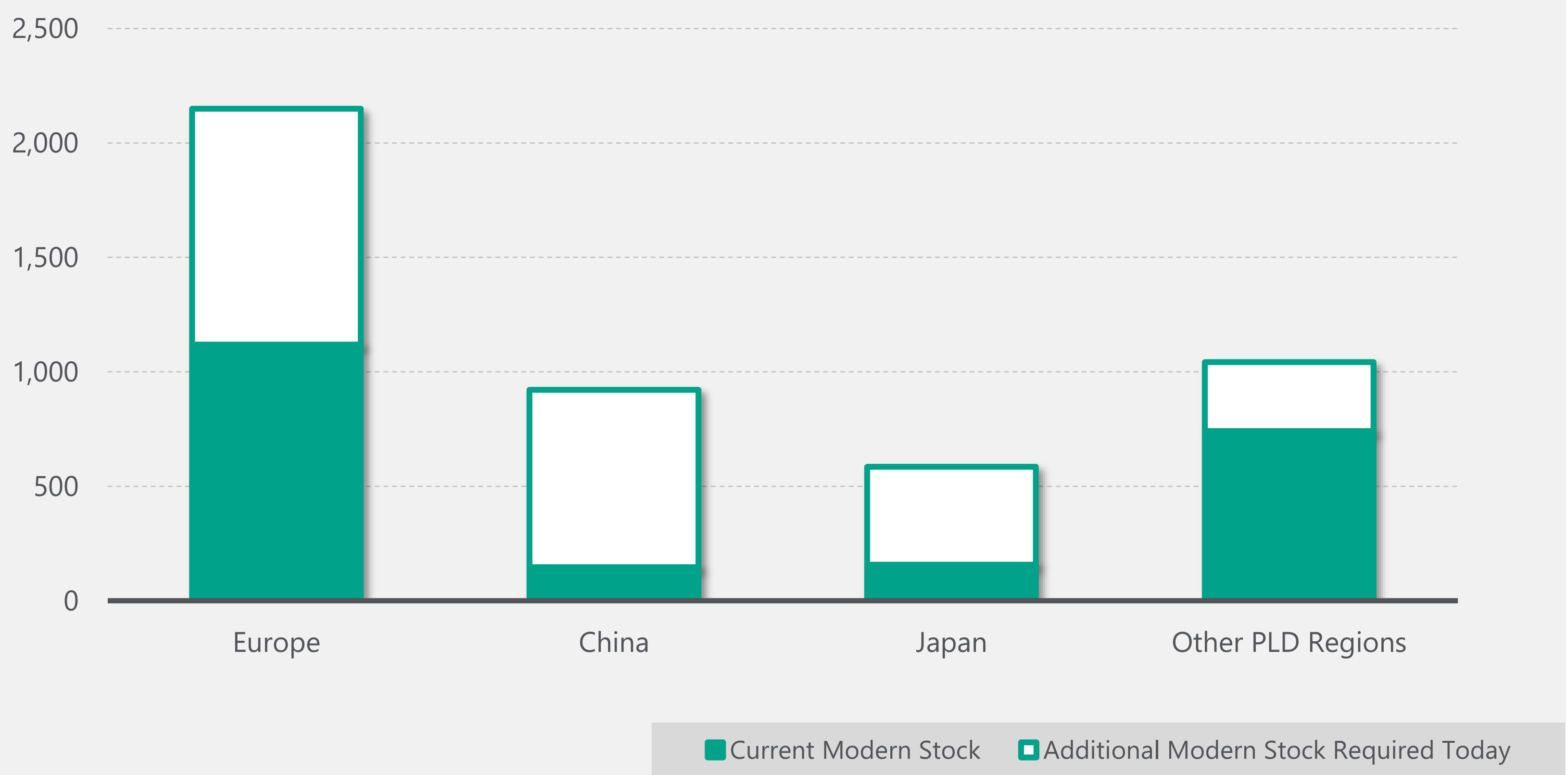
75%

lease from us on multiple continents

Significant Global Opportunity

Modern Logistics Space

Square Feet, Millions



Global opportunity to increase modern stock:

2.5 Billion SF

and

$275 Billion

of new potential investment

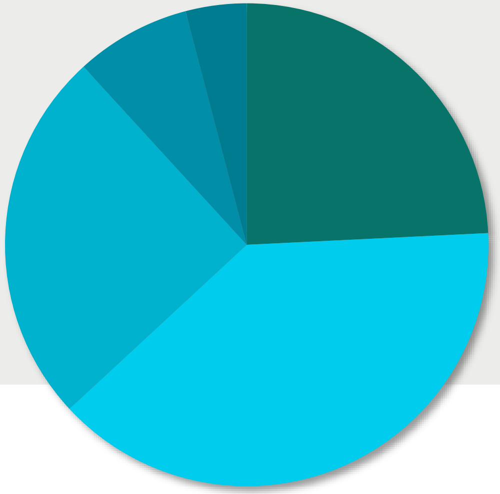
Source: CBRE, JLL, Gerald Eve, Cushman & Wakefield, Colliers, Prologis Research
Note: Stock is for the principal markets in their respective regions

15-Year Track Record of Creating Value Through Development

Total Investment: $25.7B

$19.5B
Outside the U.S.

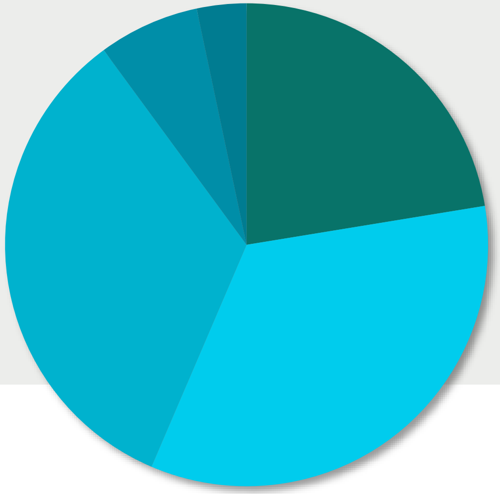
$6.2B
In the U.S.



Value Creation: $5.1B

20.1%
Margin outside the U.S.

18.2%
Margin in the U.S.



U.S. Europe Japan Latin America Other

~80% or $3.9 billion of value created outside the U.S.

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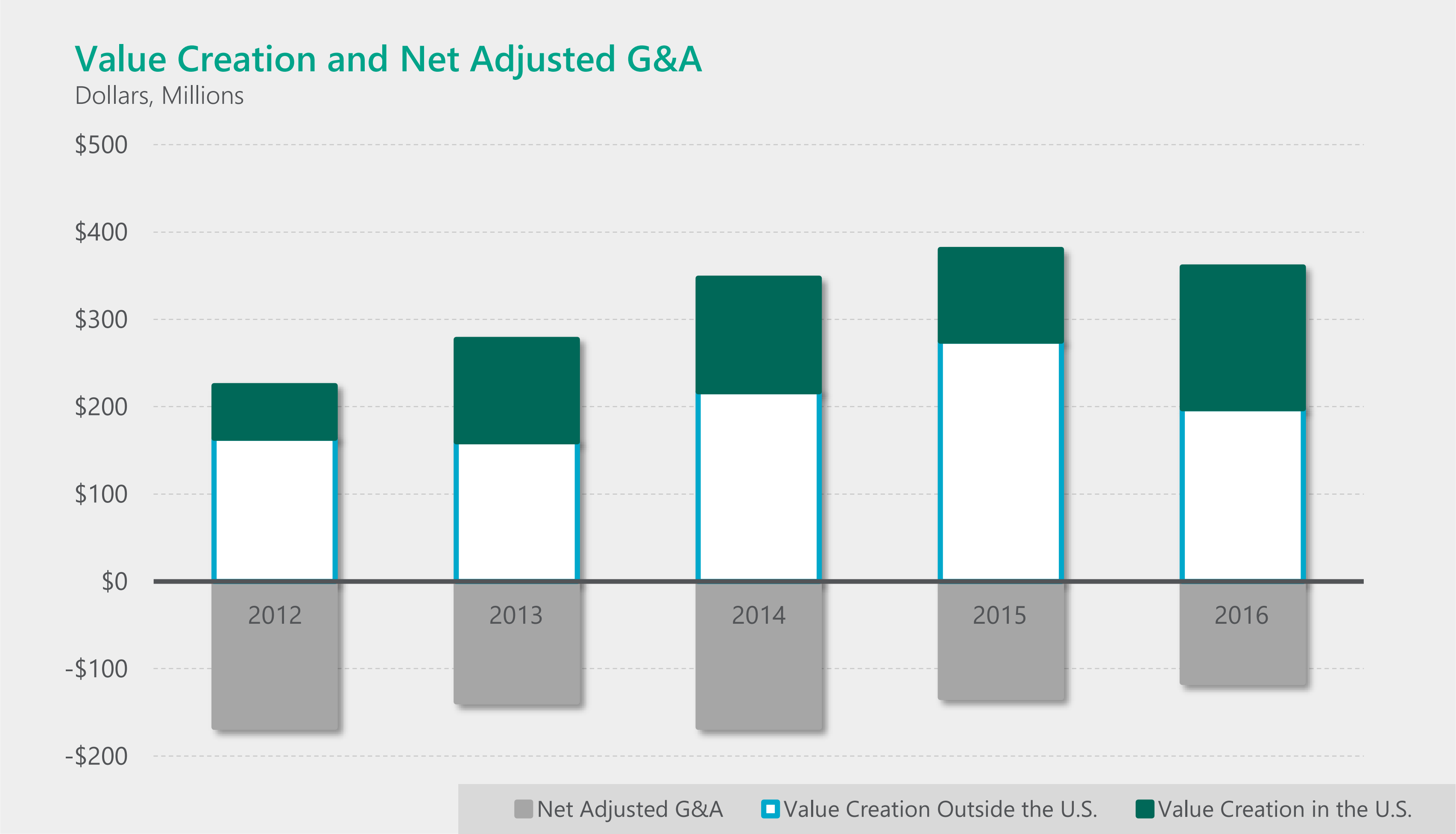
Note: Data based on development activity from 2001 through June 30, 2016

Value Creation is a Growing Multiple of Global G&A



Over the past several years, value creation outside the U.S. has more than covered total net adjusted G&A

Note: See notes and definitions

Cost of Capital Efficiencies

Spread Investing

Cap Rate vs Risk Free Rates, Illustrative

Global investing widens spread by

25 bps

with equivalent capital structure

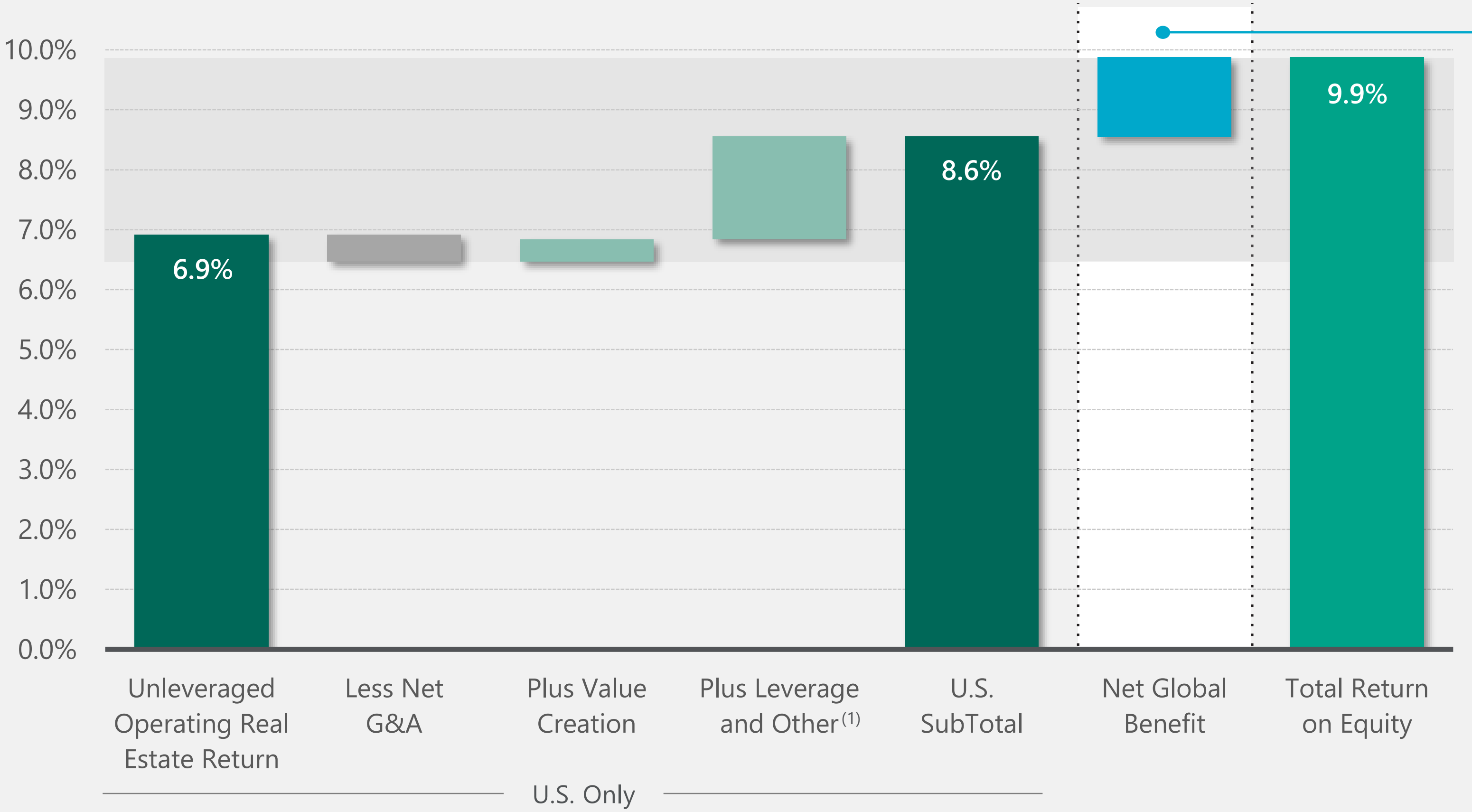
Global capital strategy further expands this spread by

50 bps

Note: Prologis view of cap rates at September 30, 2016 and the spread to published risk free rates

Achieve Higher Risk-Adjusted Returns

Components of Global Return on Equity



Return on equity expands by

16%

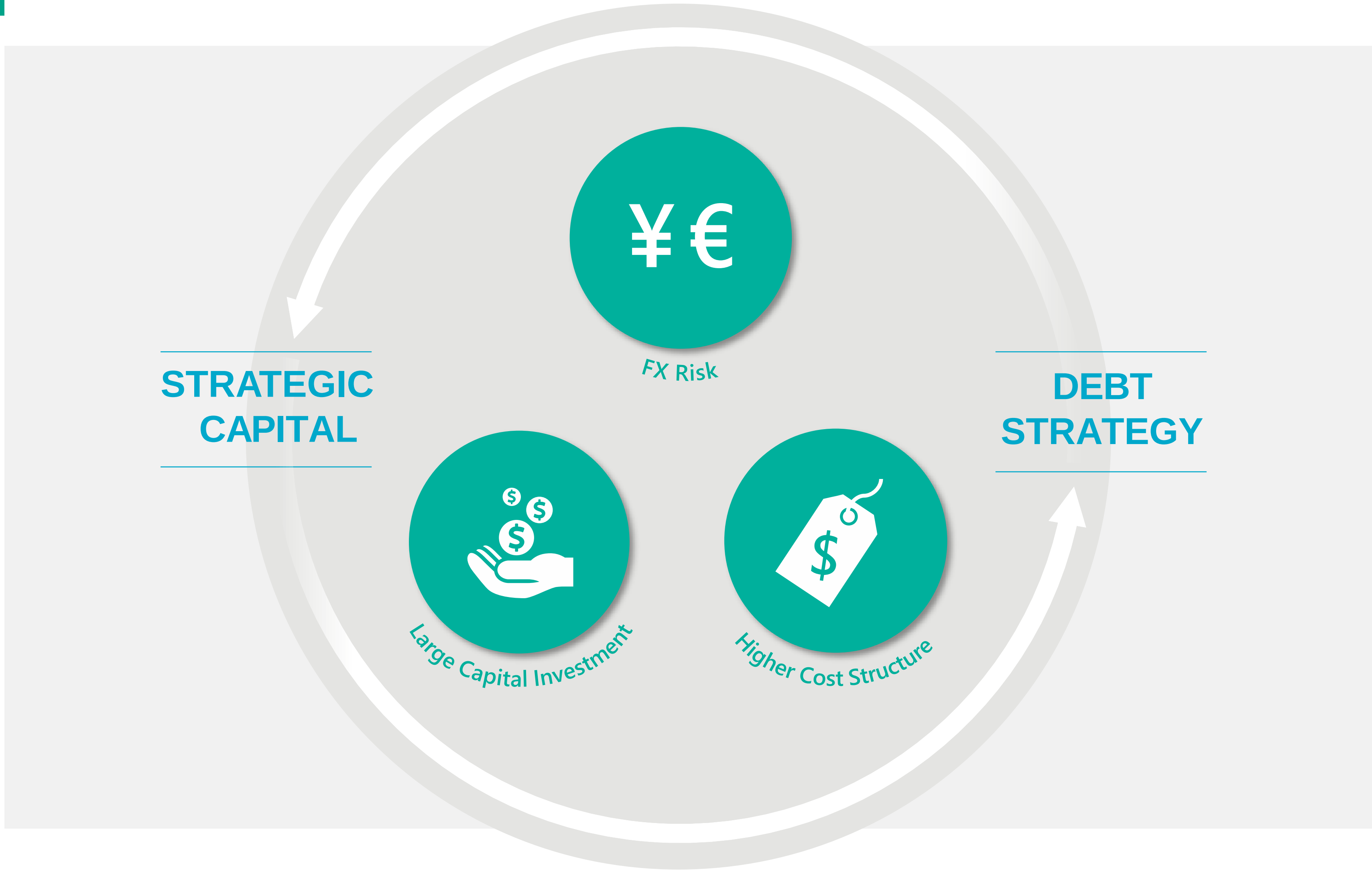
as a result of our operations outside the U.S.

Note: Total Return on Equity Includes NOI, asset management fees, net promotes and value creation, less estimated costs to run the platform and estimated interest expense, divided by gross book equity value as of September 30, 2016

1. Includes taxes, co-investment venture G&A, and non-real estate depreciation

PROLOGIS.

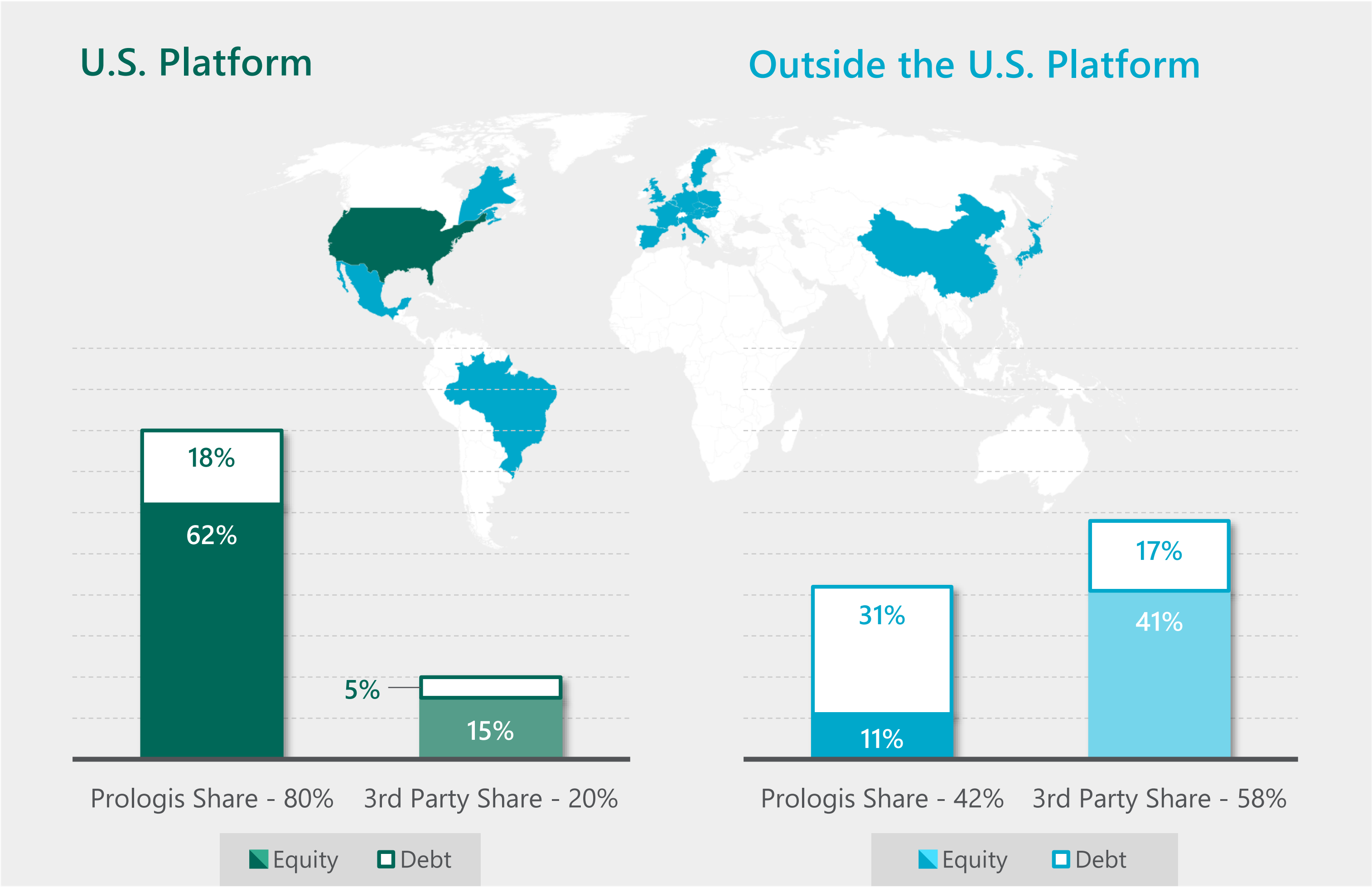
Managing the Risks



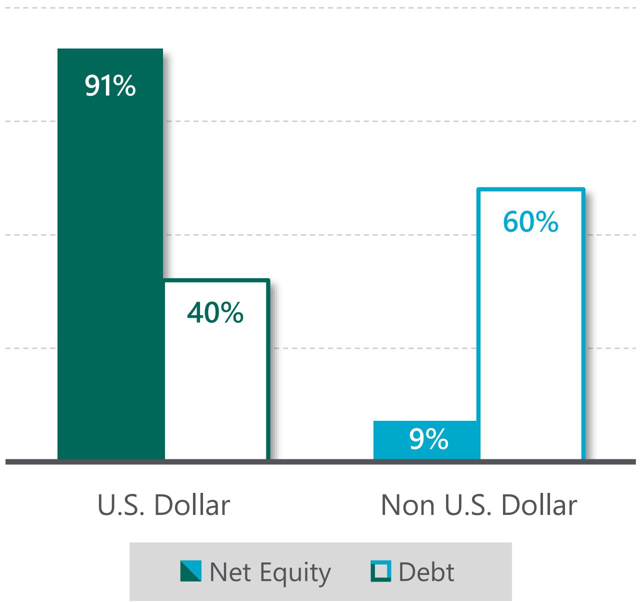
Our strategic capital platform and debt strategy addresses these obstacles through:

- FX-matched assets and liabilities
- Significant LP investments to reduce capital required
- Profitability of asset management

Capital Structure Mitigates FX and Investment Exposure

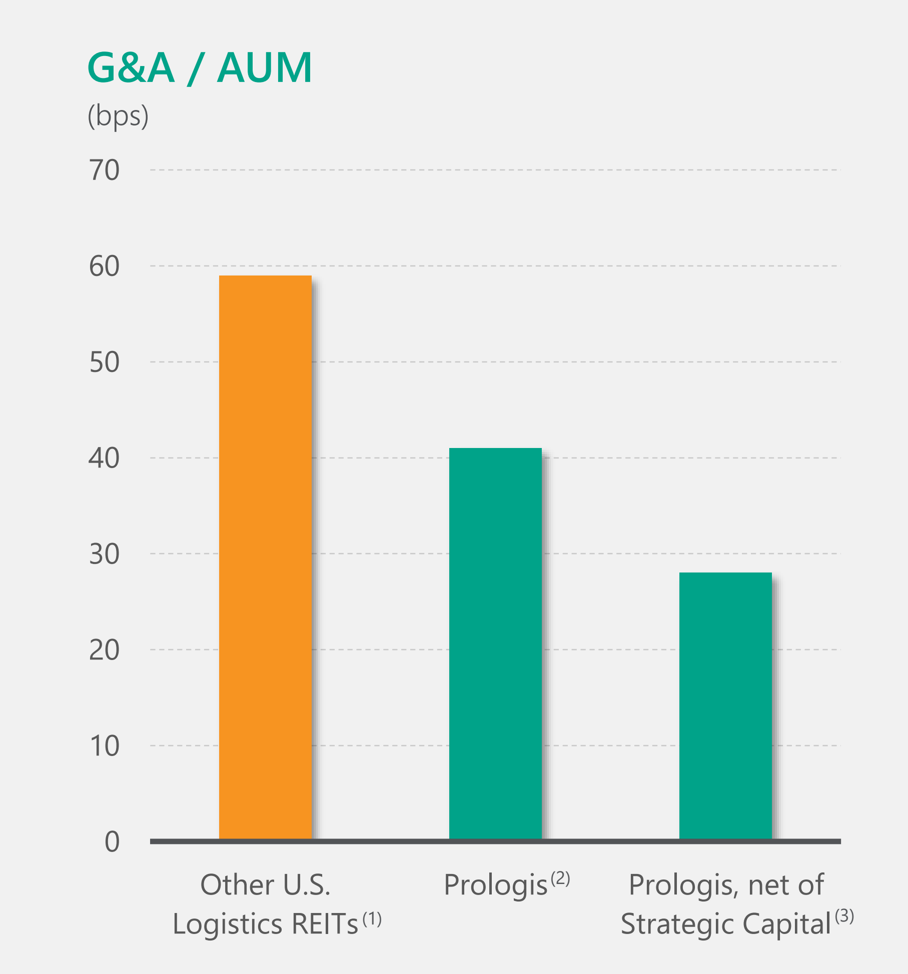


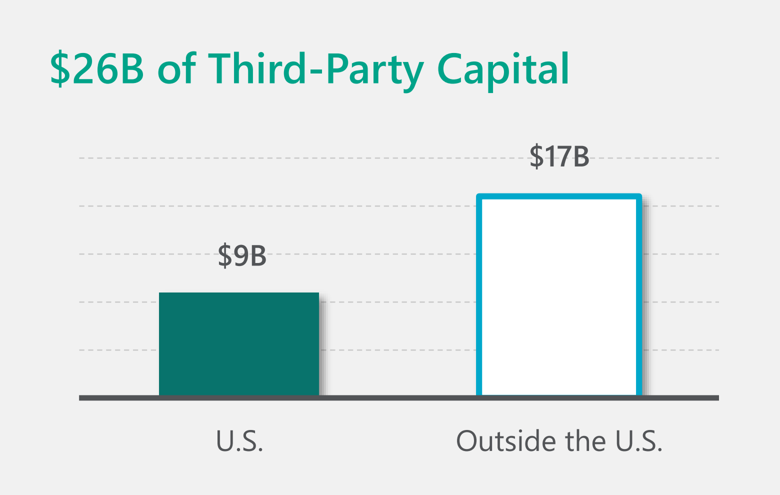
Resulting USD Exposure

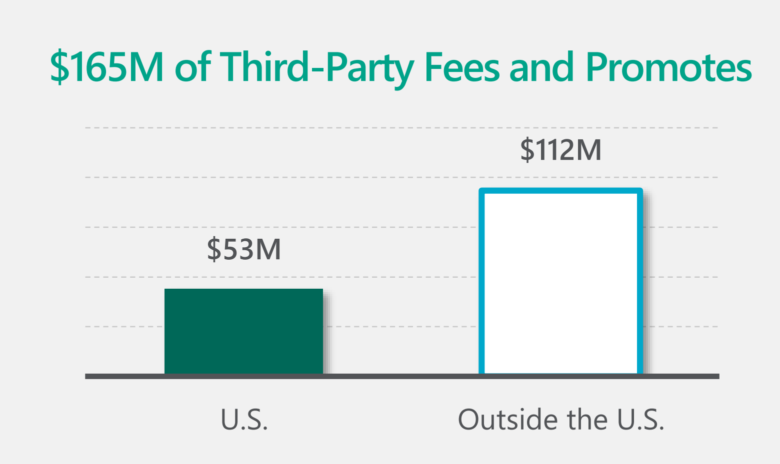


Note: Data as of September 30, 2016

Strategic Capital Reduces Operating Costs





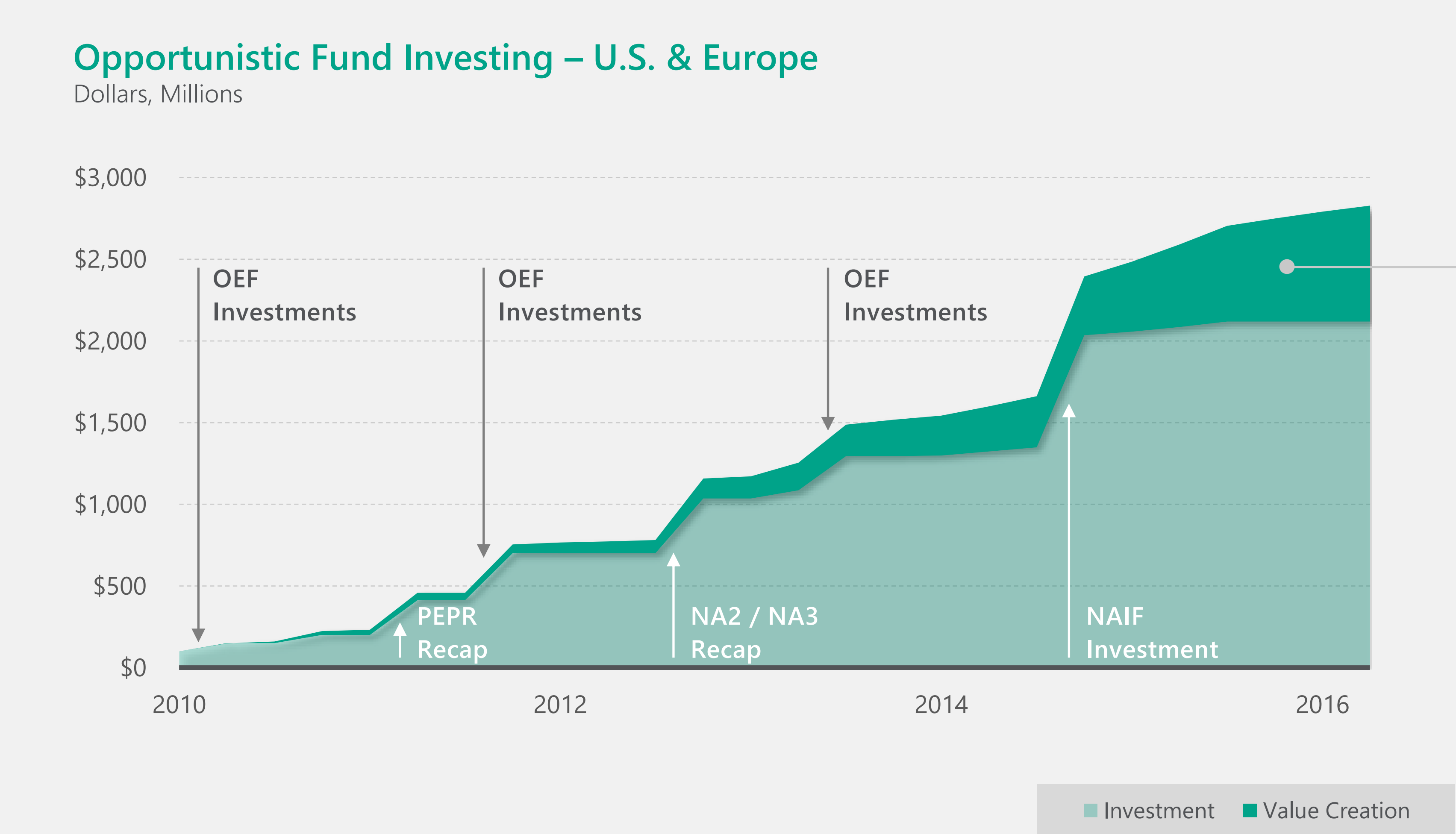


Significantly **better operating efficiency**, with and without Strategic Capital

Use of Strategic Capital outside of the U.S. mitigates operational costs

1. Includes DCT, DRE, EGP, FR, LPT, and STAG
2. Reflects 2016 net G&A plus strategic capital expenses and divided by Assets Under Management
3. Reflects 2016 net G&A plus strategic capital expenses less strategic capital revenues divided by Total Enterprise Value

Proprietary Investment Opportunities



Timing of capital deployment ahead of cap rate compression, and higher asset values resulted in

$700M

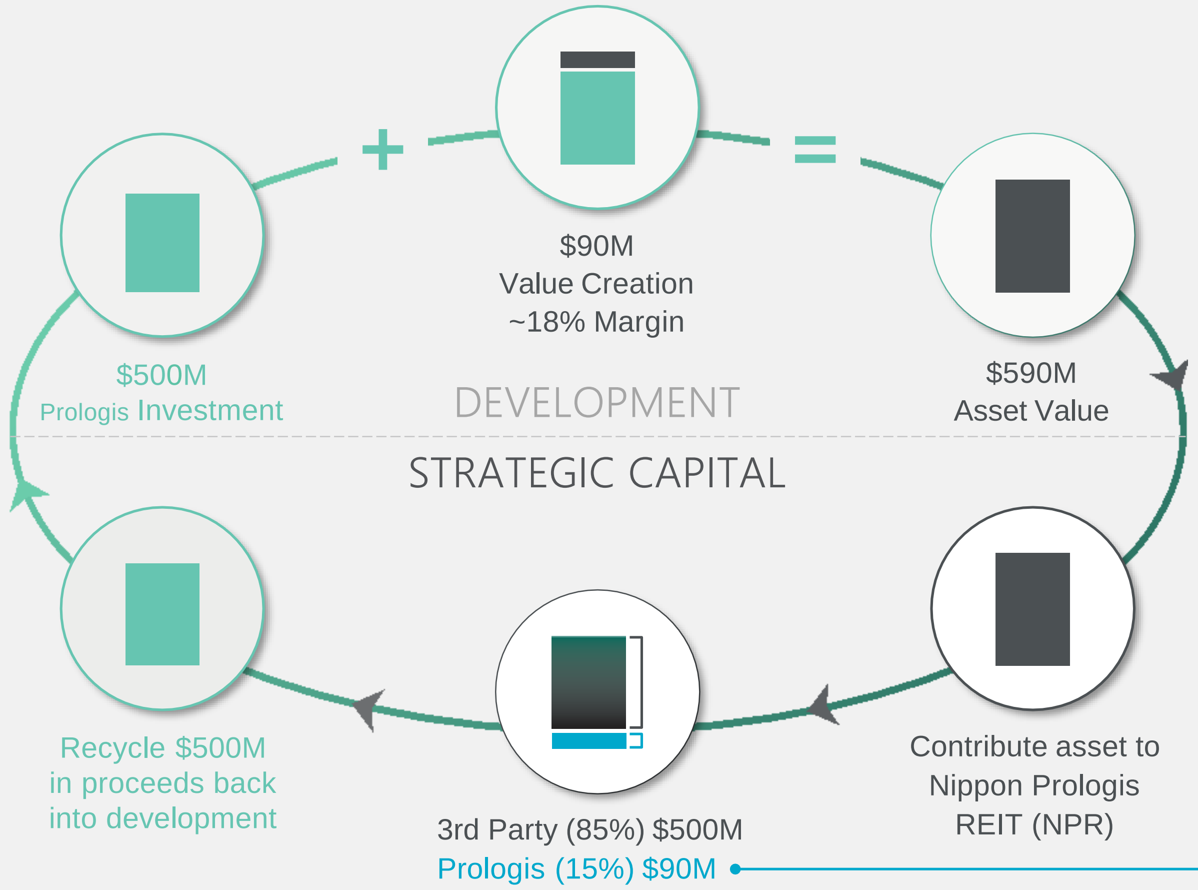
total value creation since the Global Financial Crisis

PROLOGIS

Note: OEF = open end funds

Development and Strategic Capital Create a Virtuous Cycle

Japan Illustration



Net Result

Capital recycling results in **$0 Net Investment**...

...that generates **$6.5M** in annual fees and dividends going forward

Cash Flow

Cash Flow from Prologis' $90M retained ownership:

Dividend (assume 3.3% yield)	$3.0M
Fees (assume 70 bps on FMV)	$3.5M
Total	$6.5M

PROLOGIS.

Unique Business Model
Global, Developer and Fund Manager

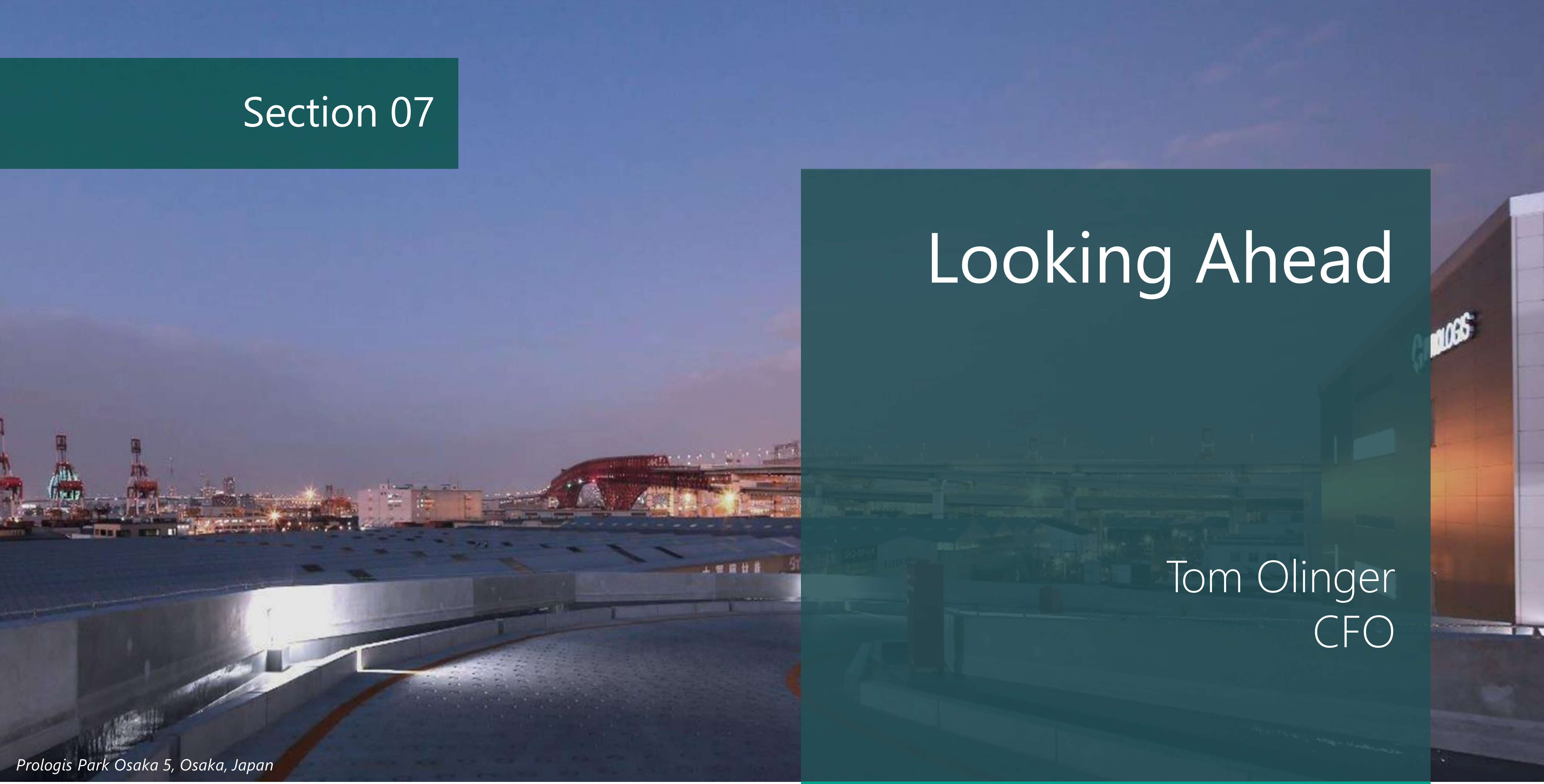
- Enhances Customer Relationships
- Generates Higher Risk-Adjusted Returns
- Expands Development Activities
- Presents Unparalleled Value Creation Opportunities

Prologis Park Apodaca, Monterrey, Mexico

Section 07

Looking Ahead

Tom Olinger
CFO



Prologis Park Osaka 5, Osaka, Japan

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Financial Framework

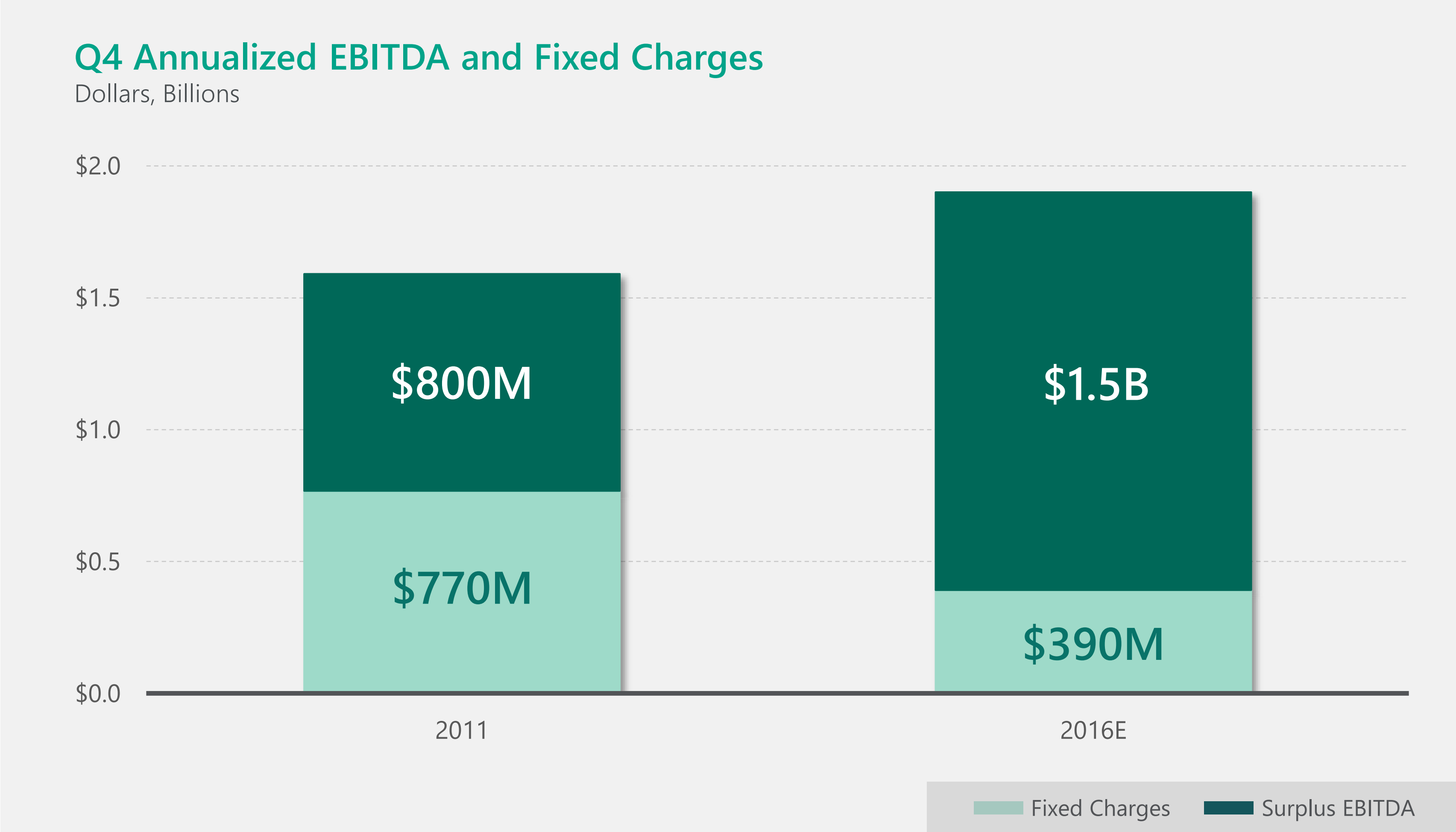
Growth Potential

Compelling Opportunity

Foundation for Growth

	YE 2011	YE 2016E	Absolute Improvement
Debt as % of Gross Real Estate Assets	44.1%	~35.0%	**~9.1%**
Debt-to-Adjusted-EBITDA with gains	8.6x	~5.0x	**~3.6x**
Fixed Charge Coverage with gains	2.3x	5.5x	**3.2x**
USD Net Equity Exposure	51%	92%	**41%**
Liquidity	$1.3B	~4.0B	**~$2.7B**

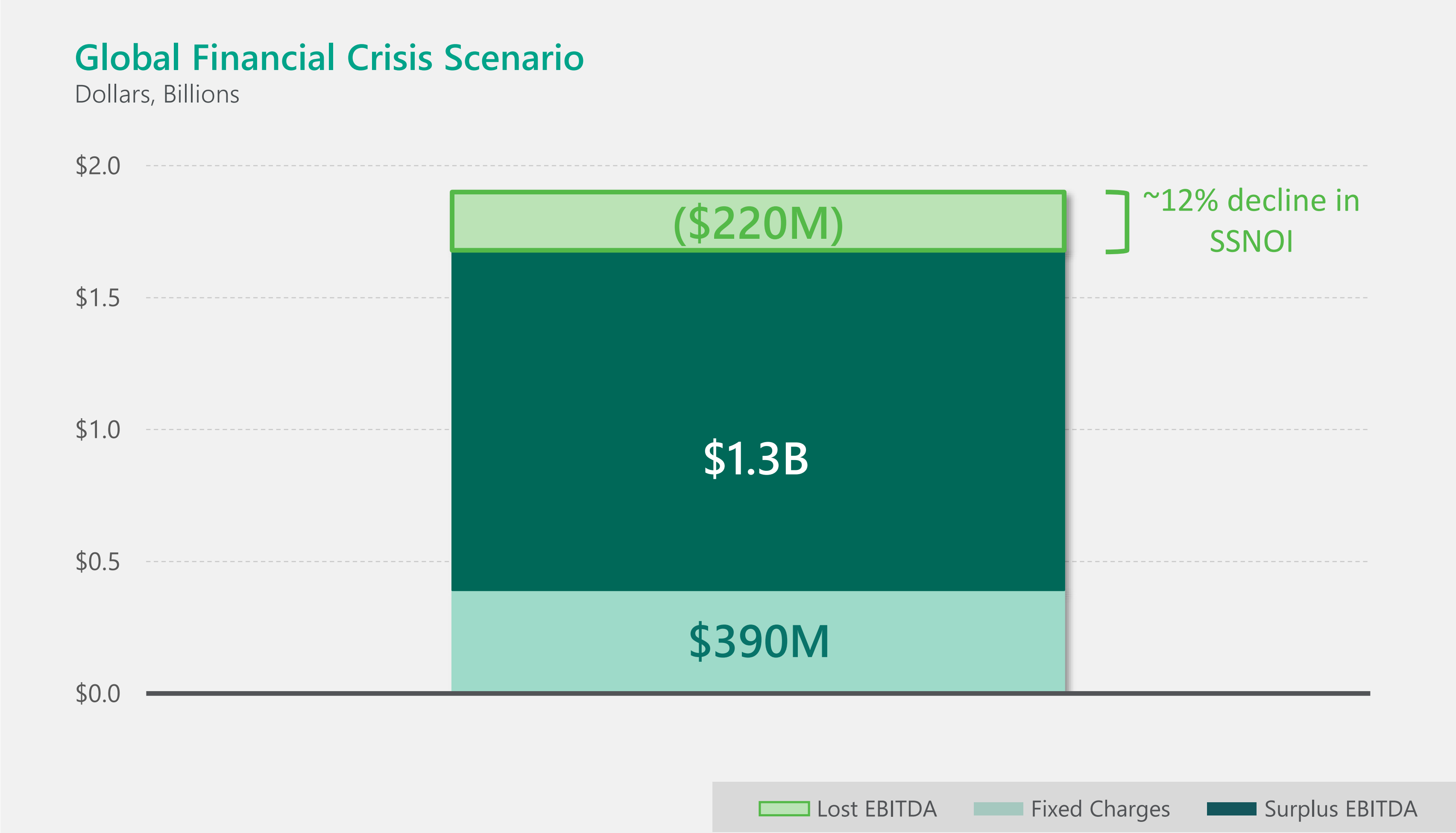
Resilient Earnings Provide Significant Coverage



One of the strongest surplus EBIDTAs among REITs

Excludes ~$300M of realized gains

Resilient Earnings Provide Significant Coverage



A repeat of the Global Financial Crisis would have a minimal impact on our surplus EBITDA

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See Notes and Definitions

Unmatched Earnings Growth

FFO CAGR	1-Year	3-Year	5-Year
PLD	15%	16%	10%
Domestic Logistics[(1)]	4%	4%	4%
Blue Chips[(2)]	9%	9%	10%
REIT Average[(3)]	8%	8%	8%

Prologis has the **best Core FFO** CAGR for all time periods

Source: Factset, data as of October 31, 2016; 2016 FFO based on consensus

1. Includes DCT, DRE, EGP, FR, LPT and STAG
2. Includes AVB, BXP, EQR, FRT, HST, PSA, and SPG
3. Includes REITs in the RMZ as of 9/1/2016 with 5 years' worth of data

Superior Dividend Growth

DIVIDEND CAGR	1-Year	3-Year	5-Year
PLD	11%	14%	8%
Domestic Logistics[1]	4%	3%	3%
Blue Chips[2]	5%	9%	12%
REIT Average[3]	6%	8%	9%

One of the

top dividend

CAGRs for all time periods

Source: Factset, data as of October 31, 2016

1. Includes DCT, DRE, EGP, FR, LPT and STAG
2. Includes AVB, BXP, EQR, FRT, HST, PSA, and SPG
3. Includes REITs in the RMZ as of 9/1/2016 with 5 years' worth of data

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2017 Guidance

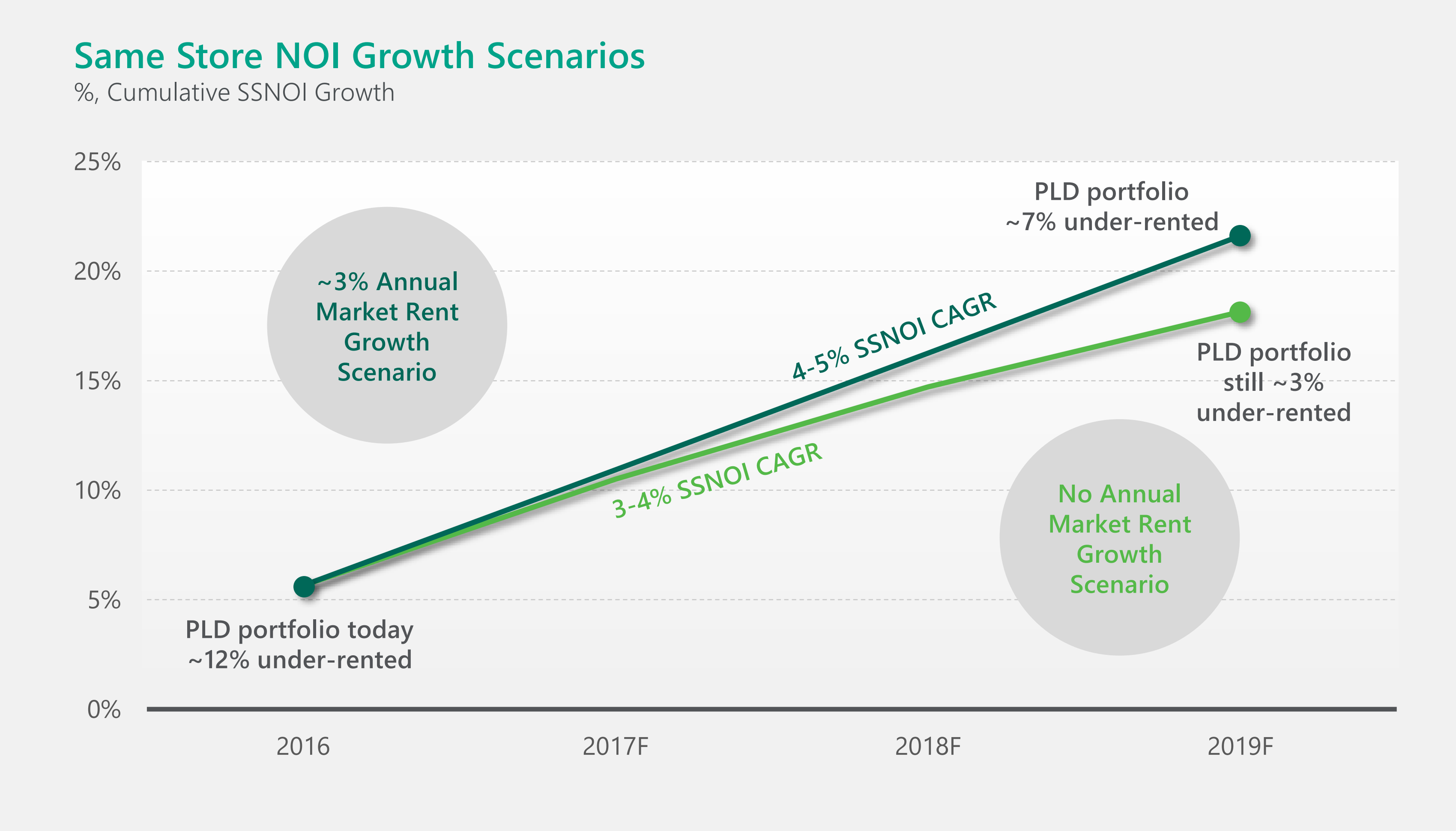
95.5%-96.5%	4.0%-5.0%	$1.7B-$2.2B	$1.7B-$2.2B	$1.55-$1.70	$2.60-$2.70
Period End Occupancy	Net Effective SSNOI*	Dispositions / Contributions	Dev Starts / Acquisitions	EPS	Core FFO*(1)

Prologis Stapleton Business Center, Denver, Colorado

PROLOGIS.

Note: Prologis Share
1. Includes 6-8 cent per share for promotes. Excluding promotes, 2017 Core FFO growth is 7% higher than 2016. Refer to Notes and Definitions for a reconciliation from EPS
* This is a non-GAAP financial measure

Harvesting the Gap Between In-Place-To-Market Rent



Incremental

~$225 million

of annual NOI at YE19

Mark-to-market is the key driver of SSNOI* growth between

4-5%

PROLOGIS

* This is a non-GAAP financial measure

Illustrative Three-year Growth Potential

4.0%-5.0%	1.5%	1.5%	7.0%-8.0%	3.0%	10.0%-11.0%
Net Effective SSNOI*	Operating & Financial Leverage	Yield on Value Creation	Core FFO* Growth	Dividend Yield	Total Return

Prologis Park Redlands, Redlands, California

PROLOGIS

* This is a non-GAAP financial measure

Valuation Premium Comparison

Price to FFO

	Malls	Multi-family	Office	Storage	Hotel	Strip Center	Universe
Blue Chip	15.4x	19.4x	18.1x	19.3x	9.2x	22.7x	16.8x *RMP*
Sector Peers	14.3x	17.9x	16.6x	15.9x	8.4x	15.9x	14.0x *RMZ-RMP*
Premium	**1.1x**	**1.5x**	**1.5x**	**3.4x**	**0.8x**	**6.8x**	**2.8X**

Average Blue Chip premium

2.8x

over Sector Peers

Source: Factset, data as of November 4, 2016

Note: Blue Chips include SPG, AVB, EQR, BXP, PSA, HST and FRT; RMP is the Cohen & Steers Realty Majors and corresponding Sector Peers for this category are RMZ (MSCI US REIT Index) constituents not included in the RMP

PROLOGIS.

Valuation Premium Comparison

Price to FFO

	Universe	Logistics	Logistics Land/CIP Adjustment[1]	PLD Adjusted Price to FFO
Blue Chip	16.8x *RMP*	18.7x	(1.9x)	**16.9x**
Sector Peers	14.0x *RMZ-RMP*	17.5x	(1.0x)	**16.5x**
Premium	2.8X	1.2x	–	**0.4x**

2.4x

Prologis trades in line (adjusted basis) to Sector Peers and would need

2.4x or $6/sh

just to catch up with Blue Chip peers

Source: Factset, data as of November 4, 2016
Note: Blue Chips are Cohen & Steers Realty Majors (RMP) and Prologis; Sector Peers for RMP include RMZ (MSCI US REIT Index), excluding companies in the RMP and for Logistics, DCT, DRE, EGP, FR, LPT, STAG
1. Company filings at September 30, 2016

PROLOGIS.

Business is simplified.

From this point forward, it's all about Same Store NOI growth and Value Creation.

Section 08

Biographies

Prologis Park Osaka #4, Osaka, Japan

Biographies

Hamid R. Moghadam

Chairman of the Board of Directors and Chief Executive Officer

Hamid Moghadam is chairman of the board of directors and chief executive officer of Prologis. Mr. Moghadam co-founded the company's predecessor, AMB Property Corporation, in 1983 and led the company through its initial public offering in 1997 as well as its merger with ProLogis in 2011. He has been a board member since AMB's IPO in 1997 and serves on the board's executive committee.

Mr. Moghadam has held a number of key leadership roles within the real estate industry. Previously, he served as trustee and member of the board's executive committee for the Urban Land Institute, as well as chairman of the National Association of Real Estate Investment Trusts (NAREIT) and the Real Estate Investment Trust Political Action Committee. He was a director of Plum Creek Timber Company and is a founding member of the Real Estate Roundtable.

Mr. Moghadam is a trustee of Stanford University. He also serves on the board of the Stanford Management Company, and previously served as chairman. An active participant in the San Francisco Bay Area community, he has also served on various philanthropic and community boards, including the California Academy of Sciences, the Bay Area Discovery Museum, Town School for Boys and as chairman of the Young Presidents Organization's Northern California chapter. Mr. Moghadam received the 2013 Ernst & Young National Entrepreneur of the Year Overall Award and is a recipient of the Ellis Island Medal of Honor. He has been named CEO of the Year on eight separate occasions by four industry publications and has received numerous lifetime achievement awards from industry organizations, including NAREIT and NAIOP.

Mr. Moghadam received an MBA from the Stanford Graduate School of Business and a Bachelor and Master of Science in engineering from the Massachusetts Institute of Technology

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Biographies

Gary E. Anderson

Chief Executive Officer, Europe and Asia

Gary Anderson, as Prologis' chief executive officer of Europe and Asia, oversees all aspects of business performance in Prologis' European and Asian geographies, including its capital deployment, operations and private capital businesses.

Mr. Anderson is a member of the Prologis Executive Committee, which sets the strategic direction for Prologis, and he is a permanent member of the Prologis Investment Committee, which reviews all capital allocation decisions for Prologis.

Mr. Anderson previously served as Prologis' head of global operations and investment management until the merger with AMB Property Corporation in 2011. Prior to this, he was the company's president of Europe and the Middle East, as well as chairman of the European operating committee. From 2003 to 2006, Mr. Anderson was the managing director responsible for investment and development in the company's Southwest and Mexico regions. Prior to 2003, he led successive regional and local offices in New Jersey, Pennsylvania, Washington and Oregon, and he was one of two people responsible for directing the establishment and expansion of Prologis' business in Mexico.

Prior to Prologis, Mr. Anderson was with Security Capital Group, Inc., a diversified real estate investment company, where he focused on capital markets, investments and strategy and worked with a small group to develop Security Capital Industrial’s (now Prologis) global expansion strategy.

Mr. Anderson is a member of the Young Presidents’ Organization - Gold. He received his MBA from the Anderson Graduate School of Management at UCLA and his Bachelor of Arts from Washington State University.

Biographies

Timothy D. Arndt

Managing Director, Treasurer, FP&A

Tim Arndt is managing director, treasury and financial planning, for Prologis. He oversees the company's global treasury team, corporate forecasting function and its global investment analytics.

Mr. Arndt joined AMB in 2004 in portfolio management for the company's private capital group. Since that time, Mr. Arndt has worked in several capacities for the company, including the oversight of the company's global financial planning and analysis team, which focuses on planning, valuation, strategic initiatives and other corporate-related activities, and as senior vice president, treasury. Prior to joining AMB, he worked in the real estate strategy group at Gap Inc. and in capital markets at Forest City Enterprises, where he was responsible for underwriting and management of the company's debt portfolio and its hedging program. Mr. Arndt earned his Bachelor of Business Administration from the University of Toledo and his MBA from Cleveland State University.

Biographies

Ben Bannatyne

President, Europe

Ben Bannatyne is president, Prologis Europe, and is responsible for all aspects of Prologis' European operational performance, including investments and development. He is also Chairman of Prologis' European Management Committee.

Ben was previously regional head and managing director for Central and Eastern Europe for Prologis and was responsible for all activities and operations of Prologis in the CEE region, including Poland, Czech Republic, Slovakia, Hungary and Romania.

Ben joined Prologis in 2008, from JLL, where he was managing director for Central Europe. He has more than 22 years of experience in the real estate industry, of which 17 years have been spent in Central Europe. Ben graduated from the University of Aberdeen with a degree in land economy (BLE) He is also a UK-trained chartered surveyor (MRICS).

Biographies

Jason Bennett

Senior Vice President, Capital Deployment – East Region

Jason Bennett is responsible for capital deployment activities throughout the East Region of the Americas. He joined Prologis in June 2014. Prior to joining Prologis, Jason was a Partner at Panattoni Development Company, where most recently he co-managed the company's European platform.

Prior to his management responsibilities in Europe, Jason focused on Panattoni's industrial and office development activities in Northern California. He also worked as a real estate investment banker with Morgan Stanley and Bank of America Merrill Lynch. Jason received a Bachelor of Arts from the University of California at Berkeley and an MBA from Columbia Business School.

Biographies

Christopher N. Caton

Senior Vice President, Global Head of Research

Chris Caton is senior vice president and global head of research for Prologis, and he oversees the company's formation of global macroeconomic, capital market and logistics fundamental trends and outlooks.

Prior to joining Prologis in 2012, Mr. Caton served as vice president in Morgan Stanley's research department, tracking global commercial real estate and REIT investment environments. While at Morgan Stanley, Mr. Caton also served as a vice president in the company's private real estate department, researching U.S. and global real estate investment trends. Prior to that, he served at CBRE as part of its investment strategy services group, researching U.S. capital markets and real estate trends.

Mr. Caton is a member of the Urban Land Institute and PREA. He holds an MBA from the Wharton School at the University of Pennsylvania, a Master of Arts in economics from Boston University and a Bachelor of Science in mathematics from the University of Puget Sound.

Biographies

Ben Conwell

Senior Managing Director and Practice Leader, Cushman & Wakefield – The Americas

Ben Conwell is Senior Managing Director and Practice Leader for Cushman & Wakefield's eCommerce and Electronic Fulfillment Specialty Practice Group for the Americas. His responsibilities include counsel on strategy, site selection, design and execution for leading retail and logistics occupiers and investors, intellectual property presentation and business development. As leader of the Special Practice Group, Mr. Conwell provides Cushman & Wakefield clients the most up-to-date market-leading counsel to effectively plan and execute their supply chain and fulfillment and real estate strategies.

Prior to joining Cushman & Wakefield in 2015, Mr. Conwell was Director of North America Logistics Real Estate for Amazon Fulfillment Services, the logistics and operations subsidiary of Amazon.com. His wealth of experience from the occupier perspective comes from having led the largest and fastest expansion of network capacity in Amazon's history, doubling the size of the logistics footprint. Mr. Conwell has been at the forefront of locating and building leading-edge electronic fulfillment and e-commerce facilities throughout North America. He managed a fulfillment network of 90 facilities comprising 60 million square feet and led the delivery of almost 30 million square feet of high-tech build-to-suit projects and more than five million square feet of repositioned existing buildings. Total project capital investment and expense commitment exceeded $5 billion. He also oversaw all real estate functions for site selection, negotiation, build-out and completion for the launch of Amazon Logistics' sortation centers and last-mile infrastructure.

Mr. Conwell is a member of NAIOP and Pacific Real Estate Institute. He holds an MBA from the Darden School at the University of Virginia and a bachelors degree from the University of Richmond.

Biographies

Michael S. Curless

Chief Investment Officer

Mike Curless, as Prologis' chief investment officer, chairs the company's investment committee. His primary responsibilities include overseeing the deployment of capital and the global customer solutions, acquisitions and dispositions teams. His additional responsibilities include oversight of the valuations and research teams.

Mr. Curless has been part of Prologis at two points in his career. From 2000 to 2010, prior to rejoining Prologis, Mr. Curless was the president and one of four principals at Lauth, a privately held national construction and development firm. Lauth has developed in excess of $3 billion of office, industrial, retail and healthcare projects across the United States. In this role, he had overall responsibility for operations, development and asset management for the firm. From 1995 to 2000, prior to joining Lauth, Mr. Curless was a first vice president at Prologis, overseeing the Indianapolis and St. Louis market operations and management of key national accounts. He has also been a marketing director for Trammell Crow Company and a financial analyst with General Electric Company.

Mr. Curless has been a member of the Young Presidents' Organization and has served on various charitable boards. He has an MBA in marketing and finance and a Bachelor of Science in finance from Indiana University.

Biographies

Kristin Gannon

Managing Director, Eastdil Secured, LLC

Kristin Gannon has spent 25 years as an investment banker and financial advisor in the global real estate industry. She has transacted over $100 billion in real estate M&A and sale transactions, and equity, debt and IPO financing transactions.

Kristin joined Eastdil Secured in August 2015, from DBO Partners ("DBO"), a boutique financial advisory firm where she was a partner. Prior to joining DBO, Gannon was a Managing Director at Goldman Sachs where she was head of the Real Estate banking group in the western region. She served as financial and strategic advisor to several private and publicly traded real estate companies and advised on mergers, sales, divestitures, capital raising and recapitalizations. She also directed the healthcare real estate business and executed several senior housing transactions including the recapitalization of Sunrise Senior Living, Erickson Retirement and Classic by Hyatt.

Prior to Goldman Sachs, Kristin was an Executive Director at Morgan Stanley for eight years, where she was head of west coast real estate. During this tenure she worked on several notable REIT mergers including the $7bn sale of Spieker Properties to Equity Office Properties, $5bn sale of Catellus to Prologis, $4bn merger of Archstone Communities and Charles E Smith, $2.5bn sale of GE's Storage USA to Prudential/Extra Space Storage.

Kristin is a member of the Policy Advisory Board of the Fisher Center at UC Berkeley and the Urban Land Institute.

Kristin earned a BS in Business Administration from the University of California, Berkeley, and an MBA from the MIT Sloan School of Management.

Biographies

Joseph Ghazal

Managing Director, Chief Investment Officer, Europe

Joseph Ghazal is managing director, head of capital deployment for Prologis Europe. He is responsible for all capital deployment spanning land, development (including project management), acquisitions, dispositions and fund contributions.

Joseph is a member of the European Executive Committee and has more than 10 years of experience in logistics real estate development with Prologis. Previously, he was regional head of Northern Europe, responsible for Prologis' operations in Scandinavia, the Benelux, Germany, Austria and Switzerland. In addition, Joseph was senior vice president, Benelux, and before that, senior vice president of the Middle East, where his responsibilities included land acquisitions, built-to-suit development and management of state-of-the-art logistics parks to help maximize the efficiency of customers' supply chain operations, as well as relationship management with key regional and global customers. Prior, he was vice president of development for Prologis' Southern European region, where he operated a development organization that delivers both inventory and built-to-suit projects to logistics companies, retailers, manufacturers and other enterprises with large-scale distribution needs. Joseph holds an MBA from ESA, Paris ESCP, a master's degree from ESTP, Paris, and a civil engineering degree.

Biographies

Scott Marshall

Executive Managing Director of Industrial Services, CBRE – The Americas

Scott Marshall is Executive Managing Director of Industrial Services for the Americas. In this role, he manages and leads all aspects of CBRE's supply chain and logistics business in the United States, Canada and Latin America. Mr. Marshall oversees a team of more than 950 professionals who were responsible for over $32.7 billion in total transaction value (sale and lease) in 2015 with specialties including E-Commerce, Global Supply Chain, Port Logistics, Food Facilities, Strategic Accounts and Premier Properties and managed more than 600 million square feet of industrial properties. In addition, Mr. Marshall is a member of the company's Americas Operating/Management Board, Americas Strategy Group and Global Industrial & Logistics Executive Board. In 2015, he also served on CBRE's High Performing Leaders Program consisting of 25 business-line and geographic leaders from across the Americas, EMEA and Asia Pacific. Previously, he served as Senior Managing Director of CBRE's Chicago area, overseeing the industrial and suburban office agency groups, with additional responsibility for the Oak Brook office.

Prior to joining CBRE in 2011, Mr. Marshall was an Executive Managing Director with Colliers International, managing the firm's strategy and development of its suburban office and industrial groups. Before Colliers, he held executive and brokerage positions with Duke Realty Corporation, first as a Senior Leasing Representative with the firm's Chicago office leasing and development team and later as Vice President of the Chicago industrial group.

Mr. Marshall is on the board of directors of the Chicago chapter of NAIOP and is a member of SIOR. He graduated from Bradley University with a BA in Business Administration.

Biographies

Thomas S. Olinger

Chief Financial Officer

Tom Olinger is Prologis' chief financial officer, responsible for worldwide corporate finance including treasury, financial planning and reporting, accounting, tax, investor relations, information technology and internal audit. Prior to assuming this role, Mr. Olinger served as Prologis' chief integration officer, overseeing information technology and the implementation of best-practice processes and procedures related to the merger of AMB and ProLogis.

From 2007 to 2011, Mr. Olinger served as AMB's chief financial officer. Prior to joining AMB in 2007, he served as vice president, corporate controller, at Oracle Corporation, where he was responsible for global accounting, external reporting, technical accounting, global revenue recognition, Sarbanes-Oxley compliance and finance merger and acquisition integration. Mr. Olinger was also responsible for Oracle's controllership operations in India, Ireland, Australia and California. Prior to this, Mr. Olinger spent 14 years at Arthur Andersen, the last three as an audit partner in its U.S. real estate and technology groups.

Mr. Olinger received a Bachelor of Science in finance, with distinction, from Indiana University.

Biographies

Eugene F. Reilly

Chief Executive Officer, The Americas

Gene Reilly, as Prologis' chief executive officer of the Americas, oversees all aspects of Prologis' business in the United States, Canada and Latin America and is a member of the technical committee of FIBRA Prologis.

Mr. Reilly joined AMB Property Corporation in 2003 and has more than three decades of experience in real estate investment, management and development throughout the Americas. Prior to joining AMB, he was chief investment officer of Cabot Properties, Inc., a private equity industrial real estate firm in which he served as a founding partner and member of its investment committee and board of directors.

Mr. Reilly has served on the board of directors of Grupo Acción, S.A. de C.V., a leading development company in Mexico and Strategic Hotels and Resorts, Inc. (NYSE:BEE), a publicly-traded Real Estate Investment Trust. He is a member of the Urban Land Institute (ULI) and the National Association of Industrial and Office Properties (NAIOP), where he served on the national board of directors, the Foundation Board of Trustees, the board of directors of the Massachusetts chapter, the National Industrial Education Committee and as national chairman. He holds an A.B. degree in economics from Harvard College.

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Biographies

Kim Snyder

President, Southwest Region

Kim Snyder is responsible for all Southwest regional activities including development, acquisitions and operations for Prologis. Key markets included in this region are Southern California, Las Vegas and Phoenix. He joined AMB in 2005, bringing more than 25 years of experience in real estate development and construction, acquisitions and dispositions, leasing, marketing and finance.

As managing director and senior vice president during his tenure, Mr. Snyder managed AMB’s Airport Group and Mexico and Brazil operations.

Prior to AMB, Mr. Snyder served as president of Paragon Capital Corporation and CEO of Paragon Development, Inc. and was managing director for Insignia-ESG’s Western region development operation. Prior to Insignia, he was a partner with Investment Building Group.

Mr. Snyder has a Bachelor of Science from Arizona State University, summa cum laude, and an MBA from Harvard Business School.

Biographies

Richard Strader

Managing Director, Global Customer Solutions

Richard Strader helps lead the Global Customer Solutions team's efforts in North America to serve Prologis' most strategic global customers, and he has primary account responsibility for several of the company's largest customers. After practicing law in Dallas for several years, Mr. Strader successfully joined Trammell Crow's Dallas Industrial Group where he became a Market Principal. He subsequently joined Security Capital Industrial Trust (legacy Prologis) in 1994, and over the past 29 years has enjoyed a principal role in the leasing and development of tens of millions of square feet of logistics space in numerous U.S. markets.

Prior to his current leadership role, Mr. Strader served as Prologis' regional director for the southeastern United States from 2004-2009, and prior thereto had served as a Prologis market officer (Charlotte, N.C.) and as a corporate services officer from 1997-1999. Mr. Strader received his BA, magna cum laude, from Davidson College, was a member of Phi Beta Kappa, and received his Juris Doctor from the University of North Carolina. He is a member of both the North Carolina and Texas Bar Associations and has served on the U.S. board of NAIOP.

Biographies

Tracy A. Ward

Senior Vice President, Investor Relations

Tracy Ward is senior vice president, Investor Relations, at Prologis. She is responsible for creating and presenting a consistently applied investment message to the investment community on behalf of the company, and for monitoring and presenting to management the perspectives of the investment community regarding Prologis' performance.

Ms. Ward joined the AMB Investor Relations team in 2006 and since then has worked in numerous capacities for the company, including the oversight of Prologis' Corporate Communications and global Marketing teams. Previously, she was with Gap, Inc., where she served as director of store planning for North America, responsible for the company's inventory to its stores based on volume, capacity, product performance and financial forecast. Prior to Gap Inc., Ms. Ward was with The North Face, Inc., responsible for dealer relations, space planning and design. She is a member of the National Association of Real Estate Investment Trusts (NAREIT) and the National Investor Relations Institute (NIRI) Senior Roundtable. Ms. Ward holds a Bachelor of Business Administration from California State University, Sacramento, with a concentration in international business.

Section 09

Notes and Definitions

Prologis Jiaxing Logistics Center, Jiaxing, China

Notes and Definition

Please refer to our annual and quarterly financial statements filed with the Securities and Exchange Commission on Forms 10-K and 10-Q and other public reports for further information about us and our business. Certain amounts from previous periods presented in the Supplemental Information have been reclassified to conform to the current presentation.

Acquisition Costs, as presented for building acquisitions, represents the economic cost and not necessarily what is capitalized. This amount includes the building purchase price plus 1) transaction closing costs, 2) all due diligence costs, 3) immediate capital expenditures (including two years of property improvements and all leasing commissions and tenant improvements required to stabilize the property), 4) the effects of marking assumed debt to market and 5) the net present value of free rent, if applicable.

Adjusted EBITDA. We use Adjusted EBITDA, a non-Generally Accepted Accounting Principles ("GAAP") financial measure, as a measure of our operating performance. We calculate Adjusted EBITDA beginning with consolidated net earnings (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 items, such as stock based compensation and unrealized gains or losses on foreign currency and derivative activity. We make adjustments to reflect our economic ownership in each entity in which we invest, whether consolidated or unconsolidated.

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

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

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

Adjusted Cash NOI (Actual) is a non-GAAP financial measure and is a component of Net Asset Value ("NAV") and used to assess the operating performance of our properties, which we believe enable both management and investors to estimate the fair value of our operating buildings. A reconciliation of our rental income and rental expenses included in our Statement of Operations to adjusted cash for the consolidated operating portfolio is as follows *(in thousands)*:

Rental revenue	$ 560,277
Rental expenses	(140,514)
NOI	419,763
Net termination fees and adjustments (a)	(1,953)
Less: actual NOI for development portfolio and other	(21,268)
Less: properties contributed or sold (b)	(4,918)
Less: noncontrolling interests share of NOI	(57,407)
Adjusted NOI for consolidated operating portfolio owned at September 30, 2016	334,217
Straight-line rents (c)	(26,261)
Free rent (c)	26,635
Amortization of lease intangibles (c)	(758)
Effect of foreign currency exchange (d)	(122)
Less: noncontrolling interests	1,325
Third Quarter Adjusted Cash NOI (Actual)	$ 335,036

(a) Net termination fees generally represent the gross fee negotiated at the time a customer is allowed to terminate its lease agreement offset by that customer's rent leveling asset or liability, if any, that has been previously recognized. Removing the net termination fees from rental income allows for the calculation of Adjusted Cash NOI (Pro forma) to include only rental income that is indicative of the property's recurring operating performance.

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

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

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

Adjusted Cash NOI (Pro forma) is a non-GAAP financial measure and consists of Adjusted Cash NOI (Actual) for the properties in our Operating Portfolio adjusted to reflect NOI for a full quarter for operating properties that were acquired or stabilized during the quarter.

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

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

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

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

Notes and Definition *(continued)*

Calculation of Per Share Amounts

in thousands, except per share amount	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Net earnings				
Net earnings	$ 279,255	$ 258,979	$ 762,679	$ 744,425
Noncontrolling interest attributable to exchangeable limited partnership units	7,713	3,203	24,479	7,331
Gains, net of expenses, associated with exchangeable debt assumed exchanged	-	-	-	(1,614)
Adjusted net earnings - Diluted	**$ 286,968**	**$ 262,182**	**$ 787,158**	**$ 750,142**
Weighted average common shares outstanding - Basic	527,288	523,528	525,462	520,388
Incremental weighted average effect on exchange of limited partnership units	14,568	6,685	17,156	5,875
Incremental weighted average effect of stock awards	5,344	1,860	2,610	1,953
Incremental weighted average effect on exchangeable debt assumed exchanged (a)	-	-	-	2,905
Weighted average common shares outstanding - Diluted	**547,200**	**532,073**	**545,228**	**531,121**
Net earnings per share - Basic	**$ 0.53**	**$ 0.49**	**$ 1.45**	**$ 1.43**
Net earnings per share - Diluted	**$ 0.52**	**$ 0.49**	**$ 1.44**	**$ 1.41**
Core FFO				
Core FFO	$ 402,153	$ 307,268	$ 1,055,711	$ 835,532
Noncontrolling interest attributable to exchangeable limited partnership units	1,088	48	3,282	160
Interest expense on exchangeable debt assumed exchanged	-	-	-	3,506
Core FFO - Diluted	**$ 403,241**	**$ 307,316**	**$ 1,058,993**	**$ 839,198**
Weighted average common shares outstanding - Basic	527,288	523,528	525,462	520,388
Incremental weighted average effect on exchange of limited partnership units	16,233	6,685	17,156	4,201
Incremental weighted average effect of stock awards	5,344	1,860	2,610	1,953
Incremental weighted average effect on exchangeable debt assumed exchanged (a)	-	-	-	2,905
Weighted average common shares outstanding - Diluted	**548,865**	**532,073**	**545,228**	**529,447**
Core FFO per share - Diluted	**$ 0.73**	**$ 0.58**	**$ 1.94**	**$ 1.59**

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

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

dollars in thousands	Indenture Covenant	Indenture Actual	Global Line Covenant	Global Line Actual
Leverage ratio	<60%	33.0%	<60%	29.0%
Fixed charge coverage ratio	>1.5x	6.05x	>1.5x	5.78x
Secured debt leverage ratio	<40%	7.9%	<40%	7.1%
Unencumbered asset to unsecured debt ratio	>150%	280.8%	N/A	N/A
Unencumbered debt service coverage ratio	N/A	N/A	>150%	891.7%

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Notes and Definition *(continued)*

Debt Metrics

dollars in thousands	Three Months Ended Sep. 30, 2016	Jun. 30, 2016
Debt as a % of gross real estate assets:		
Consolidated debt - at par	$ 11,280,206	$ 11,151,596
Prologis share of unconsolidated entities debt - at par	1,666,810	1,637,181
Less: noncontolling interests share of consolidated debt - at par	(636,596)	(668,987)
Total Prologis share of debt - at par	12,310,420	12,119,790
Less: Prologis share of outstanding foreign currency derivatives	(64,607)	(57,123)
Less: consolidated cash and cash equivalents	(375,120)	(332,221)
Add: consolidated cash and cash equivalents - third party share	55,862	79,427
Less: unconsolidated entities cash - Prologis share	(170,559)	(124,229)
Total Prologis share of debt, net of adjustments	$ 11,755,996	$ 11,685,644
Gross real estate assets - consolidated	28,500,720	28,429,458
Gross real estate assets - Prologis share of unconsolidated entities	7,107,688	7,041,568
Less: gross real estate assets - noncontrolling interests	(3,814,826)	(3,868,703)
Gross real estate assets - Prologis share	$ 31,793,582	$ 31,602,323
Debt as a % of gross real estate assets	**37.0%**	**37.0%**
Debt as a % of gross market capitalization:		
Total Prologis share of debt, net of adjustments	$ 11,755,996	$ 11,685,644
Total outstanding common stock and limited partnership units	542,644	541,449
Share price at quarter end	$ 53.54	$ 49.04
Total equity capitalization	$ 29,053,160	$ 26,552,659
Total Prologis share of debt, net of adjustments	11,755,996	11,685,644
Gross market capitalization	$ 40,809,156	$ 38,238,303
Debt as a % of gross market capitalization	**28.8%**	**30.6%**
Secured debt as a % of gross real estate assets:		
Consolidated secured debt - at par	2,699,850	2,641,336
Prologis share of unconsolidated entities secured debt - at par	620,337	623,732
Less: noncontrolling interests share of secured debt - at par	(636,596)	(668,987)
Prologis share of secured debt - at par	$ 2,683,591	$ 2,596,081
Gross real estate assets - Prologis share	$ 31,793,582	$ 31,602,323
Secured debt as a % of gross real estate assets	**8.4%**	**8.2%**
Unencumbered gross real estate assets to unsecured debt:		
Consolidated unemcumbered gross real estate assets	22,928,847	22,790,802
Prologis share of unconsolidated entities unemcumbered gross real estate assets	5,812,885	5,723,457
Less: noncontrolling interests share of unemcumbered gross real estate assets	(2,638,728)	(2,639,692)
Unencumbered gross real estate assets - Prologis share	$ 26,103,004	$ 25,874,567
Consolidated unsecured debt - at par	8,580,356	8,510,260
Prologis share of unconsolidated entities unsecured debt - at par	1,046,473	1,013,449
Less: noncontrolling interests .share of unsecured debt - at par	-	-
Prologis share of unsecured debt - at par	$ 9,626,829	$ 9,523,709
Unencumbered gross real estate assets to unsecured debt	**271.1%**	**271.7%**

	Three Months Ended Sep. 30, 2016	Jun. 30, 2016
Fixed Charge Coverage ratio:		
Adjusted EBITDA	$ 573,000	$ 459,358
Adjusted EBITDA-annualized including development gains (a)	$ 2,001,725	$ 2,079,533
Net promote for the twelve months ended	97,731	24,517
Adjusted EBITDA-annualized	$ **2,099,456**	$ **2,104,050**
Pro forma adjustment for mid-quarter activity and NOI from disposed properties - annualized	(7,448)	(4,276)
Adjusted EBITDA, including NOI from disposed properties, annualized	$ **2,092,008**	$ **2,099,774**
Interest expense	$ 75,310	$ 76,455
Amortization and write-off of deferred loan costs	(3,619)	(3,707)
Amortization of debt premium (discount), net	7,050	7,932
Capitalized interest	16,292	16,473
Preferred stock dividends	1,671	1,696
Noncontrolling interests share of fixed charges from consolidated entities	(7,476)	(7,645)
Prologis share of fixed charges from unconsolidated entities	13,477	13,337
Total fixed charges	$ 102,705	$ 104,541
Total fixed charges, annualized	$ **410,820**	$ **418,164**
Fixed charge coverage ratio	**5.09**	**5.02**
Debt to Adjusted EBITDA:		
Total Prologis share of debt, net of adjustments	$ **11,755,996**	$ **11,685,644**
Adjusted EBITDA-annualized	$ **2,099,456**	$ **2,104,050**
Debt to Adjusted EBITDA ratio	**5.60**	**5.55**

(a) Prologis share of gains on dispositions of development properties for the rolling 12 month period was $207.4 million and $291.2 million for the current quarter and the previous quarter, respectively.

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

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

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

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

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

Notes and Definition *(continued)*

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

(i) historical cost accounting for real estate assets in accordance with GAAP assumes, through depreciation charges, that the value of real estate assets diminishes predictably over time. NAREIT stated in its White Paper on FFO "since real estate asset values have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves." Consequently, NAREIT's definition of FFO reflects the fact that real estate, as an asset class, generally appreciates over time and depreciation charges required by GAAP do not reflect the underlying economic realities. We exclude depreciation from our unconsolidated entities and the third parties' share of our consolidated ventures.

(ii) REITs were created in order to encourage public ownership of real estate as an asset class through investment in firms that were in the business of long-term ownership and management of real estate. The exclusion, in NAREIT's definition of FFO, of gains and losses from the sales, along with impairment charges, of previously depreciated operating real estate assets allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods. We include the gains and losses (including impairment charges) from dispositions of land and development properties, as well as our proportionate share of the gains and losses (including impairment charges) from dispositions of development properties recognized by our unconsolidated and consolidated entities, in our definition of FFO. We exclude the gain on revaluation of equity investments upon acquisition of a controlling interest from our definition of FFO.

Our FFO Measures

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

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

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

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

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

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

Core FFO

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

(i) gains or losses from contribution or sale of land or development properties;
(ii) income tax expense related to the sale of investments in real estate and third-party acquisition costs related to the acquisition of real estate;
(iii) impairment charges recognized related to our investments in real estate generally as a result of our change in intent to contribute or sell these properties;
(iv) gains or losses from the early extinguishment of debt and redemption and repurchase of preferred stock; and
(v) expenses related to natural disasters.

AFFO

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

We believe it is appropriate to further adjust our *FFO, as modified 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.

Notes and Definition *(continued)*

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

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

Limitations on the use of our FFO measures

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

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

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

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

General and Administrative Expenses ("G&A"). All of the property management functions are provided by property management personnel of Prologis who perform the property-level management of the properties in our owned and managed portfolio, which include properties we consolidate and those we manage that are owned by the unconsolidated co-investment ventures. We allocate the costs of our property management to the properties we consolidate (included in Rental Expenses) and the properties owned by the unconsolidated co-investment ventures (included in Strategic Capital Expenses) by using the square feet owned by the respective portfolios. During the three months ended September 30, 2016 and 2015 and the nine months ended September 30, 2016 and 2015, $9.3 million, $9.6 million, $26.3 million and $26.0 million, respectively of net employee costs related to property management activities were included in Rental Expenses. Strategic Capital Expenses also include the direct expenses associated with the asset management of the unconsolidated co-investment ventures provided by our employees who are assigned to our Strategic Capital segment. We do not allocate the indirect costs to Strategic Capital Expenses.

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

in thousands	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Building development activities	$ 12,008	$ 11,562	$ 34,247	$ 34,854
Leasing activities	6,344	5,588	17,812	15,877
Operating building improvements, land improvements and other	8,402	8,265	24,217	23,833
Total capitalized G&A	**$ 26,754**	**$ 25,415**	**$ 76,276**	**$ 74,564**

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

Net G&A - midpoint of 2016 guidance range (a)	$ 224,000
Add: estimated 2016 strategic capital expenses	110,000
Less: estimated 2016 strategic capital property management expenses	(56,000)
Adjusted G&A, using 2016 guidance amounts	**$ 278,000**
Gross book value at period end (b):	
Operating properties	$ 48,022,038
Development portfolio - TEI	3,384,941
Land portfolio	1,604,410
Other real estate investments, assets held for sale and note receivable backed by real estate	589,819
Total Gross Book Value of Assets Under Management	**$ 53,601,208**
G&A as % of Assets Under Management	**0.52%**

(a) *This amount represents the 2016 guidance provided in this Supplemental Package.*
(b) *This amount does not represent enterprise value.*

Notes and Definition *(continued)*

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

	Low	High
Net Earnings	$ 1.90	$ 1.95
Our share of:		
Depreciation and amortization	1.71	1.72
Net gains of real estate transactions, net of taxes	(1.10)	(1.15)
Unrealized foreign currency and other	0.05	0.05
Core FFO	$ 2.56	$ 2.57

Income Taxes.

in thousands	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Current income tax expense	$ 8,353	$ 4,383	$ 23,515	$ 14,401
Current income tax expense (benefit) on dispositions	4,701	9,403	14,820	4,930
Current income tax expense on dispositions related to acquired tax liabilities	-	3,497	-	3,497
Total current income tax expense	13,054	17,283	38,335	22,828
Deferred income tax expense (benefit)	2,865	542	(1,737)	1,739
Deferred income tax benefit on dispositions related to acquired tax liabilities	-	(3,497)	-	(3,497)
Total income tax expense	**$ 15,919**	**$ 14,328**	**$ 36,598**	**$ 21,070**

Interest Expense.

in thousands	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Gross interest expense	$ 95,033	$ 102,835	$ 292,191	$ 287,655
Amortization of discount (premium), net	(7,050)	(11,489)	(24,136)	(32,155)
Amortization of deferred loan costs	3,619	3,604	11,089	9,884
Interest expense before capitalization	91,602	94,950	279,144	265,384
Capitalized amounts	(16,292)	(13,915)	(46,567)	(46,686)
Interest expense	**$ 75,310**	**$ 81,035**	**$ 232,577**	**$ 218,698**

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

Market Classification

- **Global Markets** feature large population centers with high per-capita consumption and are located near major seaports, airports, and ground transportation systems.
- **Regional Markets** benefit from large population centers but typically are not as tied to the global supply chain, but rather serve local consumption and are often less supply constrained. Markets included as regional markets include: Austin, Charlotte, Cincinnati, Columbus, Denver, Hungary, Indianapolis, Juarez, Las Vegas, Louisville, Memphis, Nashville, Orlando, Phoenix, Portland, Reno, Reynosa, San Antonio, Slovakia, Sweden and Tijuana.

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

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

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

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

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

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

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

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

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

Because of these limitations, the non-GAAP pro-rata financial information should not be considered in isolation or as a substitute for our financial statements as reported under GAAP.

Operating Portfolio includes stabilized industrial properties in our owned and managed portfolio. A developed property moves into the Operating Portfolio when it meets Stabilization. Prologis share of NOI, excluding termination fees and adjustments, includes NOI for the properties contributed to or acquired from co-investment

Notes and Definition *(continued)*

ventures at our actual share prior to and subsequent to change in ownership. The markets presented represent markets that are generally greater than 1% of Prologis share of NOI.

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

Rental Revenue.

in thousands	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Rental revenue	$ 404,317	$ 395,938	$ 1,224,458	$ 1,062,954
Rental expense recoveries	124,409	114,639	361,402	312,510
Amortization of lease intangibles	607	(318)	968	(9,447)
Straight-lined rents	30,944	22,496	73,696	46,984
Rental revenue	**$ 560,277**	**$ 532,755**	**$ 1,660,524**	**$ 1,413,001**

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

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

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

Same Store. We evaluate the operating performance of the operating properties we own and manage using a "Same Store" analysis because the population of properties in this analysis is consistent from period to period, thereby eliminating the effects of changes in the composition of the portfolio on performance measures. We include the properties included in our owned and managed portfolio that were in operation (including development properties that have been completed and available for lease) at January 1, 2015 and throughout the full periods in both 2015 and 2016. We have removed all properties that were disposed of to a third party from the population for both periods. We believe the factors that impact rental income, rental expenses and NOI in the 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 financial measures that are commonly used in the real estate industry and are calculated beginning with rental income and rental expenses from the financial statements prepared in accordance with GAAP. It is also common in the real estate industry and expected from the analyst and investor community that these numbers be further adjusted to remove certain non-cash items included in the financial statements prepared in accordance with GAAP to reflect a cash same store number. In order to clearly label these metrics, we call one Same Store NOI and one Same Store NOI - Cash. As these are non-GAAP financial measures they have certain limitations as an analytical tool and may vary among real estate companies. As a result, we provide a reconciliation from our financial statements prepared in accordance with GAAP to Same Store NOI and then to Same Store NOI - Cash with explanations of how these metrics are calculated and adjusted.

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

dollars in thousands	Three Months Ended September 30,		
	2016	2015	Change (%)
Rental Revenue:			
Rental Revenue	$ 435,868	$ 418,116	
Rental Recoveries	124,409	114,639	
Per the Consolidated Statements of Operations	560,277	532,755	
Properties not included and other adjustments (a)	(165,655)	(152,033)	
Unconsolidated Co-Investment Ventures	438,860	429,360	
Same Store - Rental Income	**$ 833,482**	**$ 810,082**	**2.9%**
Rental Expense:			
Per the Consolidated Statements of Operations	$ 140,514	$ 140,284	
Properties not included and other adjustments (b)	(29,701)	(30,685)	
Unconsolidated Co-Investment Ventures	90,710	94,937	
Same Store - Rental Expense	**$ 201,523**	**$ 204,536**	**-1.5%**
NOI:			
Consolidated NOI	$ 419,763	$ 392,471	
Properties not included and other adjustments	(135,954)	(121,348)	
Unconsolidated Co-Investment Ventures	348,150	334,423	
Same Store - NOI	**$ 631,959**	**$ 605,546**	**4.4%**
Same Store - NOI - Prologis Share (c)	**$ 363,536**	**$ 344,112**	**5.6%**
NOI- Cash:			
Same store- NOI	$ 631,959	$ 605,546	
Straight-line rent adjustments (d)	$ (11,716)	$ (14,701)	
Fair value lease adjustments (d)	(1,218)	(312)	
Same Store - NOI- Cash	**$ 619,025**	**$ 590,533**	**4.8%**
Same Store - NOI- Prologis Share (c)	**$ 356,807**	**$ 334,674**	**6.6%**

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

(b) To calculate Same Store rental expense, we include an allocation of the property management expenses for our consolidated properties based on the property management fee that is provided for in the individual management agreements under which our wholly owned management companies provide property management services (generally the fee is based on a percentage of revenue). On consolidation, the management fee income and expenses are eliminated and the actual cost of providing property management services is recognized.

(c) Prologis share of Same Store is calculated using the underlying building information from the Same Store NOI and NOI - Cash calculations and applying our ownership percentage as of September 30, 2016 to the NOI of each building for both periods.

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

Notes and Definition *(continued)*

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

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

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

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

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

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

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

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

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

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

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

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