

Second Quarter 2018

Prologis Supplemental Information

Unaudited



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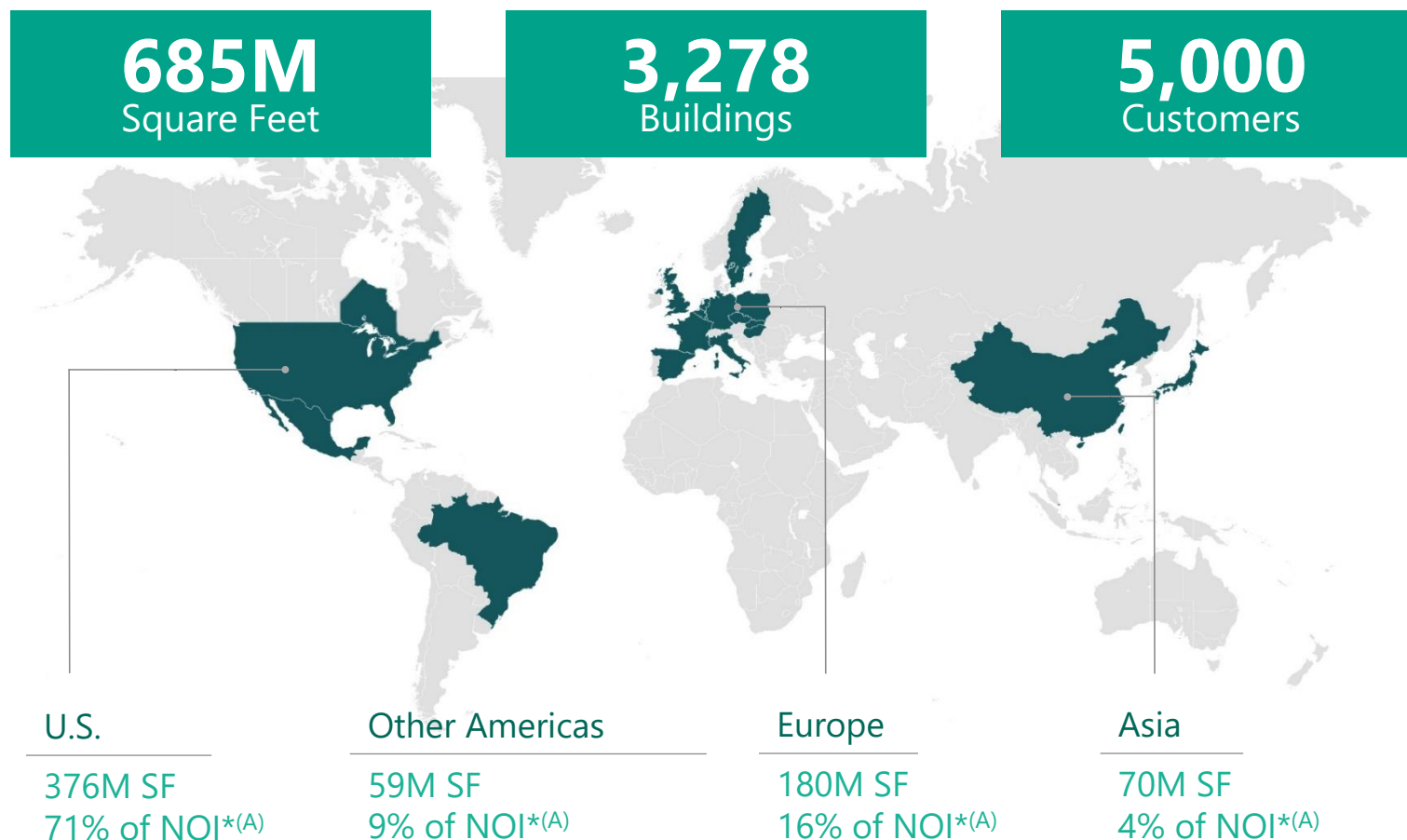
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Prologis, Inc., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of June 30, 2018, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 685 million square feet (64 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,000 customers across two major categories: business-to-business and retail/online fulfillment.



Operations

\$1.9B in
annual NOI^(A)

71%

29%

U.S.

Outside the U.S.

Strategic Capital

\$228M of fees
and promotes^(B)

25%

75%

U.S.

Outside the U.S.

Development

\$735M in value creation
from stabilizations annually^(C)

40%

60%

U.S.

Outside the U.S.

Gross AUM

\$81B^(D)

58%

42%

U.S.

Outside the U.S.

Prologis Share AUM

\$47B^(D)

74%

26%

U.S.

Outside the U.S.

Net Equity

\$36B^(D)

96%

4%

U.S.

Outside the U.S.

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

(A) 2Q 2018 Prologis Share of NOI of the Operating Portfolio annualized.

(B) 2Q 2018 third-party share of asset management fees annualized plus trailing twelve month third-party share of transaction fees and Net Promotes.

(C) Prologis Share of trailing twelve month Estimated Value Creation from development stabilizations.

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

Highlights

Company Performance

2Q 2018 Supplemental

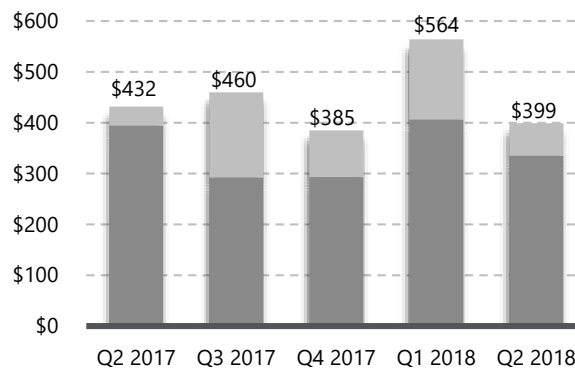
dollars in millions, except per share/unit data

	Three Months ended June 30,		Six Months ended June 30,	
	2018	2017	2018	2017
Rental and other revenues	\$ 545	\$ 585	\$ 1,106	\$ 1,157
Strategic capital revenues	76	181	209	238
Total revenues	621	766	1,315	1,395
Net earnings attributable to common stockholders	335	267	701	470
Core FFO attributable to common stockholders/unitholders*	391	461	834	808
AFFO attributable to common stockholders/unitholders*	399	432	962	751
Adjusted EBITDA attributable to common stockholders*	581	637	1,295	1,149
Estimated value creation from development stabilizations - Prologis Share	241	130	371	219
Common stock dividends and common limited partnership unit distributions	267	243	534	486
Per common share - diluted:				
Net earnings attributable to common stockholders	\$ 0.62	\$ 0.50	\$ 1.30	\$ 0.88
Core FFO attributable to common stockholders/unitholders*	0.71	0.84	1.51	1.47
Business line reporting:				
Real estate operations*	0.65	0.60	1.29	1.17
Strategic capital*	0.06	0.24	0.22	0.30
Core FFO attributable to common stockholders/unitholders*	0.71	0.84	1.51	1.47
Realized development gains, net of taxes	0.11	0.07	0.39	0.13
Dividends and distributions per common share/unit	0.48	0.44	0.96	0.88

Core FFO*



AFFO*



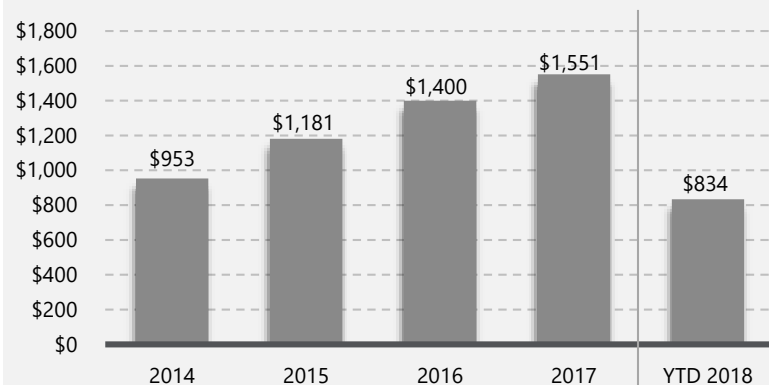
■ Amount attributable to realized development gains

Estimated Value Creation - Stabilizations

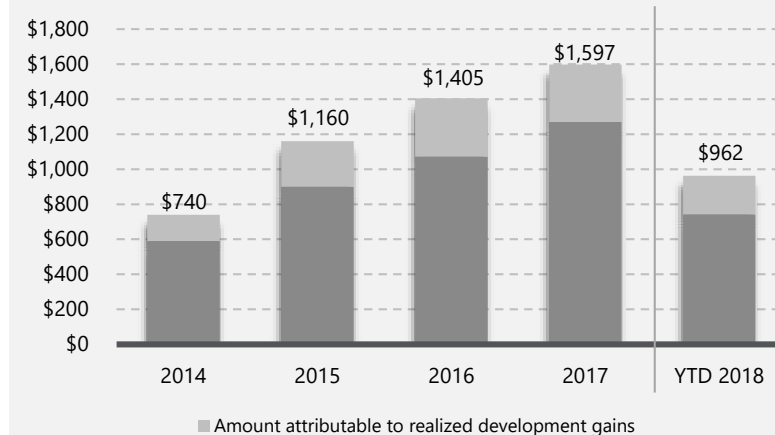


(in millions)

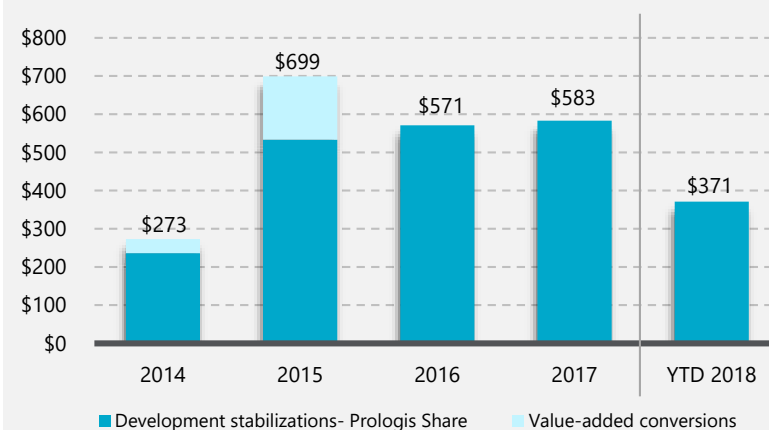
Core FFO*



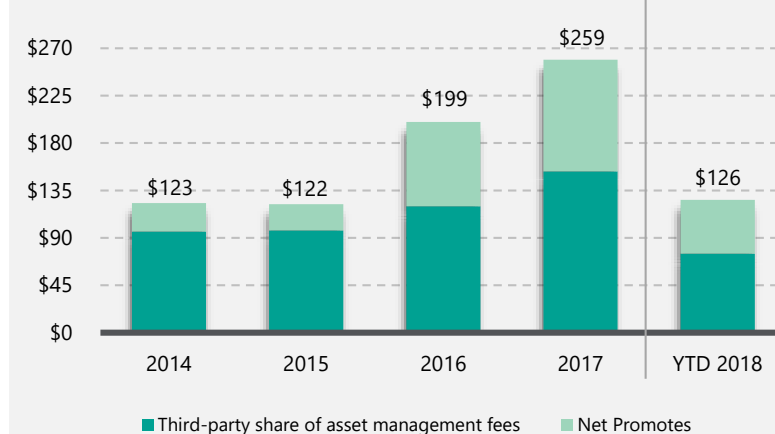
AFFO*



Estimated Value Creation



Asset Management Fees and Net Promotes



dollars in millions, except per share

2018 Guidance	Low		High	
Net earnings (B)(C)(D)	\$	2.80	\$	2.86
Core FFO* (B)(C)(D)	\$	2.98	\$	3.02
Operations				
Year-end occupancy	97.00%		97.50%	
Same store NOI - Cash - Prologis share*	6.25%		6.75%	
Same store NOI - Net effective - Prologis share*	4.70%		5.20%	
Other Assumptions				
Strategic capital revenue, excluding promote revenue	\$	270	\$	280
Net promote income (C)	\$	68	\$	78
General & administrative expenses	\$	227	\$	237
Realized development gains	\$	450	\$	500
Capital Deployment	PROLOGIS SHARE		OWNED AND MANAGED	
	Low	High		
Development stabilizations	\$ 1,800	\$ 2,000	\$ 2,100	\$ 2,300
Development starts	\$ 2,300	\$ 2,600	\$ 2,800	\$ 3,200
Building acquisitions	\$ 300	\$ 500	\$ 500	\$ 800
Building and land dispositions	\$ 1,400	\$ 1,700	\$ 2,200	\$ 2,600
Building contributions	\$ 1,500	\$ 1,800	\$ 2,000	\$ 2,400

Exchange Rates

We have hedged the rates for the majority of our estimated 2018 Euro, Sterling and Yen Core FFO, effectively insulating 2018 results from FX movements in these currencies. For purposes of capital deployment and other metrics, we assumed effective rates for EUR, GBP and JPY of 1.17 (\$/€), 1.32 (\$/£) and 111 (¥/\$), respectively.

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

(A) Guidance does not include any impact from the proposed acquisition of DCT Industrial Trust, Inc.

(B) The difference between Core FFO and Net Earnings predominately relates to real estate depreciation and gains or losses on real estate transactions. See the Notes and Definitions for more information.

(C) Net promote guidance is \$0.12 to \$0.14 per share.

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

Financial Information

Consolidated Balance Sheets

2Q 2018 Supplemental

in thousands

	June 30, 2018	March 31, 2018	December 31, 2017
Assets:			
Investments in real estate properties:			
Operating properties	\$ 22,267,134	\$ 22,421,633	\$ 22,585,327
Development portfolio	1,655,895	1,697,487	1,593,489
Land	1,111,185	1,231,759	1,154,383
Other real estate investments	521,129	525,123	505,445
	25,555,343	25,876,002	25,838,644
Less accumulated depreciation	4,283,877	4,199,159	4,059,348
Net investments in real estate properties	21,271,466	21,676,843	21,779,296
Investments in and advances to unconsolidated entities	5,414,623	5,675,999	5,496,450
Assets held for sale or contribution	892,546	473,154	342,060
Notes receivable backed by real estate	-	-	34,260
Net investments in real estate	27,578,635	27,825,996	27,652,066
Cash and cash equivalents	527,830	458,099	447,046
Other assets	1,396,417	1,387,390	1,381,963
Total assets	\$ 29,502,882	\$ 29,671,485	\$ 29,481,075
Liabilities and Equity:			
Liabilities:			
Debt	\$ 9,427,124	\$ 9,460,177	\$ 9,412,631
Accounts payable, accrued expenses and other liabilities	1,349,255	1,423,188	1,362,703
Total liabilities	10,776,379	10,883,365	10,775,334
Equity:			
Stockholders' equity	15,638,570	15,680,075	15,631,158
Noncontrolling interests	2,624,175	2,643,034	2,660,242
Noncontrolling interests - limited partnership unitholders	463,758	465,011	414,341
Total equity	18,726,503	18,788,120	18,705,741
Total liabilities and equity	\$ 29,502,882	\$ 29,671,485	\$ 29,481,075

Financial Information

Consolidated Statements of Income

2Q 2018 Supplemental

in thousands, except per share amounts

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues:				
Rental	\$ 544,679	\$ 576,377	\$ 1,100,622	\$ 1,143,310
Strategic capital	75,697	180,654	208,658	237,699
Development management and other	900	9,152	5,652	14,329
Total revenues	621,276	766,183	1,314,932	1,395,338
Expenses:				
Rental	133,329	147,794	276,270	300,450
Strategic capital	34,850	51,986	78,710	83,785
General and administrative	57,615	60,077	120,043	113,694
Depreciation and amortization	203,673	228,145	407,754	454,736
Other	4,515	2,909	7,754	5,515
Total expenses	433,982	490,911	890,531	958,180
Operating income	187,294	275,272	424,401	437,158
Other income (expense):				
Earnings from unconsolidated co-investment ventures, net	53,346	61,175	108,641	106,625
Earnings from other unconsolidated ventures, net	9,203	7,421	16,564	10,576
Interest expense	(56,314)	(75,354)	(102,575)	(148,266)
Gains on dispositions of development properties and land, net	63,669	37,720	221,237	67,520
Gains on dispositions of real estate, net (excluding development properties and land)	30,592	45,286	68,135	112,811
Foreign currency and derivative gains (losses) and interest and other income, net	91,023	(18,163)	51,905	(22,778)
Gains (losses) on early extinguishment of debt, net	282	(30,596)	(702)	(30,596)
Total other income	191,801	27,489	363,205	95,892
Earnings before income taxes	379,095	302,761	787,606	533,050
Current income tax expense	(13,234)	(14,952)	(31,850)	(22,113)
Deferred income tax benefit (expense)	(870)	171	1,194	(2,268)
Consolidated net earnings	364,991	287,980	756,950	508,669
Net earnings attributable to noncontrolling interests	(18,882)	(11,986)	(32,940)	(22,123)
Net earnings attributable to noncontrolling interests - limited partnership units	(10,022)	(7,377)	(20,545)	(13,000)
Net earnings attributable to controlling interests	336,087	268,617	703,465	473,546
Preferred stock dividends	(1,476)	(1,674)	(2,952)	(3,348)
Net earnings attributable to common stockholders	\$ 334,611	\$ 266,943	\$ 700,513	\$ 470,198
Weighted average common shares outstanding - Diluted	554,515	552,114	554,066	550,512
Net earnings per share attributable to common stockholders - Diluted	\$ 0.62	\$ 0.50	\$ 1.30	\$ 0.88

Financial Information

Reconciliations of Net Earnings to FFO*

2Q 2018 Supplemental

in thousands	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net earnings attributable to common stockholders	\$ 334,611	\$ 266,943	\$ 700,513	\$ 470,198
Add (deduct) NAREIT defined adjustments:				
Real estate related depreciation and amortization	194,426	220,130	390,329	439,201
Gains on dispositions of real estate, net (excluding development properties and land)	(30,592)	(45,286)	(68,135)	(112,811)
Reconciling items related to noncontrolling interests	(12,956)	(16,644)	(23,427)	(41,707)
Our share of reconciling items related to unconsolidated co-investment ventures	50,425	23,989	101,910	56,048
Our share of reconciling items related to other unconsolidated ventures	1,514	1,686	3,274	3,300
Subtotal-NAREIT defined FFO attributable to common stockholders/unitholders*	\$ 537,428	\$ 450,818	\$ 1,104,464	\$ 814,229
Add (deduct) our defined adjustments:				
Unrealized foreign currency and derivative losses (gains), net	(86,490)	23,303	(52,526)	35,506
Deferred income tax expense (benefit)	870	(171)	(1,194)	2,268
Current income tax expense (benefit) on dispositions related to acquired tax assets	-	603	878	(667)
Reconciling items related to noncontrolling interests	(56)	107	44	13
Our share of reconciling items related to unconsolidated co-investment ventures	3,098	(2,892)	1,190	(1,829)
FFO, as modified by Prologis attributable to common stockholders/unitholders*	\$ 454,850	\$ 471,768	\$ 1,052,856	\$ 849,520
Adjustments to arrive at Core FFO attributable to common stockholders/unitholders*:				
Gains on dispositions of development properties and land, net	(63,669)	(37,720)	(221,237)	(67,520)
Current income tax expense on dispositions	3,808	1,997	10,419	911
Losses (gains) on early extinguishment of debt, net	(282)	30,596	702	30,596
Reconciling items related to noncontrolling interests	6,020	488	5,420	(679)
Our share of reconciling items related to unconsolidated co-investment ventures	(1,373)	(779)	728	195
Our share of reconciling items related to other unconsolidated ventures	(8,130)	(4,946)	(14,544)	(4,867)
Core FFO attributable to common stockholders/unitholders*	\$ 391,224	\$ 461,404	\$ 834,344	\$ 808,156
Adjustments to arrive at Adjusted FFO ("AFFO")* attributable to common stockholders/unitholders, including our share of unconsolidated ventures less noncontrolling interest:				
Gains on dispositions of development properties and land, net	63,669	37,720	221,237	67,520
Current income tax expense on dispositions	(3,808)	(1,997)	(10,419)	(911)
Straight-lined rents and amortization of lease intangibles	(11,309)	(23,422)	(26,369)	(48,919)
Property improvements	(21,976)	(20,270)	(30,974)	(27,665)
Turnover costs	(31,315)	(38,064)	(59,342)	(78,342)
Amortization of debt discount (premium), financing costs and management contracts, net	3,275	(683)	6,805	(2,748)
Stock compensation expense	19,086	19,224	39,082	37,604
Reconciling items related to noncontrolling interests	(311)	7,194	7,132	20,572
Our share of reconciling items related to unconsolidated ventures	(9,975)	(9,578)	(19,000)	(23,982)
AFFO attributable to common stockholders/unitholders*	\$ 398,560	\$ 431,528	\$ 962,496	\$ 751,285

Financial Information

Reconciliations of Net Earnings to Adjusted EBITDA*

2Q 2018 Supplemental

in thousands

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net earnings attributable to common stockholders	\$ 334,611	\$ 266,943	\$ 700,513	\$ 470,198
Gains on dispositions of real estate, net (excluding development properties and land)	(30,592)	(45,286)	(68,135)	(112,811)
Depreciation and amortization expenses	203,673	228,145	407,754	454,736
Interest expense	56,314	75,354	102,575	148,266
Losses (gains) on early extinguishment of debt, net	(282)	30,596	702	30,596
Current and deferred income tax expense, net	14,104	14,781	30,656	24,381
Net earnings attributable to noncontrolling interests - limited partnership unitholders	10,022	7,377	20,545	13,000
Pro forma adjustments	5,110	707	4,143	11,086
Preferred stock dividends	1,476	1,674	2,952	3,348
Unrealized foreign currency and derivative losses (gains), net	(86,490)	23,303	(52,526)	35,506
Stock compensation expense	19,086	19,224	39,082	37,604
Adjusted EBITDA, consolidated*	\$ 527,032	\$ 622,818	\$ 1,188,261	\$ 1,115,910
Reconciling items related to noncontrolling interests	(23,636)	(25,192)	(45,428)	(59,688)
Our share of reconciling items related to unconsolidated ventures	77,244	39,772	152,626	92,842
Adjusted EBITDA attributable to common stockholders*	\$ 580,640	\$ 637,398	\$ 1,295,459	\$ 1,149,064

Co-Investment Ventures	Type	Established	Accounting Method	Region	Ownership	Structure	Next Promote Opportunity
Prologis U.S. Logistics Venture	Core	2014	Consolidated	U.S.	55.0%	Open end	Q4 2019
Prologis Targeted U.S. Logistics Fund	Core	2004	Unconsolidated	U.S.	26.7%	Open end	Q2 2020
FIBRA Prologis	Core	2014	Unconsolidated	Mexico	46.3%	Public, Mexican Exchange	Q2 2019
Prologis European Logistics Fund	Core	2007	Unconsolidated	Europe	26.8%	Open end	Q3 2019
Prologis European Logistics Partners	Core	2013	Unconsolidated	Europe	50.0%	Open end	Q4 2018
Prologis UK Logistics Venture	Core/Development	2017	Unconsolidated	Europe	15.0%	Closed end	Q4 2018
Nippon Prologis REIT	Core	2013	Unconsolidated	Japan	15.1%	Public, Tokyo Exchange	n/a
Prologis China Logistics Venture	Core/Development	2011	Unconsolidated	China	15.0%	Closed end	Q4 2020

in thousands

	Venture (at 100%) (A)		
	Square Feet	GBV of Operating Bldgs	Debt
Unconsolidated Co-Investment Ventures			
Prologis Targeted U.S. Logistics Fund	87,585	\$ 7,566,773	\$ 2,097,826
FIBRA Prologis (B)	34,601	2,056,028	752,006
Prologis European Logistics Fund	100,632	8,939,699	2,389,425
Prologis European Logistics Partners	51,324	3,810,641	-
Prologis UK Logistics Venture	2,412	373,656	260,632
Nippon Prologis REIT (B)	28,137	5,106,214	1,842,220
Prologis China Logistics Venture	19,706	1,021,511	735,012
Brazil joint ventures	2,803	172,741	-
Unconsolidated Co-Investment Ventures Total	327,200	29,047,263	8,077,121
Consolidated Co-Investment Ventures			
Prologis U.S. Logistics Venture	62,187	5,718,401	148,336
Consolidated Co-Investment Ventures Total	62,187	5,718,401	148,336
Total	389,387	\$ 34,765,664	\$ 8,225,457

(A) Values represent the entire venture at 100%, not Prologis proportionate share. Values are presented at Prologis' adjusted basis derived from the ventures' U.S. GAAP information and may not be comparable to values reflected in the ventures' stand alone financial statements calculated on a different basis.

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

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

dollars in thousands					
	U.S.	Other Americas	Europe	Asia	Total
Operating Information	For the Three Months Ended June 30, 2018				
Rental revenues	\$ 167,863	\$ 54,626	\$ 272,475	\$ 113,620	\$ 608,584
Rental expenses	(44,521)	(8,022)	(52,688)	(26,184)	(131,415)
General and administrative expenses	(8,519)	(5,074)	(14,795)	(11,588)	(39,976)
Depreciation and amortization expenses	(70,551)	(12,754)	(98,541)	(29,976)	(211,822)
Other operating revenues (expenses)	-	186	(16)	(117)	53
Operating income	44,272	28,962	106,435	45,755	225,424
Interest expense	(22,288)	(10,087)	(18,250)	(13,530)	(64,155)
Gains (losses) on dispositions of real estate	(15)	-	34,978	(343)	34,620
Current and deferred income tax expense	(221)	(10)	(11,461)	(5,446)	(17,138)
Other income (expense)	1,692	(417)	(1,365)	(20,131)	(20,221)
Net earnings	23,440	18,448	110,337	6,305	158,530
Real estate related depreciation and amortization expenses	70,116	11,346	94,789	28,308	204,559
Losses (gains) on dispositions of real estate, net (excluding land)	15	-	(24,870)	343	(24,512)
Unrealized foreign currency and derivative losses (gains), net	-	(85)	1,407	20,038	21,360
Deferred income tax benefit	-	-	(484)	(473)	(957)
FFO, as modified by Prologis*	93,571	29,709	181,179	54,521	358,980
Reconciling Items to Core FFO	(776)	38	(6,949)	4,580	(3,107)
Core FFO*	\$ 92,795	\$ 29,747	\$ 174,230	\$ 59,101	\$ 355,873
Balance Sheet Information	As of June 30, 2018				
Operating properties, before depreciation	\$ 7,566,773	\$ 2,228,769	\$ 13,123,996	\$ 6,127,725	\$ 29,047,263
Accumulated depreciation	(950,105)	(205,870)	(1,543,892)	(377,761)	(3,077,628)
Properties under development and land	17,445	13,872	347,446	501,588	880,351
Net assets held for sale	41,641	-	363,140	-	404,781
Other assets	512,705	36,451	884,900	442,506	1,876,562
Total assets	\$ 7,188,459	\$ 2,073,222	\$ 13,175,590	\$ 6,694,058	\$ 29,131,329
Third party debt	\$ 2,097,826	\$ 752,006	\$ 2,650,057	\$ 2,577,232	\$ 8,077,121
Other liabilities	209,323	35,577	1,038,848	303,636	1,587,384
Total liabilities	\$ 2,307,149	\$ 787,583	\$ 3,688,905	\$ 2,880,868	\$ 9,664,505
Weighted average ownership	26.7%	43.8%	32.9%	15.1%	28.2%

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

(A) Values represent the entire venture at 100%, not Prologis proportionate share. Values are presented at Prologis' adjusted basis derived from the ventures' U.S. GAAP information and may not be comparable to values reflected in the ventures' stand alone financial statements calculated on a different basis.

Strategic Capital

Non-GAAP Pro-Rata Financial Information (A)

2Q 2018 Supplemental

dollars in thousands

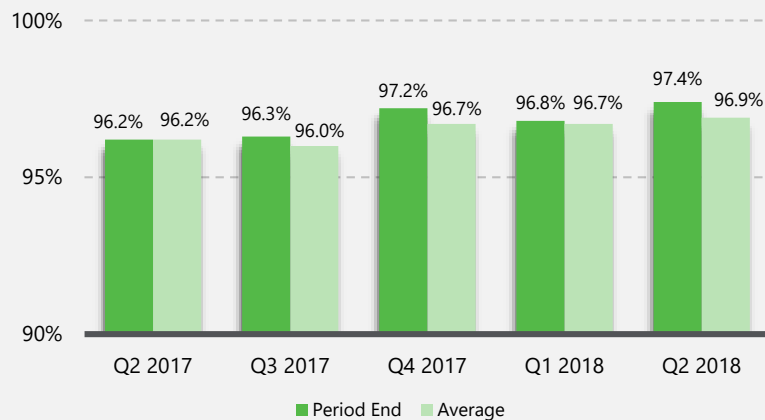
	Non Controlling Interests included in Consolidated Amounts*	Prologis Share of Unconsolidated Co-Investment Ventures*
Operating Information for the Three Months Ended June 30, 2018		
Rental revenues	\$ 57,163	\$ 178,315
Rental expenses	(15,018)	(37,202)
General and administrative expenses	(5,837)	(12,461)
Depreciation and amortization expenses	(23,030)	(59,707)
Other operating expenses	-	(101)
Operating income	13,278	68,844
Interest expense	(402)	(17,258)
Gains on dispositions of real estate	6,138	9,828
Current and deferred income tax expense	(148)	(4,848)
Other income (expense)	(88)	(3,220)
Earnings from unconsolidated co-investment ventures, net	104	-
Net earnings	18,882	53,346
Real estate related depreciation and amortization expenses	23,030	57,550
Gains on dispositions of real estate, net (excluding land)	(52)	(7,125)
Unrealized foreign currency and derivative losses, net	108	3,418
Deferred income tax benefit	(52)	(320)
FFO, as modified by Prologis*	41,916	106,869
Gains on dispositions of development properties and land, net	(6,086)	(2,703)
Current income tax expense on dispositions	66	1,532
Gains on early extinguishment of debt, net	-	(202)
Core FFO*	\$ 35,896	\$ 105,496
Balance Sheet Information as of June 30, 2018		
Operating properties, before depreciation	\$ 2,613,705	\$ 8,270,892
Accumulated depreciation	(253,872)	(951,750)
Properties under development, land and other real estate	77,836	143,721
Assets held for sale	133,231	142,372
Other assets	166,088	552,282
Total assets	\$ 2,736,988	\$ 8,157,517
Third party debt	\$ 70,472	\$ 1,975,949
Other liabilities	42,341	415,631
Total liabilities	\$ 112,813	\$ 2,391,580
Weighted average ownership	40.6%	28.2%
Noncontrolling interests investment	\$ 2,624,175	
Investment in and advances to unconsolidated co-investment ventures (B)		\$ 5,207,093
Investment in and advances to other unconsolidated ventures		207,530
Investment in and advances to unconsolidated entities		\$ 5,414,623

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

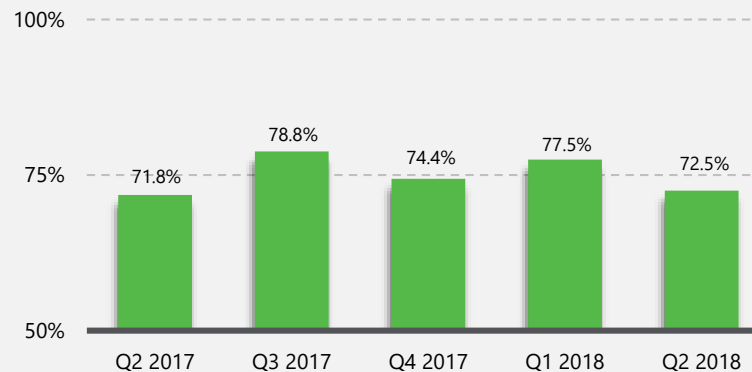
(A) See our Notes and Definitions for further explanation of how these amounts are calculated.

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

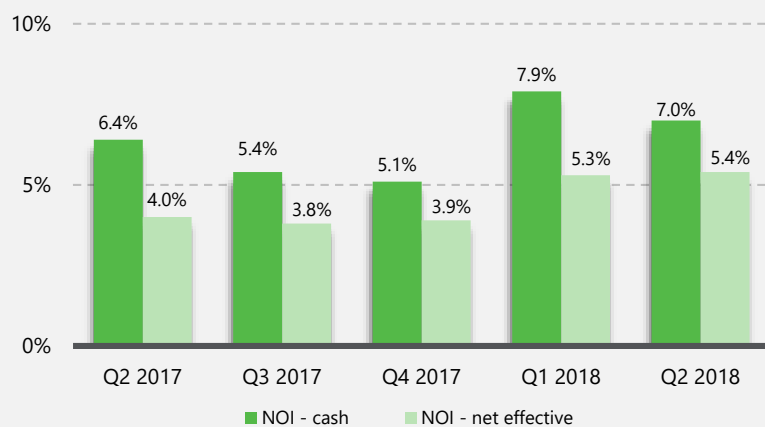
Occupancy



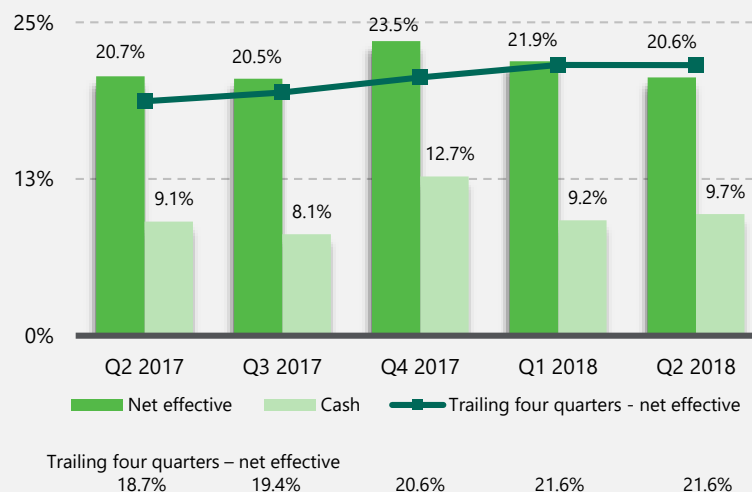
Customer Retention



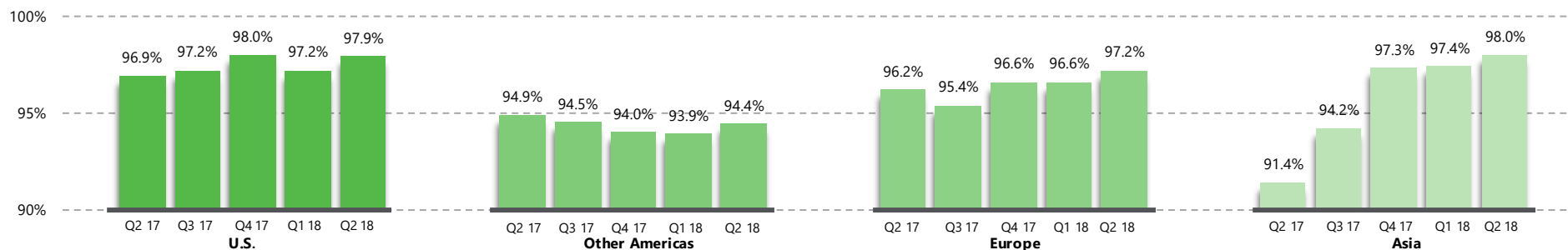
Same Store Change Over Prior Year – Prologis Share*



Rent Change – Prologis Share



Period Ending Occupancy



square feet in thousands

Leasing Activity

	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Square feet of leases commenced:					
Operating portfolio:					
Renewals	17,216	19,707	16,753	21,555	17,887
New leases	10,455	11,483	11,307	6,757	11,361
Total Operating Portfolio	27,671	31,190	28,060	28,312	29,248
Properties under development	5,290	4,343	7,181	4,300	9,633
Total Square Feet of Leases Commenced	32,961	35,533	35,241	32,612	38,881
Average term of leases started (months)	65	58	56	57	61
Operating Portfolio:					
Trailing four quarters - square feet of leases commenced	130,314	126,770	127,263	115,233	116,810
Trailing four quarters - average % of portfolio	21.0%	20.3%	20.3%	18.3%	18.6%
Rent change (net effective)	16.0%	15.6%	14.9%	16.0%	15.3%
Rent change (net effective) - Prologis share	20.7%	20.5%	23.5%	21.9%	20.6%
Rent change (cash)	6.3%	5.1%	7.9%	6.1%	5.9%
Rent change (cash) - Prologis share	9.1%	8.1%	12.7%	9.2%	9.7%
Total square feet of Operating Portfolio leases commenced (A)	30,495	34,523	32,764	29,845	31,398

Operations

Operating Metrics – Owned and Managed

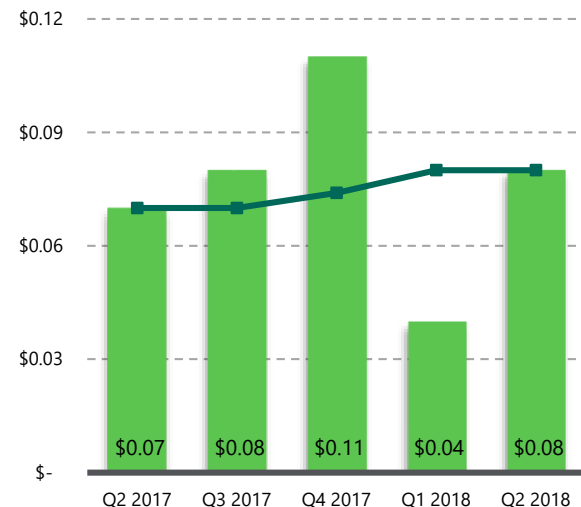
2Q 2018 Supplemental

In thousands, except for percentages and per square foot

Capital Expenditures						Same Store Information					
	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018		Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Property improvements	\$ 44,547	\$ 50,898	\$ 71,654	\$ 26,890	\$ 50,230	Square feet	571,070	565,525	553,259	582,492	565,141
Tenant improvements	28,046	32,047	39,621	31,579	29,990	Average occupancy	96.8%	96.5%	97.0%	96.8%	97.0%
Leasing commissions	27,652	30,255	32,194	22,997	27,794	Period end occupancy	96.6%	96.6%	97.5%	96.8%	97.4%
Total turnover costs	55,698	62,302	71,815	54,576	57,784	Percentage change:					
Total Capital Expenditures	\$100,245	\$113,200	\$143,469	\$ 81,466	\$108,014	Rental revenues - cash*	4.4%	4.4%	4.1%	6.1%	5.3%
Trailing four quarters - % of NOI*	13.0%	13.1%	13.5%	13.3%	13.3%	Rental revenues - net effective	3.1%	3.1%	3.6%	4.6%	4.1%
Weighted average ownership percent	65.8%	64.8%	60.4%	56.4%	59.8%	Rental expenses	2.1%	4.7%	5.4%	5.1%	2.4%
Prologis share	\$ 65,947	\$ 73,373	\$ 86,710	\$ 45,957	\$ 64,598	Same store NOI - cash*	5.2%	4.2%	3.7%	6.5%	6.3%
						Same store NOI - cash - Prologis share*	6.4%	5.4%	5.1%	7.9%	7.0%
						Same store NOI - net effective*	3.4%	2.6%	2.9%	4.4%	4.7%
						Same store NOI - net effective - Prologis share*	4.0%	3.8%	3.9%	5.3%	5.4%
						Average occupancy	0.5%	(0.3%)	(0.3%)	0.2%	0.2%

Property Improvements per Square Foot

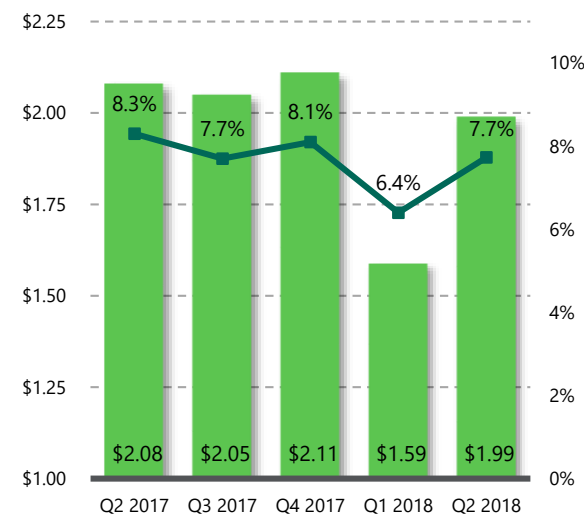
Quarterly total Trailing four quarter average



Free rent as a % of lease value – trailing four quarters

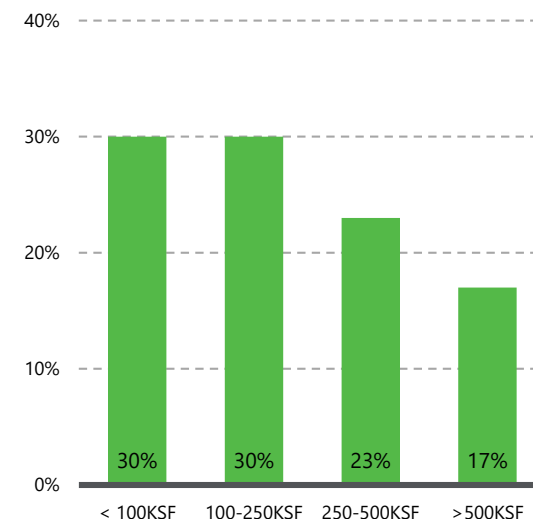
Turnover Costs on Leases Commenced

Per square foot (\$) As a % of lease value



4.0% 3.9% 3.6% 4.1% 4.3%

Composition of Portfolio (by Unit Size)



Occupancy 96.0% 97.1% 98.5% 98.9%

Operations

Operating Portfolio – Square Feet, Occupied and Leased

2Q 2018 Supplemental

square feet in thousands and ordered by Prologis share of NOI (%)	# of Buildings	Square Feet			Occupied %		Leased %	
	Owned and Managed	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Southern California	355	73,595	55,506	15.3	99.1	99.6	99.7	99.8
New Jersey/New York City	127	31,796	23,345	6.4	99.9	99.9	99.9	99.9
San Francisco Bay Area	209	19,936	16,105	4.5	98.6	98.5	98.8	98.7
Chicago	197	34,701	24,640	6.8	99.2	99.3	99.2	99.3
Dallas/Ft. Worth	143	24,925	19,133	5.3	97.5	98.1	97.7	98.3
South Florida	117	13,984	9,196	2.5	95.5	96.2	96.7	96.7
Central & Eastern PA	32	16,821	11,340	3.1	95.6	95.8	95.6	95.8
Atlanta	99	17,653	13,765	3.8	97.4	98.0	97.4	98.0
Seattle	99	13,975	7,820	2.2	94.3	95.0	96.1	97.2
Central Valley	26	12,751	11,519	3.2	100.0	100.0	100.0	100.0
Houston	102	13,454	8,381	2.3	98.0	98.1	98.2	98.2
Las Vegas	60	8,608	5,916	1.6	96.6	97.5	97.4	98.4
Baltimore/Washington	61	7,296	4,669	1.3	98.6	98.5	98.9	99.1
Denver	30	5,538	4,867	1.4	100.0	100.0	100.0	100.0
Remaining U.S. markets (16 markets)	291	54,373	41,082	11.3	95.7	94.6	96.7	95.8
Total U.S.	1,948	349,406	257,284	71.0	97.9	98.0	98.3	98.4
Mexico	205	38,086	19,488	5.4	95.7	95.5	96.0	95.7
Canada	29	8,770	8,770	2.4	96.3	96.3	98.2	98.2
Brazil	23	9,741	7,218	2.0	87.7	85.1	87.7	85.1
Total Other Americas	257	56,597	35,476	9.8	94.4	93.6	94.9	94.2
United Kingdom	100	23,428	8,627	2.4	97.6	97.6	97.6	97.6
France	113	29,312	11,673	3.2	96.0	97.2	96.0	97.2
Germany	90	21,856	6,957	1.9	98.7	98.9	98.7	98.9
Netherlands	69	18,716	6,708	1.9	99.7	99.8	99.7	99.8
Poland	87	19,541	6,834	1.9	95.7	95.6	97.6	97.7
Spain	39	8,350	4,130	1.1	94.3	95.6	95.8	96.4
Czech Republic	57	11,348	4,141	1.1	99.0	99.2	99.0	99.2
Italy	43	9,892	4,157	1.2	99.4	99.5	99.4	99.5
Remaining European countries (4 countries)	84	18,017	6,234	1.7	95.0	95.0	95.8	95.6
Total Europe	682	160,460	59,461	16.4	97.2	97.5	97.6	97.9
Japan	41	29,288	5,394	1.5	97.9	98.2	98.2	98.4
China	80	20,790	4,041	1.1	98.1	98.5	98.5	98.9
Singapore	5	951	951	0.2	97.4	97.4	97.4	97.4
Total Asia	126	51,029	10,386	2.8	98.0	98.3	98.3	98.5
Total Outside the U.S.	1,065	268,086	105,323	29.0	96.8	96.3	97.2	96.7
Total Operating Portfolio	3,013	617,492	362,607	100.0	97.4	97.5	97.8	97.9
Total Global markets	2,467	521,538	299,719	82.7	97.5	97.9	97.9	98.2
Total Regional markets	542	95,401	62,345	17.2	96.5	95.8	97.3	96.7
Total Other markets	4	553	543	0.1	95.1	95.3	95.1	95.3

Operations

Operating Portfolio – NOI* and Gross Book Value

2Q 2018 Supplemental

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

	Second Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Southern California	\$ 112,159	\$ 84,167	17.4	\$ 7,283,117	\$ 5,321,129	18.9
New Jersey/New York City	56,768	41,267	8.6	3,310,783	2,290,138	8.2
San Francisco Bay Area	42,448	34,113	7.1	2,165,709	1,729,096	6.2
Chicago	38,448	26,006	5.4	2,434,116	1,670,779	5.9
Dallas/Ft. Worth	25,943	19,623	4.1	1,479,721	1,069,908	3.8
South Florida	23,430	15,792	3.3	1,501,599	1,015,487	3.6
Central & Eastern PA	18,214	12,202	2.5	1,111,253	725,791	2.6
Atlanta	15,813	12,040	2.5	863,871	646,179	2.3
Seattle	21,723	11,800	2.4	1,405,115	770,460	2.7
Central Valley	12,825	11,503	2.4	804,512	721,777	2.6
Houston	15,905	9,841	2.0	909,031	512,026	1.8
Las Vegas	12,643	8,753	1.8	644,655	431,275	1.5
Baltimore/Washington	11,632	7,674	1.6	669,028	409,456	1.5
Denver	7,090	6,177	1.3	352,383	303,503	1.1
Remaining U.S. markets (16 markets)	54,190	39,693	8.2	2,899,754	2,100,670	7.5
Total U.S.	469,231	340,651	70.6	27,834,647	19,717,674	70.2
Mexico	45,482	22,908	4.7	2,248,164	1,143,048	4.1
Canada	9,925	9,925	2.1	703,278	703,278	2.5
Brazil	13,441	9,629	2.0	617,225	461,759	1.6
Total Other Americas	68,848	42,462	8.8	3,568,667	2,308,085	8.2
United Kingdom	51,162	19,085	4.0	3,170,805	1,103,537	3.9
France	36,065	13,859	2.9	2,342,646	872,847	3.1
Germany	30,836	9,748	2.0	1,816,680	554,594	2.0
Netherlands	27,344	9,496	2.0	1,672,307	567,066	2.0
Poland	17,978	6,308	1.3	1,209,000	414,470	1.5
Spain	10,985	5,416	1.1	651,238	324,310	1.2
Czech Republic	13,720	4,954	1.0	813,973	286,945	1.0
Italy	11,090	4,817	1.0	603,666	244,778	0.9
Remaining European countries (4 countries)	20,460	6,904	1.4	1,259,242	429,711	1.5
Total Europe	219,640	80,587	16.7	13,539,557	4,798,258	17.1
Japan	71,724	12,930	2.7	5,281,736	945,540	3.3
China	19,326	3,552	0.7	1,063,996	195,711	0.7
Singapore	2,073	2,073	0.4	137,097	137,097	0.5
Total Asia	93,123	18,555	3.9	6,482,829	1,278,348	4.5
Total Outside the U.S.	381,611	141,604	29.4	23,591,053	8,384,691	29.8
Total Operating Portfolio	\$ 850,842	\$ 482,255	100.0	\$ 51,425,700	\$ 28,102,365	100.0
Total Global markets	743,808	414,437	85.9	45,859,913	24,617,548	87.6
Total Regional markets	106,290	67,093	13.9	5,529,846	3,449,758	12.3
Total Other markets	744	725	0.2	35,941	35,059	0.1

Operations

Operating Portfolio – Summary by Division

2Q 2018 Supplemental

square feet and dollars in thousands

	# of Buildings	Square Feet			Occupied %		Leased %	
	Owned and Managed	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Consolidated								
Total U.S.	1,396	262,067	233,973	64.5	97.9	98.0	98.2	98.4
Total Outside the U.S.	94	28,944	28,944	8.0	93.9	93.9	94.4	94.4
Total Operating Portfolio - Consolidated	1,490	291,011	262,917	72.5	97.5	97.6	97.9	98.0
Unconsolidated								
Total U.S.	552	87,339	23,311	6.5	97.7	97.7	98.5	98.5
Total Outside the U.S.	971	239,142	76,379	21.0	97.1	97.2	97.5	97.5
Total Operating Portfolio - Unconsolidated	1,523	326,481	99,690	27.5	97.3	97.3	97.8	97.8
Total								
Total U.S.	1,948	349,406	257,284	71.0	97.9	98.0	98.3	98.4
Total Outside the U.S.	1,065	268,086	105,323	29.0	96.8	96.3	97.2	96.7
Total Operating Portfolio	3,013	617,492	362,607	100.0	97.4	97.5	97.8	97.9
Value added properties - consolidated	9	2,845	2,538		14.6	16.4	27.1	30.4
Value added properties - unconsolidated	3	719	192		27.7	27.6	27.7	27.6
Total Operating Properties	3,025	621,056	365,337		96.9	96.9	97.4	97.4

	Second Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Consolidated						
Total U.S.	\$ 347,845	\$ 308,253	63.9	\$ 20,283,197	\$ 17,702,192	63.0
Total Outside the U.S.	36,233	36,233	7.5	2,141,733	2,141,733	7.6
Total Operating Portfolio - Consolidated	\$ 384,078	\$ 344,486	71.4	\$ 22,424,930	\$ 19,843,925	70.6
Unconsolidated						
Total U.S.	\$ 121,386	\$ 32,398	6.7	\$ 7,551,450	\$ 2,015,482	7.2
Total Outside the U.S.	345,378	105,371	21.9	21,449,320	6,242,958	22.2
Total Operating Portfolio - Unconsolidated	\$ 466,764	\$ 137,769	28.6	\$ 29,000,770	\$ 8,258,440	29.4
Total						
Total U.S.	\$ 469,231	\$ 340,651	70.6	\$ 27,834,647	\$ 19,717,674	70.2
Total Outside the U.S.	381,611	141,604	29.4	23,591,053	8,384,691	29.8
Total Operating Portfolio	\$ 850,842	\$ 482,255	100.0	\$ 51,425,700	\$ 28,102,365	100.0
Value added properties - consolidated	478	657		275,571	242,871	
Value added properties - unconsolidated	178	48		46,493	12,452	
Total Operating Properties	\$ 851,498	\$ 482,960		\$ 51,747,764	\$ 28,357,688	

square feet and dollars in thousands

Top Customers - Owned and Managed

		% of Net Effective Rent	Total Square Feet
1	Amazon.com	3.0	16,817
2	DHL	1.4	9,566
3	XPO Logistics	1.2	8,684
4	Geodis	1.2	8,587
5	Kuehne + Nagel	1.0	6,268
6	DSV Air and Sea Inc.	1.0	5,163
7	Home Depot	1.0	6,458
8	FedEx	0.8	3,403
9	Wal-Mart	0.7	4,401
10	CEVA Logistics	0.7	4,711

Top 10 Customers

		12.0	74,058
11	Cainiao Network	0.6	4,295
12	BMW	0.6	4,033
13	UPS	0.6	3,497
14	Nippon Express	0.6	2,518
15	Hitachi	0.6	2,236
16	Ingram Micro	0.5	3,885
17	DB Schenker	0.5	3,423
18	U.S. Government	0.5	1,143
19	Panalpina	0.4	2,385
20	PepsiCo	0.4	2,754
21	Best Buy	0.4	2,019
22	Office Depot	0.3	2,078
23	APL Logistics	0.3	2,627
24	Yusen Logistics	0.3	1,804
25	Kimberly-Clark Corporation	0.3	2,841

Top 25 Customers

18.9 115,596

Lease Expirations - Operating Portfolio - Owned and Managed

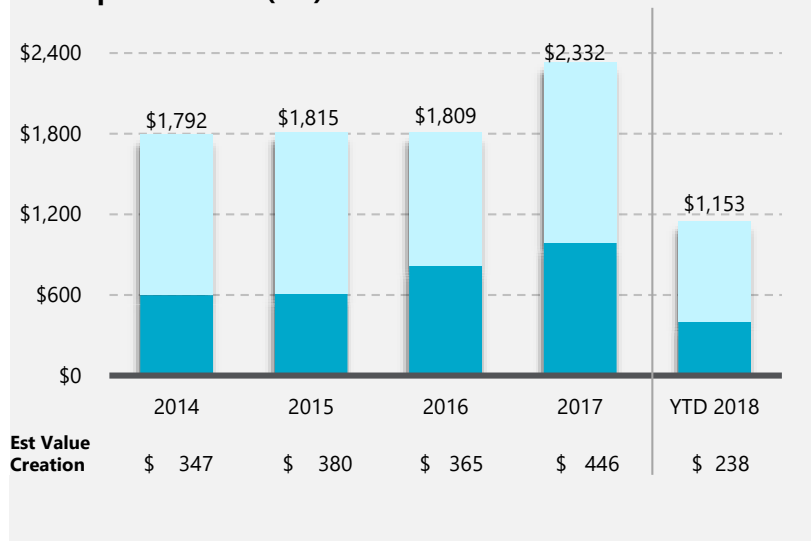
Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2018	39,468	208,064	6.0	5.27
2019	94,545	503,675	14.4	5.33
2020	93,281	528,191	15.2	5.66
2021	88,496	500,275	14.4	5.65
2022	83,764	493,458	14.2	5.89
Thereafter	201,764	1,247,383	35.8	6.18
	601,318	\$ 3,481,046	100.0	5.79

Lease Expirations - Operating Portfolio - Prologis Share

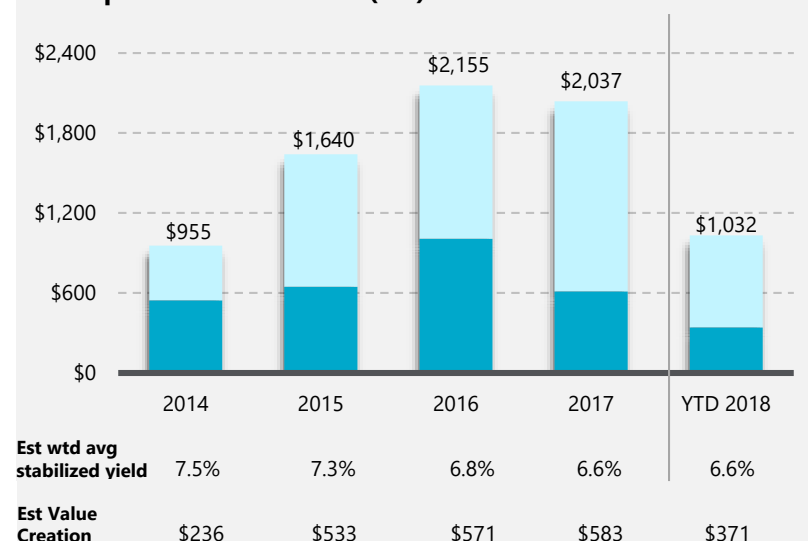
Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2018	23,345	126,529	6.3	5.42
2019	55,124	280,298	14.0	5.08
2020	47,886	265,738	13.2	5.55
2021	53,950	298,678	14.9	5.54
2022	49,693	284,218	14.1	5.72
Thereafter	123,581	753,921	37.5	6.10
	353,579	\$ 2,009,382	100.0	5.68

(dollars in millions)

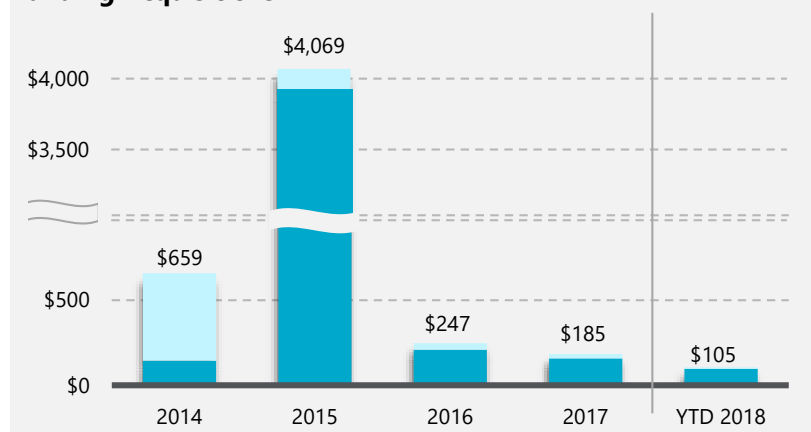
Development Starts (TEI)



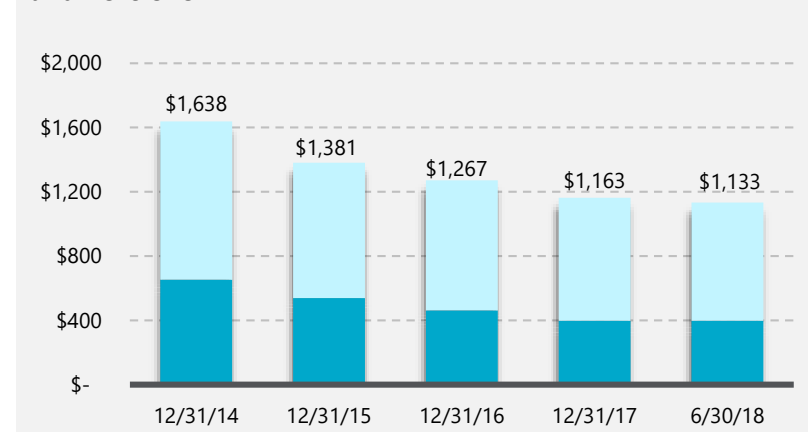
Development Stabilizations (TEI)



Building Acquisitions



Land Portfolio



■ U.S.

■ Outside the U.S.

square feet and dollars in thousands

	Q2 2018			YTD		
	Square Feet	T E I		Square Feet	T E I	
		Owned and Managed	Prologis Share		Owned and Managed	Prologis Share
Central	1,397	\$ 66,663	\$ 33,811	2,113	\$ 103,197	\$ 70,345
East	-	-	-	-	-	-
West	3,456	291,629	270,830	3,456	291,629	270,830
Total U.S.	4,853	358,292	304,641	5,569	394,826	341,175
Canada	-	-	-	-	-	-
Mexico	1,309	87,211	87,211	1,309	87,211	87,211
Brazil	-	-	-	-	-	-
Total Other Americas	1,309	87,211	87,211	1,309	87,211	87,211
Northern Europe	1,210	86,091	64,157	2,245	179,469	157,535
Southern Europe	1,112	84,799	84,799	2,119	155,680	155,680
Central Europe	354	21,143	21,143	718	43,404	40,146
United Kingdom	-	-	-	1,140	131,411	92,282
Total Europe	2,676	192,033	170,099	6,222	509,964	445,643
Japan	-	-	-	543	122,467	122,467
China	3,864	198,047	29,707	4,495	235,120	35,268
Singapore	-	-	-	-	-	-
Total Asia	3,864	198,047	29,707	5,038	357,587	157,735
Total Outside the U.S.	7,849	477,291	287,017	12,569	954,762	690,589
Total Development Stabilizations	12,702	\$ 835,583	\$ 591,658	18,138	\$ 1,349,588	\$ 1,031,764
Percent build to suit			53.2%			55.3%
Estimated weighted average stabilized yield			7.1%			6.6%
Annualized estimated NOI			\$ 42,083			\$ 68,223
Estimated weighted average stabilized cap rate			4.9%			4.7%
Estimated weighted average margin			40.7%			36.0%
Estimated value creation			\$ 240,815			\$ 370,949

Capital Deployment

Development Starts

2Q 2018 Supplemental

square feet and dollars in thousands

	Q2 2018				YTD			
	Square Feet	Leased % at Start	T E I		Square Feet	Leased % at Start	T E I	
			Owned and Managed	Prologis Share			Owned and Managed	Prologis Share
Central	159	0.0	\$ 10,153	\$ 10,153	544	0.0	\$ 37,622	\$ 37,622
East	1,206	39.8	154,626	128,560	1,206	39.8	154,626	128,560
West	1,560	36.4	160,086	160,086	2,417	23.5	236,932	236,932
Total U.S.	2,925	35.8	324,865	298,799	4,167	25.1	429,180	403,114
Canada	-	-	-	-	-	-	-	-
Mexico	-	-	-	-	559	100.0	39,320	39,320
Brazil	-	-	-	-	-	-	-	-
Total Other Americas	-	-	-	-	559	100.0	39,320	39,320
Northern Europe	1,562	54.1	125,026	125,026	2,649	72.9	229,265	229,265
Southern Europe	626	100.0	51,540	51,540	626	100.0	51,540	51,540
Central Europe	317	6.3	21,342	21,342	856	30.3	54,102	54,102
United Kingdom	414	100.0	54,566	8,185	705	70.1	99,309	35,290
Total Europe	2,919	65.3	252,474	206,093	4,836	68.5	434,216	370,197
Japan	1,351	41.4	221,039	221,039	2,030	61.0	322,349	322,349
China	2,132	0.0	118,522	17,778	2,132	0.0	118,522	17,778
Total Asia	3,483	16.1	339,561	238,817	4,162	29.8	440,871	340,127
Total Outside the U.S.	6,402	38.5	592,035	444,910	9,557	53.5	914,407	749,644
Total Development Starts	9,327	37.7	\$ 916,900	\$ 743,709	13,724	44.9	\$ 1,343,587	\$ 1,152,758
Percent build to suit				25.4%				38.9%
Estimated weighted average stabilized yield				6.1%				6.1%
Annualized estimated NOI				\$ 45,542				\$ 70,682
Estimated weighted average stabilized cap rate				4.9%				5.0%
Estimated weighted average margin				22.1%				20.7%
Estimated value creation				\$ 164,680				\$ 238,440

Capital Deployment Development Portfolio

2Q 2018 Supplemental

square feet and dollars in thousands

	Pre-Stabilized Developments				Under Development						Total Development Portfolio			
	TEI				2018 Expected Completion			2019 and Thereafter Expected Completion			TEI			
	Sq Ft	Leased %	Owned and Managed	Prologis Share	Sq Ft	Owned and Managed	Prologis Share	Sq Ft	Owned and Managed	Prologis Share	Sq Ft	Leased %	Owned and Managed	Prologis Share
Central	825	86.3	\$ 61,342	\$ 61,342	844	\$ 70,811	\$ 70,811	385	\$ 27,541	\$ 27,541	2,054	36.7	\$ 159,694	\$ 159,694
East	863	70.9	115,792	115,792	1,164	155,715	138,662	1,223	149,559	123,494	3,250	70.0	421,066	377,948
West	1,072	77.8	77,408	77,408	2,733	329,604	329,604	3,525	338,995	338,995	7,330	29.8	746,007	746,007
Total U.S.	2,760	78.2	254,542	254,542	4,741	556,130	539,077	5,133	516,095	490,030	12,634	41.2	1,326,767	1,283,649
Canada	249	100.0	24,744	24,744	-	-	-	-	-	-	249	100.0	24,744	24,744
Mexico	411	26.2	22,956	22,956	692	47,302	47,302	559	40,748	40,748	1,662	57.2	111,006	111,006
Brazil	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Americas	660	54.1	47,700	47,700	692	47,302	47,302	559	40,748	40,748	1,911	62.8	135,750	135,750
Northern Europe	566	81.2	43,106	43,106	708	54,303	34,041	2,376	197,551	197,551	3,650	77.4	294,960	274,698
Southern Europe	822	34.6	57,224	57,224	474	37,597	37,597	626	51,541	51,541	1,922	72.0	146,362	146,362
Central Europe	564	86.0	35,890	35,890	1,288	86,271	86,271	-	-	-	1,852	54.4	122,161	122,161
United Kingdom	116	100.0	13,237	1,986	1,064	198,535	49,599	414	54,565	8,184	1,594	38.3	266,337	59,769
Total Europe	2,068	65.0	149,457	138,206	3,534	376,706	207,508	3,416	303,657	257,276	9,018	64.6	829,820	602,990
Japan	652	13.3	93,967	93,967	3,002	464,664	464,664	2,290	352,382	352,382	5,944	55.9	911,013	911,013
China	4,835	37.8	280,229	42,034	1,983	111,468	16,720	5,678	314,082	47,112	12,496	14.6	705,779	105,866
Singapore	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Asia	5,487	34.9	374,196	136,001	4,985	576,132	481,384	7,968	666,464	399,494	18,440	27.9	1,616,792	1,016,879
Total Outside the U.S.	8,215	44.0	571,353	321,907	9,211	1,000,140	736,194	11,943	1,010,869	697,518	29,369	41.5	2,582,362	1,755,619
Total Development Portfolio	10,975	52.6	\$ 825,895	\$ 576,449	13,952	\$ 1,556,270	\$ 1,275,271	17,076	\$ 1,526,964	\$ 1,187,548	42,003	41.4	\$ 3,909,129	\$ 3,039,268
Cost to complete			\$ 74,260	\$ 52,125		\$ 422,836	\$ 348,977		\$ 1,043,134	\$ 825,713			\$ 1,540,230	\$ 1,226,815
Percent build to suit				14.1%			32.4%			38.3%				31.3%
Estimated weighted average stabilized yield														
U.S.				5.9%			6.1%			6.3%				6.1%
Other Americas				6.7%			8.2%			8.3%				7.7%
Europe				6.7%			6.8%			5.7%				6.3%
Asia				6.4%			6.0%			5.8%				6.0%
Total				6.3%			6.3%			6.1%				6.2%

Annualized estimated NOI	\$188,342
Estimated weighted average stabilized cap rate	5.0%
Estimated weighted average margin	22.3%
Estimated value creation	\$679,015

Capital Deployment

Third Party Building Acquisitions

2Q 2018 Supplemental

square feet and dollars in thousands

	Q2 2018				YTD			
	Square Feet		Acquisition Price		Square Feet		Acquisition Price	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Prologis Wholly Owned	575	575	\$ 53,073	\$ 53,073	575	575	\$ 53,073	\$ 53,073
Prologis U.S. Logistics Venture	308	169	56,292	30,983	308	169	56,292	30,983
Prologis Targeted U.S. Logistics Fund	288	77	33,722	8,998	471	128	46,156	12,492
Total U.S.	1,171	821	143,087	93,054	1,354	872	155,521	96,548
Prologis European Logistics Fund	471	126	30,523	8,189	471	126	30,523	8,189
Total Outside the U.S.	471	126	30,523	8,189	471	126	30,523	8,189
Total Third Party Building Acquisitions	1,642	947	\$ 173,610	\$ 101,243	1,825	998	\$ 186,044	\$ 104,737
Weighted average stabilized cap rate				4.9%				4.9%

Capital Deployment Dispositions and Contributions

2Q 2018 Supplemental

square feet and dollars in thousands

	Q2 2018				YTD			
	Square Feet		Sales Price		Square Feet		Sales Price	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Third-Party Building Dispositions								
Prologis Wholly Owned	2,689	2,689	\$ 158,203	\$ 158,203	3,102	3,102	\$ 187,388	\$ 187,388
Prologis U.S. Logistics Venture	1,316	725	68,912	37,929	1,727	951	85,906	47,283
Prologis Targeted U.S. Logistics Fund	-	-	-	-	270	76	16,063	4,514
Total U.S.	4,005	3,414	227,115	196,132	5,099	4,129	289,357	239,185
Total Other Americas	-	-	-	-	-	-	-	-
Prologis Wholly Owned	134	134	27,466	27,466	613	613	50,842	50,842
Prologis European Logistics Fund	1,689	453	133,122	35,717	4,147	1,105	325,751	86,782
Prologis European Logistics Partners	-	-	-	-	2,702	1,351	129,645	64,822
Total Europe	1,823	587	160,588	63,183	7,462	3,069	506,238	202,446
Total Asia	-	-	-	-	-	-	-	-
Total Outside the U.S.	1,823	587	160,588	63,183	7,462	3,069	506,238	202,446
Total Third Party Building Dispositions	5,828	4,001	\$ 387,703	\$ 259,315	12,561	7,198	\$ 795,595	\$ 441,631
Building Contributions to Co-Investment Ventures								
Total U.S.	-	-	\$ -	\$ -	-	-	\$ -	\$ -
Total Other Americas	-	-	-	-	-	-	-	-
Prologis European Logistics Fund	786	786	73,452	53,745	1,962	1,962	179,979	132,032
Prologis UK Logistics Venture	379	379	52,231	44,397	379	379	52,231	44,397
Total Europe	1,165	1,165	125,683	98,142	2,341	2,341	232,210	176,429
Nippon Prologis REIT	-	-	-	-	1,901	1,901	407,885	346,213
Total Asia	-	-	-	-	1,901	1,901	407,885	346,213
Total Outside the U.S.	1,165	1,165	125,683	98,142	4,242	4,242	640,095	522,642
Total Building Dispositions and Contributions	6,993	5,166	\$ 513,386	\$ 357,457	16,803	11,440	\$ 1,435,690	\$ 964,273
Weighted average stabilized cap rate				5.1%				5.2%
Land dispositions			49,844	48,873			62,762	61,791
Dispositions of other investments in real estate			10,907	9,880			36,828	31,964
Grand Total Dispositions and Contributions			\$ 574,137	\$ 416,210			\$ 1,535,280	\$ 1,058,028

Capital Deployment

Land Portfolio – Owned and Managed

2Q 2018 Supplemental

square feet and dollars in thousands. ordered by Prologis share of NOI (%) of the operating portfolio

	Acres			Current Book Value		
	Owned and Managed	Prologis Share	Estimated Build Out (sq ft)	Owned and Managed	Prologis Share	% of Total
Southern California	70	66	1,673	\$ 24,477	\$ 22,590	2.0
New Jersey/New York City	7	7	55	6,980	6,980	0.6
San Francisco Bay Area	34	34	638	26,239	26,239	2.3
Chicago	354	354	4,938	31,304	31,304	2.8
Dallas/Ft. Worth	38	38	1,079	6,984	6,984	0.6
South Florida	119	118	2,549	76,963	76,737	6.8
Central & Eastern PA	29	29	399	7,887	7,887	0.7
Atlanta	130	130	1,555	10,793	10,793	1.0
Seattle	9	9	382	13,860	13,860	1.2
Central Valley	1,002	1,002	20,046	117,007	117,007	10.3
Houston	175	163	3,008	21,923	20,240	1.8
Las Vegas	107	107	2,324	18,180	18,180	1.6
Baltimore/Washington	-	-	-	-	-	0.0
Denver	18	18	278	7,121	7,121	0.6
Remaining U.S. markets (16 markets)	290	282	4,944	32,206	31,236	2.8
Total U.S.	2,382	2,357	43,868	401,924	397,158	35.1
Mexico	546	515	10,178	110,873	103,417	9.1
Canada	159	159	3,181	42,719	42,719	3.8
Brazil	531	490	11,950	148,394	132,227	11.7
Total Other Americas	1,236	1,164	25,309	301,986	278,363	24.6
United Kingdom	293	173	5,333	220,454	107,568	9.5
France	297	237	5,112	52,256	40,006	3.5
Germany	44	38	984	13,150	11,769	1.0
Netherlands	39	39	1,152	24,436	24,436	2.2
Poland	460	427	8,470	64,793	56,726	5.0
Spain	101	82	2,632	39,388	34,206	3.0
Czech Republic	110	100	2,288	26,670	23,960	2.1
Italy	65	59	1,378	6,906	5,713	0.5
Remaining European countries (4 countries)	486	465	8,892	53,140	50,769	4.5
Total Europe	1,895	1,620	36,241	501,193	355,153	31.3
Japan	57	57	4,324	89,713	89,713	7.9
China	199	30	8,259	83,485	12,523	1.1
Singapore	-	-	-	-	-	0.0
Total Asia	256	87	12,583	173,198	102,236	9.0
Total Outside the U.S.	3,387	2,871	74,133	976,377	735,752	64.9
Total Land Portfolio	5,769	5,228	118,001	\$ 1,378,301	\$ 1,132,910	100.0

Capital Deployment

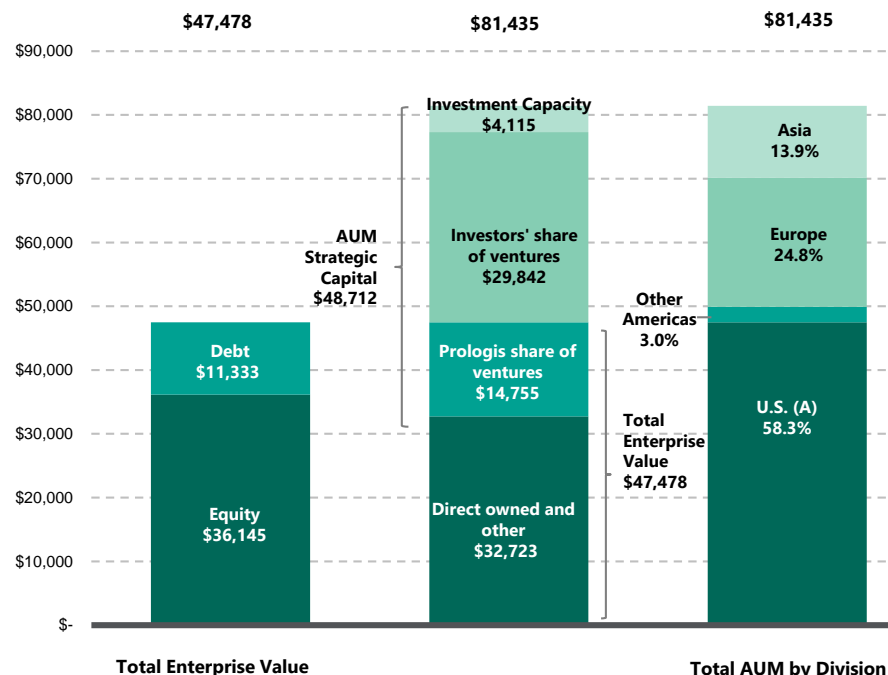
Land Portfolio – Summary and Roll Forward

2Q 2018 Supplemental

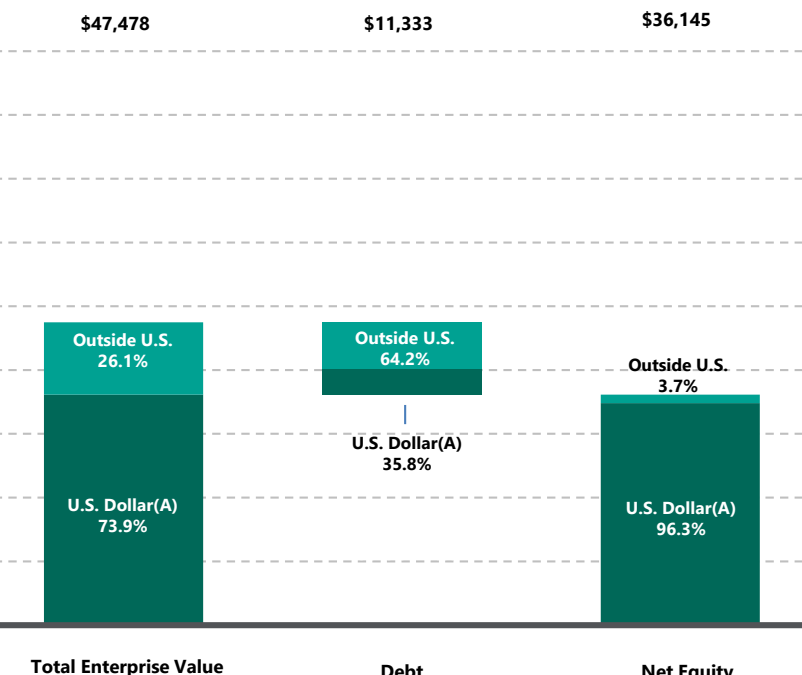
dollars in thousands	Acres			Current Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Central	725	710	13.6	\$ 67,038	\$ 65,356	5.8
East	338	337	6.4	116,090	115,864	10.2
West	1,319	1,310	25.1	218,796	215,938	19.1
Total U.S.	2,382	2,357	45.1	401,924	397,158	35.1
Mexico	546	515	9.8	110,873	103,417	9.1
Canada	159	159	3.0	42,719	42,719	3.8
Brazil	531	490	9.4	148,394	132,227	11.7
Total Other Americas	1,236	1,164	22.2	301,986	278,363	24.6
Central Europe	1,008	946	18.1	129,712	117,186	10.3
Northern Europe	131	123	2.4	52,476	50,473	4.5
Southern Europe	463	378	7.2	98,551	79,926	7.0
United Kingdom	293	173	3.3	220,454	107,568	9.5
Total Europe	1,895	1,620	31.0	501,193	355,153	31.3
Japan	57	57	1.1	89,713	89,713	7.9
China	199	30	0.6	83,485	12,523	1.1
Total Asia	256	87	1.7	173,198	102,236	9.0
Total Outside the U.S.	3,387	2,871	54.9	976,377	735,752	64.9
Total Land Portfolio	5,769	5,228	100.0	\$ 1,378,301	\$ 1,132,910	100.0
Estimated build out of land portfolio (in TEI)				\$ 8,600,000	\$ 7,600,000	
Estimated build out of other land (in TEI) (A)				2,100,000	2,000,000	
Total				\$ 10,700,000	\$ 9,600,000	

Land Roll Forward - Prologis Share	U.S.	Other Americas	Europe	Asia	Total
As of March 31, 2018	\$ 446,584	\$ 288,199	\$ 369,876	\$ 142,831	\$ 1,247,490
Acquisitions	22,249	8,850	42,615	3,302	77,016
Dispositions	(47,641)	-	(552)	-	(48,193)
Development starts	(54,026)	-	(31,469)	(48,992)	(134,487)
Infrastructure costs	19,593	1,194	4,698	10,726	36,211
Effect of changes in foreign exchange rates and other	10,399	(19,880)	(30,015)	(5,631)	(45,127)
As of June 30, 2018	\$ 397,158	\$ 278,363	\$ 355,153	\$ 102,236	\$ 1,132,910

Assets Under Management (dollars in millions)



U.S. Dollar Exposure (dollars in millions)



Prologis Share - Debt Metrics (B)		
	June 30, 2018	March 31, 2018
Debt as % of gross real estate assets*	32.8%	33.5%
Debt as % of gross market capitalization*	22.9%	24.1%
Secured debt as % of gross real estate assets*	4.8%	5.2%
Unencumbered gross real estate assets to unsecured debt*	292.2%	291.5%
Fixed charge coverage ratio*	7.63x	7.67x
Fixed charge coverage ratio, excluding development gains*	6.16x	6.30x
Debt/Adjusted EBITDA*	4.14x	4.20x
Debt/Adjusted EBITDA, excluding development gains*	5.12x	5.12x
Weighted average interest rate	3.0%	2.8%
Weighted average remaining maturity in years	5.8	5.1
Credit Ratings at June 30, 2018 (C)		
Moody's	A3 (Outlook Stable)	
Standard & Poor's	A- (Outlook Stable)	

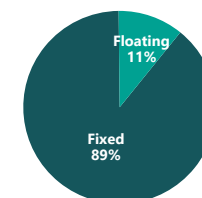
* This is a non-GAAP financial measure. Please see our Notes and Definitions for detailed calculation.

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

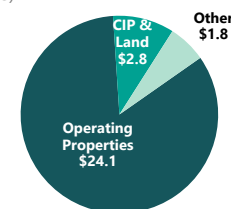
(B) These calculations are included in the Notes and Definitions section, and are not calculated in accordance with the applicable SEC rules.

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

Debt Fixed vs. Floating Debt - Prologis Share



Unencumbered Assets - Prologis Share (in billions)



Capitalization

Debt Components- Consolidated

2Q 2018 Supplemental

dollars in thousands

Maturity	Unsecured			Secured Mortgage	Total	% Ownership	Wtd. Avg. Interest Rate	% Fixed
	Senior	Credit Facilities (A)	Other					
2018	\$ -	\$ -	\$ 492	\$ 108,137	\$ 108,629	100%	4.9%	100%
2019	-	-	1,014	446,328	447,342	86%	5.7%	89%
2020	1,165,802	-	1,077	12,409	1,179,288	100%	1.0%	100%
2021	816,060	11,658	910	14,600	843,228	100%	1.7%	99%
2022	816,060	-	452,455	10,636	1,279,151	100%	2.4%	65%
2023	850,000	-	761,935	33,688	1,645,623	100%	3.0%	62%
2024	816,060	-	874	133,373	950,307	100%	4.1%	100%
2025	750,000	-	950	136,902	887,852	100%	3.9%	100%
2026	582,900	-	591	1,243	584,734	100%	3.1%	100%
2027	-	-	65,678	1,179	66,857	99%	1.1%	100%
2028	400,000	-	44,039	-	444,039	100%	3.7%	100%
Thereafter	957,864	-	94,689	-	1,052,553	100%	2.8%	100%
Subtotal	7,154,746	11,658	1,424,704	898,495	9,489,603	99%	2.9%	88%
Unamortized net premiums (discounts)	(23,909)	-	-	2,212	(21,697)			
Unamortized finance costs	(28,456)	-	(9,043)	(3,283)	(40,782)			
Total consolidated debt, net of premium (discount)	\$ 7,102,381	\$ 11,658	\$ 1,415,661	\$ 897,424	\$ 9,427,124			
Weighted average interest rate	2.9%	0.9%	1.2%	5.5%	2.9%			
Weighted average remaining maturity in years	6.6	2.8	5.7	3.0	6.1			

Prologis debt by local currency								
	Senior	Credit Facilities	Other	Secured Mortgage	Total	Investment Hedges (B)	Total	% of Total
Dollars	\$ 2,275,563	\$ -	\$ 11,716	\$ 751,160	\$ 3,038,439	\$ (662,666)	\$ 2,375,773	25%
Euro	4,173,186	11,658	-	-	4,184,844	266,712	4,451,556	47%
GBP	653,632	-	-	-	653,632	95,568	749,200	8%
Yen	-	-	1,276,029	-	1,276,029	145,142	1,421,171	15%
CAD	-	-	127,916	146,264	274,180	155,244	429,424	5%
Other	-	-	-	-	-	-	-	0%
Total Debt	\$ 7,102,381	\$ 11,658	\$ 1,415,661	\$ 897,424	\$ 9,427,124	\$ -	\$ 9,427,124	100%

Liquidity	
Aggregate lender commitments- GLOC and revolver	\$ 3,479,288
Less:	
Borrowings outstanding	11,658
Outstanding letters of credit	31,430
Current availability- credit facilities	3,436,200
Cash and cash equivalents	527,830
Total liquidity	\$ 3,964,030

(A) The maturity for the global senior credit facility and revolver (\$12 million) is reflected at the extended maturity date as the extension is at our option.

(B) We manage our exposure to changes in foreign currency exchange rates using foreign currency forward contracts, including those that are accounted for as net investment hedges, to economically reduce our exposure to fluctuations in foreign currency rates. The effect is reflected in the table under Investment Hedges. See also page 28 for our net equity exposure by currency.

Capitalization

Debt Components- Noncontrolling Interests and Unconsolidated (A)

2Q 2018 Supplemental

dollars in thousands						Prologis Share of Unconsolidated Co-Investment Ventures				
Maturity	Noncontrolling Interests					Prologis Share of Unconsolidated Co-Investment Ventures				
	Unsecured	Secured	Total	Wtd. Avg. Interest Rate	% Fixed	Unsecured (B)	Secured	Total	Wtd. Avg. Interest Rate	% Fixed
2018	\$ -	\$ 217	\$ 217	3.4%	100%	\$ 17,310	\$ 2,528	\$ 19,838	1.1%	55%
2019	-	64,291	64,291	3.2%	65%	65,602	74,303	139,905	3.6%	37%
2020	-	2,834	2,834	3.0%	100%	198,441	171,447	369,888	4.2%	98%
2021	-	382	382	3.5%	100%	97,539	201,982	299,521	3.7%	99%
2022	-	395	395	3.5%	100%	266,715	98,235	364,950	3.3%	97%
2023	-	409	409	3.5%	100%	143,711	102,248	245,959	3.1%	99%
2024	-	423	423	3.5%	100%	93,525	42,789	136,314	2.9%	97%
2025	-	437	437	3.5%	100%	125,581	2,526	128,107	1.7%	99%
2026	-	452	452	3.5%	100%	31,746	47,682	79,428	3.2%	98%
2027	-	429	429	3.5%	100%	61,840	252	62,092	2.0%	100%
2028	-	-	-	-	-	136,601	-	136,601	2.2%	100%
Thereafter	-	-	-	-	-	1,362	-	1,362	0.9%	100%
Subtotal	\$ -	\$ 70,269	\$ 70,269	3.2%	68%	\$ 1,239,973	\$ 743,992	\$ 1,983,965	3.3%	94%
Unamortized net premiums (discounts)	-	250	250			(896)	3,334	2,438		
Unamortized finance costs	-	(47)	(47)			(7,987)	(2,467)	(10,454)		
Noncontrolling interests share and Prologis Share of unconsolidated debt	\$ -	\$ 70,472	\$ 70,472			\$ 1,231,090	\$ 744,859	\$ 1,975,949		
Weighted average interest rate	-	3.2%	3.2%			2.8%	4.0%	3.3%		
Weighted average remaining maturity in years	-	1.3	1.3			4.9	3.4	4.3		

Noncontrolling interests share of Consolidated debt and Prologis Share of unconsolidated debt by local currency

	Unsecured	Secured	Total	% of Total	Unsecured	Secured	Total	Investment Hedges (C)	Total	% of Total
Dollars	\$ -	\$ 70,472	\$ 70,472	100%	\$ 635,161	\$ 450,337	\$ 1,085,498	\$ (117,000)	\$ 968,498	49%
Euro	-	-	-	-	318,122	125,900	444,022	80,490	524,512	27%
GBP	-	-	-	-	-	144,954	144,954	-	144,954	7%
Yen	-	-	-	-	277,807	-	277,807	-	277,807	14%
CAD	-	-	-	-	-	-	-	-	-	0%
Other	-	-	-	-	-	23,668	23,668	36,510	60,178	3%
Total Debt	\$ -	\$ 70,472	\$ 70,472	100%	\$ 1,231,090	\$ 744,859	\$ 1,975,949	\$ -	\$ 1,975,949	100%

- (A) Refer to Notes and Definitions under Non-GAAP Pro-Rata Financial Information for further explanation on how these amounts are calculated.
- (B) The maturity of certain unsecured debt (Prologis Share \$301 million) is reflected at the extended maturity dates as the extensions are at the entity's option.
- (C) We manage our exposure to changes in foreign currency exchange rates using foreign currency forward contracts, including those that are accounted for as net investment hedges, to economically reduce our exposure to fluctuations in foreign currency rates. The effect is reflected in the table under Investment Hedges. See also page 28 for our net equity exposure by currency.

Net Asset Value

Components – Prologis Share

2Q 2018 Supplemental

in thousands, except for percentages and per square foot

Operating							
	Square Feet	Gross Book Value	GBV per Sq Ft	Adjusted Cash NOI (Actual)*	Adjusted Cash NOI (Pro Forma)*	Annualized Adjusted Cash NOI*	Percent Occupied
Consolidated Operating Portfolio							
U.S.	233,973	\$ 17,702,192	\$ 76	\$ 309,137	\$ 309,137	\$ 1,236,548	98.0%
Other Americas	19,193	1,339,898	70	22,436	22,436	89,744	91.6%
Europe	6,564	446,731	68	6,764	6,764	27,056	98.0%
Asia	3,187	355,104	111	5,336	5,336	21,344	99.1%
Pro forma adjustments for mid-quarter acquisitions/development completions					4,539	18,156	
Total consolidated operating portfolio	262,917	19,843,925	75	343,673	348,212	1,392,848	97.6%
Unconsolidated Operating Portfolio							
U.S.	23,311	2,015,482	86	32,259	32,259	129,036	97.7%
Other Americas	16,283	968,187	59	19,965	19,965	79,860	95.9%
Europe	52,897	4,351,527	82	71,495	71,495	285,980	97.5%
Asia	7,199	923,244	128	13,171	13,171	52,684	97.9%
Pro forma adjustments for mid-quarter acquisitions/development completions					330	1,320	
Total unconsolidated operating portfolio	99,690	8,258,440	83	136,890	137,220	548,880	97.3%
Total Operating Portfolio	362,607	\$ 28,102,365	\$ 78	\$ 480,563	\$ 485,432	\$ 1,941,728	97.5%
Development							
	Square Feet	Investment Balance	TEI	TEI per Sq Ft		Annualized Estimated NOI	Percent Occupied
Consolidated Prestabilized							
U.S.	2,760	\$ 225,019	\$ 254,542	\$ 92		\$ 14,946	32.0%
Other Americas	660	40,945	47,700	72		3,218	16.3%
Europe	1,952	116,288	136,220	70		9,175	36.1%
Asia	652	89,239	93,967	144		5,581	13.3%
							29.6%
Properties under development							
U.S.	9,260	513,760	1,022,899	110		63,405	
Other Americas	1,251	50,265	88,050	70		7,269	
Europe	5,248	165,846	422,887	81		26,324	
Asia	5,292	444,717	817,045	154		47,785	
Total consolidated development portfolio	27,075	1,646,079	2,883,310	106		\$ 177,703	
Unconsolidated							
U.S.	348	4,656	6,208	18		\$ 374	
Other Americas	-	-	-	-		-	
Europe	324	29,708	43,883	135		2,548	
Asia	1,874	62,715	105,867	56		7,717	
Total unconsolidated development portfolio	2,546	97,079	155,958	61		\$ 10,639	
Total Development Portfolio	29,621	\$ 1,743,158	\$ 3,039,268	\$ 103		\$ 188,342	
Prologis share of estimated value creation (see Capital Deployment - Development Portfolio)		679,015					
Total development portfolio, including estimated value creation		\$ 2,422,173					

Net Asset Value

Components - Continued

2Q 2018 Supplemental

In thousands

Balance Sheet and Other Items			As of June 30, 2018
Consolidated			
Other assets			
Cash and cash equivalents	\$		527,830
Restricted cash			1,707
Accounts receivable, prepaid assets and other tangible assets			861,179
Other real estate investments and gross book value of assets held for sale			1,025,087
Prologis share of value added operating properties			255,323
Prologis receivable from unconsolidated co-investment ventures			221,859
Investments in and advances to other unconsolidated joint ventures			207,530
Less: noncontrolling interests share of other assets			(201,542)
Total other assets	\$		2,898,973
Other liabilities			
Accounts payable and other current liabilities	\$		719,679
Deferred income taxes			51,024
Value added tax and other tax liabilities			7,972
Tenant security deposits			213,840
Other liabilities			282,500
Less: noncontrolling interests share of other liabilities			(37,576)
Total liabilities	\$		1,237,439
Unconsolidated			
Prologis share of net tangible other assets and gross book value of assets held for sale	\$		344,666
Land			
Current book value of land	\$		1,111,185
Less: noncontrolling interests share of the current book value of land			(24,917)
Prologis share of book value of land in unconsolidated co-investment ventures			46,642
Total land portfolio	\$		1,132,910
Strategic Capital / Development Management			
		Second Quarter	Annualized
Strategic Capital			
Third party share of asset management fees from consolidated and unconsolidated co-investment ventures	\$	38,111	\$ 152,443
Third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months)		7,557	33,866
Strategic capital expenses for asset management and other transactional fees (annualized based on actuals plus remaining forecast for the year)		(14,884)	(59,719)
Total strategic capital	\$	30,784	\$ 126,590
Promotes, net of expenses (trailing 12 months) (A)	\$	374	\$ 41,246
Development management income (trailing 12 months)	\$	900	\$ 10,427
Debt (at par) and Preferred Stock			As of June 30, 2018
Debt			
Consolidated debt	\$		9,489,603
Noncontrolling interests share of consolidated debt			(70,269)
Prologis share of unconsolidated co-investment ventures debt			1,983,965
Total debt			11,403,299
Preferred stock			68,948
Total debt and preferred stock	\$		11,472,247
Outstanding shares of common stock and limited operating partnership units			549,188

Notes and Definitions



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

Acquisition Price, as presented for building acquisitions, represent economic cost. This amount includes the building purchase price plus 1) transaction closing costs, 2) 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 and discounts, if applicable.

Adjusted Cash NOI (Actual) is a non-Generally Accepted Accounting Principles ("GAAP") financial measure and a component of Net Asset Value ("NAV"). It is used to assess the operating performance of our properties and enables both management and investors to estimate the fair value of our operating portfolio. A reconciliation for the most recent quarter ended of our rental income and rental expenses included in our Consolidated Statement of Income to Adjusted Cash NOI for the consolidated Operating Portfolio is as follows (in thousands):

Rental revenues	\$ 544,679
Rental expenses	(133,329)
NOI	411,350
Net termination fees and adjustments (a)	(296)
Less: actual NOI for development portfolio and other	(18,772)
Less: property management fees	(5,777)
Less: properties contributed or sold (b)	126
Less: noncontrolling interests share of NOI	(42,145)
Prologis share of adjusted NOI for consolidated Operating Portfolio at June 30, 2018	344,486
Straight-line rents (c)	(9,573)
Free rent (c)	9,458
Amortization of lease intangibles (c)	587
Effect of foreign currency exchange (d)	(1,631)
Less: noncontrolling interests and other	346
Second quarter Adjusted Cash NOI (Actual)	\$ 343,673

(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 (Actual) to include only rental income that is indicative of the property's recurring operating performance.

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

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

(d) 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.

Adjusted EBITDA. We use Adjusted EBITDA attributable to common stockholders/unitholders ("Adjusted EBITDA"), a non-GAAP financial measure, as a measure of our operating performance. The most directly comparable GAAP measure to Adjusted EBITDA is net earnings.

We calculate Adjusted EBITDA beginning with consolidated net earnings attributable to common stockholders and removing the effect of: interest expense, income taxes, depreciation and amortization, impairment charges, gains or losses from the disposition of investments in real estate (excluding development properties and land), 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 derivatives. We also include a pro forma adjustment to reflect a full period of NOI on the operating properties we acquire or stabilize during the quarter and to remove NOI on properties we dispose of during the quarter, assuming all transactions occurred at the beginning of the quarter. The pro forma adjustment also includes economic ownership changes in our ventures to reflect the full quarter at the new ownership percentage.

We believe Adjusted EBITDA provides investors relevant and useful information because it permits investors to view our operating performance, analyze our ability to meet interest payment obligations and make quarterly preferred stock dividends on an unleveraged basis before the effects of income tax, depreciation and amortization expense, gains and losses on the disposition of non-development properties and other items (outlined above), that affect comparability. While all items are not infrequent or unusual in nature, these items may 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 calculate our Adjusted EBITDA, based on our proportionate ownership share of both our unconsolidated and consolidated ventures. We reflect our share of our Adjusted EBITDA 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 Adjusted EBITDA measures to remove the noncontrolling interests share of the applicable reconciling items based on our average ownership percentage for the applicable periods.

While we believe Adjusted EBITDA is an important measure, it should not be used alone because it excludes significant components of net earnings, such as 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 and is therefore limited as an analytical tool.

Our computation of Adjusted EBITDA may not be comparable to EBITDA reported by other companies in both the real estate industry and other industries. We compensate for the limitations of Adjusted EBITDA by providing investors with financial statements prepared according to GAAP, along with this detailed discussion of Adjusted EBITDA and a reconciliation to Adjusted EBITDA from consolidated net earnings attributable to common stockholders.

Annualized Estimated NOI for the properties in our Development Portfolio is based on current TEI multiplied by the Estimated Weighted Average Stabilized Yield.

Assets Under Management ("AUM") represents the estimated fair value of the real estate we own or manage through both our consolidated and unconsolidated entities. We calculate AUM by adding Investment Capacity and the third party investors' share of the estimated fair value of the assets in the co-investment ventures to Enterprise Value.

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. The real estate operations line of business 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 asset management, Net Promotes and transactional fees that we earn from our consolidated and unconsolidated co-investment ventures less costs directly associated to our strategic capital group. Realized 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 per share calculation. Management believes evaluating our results by line of business is a useful supplemental measure of our operating performance because it helps the investing public compare the operating performance of Prologis' respective businesses to other companies' comparable businesses. Prologis' computation of FFO by line of business may not be comparable to that reported by other real estate investment trusts as they may use different methodologies in computing such measures.

Notes and Definitions (continued)

2Q 2018 Supplemental

Calculation of Per Share Amounts

in thousands, except per share amount	Three Months Ended Jun. 30,		Six Months Ended Jun. 30,	
	2018	2017	2018	2017
Net earnings				
Net earnings attributable to common stockholders	\$ 334,611	\$ 266,943	\$ 700,513	\$ 470,198
Noncontrolling interest attributable to exchangeable limited partnership units	10,216	7,798	20,909	13,765
Adjusted net earnings attributable to common stockholders - Diluted	\$ 344,827	\$ 274,741	\$ 721,422	\$ 483,963
Weighted average common shares outstanding - Basic	532,639	530,040	532,427	529,400
Incremental weighted average effect on exchange of limited partnership units	16,847	16,364	16,560	16,409
Incremental weighted average effect of equity awards	5,029	5,710	5,079	4,703
Weighted average common shares outstanding - Diluted	554,515	552,114	554,066	550,512
Net earnings per share - Basic	\$ 0.63	\$ 0.50	\$ 1.32	\$ 0.89
Net earnings per share - Diluted	\$ 0.62	\$ 0.50	\$ 1.30	\$ 0.88
Core FFO				
Core FFO attributable to common stockholders/unitholders	\$ 391,224	\$ 461,404	\$ 834,344	\$ 808,156
Noncontrolling interest attributable to exchangeable limited partnership units	412	974	782	1,916
Core FFO attributable to common stockholders/unitholders - Diluted	\$ 391,636	\$ 462,378	\$ 835,126	\$ 810,072
Weighted average common shares outstanding - Basic	532,639	530,040	532,427	529,400
Incremental weighted average effect on exchange of limited partnership units	16,847	16,364	16,560	16,409
Incremental weighted average effect of equity awards	5,029	5,710	5,079	4,703
Weighted average common shares outstanding - Diluted	554,515	552,114	554,066	550,512
Core FFO per share - Diluted	\$ 0.71	\$ 0.84	\$ 1.51	\$ 1.47

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

	Indenture		Global Line	
	Covenant	Actual	Covenant	Actual
Leverage ratio	<60%	28.3%	<60%	24.4%
Fixed charge coverage ratio	> 1.5x	9.36x	> 1.5x	10.54x
Secured debt leverage ratio	<40%	2.7%	<40%	2.4%
Unencumbered asset to unsecured debt ratio	>150%	299.7%	N/A	N/A
Unencumbered debt service coverage ratio	N/A	N/A	>150%	1226.5%

Debt Metrics. We evaluate the following debt metrics to monitor the strength and flexibility of our capital structure and evaluate the performance of our management. Investors can utilize these metrics to make a determination about our ability to service or refinance our debt. See below for the calculations.

Notes and Definitions (continued)

2Q 2018 Supplemental

dollars in thousands	Three Months Ended	
	Jun. 30,	Mar. 31,
	2018	2018
<i>Debt as a % of gross real estate assets:</i>		
Consolidated debt (at par)	\$ 9,489,603	\$ 9,514,086
Noncontrolling interests share of consolidated debt (at par)	(70,269)	(70,319)
Prologis share of unconsolidated debt (at par)	1,983,965	2,087,398
Total Prologis share of debt (at par)	11,403,299	11,531,165
Prologis share of outstanding foreign currency derivatives	(6,525)	2,442
Consolidated cash and cash equivalents	(527,830)	(458,099)
Noncontrolling interests share of consolidated cash and cash equivalents	18,656	56,594
Prologis share of unconsolidated cash and cash equivalents	(196,123)	(155,808)
Total Prologis share of debt, net of adjustments	<u>\$ 10,691,477</u>	<u>\$ 10,976,294</u>
Consolidated gross real estate assets	26,902,150	26,755,469
Noncontrolling interests share of consolidated gross real estate assets	(2,900,641)	(2,872,187)
Prologis share of unconsolidated gross real estate assets	8,588,084	8,916,784
Total Prologis share of gross real estate assets	<u>\$ 32,589,593</u>	<u>\$ 32,800,066</u>
Debt as a % of gross real estate assets	32.8%	33.5%
<i>Debt as a % of gross market capitalization:</i>		
Total Prologis share of debt, net of adjustments	<u>\$ 10,691,477</u>	<u>\$ 10,976,294</u>
Total outstanding common stock and limited partnership units	549,188	548,987
Share price at quarter end	\$ 65.69	\$ 62.99
Total equity capitalization	\$ 36,076,160	\$ 34,580,691
Total Prologis share of debt, net of adjustments	10,691,477	10,976,294
Gross market capitalization	<u>\$ 46,767,637</u>	<u>\$ 45,556,985</u>
Debt as a % of gross market capitalization	22.9%	24.1%
<i>Secured debt as a % of gross real estate assets:</i>		
Consolidated secured debt (at par)	\$ 898,495	\$ 957,800
Noncontrolling interests share of consolidated secured debt (at par)	(70,269)	(70,319)
Prologis share of unconsolidated secured debt (at par)	743,992	805,749
Total Prologis share of secured debt (at par)	<u>\$ 1,572,218</u>	<u>\$ 1,693,230</u>
Total Prologis share of gross real estate assets	<u>\$ 32,589,593</u>	<u>\$ 32,800,066</u>
Secured debt as a % of gross real estate assets	4.8%	5.2%
<i>Unencumbered gross real estate assets to unsecured debt:</i>		
Consolidated unencumbered gross real estate assets	\$ 24,547,213	\$ 24,273,134
Noncontrolling interests share of consolidated unencumbered gross real estate assets	(2,761,687)	(2,733,550)
Prologis share of unconsolidated unencumbered gross real estate assets	6,942,027	7,133,502
Total Prologis share of unencumbered gross real estate assets	<u>\$ 28,727,553</u>	<u>\$ 28,673,086</u>
Consolidated unsecured debt (at par)	8,591,108	8,556,286
Noncontrolling interests share of consolidated unsecured debt (at par)	-	-
Prologis share of unconsolidated unsecured debt (at par)	1,239,973	1,281,649
Total Prologis share of unsecured debt (at par)	<u>\$ 9,831,081</u>	<u>\$ 9,837,935</u>
Unencumbered gross real estate assets to unsecured debt	292.2%	291.5%

	Three Months Ended	
	Jun. 30,	Mar. 31,
	2018	2018
<i>Fixed Charge Coverage ratio:</i>		
Adjusted EBITDA	\$ 580,640	\$ 714,819
Adjusted EBITDA-annualized including development gains and excluding net promotes (a)	\$ 2,541,798	\$ 2,452,877
Net promotes for the trailing 12 months	41,246	157,540
Adjusted EBITDA-annualized	<u>\$ 2,583,044</u>	<u>\$ 2,610,417</u>
Pro forma adjustment annualized	(20,440)	3,866
Adjusted EBITDA, including NOI from disposed properties, annualized	<u>\$ 2,562,604</u>	<u>\$ 2,614,283</u>
Interest expense	\$ 56,314	\$ 59,061
Amortization and write-off of deferred loan costs	(3,115)	(3,358)
Amortization of debt premiums, net	158	344
Capitalized interest	12,345	11,119
Preferred stock dividends	1,476	1,476
Noncontrolling interests share of consolidated fixed charges	(597)	(578)
Prologis share of unconsolidated fixed charges	17,379	17,131
Total Prologis share of fixed charges	<u>\$ 83,960</u>	<u>\$ 85,195</u>
Total Prologis share of fixed charges, annualized	<u>\$ 335,840</u>	<u>\$ 340,780</u>
Fixed charge coverage ratio	7.63	7.67
<i>Debt to Adjusted EBITDA:</i>		
Total Prologis share of debt, net of adjustments	<u>\$ 10,691,477</u>	<u>\$ 10,976,294</u>
Adjusted EBITDA-annualized	<u>\$ 2,583,044</u>	<u>\$ 2,610,417</u>
Debt to Adjusted EBITDA ratio	4.14	4.20

(a) Prologis share of gains on dispositions of development properties for the trailing 12 months was \$494.3 million and \$468.6 million for the current quarter and the previous quarter, respectively.

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

Enterprise Value equals our Market Equity plus our share of total debt.

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.

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

Estimated Weighted Average Margin is calculated on development properties as Estimated Value Creation, less estimated closing costs and taxes, if any, on properties expected to be sold or contributed, divided by TEI.

Estimated Weighted Average Stabilized Yield is calculated on development properties as Stabilized NOI divided by TEI.

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 attributable to common stockholders/unitholders ("AFFO"); (collectively referred to as "FFO"). FFO is a non-GAAP financial measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net earnings.

The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as earnings computed under GAAP to exclude historical cost depreciation and gains and losses from the sales, along with impairment charges, of previously depreciated properties. We also exclude the gains on revaluation of equity investments upon acquisition of a controlling interest and the gain recognized from a partial sale of our investment, as these are similar to gains from the sales of previously depreciated properties. We exclude similar adjustments from our unconsolidated entities and the third parties' share of our consolidated co-investment ventures.

Our FFO Measures

Our FFO measures begin with NAREIT's definition and we make certain adjustments to reflect our business and the way that management plans and executes our business strategy. While not infrequent or unusual, the additional items we adjust for in calculating *FFO, as modified by Prologis*, *Core FFO* and *AFFO*, as defined below, are subject to significant fluctuations from period to period. Although these items may have a material impact on our operations and are reflected in our financial statements, the removal of the effects of these items allows us to better understand the core operating performance of our properties over the long term. These items have both positive and negative short-term effects on our results of operations in inconsistent and unpredictable directions that are not relevant to our long-term outlook.

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

These FFO measures are used by management as supplemental financial measures of operating performance and we believe that it is important that stockholders, potential investors and financial analysts understand the measures management uses. We do not use our FFO measures as, nor should they be considered to be, alternatives to net earnings computed under GAAP, as indicators of our operating performance, as alternatives to cash from operating activities computed under GAAP or as indicators of our ability to fund our cash needs.

We analyze our operating performance principally by the rental revenues of our real estate and the revenues from our strategic capital business, net of operating, administrative and financing expenses. This income stream is not directly impacted by fluctuations in the market value of our investments in real estate or debt securities.

FFO, as modified by Prologis

To arrive at *FFO, as modified by Prologis*, we adjust the NAREIT defined FFO measure to exclude the impact of foreign currency related items and deferred tax, specifically:

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

We use FFO, as modified by Prologis, so that management, analysts and investors are able to evaluate our performance against other REITs that do not have similar operations or operations in jurisdictions outside the U.S.

Core FFO

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

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

We use Core FFO, including by segment and region, to: (i) assess our operating performance as compared to other real estate companies; (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods; (iii) evaluate the performance of our management; (iv) budget and forecast future results to assist in the allocation of resources; (v) provide guidance to the financial markets to understand our expected operating performance; and (vi) evaluate how a specific potential investment will impact our future results.

AFFO

To arrive at AFFO, we adjust Core FFO to include realized gains from the disposition of land and development properties and recurring capital expenditures and exclude the following items that we recognize directly in Core FFO:

- (i) straight-line rents;
- (ii) amortization of above- and below-market lease intangibles;
- (iii) amortization of management contracts;
- (iv) amortization of debt premiums and discounts and financing costs, net of amounts capitalized, and;
- (v) stock compensation expense.

We use AFFO to (i) assess our operating performance as compared to other real estate companies, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods, (iii) evaluate the performance of our management, (iv) budget and forecast future results to assist in the allocation of resources, and (v) evaluate how a specific potential investment will impact our future results.

Limitations on the use of our FFO measures

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

- The current income tax expenses 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 logistics facilities are not reflected in FFO.

Notes and Definitions (continued)

- Gains or losses from non-development property dispositions and 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 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 or preferred stock that we exclude from our Core FFO, may provide a benefit or cost to us as we may be settling our obligation 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.

General and Administrative Expenses ("G&A"). Generally our property management personnel 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 function to the properties we consolidate (included in Rental Expenses) and the properties owned by the unconsolidated co-investment ventures (included in Strategic Capital Expenses) by using the square feet owned by the respective portfolios. Strategic Capital Expenses also include the direct expenses associated with the asset management of the unconsolidated co-investment ventures provided by our employees who are assigned to our Strategic Capital segment. We do not allocate 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 Jun. 30,		Six Months Ended Jun. 30,	
	2018	2017	2018	2017
Building and land development activities	\$ 15,017	\$ 15,905	\$ 31,108	\$ 31,203
Leasing activities	5,100	5,978	10,488	12,500
Operating building improvements and other	4,080	3,785	8,324	7,632
Total capitalized G&A	\$ 24,197	\$ 25,668	\$ 49,920	\$ 51,335

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

Net G&A - midpoint of 2018 guidance (a)	\$ 232,000
Add: estimated 2018 strategic capital expenses (excluding promote expense)	129,000
Less: estimated 2018 strategic capital property management expenses	(69,000)
Adjusted G&A, using 2018 guidance amounts	\$ 292,000
Gross book value at period end (b):	
Operating properties	\$ 51,747,764
Development portfolio - TEI	3,909,129
Land portfolio	1,378,301
Other real estate investments and gross assets held for sale	1,519,023
Total value of assets under management	\$ 58,554,217
G&A as % of assets under management	0.50%

(a) This amount represents the midpoint of the 2018 guidance provided in this Supplemental Package.

(b) This amount does not represent enterprise value.

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

	Low	High
Net Earnings	\$ 2.80	\$ 2.86
Our share of:		
Depreciation and amortization	1.66	1.70
Net gains on real estate transactions, net of taxes	(1.39)	(1.45)
Unrealized foreign currency losses and other, net	(0.09)	(0.09)
Core FFO	\$ 2.98	\$ 3.02

Income Taxes.

in thousands	Three Months Ended Jun. 30,		Six Months Ended Jun. 30,	
	2018	2017	2018	2017
Current income tax expense	\$ 9,426	\$ 12,352	20,553	\$ 21,869
Current income tax expense (benefit) on dispositions	3,808	1,997	10,419	911
Current income tax expense (benefit) on dispositions related to acquired tax assets	-	603	878	(667)
Total current income tax expense	13,234	14,952	31,850	22,113
Deferred income tax (benefit) expense	870	432	(316)	1,601
Deferred income tax (benefit) expense on dispositions related to acquired tax assets	-	(603)	(878)	667
Total income tax expense	\$ 14,104	\$ 14,781	\$ 30,656	\$ 24,381

Interest Expense.

in thousands	Three Months Ended Jun. 30,		Six Months Ended Jun. 30,	
	2018	2017	2018	2017
Gross interest expense	\$ 65,702	\$ 90,219	\$ 120,068	\$ 180,651
Amortization of debt premiums, net	(158)	(5,340)	(502)	(11,739)
Amortization of finance costs	3,115	3,800	6,473	7,294
Interest expense before capitalization	68,659	88,679	126,039	176,206
Capitalized amounts	(12,345)	(13,325)	(23,464)	(27,940)
Interest expense	\$ 56,314	\$ 75,354	\$ 102,575	\$ 148,266

Notes and Definitions (continued)

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

Market Capitalization equals Market Equity plus our share of total debt.

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.

Market Equity equals outstanding shares of common stock and units multiplied by the closing stock price plus the liquidation preference of the preferred shares/units.

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 line 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 components that we believe are important in calculating our NAV but we 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 estimated total cash rent to be received over the term 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 Net Effective Rent by the occupied square feet of the lease.

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

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

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

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

Operating Portfolio represents industrial properties in our owned and managed portfolio that have reached Stabilization. Prologis share of NOI excludes termination fees and adjustments and includes NOI for the properties contributed to or acquired from co-investment ventures at our actual share prior to and subsequent to change in ownership. The markets presented represent markets that are generally greater than 1% of Prologis share of NOI. Assets held for sale are excluded from the portfolio.

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		Six Months Ended	
	Jun. 30,		Jun. 30,	
	2018	2017	2018	2017
Rental revenues	\$ 415,240	\$ 424,538	\$ 828,081	\$ 838,925
Rental recoveries	118,130	128,417	246,172	255,466
Amortization of lease intangibles	(734)	626	(1,362)	1,535
Straight-lined rents	12,043	22,796	27,731	47,384
Rental Revenue	\$ 544,679	\$ 576,377	\$ 1,100,622	\$ 1,143,310

Rent Change (Cash) represents the percentage change in starting rental rates per the lease agreement, on new and renewed leases, commenced during the periods compared with the previous ending rental rates in that same space. This measure excludes any short-term leases of less than one-year, holdover payments, free rent periods and introductory (teaser rates) defined as 50% or less of the stabilized rate.

Rent Change (Net Effective) represents the percentage change in net effective rental rates (average rate over the lease term), on new and renewed leases, commenced during the period compared with the previous net effective rental rates in that same space. This measure excludes any short-term leases of less than one year and holdover payments.

Retention is the square footage of all leases commenced during the period that are rented by existing tenants divided by the square footage of all expiring and in-place leases during the reporting period. The square footage of tenants that default or buy-out prior to expiration of their lease and short-term leases of less than one year, are not included in the calculation.

Same Store. Our same store metrics are non-GAAP financial measures, which are commonly used in the real estate industry and expected from the financial community, on both a net-effective and cash basis. We evaluate the 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, which allows us to analyze our ongoing business operations.

Notes and Definitions (continued)

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We define our same store population for the three months ended June 30, 2018 as our owned and managed properties that were in the Operating Portfolio at January 1, 2017 and owned throughout the end of the same three month period in both 2018 and 2017. The same store population excludes development properties that were not stabilized at the beginning of the period (January 1, 2017) and properties acquired or disposed of to third parties during the period. Beginning January 1, 2018, we modified our definition of same store to align on consistent methodologies with members of the industrial REIT group. This did not materially change our historical amounts reported. To derive an appropriate measure of period-to-period operating performance, we remove the effects of foreign currency exchange rate movements by using the reported period end exchange rate to translate from local currency into the U.S. dollar, for both periods. We believe the factors that affect rental revenues, rental recoveries, rental expenses and NOI in the same store portfolio are generally the same as for our consolidated portfolio.

As our same store measures are non-GAAP financial measures, they have certain limitations as analytical tools and may vary among real estate companies. As a result, we provide a reconciliation of rental revenues, rental recoveries and rental expenses from our Consolidated Financial Statements prepared in accordance with GAAP to same store property NOI with explanations of how these metrics are calculated. In addition, we further remove certain noncash items (straight-line rent adjustments and amortization of lease intangibles) included in the financial statements prepared in accordance with GAAP to reflect a cash same store number. To clearly label these metrics, they are categorized as same store portfolio NOI – net effective and same store portfolio NOI – cash.

The following is a reconciliation of our consolidated rental revenues, rental recoveries, rental expenses and property NOI, as included in the Consolidated Statements of Income, to the respective amounts in our same store portfolio analysis:

dollars in thousands	Three Months Ended Jun. 30,		
	2018	2017	Change (%)
Rental revenues:			
Rental revenues	\$ 426,549	\$ 447,960	
Rental recoveries	118,130	128,417	
Per the Consolidated Statements of Income (a)	544,679	576,377	
Adjustments to derive same store results:			
Properties not included in same store portfolio and other adjustments (a)(b)	(58,777)	(67,494)	
Unconsolidated co-investment ventures (a)	542,666	478,732	
Same Store - rental revenues - net effective	\$ 1,028,568	\$ 987,615	4.1 %
Straight-line rent adjustments	(8,062)	(17,311)	
Fair value lease adjustments	273	(1,255)	
Same Store - rental revenues - cash	\$ 1,020,779	\$ 969,049	5.3 %
Rental expenses:			
Per the Consolidated Statements of Income (a)	\$ 133,329	\$ 147,794	
Adjustments to derive same store results:			
Properties not included in same store portfolio and other adjustments (a)(c)	(4,585)	(9,439)	
Unconsolidated co-investment ventures (a)	115,901	100,513	
Same Store - rental expenses - net effective and cash	\$ 244,645	\$ 238,868	2.4 %
Same Store - NOI - Net Effective	\$ 783,923	\$ 748,747	4.7 %
Same Store - NOI - Net Effective - Prologis Share (d)	\$ 447,489	\$ 424,561	5.4 %
Same Store - NOI - Cash	\$ 776,134	\$ 730,181	6.3 %
Same Store - NOI - Cash - Prologis Share (d)	\$ 444,043	\$ 415,064	7.0 %

- We include 100% of the same store NOI from the properties in our same store portfolio. During the periods presented, certain properties owned by us were contributed to a co-investment venture and are included in the same store portfolio. Neither our consolidated results nor those of the co-investment ventures, when viewed individually, would be comparable on a same store basis because of the changes in composition of the respective portfolios from period to period (e.g. the results of a contributed property are included in our consolidated results through the contribution date and in the results of the unconsolidated entities subsequent to the contribution date). As a result, only line items labeled "same store portfolio" are comparable period over period.
- We exclude non-industrial real estate properties and properties held for sale, along with development properties that were not stabilized at the beginning of the reporting period or properties acquired or disposed of to third parties during the period. We also exclude net termination and renegotiation fees to allow us to evaluate the growth or decline in each property's rental revenues without regard to one-time items that are not indicative of the property's recurring operating performance. Net termination and renegotiation fees represent the gross fee negotiated to allow a customer to terminate or renegotiate their lease, offset by the write-off of the asset recorded due to the adjustment to straight-line rents over the lease term.
- Rental expenses include the direct operating expenses of the property such as property taxes, insurance and utilities. In addition, we include an allocation of the property management expenses for our consolidated properties based on the property management services provided to each property (generally, based on a percentage of revenues). On consolidation, these amounts are eliminated and the actual costs of providing property management services are recognized as part of our consolidated rental expenses. These expenses fluctuate based on the level of properties included in the same store portfolio and any adjustment is included as "effect of changes in foreign currency exchange rates and other" in this table.
- Same Store- NOI- Prologis Share is calculated using the underlying building information from the Same Store NOI – Net Effective and NOI - Cash calculations and applying our ownership percentage as of June 30, 2018 to the NOI of each building for both periods.

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

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

Stabilized 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.

Turnover Costs represent the estimated obligations incurred in connection with the signing of a lease; including leasing commissions and tenant improvements and are presented for leases that commenced during the period. Tenant improvements include costs to prepare a space for a new tenant or a lease renewal with the current tenant. It excludes costs for a first generation lease (i.e. a new development property) and short-term leases of less than one year.

Value-Added Properties are properties we have either acquired at a discount and believe we could provide greater returns post-stabilization or properties we expect to repurpose to a higher and better use.

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

Weighted Average Stabilized Capitalization ("Cap") Rate is calculated as Stabilized NOI divided by the Acquisition Cost.