



Third Quarter 2016

Prologis Supplemental Information

Unaudited

Highlights

- 1 Company Profile
- 3 Company Performance
- 5 Guidance

Financial Information

- 6 Consolidated Balance Sheets
- 7 Consolidated Statements of Income
- 8 Reconciliations of Net Earnings to FFO
- 9 Reconciliations of Net Earnings to EBITDA

Strategic Capital

- 10 Summary and Financial Highlights
- 11 Operating and Balance Sheet Information of the Unconsolidated Co-Investment Ventures
- 12 Non-GAAP Pro-rata Financial Information

Operations

- 13 Overview
- 14 Operating Metrics
- 16 Operating Portfolio
- 19 Customer Information

Capital Deployment

- 20 Overview
- 21 Development Stabilizations
- 22 Development Starts
- 23 Development Portfolio
- 24 Third Party Building Acquisitions
- 25 Dispositions and Contributions
- 26 Land Portfolio

Capitalization

- 28 Overview
- 29 Debt Components - Consolidated
- 30 Debt Components - Unconsolidated and Noncontrolling Interests

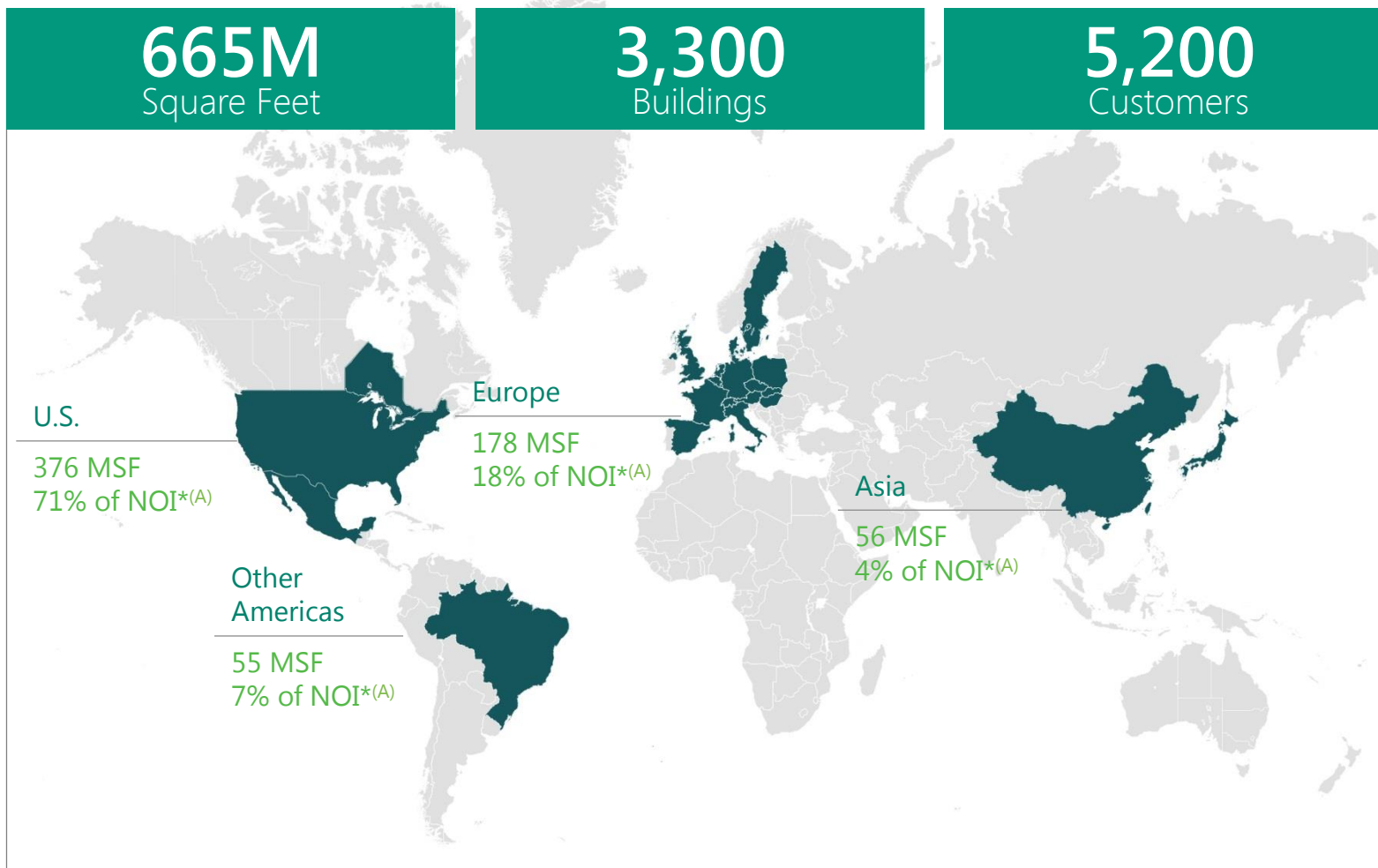
Net Asset Value

- 31 Components

Notes and Definitions

- 33 Notes and Definitions ^(A)

Prologis, Inc., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of September 30, 2016, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 665 million square feet (62 million square meters) in 20 countries. Prologis leases modern distribution facilities to a diverse base of approximately 5,200 customers across two major categories: business-to-business and retail/online fulfillment.



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

(A) NOI calculation based on Prologis share of the Operating Portfolio.

Operations

\$1.8B in
annual NOI^(A)

71%

29%

U.S.

Outside the U.S.

Strategic Capital

\$235M of fees
and promotes^(B)

19%

81%

U.S.

Outside the U.S.

Development

\$312M in value
from starts annually^(C)

40%

60%

U.S.

Outside the U.S.

Gross AUM

\$68B^(D)

60%

40%

U.S.

Outside the U.S.

Prologis Share AUM

\$41B^(D)

74%

26%

U.S.

Outside the U.S.

Net Equity

\$29B^(D)

91%

9%

U.S.

Outside the U.S.

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

(A) 3Q 2016 Prologis share of NOI of the operating portfolio annualized.

(B) 3Q 2016 third-party share of asset management fees annualized plus trailing twelve month third-party share of transaction fees and net promotes.

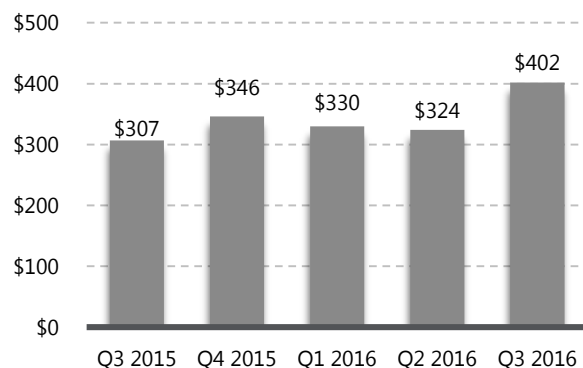
(C) Prologis share of trailing twelve month estimated value creation from development starts.

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

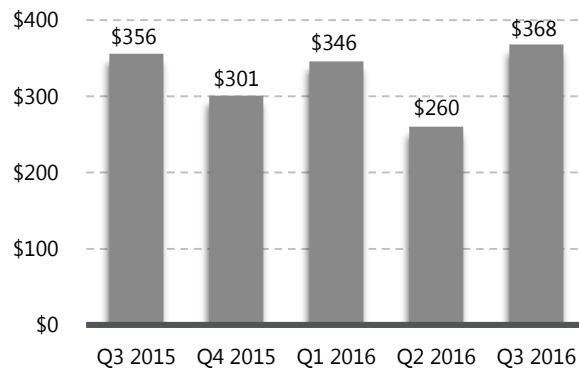
dollars in millions, except per share/unit data

	Three Months ended September 30,		Nine Months ended September 30,	
	2016	2015	2016	2015
Revenues	\$ 705	\$ 581	\$ 1,913	\$ 1,554
Net earnings attributable to common stockholders	279	259	763	744
Core FFO*	402	307	1,056	836
AFFO*	368	356	974	859
Adjusted EBITDA*	573	567	1,582	1,422
Estimated value creation from development starts - Prologis share	76	63	198	265
Common stock dividends and common limited partnership unit distributions	231	210	692	588
Per common share - diluted:				
Net earnings attributable to common stockholders	\$ 0.52	\$ 0.49	\$ 1.44	\$ 1.41
Core FFO*	0.73	0.58	1.94	1.59
Business line reporting:				
Real estate operations*	0.55	0.54	1.65	1.47
Strategic capital*	0.18	0.04	0.29	0.12
Core FFO*	0.73	0.58	1.94	1.59
Realized development gains, net of taxes	0.09	0.24	0.27	0.39
Dividends and distributions per common share/unit	0.42	0.40	1.26	1.12

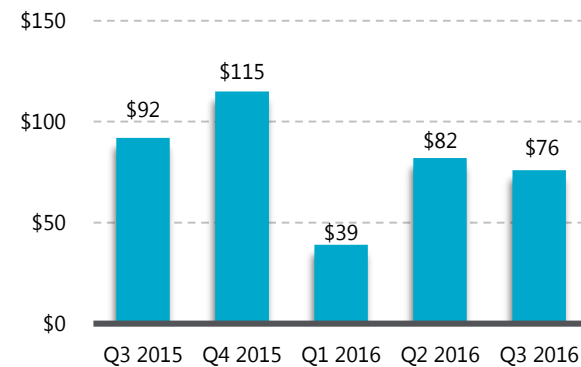
Core FFO*



AFFO*



Estimated Value Creation (A)



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

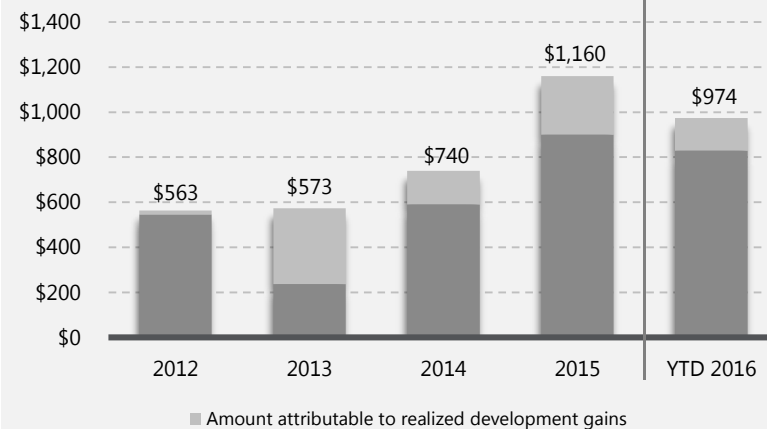
(A) Includes value creation from value added conversions, which was \$29 million in Q3 2015.

(in millions)

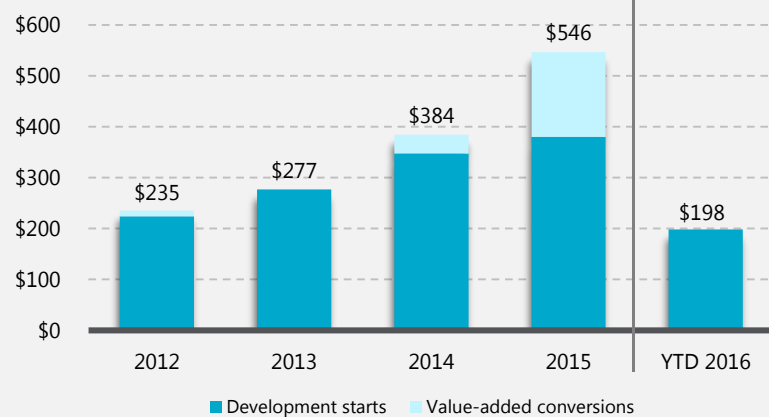
Core FFO*



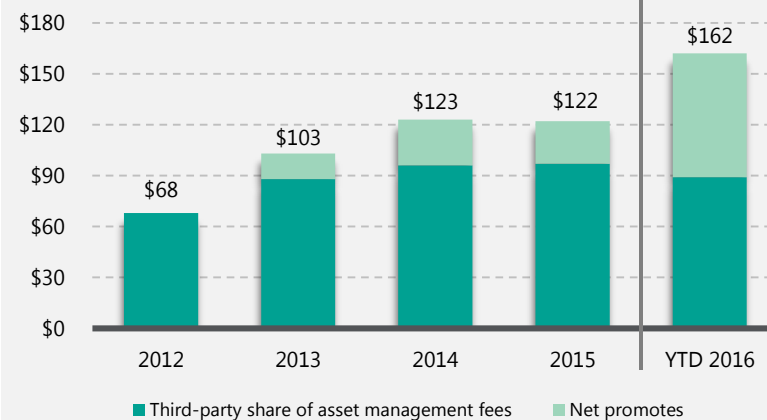
AFFO*



Estimated Value Creation



Asset Management Fees and Net Promotes



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

dollars in millions, except per share

2016 Guidance			Low		High				
Net earnings (A)(B)(C)			\$ 1.90		\$ 1.95				
Core FFO* (A)(B)(C)			\$ 2.56		\$ 2.57				
Operations									
Year-end occupancy			96.0%		97.0%				
Same store NOI - increase - Prologis share*			5.50%		5.80%				
Other Assumptions									
Strategic capital revenue- without promote income			\$ 195		\$ 200				
Net promote income			\$ 79		\$ 82				
General & administrative expenses			\$ 222		\$ 226				
Liquidity			\$ 3,900		\$ 4,100				
Realized development gains			\$ 275		\$ 300				
Annualized third quarter 2016 dividend					\$ 1.68				
Capital Deployment			PROLOGIS SHARE			OWNED AND MANAGED			
			Low		High				
Development stabilizations (85% Prologis share)			\$ 2,050		\$ 2,200		\$ 2,400		\$ 2,600
Development starts (85% Prologis share)			\$ 1,800		\$ 2,000		\$ 2,100		\$ 2,300
Building acquisitions (45% Prologis share)			\$ 100		\$ 150		\$ 300		\$ 400
Building and land dispositions (75% Prologis share)			\$ 1,500		\$ 1,650		\$ 2,000		\$ 2,200
Building contributions (80% Prologis share)			\$ 950		\$ 1,200		\$ 1,200		\$ 1,500

In addition to the capital deployment guidance shown above, we have received an incremental \$800 million of cash proceeds through October, \$200 million of which are from the installment sale related to Facebook and \$600 million of which are from fund ownership rebalances.

Exchange Rates

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

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

(A) The difference between Core FFO and Net Earnings predominately relates to real estate depreciation, gains or losses on real estate transactions, acquisition expenses and early extinguishment of debt. See the Notes and Definitions for more information.

(B) Net promote guidance is \$0.15 per share.

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

Financial Information

Consolidated Balance Sheets

3Q 2016 Supplemental

in thousands

	September 30, 2016	June 30, 2016	December 31, 2015
Assets:			
Investments in real estate properties:			
Operating properties	\$ 23,876,290	\$ 23,913,335	\$ 23,735,745
Development portfolio	1,809,002	1,770,771	1,872,903
Land	1,352,600	1,322,214	1,359,794
Other real estate investments	532,812	550,090	552,926
	27,570,704	27,556,410	27,521,368
Less accumulated depreciation	3,638,688	3,521,198	3,274,284
Net investments in real estate properties	23,932,016	24,035,212	24,247,084
Investments in and advances to unconsolidated entities	4,580,584	4,483,804	4,755,620
Assets held for sale	450,349	393,434	378,423
Notes receivable backed by real estate	33,800	33,800	235,050
Net investments in real estate	28,996,749	28,946,250	29,616,177
Cash and cash equivalents	375,120	332,221	264,080
Other assets	1,516,340	1,467,463	1,514,510
Total assets	\$ 30,888,209	\$ 30,745,934	\$ 31,394,767
Liabilities and Equity:			
Liabilities:			
Debt	\$ 11,256,997	\$ 11,139,415	\$ 11,626,831
Accounts payable, accrued expenses and other liabilities	1,347,942	1,323,485	1,347,100
Total liabilities	12,604,939	12,462,900	12,973,931
Equity:			
Stockholders' equity:			
Preferred stock	78,235	78,235	78,235
Common stock	5,286	5,265	5,245
Additional paid-in capital	19,433,001	19,361,787	19,302,367
Accumulated other comprehensive loss	(889,223)	(848,079)	(791,429)
Distributions in excess of net earnings	(3,828,132)	(3,885,017)	(3,926,483)
Total stockholders' equity	14,799,167	14,712,191	14,667,935
Noncontrolling interests	3,092,988	3,154,205	3,320,227
Noncontrolling interests - limited partnership unitholders	391,115	416,638	432,674
Total equity	18,283,270	18,283,034	18,420,836
Total liabilities and equity	\$ 30,888,209	\$ 30,745,934	\$ 31,394,767

Financial Information

Consolidated Statements of Income

3Q 2016 Supplemental

in thousands, except per share amounts

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues:				
Rental	\$ 560,277	\$ 532,755	\$ 1,660,524	\$ 1,413,001
Strategic capital	140,577	44,176	241,565	133,247
Development management and other	3,711	3,691	10,931	7,625
Total revenues	704,565	580,622	1,913,020	1,553,873
Expenses:				
Rental	140,514	140,284	427,820	393,199
Strategic capital	44,624	26,532	97,783	76,661
General and administrative	58,157	54,178	165,634	157,458
Depreciation and amortization	224,867	247,471	705,249	607,467
Other	3,779	8,765	12,364	44,467
Total expenses	471,941	477,230	1,408,850	1,279,252
Operating income	232,624	103,392	504,170	274,621
Other income (expense):				
Earnings from unconsolidated co-investment ventures, net	44,547	32,617	132,673	103,704
Earnings from other unconsolidated ventures, net	1,310	940	12,949	2,679
Interest expense	(75,310)	(81,035)	(232,577)	(218,698)
Gains on dispositions of development properties and land, net	53,717	135,043	160,001	210,110
Gains on dispositions of real estate, net (excluding development properties and land)	63,579	133,748	301,962	445,178
Foreign currency and derivative gains (losses) and interest and other income (expense), net	1,202	(3,191)	(19,226)	18,759
Gains (losses) on early extinguishment of debt, net	1,492	-	2,484	(16,525)
Total other income	90,537	218,122	358,266	545,207
Earnings before income taxes	323,161	321,514	862,436	819,828
Current income tax expense	(13,054)	(17,283)	(38,335)	(22,828)
Deferred income tax benefit (expense)	(2,865)	2,955	1,737	1,758
Consolidated net earnings	307,242	307,186	825,838	798,758
Net earnings attributable to noncontrolling interests	(18,629)	(43,360)	(35,865)	(43,558)
Net earnings attributable to noncontrolling interests - limited partnership units	(7,687)	(3,176)	(22,238)	(5,756)
Net earnings attributable to controlling interests	280,926	260,650	767,735	749,444
Preferred stock dividends	(1,671)	(1,671)	(5,056)	(5,019)
Net earnings attributable to common stockholders	\$ 279,255	\$ 258,979	\$ 762,679	\$ 744,425
Weighted average common shares outstanding - Diluted	547,200	532,073	545,230	531,121
Net earnings per share attributable to common stockholders - Diluted	\$ 0.52	\$ 0.49	\$ 1.44	\$ 1.41

Financial Information

Reconciliations of Net Earnings to FFO

3Q 2016 Supplemental

in thousands	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net earnings attributable to common stockholders	\$ 279,255	\$ 258,979	\$ 762,679	\$ 744,425
Add (deduct) NAREIT defined adjustments:				
Real estate related depreciation and amortization	217,041	239,896	681,866	587,384
Gains on dispositions of real estate, net (excluding development properties and land)	(63,579)	(133,748)	(301,962)	(445,178)
Reconciling items related to noncontrolling interests	(23,028)	(1,080)	(87,318)	(33,373)
Our share of reconciling items related to unconsolidated co-investment ventures	36,794	49,349	116,821	144,299
Our share of reconciling items related to other unconsolidated ventures	1,420	1,650	436	4,948
Subtotal-NAREIT defined FFO*	\$ 447,903	\$ 415,046	\$ 1,172,522	\$ 1,002,505
Add (deduct) our defined adjustments:				
Unrealized foreign currency and derivative losses (gains), net	(1,915)	12,362	21,864	8,856
Deferred income tax expense (benefit)	2,865	(2,955)	(1,737)	(1,758)
Current income tax expense related to acquired tax liabilities	-	3,497	-	3,497
Reconciling items related to noncontrolling interests	(1,247)	(375)	39	(1,167)
Our share of reconciling items related to unconsolidated co-investment ventures	830	2,116	1,170	(11,771)
FFO, as modified by Prologis*	\$ 448,436	\$ 429,691	\$ 1,193,858	\$ 1,000,162
Adjustments to arrive at Core FFO:				
Gains on dispositions of development properties and land, net	(53,717)	(135,043)	(160,001)	(210,110)
Current income tax expense on dispositions	4,701	9,403	14,820	4,930
Acquisition expenses	304	2,115	2,532	29,549
Losses (gains) on early extinguishment of debt, net	(1,492)	-	(2,484)	16,525
Reconciling items related to noncontrolling interests	3,242	(180)	4,298	(12,407)
Our share of reconciling items related to unconsolidated co-investment ventures	1,364	1,282	4,683	6,883
Our share of reconciling items related to other unconsolidated ventures	(685)	-	(1,995)	-
Core FFO*	\$ 402,153	\$ 307,268	\$ 1,055,711	\$ 835,532
Adjustments to arrive at Adjusted FFO ("AFFO"), including our share of unconsolidated co-investment ventures less noncontrolling interests:				
Gains on dispositions of development properties and land, net	53,717	135,043	160,001	210,110
Current income tax expense on dispositions	(4,701)	(9,403)	(14,820)	(4,930)
Straight-lined rents and amortization of lease intangibles	(31,551)	(22,178)	(85,942)	(37,537)
Property improvements	(22,337)	(19,583)	(50,294)	(45,540)
Tenant improvements	(18,659)	(22,812)	(65,540)	(59,536)
Leasing commissions	(17,723)	(20,473)	(59,561)	(49,086)
Amortization of management contracts	945	1,088	2,799	3,383
Amortization of debt premiums and financing costs, net	(3,431)	(7,161)	(13,047)	(21,547)
Stock compensation expense	14,446	13,406	43,658	40,124
Reconciling items related to noncontrolling interests	11,781	13,334	43,809	31,109
Our share of reconciling items related to unconsolidated co-investment ventures	(16,142)	(12,895)	(42,332)	(43,344)
AFFO*	\$ 368,498	\$ 355,634	\$ 974,442	\$ 858,738

Financial Information

Reconciliations of Net Earnings to EBITDA

3Q 2016 Supplemental

in thousands

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net earnings attributable to common stockholders	\$ 279,255	\$ 258,979	\$ 762,679	\$ 744,425
Gains on dispositions of real estate, net (excluding development properties and land)	(63,579)	(133,748)	(301,962)	(445,178)
Depreciation and amortization expenses	224,867	247,471	705,249	607,467
Interest expense	75,310	81,035	232,577	218,698
Losses (gains) on early extinguishment of debt, net	(1,492)	-	(2,484)	16,525
Current and deferred income tax expense, net	15,919	14,328	36,598	21,070
Net earnings attributable to noncontrolling interests - limited partnership unitholders	7,687	3,176	22,238	5,756
Pro forma adjustments	(1,862)	(664)	(8,866)	28,751
Preferred stock dividends	1,671	1,671	5,056	5,019
Unrealized foreign currency and derivative losses (gains), net	(1,915)	12,362	21,864	8,856
Stock compensation expense	14,446	13,406	43,658	40,124
Acquisition expenses	304	2,115	2,532	29,549
Adjusted EBITDA, consolidated*	\$ 550,611	\$ 500,131	\$ 1,519,139	\$ 1,281,062
Reconciling items related to noncontrolling interests	(37,410)	(8,982)	(117,942)	(64,217)
Our share of reconciling items related to unconsolidated co-investment ventures	59,799	75,466	180,385	204,801
Adjusted EBITDA*	\$ 573,000	\$ 566,615	\$ 1,581,582	\$ 1,421,646

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

Co-Investment Ventures	Type	Established	Accounting Method	Region	Ownership	Structure	Next Promote Opportunity
Prologis U.S. Logistics Venture	Core	2014	Consolidated	U.S.	55.0%	Open end	Q4 2016
Prologis North American Industrial Fund	Core	2006	Consolidated	U.S.	66.1%	Open end	Q1 2018
Prologis Targeted U.S. Logistics Fund	Core	2004	Unconsolidated	U.S.	17.8%	Open end	Q2 2017
FIBRA Prologis	Core	2014	Unconsolidated	Mexico	45.9%	Public, Mexican Exchange	Q2 2017
Brazil Fund and joint ventures	Core/Development	2010	Unconsolidated	Brazil	various	Closed end	Q4 2017
Prologis Targeted Europe Logistics Fund	Core	2007	Unconsolidated	Europe	28.7%	Open end	Q3 2019
Prologis European Properties Fund II	Core	2007	Unconsolidated	Europe	31.1%	Open end	Q3 2019
Europe Logistics Venture 1	Core	2011	Unconsolidated	Europe	15.0%	Open end	Q4 2018
Prologis European Logistics Partners	Core	2013	Unconsolidated	Europe	50.0%	Open end	Q4 2018
Nippon Prologis REIT	Core	2013	Unconsolidated	Japan	15.1%	Public, Tokyo Exchange	n/a
Prologis China Logistics Venture	Core/Development	2011	Unconsolidated	China	15.0%	Closed end	Q1 2018

in thousands

	Venture (at 100%) (A)		
	Square Feet	GBV of Operating Bldgs	Debt
Unconsolidated Co-Investment Ventures			
Prologis Targeted U.S. Logistics Fund	49,198	\$ 4,628,405	\$ 1,421,349
FIBRA Prologis (B)	33,134	1,930,212	670,922
Brazil Fund and joint ventures	8,052	522,109	-
Prologis Targeted Europe Logistics Fund	23,421	2,307,533	712,752
Prologis European Properties Fund II	71,516	5,135,325	1,915,527
Europe Logistics Venture I	5,622	398,745	-
Prologis European Logistics Partners	59,461	3,982,841	-
Nippon Prologis REIT (B)	23,179	4,429,539	1,733,804
Prologis China Logistics Venture	10,918	554,139	269,949
Unconsolidated Co-Investment Ventures Total	284,501	23,888,848	6,724,303
Consolidated Co-Investment Ventures			
Prologis U.S. Logistics Venture	70,882	5,970,019	709,128
Prologis North American Industrial Fund	40,928	2,472,624	964,257
Consolidated Co-Investment Ventures Total	111,810	8,442,643	1,673,385
Total	396,311	\$ 32,331,491	\$ 8,397,688

(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.

dollars in thousands	U.S.	Other Americas	Europe	Asia	Total
Operating Information	For the Three Months Ended September 30, 2016				
Rental revenues	\$ 99,598	\$ 62,557	\$ 232,853	\$ 91,047	\$ 486,055
Rental expenses	(27,164)	(9,750)	(44,539)	(19,065)	(100,518)
General and administrative expenses	(5,985)	(5,911)	(16,590)	(9,567)	(38,053)
Depreciation and amortization	(40,812)	(18,271)	(83,220)	(22,350)	(164,653)
Other operating revenue (expense)	(2)	352	(1,665)	(54)	(1,369)
Operating income	25,635	28,977	86,839	40,011	181,462
Interest expense	(15,615)	(7,891)	(20,830)	(7,508)	(51,844)
Gains on dispositions of real estate	161	1,080	25,533	-	26,774
Current and deferred income tax expense	(38)	(1,666)	(13,589)	(1,063)	(16,356)
Other income (expense)	985	(343)	(1,571)	(1,510)	(2,439)
Net earnings	11,128	20,157	76,382	29,930	137,597
Real estate related depreciation and amortization	40,457	18,039	82,049	21,597	162,142
Gains on dispositions of real estate, net (excluding development properties and land)	(161)	-	(25,556)	-	(25,717)
Unrealized foreign currency and derivative losses (gains), net	-	746	711	1,561	3,018
FFO, as modified by Prologis*	51,424	38,942	133,586	53,088	277,040
Gains on dispositions of development properties and land, net	-	(1,080)	23	-	(1,057)
Current income tax expense on dispositions	-	-	2,547	-	2,547
Acquisition expenses	-	682	723	-	1,405
Losses on early extinguishment of debt, net	-	52	206	-	258
Core FFO*	\$ 51,424	\$ 38,596	\$ 137,085	\$ 53,088	\$ 280,193
Balance Sheet Information	As of September 30, 2016				
Operating properties, before depreciation	\$ 4,628,405	\$ 2,452,321	\$ 11,824,444	\$ 4,983,678	\$ 23,888,848
Accumulated depreciation	(660,115)	(130,896)	(1,385,765)	(248,708)	(2,425,484)
Properties under development and land	-	240,159	92,024	382,925	715,109
Other assets	198,630	117,640	759,878	321,278	1,397,425
Total assets	\$ 4,166,920	\$ 2,679,224	\$ 11,290,581	\$ 5,439,173	\$ 23,575,898
Third party debt	\$ 1,421,349	\$ 670,922	\$ 2,628,279	\$ 2,003,753	\$ 6,724,303
Other liabilities	88,078	83,299	991,193	309,309	1,471,879
Total liabilities	\$ 1,509,427	\$ 754,221	\$ 3,619,472	\$ 2,313,062	\$ 8,196,182
Weighted average ownership	17.8%	43.7%	36.3%	15.0%	28.9%

* 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)

3Q 2016 Supplemental

dollars in thousands

	Non Controlling Interests included in Consolidated Amounts*(B)	Prologis Share of Unconsolidated Co-Investment Ventures*(C)
Operating Information for the Three Months Ended September 30, 2016		
Rental revenues	\$ 77,237	\$ 142,996
Rental expenses	(19,830)	(27,891)
General and administrative expenses	(6,743)	(11,781)
Depreciation and amortization	(33,810)	(47,355)
Other operating revenue (expense)	-	(906)
Operating income	16,854	55,063
Interest expense	(4,473)	(13,854)
Gains on dispositions of real estate	6,555	10,409
Current and deferred income tax expense	(2,478)	(6,492)
Other income (expense)	701	(579)
Earnings from unconsolidated co-investment ventures, net	1,470	-
Net earnings	18,629	44,547
Real estate related depreciation and amortization	33,810	46,663
Gains on dispositions of real estate, net (excluding development properties and land)	(3,095)	(9,869)
Unrealized foreign currency and derivative losses (gains), net	283	830
Deferred income tax expense	964	-
FFO, as modified by Prologis*	50,591	82,171
Gains on dispositions of development properties and land, net	(3,729)	(540)
Current income tax expense on dispositions	1,027	1,260
Acquisition expenses	-	564
Losses (gains) on early extinguishment of debt, net	(540)	80
Core FFO*	\$ 47,349	\$ 83,535
Balance Sheet Information as of September 30, 2016		
Operating properties, before depreciation	\$ 3,592,695	\$ 6,900,794
Accumulated depreciation	(193,356)	(698,553)
Properties under development and land	115,159	206,894
Other assets	310,515	365,619
Total assets	\$ 3,825,013	\$ 6,774,754
Third party debt	\$ 650,494	\$ 1,663,100
Other liabilities	81,531	432,714
Total liabilities	\$ 732,025	\$ 2,095,814
Weighted average ownership	38.6%	28.9%
Noncontrolling interests investment	\$ 3,092,988	
Investment in and advances to unconsolidated co-investment ventures (D)		\$ 4,422,840
Investment in and advances to other unconsolidated ventures		157,744
Investment in and advances to unconsolidated entities		\$ 4,580,584

* 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.

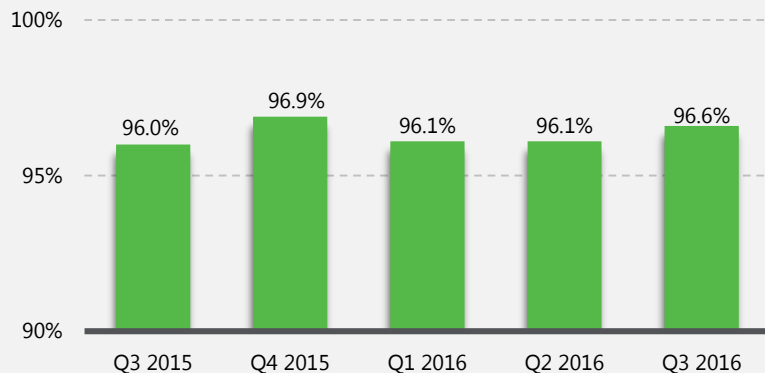
(B) Represents noncontrolling interests share of Prologis' Consolidated Financial Statements.

(C) Represents Prologis' share of unconsolidated co-investment ventures.

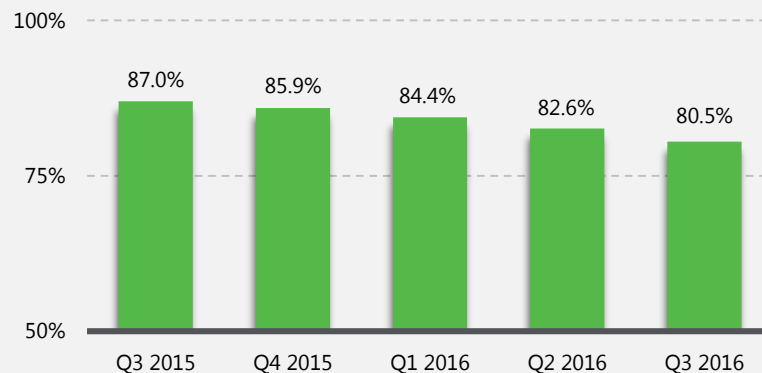
(D) This balance includes the deferred portion of gains on the contribution of our properties to the ventures, net of any additional costs included in our investment in the venture.



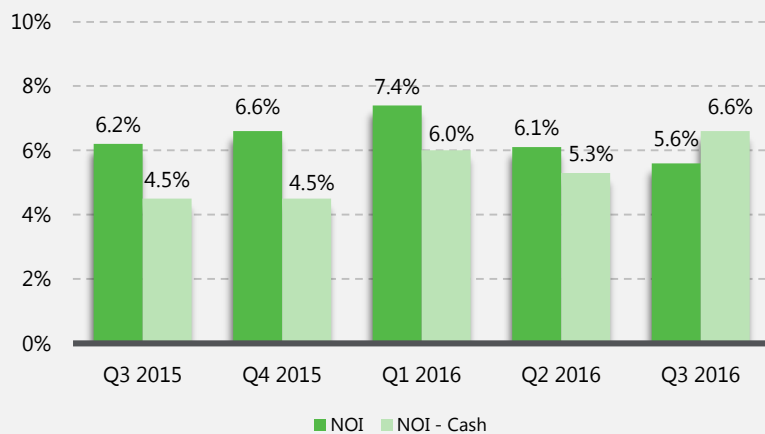
Period End Occupancy



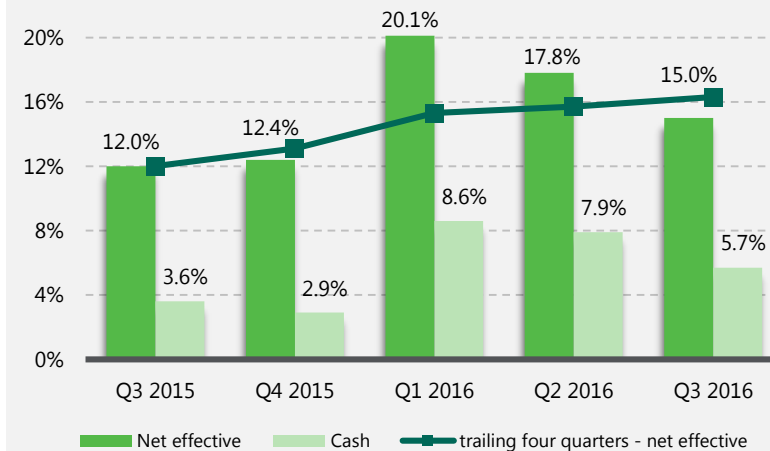
Customer Retention



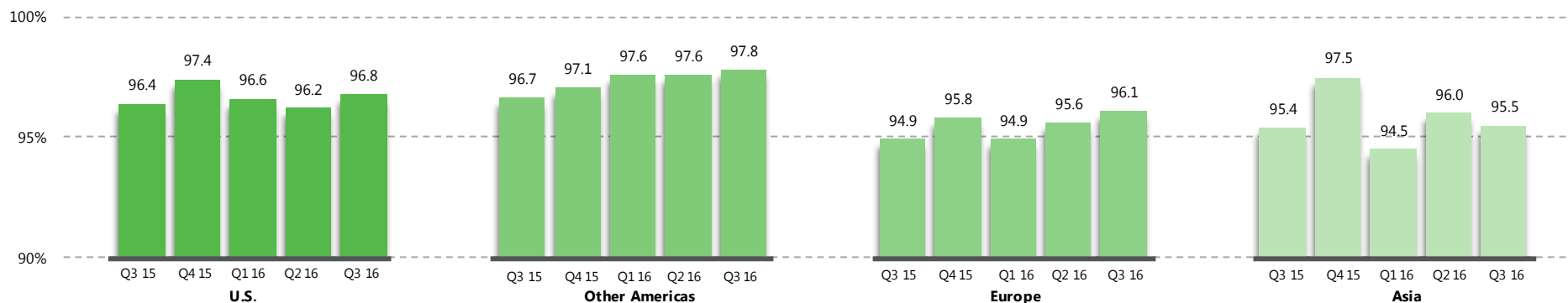
Same Store Change Over Prior Year – Prologis Share*



Rent Change – Prologis Share



Period Ending Occupancy (%)



square feet in thousands

Leasing Activity

	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Square feet of leases signed:					
Operating portfolio:					
Renewals	26,870	23,155	29,380	26,682	26,354
New leases	11,047	10,192	9,939	12,339	14,371
Total operating portfolio	37,917	33,347	39,319	39,021	40,725
Properties under development	4,245	6,774	7,006	9,488	5,767
Total Square Feet of Leases Signed	42,162	40,121	46,325	48,509	46,492
Average term of leases signed (months)	45	56	54	61	54
Operating Portfolio:					
Trailing four quarters - leases signed	142,600	143,078	147,036	149,604	152,412
Trailing four quarters - % of average portfolio	25.4%	24.8%	24.7%	24.5%	24.8%
Rent change (net effective)	10.2%	9.5%	16.2%	14.6%	11.7%
Rent change (net effective) - Prologis share	12.0%	12.4%	20.1%	17.8%	15.0%
Rent change (cash)	2.4%	1.9%	5.5%	5.8%	3.3%
Rent change (cash) - Prologis share	3.6%	2.9%	8.6%	7.9%	5.7%

Operations

Operating Metrics – Owned and Managed

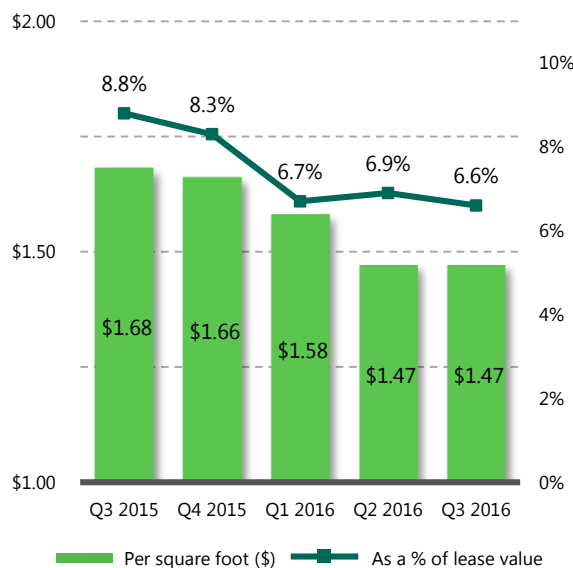
3Q 2016 Supplemental

In thousands, except for percentages and per square foot

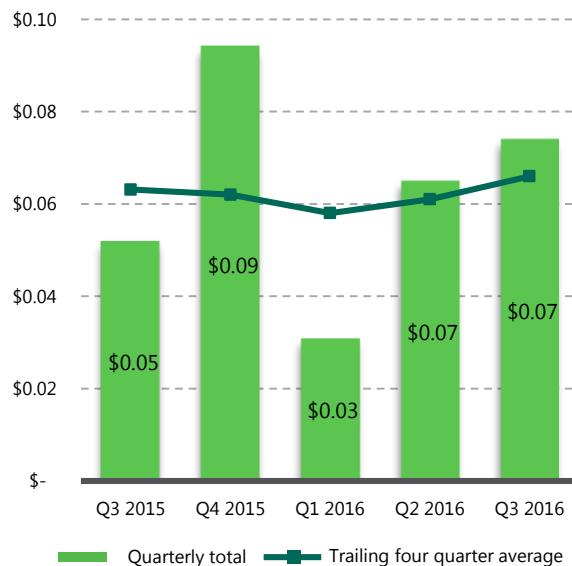
Capital Expenditures					
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Property improvements	\$ 31,650	\$ 57,535	\$ 19,104	\$ 40,237	\$ 45,561
Tenant improvements	32,187	37,167	29,160	33,646	28,698
Leasing commissions	29,796	31,105	28,684	27,604	27,531
Total turnover costs	61,983	68,272	57,844	61,250	56,229
Total Capital Expenditures	\$ 93,633	\$125,807	\$ 76,948	\$101,487	\$101,790
Trailing four quarters - % of NOI*	13.7%	13.9%	13.4%	13.5%	13.6%
Weighted average ownership percent	71.4%	67.2%	67.6%	67.5%	62.5%
Prologis share	\$ 66,875	\$ 84,584	\$ 51,995	\$ 68,490	\$ 63,668

Same Store Information					
	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Square feet	504,807	491,666	517,525	511,133	504,259
Average occupancy	95.9%	96.7%	96.4%	96.1%	96.4%
Period end occupancy	96.4%	97.1%	96.4%	96.5%	96.9%
Percentage change:					
Rental revenue	4.6%	4.0%	3.6%	3.8%	2.9%
Rental expenses	4.6%	2.4%	(1.7%)	1.1%	(1.5%)
Same store NOI*	4.7%	4.5%	5.6%	4.7%	4.4%
Same store NOI - Prologis share*	6.2%	6.6%	7.4%	6.1%	5.6%
Same store NOI - cash*	3.6%	3.5%	4.9%	4.4%	4.8%
Same store NOI - cash - Prologis share*	4.5%	4.5%	6.0%	5.3%	6.6%
Average occupancy	1.1%	1.0%	1.4%	1.1%	1.1%

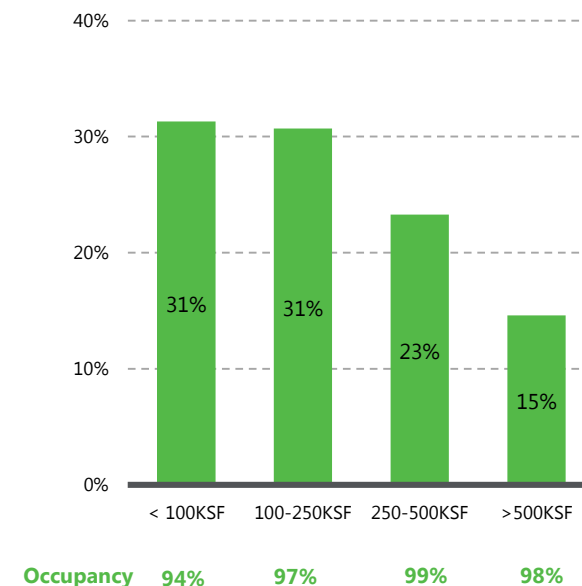
Turnover Costs on Leases Signed



Property Improvements per Square Foot



Composition of Portfolio (by Unit Size) and Occupancy



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

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Operations

Operating Portfolio – Square Feet, Occupied and Leased

3Q 2016 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	343	70,853	54,586	14.5	97.3	97.4	97.7	97.7
New Jersey/New York City	148	32,649	24,219	6.4	96.7	95.8	96.7	95.8
Chicago	239	41,279	29,550	7.9	95.6	96.3	95.6	96.3
San Francisco Bay Area	221	19,781	16,030	4.3	96.9	96.8	97.1	97.1
Dallas/Ft. Worth	156	25,480	19,344	5.1	94.6	95.3	95.5	96.1
South Florida	130	14,357	9,354	2.5	97.5	96.7	97.9	97.0
Central & Eastern PA	32	16,726	12,263	3.3	98.5	98.0	98.5	98.0
Atlanta	107	17,882	14,021	3.7	97.9	97.6	98.0	97.8
Baltimore/Washington	67	8,208	5,913	1.6	99.1	99.3	99.1	99.3
Central Valley	25	11,360	10,279	2.7	96.1	97.1	96.1	97.1
Seattle	103	14,380	6,916	1.8	97.6	97.5	97.7	97.5
Houston	100	12,661	8,630	2.3	92.2	89.4	95.6	94.4
Denver	29	5,286	4,976	1.3	99.8	99.8	99.8	99.8
Las Vegas	45	5,885	4,090	1.1	98.4	98.7	99.6	99.7
Columbus	24	7,246	5,915	1.6	96.5	96.5	96.5	96.5
Cincinnati	22	5,933	4,982	1.3	99.7	99.7	99.7	99.7
Louisville	11	5,689	4,527	1.2	100.0	100.0	100.0	100.0
Nashville	28	6,292	5,251	1.4	92.0	94.7	92.0	94.7
Remaining U.S. markets (14 markets)	237	34,159	29,350	7.8	97.2	97.3	97.9	98.0
Total U.S.	2,067	356,106	270,196	71.8	96.8	96.8	97.2	97.2
Mexico	193	33,974	16,042	4.3	96.8	96.9	97.0	97.1
Canada	25	8,066	7,493	2.0	100.0	100.0	100.0	100.0
Brazil	19	8,054	2,037	0.5	100.0	100.0	100.0	100.0
Total Other Americas	237	50,094	25,572	6.8	97.8	98.0	98.0	98.2
United Kingdom	96	23,126	10,148	2.7	99.6	99.6	99.6	99.6
France	134	33,142	13,916	3.7	93.1	93.7	93.9	94.6
Germany	99	23,250	8,725	2.3	99.0	99.0	99.0	99.0
Poland	110	24,477	9,762	2.6	93.6	94.4	94.9	95.6
Netherlands	71	16,736	6,139	1.6	95.8	93.2	95.8	93.2
Czech Republic	56	10,942	4,674	1.3	97.7	97.8	98.8	99.0
Spain	35	7,796	3,777	1.0	95.4	94.9	95.4	94.9
Remaining European countries (6 countries)	128	30,007	13,192	3.5	96.3	95.3	97.3	96.8
Total Europe	729	169,476	70,333	18.7	96.1	95.9	96.7	96.6
Japan	37	24,959	5,278	1.4	96.8	92.7	97.8	95.6
China	56	13,241	3,962	1.1	94.5	91.2	95.1	91.5
Singapore	5	969	969	0.2	77.8	77.8	77.8	77.8
Total Asia	98	39,169	10,209	2.7	95.5	90.7	96.4	92.3
Total Outside the U.S.	1,064	258,739	106,114	28.2	96.4	95.9	96.9	96.6
Total Operating Portfolio	3,131	614,845	376,310	100.0	96.6	96.6	97.1	97.0
Total Global markets	2,569	515,692	304,654	81.0	96.4	96.9	97.0	96.8
Total Regional markets	550	97,726	70,719	18.8	97.6	98.0	95.9	98.2
Total Other markets	12	1,427	937	0.2	84.9	87.9	96.9	90.3

Operations

Operating Portfolio – NOI and Gross Book Value

3Q 2016 Supplemental

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

	Third Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Southern California	\$ 96,546	\$ 73,529	16.4	\$ 6,778,820	\$ 5,075,151	18.6
New Jersey/New York City	51,398	36,604	8.2	3,313,762	2,290,515	8.4
Chicago	42,851	29,214	6.5	2,637,747	1,827,542	6.7
San Francisco Bay Area	35,753	28,596	6.4	2,013,222	1,617,592	5.9
Dallas/Ft. Worth	22,231	16,337	3.6	1,434,638	1,024,290	3.7
South Florida	22,996	14,949	3.3	1,483,745	997,708	3.6
Central & Eastern PA	18,239	13,121	2.9	1,049,988	752,935	2.8
Atlanta	14,529	11,083	2.5	828,081	627,815	2.3
Baltimore/Washington	14,011	10,403	2.3	726,104	519,882	1.9
Central Valley	11,054	10,130	2.3	649,068	591,501	2.2
Seattle	19,789	9,140	2.0	1,384,122	657,156	2.4
Houston	13,913	8,924	2.0	828,303	506,090	1.9
Denver	6,086	5,735	1.3	315,389	297,997	1.1
Las Vegas	7,683	5,321	1.2	414,991	278,007	1.0
Columbus	5,710	4,645	1.0	264,965	221,051	0.8
Cincinnati	5,499	4,579	1.0	242,588	200,768	0.7
Louisville	5,818	4,425	1.0	300,415	225,124	0.8
Nashville	4,955	4,315	1.0	253,485	214,723	0.8
Remaining U.S. markets (14 markets)	33,973	28,386	6.3	1,868,215	1,558,716	5.7
Total U.S.	433,034	319,436	71.2	26,787,648	19,484,563	71.3
Mexico	38,382	18,105	4.0	1,979,637	935,006	3.4
Canada	9,198	8,528	1.9	648,776	598,061	2.2
Brazil	14,807	3,852	0.9	522,107	129,926	0.5
Total Other Americas	62,387	30,485	6.8	3,150,520	1,662,993	6.1
United Kingdom	44,097	19,126	4.3	2,770,441	1,167,669	4.2
France	34,148	13,721	3.1	2,253,066	885,094	3.2
Germany	29,781	10,927	2.4	1,740,265	624,847	2.3
Poland	19,815	8,155	1.8	1,401,528	536,568	2.0
Netherlands	21,877	7,805	1.7	1,256,159	442,987	1.6
Czech Republic	11,169	5,263	1.2	700,764	293,537	1.1
Spain	9,748	4,811	1.1	542,588	268,150	1.0
Remaining European countries (6)	28,986	11,995	2.7	1,756,294	751,638	2.7
Total Europe	199,621	81,803	18.3	12,421,105	4,970,490	18.1
Japan	64,106	11,967	2.7	4,698,210	937,088	3.4
China	11,895	2,856	0.6	625,743	154,725	0.6
Singapore	1,974	1,974	0.4	136,088	136,088	0.5
Total Asia	77,975	16,797	3.7	5,460,041	1,227,901	4.5
Total Outside the U.S.	339,983	129,085	28.8	21,031,666	7,861,384	28.7
Total Operating Portfolio	\$ 773,017	\$ 448,521	100.0	\$ 47,819,314	\$ 27,345,947	100.0
Total Global markets	672,479	377,776	84.2	42,581,880	23,671,957	86.6
Total Regional markets	98,136	69,425	15.5	5,123,060	3,609,196	13.2
Total Other markets	2,402	1,320	0.3	114,374	64,794	0.2

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

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Operations

Operating Portfolio – Summary by Division

3Q 2016 Supplemental

square feet and dollars in thousands	# of Buildings	Square Feet			Occupied %		Leased %	
	Owned and Managed	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Consolidated								
Total U.S.	1,705	307,132	261,464	69.5	96.6	96.8	97.0	97.2
Total Outside the U.S.	91	25,566	24,993	6.6	94.6	94.5	95.9	95.8
Total Operating Portfolio - Consolidated	1,796	332,698	286,457	76.1	96.4	96.6	96.9	97.1
Unconsolidated								
Total U.S.	362	48,974	8,732	2.3	98.0	98.0	98.2	98.2
Total Outside the U.S.	973	233,173	81,121	21.6	96.5	96.3	97.0	96.8
Total Operating Portfolio - Unconsolidated	1,335	282,147	89,853	23.9	96.8	96.5	97.2	96.9
Total								
Total U.S.	2,067	356,106	270,196	71.8	96.8	96.8	97.2	97.2
Total Outside the U.S.	1,064	258,739	106,114	28.2	96.4	95.9	96.9	96.6
Total Operating Portfolio	3,131	614,845	376,310	100.0	96.6	96.6	97.1	97.0
Value added properties - consolidated	5	1,259	922		14.2	13.9	28.6	33.6
Value added properties - unconsolidated	13	2,354	809		51.1	43.2	53.5	45.0
Total	3,149	618,458	378,041		96.3	96.2	96.7	96.8

	Third Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Consolidated						
Total U.S.	\$ 362,446	\$ 306,850	68.4	\$ 22,190,603	\$ 18,664,910	68.3
Total Outside the U.S.	28,036	27,367	6.1	1,868,395	1,817,680	6.6
Total Operating Portfolio - Consolidated	\$ 390,482	\$ 334,217	74.5	\$ 24,058,998	\$ 20,482,590	74.9
Unconsolidated						
Total U.S.	\$ 70,588	\$ 12,586	2.8	\$ 4,597,045	\$ 819,653	3.0
Total Outside the U.S.	311,947	101,718	22.7	19,163,271	6,043,704	22.1
Total Operating Portfolio - Unconsolidated	\$ 382,535	\$ 114,304	25.5	\$ 23,760,316	\$ 6,863,357	25.1
Total						
Total U.S.	\$ 433,034	\$ 319,436	71.2	\$ 26,787,648	\$ 19,484,563	71.3
Total Outside the U.S.	339,983	129,085	28.8	21,031,666	7,861,384	28.7
Total Operating Portfolio	\$ 773,017	\$ 448,521	100.0	\$ 47,819,314	\$ 27,345,947	100.0
Value added properties - consolidated	(593)	(425)		74,192	57,905	
Value added properties - unconsolidated	1,050	262		128,532	37,437	
Total	\$ 773,474	\$ 448,358		\$ 48,022,038	\$ 27,441,289	

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

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Operations

Customer Information – Owned and Managed

3Q 2016 Supplemental

square feet and dollars in thousands

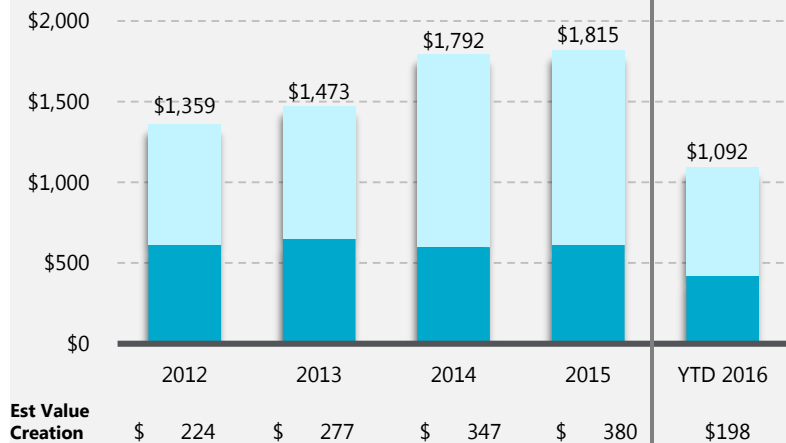
Top Customers		
	% of Net Effective Rent	Total Square Feet
1 Amazon.com	3.1	14,971
2 DHL	1.6	10,470
3 Geodis	1.2	8,638
4 XPO Logistics	1.2	8,539
5 Kuehne + Nagel	1.1	6,415
6 FedEx	1.0	3,538
7 Home Depot	0.9	5,533
8 Wal-Mart	0.9	5,212
9 CEVA Logistics	0.9	6,453
10 Nippon Express	0.7	2,691
Top 10 Customers	12.6	72,460
11 BMW	0.6	3,805
12 DSV Air and Sea	0.6	4,472
13 UPS	0.6	3,333
14 U.S. Government	0.5	1,201
15 DB Schenker	0.5	3,749
16 Hitachi	0.5	1,859
17 Ingram Micro	0.5	2,959
18 Tesco	0.5	2,785
19 Panalpina	0.4	2,235
20 PepsiCo	0.4	2,586
21 Cal Cartage	0.3	1,345
22 Best Buy	0.3	1,897
23 LG	0.3	2,023
24 APL Logistics	0.3	2,521
25 La Poste	0.3	1,657
Top 25 Customers	19.2	110,887

Lease Expirations - Operating Portfolio - Owned and Managed				
Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2016	11,780	\$ 48,511	1.6	4.35
2017	94,720	461,160	15.1	4.98
2018	100,275	499,113	16.3	5.00
2019	90,753	467,362	15.3	5.17
2020	71,616	383,145	12.5	5.37
Thereafter	213,873	1,198,119	39.2	5.70
	583,017	\$ 3,057,410	100.0	5.30
Month to month	10,905			
Total	593,922			

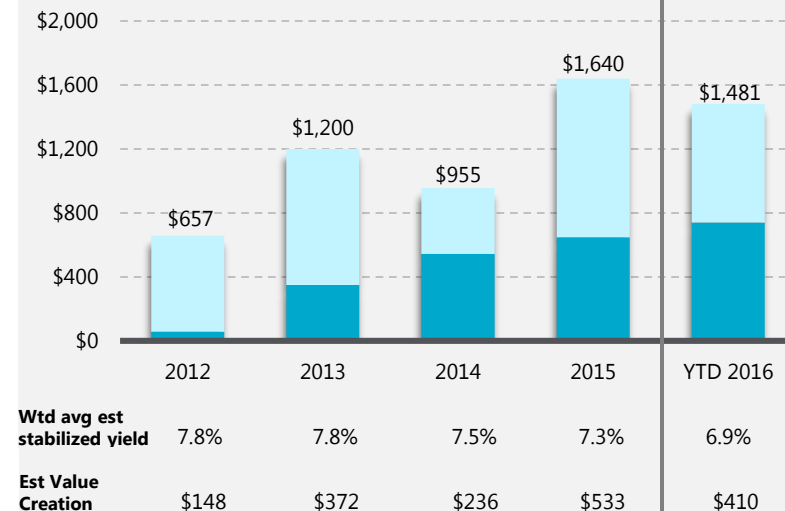
Lease Expirations - Operating Portfolio - Prologis Share				
Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2016	7,269	\$ 28,114	1.6	4.10
2017	54,258	250,801	13.9	4.71
2018	59,979	289,742	16.1	4.85
2019	57,047	279,150	15.5	4.91
2020	39,542	206,789	11.5	5.25
Thereafter	138,748	749,523	41.4	5.47
	356,843	\$ 1,804,119	100.0	5.09
Month to month	6,509			
Total	363,352			

(in millions)

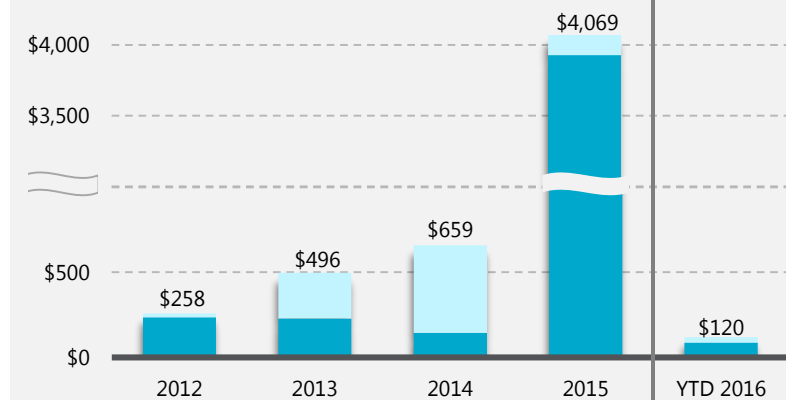
Development Starts (TEI)



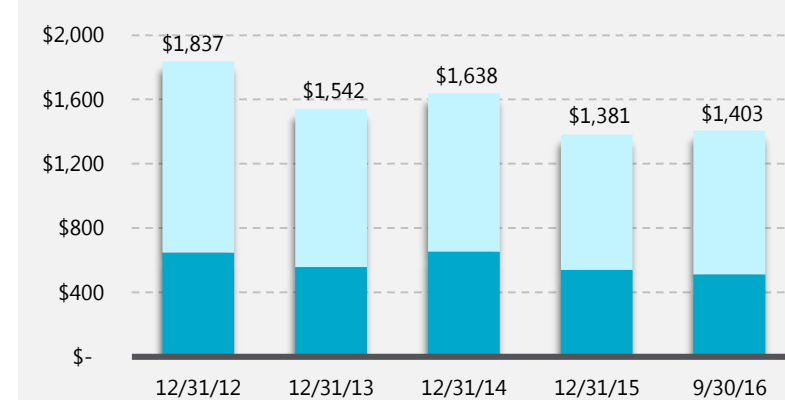
Development Stabilizations (TEI)



Building Acquisitions



Land Portfolio



■ U.S.

■ Outside the U.S.

Capital Deployment

Development Stabilizations

3Q 2016 Supplemental

square feet and dollars in thousands

	Q3 2016			YTD		
	Square Feet	TEI		Square Feet	TEI	
		Owned and Managed	Prologis Share		Owned and Managed	Prologis Share
Central	1,729	\$ 148,101	\$ 133,502	5,312	\$ 342,782	\$ 316,447
East	296	23,935	23,935	1,805	168,898	168,898
Northwest	269	28,736	28,736	2,819	234,911	201,655
Southwest	164	11,858	11,858	818	70,406	52,421
Total U.S.	2,458	212,630	198,031	10,754	816,997	739,421
Canada	105	9,999	9,999	105	9,999	9,999
Mexico	617	43,417	43,417	865	55,924	54,801
Brazil	-	-	-	1,349	84,603	42,302
Total Other Americas	722	53,416	53,416	2,319	150,526	107,102
Northern	447	31,205	31,205	3,314	209,124	187,055
Southern	-	-	-	760	46,548	46,548
Central	804	42,770	35,828	2,223	113,924	99,316
United Kingdom	706	69,946	69,946	934	92,641	92,641
Total Europe	1,957	143,921	136,979	7,231	462,237	425,560
Japan	-	-	-	1,404	186,454	186,454
China	472	25,406	3,811	2,498	150,884	22,632
Singapore	-	-	-	-	-	-
Total Asia	472	25,406	3,811	3,902	337,338	209,086
Total Outside the U.S.	3,151	222,743	194,206	13,452	950,101	741,748
Total Development Stabilizations	5,609	\$ 435,373	\$ 392,237	24,206	\$ 1,767,098	\$ 1,481,169
Percent build to suit			49.0%			38.7%
Estimated weighted average yield			7.2%			6.9%
Estimated NOI			\$ 28,263			\$ 102,039
Weighted average estimated cap rate			5.3%			5.3%
Estimated weighted average margin			31.8%			27.7%
Estimated value creation			\$ 124,744			\$ 409,554

Capital Deployment

Development Starts

3Q 2016 Supplemental

square feet and dollars in thousands

	Q3 2016				YTD			
	Square Feet	Leased % at Start	T E I		Square Feet	Leased % at Start	T E I	
			Owned and Managed	Prologis Share			Owned and Managed	Prologis Share
Central	568	25.4	\$ 40,200	\$ 40,200	2,289	81.5	\$ 127,348	\$ 127,348
East	-	-	-	-	1,355	82.7	94,807	94,807
Northwest	535	0.0	43,535	43,535	535	0.0	43,535	43,535
Southwest	412	100.0	30,139	30,139	2,089	77.8	155,580	155,580
Total U.S.	1,515	45.3	113,874	113,874	6,268	73.6	421,270	421,270
Canada	-	-	-	-	323	0.0	26,924	26,924
Mexico	663	90.5	26,864	26,864	912	65.8	41,055	41,055
Brazil	-	-	-	-	-	-	-	-
Total Other Americas	663	90.5	26,864	26,864	1,235	48.6	67,979	67,979
Northern	1,202	100.0	88,126	88,126	1,994	80.0	154,680	154,680
Southern	502	0.0	31,050	31,050	502	0.0	31,050	31,050
Central	1,208	56.5	64,940	60,010	2,418	70.8	130,463	123,717
United Kingdom	-	-	-	-	432	69.9	53,328	42,106
Total Europe	2,912	64.7	184,116	179,186	5,346	67.5	369,521	351,553
Japan	652	0.0	103,062	103,062	1,196	22.4	232,138	232,138
China	1,137	0.0	71,493	10,724	2,185	0.0	128,046	19,207
Total Asia	1,789	0.0	174,555	113,786	3,381	7.9	360,184	251,345
Total Outside the U.S.	5,364	46.3	385,535	319,836	9,962	45.0	797,684	670,877
Total Development Starts	6,879	46.1	\$ 499,409	\$ 433,710	16,230	56.0	\$ 1,218,954	\$ 1,092,147
Percent build to suit				45.5%				46.6%
Estimated weighted average start yield				6.5%				6.5%
Estimated NOI				\$ 28,034				\$ 70,631
Weighted average estimated cap rate at stabilization				5.4%				5.4%
Estimated weighted average margin				17.6%				18.1%
Estimated value creation				\$ 76,470				\$ 197,885

Capital Deployment Development Portfolio

3Q 2016 Supplemental

square feet and dollars in thousands

	Pre-Stabilized Developments				Under Development						Total Development Portfolio			
	2016 Expected Completion				2017 and Thereafter Expected Completion									
	TEI				TEI						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	650	65.9	\$ 49,334	\$ 41,711	156	\$ 8,860	\$ 8,860	2,134	\$ 118,976	\$ 118,976	2,940	78.0	\$ 177,170	\$ 169,547
East	1,030	0.0	60,627	60,627	539	79,452	79,452	1,355	94,607	94,607	2,924	56.8	234,686	234,686
Northwest	252	73.0	19,167	19,167	307	38,384	21,127	535	43,535	43,535	1,094	44.9	101,086	83,829
Southwest	1,586	35.1	141,312	104,943	407	33,273	33,273	1,678	127,625	127,625	3,671	55.3	302,210	265,841
Total U.S.	3,518	33.2	270,440	226,448	1,409	159,969	142,712	5,702	384,743	384,743	10,629	60.9	815,152	753,903
Canada	379	18.6	30,702	30,702	324	26,559	26,559	-	-	-	703	21.0	57,261	57,261
Mexico	1,254	4.2	79,818	74,112	249	14,191	14,191	663	26,864	26,864	2,166	30.1	120,873	115,167
Brazil	1,119	19.5	81,428	40,714	586	37,656	18,828	-	-	-	1,705	12.8	119,084	59,542
Total Other Americas	2,752	12.4	191,948	145,528	1,159	78,406	59,578	663	26,864	26,864	4,574	22.3	297,218	231,970
Northern Europe	-	-	-	-	773	65,357	65,357	1,604	128,333	128,333	2,377	93.8	193,690	193,690
Southern Europe	385	51.4	21,189	21,189	322	20,609	20,609	502	31,049	31,049	1,209	16.4	72,847	72,847
Central and Eastern Europe	466	44.2	29,963	27,328	413	24,704	22,878	1,442	75,511	70,581	2,321	65.6	130,178	120,787
United Kingdom	632	0.0	89,608	67,366	322	73,811	73,811	302	31,123	20,293	1,256	28.5	194,542	161,470
Total Europe	1,483	27.2	140,760	115,883	1,830	184,481	182,655	3,850	266,016	250,256	7,163	60.1	591,257	548,794
Japan	4,472	50.4	723,759	723,759	1,040	164,998	164,998	1,409	262,665	262,665	6,921	54.5	1,151,422	1,151,422
China	805	66.1	41,357	6,203	1,842	107,107	16,066	6,683	381,428	57,214	9,330	5.7	529,892	79,483
Singapore	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Asia	5,277	52.8	765,116	729,962	2,882	272,105	181,064	8,092	644,093	319,879	16,251	26.5	1,681,314	1,230,905
Total Outside the U.S.	9,512	37.1	1,097,824	991,373	5,871	534,992	423,297	12,605	936,973	596,999	27,988	34.4	2,569,789	2,011,669
Total Development Portfolio	13,030	36.1	\$ 1,368,264	\$ 1,217,821	7,280	\$ 694,961	\$ 566,009	18,307	\$ 1,321,716	\$ 981,742	38,617	41.7	\$ 3,384,941	\$ 2,765,572
Cost to complete			\$ 114,529	\$ 102,362		\$ 124,616	\$ 101,047		\$ 791,634	\$ 617,153			\$ 1,030,779	\$ 820,562
Percent build to suit				1.2%			60.7%			46.1%				29.3%
Wtd. avg. estimated stabilized yield														
U.S.				6.0%			5.8%			6.3%				6.1%
Other Americas				8.2%			8.0%			8.7%				8.2%
Europe				7.2%			6.9%			6.7%				6.9%
Asia				6.2%			6.0%			5.9%				6.1%
Total				6.5%			6.4%			6.3%				6.4%

Estimated NOI	\$177,640
Weighted average estimated cap rate at stabilization	5.3%
Estimated development margin	19.1%
Estimated value creation	\$529,330

Capital Deployment

Third Party Building Acquisitions

3Q 2016 Supplemental

square feet and dollars in thousands

	Q3 2016				YTD			
	Square Feet		Acquisition Costs		Square Feet		Acquisition Costs	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Prologis Wholly Owned	42	42	\$ 16,795	\$ 16,795	721	721	\$ 82,231	\$ 82,231
Prologis Targeted U.S. Logistics Fund	-	-	-	-	187	39	21,468	4,340
Total U.S.	42	42	16,795	16,795	908	760	103,699	86,571
Prologis Wholly Owned	-	-	-	-	210	210	15,338	15,338
Total Other Americas	-	-	-	-	210	210	15,338	15,338
Prologis Targeted Europe Logistics Fund	-	-	-	-	269	75	18,328	5,109
Prologis European Properties Fund II	-	-	-	-	702	218	42,848	13,325
Total Europe	-	-	-	-	971	293	61,176	18,434
Total Outside the U.S.	-	-	-	-	1,181	503	76,514	33,772
Total Third Party Building Acquisitions	42	42	\$ 16,795	\$ 16,795	2,089	1,263	\$ 180,213	\$ 120,343
Weighted average stabilized cap rate				5.4%				6.3%

Capital Deployment Dispositions and Contributions

3Q 2016 Supplemental

square feet and dollars in thousands

	Q3 2016				YTD			
	Square Feet		Sales Price		Square Feet		Sales Price	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Third-Party Building Dispositions								
Prologis Wholly Owned	3,374	3,374	\$ 168,932	\$ 168,932	8,584	8,584	\$ 483,459	\$ 483,459
Prologis U.S. Logistics Venture	1,036	570	138,220	76,076	3,906	2,150	450,226	247,804
Prologis North American Industrial Fund	233	154	9,312	6,159	2,631	1,740	134,910	89,230
Prologis Targeted U.S. Logistics Fund	288	51	30,571	5,451	907	181	109,564	22,627
Total U.S.	4,931	4,149	347,035	256,618	16,028	12,655	1,178,159	843,120
FIBRA Prologis	-	-	-	-	47	21	1,750	803
Total Other Americas	-	-	-	-	47	21	1,750	803
Prologis Wholly Owned	398	398	23,748	23,748	398	398	23,748	23,748
Prologis Targeted Europe Logistics Fund	-	-	-	-	159	64	20,574	8,236
Prologis European Properties Fund II	1,345	418	69,121	21,497	1,434	446	82,129	25,543
Prologis European Logistics Partners	1,066	533	56,396	28,198	2,241	1,121	145,214	72,607
Total Europe	2,809	1,349	149,265	73,443	4,232	2,029	271,665	130,134
Total Outside the U.S.	2,809	1,349	149,265	73,443	4,279	2,050	273,415	130,937
Total Third Party Building Dispositions	7,740	5,498	\$ 496,300	\$ 330,061	20,307	14,705	\$ 1,451,574	\$ 974,057
Building Contributions to Co-Investment Ventures								
FIBRA Prologis	-	-	\$ -	\$ -	750	750	\$ 50,500	\$ 27,331
Total Other Americas	-	-	-	-	750	750	50,500	27,331
Prologis Targeted Europe Logistics Fund	1,060	1,060	78,694	56,180	1,499	1,499	109,605	74,717
Prologis European Properties Fund II	-	-	-	-	558	558	21,211	14,614
Prologis European Logistics Partnership	1,597	1,597	103,903	51,952	1,597	1,597	103,903	51,952
Total Europe	2,657	2,657	182,597	108,132	3,654	3,654	234,719	141,283
Nippon Prologis REIT	-	-	-	-	2,272	2,272	384,434	326,231
Total Asia	-	-	-	-	2,272	2,272	384,434	326,231
Total Outside the U.S. Contributions to Co-Investment Ventures	2,657	2,657	182,597	108,132	6,676	6,676	669,653	494,845
Total Building Dispositions and Contributions	10,397	8,155	\$ 678,897	\$ 438,193	26,983	21,381	\$ 2,121,227	\$ 1,468,902
Weighted average stabilized cap rate				6.2%				6.1%
Land dispositions			95,775	78,983			144,314	125,684
Dispositions of other investments in real estate			-	-			97,921	97,921
Grand Total Dispositions and Contributions			\$ 774,672	\$ 517,176			\$ 2,363,462	\$ 1,692,507

Capital Deployment

Land Portfolio – Owned and Managed

3Q 2016 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	241	221	4,585	\$ 69,876	\$ 60,173	4.3
New Jersey/New York City	152	130	1,845	58,231	51,501	3.6
Chicago	451	446	8,258	21,959	21,418	1.5
San Francisco Bay Area	-	-	-	-	-	0.0
Dallas/Ft. Worth	194	151	3,387	23,772	19,810	1.4
South Florida	238	237	4,858	125,193	124,968	8.9
Central & Eastern PA	137	137	1,623	23,834	23,834	1.7
Atlanta	135	135	1,655	3,790	3,790	0.3
Baltimore/Washington	120	120	800	19,766	19,766	1.4
Central Valley	1,124	1,124	22,775	96,313	96,313	6.9
Seattle	95	95	1,570	29,900	29,900	2.1
Houston	186	173	2,855	15,362	13,572	1.0
Denver	11	11	196	2,186	2,186	0.2
Las Vegas	45	45	861	7,895	7,895	0.6
Columbus	25	25	450	1,614	1,614	0.1
Cincinnati	-	-	-	-	-	0.0
Louisville	-	-	-	-	-	0.0
Nashville	-	-	-	-	-	0.0
Remaining U.S. markets (14 markets)	474	468	7,217	36,111	35,233	2.5
Total U.S.	3,628	3,518	62,935	535,802	511,973	36.5
Mexico	784	779	15,204	202,797	201,476	14.4
Canada	161	161	3,224	41,898	41,898	3.0
Brazil	441	166	9,784	133,742	55,205	3.9
Total Other Americas	1,386	1,106	28,212	378,437	298,579	21.3
United Kingdom	341	341	5,631	156,870	156,870	11.2
France	334	281	6,385	61,540	53,149	3.8
Germany	59	53	1,132	15,957	14,678	1.0
Poland	525	489	9,631	60,491	52,644	3.8
Netherlands	46	46	1,538	29,557	29,557	2.1
Czech Republic	184	172	2,877	35,515	32,110	2.3
Spain	117	98	3,209	39,754	34,925	2.5
Remaining European countries (6 countries)	590	554	9,899	86,979	80,373	5.7
Total Europe	2,196	2,034	40,302	486,663	454,306	32.4
Japan	61	61	3,513	120,762	120,762	8.6
China	203	46	5,900	82,746	17,097	1.2
Singapore	-	-	-	-	-	0.0
Total Asia	264	107	9,413	203,508	137,859	9.8
Total Outside the U.S.	3,846	3,247	77,927	1,068,608	890,744	63.5
Total Land Portfolio	7,474	6,765	140,862	\$ 1,604,410	\$ 1,402,717	100.0

Capital Deployment

Land Portfolio – Summary and Roll Forward

3Q 2016 Supplemental

dollars in thousands	Acres			Current Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Central	907	847	12.5	\$ 65,462	\$ 59,169	4.2
East	1,038	1,014	15.0	254,565	247,527	17.7
Northwest	1,340	1,340	19.8	133,125	133,125	9.5
Southwest	343	317	4.7	82,650	72,152	5.1
Total U.S.	3,628	3,518	52.0	535,802	511,973	36.5
Mexico	784	779	11.5	202,797	201,476	14.4
Canada	161	161	2.4	41,898	41,898	3.0
Brazil	441	166	2.4	133,742	55,205	3.9
Total Other Americas	1,386	1,106	16.3	378,437	298,579	21.3
Central	1,149	1,079	16.0	143,072	130,436	9.3
Northern	153	145	2.1	61,096	59,172	4.2
Southern	553	469	7.0	125,625	107,828	7.7
United Kingdom	341	341	5.0	156,870	156,870	11.2
Total Europe	2,196	2,034	30.1	486,663	454,306	32.4
Japan	61	61	0.9	120,762	120,762	8.6
China	203	46	0.7	82,746	17,097	1.2
Total Asia	264	107	1.6	203,508	137,859	9.8
Total Outside the U.S.	3,846	3,247	48.0	1,068,608	890,744	63.5
Total Land Portfolio	7,474	6,765	100.0	\$ 1,604,410	\$ 1,402,717	100.0
Estimated build out of land portfolio (in TEI)				\$ 8,400,000	\$ 7,600,000	
Estimated build out of other land (in TEI) (A)				1,700,000	1,500,000	
Total				\$ 10,100,000	\$ 9,100,000	

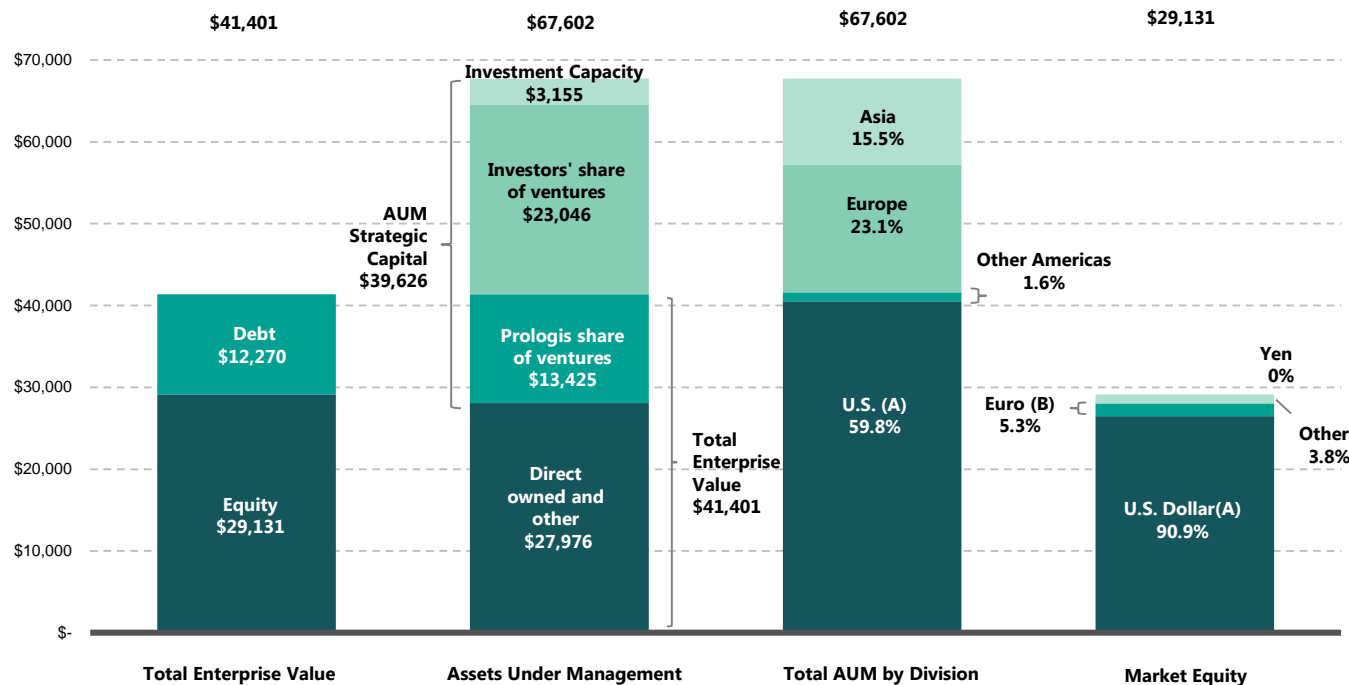
Land Roll Forward - Prologis Share	U.S.	Other Americas	Europe	Asia	Total
As of June 30, 2016	\$ 502,969	\$ 299,159	\$ 447,413	\$ 101,297	\$ 1,350,838
Acquisitions	26,247	-	50,828	49,902	126,977
Dispositions	(37,518)	(700)	(23,541)	-	(61,759)
Development starts	(26,315)	(4,912)	(52,234)	(17,081)	(100,542)
Infrastructure costs	17,928	6,256	32,800	2,695	59,679
Effect of changes in foreign exchange rates and other	28,662	(1,224)	(960)	1,046	27,524
As of September 30, 2016	\$ 511,973	\$ 298,579	\$ 454,306	\$ 137,859	\$ 1,402,717

(A) Amounts include approximately 1,500 acres that we currently control through options, ground leases, unconsolidated joint ventures and other contractual arrangements.

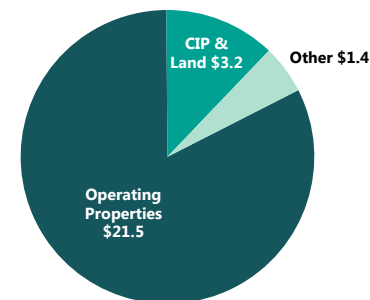
Capitalization Overview

3Q 2016 Supplemental

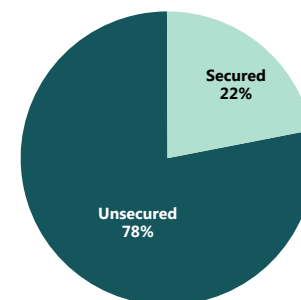
Assets Under Management (dollars in millions)



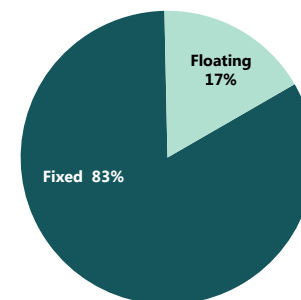
Unencumbered Assets – Prologis Share (in billions)



Secured & Unsecured Debt- Prologis Share



Fixed vs. Floating Debt- Prologis Share



Prologis Share - Debt Metrics (C)

	September 30, 2016	June 30, 2016
Debt as % of gross real estate assets*	37.0%	37.0%
Debt as % of gross market capitalization*	28.8%	30.6%
Secured debt as % of gross real estate assets*	8.4%	8.2%
Unencumbered gross real estate assets to unsecured debt*	271.1%	271.7%
Fixed charge coverage ratio*	5.09x	5.02x
Fixed charge coverage ratio, excluding development gains*	4.59x	4.32x
Debt/Adjusted EBITDA*	5.60x	5.55x
Debt/Adjusted EBITDA, excluding development gains*	6.21x	6.45x
Weighted average interest rate	3.1%	3.2%
Weighted average remaining maturity in years	5.2	5.3

Credit Ratings at September 30, 2016 (D)

Moody's	Baa1 (Outlook Positive)
Standard & Poor's	BBB+ (Outlook Positive)

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

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

(B) This includes the currencies in Europe in which we operate, predominately Euro and GBP.

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

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

Capitalization

Debt Components- Consolidated

3Q 2016 Supplemental

dollars in thousands	Unsecured			Secured Mortgage	Total	% Ownership	% Maturing	% Fixed
Maturity	Senior	Credit Facilities (A)	Other (A)					
2016	\$ -	\$ -	\$ 406	\$ 15,002	\$ 15,408	90%	0%	93%
2017	-	-	846	443,564	444,410	60%	4%	97%
2018	175,000	-	915	569,978	745,893	78%	7%	100%
2019	618,294	-	422,869	462,990	1,504,153	96%	13%	68%
2020	881,541	-	1,014	455,259	1,337,814	94%	12%	81%
2021	1,281,270	-	1,086	141,606	1,423,962	97%	13%	100%
2022	781,270	-	494,181	163,230	1,438,681	96%	13%	66%
2023	850,000	-	968,795	174,681	1,993,476	98%	17%	65%
2024	781,270	-	864	133,413	915,547	100%	8%	100%
2025	750,000	-	938	137,746	888,684	100%	8%	100%
2026	558,050	-	575	1,223	559,848	100%	5%	100%
Thereafter	-	-	11,172	1,158	12,330	94%	0%	100%
Subtotal	6,676,695	-	1,903,661	2,699,850	11,280,206	94%	100%	83%
Unamortized net premiums (discounts)	(21,324)	-	-	50,544	29,220			
Unamortized finance costs	(30,080)	-	(12,152)	(10,199)	(52,431)			
Total consolidated debt, net of premium (discount)	\$6,625,291	\$ -	\$1,891,509	\$2,740,195	\$11,256,995			
Weighted average interest rate	3.3%	-	1.5%	3.6%	3.1%			
Weighted average remaining maturity in years	5.9	-	5.7	3.5	5.3			

Prologis debt by local currency								Liquidity	
	Senior	Credit Facilities	Other	Secured Mortgage	Total	Investment Hedges (B)	Total		
Dollars	\$2,988,080	\$ -	\$ 436,617	\$2,362,264	\$ 5,786,961	\$ (771,724)	\$ 5,015,237	Aggregate lender commitments- GLOC and revolver	\$ 3,472,147
Euro	3,537,946	-	-	1,116	3,539,062	98,160	3,637,222	Less:	
GBP	-	-	-	-	-	406,517	406,517	Borrowings outstanding	-
Yen	99,265	-	1,174,583	227,880	1,501,728	144,452	1,646,180	Outstanding letters of credit	38,849
CAD	-	-	280,309	148,935	429,244	122,595	551,839	Current availability- credit facilities	3,433,298
Other	-	-	-	-	-	-	-	Cash and cash equivalents	375,120
Total Debt	\$6,625,291	\$ -	\$1,891,509	\$2,740,195	\$11,256,995	\$ -	\$ 11,256,995	Total liquidity	\$ 3,808,418

- (A) The maturity of our credit facilities and certain term loan debt (\$421.9 million) is reflected at the extended maturity date as the extension is at our option.
- (B) We hedge the net assets of certain international subsidiaries using foreign currency forward contracts, including those that are accounted for as net investment hedges, to economically reduce our exposure to fluctuations in foreign currency rates. The effect is to essentially exchange U.S. dollar denominated debt as reflected in the table under Investment Hedges. See also page 28 for our net equity exposure by currency.

Capitalization

Debt Components- Unconsolidated and Noncontrolling Interests (A)

3Q 2016 Supplemental

dollars in thousands

Maturity	Noncontrolling Interests					Prologis Share of Unconsolidated Co-Investment Ventures				
	Unsecured	Secured	Total	% Maturing	% Fixed	Unsecured (B)	Secured	Total	% Maturing	% Fixed
2016	\$ -	\$ 1,589	\$ 1,589	0%	65%	\$ -	\$ 1,401	\$ 1,401	0%	86%
2017	-	176,727	176,727	27%	100%	49,063	121,044	170,107	10%	93%
2018	-	162,661	162,661	26%	100%	175,108	91,119	266,227	16%	89%
2019	-	64,294	64,294	10%	65%	113,132	84,627	197,759	12%	49%
2020	-	85,959	85,959	14%	77%	290,117	74,461	364,578	21%	87%
2021	-	43,382	43,382	7%	100%	98,401	126,498	224,899	14%	100%
2022	-	52,059	52,059	8%	100%	142,853	45,161	188,014	11%	100%
2023	-	48,145	48,145	8%	100%	32,019	27,184	59,203	4%	99%
2024	-	416	416	0%	100%	41,648	1,623	43,271	3%	99%
2025	-	430	430	0%	100%	104,132	1,268	105,400	6%	100%
2026	-	445	445	0%	100%	-	45,951	45,951	3%	100%
Thereafter	-	421	421	0%	0%	-	-	-	-	0%
Subtotal	\$ -	\$ 636,528	\$ 636,528	100%	93%	\$1,046,473	\$ 620,337	\$1,666,810	100%	88%
Unamortized net premiums (discounts)	-	15,641	15,641			(1,297)	5,112	3,815		
Unamortized finance costs	-	(1,675)	(1,675)			(4,843)	(2,682)	(7,525)		
Prologis share of unconsolidated debt/ noncontrolling interests share of debt	\$ -	\$ 650,494	\$ 650,494			\$1,040,333	\$ 622,767	\$1,663,100		
Weighted average interest rate	-	3.0%	3.0%			2.5%	4.1%	3.2%		
Weighted average remaining maturity in years	-	2.7	2.7			4.2	3.7	4.0		

Prologis share of debt by local currency

	Unsecured	Secured	Total	Unsecured (B)	Secured	Total	Investment Hedges (C)	Total
Dollars	\$ -	\$ 650,494	\$ 650,494	\$ 340,744	\$ 353,218	\$ 693,962	\$(109,800)	\$ 584,162
Euro	-	-	-	437,958	122,381	560,339	93,300	653,639
GBP	-	-	-	-	133,429	133,429	-	133,429
Yen	-	-	-	261,631	-	261,631	-	261,631
CAD	-	-	-	-	-	-	-	-
Other	-	-	-	-	13,739	13,739	16,500	30,239
Total Debt	\$ -	\$ 650,494	\$ 650,494	\$1,040,333	\$ 622,767	\$1,663,100	\$ -	\$1,663,100

(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 \$261.8 million) is reflected at the extended maturity date as the extension is at the entity's option.

(C) We hedge the net assets of certain international ventures using foreign currency forward contracts, including those that are accounted for as net investment hedges, to economically reduce our exposure to fluctuations in foreign currency rates. The effect is to essentially exchange U.S. dollar denominated debt as reflected in the table under Investment Hedges. See also page 28 for our net equity exposure by currency.

Net Asset Value

Components – Prologis Share

3Q 2016 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.	261,464	\$ 18,664,910	\$ 71	\$ 306,779	\$ 306,779	\$ 1,227,116	96.8%
Other Americas	8,333	647,485	78	9,417	9,417	37,668	100.0%
Europe	11,586	693,832	60	13,096	13,096	52,384	95.1%
Asia	5,074	476,363	94	5,744	5,744	22,976	84.1%
Pro forma adjustments for mid-quarter acquisitions/development completions					1,615	6,460	
Total consolidated operating portfolio	286,457	20,482,590	72	335,036	336,651	1,346,604	96.6%
Unconsolidated Operating Portfolio							
U.S.	8,732	819,653	94	12,875	12,875	51,500	98.0%
Other Americas	17,239	1,015,507	59	21,295	21,295	85,180	97.1%
Europe	58,747	4,276,659	73	69,968	69,968	279,872	96.0%
Asia	5,135	751,538	146	11,004	11,004	44,016	97.2%
Pro forma adjustments for mid-quarter acquisitions/development completions					440	1,760	
Total unconsolidated operating portfolio	89,853	6,863,357	76	115,142	115,582	462,328	96.5%
Total Operating Portfolio	376,310	\$ 27,345,947	\$ 73	\$ 450,178	\$ 452,233	\$ 1,808,932	96.6%
Development							
	Square Feet	Investment Balance	TEI	TEI per Sq Ft		Annualized Estimated NOI	Percent Occupied
Consolidated Prestabilized							
U.S.	3,073	\$ 194,381	\$ 226,447	\$ 74		\$ 13,640	21.0%
Other Americas	1,467	80,838	99,977	68		7,383	3.6%
Europe	1,103	75,419	92,452	84		6,768	26.2%
Asia	4,471	672,947	723,758	162		44,424	17.3%
							17.4%
Properties under development							
U.S.	6,973	258,291	527,456	76		32,474	
Other Americas	1,235	37,637	67,614	55		5,161	
Europe	5,320	229,433	423,015	80		28,608	
Asia	2,449	208,581	427,663	175		24,706	
Total consolidated development portfolio	26,091	1,757,527	2,588,382	99		\$ 163,164	
Unconsolidated							
Other Americas	929	51,679	64,379	69		\$ 6,516	
Europe	313	24,145	33,327	106		2,359	
Asia	1,400	45,854	79,484	57		5,601	
Total unconsolidated development portfolio	2,642	121,678	177,190	67		\$ 14,476	
Total Development Portfolio	28,733	\$ 1,879,205	\$ 2,765,572	\$ 96		\$ 177,640	
Prologis share of estimated value creation (see Capital Deployment - Development Portfolio)		529,330					
Total development portfolio, including estimated value creation		\$ 2,408,535					

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

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Net Asset Value

Components - Continued

3Q 2016 Supplemental

in thousands

Balance Sheet and Other Items

		As of September 30, 2016
Consolidated		
Other assets		
Cash and cash equivalents	\$	375,120
Restricted cash		8,244
Accounts receivable, prepaid assets and other tangible assets		865,819
Other real estate investments and assets held for sale		556,019
Note receivable backed by real estate		33,800
Prologis share of value added operating properties		95,342
Prologis receivable from unconsolidated co-investment ventures		256,881
Investments in and advances to other unconsolidated joint ventures		157,744
Less: noncontrolling interests share of other assets		(135,830)
Total other assets	\$	2,213,139
Other liabilities		
Accounts payable and other current liabilities	\$	672,111
Deferred income taxes		69,412
Value added tax and other tax liabilities		12,223
Tenant security deposits		224,053
Other liabilities		336,667
Less: noncontrolling interests share of other liabilities		(75,030)
Total liabilities and noncontrolling interests	\$	1,239,436
UNCONSOLIDATED		
Prologis share of net tangible other assets	\$	221,855
Land		
Current book value of land	\$	1,352,600
Less: noncontrolling interests share of the current book value of land		(35,099)
Prologis share of book value of land in unconsolidated entities		85,216
Total Land Portfolio	\$	1,402,717
Strategic Capital / Development Management		
Strategic Capital		
	Third Quarter	Annualized
Third party share of asset management fees from consolidated and unconsolidated co-investment ventures	\$ 30,985	\$ 123,940
Third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months)	3,380	13,548
Strategic capital expenses for asset management and other transactional fees (annualized based on estimated 12 months)	(14,581)	(54,132)
Total Strategic Capital	\$ 19,784	\$ 83,356
Promotes earned in last 12 months, net of cash expenses		\$ 97,731
Development management income (trailing 12 months)	\$ 3,711	\$ 16,831
Debt (at par) and Preferred Stock		
Debt		
Prologis debt	\$	11,280,206
Noncontrolling interests share of consolidated debt		(636,596)
Prologis share of unconsolidated debt		1,666,810
Total debt		12,310,420
Preferred stock		78,235
Total debt and preferred stock	\$	12,388,655
Outstanding shares of common stock and limited operating partnership units		542,644

- Section 1

Notes and Definitions

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

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

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

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

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

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

Adjusted Cash NOI (Actual) is a non-GAAP financial measure and is a component of Net Asset Value ("NAV") and used to assess the operating performance of our properties, which we believe enable both management and investors to estimate the fair value of our operating buildings. A reconciliation of our rental income and rental

expenses included in our Statement of Operations to adjusted cash for the consolidated operating portfolio is as follows (*in thousands*):

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

- (a) Net termination fees generally represent the gross fee negotiated at the time a customer is allowed to terminate its lease agreement offset by that customer's rent leveling asset or liability, if any, that has been previously recognized. Removing the net termination fees from rental income allows for the calculation of Adjusted Cash NOI (Pro forma) to include only rental income that is indicative of the property's recurring operating performance.
- (b) The actual NOI for properties that were contributed or sold during the three-month period is removed.
- (c) Straight-lined rents, free rent amount and amortization of lease intangibles (above and below market leases) are removed from rental income for the Operating Portfolio to allow for the calculation of a cash yield.
- (d) The actual NOI and related adjustments are calculated in local currency and translated at the period end rate to allow for consistency with other assets and liabilities as of the reporting date.

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

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

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

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

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

Notes and Definitions (continued)

3Q 2016 Supplemental

Calculation of Per Share Amounts

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

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

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

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

Notes and Definitions (continued)

3Q 2016 Supplemental

Debt Metrics

dollars in thousands

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

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

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

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

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

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

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

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

Notes and Definitions (continued)

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

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

Our FFO Measures

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

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

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

We use our FFO measures as supplemental financial measures of operating performance. We do not use our FFO measures as, nor should they be considered to be, alternatives to net earnings computed under GAAP, as

indicators of our operating performance, as alternatives to cash from operating activities computed under GAAP or as indicators of our ability to fund our cash needs.

FFO, as modified by Prologis

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

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

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

Core FFO

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

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

AFFO

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

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

Notes and Definitions (continued)

3Q 2016 Supplemental

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

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

Limitations on the use of our FFO measures

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

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

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

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

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

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

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

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

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

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

(b) This amount does not represent enterprise value.

Notes and Definitions (continued)

3Q 2016 Supplemental

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

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

Income Taxes.

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

Interest Expense.

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

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

Market Classification

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

Net Asset Value ("NAV"). We consider NAV to be a useful supplemental measure of our operating performance because it enables both management and investors to estimate the fair value of our business. The assessment of the fair value of a particular segment of our business is subjective in that it involves estimates and can be calculated using various methods. Therefore, we have presented the financial results and investments related to our business

segments that we believe are important in calculating our NAV but have not presented any specific methodology nor provided any guidance on the assumptions or estimates that should be used in the calculation.

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

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

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

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

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

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

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

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

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

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

Notes and Definitions (continued)

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

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

Rental Revenue.

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

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

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

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

Same Store. We evaluate the operating performance of the operating properties we own and manage using a "Same Store" analysis because the population of properties in this analysis is consistent from period to period, thereby eliminating the effects of changes in the composition of the portfolio on performance measures. We include the properties included in our owned and managed portfolio that were in operation (including development properties that have been completed and available for lease) at January 1, 2015 and throughout the full periods in both 2015 and 2016. We have removed all properties that were disposed of to a third party from the population for both periods. We believe the factors that impact rental income, rental expenses and NOI in the Same Store portfolio are generally the same as for the total operating portfolio. In order to derive an appropriate measure of period-to-period operating performance, we remove the effects of foreign currency exchange rate movements by using the current exchange rate to translate from local currency into U.S. dollars, for both periods.

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

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

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

- To calculate Same Store rental income, we exclude the net termination and renegotiation fees to allow us to evaluate the growth or decline in each property's rental income without regard to items that are not indicative of the property's recurring operating performance.
- To calculate Same Store rental expense, we include an allocation of the property management expenses for our consolidated properties based on the property management fee that is provided for in the individual management agreements under which our wholly owned management companies provide property management services (generally the fee is based on a percentage of revenue). On consolidation, the management fee income and expenses are eliminated and the actual cost of providing property management services is recognized.
- Prologis share of Same Store is calculated using the underlying building information from the Same Store NOI and NOI - Cash calculations and applying our ownership percentage as of September 30, 2016 to the NOI of each building for both periods.
- In order to derive Same Store- NOI - Cash, we adjust Same Store- NOI to exclude non-cash items included in our rental income in our financial statements, including straight line rent adjustments and adjustments related to purchase accounting to reflect leases at fair value at the time of acquisition.

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

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

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

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

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

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

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

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

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

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

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