Supplemental Financial Information

Second Quarter 2014

PROLOGIS

Unaudited

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Prologis Kunshan Lujia Logistics Center
Jiangsu, China

Prologis Park Centro Industrial Juárez
Ciudad Juárez, Mexico

Prologis Park Castel San Giovanni
Castel San Giovanni, Italy

(A) Terms used throughout document are defined in the Notes and Definitions

Prologis, Inc. Announces Second Quarter 2014 Earnings Results

- GAAP Same-Store Net Operating Income Increased 3.8 percent -
- Stabilized $371.3 Million of Development, Estimated Margin of 22.5 Percent -
- Recognized $25 Million Net Promote for Prologis Targeted U.S. Logistics Fund -
- Raising Earnings and Capital Deployment Guidance -

SAN FRANCISCO (July 22, 2014) – – Prologis, Inc. (NYSE: PLD), the global leader in industrial real estate, today reported results for the second quarter 2014.

Core funds from operations (Core FFO) per fully diluted share was $0.48 for the second quarter compared to $0.41 for the same period in 2013.

“We're pleased to report a very strong quarter of financial and operating performance," said Hamid R. Moghadam, chairman and CEO, Prologis. “Our results reflect high occupancy levels with strong growth in rental rates, above average development margins, and increased earnings from our Strategic Capital business.”

STRONG OPERATING PERFORMANCE

Prologis ended the quarter with 94.6 percent occupancy in the operating portfolio, up 90 basis points over the same period in 2013. The company leased 29.0 million square feet (2.7 million square meters) in its combined operating and development portfolios in the second quarter.

Tenant retention in the quarter was 84.8 percent. GAAP rental rates on leases signed in the quarter increased 6.6 percent from prior rents compared to an increase of 4.0 percent in the same period in 2013.

During the second quarter, GAAP same-store net operating income (NOI) increased 3.8 percent, and 5.3 percent on an adjusted cash basis, compared to 0.7 percent and (0.4) percent, respectively, in the same period in 2013. The increase was principally driven by higher average occupancy and increasing rental rates.

CAPITAL DEPLOYMENT ACTIVITY ACCELERATES

New investments during the second quarter totaled $850.4 million ($765.2 million Prologis' share).

Development Starts & Pipeline

During the quarter, Prologis started $438.7 million ($409.8 million Prologis’ share) of new development projects, with an estimated weighted average yield upon stabilization of 7.1 percent and an estimated development margin of 18.8 percent.

The company stabilized $371.3 million ($320.9 million Prologis’ share) in development projects, with an estimated development margin of 22.5 percent and $83.4 million ($82.2 million Prologis’ share) of estimated value creation.

At quarter end, Prologis' global development pipeline had a total expected investment of $2.4 billion ($2.1 billion Prologis’ share). The pipeline had an estimated weighted average yield at stabilization of 7.2 percent, a development margin of 21.2 percent, and an estimated $452.8 million of Prologis’ share of value creation upon stabilization.

Acquisitions

The company acquired $137.0 million ($80.7 million Prologis’ share) of buildings, principally in Europe and the United States. The weighted average stabilized capitalization rate on building acquisitions was 6.3 percent.

Prologis invested $274.7 million in its North American Industrial Fund, increasing its ownership in the venture to 42 percent from 23 percent.

Dispositions & Contributions

Prologis completed $603.7 million ($499.6 million Prologis’ share) of contributions, third-party building, land and other non-strategic real estate dispositions. The contributions and building dispositions had a weighted average stabilized capitalization rate of 6.6 percent.

STREAMLINED STRATEGIC CAPITAL BUSINESS SUPPORTS GROWTH

As previously announced the company successfully completed its initial public offering of FIBRA Prologis and listing on the Mexican Stock Exchange. FIBRA Prologis’ $1.6 billion portfolio is comprised of properties previously owned by former Prologis MX Fund LP, the majority of Prologis México Fondo Logístico, and Prologis.

During the second quarter, Prologis raised $777.6 million of third-party equity for its ventures, including: $618.9 million for FIBRA Prologis; $133.5 million for Prologis Targeted U.S. Logistics Fund; and $25.2 million for Prologis Targeted Europe Logistics

Fund. Subsequent to quarter end, the company secured a $500 million increase in committed third-party equity to its Prologis China Logistics Venture. The company recognized a net promote of $25.1 million for Prologis Targeted U.S. Logistics Fund.

At quarter end, Prologis had $28.7 billion ($9.4 billion Prologis' share) in combined assets under management in 11 major co-investment ventures.

CAPITAL MARKETS ACTIVITY IMPROVES LIQUIDITY

During the second quarter, Prologis completed $3.6 billion of capital markets activity. Notable new financing for Prologis and the co-investment ventures included:

- $1.1 billion in Eurobond issuances with a blended interest rate of 3.0 percent and weighted average term of 10 years;
- $1.1 billion across two term facilities denominated in euro and yen; and a
- $500 million increase in the company's global credit lines, expanding the total capacity to $3.0 billion.

"Favorable credit conditions in this low interest rate environment are providing numerous opportunities for us to lock in lower, long-term rates," said Thomas S. Olinger, chief financial officer, Prologis. "We significantly improved liquidity and further increased our U.S. net equity exposure to 85 percent."

NET EARNINGS

Net earnings per fully diluted share was $0.13 for the second quarter compared to a net loss per share of less than $0.01 for the same period in 2013.

EARNINGS GUIDANCE INCREASED FOR 2014

Prologis increased the midpoint and narrowed its full-year 2014 Core FFO guidance range to $1.82 to $1.86 per diluted share from $1.76 to $1.82 per diluted share. The company also expects to recognize net earnings, for GAAP purposes, of $0.20 to $0.24 per share.

"Given faster than expected rental growth and deployment, as well as lower interest costs from our refinancing activity, we are raising our full-year Core FFO range," said Olinger.

The Core FFO and earnings guidance reflected above excludes any potential future gains (losses) recognized from real estate transactions or early extinguishment of debt. In reconciling from net earnings to Core FFO, Prologis makes certain adjustments, including but not limited to real estate depreciation and amortization expense, gains (losses) recognized from real estate transactions and early extinguishment of debt or redemption of preferred stock, impairment charges, deferred taxes, and unrealized gains or losses on foreign currency or derivative activity.

The difference between the company's Core FFO and net earnings guidance for 2014 predominantly relates to real estate depreciation and recognized gains or losses on real estate transactions and early extinguishment of debt.

WEBCAST & CONFERENCE CALL INFORMATION

The company will host a webcast/conference call to discuss quarterly results, current market conditions and future outlook today, July 22, at 12:00 p.m. U.S. Eastern Time. Interested parties are encouraged to access the live webcast by clicking the microphone icon located near the top of the opening page of the Prologis Investor Relations website (http://ir.prologis.com). Interested parties also can participate via conference call by dialing +1 877-256-7020 (from the U.S. and Canada toll free) or +1 973-409-9692 (from all other countries) and entering conference code 48765449.

A telephonic replay will be available from July 23 through August 23 at +1 855-859-2056 (from the U.S. and Canada) or +1 404-537-3406 (from all other countries), and entering conference code 48765449. The webcast replay will be posted when available in the "Events & Presentations" section of Investor Relations on the Prologis website.

ABOUT PROLOGIS

Prologis, Inc., is the leading owner, operator and developer of industrial real estate, focused on global and regional markets across the Americas, Europe and Asia. As of June 30, 2014, Prologis owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 571 million square feet (53 million square meters) in 21 countries. The company leases modern distribution facilities to more than 4,700 customers, including manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises.

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

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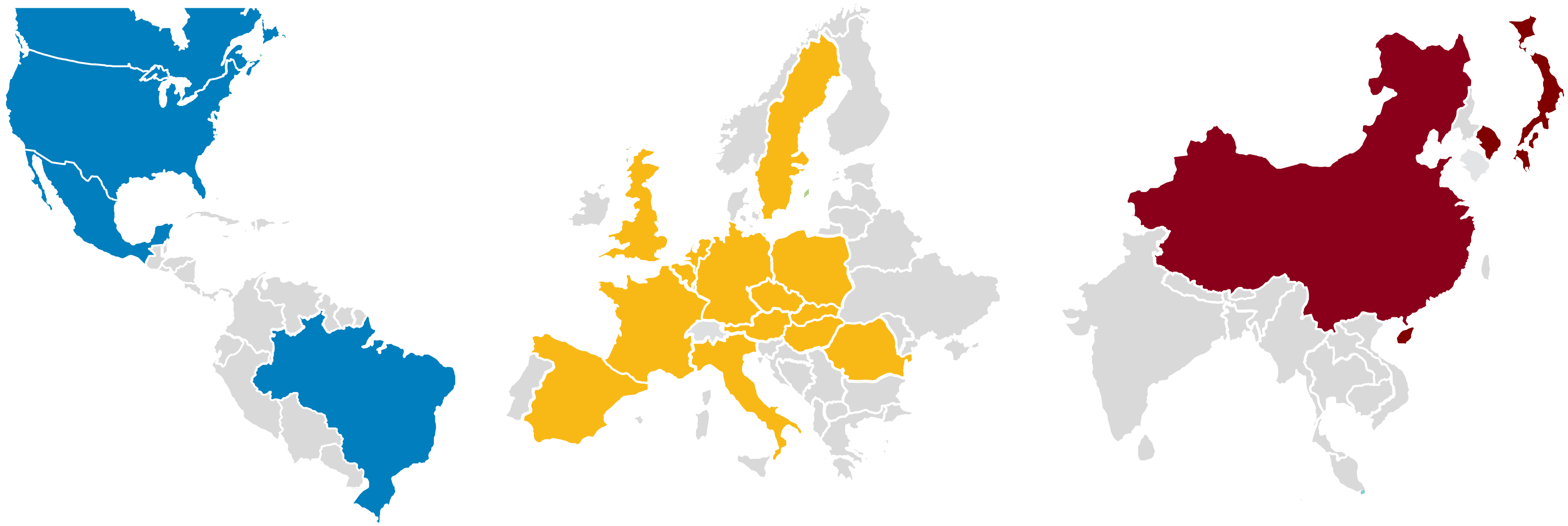
Prologis is the leading owner, operator and developer of industrial real estate, focused on global and regional markets across the Americas, Europe and Asia. As of June 30, 2014, Prologis owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects totaling 571 million square feet (53 million square meters) in 21 countries. These properties are leased to more than 4,700 customers, including third-party logistics providers, transportation companies, retailers, manufacturers and other enterprises.

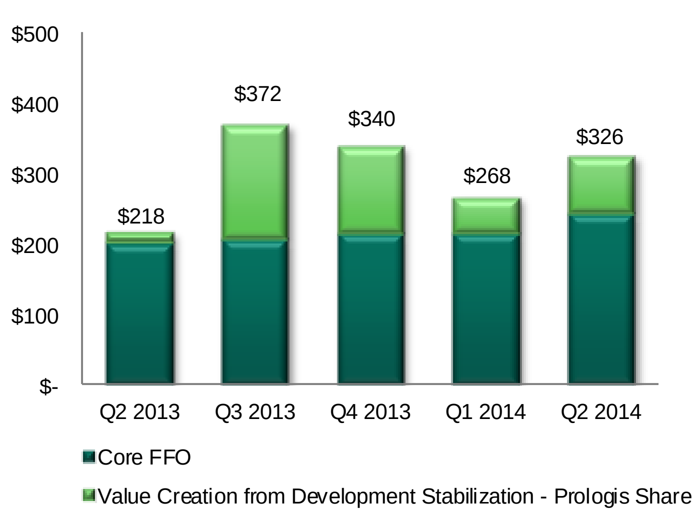


	AMERICAS (4 countries)	EUROPE (14 countries)	ASIA (3 countries)	TOTAL
Number of operating portfolio buildings	2,180	631	72	2,883
Operating Portfolio (msf)	355	147	31	533
Development Portfolio (msf)	15	4	9	28
Other (msf) (A)	6	3	1	10
Total (msf)	376	154	41	571
Development portfolio TEI (millions)	$1,140	$441	$856	$2,437
Land (acres)	6,961	2,887	200	10,048
Land book value (millions)	$980	$620	$153	$1,753

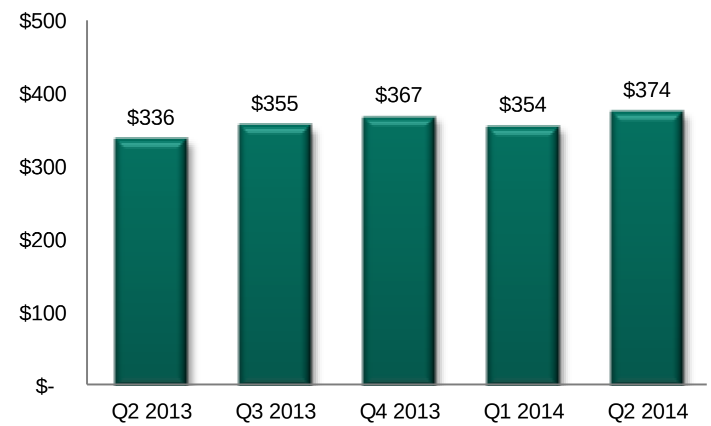
(A) Generally represents properties in which Prologis has an ownership interest but does not manage (6 msf) and other properties owned by Prologis (4 msf), which includes value added properties (4 msf).

(dollars in thousands, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Revenues	$ 460,089	$ 410,693	$ 894,771	$ 890,664
Net earnings (loss) attributable to common stockholders	72,715	(1,517)	77,381	263,899
Core FFO	244,275	203,337	461,830	391,274
Core AFFO	199,662	142,229	371,015	288,290
Adjusted EBITDA	374,039	336,352	728,132	680,981
Value creation from development stabilization - Prologis share	82,218	14,895	132,725	82,307
Common stock dividends paid	166,639	141,083	333,328	271,836
Per common share - diluted:				
Net earnings attributable to common stockholders	$ 0.13	$ 0.00	$ 0.15	$ 0.55
Core FFO	0.48	0.41	0.91	0.82
Dividends per share	0.33	0.28	0.66	0.56

Core FFO and Value Creation from Development Stabilization (in millions)

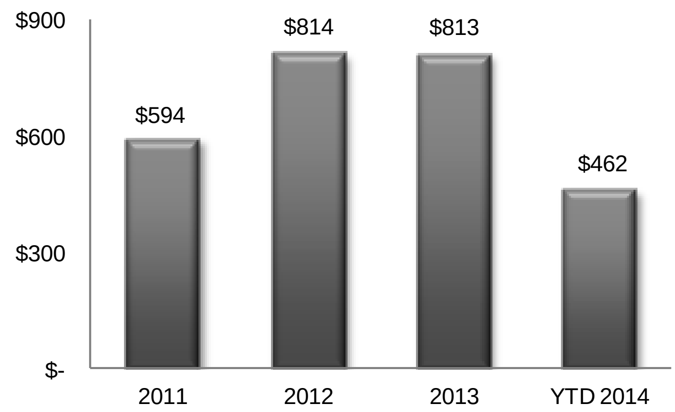


Adjusted EBITDA
(in millions)

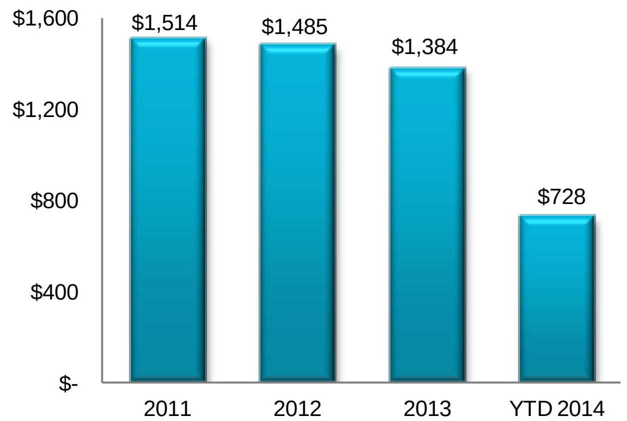


(in millions)

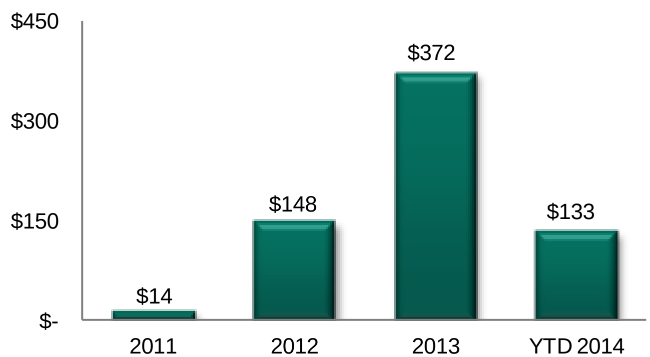
Core FFO



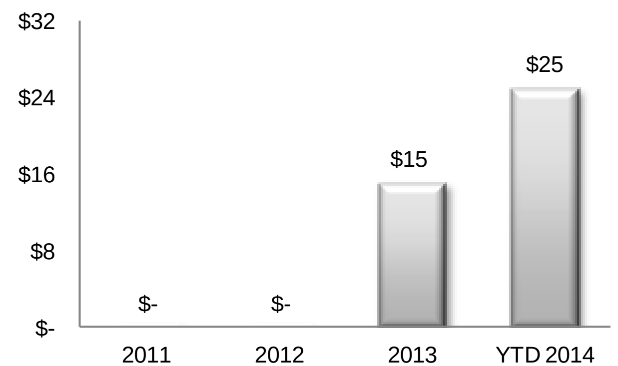
Adjusted EBITDA



Value Creation from Development Stabilizations (A)

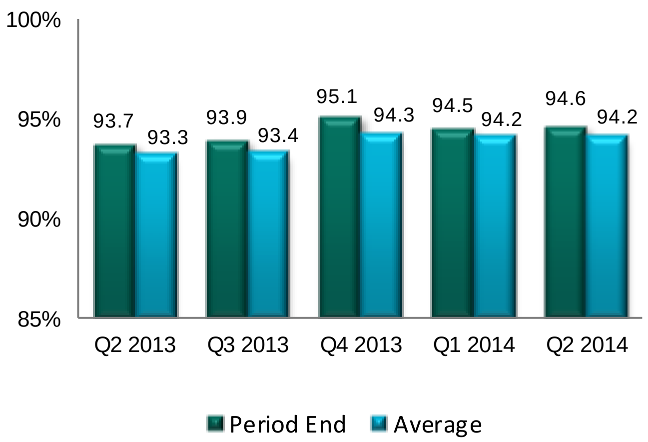


Net Promote (B)

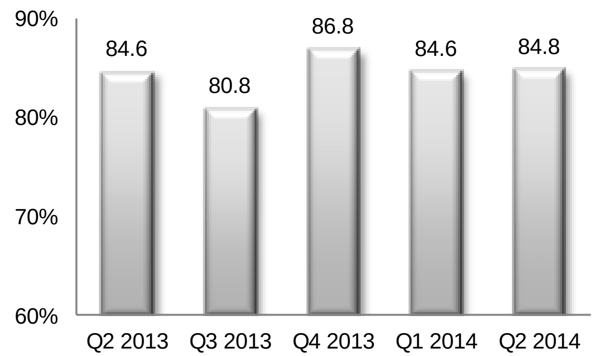


(A) Prologis share.
(B) Net promote includes actual promote earned from third party investors during the period, net of related expenses.

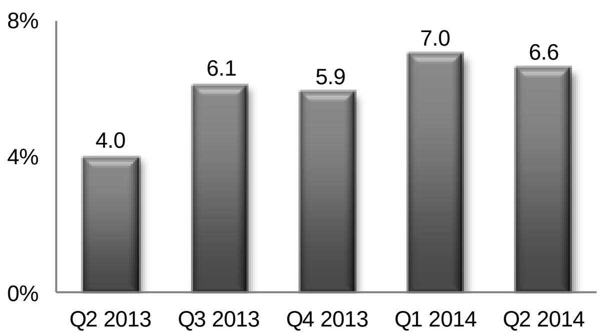
Occupancy



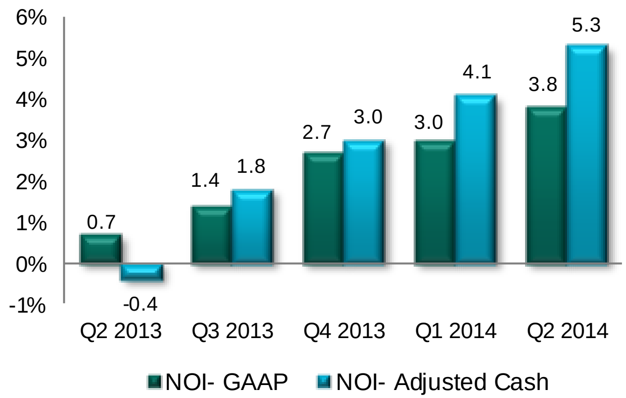
Weighted Average Customer Retention



Net Effective Rent Change (GAAP)



Same Store NOI Change Over Prior Year



(dollars in millions, except per share)

2014 Guidance	Low	High
Net earnings (A)	**$0.20**	**$0.24**
Core FFO (A)	**$1.82**	**$1.86**
Operations		
Year-end occupancy	95.2%	95.8%
Same store NOI - GAAP increase	3.25%	3.75%
Capital Deployment		
Development starts *(85% Prologis share)*	$2,000	$2,300
Building acquisitions *(45% Prologis share)*	$1,300	$1,600
Building and land dispositions *(90% Prologis share)*	$1,300	$1,600
Building contributions *(55% Prologis share)*	$1,600	$1,800
Strategic Capital		
Strategic capital income	$220	$225
Strategic capital expenses	$100	$105
Other Assumptions		
General & administrative expenses	$238	$243
Annualized second quarter 2014 dividend		$1.32
Euro exchange rate ($/€)		1.35
Yen exchange rate (¥/$)		105

(A) The difference between Core FFO and Net Earnings predominately relates to real estate depreciation and gains or losses on real estate transactions and early extinguishment of debt..

(in thousands)

	June 30, 2014	March 31, 2014	December 31, 2013
Assets:			
Investments in real estate assets:			
Operating properties	$ 16,629,000	$ 17,948,473	$ 17,801,064
Development portfolio	1,119,075	1,051,716	1,021,017
Land	1,579,737	1,544,242	1,516,166
Other real estate investments	454,111	494,359	486,230
	19,781,923	21,038,790	20,824,477
Less accumulated depreciation	2,648,866	2,698,043	2,568,998
Net investments in properties	17,133,057	18,340,747	18,255,479
Investments in and advances to unconsolidated entities	5,575,423	4,687,922	4,430,239
Notes receivable backed by real estate and other assets	-	191,703	192,042
Net investments in real estate	22,708,480	23,220,372	22,877,760
Cash and cash equivalents	267,427	188,886	491,129
Accounts receivable	123,961	114,880	128,196
Other assets	1,031,694	1,131,010	1,075,222
Total assets	**$ 24,131,562**	**$ 24,655,148**	**$ 24,572,307**
Liabilities and Equity:			
Liabilities:			
Debt	$ 8,529,453	$ 8,870,635	$ 9,011,216
Accounts payable, accrued expenses, and other liabilities	1,325,259	1,291,270	1,384,638
Total liabilities	9,854,712	10,161,905	10,395,854
Equity:			
Stockholders' equity:			
Preferred stock	78,235	100,000	100,000
Common stock	4,998	4,997	4,988
Additional paid-in capital	18,062,370	18,005,321	17,974,452
Accumulated other comprehensive loss	(385,248)	(444,594)	(435,675)
Distributions in excess of net earnings	(4,188,611)	(4,094,689)	(3,932,664)
Total stockholders' equity	13,571,744	13,571,035	13,711,101
Noncontrolling interests	657,411	874,576	417,086
Noncontrolling interests - limited partnership unitholders	47,695	47,632	48,266
Total equity	14,276,850	14,493,243	14,176,453
Total liabilities and equity	**$ 24,131,562**	**$ 24,655,148**	**$ 24,572,307**

(in thousands)

Pro-rata Balance Sheet Information as of June 30, 2014	Prologis Consolidated	Less Non Controlling Interest	Plus Prologis Share of Unconsolidated Co-Investment Ventures	Prologis Total Share	Investors' Share of Unconsolidated Ventures	Investors' Share of Consolidated Ventures	Total Owned and Managed
Assets:							
Investments in real estate assets:							
Gross operating properties	$ 16,629,000	$ (507,043)	$ 8,487,804	$ 24,609,761	$ 17,010,833	$ 507,043	$ 42,127,637
Other real estate	3,152,923	(17,875)	119,862	3,254,910	314,412	17,875	3,587,197
Accumulated depreciation	(2,648,866)	11,148	(668,897)	(3,306,615)	(1,255,866)	(11,148)	(4,573,629)
Net investments in properties	17,133,057	(513,770)	7,938,769	24,558,056	16,069,379	513,770	41,141,205
Investments in unconsolidated co-investment ventures	5,400,293	(80,154)	(5,320,139)	-	-	80,154	80,154
Investments in other unconsolidated ventures	175,130	(2,868)	-	172,262	-	2,868	175,130
Other assets	1,423,082	(154,438)	363,050	1,631,694	1,054,931	154,438	2,841,063
Total assets	**$ 24,131,562**	**$ (751,230)**	**$ 2,981,680**	**$ 26,362,012**	**$ 17,124,310**	**$ 751,230**	**$ 44,237,552**
Liabilities and Equity:							
Liabilities:							
Debt	$ 8,529,453	$ (8,751)	$ 2,375,562	$ 10,896,264	$ 5,469,657	$ 8,751	$ 16,374,672
Other liabilities	1,325,259	(37,373)	606,118	1,894,004	1,077,391	37,373	3,008,768
Total liabilities	9,854,712	(46,124)	2,981,680	12,790,268	6,547,048	46,124	19,383,440
Equity:							
Stockholders' / partners' equity	13,571,744	-	-	13,571,744	10,577,262	705,106	24,854,112
Noncontrolling interests	705,106	(705,106)	-	-	-	-	-
Total equity	14,276,850	(705,106)	-	13,571,744	10,577,262	705,106	24,854,112
Total liabilities and equity	**$ 24,131,562**	**$ (751,230)**	**$ 2,981,680**	**$ 26,362,012**	**$ 17,124,310**	**$ 751,230**	**$ 44,237,552**

(in thousands, except per share amounts)

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Revenues:				
Rental income	$ 381,273	$ 363,956	$ 769,513	$ 808,100
Strategic capital income	76,334	43,608	121,644	77,243
Development management and other income	2,482	3,129	3,614	5,321
Total revenues	460,089	410,693	894,771	890,664
Expenses:				
Rental expenses	109,576	109,837	220,093	240,191
Strategic capital expenses	27,837	25,006	52,000	44,915
General and administrative expenses	60,375	54,909	123,578	111,106
Depreciation and amortization	161,577	155,656	321,857	327,776
Other expenses	5,450	6,771	10,503	11,124
Total expenses	364,815	352,179	728,031	735,112
Operating income	95,274	58,514	166,740	155,552
Other income (expense):				
Earnings from unconsolidated entities, net	21,151	8,421	50,897	33,189
Interest expense	(80,184)	(92,214)	(165,707)	(206,854)
Gains on acquisitions and dispositions of investments in real estate, net	169,583	61,035	186,638	399,880
Foreign currency and derivative gains (losses), related amortization and interest and other income (expenses), net	15,246	(3,252)	1,112	9,259
Losses on early extinguishment of debt, net	(77,558)	(32,608)	(77,285)	(49,959)
Total other income (expense)	48,238	(58,618)	(4,345)	185,515
Earnings (loss) before income taxes	143,512	(104)	162,395	341,067
Income tax expense (benefit) - current and deferred	(8,918)	20,488	(2,038)	72,354
Earnings (loss) from continuing operations	152,430	(20,592)	164,433	268,713
Discontinued operations:				
Income attributable to disposed properties and assets held for sale	-	2,140	-	3,933
Net gains on dispositions, including taxes	-	13,467	-	19,301
Total discontinued operations	-	15,607	-	23,234
Consolidated net earnings (loss)	152,430	(4,985)	164,433	291,947
Net loss (earnings) attributable to noncontrolling interests	(71,250)	7,284	(76,452)	(4,819)
Net earnings attributable to controlling interests	81,180	2,299	87,981	287,128
Preferred stock dividends	(1,948)	(3,816)	(4,083)	(14,121)
Loss on preferred stock redemption	(6,517)	-	(6,517)	(9,108)
Net earnings (loss) attributable to common stockholders	**$ 72,715**	**$ (1,517)**	**$ 77,381**	**$ 263,899**
Weighted average common shares outstanding - Diluted	516,619	487,925	504,560	480,009
Net earnings per share attributable to common stockholders - Diluted	**$ 0.13**	**$ 0.00**	**$ 0.15**	**$ 0.55**

(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Reconciliation of net earnings (loss) to FFO				
Net earnings (loss) attributable to common stockholders	$ 72,715	$ (1,517)	$ 77,381	$ 263,899
Add (deduct) NAREIT defined adjustments:				
Real estate related depreciation and amortization	155,842	149,920	310,337	315,791
Net gains on non-FFO acquisitions and dispositions	(140,042)	(4,701)	(149,587)	(102,012)
Reconciling items related to noncontrolling interests	59,945	(719)	53,744	(3,660)
Our share of reconciling items included in earnings from unconsolidated co-investment ventures	49,737	37,250	91,453	51,881
Our share of reconciling items included in earnings from other unconsolidated ventures	1,734	681	3,084	11,533
Subtotal-NAREIT defined FFO	199,931	180,914	386,412	537,432
Add (deduct) our defined adjustments:				
Unrealized foreign currency and derivative losses (gains) and related amortization, net	(10,035)	8,133	18,075	7,495
Deferred income tax benefit	(21,446)	(4,350)	(20,415)	(2,216)
Our share of reconciling items included in earnings from unconsolidated co-investment ventures	(4,089)	17,541	(3,860)	17,327
FFO, as defined by Prologis	**164,361**	**202,238**	**380,212**	**560,038**
Adjustments to arrive at Core FFO:				
Net gains on acquisitions and dispositions of investments in real estate, net of expenses	(23,245)	(33,806)	(28,903)	(226,222)
Losses on early extinguishment of debt and redemption of preferred stock, net	84,075	32,608	83,802	59,067
Our share of reconciling items from unconsolidated entities less third party share of consolidated entities	19,084	2,297	26,719	(1,609)
Core FFO	**$ 244,275**	**$ 203,337**	**$ 461,830**	**$ 391,274**
Adjustments to arrive at Core Adjusted FFO ("Core AFFO"), including our share of unconsolidated entities less third party share of consolidated entities:				
Straight-lined rents and amortization of lease intangibles	(6,483)	(4,906)	(15,059)	(12,790)
Property improvements	(15,899)	(19,318)	(27,041)	(33,606)
Tenant improvements	(20,707)	(27,353)	(40,779)	(47,741)
Leasing commissions	(12,376)	(19,224)	(27,936)	(32,624)
Amortization of management contracts	1,092	1,393	2,397	3,008
Amortization of debt premiums, net, and financing costs	(1,259)	(3,839)	(3,528)	(10,841)
Cash received (paid) on net investment hedges	(2,729)	(1,073)	(7,855)	4,311
Stock compensation expense	13,748	13,212	28,986	27,299
Core AFFO	**$ 199,662**	**$ 142,229**	**$ 371,015**	**$ 288,290**
Common stock dividends	$ 166,639	$ 141,083	$ 333,328	$ 271,836

(in thousands)

Pro-rata Operating Information for Three Months Ended June 30, 2014	Prologis Consolidated	Less Non Controlling Interest	Plus Prologis Share of Unconsolidated Co-Investment Ventures	Prologis Total Share	Investors' Share of Unconsolidated Ventures	Investors' Share of Consolidated Ventures	Total Owned and Managed
Revenues:							
Rental income	$ 381,273	$ (17,127)	$ 159,623	$ 523,769	$ 341,060	$ 17,127	$ 881,956
Strategic capital income	76,334	-	602	76,936	602	-	77,538
Development management and other income	2,482	73	(40)	2,515	(71)	(73)	2,371
Total revenues	460,089	(17,054)	160,185	603,220	341,591	17,054	961,865
Expenses:							
Rental expenses	109,576	(3,745)	36,995	142,826	80,998	3,745	227,569
Strategic capital expenses	27,837	-	-	27,837	-	-	27,837
General and administrative expenses	60,375	(1,092)	9,880	69,163	22,271	1,092	92,526
Depreciation and amortization	161,577	(6,565)	53,745	208,757	117,419	6,565	332,741
Other expenses	5,450	(52)	20,806	26,204	26,210	52	52,466
Total expenses	364,815	(11,454)	121,426	474,787	246,898	11,454	733,139
Operating income	95,274	(5,600)	38,759	128,433	94,693	5,600	228,726
Earnings from unconsolidated co-investment ventures, net	21,054	(887)	(20,167)	-	-	887	887
Earnings from other unconsolidated joint ventures, net	97	-	-	97	-	-	97
Interest expense	(80,184)	1,450	(22,052)	(100,786)	(52,564)	(1,450)	(154,800)
Gains on acquisitions and dispositions of investments in real estate, net	169,583	(54,962)	4,050	118,671	10,312	54,962	183,945
Foreign currency and derivative gains (losses), related amortization and other income (expenses), net	15,246	239	703	16,188	1,257	(239)	17,206
Losses on early extinguishment of debt, net	(77,558)	(213)	(648)	(78,419)	(1,177)	213	(79,383)
Income tax expense (benefit)	8,918	(11,277)	(645)	(3,004)	(309)	11,277	7,964
Consolidated net earnings	152,430	(71,250)	-	81,180	52,212	71,250	204,642
Net earnings attributable to noncontrolling interests	(71,250)	71,250	-	-	-	-	-
Preferred stock dividends	(1,948)	-	-	(1,948)	-	-	(1,948)
Loss on preferred stock redemption	(6,517)	-	-	(6,517)	-	-	(6,517)
Net earnings (loss) attributable to common stockholders	**72,715**	**-**	**-**	**72,715**	**52,212**	**71,250**	**196,177**
Add (deduct) adjustments to arrive at FFO, as defined by Prologis:							
Real estate related depreciation and amortization	155,842	(6,565)	53,745	203,022	117,419	6,565	327,006
Net gains on non-FFO acquisitions and dispositions	(140,042)	54,977	(4,008)	(89,073)	(10,071)	(54,977)	(154,121)
Unrealized foreign currency and derivative losses (gains) and related amortization, net	(10,035)	9	(146)	(10,172)	(574)	(9)	(10,755)
Deferred income tax expense (benefit)	(21,446)	11,524	(3,943)	(13,865)	(6,153)	(11,524)	(31,542)
Reconciling items related to noncontrolling interests	59,945	(59,945)	-	-	-	-	-
Our share of reconciling items included in earnings from unconsolidated co-investment ventures	45,648	-	(45,648)	-	-	-	-
Our share of reconciling items included in earnings from other unconsolidated ventures	1,734	-	-	1,734	-	-	1,734
FFO, as defined by Prologis	**164,361**	**-**	**-**	**164,361**	**152,833**	**11,305**	**328,499**
Adjustments to arrive at Core FFO:							
Net gains on acquisitions and dispositions of investments in real estate, net of expenses	(23,245)	(4)	18,227	(5,022)	22,601	4	17,583
Losses on early extinguishment of debt and redemption of preferred stock, net	84,075	213	648	84,936	1,176	(213)	85,899
Our share of reconciling items from unconsolidated entities less third party share of consolidated entities	19,084	(209)	(18,875)	-	-	-	-
Core FFO	**$ 244,275**	**$ -**	**$ -**	**$ 244,275**	**$ 176,610**	**$ 11,096**	**$ 431,981**

(in thousands)

Second Quarter 2014

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Reconciliation of net earnings (loss) to Adjusted EBITDA				
Net earnings (loss) attributable to common stockholders	$ 72,715	$ (1,517)	$ 77,381	$ 263,899
Net gains on acquisitions and dispositions of investments in real estate, net	(169,583)	(74,502)	(186,638)	(419,181)
Depreciation and amortization	161,577	155,656	321,857	327,776
Interest expense	80,184	92,214	165,707	206,854
Losses on early extinguishment of debt	77,558	32,608	77,285	49,959
Current and deferred income tax expense (benefit), net	(8,918)	20,488	(2,038)	72,354
Pro forma adjustments	(4,467)	6,202	(3,975)	(15,802)
Net earnings attributable to noncontrolling interest	-	(7,284)	-	4,819
Preferred stock dividends and loss on preferred stock redemption	8,465	3,816	10,600	23,229
Unrealized foreign currency and derivative losses (gains) and related amortization, net	(10,035)	8,133	18,075	7,495
Stock compensation expense	13,748	16,212	28,986	30,299
Acquisition expenses	1,703	-	2,203	-
Adjusted EBITDA, consolidated	**222,947**	**252,026**	**509,443**	**551,701**
Our share of reconciling items from unconsolidated entities less third party share of consolidated entities:				
Net gains on dispositions of investments in real estate, net	50,912	(1,394)	42,106	(8,284)
Depreciation and amortization	48,193	41,282	93,778	69,560
Interest expense	20,940	23,640	38,491	45,205
Losses on early extinguishment of debt	861	340	221	529
Current income tax expense	4,447	2,917	9,895	4,943
Unrealized losses (gains), derivative losses (gains) and deferred income tax expense (benefit), net	7,444	17,541	7,673	17,327
Acquisition expenses	18,295	-	26,525	-
Adjusted EBITDA	**$ 374,039**	**$ 336,352**	**$ 728,132**	**$ 680,981**

Co-Investment Ventures (A)	Type	Established	Accounting Method	Region	Ownership	Structure	Next Promote Opportunity
Americas:							
Prologis U.S. Logistics Venture	Core	2014	Consolidated	US	55.0%	Open end	Q4 2016 (B)
Prologis Targeted U.S. Logistics Fund	Core	2004	Unconsolidated	US	25.8%	Open end	Q2 2017 (B)
Prologis North American Industrial Fund	Core	2006	Unconsolidated	US	41.9%	Open end	Q1 2015 (B)
FIBRA Prologis	Core	2014	Unconsolidated	Mexico	45.0%	Public, Mexican Exchange	Q2 2015 (C)
Prologis Brazil Logistics Partners Fund I (D)	Development	2010	Unconsolidated	Brazil	various	Closed end	Q4 2017
Europe:							
Prologis Targeted Europe Logistics Fund	Core	2007	Unconsolidated	Europe	43.4%	Open end	Q3 2016 (B)
Prologis European Properties Fund II	Core	2007	Unconsolidated	Europe	31.5%	Open end	Q3 2016 (B)
Europe Logistics Venture 1	Core	2011	Unconsolidated	Europe	15.0%	Open end	Q4 2015 (B)
Prologis European Logistics Partners	Core	2013	Unconsolidated	Europe	50.0%	Open end	Q4 2015 (B)
Asia:							
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

Unconsolidated Co-Investment Ventures (E):					Prologis Share				
(in thousands)	Sq Ft	Second Qtr NOI	GBV of Operating Bldgs	Debt	Second Qtr NOI	Annualized Pro forma	Debt	Net Tangible Other Assets	Prologis Investment
Prologis Targeted U.S. Logistics Fund	48,618	$ 61,615	$ 4,490,377	$ 1,616,016	$ 15,872	$ 63,488	$ 416,286	$ 4,339	$ 759,579
Prologis North American Industrial Fund	45,902	42,035	2,838,968	1,110,653	17,608	70,432	465,252	10,509	474,838
FIBRA Prologis (F)	29,753	29,990	1,607,636	607,808	13,490	53,960	273,392	84,489	580,941
Brazil Fund and joint ventures	4,689	11,917	445,546	-	1,550	6,200	-	17,960	252,013
Americas	**128,962**	**145,557**	**9,382,527**	**3,334,477**	**48,520**	**194,080**	**1,154,930**	**117,297**	**2,067,371**
Prologis Targeted Europe Logistics Fund	14,208	26,275	1,866,436	466,120	11,393	45,572	202,109	25,641	503,768
Prologis European Properties Fund II	63,635	87,839	5,780,230	2,008,609	27,622	110,488	631,908	23,969	577,611
Europe Logistics Venture I	5,073	8,739	444,959	-	1,311	5,244	-	4,127	65,374
Prologis European Logistics Partners	54,886	73,771	4,181,098	229,037	36,886	147,544	114,519	18,345	1,822,642
Europe	**137,802**	**196,624**	**12,272,723**	**2,703,766**	**77,212**	**308,848**	**948,536**	**72,082**	**2,969,395**
Nippon Prologis REIT (F)	18,508	48,388	3,548,040	1,559,871	7,312	29,248	235,697	15,393	319,599
Prologis China Logistics Venture	5,045	5,279	295,347	247,105	792	3,168	37,066	12,577	43,928
Asia	**23,553**	**53,667**	**3,843,387**	**1,806,976**	**8,104**	**32,416**	**272,763**	**27,970**	**363,527**
Total	**290,317**	**$ 395,848**	**$ 25,498,637**	**$ 7,845,219**	**$ 133,836**	**$ 535,344**	**$ 2,376,229**	**$ 217,349**	**$ 5,400,293**

(A) The information presented excludes the co-investment ventures Prologis DFS Fund I and Prologis Mexico Fondo Logistico, due to the investment size of these ventures.

(B) Promote opportunity is every three years.

(C) Promote opportunity is every year.

(D) We have a 50% ownership interest in and consolidate an entity that in turn has an ownership interest in various entities that are accounted for on the equity method ("Brazil Fund"). We also have other Brazil joint ventures that we account for using the equity method. Prologis share in these Brazil entities is reflected at our effective economic ownership.

(E) Values represent Prologis' adjusted basis and may not be comparable to values reflected in the entities' stand alone financial statements calculated on a different basis.

(F) Throughout this document, we use the most recent public information for this co-investment venture. If the co-investment venture acquires properties during the period that is reported, we estimate the entire quarter of NOI based on the results of the properties while owned by Prologis.

(dollars in thousands)

Second Quarter 2014

FFO and Net Earnings (Loss) of the Unconsolidated Co-Investment Ventures, Aggregated (A)(B)	Americas	Europe	Asia	Total
	For the Three Months Ended June 30, 2014			
Rental income	$ 178,692	$ 252,260	$ 69,731	$ 500,683
Rental expenses	(46,442)	(55,496)	(16,055)	(117,993)
Net operating income from properties	**132,250**	**196,764**	**53,676**	**382,690**
Other income (expense), net	2,012	(161)	(5,424)	(3,573)
General and administrative expenses	(11,708)	(11,996)	(8,447)	(32,151)
Interest expense	(39,953)	(27,939)	(6,724)	(74,616)
Current income tax expense	(1,168)	(9,411)	(471)	(11,050)
Core FFO	**81,433**	**147,257**	**32,610**	**261,300**
Acquisition expenses, gains(losses) on dispositions of investments in real estate and early extinguishment of debt, net	(37,161)	(5,420)	(71)	(42,652)
FFO, as defined by Prologis	**44,272**	**141,837**	**32,539**	**218,648**
Real estate related depreciation and amortization	(68,290)	(86,165)	(16,709)	(171,164)
Foreign currency exchange and derivative gains (losses), net	19	(151)	852	720
Gains (losses) on dispositions of investments in real estate, net	14,093	(14)	-	14,079
Deferred tax benefit (expense), net	162	10,117	(183)	10,096
Net earnings (loss)	**$ (9,744)**	**$ 65,624**	**$ 16,499**	**$ 72,379**

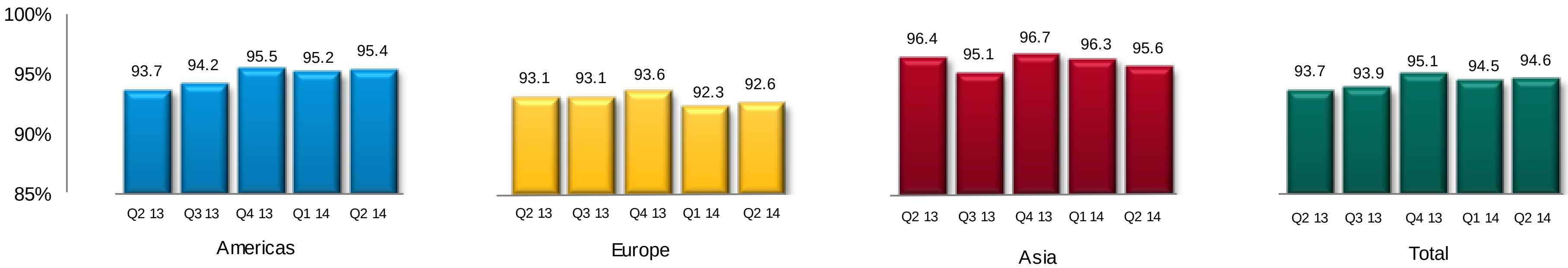
Prologis' Share of Core FFO and Net Earnings (Loss) of the Unconsolidated Co-Investment Ventures (A)	Americas	Europe	Asia	Total
	For the Three Months Ended June 30, 2014			
Core FFO, from unconsolidated co-investment ventures, net	$ 22,165	$ 58,544	$ 4,868	$ 85,577
Fees earned by Prologis	47,230	19,453	9,410	76,093
Total Core FFO recognized by Prologis, net	**$ 69,395**	**$ 77,997**	**$ 14,278**	**$ 161,670**
Prologis' share of the unconsolidated co-investment ventures' net earnings (loss)	$ (8,526)	$ 26,742	$ 2,838	$ 21,054
Fees earned by Prologis	47,230	19,453	9,410	76,093
Total earnings recognized by Prologis, net	**$ 38,704**	**$ 46,195**	**$ 12,248**	**$ 97,147**

Condensed Balance Sheet of the Unconsolidated Co-Investment Ventures, Aggregated (A)(B)	Americas	Europe	Asia	Total
	As of June 30, 2014			
Operating industrial properties, before depreciation	$ 9,382,528	$ 12,272,723	$ 3,843,386	$ 25,498,637
Accumulated depreciation	(916,975)	(923,216)	(84,572)	(1,924,763)
Properties under development and land	254,861	12,459	166,954	434,274
Other assets	729,615	873,940	343,922	1,947,477
Total assets	**$ 9,450,029**	**$ 12,235,906**	**$ 4,269,690**	**$ 25,955,625**
Third party debt	3,334,477	2,703,766	1,806,976	7,845,219
Other liabilities	249,688	1,191,891	241,930	1,683,509
Total liabilities	**$ 3,584,165**	**$ 3,895,657**	**$ 2,048,906**	**$ 9,528,728**
Weighted average ownership	**27.7%**	**38.7%**	**15.0%**	**30.7%**

(A) Includes the unconsolidated co-investment ventures listed on the previous page.

(B) Represents the entire entity, not our proportionate share.

Period Ending Occupancy by Division



Leasing Activity

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Square feet of leases signed:					
Operating portfolio:					
Renewals	24,148	23,355	27,422	23,307	20,108
New leases	9,713	7,483	11,551	8,292	8,908
Total operating portfolio	33,861	30,838	38,973	31,599	29,016
Properties under development	2,389	5,253	4,763	2,130	2,352
Total square feet of leases signed	36,250	36,091	43,736	33,729	31,368
Average term of leases signed (months)	49	59	44	40	45
Net effective rent change (GAAP)	4.0%	6.1%	5.9%	7.0%	6.6%

(in thousands, except for percentages and per square foot)

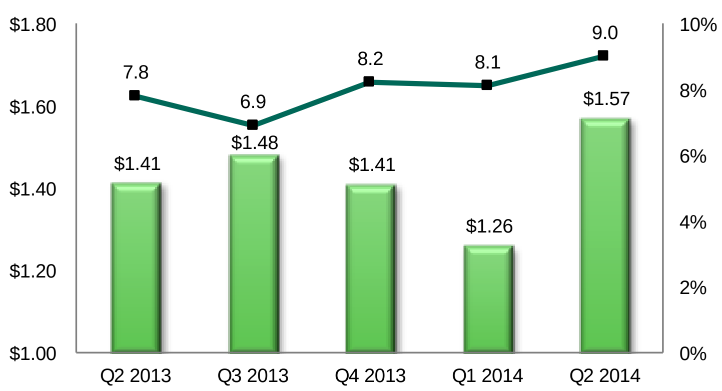
Capital Expenditures Incurred

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Property improvements	$ 25,046	$ 35,668	$ 44,020	$ 19,347	$ 25,690
Tenant improvements	34,915	32,213	36,116	27,208	28,570
Leasing commissions	26,827	17,992	26,450	20,378	19,143
Total turnover costs	61,742	50,205	62,566	47,586	47,713
Total capital expenditures	$ 86,788	$ 85,873	$ 106,586	$ 66,933	$ 73,403
Trailing four quarters - % of gross NOI	14.8%	14.9%	14.5%	14.4%	13.5%
Weighted average ownership percent	75.9%	79.1%	73.3%	69.9%	66.7%
Prologis share	$ 65,895	$ 67,949	$ 78,153	$ 46,774	$ 48,982

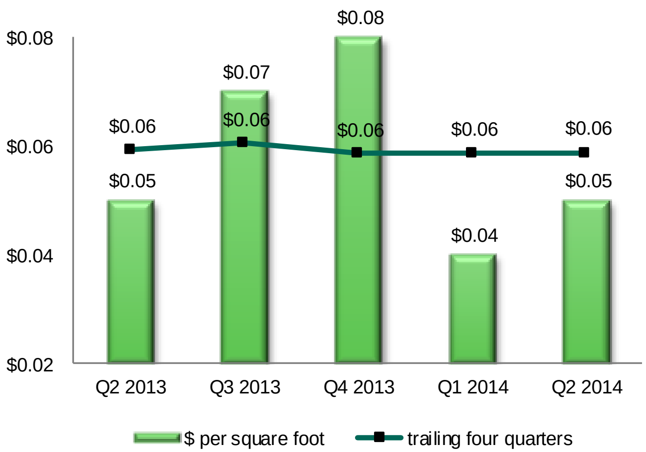
Same Store Information

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Square feet of population	508,242	494,941	489,808	505,644	496,858
Average occupancy	93.3%	93.5%	94.3%	94.1%	94.2%
Percentage change:					
Rental income	1.4%	1.9%	0.8%	1.5%	3.1%
Rental expenses	3.5%	3.2%	(4.2%)	(2.1%)	1.3%
NOI - GAAP	0.7%	1.4%	2.7%	3.0%	3.8%
NOI - Adjusted Cash	(0.4%)	1.8%	3.0%	4.1%	5.3%
Average occupancy	1.9%	0.9%	0.7%	1.3%	1.1%

Turnover Costs: per Square Foot ($) and per Value of Lease (%)



Property Improvements per Square Foot



(square feet in thousands)

Second Quarter 2014

	# of Buildings	Square Feet				Occupied %		Leased %	
	Owned and Managed	Owned and Managed	Prologis Share Sq Ft	Prologis Share (%)	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Global Markets									
U.S.									
Atlanta	118	15,358	12,629	82.2	3.7	90.7	91.8	90.7	91.8
Baltimore/Washington	69	8,206	5,687	69.3	1.7	99.2	98.9	99.2	98.9
Central Valley	24	9,986	8,595	86.1	2.5	96.6	98.4	96.6	98.4
Central & Eastern PA	30	14,925	10,627	71.2	3.1	98.5	98.3	98.5	98.3
Chicago	208	35,019	28,034	80.1	8.2	93.1	94.7	93.1	94.7
Dallas/Ft. Worth	159	24,827	20,521	82.7	6.0	94.5	94.4	94.7	94.4
Houston	93	11,355	8,103	71.4	2.4	98.1	98.4	98.4	98.8
New Jersey/New York City	139	21,118	15,621	74.0	4.6	96.2	96.0	96.5	96.2
San Francisco Bay Area	233	19,085	15,827	82.9	4.6	94.9	94.4	95.0	94.5
Seattle	79	10,598	5,169	48.8	1.5	94.9	95.8	95.0	95.8
South Florida	91	10,637	7,509	70.6	2.2	95.1	93.9	95.1	93.9
Southern California	304	58,069	46,899	80.8	13.7	96.3	96.3	96.7	96.7
Canada	19	6,384	5,399	84.6	1.6	98.3	98.0	98.3	98.0
Mexico									
Guadalajara	27	5,876	2,828	48.1	0.8	97.8	97.9	97.8	97.9
Mexico City	49	10,894	5,383	49.4	1.6	95.8	96.2	95.8	96.2
Monterrey	22	3,413	1,535	45.0	0.4	90.7	90.7	92.3	92.3
Brazil	13	4,689	644	13.7	0.2	97.8	96.0	97.8	96.0
Americas total	**1,677**	**270,439**	**201,010**	**74.3**	**58.8**	**95.5**	**95.7**	**95.7**	**95.8**
Belgium	12	2,497	1,255	50.3	0.4	96.3	92.7	96.3	92.7
Czech Republic	30	7,066	3,253	46.0	1.0	92.1	92.3	93.8	94.1
France	130	31,661	14,078	44.5	4.1	91.4	89.8	92.4	90.6
Germany	94	20,140	7,813	38.8	2.3	96.7	96.3	96.7	96.3
Italy	27	8,378	4,630	55.3	1.3	86.1	78.9	86.1	78.9
Netherlands	64	13,743	5,339	38.8	1.6	94.9	95.0	94.9	95.0
Poland	99	21,609	9,373	43.4	2.7	90.2	89.1	90.8	89.7
Spain	26	7,125	3,483	48.9	1.0	86.8	88.6	86.8	88.6
United Kingdom	87	19,992	8,495	42.5	2.5	96.7	94.6	96.7	94.6
Europe total	**569**	**132,211**	**57,719**	**43.7**	**16.9**	**92.7**	**91.0**	**93.2**	**91.4**
China	31	7,239	2,951	40.8	0.9	96.3	95.2	96.3	95.2
Japan	36	23,008	7,297	31.7	2.1	95.2	91.3	95.4	91.3
Singapore	5	941	941	100.0	0.3	100.0	100.0	100.0	100.0
Asia total	**72**	**31,188**	**11,189**	**35.9**	**3.3**	**95.6**	**93.0**	**95.7**	**93.1**
Total global markets	**2,318**	**433,838**	**269,918**	**62.2**	**79.0**	**94.7**	**94.6**	**94.9**	**94.8**
Regional markets (A)									
Columbus	27	8,244	6,760	82.0	2.0	92.9	91.4	93.8	92.4
Denver	27	4,491	3,960	88.2	1.1	99.1	99.0	100.0	100.0
Orlando	34	4,178	3,404	81.5	1.0	95.4	94.4	95.6	94.6
San Antonio	50	5,606	4,533	80.9	1.3	97.9	98.5	99.4	99.3
Nashville	38	6,230	5,472	87.8	1.6	99.2	99.1	99.2	99.1
Remaining other regional (15 markets)	319	58,170	37,108	63.8	10.9	94.3	94.0	94.9	94.5
Regional markets total	**495**	**86,919**	**61,237**	**70.5**	**17.9**	**95.1**	**94.8**	**95.7**	**95.4**
Other markets (11 markets)	**70**	**12,429**	**10,465**	**84.2**	**3.1**	**90.8**	**92.1**	**90.8**	**92.1**
Total operating portfolio - owned and managed	**2,883**	**533,186**	**341,620**	**64.1**	**100.0**	**94.6**	**94.5**	**94.9**	**94.8**

(A) Selected and ordered by Prologis share of Gross Book Value ($).

(dollars in thousands)

	Second Quarter NOI				Gross Book Value			
	Owned and Managed	Prologis Share (A) ($)	Prologis Share (A) (%)	% of Total	Owned and Managed	Prologis Share ($)	Prologis Share (%)	% of Total
Global Markets								
U.S.								
Atlanta	$ 9,924	$ 7,951	80.1	2.2	$ 690,914	$ 534,847	77.4	2.2
Baltimore/Washington	12,179	8,567	70.3	2.3	696,225	471,357	67.7	1.9
Central Valley	9,126	8,100	88.8	2.2	552,374	471,954	85.4	1.9
Central & Eastern PA	15,150	10,405	68.7	2.8	910,923	633,966	69.6	2.6
Chicago	25,581	19,507	76.3	5.3	2,112,235	1,631,381	77.2	6.7
Dallas/Ft. Worth	18,479	14,345	77.6	3.9	1,244,897	966,548	77.6	3.9
Houston	12,172	8,013	65.8	2.2	721,325	436,837	60.6	1.8
New Jersey/New York City	28,505	19,893	69.8	5.4	1,870,061	1,244,368	66.5	5.1
San Francisco Bay Area	28,851	22,935	79.5	6.3	1,956,347	1,617,569	82.7	6.6
Seattle	13,097	6,374	48.7	1.7	1,005,722	494,462	49.2	2.0
South Florida	14,188	9,598	67.6	2.6	1,057,923	780,749	73.8	3.2
Southern California	63,740	51,173	80.3	13.9	5,202,488	4,152,577	79.8	16.9
Canada	8,182	6,871	84.0	1.9	604,079	508,559	84.2	2.1
Mexico								
Guadalajara	6,817	4,214	61.8	1.1	306,421	149,049	48.6	0.6
Mexico City	11,108	6,237	56.1	1.7	709,194	357,013	50.3	1.5
Monterrey	3,623	1,011	27.9	0.3	193,349	86,968	45.0	0.4
Brazil	11,917	1,550	13.0	0.4	445,546	53,284	12.0	0.2
Americas total	**292,639**	**206,744**	**70.6**	**56.2**	**20,280,023**	**14,591,488**	**72.0**	**59.6**
Belgium	3,985	1,973	49.5	0.5	200,848	101,327	50.4	0.4
Czech Republic	8,434	3,886	46.1	1.0	525,911	231,460	44.0	0.9
France	40,663	17,151	42.2	4.7	2,611,174	1,121,418	42.9	4.6
Germany	31,313	11,987	38.3	3.3	1,847,852	702,827	38.0	2.9
Italy	8,501	4,257	50.1	1.2	533,465	293,580	55.0	1.2
Netherlands	22,035	8,675	39.4	2.4	1,264,121	495,189	39.2	2.0
Poland	20,779	8,857	42.6	2.4	1,479,067	604,465	40.9	2.5
Spain	8,885	4,514	50.8	1.2	577,442	289,553	50.1	1.2
United Kingdom	44,341	18,796	42.4	5.1	2,735,510	1,142,069	41.7	4.6
Europe total	**188,936**	**80,096**	**42.4**	**21.8**	**11,775,390**	**4,981,888**	**42.3**	**20.3**
China	6,267	1,780	28.4	0.5	368,704	117,659	31.9	0.5
Japan	56,187	15,110	26.9	4.1	4,213,507	1,201,576	28.5	4.9
Singapore	2,438	2,438	100.0	0.7	146,726	146,726	100.0	0.6
Asia total	**64,892**	**19,328**	**29.8**	**5.3**	**4,728,937**	**1,465,961**	**31.0**	**6.0**
Total global markets	**546,467**	**306,168**	**56.0**	**83.3**	**36,784,350**	**21,039,337**	**57.2**	**85.9**
Regional markets (B)								
Columbus	4,486	3,480	77.6	1.0	311,676	246,839	79.2	1.0
Denver	4,646	4,149	89.3	1.1	268,626	239,289	89.1	1.0
Orlando	3,882	2,983	76.8	0.8	282,633	224,122	79.3	0.9
San Antonio	5,189	4,232	81.6	1.2	261,436	204,690	78.3	0.8
Nashville	3,912	3,351	85.7	0.9	220,654	192,084	87.1	0.8
Remaining other regional (15 markets)	54,350	33,432	61.5	9.1	3,121,475	1,839,334	58.9	7.5
Regional markets total	**76,465**	**51,627**	**67.5**	**14.1**	**4,466,500**	**2,946,358**	**66.0**	**12.0**
Other markets (11 markets)	**11,576**	**9,666**	**83.5**	**2.6**	**670,634**	**517,542**	**77.2**	**2.1**
Total operating portfolio - owned and managed	**$ 634,508**	**$ 367,461**	**57.9**	**100.0**	**$ 41,921,484**	**$ 24,503,237**	**58.5**	**100.0**

(A) Prologis' share of NOI for the properties that were contributed to the co-investment ventures includes 100% of the NOI until the contribution date and then Prologis' share subsequent to the contribution.

(B) Selected and ordered by Prologis share of Gross Book Value ($).

(square feet and dollars in thousands)

Second Quarter 2014

	# of Buildings	Square Feet				Occupied %		Leased %	
	Owned and Managed	Owned and Managed	Prologis Share Sq Ft	Prologis Share %	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Consolidated									
Americas	1,377	226,365	219,776	97.1	64.3	95.7	95.7	95.9	95.9
Europe	49	11,382	11,382	100.0	3.3	77.0	77.0	78.2	78.2
Asia	26	7,635	7,635	100.0	2.3	91.1	91.1	91.1	91.1
Total operating portfolio - consolidated	**1,452**	**245,382**	**238,793**	**97.3**	**69.9**	**94.7**	**94.7**	**94.9**	**94.9**
Unconsolidated									
Americas	803	128,372	45,627	35.5	13.4	94.9	94.8	95.2	95.1
Europe	582	135,879	53,646	39.5	15.7	93.9	93.6	94.4	94.1
Asia	46	23,553	3,554	15.1	1.0	97.1	97.1	97.2	97.2
Total operating portfolio - unconsolidated	**1,431**	**287,804**	**102,827**	**35.7**	**30.1**	**94.6**	**94.3**	**95.0**	**94.7**
Total									
Americas	2,180	354,737	265,403	74.8	77.7	95.4	95.5	95.6	95.7
Europe	631	147,261	65,028	44.2	19.0	92.6	90.7	93.2	91.3
Asia	72	31,188	11,189	35.9	3.3	95.6	93.0	95.7	93.1
Total operating portfolio - owned and managed	**2,883**	**533,186**	**341,620**	**64.1**	**100.0**	**94.6**	**94.5**	**94.9**	**94.8**
Value added properties - consolidated	5	1,049	1,049	100.0		28.7	28.7	28.7	28.7
Value added properties - unconsolidated	12	2,513	891	35.5		39.6	37.8	44.8	45.0
Total owned and managed	**2,900**	**536,748**	**343,560**	**64.0**		**94.3**	**94.2**	**94.6**	**94.5**

	Second Quarter NOI				Gross Book Value			
	Owned and Managed	Prologis Share (A) $	Prologis Share (A) %	% of Total	Owned and Managed	Prologis Share $	Prologis Share %	% of Total
Consolidated								
Americas	$216,847	$209,078	96.4	56.8	$14,934,816	$14,427,773	96.6	58.9
Europe	11,252	11,252	100.0	3.1	757,174	757,174	100.0	3.1
Asia	11,224	11,224	100.0	3.1	885,550	885,550	100.0	3.6
Total operating portfolio - consolidated	**$239,323**	**$231,554**	**96.8**	**63.0**	**$16,577,540**	**$16,070,497**	**96.9**	**65.6**
Unconsolidated								
Americas	$145,450	$50,591	34.8	13.8	$9,351,056	$3,114,257	33.3	12.7
Europe	196,067	77,212	39.4	21.0	12,149,501	4,738,072	39.0	19.3
Asia	53,668	8,104	15.1	2.2	3,843,387	580,411	15.1	2.4
Total operating portfolio - unconsolidated	**$395,185**	**$135,907**	**34.4**	**37.0**	**$25,343,944**	**$8,432,740**	**33.3**	**34.4**
Total								
Americas	$362,297	$259,669	71.7	70.6	$24,285,872	$17,542,030	72.2	71.6
Europe	207,319	88,464	42.7	24.1	12,906,675	5,495,246	42.6	22.4
Asia	64,892	19,328	29.8	5.3	4,728,937	1,465,961	31.0	6.0
Total operating portfolio - owned and managed	**$634,508**	**$367,461**	**57.9**	**100.0**	**$41,921,484**	**$24,503,237**	**58.5**	**100.0**
Value added properties - consolidated	137	137	100.0		51,460	51,460	100.0	
Value added properties - unconsolidated	663	224	33.8		154,693	55,064	35.6	
Total owned and managed	**$635,308**	**$367,822**	**57.9**		**$42,127,637**	**$24,609,761**	**58.4**	

(A) Prologis' share of NOI for the properties that were contributed to the co-investment ventures includes 100% of the NOI until the contribution date and then Prologis' share subsequent to the contribution.

(square feet and dollars in thousands)

Top Customers

		% of Annual Base Rent	Total Square Feet
1	DHL	2.1	10,959
2	CEVA Logistics	1.4	6,899
3	Kuehne + Nagel	1.3	6,017
4	Geodis	1.2	6,053
5	Amazon.com	1.0	4,659
6	Wal-Mart Stores	1.0	4,904
7	Home Depot	0.8	4,177
8	FedEx Corporation	0.8	2,333
9	United States Government	0.7	1,482
10	Hitachi	0.7	2,062
Top 10 Customers		11.0	49,545
11	Tesco	0.6	2,508
12	DB Schenker	0.6	3,074
13	PepsiCo	0.6	4,076
14	ND Logistics	0.6	3,032
15	Panasonic	0.6	1,678
16	Panalpina	0.5	2,159
17	Ingram Micro	0.5	3,023
18	La Poste	0.5	1,619
19	Bayerische Motoren Werke AG (BMW)	0.5	2,273
20	UPS	0.4	2,314
21	Nippon Express Group	0.4	1,328
22	LG	0.4	2,540
23	Schneider Electric	0.4	1,698
24	Con-Way (Menlo Worldwide Logistics)	0.4	2,700
25	UTi	0.4	2,287
Top 25 Customers		18.4	85,854

Lease Expirations - Operating Portfolio - Owned and Managed

Year	Occupied Sq Ft	Annual Base Rent		
		$	% of Total	Occupied Sq Ft $
Month to month	11,069	$ 48,705	1.6	$ 4.40
2014	24,665	139,570	4.6	5.66
2015	96,076	546,992	18.2	5.69
2016	95,873	544,654	18.2	5.68
2017	83,516	485,132	16.1	5.81
2018	59,600	359,188	11.9	6.03
Thereafter	133,847	882,240	29.4	6.59
Total	504,646	$ 3,006,481	100.0	$ 5.96

Lease Expirations - Operating Portfolio - Prologis Share

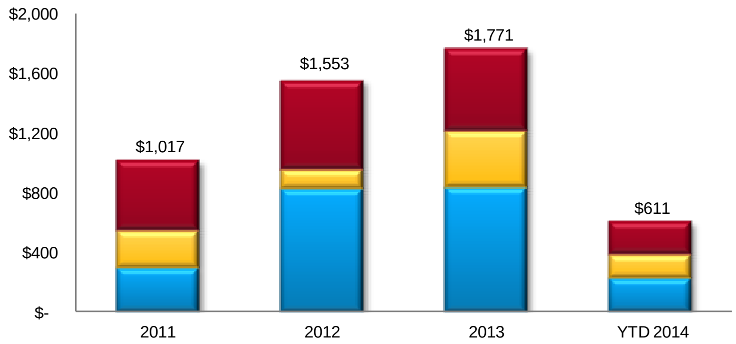
Year	Occupied Sq Ft	Annual Base Rent		
		$	% of Total	Occupied Sq Ft $
Month to month	7,945	$ 31,118	1.8	$ 3.92
2014	15,855	83,401	4.6	5.26
2015	61,405	324,900	18.3	5.29
2016	61,247	318,328	17.9	5.20
2017	53,286	286,152	16.1	5.37
2018	37,094	213,702	12.0	5.76
Thereafter	86,152	520,202	29.3	6.04
Total	322,984	$ 1,777,803	100.0	$ 5.50

Lease Expirations by Division - Operating Portfolio - Owned and Managed

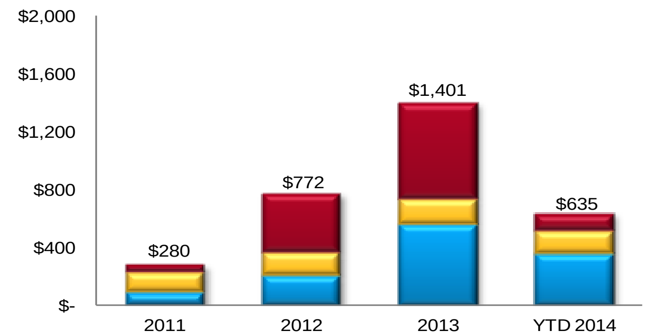
Division	2014	2015	2016	2017	2018	Thereafter	Total
Americas	58.4%	59.8%	58.7%	60.0%	67.5%	55.0%	59.2%
Europe	28.8	31.9	28.9	30.1	27.2	32.9	30.6
Asia	12.8	8.3	12.4	9.9	5.3	12.1	10.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(in millions)

Development Starts (TEI)

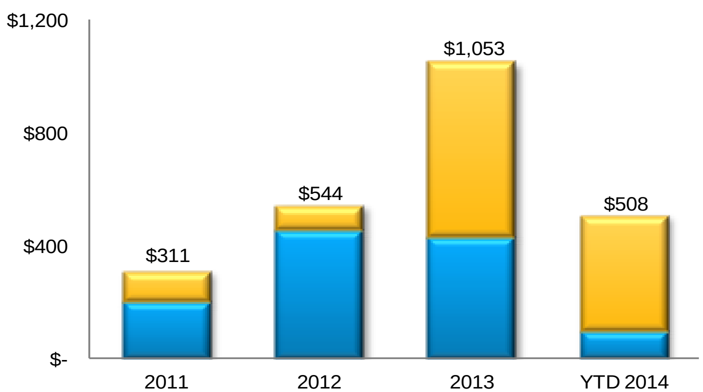


Development Stabilizations

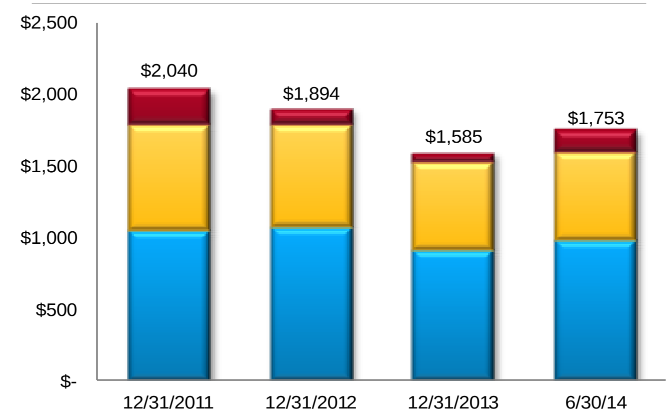


Value Creation	**$26**	**$184**	**$426**	**$142**

Building Acquisitions



Land Portfolio



Americas Europe Asia

(in thousands, except percent)

	Q2 2014					YTD 2014				
			TEI					TEI		
	Square Feet	Leased % at Start	Owned and Managed	Prologis Share ($)	Prologis Share (%)	Square Feet	Leased % at Start	Owned and Managed	Prologis Share ($)	Prologis Share (%)
Americas										
U.S.										
Central	936	0.0	$ 47,782	$ 47,782	100.0	2,876	67.5	$ 122,050	$ 122,050	100.0
East	79	100.0	9,198	9,198	100.0	290	100.0	30,136	30,136	100.0
Northwest	-	-	-	-	-	-	-	-	-	-
Southwest	1,613	20.2	100,523	100,523	100.0	1,613	20.2	100,523	100,523	100.0
Canada	-	-	-	-	-	-	-	-	-	-
Mexico	-	-	-	-	-	754	0.0	45,156	36,686	81.2
Brazil	356	0.0	31,637	7,909	25.0	665	0.0	61,431	22,806	37.1
Americas total	**2,984**	**13.6**	**189,140**	**165,412**	**87.5**	**6,198**	**41.2**	**359,296**	**312,201**	**86.9**
Europe										
Northern	-	-	-	-	-	120	100.0	9,590	3,048	31.8
Southern	490	55.2	54,251	38,305	70.6	1,192	81.6	70,750	54,804	77.5
Central	238	0.0	14,922	14,922	100.0	614	61.2	39,466	39,466	100.0
United Kingdom	171	100.0	21,184	21,184	100.0	336	100.0	39,787	39,787	100.0
Europe total	**899**	**49.1**	**90,357**	**74,411**	**82.4**	**2,262**	**79.8**	**159,593**	**137,105**	**85.9**
Asia										
Japan	619	27.0	79,145	79,145	100.0	619	27.0	79,145	79,145	100.0
China	208	0.0	12,616	1,892	15.0	660	68.4	37,321	5,598	15.0
Singapore	-	-	-	-	-	-	-	-	-	-
Asia total	**827**	**20.2**	**91,761**	**81,037**	**88.3**	**1,279**	**48.4**	**116,466**	**84,743**	**72.8**
Total	**4,710**	**21.5**	**$ 371,258**	**$ 320,860**	**86.4**	**9,739**	**51.1**	**$ 635,355**	**$ 534,049**	**84.1**

	Q2 2014	YTD 2014
Weighted average estimated stabilized yield	7.3%	7.7%
Pro forma NOI	$26,943	$49,210
Weighted average estimated cap rate at stabilization	5.9%	6.3%
Estimated value creation	$83,368	$141,982
Estimated development margin	22.5%	22.3%
Prologis share of estimated value creation ($)	**$82,218**	**$132,725**
Prologis share of estimated value creation (%)	**98.6%**	**93.5%**

(in thousands, except percent)

	Q2 2014					YTD 2014				
			TEI					TEI		
	Square Feet	Leased % at Start	Owned and Managed	Prologis Share ($)	Prologis Share (%)	Square Feet	Leased % at Start	Owned and Managed	Prologis Share ($)	Prologis Share (%)
Americas										
U.S.										
Central	548	11.4	$ 30,513	$ 30,513	100.0	1,187	5.2	$ 62,826	$ 62,826	100.0
East	1,154	0.0	69,290	69,290	100.0	1,319	0.0	85,824	85,824	100.0
Northwest	600	0.0	37,802	37,802	100.0	707	15.1	50,333	50,333	100.0
Southwest	-	-	-	-	-	-	-	-	-	-
Canada	-	-	-	-	-	-	-	-	-	-
Mexico	501	100.0	31,300	31,300	100.0	501	100.0	31,300	31,300	100.0
Brazil	-	-	-	-	-	-		-	-	-
Americas total	**2,803**	**20.1**	**168,905**	**168,905**	**100.0**	**3,714**	**18.0**	**230,283**	**230,283**	**100.0**
Europe										
Northern	78	0.0	7,228	2,274	31.5	78	0.0	7,228	2,274	31.5
Southern	-	-	-	-	-	-	-	-	-	-
Central	658	26.9	45,397	45,397	100.0	1,265	23.6	83,580	83,580	100.0
United Kingdom	139	0.0	35,590	35,590	100.0	363	61.7	70,916	70,916	100.0
Europe total	**875**	**20.2**	**88,215**	**83,261**	**94.4**	**1,706**	**30.6**	**161,724**	**156,770**	**96.9**
Asia										
Japan	1,051	0.0	153,446	153,446	100.0	1,051	0.0	153,446	153,446	100.0
China	520	80.2	28,085	4,213	15.0	1,196	34.9	65,371	9,806	15.0
Singapore	-	-	-	-	-	-	-	-	-	-
Asia total	**1,571**	**26.5**	**181,531**	**157,659**	**86.8**	**2,247**	**18.6**	**218,817**	**163,252**	**74.6**
Total	**5,249**	**22.0**	**$ 438,651**	**$ 409,825**	**93.4**	**7,667**	**21.0**	**$ 610,824**	**$ 550,305**	**90.1**

	Q2 2014	YTD 2014
Weighted average estimated stabilized yield	7.1%	7.3%
Pro forma NOI	$31,299	$44,518
Weighted average estimated cap rate at stabilization	5.9%	6.0%
Estimated value creation	$82,474	$120,643
Estimated development margin	18.8%	19.8%
Prologis share of estimated value creation ($)	**$78,580**	**$108,854**
Prologis share of estimated value creation (%)	**95.3%**	**90.2%**
% BTS (based on Prologis share)	10.3%	17.6%

(in thousands, except percent)

Second Quarter 2014

	Pre-Stabilized Developments				Under Development: 2014 Expected Completion			Under Development: 2015 and Thereafter Expected Completion			Total Development Portfolio				
			TEI			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 ($)	Prologis Share (%)
Americas															
U.S.															
Central	767	100.0	$28,477	$28,477	3,123	$146,330	$146,330	-	$ -	$ -	3,890	70.8	$174,807	$174,807	100.0
East	1,947	47.3	207,600	207,600	1,041	106,796	103,507	1,435	95,219	95,219	4,423	36.6	409,615	406,326	99.2
Northwest	241	64.4	16,835	16,835	717	49,676	49,676	392	23,648	23,648	1,350	38.5	90,159	90,159	100.0
Southwest	427	0.0	27,103	27,103	954	69,170	69,170	-	-	-	1,381	3.2	96,273	96,273	100.0
Canada	-	-	-	-	910	101,097	101,097	-	-	-	910	0.0	101,097	101,097	100.0
Mexico	619	0.0	40,995	40,995	570	36,115	36,115	501	31,301	31,301	1,690	29.7	108,411	108,411	100.0
Brazil	889	37.8	91,476	30,801	651	68,220	17,055	-	-	-	1,540	21.8	159,696	47,856	30.0
Americas total	**4,890**	**44.6**	**412,486**	**351,811**	**7,966**	**577,404**	**522,950**	**2,328**	**150,168**	**150,168**	**15,184**	**38.0**	**1,140,058**	**1,024,929**	**89.9**
Europe															
Northern	-	-	-	-	242	26,614	21,660	-	-	-	242	0.0	26,614	21,660	81.4
Southern	-	-	-	-	262	19,079	9,539	348	28,559	28,559	610	100.0	47,638	38,098	80.0
Central	-	-	-	-	839	53,876	53,876	577	38,044	38,044	1,416	52.1	91,920	91,920	100.0
United Kingdom	225	0.0	25,557	25,557	449	77,561	77,561	1,218	171,437	171,437	1,892	64.4	274,555	274,555	100.0
Europe total	**225**	**0.0**	**25,557**	**25,557**	**1,792**	**177,130**	**162,636**	**2,143**	**238,040**	**238,040**	**4,160**	**61.7**	**440,727**	**426,233**	**96.7**
Asia															
Japan	747	17.3	90,922	90,922	396	48,433	48,433	2,842	415,817	415,817	3,985	23.6	555,172	555,172	100.0
China	560	10.7	28,147	9,041	-	-	-	4,577	271,095	40,664	5,137	9.3	299,242	49,705	16.6
Singapore	-	-	-	-	17	2,014	2,014	-	-	-	17	100.0	2,014	2,014	100.0
Asia total	**1,307**	**14.5**	**119,069**	**99,963**	**413**	**50,447**	**50,447**	**7,419**	**686,912**	**456,481**	**9,139**	**15.7**	**856,428**	**606,891**	**70.9**
Total	**6,422**	**36.9**	**$557,112**	**$477,331**	**10,171**	**$804,981**	**$736,033**	**11,890**	**$1,075,120**	**$844,689**	**28,483**	**34.3**	**$2,437,213**	**$2,058,053**	**84.4**
Cost to complete			$ 49,523	$ 47,113		$ 288,830	$ 270,003		$ 644,324	$ 504,761			$ 982,677	$ 821,877	
Percent build to suit (based on Prologis share)				6.0%			20.5%			34.0%				22.7%	
Weighted average estimated stabilized yield															
Americas			7.6%			7.0%			7.2%				7.3%		
Europe			8.5%			8.3%			7.1%				7.7%		
Asia			6.9%			6.8%			7.0%				7.0%		
Total			7.5%			7.3%			7.0%				7.2%		

Pro forma NOI	$ 176,190
Weighted average estimated cap rate at stabilization	6.0%
Estimated value creation	$ 516,617
Estimated development margin	21.2%
Prologis share of estimated value creation	**$ 452,767**
Prologis share of estimated value creation	87.6%

(square feet and dollars in thousands)

	Q2 2014					YTD 2014				
	Square Feet	Prologis Share of Square Feet	Owned and Managed Acquisition Cost	Prologis Share of Acquisition Cost ($)	Prologis Share of Acquisition Cost (%)	Square Feet	Prologis Share of Square Feet	Owned and Managed Acquisition Cost	Prologis Share of Acquisition Cost ($)	Prologis Share of Acquisition Cost (%)
Third Party Building Acquisitions										
Americas										
Prologis wholly owned	556	556	$ 44,821	$ 44,821	100.0	556	556	$ 44,821	$ 44,821	100.0
Prologis Targeted U.S. Logistics Fund	374	97	29,375	7,567	25.8	833	216	57,366	14,790	25.8
Total Americas	**930**	**653**	**74,196**	**52,388**	**70.6**	**1,389**	**772**	**102,187**	**59,611**	**58.3**
Europe										
Prologis Targeted Europe Logistics Fund	202	88	46,420	20,128	43.4	202	88	46,420	20,128	43.4
Prologis European Properties Fund II	-	-	-	-	-	1,151	366	84,510	26,857	31.8
Prologis European Logistics Partners	592	296	16,377	8,188	50.0	3,688	1,844	274,412	137,206	50.0
Total Europe	**794**	**384**	**62,797**	**28,316**	**45.1**	**5,041**	**2,298**	**405,342**	**184,191**	**45.4**
Asia	-	-	-	-	-	-	-	-	-	-
Total Third Party Building Acquisitions	**1,724**	**1,037**	**$ 136,993**	**$ 80,704**	**58.9**	**6,430**	**3,070**	**$ 507,529**	**$ 243,802**	**48.0**
Weighted average stabilized cap rate				**6.3%**					**6.8%**	

	Q2 2014			YTD 2014		
	Ownership			Ownership		
	Before	After	Total Equity Invested	Before	After	Total Equity Invested
Equity Invested in Co-Investment Ventures						
Prologis North American Industrial Fund	23.1%	41.9%	$ 274,666	23.1%	41.9%	$ 274,666
Total Equity Invested in Co-Investment Ventures			**$ 274,666**			**$ 274,666**

(square feet and dollars in thousands)

Second Quarter 2014

	Q2 2014					YTD 2014				
	Square Feet	Prologis Share of Square Feet	Owned and Managed Total Proceeds	Prologis Share of Proceeds ($)	Prologis Share of Proceeds (%) (A)	Square Feet	Prologis Share of Square Feet	Owned and Managed Total Proceeds	Prologis Share of Proceeds ($)	Prologis Share of Proceeds (%) (A)
Third Party Building Dispositions										
Americas										
Prologis wholly owned	6,962	6,962	$ 328,430	$ 328,430	100.0	7,677	7,677	$ 363,477	$ 363,477	100.0
Prologis AMS (B)	748	288	64,501	24,868	38.6	748	288	64,501	24,868	38.6
Prologis Targeted U.S. Logistics Fund	688	177	49,228	12,681	25.8	708	182	52,316	13,478	25.8
Prologis North American Industrial Fund	461	193	23,120	9,685	41.9	599	225	29,420	11,138	37.9
Total Americas	**8,859**	**7,620**	**465,279**	**375,664**	**80.7**	**9,732**	**8,372**	**509,714**	**412,961**	**81.0**
Europe										
Prologis Targeted Europe Logistics Fund	33	14	4,155	1,802	43.4	33	14	4,155	1,802	43.4
Prologis European Logistics Partners	-	-	-	-	-	594	297	56,925	28,462	50.0
Total Europe	**33**	**14**	**4,155**	**1,802**	**43.4**	**627**	**311**	**61,080**	**30,264**	**49.5**
Asia										
Prologis wholly owned	383	383	50,263	50,263	100.0	383	383	50,263	50,263	100.0
Total Asia	**383**	**383**	**50,263**	**50,263**	**100.0**	**383**	**383**	**50,263**	**50,263**	**100.0**
Total Third Party Building Dispositions	**9,275**	**8,017**	**$ 519,697**	**$ 427,729**	**82.3**	**10,742**	**9,066**	**$ 621,057**	**$ 493,488**	**79.5**
Building Contributions to Co-Investment Ventures										
Americas (C)										
Prologis U.S. Logistics Venture (B)	-	-	$ -	$ -	-	12,797	12,797	$ 1,008,310	$ 453,366	45.0
Total Americas	**-**	**-**	**-**	**-**	**-**	**12,797**	**12,797**	**1,008,310**	**453,366**	**45.0**
Europe										
Prologis Targeted Europe Logistics Fund	167	167	26,257	14,872	56.6	167	167	26,257	14,872	56.6
Total Europe	**167**	**167**	**26,257**	**14,872**	**56.6**	**167**	**167**	**26,257**	**14,872**	**56.6**
Asia										
Total Asia	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Contributions to Co-Investment Ventures	**167**	**167**	**$ 26,257**	**$ 14,872**	**56.6**	**12,964**	**12,964**	**$ 1,034,567**	**$ 468,238**	**45.3**
Total Building Dispositions and Contributions	**9,442**	**8,184**	**$ 545,954**	**$ 442,601**	**81.1**	**23,706**	**22,030**	**$ 1,655,624**	**$ 961,726**	**58.1**
Land dispositions			11,212	10,482	93.5			60,374	59,644	98.8
Other real estate dispositions			46,513	46,513	100.0			46,513	46,513	100.0
Grand Total Dispositions and Contributions			**$ 603,679**	**$ 499,596**	**82.8**			**$ 1,762,511**	**$ 1,067,883**	**60.6**
Weighted average stabilized cap rate on building dispositions and contributions				**6.6%**					**6.4%**	

(A) For contributions, this amount reflects net cash proceeds to Prologis (net of units received for partial consideration).

(B) This is a consolidated co-investment venture.

(C) In June 2014, we completed the initial public offering for FIBRA Prologis, a Mexican real estate investment trust, on the Mexican Stock Exchange. We received equity units of FIBRA Prologis in exchange for our investment in 177 properties aggregating 29.7 million square feet. The portfolio of properties were purchased by FIBRA Prologis from us and two of our co-investment ventures (Mexico Fondo Logistico, a consolidated venture, and Prologis Mexico Industrial Fund, an unconsolidated venture). Our ownership in FIBRA Prologis is approximately 45%.

(square feet and dollars in thousands)

Land by Market	Acres				Current Book Value			
	Owned and Managed	Prologis Share Acres	Prologis Share (%)	Estimated Build Out (sq ft)	Owned and Managed	Prologis Share ($)	Prologis Share (%)	% of Total
Global markets								
U.S.								
Atlanta	608	608	100.0	8,476	$ 28,435	$ 28,435	100.0	1.7
Baltimore/Washington	39	39	100.0	400	1,567	1,567	100.0	0.1
Central Valley	1,144	1,144	100.0	20,560	47,297	47,297	100.0	2.9
Central & Eastern PA	332	332	100.0	4,361	36,988	36,988	100.0	2.3
Chicago	510	510	100.0	9,479	36,815	36,815	100.0	2.2
Dallas/Ft. Worth	426	426	100.0	7,583	28,220	28,220	100.0	1.7
Houston	70	70	100.0	1,112	8,374	8,374	100.0	0.5
New Jersey/New York City	183	183	100.0	2,673	81,484	81,484	100.0	5.0
South Florida	316	316	100.0	5,629	155,091	155,091	100.0	9.4
Southern California	697	697	100.0	13,909	135,668	135,668	100.0	8.3
Canada	179	179	100.0	3,435	55,316	55,316	100.0	3.4
Mexico								
Guadalajara	50	50	100.0	1,066	12,485	12,485	100.0	0.8
Mexico City	142	142	100.0	2,740	64,475	64,475	100.0	3.9
Monterrey	156	156	100.0	2,869	33,020	33,020	100.0	2.0
Brazil	573	217	37.9	9,452	127,542	50,256	39.4	3.1
Americas total	**5,425**	**5,069**	**93.4**	**93,744**	**852,777**	**775,491**	**90.9**	**47.3**
Belgium	27	27	100.0	526	10,657	10,657	100.0	0.7
Czech Republic	258	258	100.0	4,303	57,962	57,962	100.0	3.5
France	449	449	100.0	8,360	79,178	79,178	100.0	4.8
Germany	58	58	100.0	1,197	15,204	15,204	100.0	0.9
Italy	107	107	100.0	2,451	33,719	33,719	100.0	2.1
Netherlands	56	56	100.0	1,538	53,311	53,311	100.0	3.3
Poland	665	665	100.0	12,922	82,676	82,676	100.0	5.0
Spain	100	100	100.0	2,021	17,438	17,438	100.0	1.1
United Kingdom	636	636	100.0	9,944	194,277	194,277	100.0	11.9
Europe total	**2,356**	**2,356**	**100.0**	**43,262**	**544,422**	**544,422**	**100.0**	**33.3**
China	148	38	25.7	4,397	54,527	15,616	28.6	1.0
Japan	52	52	100.0	2,163	98,265	98,265	100.0	6.0
Asia total	**200**	**90**	**45.0**	**6,560**	**152,792**	**113,881**	**74.5**	**7.0**
Total global markets	**7,981**	**7,515**	**94.2**	**143,566**	**1,549,991**	**1,433,794**	**92.5**	**87.6**
Regional markets (A)								
Hungary	335	335	100.0	5,604	38,948	38,948	100.0	2.4
Central Florida	122	122	100.0	1,768	25,932	25,932	100.0	1.6
Juarez	148	148	100.0	2,759	15,209	15,209	100.0	1.0
Slovakia	78	78	100.0	1,708	14,674	14,674	100.0	0.9
Reynosa	196	196	100.0	3,460	12,221	12,221	100.0	0.7
Remaining other regional (10 markets)	504	504	100.0	8,525	36,645	36,645	100.0	2.2
Total regional markets	**1,383**	**1,383**	**100.0**	**23,824**	**143,629**	**143,629**	**100.0**	**8.8**
Total other markets (7 markets)	**684**	**684**	**100.0**	**11,332**	**59,438**	**59,438**	**100.0**	**3.6**
Total land portfolio - owned and managed	**10,048**	**9,582**	**95.4**	**178,722**	**$ 1,753,058**	**$ 1,636,861**	**93.4**	**100.0**
Original Cost Basis					**$ 2,609,476**	**$ 2,499,784**		

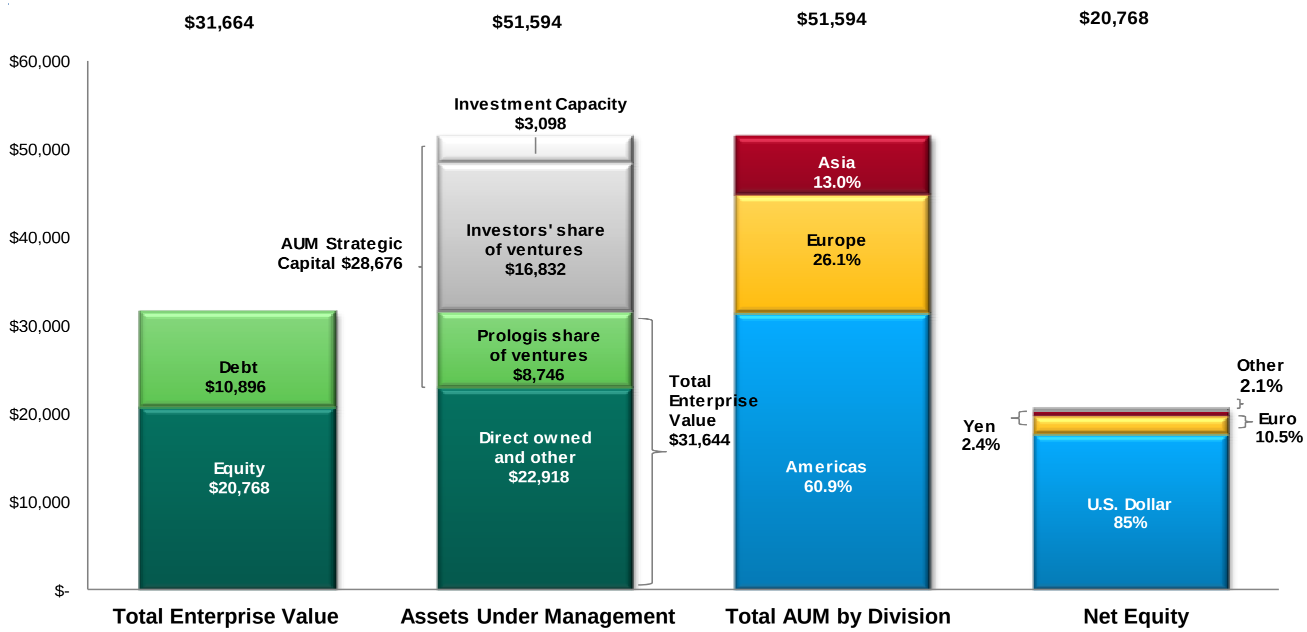
(A) Ordered by our share of current book value.

(dollars in thousands)

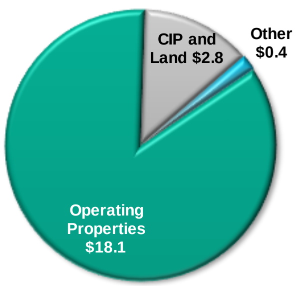
Land Portfolio Summary	Acres: Owned and Managed	Acres: Prologis Share	Acres: % of Total	Current Book Value: Owned and Managed	Current Book Value: Prologis Share	Current Book Value: % of Total
Americas						
U.S.						
Central	1,322	1,322	13.8	$ 87,959	$ 87,959	5.4
East	2,015	2,015	21.0	360,924	360,924	21.9
Northwest	1,336	1,336	13.9	58,566	58,566	3.6
Southwest	810	810	8.5	146,723	146,723	9.0
Canada	179	179	1.9	55,316	55,316	3.4
Mexico	726	726	7.6	143,132	143,132	8.7
Brazil	573	217	2.3	127,542	50,256	3.1
Total Americas	**6,961**	**6,605**	**69.0**	**980,162**	**902,876**	**55.1**
Europe						
Central	1,426	1,426	14.9	201,552	201,552	12.3
Northern	169	169	1.8	93,940	93,940	5.7
Southern	656	656	6.8	130,335	130,335	8.0
United Kingdom	636	636	6.6	194,277	194,277	11.9
Total Europe	**2,887**	**2,887**	**30.1**	**620,104**	**620,104**	**37.9**
Asia						
China	148	38	0.4	54,527	15,616	1.0
Japan	52	52	0.5	98,265	98,265	6.0
Total Asia	**200**	**90**	**0.9**	**152,792**	**113,881**	**7.0**
Total land portfolio - owned and managed	**10,048**	**9,582**	**100.0**	**$ 1,753,058**	**$ 1,636,861**	**100.0**
Estimated Build Out (in TEI)				**$ 10,800,000**		

Land Roll Forward - Owned and Managed	Americas	Europe	Asia	Total
As of March 31, 2014	$ 971,765	$ 591,346	$ 118,848	$ 1,681,959
Acquisitions	8,195	57,718	19,684	85,597
Dispositions	(2,382)	(4,053)	-	(6,435)
Development starts	(34,923)	(28,320)	(28,301)	(91,544)
Infrastructure costs	32,767	2,943	1,529	37,239
Reclasses	-	-	39,347	39,347
Effect of changes in foreign exchange rates and other	4,740	470	1,685	6,895
As of June 30, 2014	**$ 980,162**	**$ 620,104**	**$ 152,792**	**$ 1,753,058**

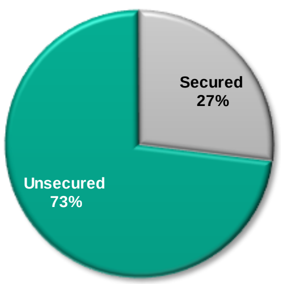
Assets Under Management
(in millions)



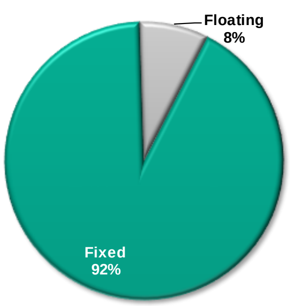
Unencumbered Assets-Prologis Share
(in billions)



Secured & Unsecured Debt-Prologis Share



Fixed vs. Floating Debt-Prologis Share



Debt Metrics (A)

	2014 Second Quarter	2014 First Quarter
Debt as % of gross real estate assets	37.5%	37.1%
Secured debt as % of gross real estate assets	10.4%	10.7%
Unencumbered gross real estate assets to unsecured debt	267.7%	270.0%
Fixed charge coverage ratio	3.02x	2.85x
Fixed charge coverage ratio, including development gains	3.35x	3.24x
Debt/Adjusted EBITDA	7.35x	7.20x
Debt/Adjusted EBITDA, including development gains	6.61x	6.34x
Debt/Adjusted EBITDA (adjusted for development)	6.16x	6.04x

Investment Ratings at June 30, 2014 (B)

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

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

(dollars in millions)

	Prologis												
	Unsecured										Prologis Share		
Maturity	Senior Debt	Exchangeable Debt	Credit Facilities (A)	Other Debt (A)	Secured Mortgage Debt	Total	Consolidated Entities Debt	Total Consolidated Debt	Unconsolidated Entities Debt	Total Debt	($)	% of Debt Maturing	Wtd. Avg. Interest Rate (B)
2014	$ -	$ -	$ -	$1	$22	$23	$2	$25	$74	$99	$45	0.4	3.2%
2015	-	460	-	1	123	584	4	588	1,081	1,669	924	8.5	4.0%
2016	-	-	-	1	325	326	4	330	1,530	1,860	886	8.2	4.9%
2017	438	-	-	1	226	665	1	666	533	1,199	881	8.1	5.1%
2018	667	-	39	1	110	817	2	819	1,504	2,323	1,259	11.6	4.7%
2019	694	-	-	205	285	1,184	2	1,186	617	1,803	1,346	12.3	4.2%
2020	382	-	-	1	6	389	2	391	942	1,333	655	6.0	5.3%
2021	500	-	-	404	6	910	2	912	768	1,680	1,075	9.9	2.7%
2022	956	-	-	-	7	963	3	966	608	1,574	1,138	10.5	3.1%
2023	850	-	-	-	7	857	1	858	137	995	879	8.1	4.2%
Thereafter	1,639	-	-	10	130	1,779	4	1,783	-	1,783	1,781	16.4	3.6%
Subtotal	**6,126**	**460**	**39**	**625**	**1,247**	**8,497**	**27**	**8,524**	**7,794**	**16,318**	**10,869**	**100.0**	
Unamortized net premiums (discounts)	(7)	(13)	-	-	25	5	-	5	51	56	27		
Subtotal	**6,119**	**447**	**39**	**625**	**1,272**	**8,502**	**27**	**8,529**	**7,845**	**16,374**	**$ 10,896**		**4.1%**
Third party share of debt	-	-	-	-	-	-	(9)	(9)	(5,469)	(5,478)			
Prologis share of debt	**$6,119**	**$447**	**$39**	**$625**	**$1,272**	**$8,502**	**$18**	**$8,520**	**$2,376**	**$10,896**			
Prologis share of debt by local currency (C)													
Dollars	$3,444	$447	$0	$16	$1,242	$5,149	$14	$5,163	$1,286		$6,449		
Euro	2,575	-	-	205	15	2,795	4	2,799	605		3,404		
GBP	-	-	-	-	-	-	-	-	236		236		
Yen	100	-	39	404	15	558	-	558	236		794		
Other	-	-	-	-	-	-	-	-	13		13		
Prologis share of debt	**$6,119**	**$447**	**$39**	**$625**	**$1,272**	**$8,502**	**$18**	**$8,520**	**$2,376**		**$10,896**		
Weighted average GAAP interest rate (D)	4.0%	3.3%	1.1%	1.4%	5.8%	4.0%	3.9%	4.0%	3.7%		4.1%		
Weighted average remaining maturity in years	7.4	0.7	3.9	6.5	4.0	6.4	9.5	6.4	4.1		5.9		

Near Term Maturities	Prologis Share of Debt	Wtd Avg Interest Rate
Q3 2014	$7	5.6%
Q4 2014	38	2.8%
Q1 2015	466	3.3%
Q2 2015	198	4.5%
Total next 12 months	$709	3.6%

Liquidity	
Aggregate lender commitments- credit facilities	$2,976
Less:	
Borrowings outstanding	39
Outstanding letters of credit	49
Current availability- credit facilities	$2,888
Multi-currency term loan net availability	478
Unrestricted cash	267
Total liquidity	$3,633

(A) The maturity date for the global senior credit facility and multi-currency term loan is reflected at the extended maturity date.
(B) Interest rate is based on the effective rate (which includes the amortization of related premiums and discounts) assuming the net premiums (discounts) associated with the respective debt were included in the maturities by year.
(C) We hedge the net assets of certain international subsidiaries using foreign currency forward contracts (net investment hedges) to offset economic exposure by locking in a forward exchange rates. As of June 30, 2014 we had contracts with a notional amount of €847.6 million ($1,137.0 million) and ¥24.1 billion ($250 million), scheduled to mature in 2014, 2017, and 2018.
(D) Interest rate is based on the effective rate and weighted based on borrowings outstanding.

(dollars in thousands)

Covenants as of June 30, 2014 (A)

	Indenture (B)		Global Line	
	Covenant	Actual	Covenant	Actual
Leverage ratio	<60%	31.7%	<60%	31.0%
Fixed charge coverage ratio	>1.5x	3.30x	>1.5x	3.62x
Secured debt leverage ratio	<40%	4.7%	< 40%	4.7%
Unencumbered asset to unsecured debt ratio	>150%	250.0%	N/A	N/A
Unencumbered debt service coverage ratio	N/A	N/A	>150%	521.0%

Encumbrances as of June 30, 2014

	Unencumbered	Encumbered	Total
Consolidated operating properties	$ 13,460,210	$ 3,168,790	$ 16,629,000
Consolidated development portfolio and land	2,681,913	16,899	2,698,812
Consolidated other investments in real estate	437,866	16,245	454,111
Total consolidated	16,579,989	3,201,934	19,781,923
Less: third party share of investments in real estate	488,888	36,030	524,918
Total consolidated - Prologis share	16,091,101	3,165,904	19,257,005
Unconsolidated operating properties - Prologis' share	5,142,539	3,345,265	8,487,804
Unconsolidated development portfolio and land - Prologis' share	113,413	6,449	119,862
Gross real estate assets - Prologis share	**$ 21,347,053**	**$ 6,517,618**	**$ 27,864,671**

Secured and Unsecured Debt as of June 30, 2014

	Unsecured Debt	Secured Mortgage Debt	Total
Prologis debt	$ 7,250,347	$ 1,246,647	$ 8,496,994
Consolidated entities debt	(1,000)	27,799	26,799
Our share of unconsolidated entities debt	724,929	1,629,457	2,354,386
Total debt - at par	7,974,276	2,903,903	10,878,179
Less: third party share of consolidated debt	-	(8,751)	(8,751)
Total Prologis share of debt - at par	7,974,276	2,895,152	10,869,428
Premium (discount) - consolidated	(19,201)	24,861	5,660
Less: third party share of consolidated debt discount (premium)	-	-	-
Our share of premium (discount) - unconsolidated	-	21,176	21,176
Total Prologis share of debt, net of premium (discount)	**$ 7,955,075**	**$ 2,941,189**	**$ 10,896,264**

(A) These calculations 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 and calculation methods.

(B) These covenants are calculated in accordance with the Indenture dated June 8, 2011 and its supplemental indentures, including the Fifth Supplemental Indenture dated August 15, 2013.

(in thousands, except for percentages and per square foot)

Second Quarter 2014

Operating

	Square Feet	Gross Book Value	GBV per Sq Ft	Second Quarter Adjusted Cash NOI (Actual)	Second Quarter Adjusted Cash NOI (Pro Forma)	Annualized Adjusted Cash NOI	Percent Occupied
CONSOLIDATED OPERATING PORTFOLIO (Prologis Share)							
Properties generating net operating income							
Americas	213,671	$ 14,023,306	$ 66	$ 218,778	$ 218,778	$ 875,112	97.6%
Europe	10,340	695,698	67	12,289	12,289	49,156	82.1%
Asia	7,285	802,133	110	10,767	10,767	43,068	90.7%
Pro forma adjustment for mid-quarter acquisitions/development completions					2,519	10,076	
Sub-total	231,296	15,521,137	67	241,834	244,353	977,412	96.7%
Properties generating net operating loss							
Americas	6,105	404,467	66	(2,261)			29.3%
Europe	1,042	61,476	59	(290)			26.4%
Asia	350	83,417	238	(16)			100.0%
Sub-total	7,497	549,360	73	(2,567)			32.2%
Prologis share of consolidated operating portfolio	**238,793**	**$ 16,070,497**	**$ 67**	**$ 239,267**	**$ 244,353**	**$ 977,412**	**94.7%**
UNCONSOLIDATED OPERATING PORTFOLIO (Prologis Share)							
Prologis interest in unconsolidated operating portfolio							
Americas	45,627	$ 3,114,257	$ 68	$ 39,663	$ 39,663	$ 158,652	94.8%
Europe	53,646	4,738,072	88	79,694	79,694	318,776	93.6%
Asia	3,554	580,411	163	8,101	8,101	32,404	97.1%
Pro forma adjustment for mid-quarter acquisitions/development completions					189	756	
Pro forma adjustment for FIBRA					9,742	38,968	
Prologis share of unconsolidated operating portfolio	**102,827**	**$ 8,432,740**	**$ 82**	**$ 127,458**	**$ 137,389**	**$ 549,556**	**94.3%**
Total operating portfolio	**341,620**	**$ 24,503,237**	**$ 72**	**$ 366,725**	**$ 381,742**	**$ 1,526,968**	**94.5%**

Development

	Square Feet	Investment Balance	TEI	TEI per Sq Ft		Annualized Pro Forma NOI	Percent Occupied
CONSOLIDATED (Prologis Share)							
Prestabilized							
Americas	4,001	$ 271,380	$ 321,010	$ 80		$ 22,214	17.3%
Europe	225	20,327	25,557	114		2,171	0.0%
Asia	878	91,365	96,592	110		6,409	14.7%
							16.1%
Properties under development							
Americas	9,601	348,887	654,922	68		43,894	
Europe	3,595	213,134	388,863	108		29,563	
Asia	3,254	173,982	466,263	143		29,862	
Prologis share of consolidated development portfolio	**21,554**	**$ 1,119,075**	**$ 1,953,207**	**$ 91**		**$ 134,113**	
UNCONSOLIDATED (Prologis Share)							
Prologis interest in unconsolidated development portfolio							
Americas	474	$ 38,889	$ 48,997	$ 103		$ 4,935	
Europe	156	5,616	11,813	76		972	
Asia	751	18,093	44,036	59		3,503	
Prologis share of unconsolidated development portfolio	**1,381**	**$ 62,598**	**$ 104,846**	**$ 76**		**$ 9,410**	
Total development portfolio	**22,935**	**$ 1,181,673**	**$ 2,058,053**	**$ 90**		**$ 143,523**	
Prologis share of estimated value creation (see Capital Deployment - Development Portfolio)		**452,767**					
Total development portfolio, including estimated value creation		**$ 1,634,440**					

(in thousands)

Second Quarter 2014

Balance Sheet and Other Items

		As of June 30, 2014
CONSOLIDATED		
Other assets		
Cash and cash equivalents		$ 267,427
Restricted cash		9,150
Deposits, prepaid assets and other tangible assets		610,923
Other real estate investments		454,111
Prologis' share of value added operating properties		106,524
Accounts receivable		123,961
Prologis receivable from unconsolidated co-investment ventures		181,431
Investments in and advances to other unconsolidated joint ventures		175,130
Less: third party share of other assets		(154,438)
Total other assets - Prologis share		**$ 1,774,219**
Other liabilities		
Accounts payable and other current liabilities		615,849
Deferred income taxes		115,694
Value added tax and other tax liabilities		96,462
Tenant security deposits		184,001
Other liabilities		313,253
Less: third party share of other liabilities		(37,373)
Total liabilities and noncontrolling interests - Prologis share		**$ 1,287,886**
UNCONSOLIDATED		
Prologis share of net assets (liabilities)		**$ 217,349**

Land

	Investment Balance
Prologis share of original land basis	$ 2,499,784
Current book value of land	$ 1,579,737
Less: third party share of the current book value of land	-
Prologis share of book value of land in unconsolidated entities	57,124
Total	**$ 1,636,861**

Strategic Capital / Development Management

	Second Quarter	Annualized
Strategic Capital		
Strategic capital income (A)	$ 45,004	$ 180,016
Strategic capital expenses (A)	(22,874)	(91,496)
Pro forma NOI adjustment to FIBRA for a full quarter	1,089	4,356
Strategic capital income, net of expenses, from consolidated Co-Investment Ventures	1,364	5,456
Strategic capital NOI	**$ 24,583**	**$ 98,332**
Promotes earned in last 12 months, net of expenses		**$ 31,460**
Development management income	**$ 2,482**	**$ 9,928**

Debt (at par) and Preferred Stock

	As of June 30, 2014
Prologis debt	$ 8,496,994
Consolidated entities debt	26,799
Less: third party share of consolidated debt	(8,751)
Prologis share of unconsolidated debt	2,354,386
Subtotal debt	10,869,428
Preferred stock	78,235
Total debt and preferred stock	**$ 10,947,663**
Outstanding shares of common stock	499,816

(A) Excludes revenue and expenses related to the promotes earned during the second quarter of 2014.

Notes and Definitions

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

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

Adjusted EBITDA. We use Adjusted EBITDA to measure both our operating performance and liquidity. We calculate Adjusted EBITDA beginning with consolidated net earnings (loss) 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, gains or losses on early extinguishment of debt and derivative contracts (including cash charges), similar adjustments we make to our FFO measures (see definition below), and other non-cash charges or gains (such as stock based compensation amortization and unrealized gains or losses on foreign currency and derivative activity and related amortization). We make adjustments to reflect our economic ownership in each entity, whether consolidated or unconsolidated.

We consider Adjusted EBITDA to provide investors relevant and useful information because it permits investors to view income from operations on an unleveraged basis before the effects of income tax, non-cash depreciation and amortization expense and other items (including stock-based compensation amortization and certain unrealized gains and losses), gains or losses from the acquisition or disposition of investments in real estate, items that affect comparability, and other significant non-cash items. We also include a pro forma adjustment in Adjusted EBITDA to reflect a full period of NOI on the operating properties we acquire, stabilize or 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 (the primary measure of our performance) and the other required Generally Accepted Accounting Principles (“GAAP”) measures of our performance and liquidity, to improve their understanding of our operating results and liquidity, and to make more meaningful comparisons of our performance against other companies. By using Adjusted EBITDA, an investor is assessing the earnings generated by our operations but not taking into account the eliminated expenses or gains incurred in connection with such operations. As a result, Adjusted EBITDA has limitations as an analytical tool and should be used in conjunction with our required GAAP presentations. Adjusted EBITDA does not reflect our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements or contractual commitments. Adjusted EBITDA, also does not reflect the cash required to make interest and principal payments on our outstanding debt.

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

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

Rental income	$	381,273
Rental expenses		(109,576)
NOI		271,697
Net termination fees and adjustments (a)		(1,118)
Less: actual NOI for development portfolio and other		(11,260)
Less: properties contributed or sold (b)		(14,383)
Less: third party share of NOI		(13,382)
Adjusted NOI for consolidated operating portfolio owned at June 30, 2014		231,554
Straight-lined rents (c)		(10,580)
Free rent (c)		11,821
Amortization of lease intangibles (c)		6,776
Less: third party share		(304)
Second Quarter Adjusted Cash NOI (Actual)	$	239,267

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

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

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

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

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net earnings (loss)				
Net earnings (loss)	$ 72,715	$ (1,517)	$ 77,381	$ 263,899
Noncontrolling interest attributable to exchangeable partnership units	264	(75)	302	1,599
Gains, net of expenses, associated with exchangeable debt assumed converted	(7,498)	-	-	-
Adjusted net earnings (loss) - Diluted	**$ 65,481**	**$ (1,592)**	**$ 77,683**	**$ 265,498**
Weighted average common shares outstanding - Basic	499,112	486,032	498,919	473,892
Incremental weighted average effect on exchange of limited partnership units	1,964	1,893	1,964	3,039
Incremental weighted average effect of stock awards	3,664	-	3,677	3,078
Incremental weighted average effect on exchangeable debt assumed converted	11,879	-	-	-
Weighted average common shares outstanding - Diluted	**516,619**	**487,925**	**504,560**	**480,009**
Net earnings per share - Basic	**$ 0.15**	**$ 0.00**	**$ 0.16**	**$ 0.56**
Net earnings per share - Diluted	**$ 0.13**	**$ 0.00**	**$ 0.15**	**$ 0.55**
Core FFO				
Core FFO	$ 244,275	$ 203,337	$ 461,830	$ 391,274
Noncontrolling interest attributable to exchangeable limited partnership units	35	(19)	57	1,599
Interest expense on exchangeable debt assumed converted	4,246	4,235	8,492	8,470
Core FFO - Diluted	**$ 248,556**	**$ 207,553**	**$ 470,379**	**$ 401,343**
Weighted average common shares outstanding - Basic	499,112	486,032	498,919	473,892
Incremental weighted average effect on exchange of limited partnership units	1,964	2,093	1,964	3,039
Incremental weighted average effect of stock awards	3,664	3,339	3,677	3,078
Incremental weighted average effect on exchangeable debt assumed converted	11,879	11,879	11,879	11,879
Weighted average common shares outstanding - Diluted	**516,619**	**503,343**	**516,439**	**491,888**
Core FFO per share - Diluted	**$ 0.48**	**$ 0.41**	**$ 0.91**	**$ 0.82**

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

	Three Months Ended June 30	Three Months Ended Mar. 31
	2014	2014
Debt as a % of gross real estate assets:		
Total Prologis share of debt - at par	$ 10,869,428	$ 10,596,789
Less: consolidated cash and cash equivalents - Prologis share	(225,598)	(173,461)
Less: unconsolidated entities cash - Prologis share	(192,006)	(120,272)
Total Prologis share of debt, net of adjustments	**$ 10,451,824**	**$ 10,303,056**
Gross real estate assets - Prologis share	**$ 27,864,671**	**$ 27,746,095**
Debt as a % of gross real estate assets	**37.5%**	**37.1%**
Secured debt as a % of gross real estate assets:		
Prologis share of secured debt - at par	$ 2,895,152	$ 2,974,434
Gross real estate assets - Prologis share	$ 27,864,671	$ 27,746,095
Secured debt as a % of gross real estate assets	**10.4%**	**10.7%**

	June 30, 2014	Mar. 31, 2014
Unencumbered gross real estate assets to unsecured debt:		
Unencumbered gross real estate assets - Prologis share	$ 21,347,053	$ 20,579,879
Prologis share of unsecured debt - at par	$ 7,974,276	$ 7,622,355
Unencumbered gross real estate assets to unsecured debt	**267.7%**	**270.0%**
Fixed Charge Coverage ratio:		
Adjusted EBITDA	$ 374,039	$ 354,093
Pro forma adjustment for mid-quarter activity and NOI from disposed properties	4,467	(492)
Adjusted EBITDA, including NOI from disposed properties	$ 378,506	$ 353,601
Adjusted EBITDA, including NOI from disposed properties, annualized (a)	**$ 1,440,016**	**$ 1,429,497**
Add: Prologis share of gains on dispositions of development properties for the twelve months ended	158,998	194,865
Adjusted EBITDA, including NOI from disposed properties and gains on dispositions, annualized	**$ 1,599,014**	**$ 1,624,362**
Interest expense	$ 80,184	$ 85,523
Amortization and write-off of deferred loan costs	(3,152)	(3,467)
Amortization of debt premium (discount), net	4,113	5,835
Capitalized interest	15,731	14,573
Preferred stock dividends	1,948	2,135
Third party share of fixed charges from consolidated entities	(1,450)	(2,354)
Our share of fixed charges from unconsolidated entities	22,000	22,930
Total fixed charges	$ 119,374	$ 125,175
Total fixed charges, annualized	**$ 477,496**	**$ 500,700**
Fixed charge coverage ratio	**3.02x**	**2.85x**
Fixed charge coverage ratio, including development gains	**3.35x**	**3.24x**
Debt to Adjusted EBITDA:		
Total Prologis share of debt, net of adjustments	**$ 10,451,824**	**$ 10,303,056**
Adjusted EBITDA-annualized (a)	**$ 1,422,148**	**$ 1,431,465**
Add: Prologis share of gains on dispositions of development properties for the twelve months ended	158,998	194,865
Adjusted EBITDA-annualized (a), including gains on dispositions	**$ 1,581,146**	**$ 1,626,330**
Debt to Adjusted EBITDA ratio	**7.35x**	**7.20x**
Debt to Adjusted EBITDA ratio, including development gains	**6.61x**	**6.34x**
Debt to Adjusted EBITDA (adjusted for development):		
Total Prologis share of debt, net of adjustments	$ 10,451,824	$ 10,303,056
Add: costs to complete - Prologis share	821,887	750,108
Less: current book value of land - Prologis share	(1,636,861)	(1,591,411)
	$ 9,636,850	**$ 9,461,753**
Adjusted EBITDA-annualized (a)	$ 1,422,148	$ 1,431,465
Add: annualized proforma NOI development portfolio - Prologis share	143,523	135,009
	1,565,671	**1,566,474**
Debt to Adjusted EBITDA (adjusted for development) ratio	**6.16x**	**6.04x**

(a) Actual promote revenue and related expenses for the quarter, if any, are removed from the EBITDA amount for the quarter before annualizing, then the actual promote revenue and related expenses for the previous twelve months are added to the annualized number. For the three months ended June 30, 2014 and March 31, 2014, actual promote revenue, net of related expenses, for the previous twelve months was $31.5 million and $15.1 million, respectively.

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

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

Discontinued Operations. In April 2014, the FASB issued a standard updating the accounting and disclosure regarding discontinued operations. Early adoption on a prospective basis is allowed, therefore, we have adopted this standard as of January 1, 2014. As a result, none of our property dispositions in 2014 met the criteria to be classified as discontinued operations. The operations of the properties that were disposed of to third parties during 2013 that met the criteria for discontinued operations, including the aggregate net gains or losses recognized upon their disposition, are presented as discontinued operations in our *Consolidated Statements of Operations*. The income attributable to these properties was as follows (in thousands):

	Three Months Ended June 30, 2013	Six Months Ended June 30, 2013
Rental income	$ 9,424	$ 20,692
Rental expenses	(3,222)	(6,961)
Depreciation and amortization	(3,755)	(9,066)
Interest expense	(307)	(732)
Income attributable to disposed properties and assets held for sale	$ 2,140	$ 3,933

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

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

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

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

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

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

Our FFO Measures

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

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

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

FFO, as defined by Prologis

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

(i) deferred income tax benefits and deferred income tax expenses recognized by our subsidiaries;
(ii) current income tax expense related to acquired tax liabilities that were recorded as deferred tax liabilities in an acquisition, to the extent the expense is offset with a deferred income tax benefit in GAAP earnings that is excluded from our defined FFO measure;
(iii) foreign currency exchange gains and losses resulting from debt transactions between us and our foreign consolidated subsidiaries and our foreign unconsolidated 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

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

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

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

Core FFO

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

(i) gains or losses from acquisition, 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;
(v) merger, acquisition and other integration expenses; and
(vi) expenses related to natural disasters.

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

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

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

Core AFFO

To arrive at Core AFFO, we adjust Core FFO to further exclude our share of; (i) straight-line rents; (ii) amortization of above- and below-market lease intangibles; (iii) recurring capital expenditures; (iv) amortization of management contracts; (v) amortization of debt premiums and discounts, net of amounts capitalized, and; (vi) stock compensation expense.

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

Limitations on Use of our FFO Measures

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

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

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

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Gross overhead	$ 117,935	$ 109,631	$ 235,184	$ 216,467
Less: rental expenses	(7,497)	(7,140)	(15,620)	(16,697)
Less: strategic capital expenses	(27,837)	(25,006)	(52,000)	(44,915)
Capitalized amounts	(22,226)	(22,576)	(43,986)	(43,749)
G&A	**$ 60,375**	**$ 54,909**	**$ 123,578**	**$ 111,106**

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 June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Development activities	$ 17,403	$ 17,662	$ 34,264	$ 32,852
Leasing activities	4,404	4,590	9,122	10,075
Costs related to internally developed software	419	324	600	822
Total capitalized G&A	**$ 22,226**	**$ 22,576**	**$ 43,986**	**$ 43,749**

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

Net G&A - midpoint of 2014 guidance range (a)	$ 240,500
Add: Strategic capital expenses- midpoint of 2014 guidance range (a)	102,500
Adjusted G&A, using 2014 guidance (a)	$ 343,000
Carrying value at period end:	
Operating properties	$ 42,127,637
Development portfolio - TEI	2,437,213
Land portfolio	1,753,058
Other real estate investments	454,111
Total Assets Under Management	$ 46,772,019
G&A as % of Assets Under Management	**0.73%**

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

Net G&A - midpoint of 2014 guidance range (a)	$ 240,500
Less: strategic capital income-midpoint of 2014 guidance range (a)	(222,500)
Add: strategic capital expenses- midpoint of 2014 guidance range (a)	102,500
Adjusted G&A, using 2014 guidance (a)	$ 120,500
Carrying value at period end:	
Operating properties - Prologis share	$ 24,609,761
Development portfolio - Prologis share of TEI	2,058,053
Land portfolio - Prologis share	1,636,861
Other real estate investments	454,111
Total Assets Under Management - Prologis share	$ 28,758,786
G&A as % of Assets Under Management - Prologis share	**0.42%**

(a) These amounts represent the midpoint of the 2014 guidance provided in this Supplemental Package.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Gross interest expense	$ 96,876	$ 115,833	$ 199,339	$ 251,644
Amortization of discount (premium), net	(4,113)	(10,676)	(9,947)	(21,391)
Amortization of deferred loan costs	3,152	4,291	6,619	7,579
Interest expense before capitalization	95,915	109,448	196,011	237,832
Capitalized amounts	(15,731)	(17,234)	(30,304)	(30,978)
Net interest expense	**$ 80,184**	**$ 92,214**	**$ 165,707**	**$ 206,854**

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 plus up to the ventures maximum leverage limits.

Market Classification

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

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

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

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

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

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

	Ownership Percentage	Noncontrolling Interest	Real Estate	Debt
Brazil Fund	50.0%	77,838	-	-
Prologis U.S. Logistics Venture	55.0%	435,875	1,001,754	-
Other consolidated entities	various	143,698	1,020,570	26,804
Limited partners in the Operating Partnership		47,695	-	-
Noncontrolling interests		**$ 705,106**	**$ 2,022,324**	**$ 26,804**

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

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

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Rental income	$ 290,803	$ 285,759	$ 586,309	$ 626,114
Amortization of lease intangibles	(7,280)	(8,164)	(14,974)	(17,949)
Rental expense recoveries	86,812	76,485	174,174	173,373
Straight-lined rents	10,938	9,876	24,004	26,562
	$ 381,273	**$ 363,956**	**$ 769,513**	**$ 808,100**

Same Store. We evaluate the operating performance of the operating properties we own and manage using a "Same Store" analysis because the population of properties in this analysis is consistent from period to period, thereby eliminating the effects of changes in the composition of the portfolio on performance measures. We include the properties included in our owned and managed portfolio that were in operation at January 1, 2013 and throughout the full periods in both 2013 and 2014. We have removed all properties that were disposed of to a third party from the population for both periods. We believe the factors that impact rental income, rental expenses and NOI in the Same Store portfolio are generally the same as for the total operating portfolio. In order to derive an appropriate measure of period-to-period operating performance, we remove the effects of foreign currency exchange rate movements by using the current exchange rate to translate from local currency into U.S. dollars, for both periods.

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

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

	Three Months Ended June 30,		
	2014	2013	Change (%)
Rental Income:			
Per the Consolidated Statements of Operations	$ 381,273	$ 363,956	
Properties not included and other adjustments (a)	(43,630)	(25,636)	
Unconsolidated Co-Investment Ventures	459,293	434,360	
Same Store - Rental Income	**$ 796,936**	**$ 772,680**	**3.1%**
Rental Expense:			
Per the Consolidated Statements of Operations	$ 109,576	$ 109,837	
Properties not included and other adjustments (b)	(8,114)	(7,499)	
Unconsolidated Co-Investment Ventures	111,052	107,443	
Same Store - Rental Expense	**$ 212,514**	**$ 209,781**	**1.3%**
NOI-GAAP:			
Per the Consolidated Statements of Operations	$ 271,697	$ 254,119	
Properties not included and other adjustments	(35,516)	(18,137)	
Unconsolidated Co-Investment Ventures	348,241	326,917	
Same Store - NOI - GAAP	**$ 584,422**	**$ 562,899**	**3.8%**
NOI-Adjusted Cash:			
Same store- NOI - GAAP	$ 584,422	$ 562,899	
Adjustments (c)	(1,830)	(9,539)	
Same Store - NOI- Adjusted Cash	**$ 582,592**	**$ 553,360**	**5.3%**

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

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

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

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

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

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

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

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 and must be invested within the first two years of ownership.

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

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

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