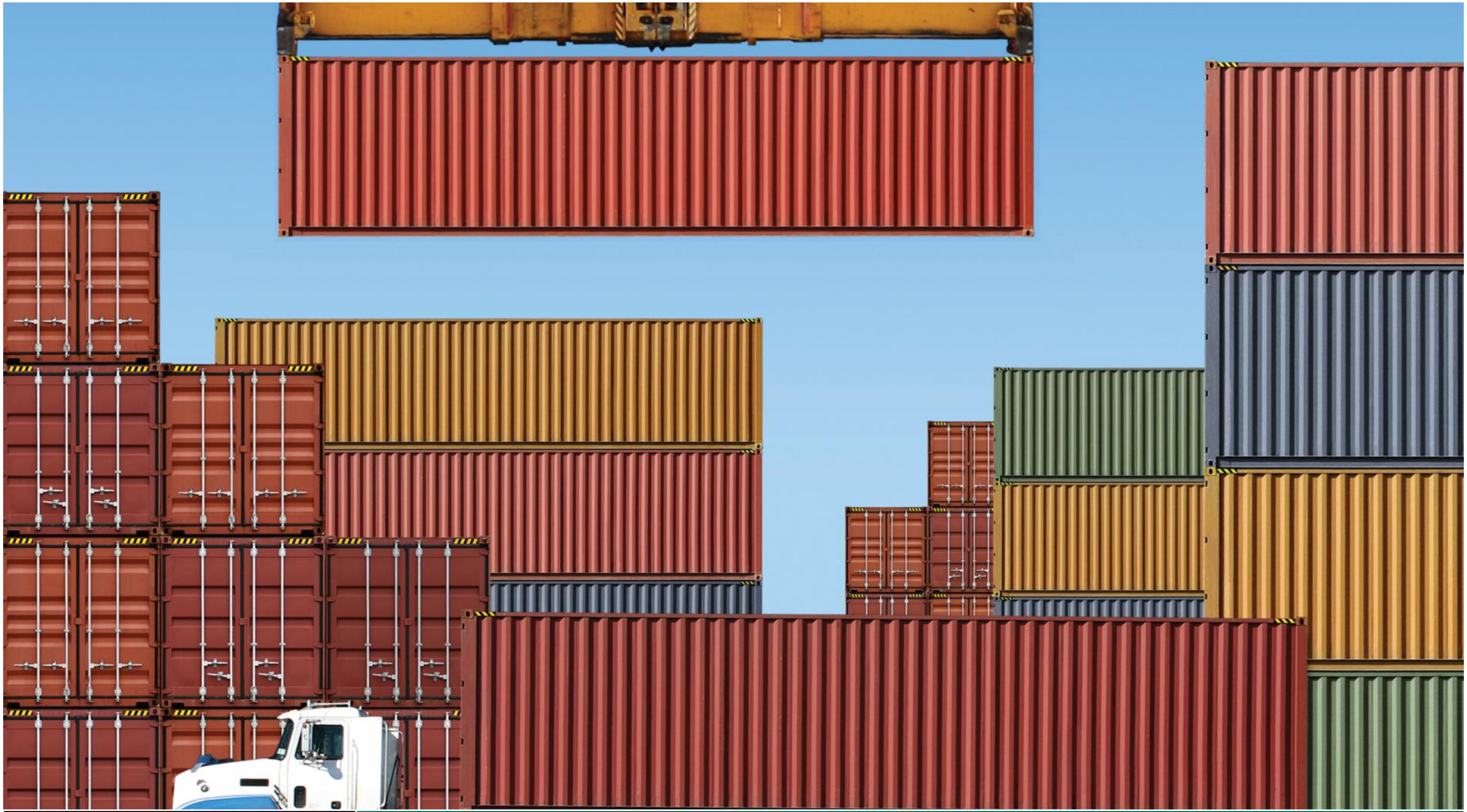


PROLOGIS

Earnings Release and Supplemental Information

Unaudited

First Quarter 2012

Table of Contents

Duck Creek, Stockton, United States

Suscon, Dartford, UK

Prologis Park Narita III, Iwayama, Japan

Overview

Press Release 1

Highlights

Company Profile 4

Financial Statements

Consolidated Balance Sheets 6

Consolidated Statements of Operations 7

Consolidated Statements of Funds from Operations (FFO) 8

Reconciliation of Net Earnings (Loss) to FFO 9

EBITDA Reconciliation 10

Operations Overview

Operating Portfolio 11

Operating Metrics 14

Customer Information 15

Capital Deployment

Building Dispositions and Contributions 16

Building Acquisitions 17

Development Starts 18

Development Portfolio 19

Land Portfolio 20

Private Capital

Detail Fund Information 22

Fund Operating and Balance Sheet Information 23

Capitalization

Debt and Equity Summary 24

Debt Covenants and Other Metrics 25

Assets Under Management 26

Net Asset Value

Components 27

Notes and Definitions 29

Prologis, Inc. Announces First Quarter 2012 Earnings Results

- Core FFO Exceeds Internal Expectations -
- Same Store Net Operating Income Ahead of Plan -
- Progress on Fund Rationalization -

SAN FRANCISCO, May 1, 2012 – Prologis, Inc. (NYSE: PLD), the leading global owner, operator and developer of industrial real estate, today reported results for the first quarter of 2012.

Core funds from operations (Core FFO) per fully diluted share was $0.40 for the first quarter 2012 compared to $0.29 for the same period in 2011. Funds from operations (FFO) as defined by Prologis per fully diluted share was $0.56 for the first quarter 2012 compared to $0.24 for the same period in 2011. The difference between Core FFO and FFO in the first quarter 2012 primarily relates to gains on real estate transactions. Net earnings per share were $0.44 for the first quarter 2012 compared to a net loss of $(0.18) for the same period in 2011. The first quarter 2011 comparative results represent solely legacy ProLogis and therefore are not directly comparable to the 2012 reported results.

"We started the year with a strong quarter, demonstrating solid execution from the team, bolstered by the strength of global trade, domestic consumption and the rebuilding of customer inventories," said Hamid R. Moghadam, chairman and co-chief executive officer, Prologis. "We continue to make excellent progress on our key priorities, completing nearly $1 billion in dispositions and contributions, rationalizing two of our funds, and increasing occupancy in our operating portfolio."

Operating Portfolio Metrics

During the first quarter, the company leased a total of 30.9 million square feet (2.9 million square meters) in its combined operating and development portfolios. Prologis ended the quarter with 92.3 percent occupancy in its operating portfolio, which was up 10 basis points over the prior quarter. The quarter-end occupancy was ahead of plan, driven by a 78.3 percent tenant retention rate for the quarter with existing customers who signed renewals totaling 19.8 million square feet (1.8 million square meters), and the continued recovery of global logistics markets.

Same-store net operating income (NOI) in the first quarter of 2012 increased 1.7 percent over the first quarter 2011, compared to an increase of 0.4 percent in the fourth quarter of 2011. Rental rates on leases signed in the first quarter same-store pool decreased by 1.1 percent from in-place rents, as compared to a decrease of 4.5 percent in the fourth quarter 2011.

"The teams delivered strong leasing volume in what is typically the year's slowest quarter," said Walter C. Rakowich, co-chief executive officer, Prologis. "Space utilization remains very high and the strongest demand continues to be for large Class-A facilities, of which there is very little available supply. Consequently, our build-to-suit development pipeline is increasing."

Dispositions and Contributions

During the first quarter 2012, the company completed approximately $994 million in building and land dispositions and contributions. Prologis' share of the proceeds was $762 million, reflecting a weighted average stabilized capitalization rate of 7.2 percent on building sales and contributions.

Development Starts & Acquisitions

Capital deployed or committed during the first quarter 2012 totaled approximately $322 million, of which $244 million was Prologis' share, including the following:

- Development starts of $211 million totaling 1.5 million square feet (143,257 square meters) in three projects, which monetized $51 million of land. Of the total expected investment of $211 million, $197 million was in build-to-suit projects. Prologis' share of the total expected investment is $186 million and the company's share of estimated value creation on development starts in the first quarter is $49.5 million; and

- Acquisitions of $111 million, including $71 million in 10 logistics facilities totaling approximately 1.0 million square feet (91,231 square meters) with a stabilized capitalization rate of 6.6 percent and an investment of $40 million in land and land infrastructure. Of the total acquisitions, $58 million was Prologis' share.

At quarter end, Prologis' global development portfolio totaled 12.0 million square feet (1.1 million square meters), with a total expected investment of $1.4 billion. Prologis' share of the estimated total investment is $1.2 billion, with an estimated value creation at stabilization of $248 million.

Private Capital Activity

During the first quarter 2012, Prologis raised $128 million in new third-party equity for the Prologis Targeted U.S. Logistics Fund.

The company continued the rationalization of its co-investment ventures into fewer, more profitable and differentiated investment vehicles. As previously announced, during the first quarter the company:

- Purchased its partner's interest in Prologis North American Fund II and brought the entire $1.6 billion portfolio directly onto its balance sheet;

- Concluded the Prologis California Fund, as it had reached the end of the venture's term. The portfolio was equally divided with its partner, and Prologis' 50 percent share of the fund's $1.0 billion of real estate was brought directly onto its balance sheet; and

- Disposed of 11 of the 12 assets held in Prologis North American Fund XI.

Capital Markets

During the first quarter 2012, Prologis completed more than $1.3 billion of debt financings and refinancings, with approximately $1.0 billion related to the REIT and $296 million on behalf of our property funds.

Significant financing activity during the first quarter included the following:

- A $642 million (€487.5 million) multi-currency senior term loan agreement at an all-in drawn margin of 150 basis points over LIBOR, extendable at the company's option through 2017; and

- $372 million (¥ 30.5 billion) in three TMK bond financings with a weighted average term of five years and weighted average rate of 1.05 percent.

Subsequent to quarter end the company paid off $449 million of its 2.25 percent convertible notes and repaid $59 million of senior unsecured notes at maturity.

"During the first quarter, we made excellent progress toward our stated goal of streamlining our private capital business by rationalizing two funds," said William E. Sullivan, chief financial officer, Prologis. "While this activity modestly increased our total debt in the interim, it enhanced the simplification of the balance sheet and brought a substantial amount of high-quality assets directly into the REIT. We remain highly focused on de-levering the balance sheet and expect to make progress on improving our debt metrics throughout the course of 2012 and 2013."

Guidance for 2012

Prologis re-affirmed its full-year 2012 Core FFO guidance range of $1.60 to $1.70 per diluted share. The company also expects to recognize net earnings, for GAAP purposes, of $0.05 to $0.15 per share. The difference between the company's Core FFO and net earnings guidance for 2012 predominantly relates to real estate depreciation, recognized gains on real estate transactions, and merger-related expenses.

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

Webcast and Conference Call Information

The company will host a webcast /conference call to discuss quarterly results, current market conditions and future outlook today, May 1, 2012, at 12:00 p.m. Eastern Time. Interested parties are encouraged to access the live webcast by clicking the microphone icon located near the top of the opening page at: http://ir.prologis.com. Interested parties also can participate via conference call by dialing 877-256-7020 from the United States and Canada or (+1) 973-409-9692 internationally with reservation code 67489991.

A telephonic replay will be available from May 2, 2012, through June 2, 2012, at 855-859-2056 (from the United States and Canada) or (+1) 404-537-3406 (from all other countries), with the reservation code 67489991. The webcast and podcast replay will be posted when available in the "Financial Information" section of the Prologis Investor Relations 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 March 31, 2012, Prologis owned or had investments in, on a consolidated basis or through unconsolidated joint ventures, properties and development projects expected to total approximately 584 million square feet (54.2 million square meters) in 22 countries. The company leases modern distribution facilities to more than 4,500 customers, including manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises.

The statements in this release 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 developed properties, disposition activity, general conditions in the geographic areas where we operate, synergies to be realized from our recent merger transaction, our debt and financial position, our ability to form new property funds and the availability of capital in existing or new property funds — 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 release.

Prologis Contacts

Tracy A. Ward	James Larkin
SVP, IR & Corporate Communications	VP, Corporate Communications
Direct: +1 415 733 9565	Direct: +1 415 733 9411
Email: tward@prologis.com	Email: jlarkin@prologis.com

Highlights

Company Profile

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 March 31, 2012, Prologis owned or had investments in, on a consolidated basis or through unconsolidated joint ventures, properties and development projects totaling approximately 584 million square feet (54.3 million square meters) in 22 countries. The company leases modern distribution facilities to more than 4,500 customers, including manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises.

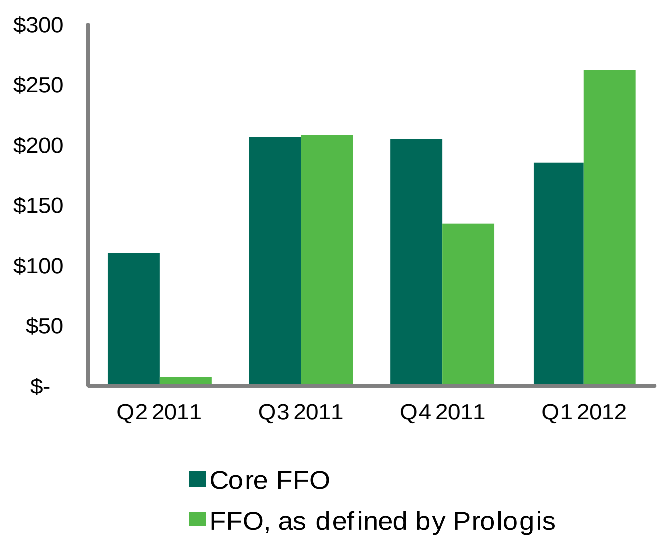
	AMERICAS (4 countries)	EUROPE (14 countries)	ASIA (4 countries)	TOTAL
Number of operating portfolio buildings	2,419	595	75	3,089
Operating Portfolio (msf)	373	139	25	537
Development Portfolio (msf)	4	2	6	12
Other (msf) (A)	33	1	1	35
Total (msf)	410	142	32	584
Development portfolio TEI (millions)	$348	$147	$858	$ 1,353
Land (acres)	7,265	3,578	146	10,989
Land gross book value (millions) (B)	$1,056	$741	$196	$ 1,993

(A) Generally represents properties managed by Prologis on behalf of other third parties (17 msf), properties in which Prologis has an ownership interest but doesn't manage (10 msf) and other properties owned by Prologis (8 msf).

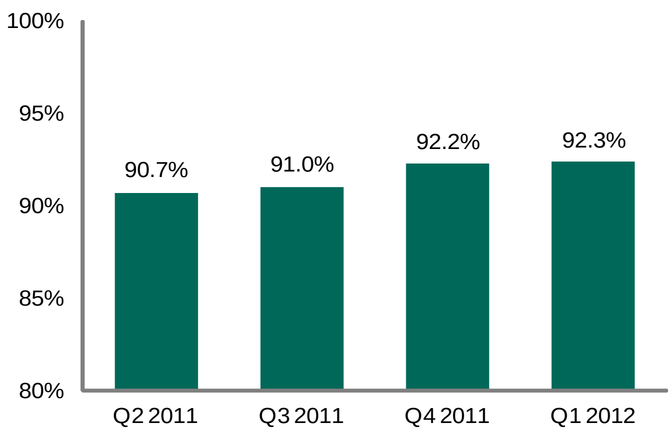
(B) Original cost basis for the total land portfolio is $3.1 billion.

(dollars in thousands, except per share data)	Three months ended March 31, 2012	Three months ended March 31, 2011 (A)
Revenues	$ 500,064	$ 229,867
Net earnings (loss) attributable to common stockholders	202,412	(46,616)
FFO, as defined by Prologis	262,072	62,146
Core FFO	184,765	74,407
AFFO	133,823	51,131
Core EBITDA	388,869	211,667
Per common share - diluted:		
Net earnings (loss) attributable to common stockholders	$ 0.44	$ (0.18)
FFO, as defined by Prologis	0.56	0.24
Core FFO	0.40	0.29

Funds from Operations (in millions) (A)



Period Ending Occupancy %



(A) AMB and Prologis completed a merger (the "Merger") on June 3, 2011. The financial results presented throughout this supplemental include Prologis for the full period and AMB results from the date of the Merger going forward. As such, results for the three months ended March 31, 2011 are not impacted by the Merger. See the Notes and Definitions for more information.

(in thousands)

	March 31, 2012	December 31, 2011
Assets:		
Investments in real estate assets:		
Operating properties	$ 23,438,703	$ 21,552,548
Development portfolio	787,029	860,531
Land	1,933,321	1,984,233
Other real estate investments	419,432	390,225
	26,578,485	24,787,537
Less accumulated depreciation	2,256,901	2,157,907
Net investments in properties	24,321,584	22,629,630
Investments in and advances to unconsolidated investees	2,452,939	2,857,755
Notes receivable backed by real estate	247,241	322,834
Assets held for sale	102,183	444,850
Net investments in real estate	27,123,947	26,255,069
Cash and cash equivalents	343,736	176,072
Restricted cash	91,957	71,992
Accounts receivable	163,679	147,999
Other assets	1,144,634	1,072,780
Total assets	**$ 28,867,953**	**$ 27,723,912**
Liabilities and Equity:		
Liabilities:		
Debt	$ 12,380,921	$ 11,382,408
Accounts payable, accrued expenses, and other liabilities	1,936,372	1,886,030
Total liabilities	14,317,293	13,268,438
Equity:		
Stockholders' equity:		
Preferred stock	582,200	582,200
Common stock	4,604	4,594
Additional paid-in capital	16,370,254	16,349,328
Accumulated other comprehensive loss	(219,574)	(182,321)
Distributions in excess of net earnings	(3,019,829)	(3,092,162)
Total stockholders' equity	13,717,655	13,661,639
Noncontrolling interests	774,950	735,222
Noncontrolling interests - limited partnership unitholders	58,055	58,613
Total equity	14,550,660	14,455,474
Total liabilities and equity	**$ 28,867,953**	**$ 27,723,912**

(in thousands, except per share amounts)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011 (A)
Revenues:		
Rental income	$ 464,594	$ 195,714
Private capital revenue	32,357	29,834
Development management and other income	3,113	4,319
Total revenues	500,064	229,867
Expenses:		
Rental expenses	125,096	60,624
Private capital expenses	16,881	10,552
General and administrative expenses	60,159	39,183
Merger, acquisition and other integration expenses	10,728	5,988
Impairment of real estate properties	3,185	-
Depreciation, amortization and other expenses	193,136	84,733
Total expenses	409,185	201,080
Operating income	90,879	28,787
Other income (expense):		
Earnings from unconsolidated co-investment ventures, net	11,758	11,921
Earnings from other unconsolidated investees, net	2,237	1,720
Interest income	5,427	4,436
Interest expense	(133,447)	(90,527)
Impairment of other assets	(16,135)	-
Gains on acquisitions and dispositions of investments in real estate, net	267,771	3,725
Foreign currency and derivative gains (losses) and other income (expenses), net	(27,101)	(5,641)
Gain on early extinguishment of debt, net	5,419	-
Total other income (expense)	115,929	(74,366)
Earnings (loss) before income taxes	206,808	(45,579)
Income tax expense - current and deferred	12,124	6,369
Earnings (loss) from continuing operations	194,684	(51,948)
Discontinued operations:		
Income attributable to disposed properties and assets held for sale	7,164	9,824
Net gains on dispositions, net of related impairment charges and taxes	11,249	1,960
Total discontinued operations	18,413	11,784
Consolidated net earnings (loss)	213,097	(40,164)
Net earnings attributable to noncontrolling interests	(118)	(83)
Net earnings (loss) attributable to controlling interests	212,979	(40,247)
Less preferred stock dividends	10,567	6,369
Net earnings (loss) available for common stockholders	**$ 202,412**	**$ (46,616)**
Weighted average common shares outstanding - Diluted (B)	476,107	254,698
Net earnings (loss) per share available for common stockholders - Diluted	**$ 0.44**	**$ (0.18)**

(A) The financial results include Prologis for the full period and no impact from the AMB results.
(B) See Calculation of Per Share Amounts in the Notes and Definitions.

Financial Statements

Consolidated Statements of Funds from Operations (FFO)

(in thousands, except per share amounts)

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011 (A)
Revenues:		
Rental income	$ 477,501	$ 215,372
Private capital revenue	32,357	29,834
Development management and other income	3,113	4,319
Total revenues	512,971	249,525
Expenses:		
Rental expenses	127,815	66,687
Private capital expenses	16,881	10,552
General and administrative expenses	60,159	39,183
Merger, acquisition and other integration expenses	10,728	5,988
Depreciation and amortization of non-real estate assets and other expenses	8,445	8,957
Total operating expenses	224,028	131,367
Operating FFO	288,943	118,158
Other income (expense):		
FFO from unconsolidated co-investment ventures, net	40,691	45,425
FFO from other unconsolidated investees, net	6,305	3,270
Interest income	5,427	4,436
Interest expense	(133,447)	(90,562)
Impairment of real estate properties and other assets	(19,320)	-
Gains on acquisitions and dispositions of investments in real estate, net	104,731	2,568
Foreign currency exchange gains (losses) and other income (expenses), net	(2,865)	(7,276)
Gain on early extinguishment of debt, net	5,419	-
Current income tax benefit (expense)	(11,073)	(7,421)
Total other income (expense)	(4,132)	(49,560)
Less preferred share dividends	10,567	6,369
Less FFO attributable to noncontrolling interests	12,172	83
FFO, as defined by Prologis	**262,072**	**62,146**
Impairment charges	19,320	-
Japan disaster expenses	-	6,925
Merger, acquisition and other integration expenses	10,728	5,988
Our share of gains on acquisitions and dispositions of investments in real estate, net	(102,918)	(2,568)
Our share of gains on early extinguishment of debt, net	(4,437)	-
Income tax expense on dispositions	-	1,916
Total of adjustments	(77,307)	12,261
Core FFO	**$ 184,765**	**$ 74,407**
Weighted average common shares outstanding - Diluted (B)	**476,107**	**256,200**
Core FFO per share - Diluted	**$ 0.40**	**$ 0.29**

(A) The financial results include Prologis for the full period and no impact from the AMB results.
(B) See Calculation of Per Share Amounts in the Notes and Definitions.

(in thousands)

	Three Months Ended March 31,	
	2012	**2011 (A)**
Reconciliation of net earnings (loss) to FFO		
Net earnings (loss) attributable to common shares	$ 202,412	$ (46,616)
Add (deduct) NAREIT defined adjustments:		
Real estate related depreciation and amortization	184,691	75,776
Net gains on non-FFO dispositions	(171,265)	(1,297)
Reconciling items related to noncontrolling interests	(12,054)	-
Our share of reconciling items from unconsolidated investees	34,538	35,677
Subtotal-NAREIT defined FFO	238,322	63,540
Add (deduct) our defined adjustments:		
Unrealized foreign currency and derivative losses (gains), net	24,236	(1,635)
Deferred income tax expense (benefit)	1,051	864
Our share of reconciling items from unconsolidated investees	(1,537)	(623)
FFO, as defined by Prologis	**262,072**	**62,146**
Adjustments to arrive at Core FFO	(77,307)	12,261
Core FFO	**$ 184,765**	**$ 74,407**
Adjustments to arrive at Adjusted FFO ("AFFO"), including our share of unconsolidated investees:		
Straight-lined rents and amortization of lease intangibles	(11,347)	(14,685)
Property improvements	(13,414)	(6,930)
Tenant improvements	(23,987)	(9,042)
Leasing commissions	(10,333)	(7,299)
Amortization of management contracts	1,216	665
Amortization of debt discounts/(premiums) and financing costs, net of capitalization	(1,389)	9,403
Stock compensation expense	8,312	4,612
AFFO	**$ 133,823**	**$ 51,131**
Common stock dividends	$ 130,080	$ 64,042

(A) The financial results include Prologis for the full period and no impact from the AMB results.

(in thousands)

	Three Months Ended March 31,	
	2012	**2011**
Reconciliation of consolidated net earnings (loss) to Core EBITDA		
Consolidated net earnings (loss)	$ 202,412	$ (46,616)
Net gains on acquisitions and dispositions of investments in real estate, net	(279,020)	(7,601)
Depreciation and amortization	188,801	80,049
Interest expense	133,447	90,527
Impairment charges	19,320	-
Merger, acquisition and other integration expenses	10,728	5,988
Gain on early extinguishment of debt	(5,419)	-
Current and deferred income tax expense (benefit)	12,124	8,285
Pro forma adjustment (A)	12,352	-
Income on properties sold during the period included in discontinued operations	(7,164)	(9,824)
Net earnings attributable to noncontrolling interest	118	83
Preferred stock dividends	10,567	6,369
Unrealized losses (gains) and stock compensation expense	32,548	2,977
Other adjustments made to arrive at Core FFO	-	6,925
Core EBITDA, prior to our share of unconsolidated investees	**330,814**	**137,162**
Our share of reconciling items from unconsolidated investees:		
Net gains on disposition of real estate, net	1,813	-
Depreciation and amortization	31,531	35,677
Interest expense	23,723	36,536
Loss on early extinguishment of debt	982	-
Current and deferred income tax expense (benefit)	1,543	2,689
Other non-cash gains	(1,537)	(623)
Realized losses on derivative activity	-	226
Core EBITDA	**$ 388,869**	**$ 211,667**

(A) Adjustments for the effects of the Prologis North American Industrial Fund II and Prologis California acquisitions to reflect NOI for the full period. See Notes and Definitions for more detail.

Operations Overview

Operating Portfolio – Square Feet, Occupied and Leased

(square feet in thousands)

	Region	# of Buildings	Square Feet				Occupied		Leased	
			Total Owned and Managed	Prologis Share	Prologis Share (%)	% of Total	Total Owned and Managed	Prologis Share	Total Owned and Managed	Prologis Share
Global Markets										
U.S.										
Atlanta	East	130	18,135	14,277	78.7%	3.7%	85.0%	84.4%	85.6%	85.1%
Baltimore/Washington	East	67	7,862	5,349	68.0%	1.4%	93.5%	92.2%	93.6%	92.3%
Central Valley	Northwest	21	7,981	6,139	76.9%	1.6%	88.8%	87.4%	88.8%	87.4%
Central & Eastern PA	East	27	14,049	7,137	50.8%	1.9%	94.5%	96.9%	94.5%	96.9%
Chicago	Central	211	35,573	27,690	77.8%	7.2%	90.9%	92.3%	90.9%	92.3%
Dallas/Ft. Worth	Central	172	24,999	20,566	82.3%	5.4%	92.8%	93.0%	92.8%	93.0%
Houston	Central	83	9,907	7,223	72.9%	1.9%	97.6%	98.4%	97.9%	98.8%
New Jersey/New York City	East	183	22,818	16,630	72.9%	4.3%	91.6%	90.4%	91.6%	90.4%
San Francisco Bay Area	Northwest	238	20,012	17,541	87.7%	4.6%	91.0%	90.7%	91.1%	90.9%
Seattle	Northwest	69	8,630	4,901	56.8%	1.3%	92.7%	93.2%	92.7%	93.2%
South Florida	East	93	10,578	7,699	72.8%	2.0%	90.2%	91.4%	90.2%	91.4%
Southern California	Southwest	305	56,621	46,582	82.3%	12.2%	96.3%	96.4%	96.6%	96.8%
On Tarmac	Various	32	2,649	2,435	91.9%	0.6%	91.0%	90.2%	91.0%	90.2%
Canada	East	19	6,383	5,081	79.6%	1.3%	97.7%	97.2%	97.7%	97.2%
Mexico	Latin America	181	29,242	16,650	56.9%	4.4%	92.0%	91.4%	92.0%	91.4%
Brazil	Latin America	3	934	93	10.0%	0.0%	100.0%	100.0%	100.0%	100.0%
Americas total		**1,834**	**276,373**	**205,993**	**74.5%**	**53.8%**	**92.6%**	**92.7%**	**92.8%**	**92.9%**
Belgium	Northern	9	2,016	1,654	82.0%	0.4%	99.6%	99.6%	99.6%	99.6%
France	Southern	143	35,139	26,069	74.2%	6.8%	93.1%	92.3%	93.4%	92.7%
Germany	Northern	84	17,261	8,238	47.7%	2.2%	98.8%	97.7%	98.8%	97.7%
Netherlands	Northern	50	10,300	6,399	62.1%	1.7%	89.4%	89.9%	90.1%	90.2%
Poland	CEE	96	20,766	12,373	59.6%	3.2%	87.2%	85.4%	89.6%	88.3%
Spain	Southern	23	6,470	5,809	89.8%	1.5%	74.2%	76.4%	74.6%	76.9%
United Kingdom	UK	73	17,195	10,485	61.0%	2.8%	96.8%	95.8%	96.8%	95.8%
Europe total		**478**	**109,147**	**71,027**	**65.1%**	**18.6%**	**92.1%**	**90.9%**	**92.8%**	**91.6%**
China	China	24	5,331	2,287	42.9%	0.6%	97.9%	96.8%	97.9%	96.8%
Japan	Japan	46	18,998	13,188	69.4%	3.5%	95.6%	94.8%	95.9%	95.2%
Singapore	Singapore	5	942	942	100.0%	0.2%	100.0%	100.0%	100.0%	100.0%
Asia total		**75**	**25,271**	**16,417**	**65.0%**	**4.3%**	**96.2%**	**95.3%**	**96.4%**	**95.7%**
Total global markets		**2,387**	**410,791**	**293,437**	**71.4%**	**76.7%**	**92.7%**	**92.4%**	**93.0%**	**92.7%**
Regional markets (A)										
Italy - Europe	Southern	27	8,378	7,690	91.8%	2.0%	90.0%	89.1%	91.3%	90.6%
Czech Republic - Europe	CEE	29	6,821	5,096	74.7%	1.3%	90.9%	89.2%	92.3%	89.7%
Sweden - Europe	Northern	10	3,808	2,738	71.9%	0.7%	100.0%	100.0%	100.0%	100.0%
Hungary - Europe	CEE	30	5,336	3,815	71.5%	1.0%	84.0%	84.3%	85.1%	85.9%
Columbus - Americas	Central	39	10,309	8,046	78.0%	2.1%	93.9%	92.1%	93.9%	92.1%
Denver - Americas	Northwest	33	5,208	4,138	79.5%	1.1%	96.8%	96.2%	97.2%	96.8%
Memphis - Americas	Central	27	8,310	7,515	90.4%	2.0%	95.8%	95.4%	95.8%	95.4%
San Antonio - Americas	Central	61	6,358	4,892	76.9%	1.3%	93.0%	93.1%	93.2%	93.3%
Louisville - Americas	Central	11	4,341	3,809	87.7%	1.0%	98.2%	99.2%	98.2%	99.2%
Cincinnati - Americas	Central	28	6,898	4,379	63.5%	1.1%	95.7%	93.3%	97.5%	96.1%
Remaining other regional (5 markets)	Various	115	18,619	11,532	61.9%	3.0%	89.5%	86.3%	90.7%	86.7%
Regional markets total		**410**	**84,386**	**63,650**	**75.4%**	**16.6%**	**92.6%**	**91.6%**	**93.4%**	**92.2%**
Other markets (18 markets)	Various	**292**	**41,757**	**25,510**	**61.1%**	**6.7%**	**87.7%**	**89.9%**	**88.0%**	**90.2%**
Total operating portfolio - owned and managed		**3,089**	**536,934**	**382,597**	**71.3%**	**100.0%**	**92.3%**	**92.1%**	**92.7%**	**92.5%**

(A) Selected and ordered by Prologis share of NOI.

Operations Overview

Operating Portfolio – NOI and Gross Book Value

(dollars in thousands)

	Region	First Quarter NOI				Gross Book Value			
		Total Owned and Managed	Prologis Share ($)	Prologis Share (%)	% of Total	Total Owned and Managed	Prologis Share ($)	Prologis Share (%)	% of Total
Global Markets									
U.S.									
Atlanta	East	$10,203	$7,568	74.2%	1.9%	$770,523	$574,082	74.5%	2.0%
Baltimore/Washington	East	9,723	6,155	63.3%	1.6%	589,878	370,361	62.8%	1.3%
Central Valley	Northwest	6,268	4,761	76.0%	1.2%	428,258	323,503	75.5%	1.2%
Central & Eastern PA	East	11,685	5,533	47.4%	1.4%	865,454	404,585	46.7%	1.4%
Chicago	Central	22,462	17,027	75.8%	4.3%	2,109,699	1,604,661	76.1%	5.7%
Dallas/Ft. Worth	Central	15,450	11,815	76.5%	3.0%	1,185,508	927,440	78.2%	3.3%
Houston	Central	9,011	6,075	67.4%	1.5%	531,427	337,782	63.6%	1.2%
New Jersey/New York City	East	25,767	16,960	65.8%	4.3%	1,976,619	1,332,249	67.4%	4.8%
San Francisco Bay Area	Northwest	26,870	23,471	87.4%	5.9%	1,917,623	1,675,528	87.4%	6.0%
Seattle	Northwest	10,335	5,641	54.6%	1.4%	811,228	455,586	56.2%	1.6%
South Florida	East	11,832	8,664	73.2%	2.2%	1,025,693	773,509	75.4%	2.8%
Southern California	Southwest	57,509	46,492	80.8%	11.7%	5,044,244	4,106,572	81.4%	14.7%
On Tarmac	Various	7,346	6,489	88.3%	1.6%	317,371	280,803	88.5%	1.0%
Canada	East	8,563	6,639	77.5%	1.7%	660,169	525,725	79.6%	1.9%
Mexico	Latin America	30,500	17,930	58.8%	4.5%	1,726,551	938,346	54.3%	3.4%
Brazil	Latin America	2,676	268	10.0%	0.1%	96,542	9,654	10.0%	0.0%
Americas total		**266,200**	**191,488**	**71.9%**	**48.3%**	**20,056,787**	**14,640,386**	**73.0%**	**52.3%**
Belgium	Northern	2,724	2,094	76.9%	0.5%	173,635	136,590	78.7%	0.5%
France	Southern	44,786	32,040	71.5%	8.1%	2,932,362	2,089,899	71.3%	7.5%
Germany	Northern	25,395	11,971	47.1%	3.0%	1,486,566	684,120	46.0%	2.4%
Netherlands	Northern	14,003	8,297	59.3%	2.1%	990,890	565,830	57.1%	2.0%
Poland	CEE	19,663	11,858	60.3%	3.0%	1,380,914	748,350	54.2%	2.7%
Spain	Southern	7,277	6,885	94.6%	1.8%	584,687	532,012	91.0%	1.9%
United Kingdom	UK	33,767	19,446	57.6%	4.9%	2,019,909	1,124,135	55.7%	4.0%
Europe total		**147,615**	**92,591**	**62.7%**	**23.4%**	**9,568,963**	**5,880,936**	**61.5%**	**21.0%**
China	China	3,796	1,138	30.0%	0.3%	275,578	87,765	31.8%	0.3%
Japan	Japan	59,332	39,606	66.8%	10.0%	4,107,697	2,721,163	66.2%	9.8%
Singapore	Singapore	2,473	2,473	100.0%	0.6%	145,059	145,059	100.0%	0.5%
Asia total		**65,601**	**43,217**	**65.9%**	**10.9%**	**4,528,334**	**2,953,987**	**65.2%**	**10.6%**
Total global markets		**479,416**	**327,296**	**68.3%**	**82.6%**	**34,154,084**	**23,475,309**	**68.7%**	**83.9%**
Regional markets (A)									
Italy - Europe	Southern	7,989	7,219	90.4%	1.8%	553,589	499,898	90.3%	1.8%
Czech Republic - Europe	CEE	8,035	5,886	73.3%	1.5%	546,314	388,286	71.1%	1.4%
Sweden - Europe	Northern	5,825	4,191	71.9%	1.1%	349,551	249,964	71.5%	0.9%
Hungary - Europe	CEE	5,999	4,168	69.5%	1.0%	379,443	240,602	63.4%	0.9%
Columbus - Americas	Central	5,604	3,942	70.3%	1.0%	385,428	290,831	75.5%	1.0%
Denver - Americas	Northwest	4,341	3,450	79.5%	0.9%	289,658	234,800	81.1%	0.8%
Memphis - Americas	Central	3,621	3,193	88.2%	0.8%	264,206	236,373	89.5%	0.9%
San Antonio - Americas	Central	4,385	3,119	71.1%	0.8%	282,826	206,844	73.1%	0.7%
Louisville - Americas	Central	3,127	2,748	87.9%	0.7%	173,660	153,602	88.4%	0.5%
Cincinnati - Americas	Central	4,412	2,311	52.4%	0.6%	277,630	160,382	57.8%	0.6%
Remaining other regional (5 markets)	Various	13,939	7,292	52.3%	1.8%	950,500	536,387	56.4%	1.9%
Regional markets total		**67,277**	**47,519**	**70.6%**	**12.0%**	**4,452,805**	**3,197,969**	**71.8%**	**11.4%**
Other markets (18 markets)	Various	**35,588**	**21,504**	**60.4%**	**5.4%**	**2,481,648**	**1,318,521**	**53.1%**	**4.7%**
Total operating portfolio		**$582,281**	**$396,319**	**68.1%**	**100.0%**	**$41,088,537**	**$27,991,799**	**68.1%**	**100.0%**

(A) Selected and ordered by Prologis share of NOI.

Operations Overview

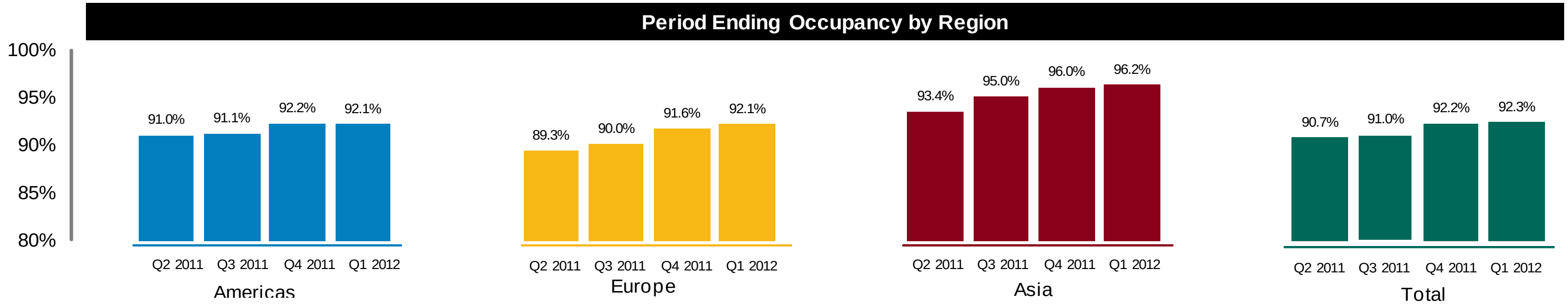
Operating Portfolio – Summary by Region

(square feet and dollars in thousands)

	# of Buildings	Square Feet				Occupied		Leased	
		Total Owned and Managed	Prologis Share	Prologis Share (%)	% of Total	Total Owned and Managed	Prologis Share	Total Owned and Managed	Prologis Share
Consolidated									
Americas	1,595	240,598	240,598	100.0%	62.9%	92.4%	92.4%	92.6%	92.6%
Europe	306	73,420	73,420	100.0%	19.1%	89.9%	89.9%	90.7%	90.7%
Asia	31	14,427	14,427	100.0%	3.8%	95.0%	95.0%	95.4%	95.4%
Total operating portfolio - consolidated	**1,932**	**328,445**	**328,445**	**100.0%**	**85.8%**	**91.9%**	**91.9%**	**92.3%**	**92.3%**
Unconsolidated									
Americas	824	131,943	32,444	24.6%	8.5%	91.7%	91.9%	91.8%	92.1%
Europe	289	65,702	19,718	30.0%	5.2%	94.5%	94.5%	95.2%	95.1%
Asia	44	10,844	1,990	18.4%	0.5%	97.8%	97.7%	97.8%	97.7%
Total operating portfolio - unconsolidated	**1,157**	**208,489**	**54,152**	**26.0%**	**14.2%**	**92.9%**	**93.1%**	**93.2%**	**93.4%**
Total									
Americas	2,419	372,541	273,042	73.3%	71.4%	92.1%	92.3%	92.3%	92.6%
Europe	595	139,122	93,138	66.9%	24.3%	92.1%	90.9%	92.8%	91.6%
Asia	75	25,271	16,417	65.0%	4.3%	96.2%	95.3%	96.4%	95.7%
Total operating portfolio - owned and managed	**3,089**	**536,934**	**382,597**	**71.3%**	**100.0%**	**92.3%**	**92.1%**	**92.7%**	**92.5%**
Value added properties - consolidated	5	748	748	100.0%		13.1%	13.1%	13.1%	13.1%
Value added properties - unconsolidated	1	286	79	27.6%		0.0%	0.0%	0.0%	0.0%
Total owned and managed	**3,095**	**537,968**	**383,424**	**71.3%**		**92.2%**	**91.9%**	**92.5%**	**92.3%**

	First Quarter NOI				Gross Book Value			
	Total Owned and Managed	Prologis Share ($)	Prologis Share (%)	% of Total	Total Owned and Managed	Prologis Share ($)	Prologis Share (%)	% of Total
Consolidated								
Americas	$203,206	$203,206	100.0%	51.3%	$15,263,484	$15,263,484	100.0%	54.5%
Europe	89,491	89,491	100.0%	22.6%	5,547,856	5,547,856	100.0%	19.8%
Asia	37,816	37,816	100.0%	9.5%	2,574,210	2,574,210	100.0%	9.2%
Total operating portfolio - consolidated	**$330,513**	**$330,513**	**100.0%**	**83.4%**	**$23,385,550**	**$23,385,550**	**100.0%**	**83.5%**
Unconsolidated								
Americas	$131,156	$32,407	24.7%	8.2%	$9,529,048	$2,348,432	24.6%	8.4%
Europe	92,827	27,998	30.2%	7.0%	6,219,815	1,878,040	30.2%	6.7%
Asia	27,785	5,401	19.4%	1.4%	1,954,124	379,777	19.4%	1.4%
Total operating portfolio - unconsolidated	**$251,768**	**$65,806**	**26.1%**	**16.6%**	**$17,702,987**	**$4,606,249**	**26.0%**	**16.5%**
Total								
Americas	$334,362	$235,613	70.5%	59.5%	$24,792,532	$17,611,916	71.0%	62.9%
Europe	182,318	117,489	64.4%	29.6%	11,767,671	7,425,896	63.1%	26.5%
Asia	65,601	43,217	65.9%	10.9%	4,528,334	2,953,987	65.2%	10.6%
Total operating portfolio - owned and managed	**$582,281**	**$396,319**	**68.1%**	**100.0%**	**$41,088,537**	**$27,991,799**	**68.1%**	**100.0%**
Value added properties - consolidated	(16)	(16)	100.0%		53,153	53,153	100.0%	
Value added properties - unconsolidated	(149)	(41)	27.5%		17,203	4,744	27.6%	
Total owned and managed	**$582,116**	**$396,262**	**68.1%**		**$41,158,893**	**$28,049,696**	**68.1%**	

(square feet and dollars in thousands)



Leasing Activity

	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Square feet of leases signed:				
Properties under development	1,360	1,810	1,365	1,017
Operating properties:				
New leases	11,841	11,545	13,663	10,023
Renewals	21,697	20,095	22,533	19,812
Total square feet of leases signed	34,898	33,450	37,561	30,852
Weighted average customer retention	76.7%	76.3%	80.1%	78.3%
Turnover costs (per square foot) (B)	$ 1.37	$ 1.36	$ 1.40	$ 1.14

Capital Expenditures Incurred

	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Property improvements	$ 24,880	$ 33,611	$ 32,297	$ 17,100
$ per square foot	*$ 0.04*	*$ 0.06*	*$ 0.06*	*$ 0.03*
Tenant improvements	24,741	23,934	29,418	28,598
Leasing commissions	21,682	19,136	23,674	16,401
Total turnover costs	46,423	43,070	53,092	44,999
Total capital expenditures	$ 71,303	$ 76,681	$ 85,389	$ 62,099
Trailing four quarters - % of gross NOI (C)	N/A	N/A	11.5%	11.9%
Weighted average ownership percent	69.0%	76.5%	66.5%	76.9%
Prologis share	$ 49,215	$ 58,687	$ 56,770	$ 47,734

Same Store Information (A)

	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Square feet of population	552,370	547,380	538,400	522,571
Percentage change:				
Rental income	2.2%	(0.1%)	0.9%	(0.6%)
Rental expenses	(0.3%)	1.5%	2.0%	(6.6%)
Net operating income	3.1%	(0.7%)	0.4%	1.7%
Average occupancy	2.5%	1.6%	1.6%	2.6%
Square feet of leasing activity	27,721	27,969	32,159	28,227
Percentage change in rental rates	(6.1%)	(8.6%)	(4.5%)	(1.1%)

(A) See the Notes and Definitions for further explanations.
(B) Turnover costs per foot represent expected costs based on the leases signed during the quarter, rather than costs incurred as presented in the "Capital Expenditures Incurred" section.
(C) This metric is calculated using the trailing twelve month NOI based on pro forma information for the pre-Merger period.

(square feet and dollars in thousands)

Top Customers

		% of Annual Base Rent	Total Square Feet
1	DHL	2.5%	12,222
2	CEVA Logistics	1.4%	7,378
3	Kuehne & Nagel	1.4%	6,867
4	SNCF Geodis	0.9%	4,977
5	Home Depot, Inc	0.9%	4,446
6	Amazon.Com, Inc.	0.8%	3,664
7	FedEx Corporation	0.7%	2,511
8	PepsiCo	0.7%	4,126
9	United States Government	0.7%	1,467
10	Kraft Foods, Inc.	0.7%	3,458
Top 10 Customers		10.7%	51,116
11	Panasonic Logistics Co Ltd	0.7%	2,055
12	Unilever	0.6%	4,521
13	Nippon Express	0.6%	1,468
14	Tesco PLC	0.6%	2,693
15	DB Schenker	0.6%	2,219
16	Hitachi Ltd	0.6%	1,306
17	APL (Neptune Orient Lines)	0.5%	4,618
18	Sagawa Express	0.5%	870
19	Panalpina Inc	0.5%	2,238
20	Caterpillar Logistics Services	0.5%	1,344
21	Sears Holdings Corporation	0.4%	3,382
22	UTi Worldwide	0.4%	1,970
23	C & S Wholesale Grocers Inc	0.4%	2,222
24	ND Logistics	0.4%	2,206
25	Raben Group BV	0.4%	1,888
Top 25 Customers		18.4%	86,116

Lease Expirations - Owned and Managed

Year	Annual Base Rent	Percentage of Total	Occupied Square Feet	Percentage of Total
Month to month customers	$ 39,314	1.5%	11,253	2.3%
2012	249,503	9.3%	48,678	9.8%
2013	451,259	16.8%	83,678	16.9%
2014	429,399	16.0%	78,648	15.9%
2015	368,803	13.7%	70,366	14.2%
2016	301,825	11.2%	57,474	11.6%
Thereafter	843,874	31.5%	145,567	29.3%
Total	2,683,977	100%	495,664	100%

Lease Expirations - Prologis Share

Year	Annual Base Rent	Percentage of Total	Occupied Square Feet	Percentage of Total
Month to month customers	$ 29,289	1.5%	8,429	2.4%
2012	171,862	9.2%	34,164	9.7%
2013	325,577	17.4%	60,722	17.2%
2014	300,555	16.1%	57,619	16.4%
2015	260,837	14.0%	50,965	14.5%
2016	220,733	11.8%	43,470	12.3%
Thereafter	560,838	30.0%	97,022	27.5%
Total	1,869,691	100%	352,391	100%

(square feet and dollars in thousands)

	Q1 2012				
	Square Feet	Prologis Share of Square Feet	Total Proceeds	Prologis Share of Proceeds ($)	Prologis Share of Proceeds (%) (B)
Third Party Building Dispositions					
Americas					
Prologis wholly owned	2,307	2,307	$219,487	$219,487	100.0%
Prologis North American Properties Fund XI	3,516	703	135,362	27,072	20.0%
Total Americas	**5,823**	**3,010**	**354,849**	**246,559**	**69.5%**
Europe					
Prologis wholly owned	1,969	1,969	122,671	122,671	100.0%
ProLogis European Properties (C)	3,670	3,439	338,862	317,513	93.7%
ProLogis European Properties Fund II	1,937	576	141,268	41,985	29.7%
Total Europe	**7,576**	**5,984**	**602,801**	**482,169**	**80.0%**
Asia					
Total Asia	**-**	**-**	**-**	**-**	**-**
Total Third Party Building Dispositions	**13,399**	**8,994**	**$957,650**	**$728,728**	**76.1%**
Building Contributions and Dispositions to Co-Investment Ventures					
Americas					
Total Americas	**-**	**-**	**-**	**-**	**-**
Europe					
Prologis Europe Logistics Venture	139	139	$16,875	$14,343	85.0%
Total Europe	**139**	**139**	**16,875**	**14,343**	**85.0%**
Asia					
Total Asia	-	-	-	-	-
Total Contributions and Dispositions to the Co-Investment Ventures	**139**	**139**	**$16,875**	**$14,343**	**85.0%**
Total Building Dispositions and Contributions	**13,538**	**9,133**	**$974,525**	**$743,071**	**76.2%**
Weighted average stabilized cap rate				**7.2%**	

(A) Amounts include industrial building dispositions, but do not include dispositions of wholly owned non-industrial buildings or land subject to ground leases of $6.0 million, of which $5.0 million is Prologis' share.
(B) Prologis share reflects actual ownership on consolidated funds. For contributions, this amount reflects cash proceeds to Prologis (net of units received for partial consideration).
(C) This is a consolidated fund.

Capital Deployment

Third Party Building Acquisitions

(square feet and dollars in thousands)

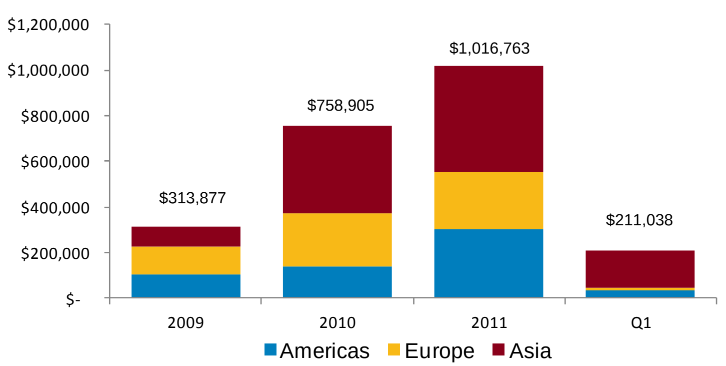
	Q1 2012				
	Square Feet	Prologis Share of Square Feet	Acquisition Costs	Prologis Share of Acquisition Costs ($)	Prologis Share of Acquisition Costs (%)
Third Party Building Acquisitions					
Americas					
Prologis wholly owned	182	182	$ 12,580	$ 12,580	100.0%
Prologis Targeted U.S. Logistics Fund	389	107	28,690	7,913	27.6%
Total Americas	**571**	**289**	**41,270**	**20,493**	**49.7%**
Europe					
Prologis European Properties Fund II	64	19	5,115	1,520	29.7%
Europe Logistics Venture I	347	52	24,293	3,644	15.0%
Total Europe	**411**	**71**	**29,408**	**5,164**	**17.6%**
Asia	-	-	-	-	-
Total Third Party Acquisitions	**982**	**360**	**$ 70,678**	**$ 25,657**	**36.3%**
Weighted average stabilized cap rate				**6.6%**	

(in thousands, except percent and per square foot)

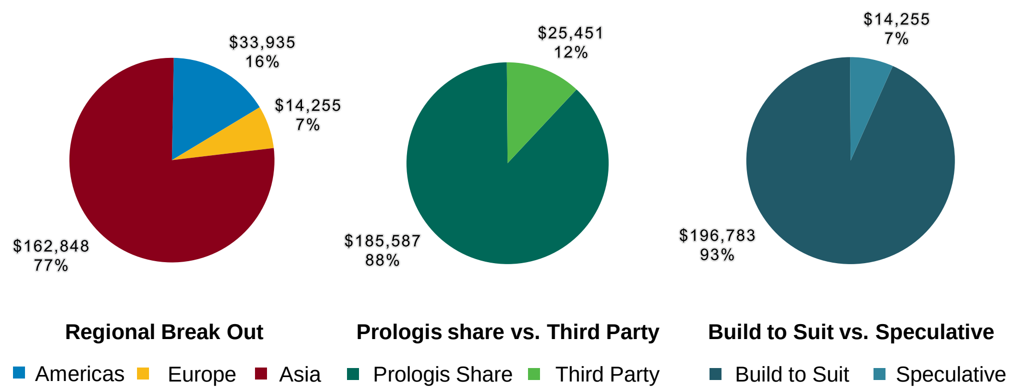
	Total Q1 2012				Prologis Share ($) - Q1				Prologis Share (%) - Q1	
	Square Feet	Total Expected Investment	Cost Per Square Foot	Leased % at Start	Square Feet	Total Expected Investment	Cost Per Square Foot	Leased % at Start	Square Feet	Total Expected Investment
Americas										
Prologis w holly ow ned	-	-	-	-	-	-	-	-	-	-
Brazil Fund and related joint ventures	317	$33,935	$107	100.0%	79	$8,484	$107	100.0%	25.0%	25.0%
Total Americas	317	33,935	107	100.0%	79	8,484	107	100.0%	25.0%	25.0%
Europe										
Prologis w holly ow ned	264	14,255	54	0.0%	264	14,255	54	0.0%	100.0%	100.0%
Total Europe	264	14,255	54	0.0%	264	14,255	54	0.0%	100.0%	100.0%
Asia										
Prologis w holly ow ned	961	162,848	169	100.0%	961	162,848	169	100.0%	100.0%	100.0%
Prologis China Logisitics Venture I	-	-	-	-	-	-	-	-	-	-
Total Asia	961	162,848	169	100.0%	961	162,848	169	100.0%	100.0%	100.0%
Total	**1,542**	**$211,038**	**$137**	**82.9%**	**1,304**	**$185,587**	**$142**	**79.8%**	**84.6%**	**87.9%**

Weighted average estimated stabilized yield (%)	8.3%
Pro forma NOI ($)	$17,516
Weighted average estimated cap rate at stabilization (%)	6.6%
Estimated value creation ($) (A)	$54,356
Prologis share of value creation on development starts (%) (A)	91.0%
Prologis share of value creation on development starts ($) (A)	$49,486
Prologis share of value creation realized on VACs (B)	22,844
Total Prologis share of estimated and realized value creation this quarter	$72,330

Historical Development Starts (TEI)



First Quarter 2012 Development Starts



(A) Value creation excludes fees or promotes that we may earn. See complete definition in the Notes and Definitions section.
(B) This represents the economic gain realized from the sale of a Value Added Conversion property during the quarter. The gain represents the amount by which the sales proceeds exceeds our original cost, which equated to 38% this quarter.

(in thousands, except percent)

	Pre-Stabilized Developments		Under Development: 2012 Expected Completion		Under Development: 2013 Expected Completion		Under Development: Total Under Development		Total Development Portfolio			
	Sq Ft	TEI $	Sq Ft	TEI $	Sq Ft	TEI $	Sq Ft	TEI $	TEI $	Prologis share of TEI $	%of Total	Leased %
Consolidated												
U.S.												
Central	-	$ -	147	$7,858	-	$ -	147	$7,858	$7,858	$7,858	0.7%	0.0%
East	244	28,024	614	71,663	-	-	614	71,663	99,687	99,687	8.4%	36.8%
Northwest	-	-	-	-	-	-	-	-	-	-	-	-
Southwest	-	-	415	26,103	-	-	415	26,103	26,103	26,103	2.2%	0.0%
U.S. Total	244	28,024	1,176	105,624	-	-	1,176	105,624	133,648	133,648	11.3%	22.2%
Latin America	482	27,640	140	6,416	-	-	140	6,416	34,056	34,056	2.9%	52.9%
Americas total	**726**	**55,664**	**1,316**	**112,040**	**-**	**-**	**1,316**	**112,040**	**167,704**	**167,704**	**14.2%**	**31.6%**
Europe												
Northern Europe	319	31,183	447	36,027	-	-	447	36,027	67,210	67,210	5.7%	58.3%
Southern Europe	507	38,836	-	-	-	-	-	-	38,836	38,836	3.3%	43.8%
Central Europe	-	-	201	9,957	-	-	201	9,957	9,957	9,957	0.8%	0.0%
United Kingdom	-	-	-	-	-	-	-	-	-	-	-	-
Europe total	**826**	**70,019**	**648**	**45,984**	**-**	**-**	**648**	**45,984**	**116,003**	**116,003**	**9.8%**	**45.4%**
Asia												
Japan	1,557	255,285	2,397	374,405	961	162,848	3,358	537,253	792,538	792,538	66.6%	66.0%
Asia total	**1,557**	**255,285**	**2,397**	**374,405**	**961**	**162,848**	**3,358**	**537,253**	**792,538**	**792,538**	**66.6%**	**66.0%**
Total global markets	**3,109**	**380,968**	**4,361**	**532,429**	**961**	**162,848**	**5,322**	**695,277**	**1,076,245**	**1,076,245**	**90.6%**	**54.1%**
Regional and other markets												
Americas	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	264	14,255	-	-	264	14,255	14,255	14,255	1.2%	0.0%
Total regional and other markets	**-**	**-**	**264**	**14,255**	**-**	**-**	**264**	**14,255**	**14,255**	**14,255**	**1.2%**	**0.0%**
Total consolidated development portfolio	**3,109**	**380,968**	**4,625**	**546,684**	**961**	**162,848**	**5,586**	**709,532**	**1,090,500**	**1,090,500**	**91.8%**	**52.4%**
Unconsolidated												
Prologis Targeted U.S. Logistics Fund	-	-	272	27,796	-	-	272	27,796	27,796	7,666	0.6%	0.0%
Brazil Fund and related joint ventures	295	31,749	1,279	120,681	-	-	1,279	120,681	152,430	76,215	6.4%	32.7%
Prologis European Properties Fund II	-	-	134	11,718	-	-	134	11,718	11,718	3,483	0.3%	100.0%
Prologis Targeted Europe Logistics Fund	-	-	47	5,286	-	-	47	5,286	5,286	1,717	0.1%	0.0%
Prologis China Logistics Venture I	168	6,435	-	-	1,078	58,665	1,078	58,665	65,100	9,764	0.8%	0.0%
Total unconsolidated development portfolio	463	38,184	1,732	165,481	1,078	58,665	2,810	224,146	262,330	98,845	8.2%	**19.8%**
Total development portfolio - owned & managed	**3,572**	**$ 419,152**	**6,357**	**$ 712,165**	**2,039**	**$ 221,513**	**8,396**	**$ 933,678**	**$ 1,352,830**	**$ 1,189,345**	**100.0%**	**43.5%**
Total development portfolio - Prologis share	3,283	$397,775	5,397	$619,584	1,118	$171,779	6,515	$791,363	$1,189,138			**49.5%**
Total development portfolio - Prologis share (%)	91.9%	94.9%	84.9%	87.0%	54.9%	77.5%	77.6%	84.8%	87.9%			
Cost to complete ($)		$17,785		$252,086		$162,731		$414,817	$432,602			
Prologis share of cost to complete ($)		$17,306		$203,126		$128,983		$332,109	$349,415			
Percent build to suit (based on Prologis share) (%)		0.0%		18.5%		94.9%		35.1%				
Pre-leased percent (%)		n/a		32.2%		47.1%		35.8%				
Weighted average estimated stabilized yield (%)		7.8%		8.2%		7.7%		8.1%	8.0%			
Pro forma NOI ($)									$108,226			
Weighted average estimated cap rate at stabilization (%)									6.6%			
Estimated value creation ($) (A)									$286,958			
Prologis share of value creation ($) (A)									$247,748			
Prologis share of value creation (%) (A)									86.3%			

(A) Value creation excludes fees or promotes that we may earn. See complete definition in the Notes and Definitions section.

Capital Deployment

Land Portfolio – Owned and Managed

(dollars in thousands)

Land by Market	Region	Acres			Current Book Value			
		Total Owned & Managed	Prologis Share	Prologis Share (%)	Total Owned & Managed	Prologis Share ($)	Prologis Share (%)	% of Total
Global markets								
U.S.								
Atlanta	East	732	732	100.0%	$ 28,031	$ 28,031	100.0%	1.4%
Baltimore/Washington	East	106	106	100.0%	14,868	14,868	100.0%	0.8%
Central Valley	Northwest	170	170	100.0%	16,409	16,409	100.0%	0.8%
Central & Eastern PA	East	339	339	100.0%	29,657	29,657	100.0%	1.5%
Chicago	Central	638	638	100.0%	60,506	60,506	100.0%	3.1%
Dallas/Ft. Worth	Central	470	470	100.0%	23,044	23,044	100.0%	1.2%
Houston	Central	65	65	100.0%	7,884	7,884	100.0%	0.4%
New Jersey/New York City	East	305	305	100.0%	127,056	127,056	100.0%	6.5%
Seattle	Northwest	15	15	100.0%	2,148	2,148	100.0%	0.1%
South Florida	East	377	377	100.0%	143,787	143,787	100.0%	7.3%
Southern California	Southwest	779	779	100.0%	123,167	123,167	100.0%	6.3%
Canada	Canada	230	230	100.0%	95,423	95,423	100.0%	4.9%
Mexico	Mexico	1,009	1,009	100.0%	209,856	209,856	100.0%	10.7%
Brazil	Brazil	376	188	50.0%	47,054	23,527	50.0%	1.2%
Americas total		**5,611**	**5,423**	**96.6%**	**928,890**	**905,363**	**97.5%**	**46.2%**
Belgium	Northern	30	30	100.0%	10,371	10,371	100.0%	0.5%
France	Southern	396	396	100.0%	69,396	69,396	100.0%	3.5%
Germany	Northern	193	193	100.0%	46,508	46,508	100.0%	2.4%
Netherlands	Northern	63	63	100.0%	57,790	57,790	100.0%	3.0%
Poland	CEE	893	893	100.0%	118,215	118,215	100.0%	6.0%
Spain	Southern	100	100	100.0%	19,960	19,960	100.0%	1.0%
United Kingdom	UK	981	981	100.0%	250,697	250,697	100.0%	12.8%
Europe total		**2,656**	**2,656**	**100.0%**	**572,937**	**572,937**	**100.0%**	**29.2%**
China	China	60	45	75.0%	24,645	13,508	54.8%	0.7%
Japan	Japan	86	86	100.0%	171,809	171,809	100.0%	8.8%
Asia total		**146**	**131**	**89.7%**	**196,454**	**185,317**	**94.3%**	**9.5%**
Total global markets		**8,413**	**8,210**	**97.6%**	**1,698,281**	**1,663,617**	**98.0%**	**84.9%**
Regional markets (A)								
Hungary	CEE	338	338	100.0%	47,137	47,137	100.0%	2.4%
Czech Republic	CEE	263	263	100.0%	42,941	42,941	100.0%	2.2%
Italy	Southern	107	107	100.0%	32,507	32,507	100.0%	1.7%
Central Florida	East	129	129	100.0%	25,566	25,566	100.0%	1.3%
Slovakia	CEE	95	95	100.0%	18,600	18,600	100.0%	0.9%
Savannah	East	229	229	100.0%	13,082	13,082	100.0%	0.7%
Denver	Northwest	66	66	100.0%	8,480	8,480	100.0%	0.4%
Memphis	Central	166	166	100.0%	7,229	7,229	100.0%	0.4%
Columbus	Central	199	199	100.0%	6,692	6,692	100.0%	0.3%
Cincinnati	Central	75	75	100.0%	4,919	4,919	100.0%	0.3%
Indianapolis	Central	127	127	100.0%	4,469	4,469	100.0%	0.3%
Louisville	Central	13	13	100.0%	425	425	100.0%	0.0%
Total regional markets		**1,807**	**1,807**	**100.0%**	**212,047**	**212,047**	**100.0%**	**10.9%**
Total other markets (11 markets)	Various	**769**	**769**	**100.0%**	**83,149**	**83,149**	**100.0%**	**4.2%**
Total land portfolio - owned and managed		**10,989**	**10,786**	**98.2%**	**$ 1,993,477**	**$ 1,958,813**	**98.3%**	**100.0%**
Original Cost Basis					**$ 3,073,677**			

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

Capital Deployment

Land Portfolio – Summary and Roll Forward

(dollars in thousands)

Land Portfolio Summary	Acres	% of Total	Investment at March 31, 2012	% of Total
Americas				
Prologis wholly owned	6,889	62.7%	$ 1,009,129	50.6%
Brazil Fund and related joint ventures	376	3.4%	47,054	2.4%
Total Americas	**7,265**	**66.1%**	**1,056,183**	**53.0%**
Europe				
Prologis wholly owned	**3,578**	**32.5%**	**740,840**	**37.2%**
Asia				
Prologis wholly owned	128	1.2%	183,352	9.2%
Prologis China Logistics Venture 1	18	0.2%	13,102	0.6%
Total Asia	**146**	**1.4%**	**196,454**	**9.8%**
Total land portfolio - owned and managed	**10,989**	**100.0%**	**$ 1,993,477**	**100.0%**

Land Roll Forward - Owned and Managed	Americas	Europe	Asia	Total
As of December 31, 2011	$ 1,053,806	$ 737,001	$ 249,100	$ 2,039,907
Acquisitions	14,584	-	-	14,584
Dispositions (A)	(3,982)	(6,877)	-	(10,859)
Development starts	(10,574)	(2,092)	(38,209)	(50,875)
Infrastructure costs	17,318	5,809	2,731	25,858
Reclasses	(13,556)	-	-	(13,556)
Impairment charges	-	-	(3,185)	(3,185)
Effect of changes in foreign exchange rates and other	(1,413)	6,999	(13,983)	(8,397)
As of March 31, 2012	$ 1,056,183	$ 740,840	$ 196,454	**$ 1,993,477**

(A) Includes 116 acres that were sold for $13.5 million in proceeds.

Private Capital

Detail Fund Information

Fund Investment Information

Co-Investment Ventures	Type	Investment Type	Geographic Focus	Ownership	Date Established	Term
Prologis Institutional Alliance Fund II	Core	Consolidated	US	24.1%	June 2001	Closed end
Prologis AMS	Core	Consolidated	US	38.5%	June 2004	Closed end
Prologis Mexico Fondo Logistico (A)	Core/Development	Consolidated	Mexico	20.0%	July 2010	Closed end
Prologis European Properties	Core	Consolidated	Europe	93.7%	September 1999	Open end
Prologis North American Properties Fund I	Core	Unconsolidated	US	41.3%	June 2000	Closed end
Prologis North American Properties Fund XI (B)	Core	Unconsolidated	US	20.0%	February 2003	Closed end
Prologis Targeted U.S. Logistics Fund (A)	Core	Unconsolidated	US	27.6%	October 2004	Open end
Prologis North American Industrial Fund	Core	Unconsolidated	US	23.1%	March 2006	Open end
Prologis DFS Fund I	Development	Unconsolidated	US	15.0%	October 2006	Closed end
Prologis North American Industrial Fund III	Core	Unconsolidated	US	20.0%	July 2007	Closed end
Prologis SGP Mexico (A)	Core	Unconsolidated	Mexico	21.6%	December 2004	Closed end
Prologis Mexico Industrial Fund	Core	Unconsolidated	Mexico	20.0%	August 2007	Closed end
Prologis Brazil Logistics Partners Fund I (A)(C)	Development	Unconsolidated	Brazil	50.0%	December 2010	Closed end
Prologis Targeted Europe Logistics Fund (A)	Core	Unconsolidated	Europe	32.4%	June 2007	Open end
Prologis European Properties Fund II (A)	Core	Unconsolidated	Europe	29.7%	August 2007	Open end
Europe Logistics Venture 1 (A)	Core	Unconsolidated	Europe	15.0%	February 2011	Open end
Prologis Japan Fund 1	Core	Unconsolidated	Japan	20.0%	June 2005	Closed end
Prologis China Logistics Venture 1 (A)	Core/Development	Unconsolidated	China	15.0%	March 2011	Closed end

Information by Unconsolidated Co-investment Venture (D):

					Prologis' Share				
(in thousands)	Square Feet	First Quarter NOI	Gross Book Value of Operating Buildings	Debt	First Quarter NOI	Annualized Pro forma NOI	Debt	Total Other Tangible Assets (Liabilities)	Prologis Investment In and Advances To
Prologis North American Properties Fund I	6,239	$ 5,185	$ 266,458	$ 108,296	$ 2,141	$ 8,564	$ 44,726	$ 578	$ 33,380
Prologis North American Properties Fund XI (B)	100	(50)	13,789	952	(10)	(40)	190	5,777	27,650
Prologis North American Industrial Fund	48,898	42,340	2,957,400	1,244,165	9,781	39,124	286,905	13,605	218,040
Prologis North American Industrial Fund III	17,655	13,534	1,279,000	649,496	2,707	10,828	129,899	355	25,784
Prologis Targeted U.S. Logistics Fund	42,535	51,466	3,939,656	1,644,194	14,194	56,776	453,469	12,447	667,093
Prologis Mexico Industrial Fund	9,494	8,735	585,988	214,149	1,747	6,988	42,830	1,932	52,540
Prologis SGP Mexico	6,374	7,121	407,418	217,954	1,538	6,152	47,078	(8,560)	38,385
Brazil Fund and related joint ventures	934	2,676	96,542	-	268	1,072	-	52,482	126,633
Americas	**132,229**	**131,007**	**9,546,251**	**4,079,206**	**32,366**	**129,464**	**1,005,097**	**78,616**	**1,189,505**
Prologis European Properties Fund II	52,897	70,231	4,626,980	1,499,995	20,872	83,488	445,798	(39,824)	410,498
Prologis Targeted Europe Logistics Fund	11,879	21,372	1,510,165	653,234	6,942	27,768	212,171	(16,868)	248,620
Europe Logistics Venture I	926	1,224	82,670	-	184	736	-	997	12,731
Europe	**65,702**	**92,827**	**6,219,815**	**2,153,229**	**27,998**	**111,992**	**657,969**	**(55,695)**	**671,849**
Prologis Japan Fund 1	7,263	24,658	1,733,167	903,290	4,932	19,728	180,658	11,049	172,722
Prologis China Logistics Venture 1	3,581	3,127	220,957	106,000	469	1,876	15,900	3,789	32,553
Asia	**10,844**	**27,785**	**1,954,124**	**1,009,290**	**5,401**	**21,604**	**196,558**	**14,838**	**205,275**
Total	**208,775**	**$251,619**	**$17,720,190**	**$7,241,725**	**$65,765**	**$263,060**	**$1,859,624**	**$37,759**	**$2,066,629**

(A) These funds are or will be actively investing in new properties through acquisition and/or development activities, whereas the remaining funds do not expect to be actively investing in new properties.
(B) During the first quarter, this co-investment venture sold all but one of its operating buildings.
(C) We have a 50% ownership interest in and consolidate an entity that in turn owns 50% of an entity that is accounted for on the equity method ("Brazil Fund"). The Brazil Fund develops industrial properties in Brazil. During 2011, the Brazil Fund sold 90% of three properties to a third party and retained a 10% ownership interest in the properties ("Brazil JVs"). Therefore, we effectively own 25% of the Brazil Fund and 5% of the operating properties in the Brazil JVs, which are included in our Owned and Managed operating pool.
(D) Values represent Prologis' stepped up basis and may not equal the entities stand alone financial statements.

Private Capital

Fund Operating and Balance Sheet Information

(dollars in thousands)

	Americas	Europe	Asia	Total
FFO and Net Earnings (Loss) of the Co-Investment Ventures, Aggregated (A)(B)(C)	**For the Three Months Ended March 31, 2012**			
Rental income	$ 210,746	$ 125,006	$ 34,763	$ 370,515
Rental expenses	(54,216)	(28,696)	(6,758)	(89,670)
Net operating income from properties	156,530	96,310	28,005	280,845
Other income (expense)	4,211	(2,144)	(2,370)	(303)
Gains (losses) on dispositions of investments in real estate, net	(518)	(6,120)	-	(6,638)
General and administrative expenses	(1,423)	(6,366)	(2,287)	(10,076)
Interest expense	(74,973)	(28,470)	(310)	(103,753)
Current income tax expense	(1,461)	(2,211)	(1,387)	(5,059)
FFO of the property funds	**82,366**	**50,999**	**21,651**	**155,016**
Real estate related depreciation and amortization	(88,256)	(35,117)	(16,068)	(139,441)
Gains (losses) on dispositions of investments in real estate, net	(4,161)	6,798	-	2,637
Deferred tax benefit (expense) and other income (expense), net	(23)	1,008	24	1,009
Net earnings (loss) of the property funds	**$ (10,074)**	**$ 23,688**	**$ 5,607**	**$ 19,221**

	Americas	Europe	Asia	Total
Prologis' Share of FFO and Net Earnings (Loss) of the Unconsolidated Co-Investment Ventures (A)(B)	**For the Three Months Ended March 31, 2012**			
Prologis' share of the property funds' FFO	$ 19,066	$ 15,361	$ 4,649	$ 39,076
Interest and preferred dividend income	1,615	-	-	1,615
FFO from unconsolidated co-investment ventures, net	20,681	15,361	4,649	40,691
Fees earned by Prologis	17,523	9,137	4,754	31,414
Total FFO recognized by Prologis, net	**$ 38,204**	**$ 24,498**	**$ 9,403**	**$ 72,105**
Prologis' share of the property funds' net earnings (loss)	$ 668	$ 7,997	$ 1,478	$ 10,143
Interest and preferred dividend income	1,615	-	-	1,615
Earnings from unconsolidated co-investment ventures, net	2,283	7,997	1,478	11,758
Fees earned by Prologis	17,523	9,137	4,754	31,414
Total earnings recognized by Prologis, net	**$ 19,806**	**$ 17,134**	**$ 6,232**	**$ 43,172**

	Americas	Europe	Asia	Total
Condensed Balance Sheet of the Unconsolidated Co-Investment Ventures, Aggregated (A)(C)	**As of March 31, 2012**			
Operating industrial properties, before depreciation	$ 9,546,251	$ 6,219,815	$ 1,954,125	$ 17,720,191
Accumulated depreciation	(838,088)	(377,221)	(47,600)	(1,262,909)
Properties under development and land	114,885	12,627	32,064	159,576
Other assets	1,045,645	277,397	161,139	1,484,181
Total assets	**$ 9,868,693**	**$ 6,132,618**	**$ 2,099,728**	**$ 18,101,039**
Third party debt	$ 4,079,206	2,153,230	1,009,290	$ 7,241,726
Other liabilities	443,186	513,720	98,648	1,055,554
Total liabilities	**$ 4,522,392**	**$ 2,666,950**	**$ 1,107,938**	**$ 8,297,280**
Weighted average ownership	**25.3%**	**30.1%**	**19.3%**	**26.2%**

(A) Includes the unconsolidated property funds listed on the previous page.
(B) Includes Prologis California and Prologis North American Industrial Fund II. We acquired all of the assets and liabilities of Prologis North America Industrial Fund II and our 50% share of the assets and liabilities of Prologis California during the quarter.
(C) Represents the entire entity, not our proportionate share.

(dollars and shares in millions)

	Prologis											
	Unsecured				Secured		Consolidated	Total	Unconsolidated		Prologis	
Maturity	Senior Debt	Convertible Debt	Credit Facilities	Other Debt	Mortgage Debt	Total	Investees Debt	Consolidated Debt	Investees Debt	Total Debt	Share of Total Debt	Prologis Share (%)
2012	$64	$458	-	$1	$33	$556	$113	$669	$405	$1,074	$708	65.9%
2013	376	482	-	1	202	1,061	573	1,634	1,564	3,198	1,861	58.2%
2014	374	-	409	643	578	2,004	1,070	3,074	835	3,909	3,205	82.0%
2015	287	460	441	1	208	1,397	21	1,418	1,143	2,561	1,735	67.7%
2016	638	-	-	1	314	953	111	1,064	1,203	2,267	1,264	55.8%
2017	700	-	-	1	558	1,259	2	1,261	698	1,959	1,407	71.8%
2018	900	-	-	1	247	1,148	64	1,212	265	1,477	1,227	83.1%
2019	647	-	-	1	284	932	1	933	222	1,155	998	86.4%
2020	683	-	-	1	10	694	1	695	402	1,097	796	72.6%
2021	-	-	-	-	162	162	1	163	333	496	255	51.4%
Thereafter	-	-	-	10	143	153	2	155	139	294	193	65.6%
Subtotal	**4,669**	**1,400**	**850**	**661**	**2,739**	**10,319**	**1,959**	**12,278**	**7,209**	**19,487**	**13,649**	**70.0%**
Unamortized net (discounts) premiums	79	(78)	1	-	68	70	33	103	33	136	108	79.4%
Subtotal	**4,748**	**1,322**	**851**	**661**	**2,807**	**10,389**	**1,992**	**12,381**	**7,242**	**19,623**	**$13,757**	**70.1%**
Third party share of debt	-	-	-	-	-	-	(484)	(484)	(5,382)	(5,866)		
Prologis share of debt	**$4,748**	**$1,322**	**$851**	**$661**	**$2,807**	**$10,389**	**$1,508**	**$11,897**	**$1,860**	**$13,757**		
Prologis share of debt by local currency												
Dollars	$4,625	$1,322	$155	$30	$1,773	$7,905	$122	$8,027	$1,021		$9,048	
Euro	-	-	276	477	17	770	1,216	1,986	528		2,514	
GBP	-	-	8	-	-	8	167	175	116		291	
Yen	123	-	412	154	995	1,684	-	1,684	182		1,866	
Other	-	-	-	-	22	22	3	25	13		38	
Prologis share of debt	**$4,748**	**$1,322**	**$851**	**$661**	**$2,807**	**$10,389**	**$1,508**	**$11,897**	**$1,860**		**$13,757**	
Weighted average interest rate (A)	5.7%	4.8%	1.7%	2.0%	4.2%	4.6%	4.4%	4.6%	4.7%		4.7%	
Weighted average remaining maturity in years	5.3	1.3	2.6	2.3	5.0	4.3	2.2	3.9	3.9		4.0	

Market Equity

Security	Shares	Price	Value
Common Stock	459.6	$36	$16,555
Partnership Units	3.3	$36	119
Total	462.9		$16,674

Preferred Stock

Series	Dividend Rate	Value
Series L	6.5%	$49
Series M	6.8%	58
Series O	7.0%	75
Series P	6.9%	50
Series Q	8.5%	100
Series R	6.8%	125
Series S	6.8%	125
	7.1%	$582

Liquidity

Aggregate lender commitments	$2,146
Less:	
Borrowings outstanding	850
Outstanding letters of credit	73
Current availability	$1,223
Unrestricted cash	344
Total liquidity	$1,567

(A) Interest rate is based on the effective rate (which includes the amortization of related premiums and discounts) and weighted based on borrowings outstanding.

Capitalization

Debt Covenants and Other Metrics

(dollars in thousands)

Covenants as of March 31, 2012 (A)

	Legacy AMB Indenture		New Prologis Indenture	
	Covenant	Actual	Covenant	Actual
Outstanding indebtedness to adjusted total assets	<60%	39.5%	<60%	39.5%
Fixed charge coverage ratio	>1.5x	2.86x	>1.5x	2.85x
Maximum secured debt to adjusted total assets	<40%	13.2%	<40%	13.2%
Unencumbered assets ratio to unsecured debt	>150%	273.4%	>150%	273.4%

	Global Line	
	Covenant	Actual
Maximum consolidated leverage to total asset value	<60%	39.7%
Fixed charge coverage ratio	>1.5x	2.68x
Unencumbered debt service coverage ratio	>1.5x	3.33x
Maximum secured debt to total asset value	<35%	13.7%
Minimum net w orth	>$10.0 billion	$15.9 billion

Debt Metrics (A) (B) (C)

	2012	2011
	First Quarter	Fourth Quarter
Debt as % of gross real estate assets	43.6%	43.5%
Secured debt as % of gross real estate assets	18.5%	17.9%
Unencumbered gross real estate assets to unsecured debt	228.5%	228.7%
Fixed charge coverage ratio	2.11x	2.07x
Debt/Core EBITDA	8.86x	8.62x

Encumbrances as of March 31, 2012

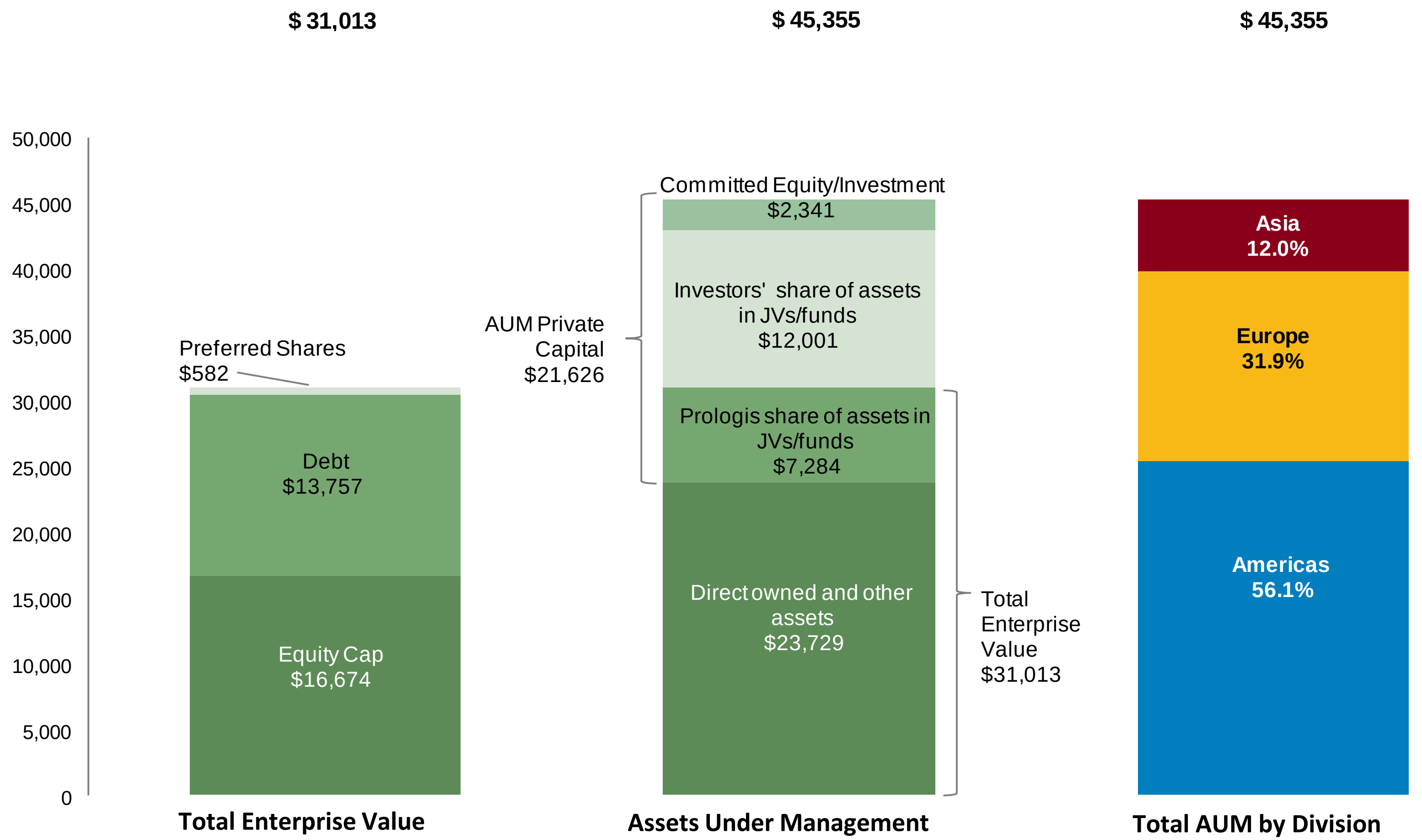
	Unencumbered	Encumbered	Total
Consolidated:			
Operating portfolio	$ 14,705,821	$ 8,732,882	$ 23,438,703
Development portfolio	787,029	-	787,029
Land	1,898,563	34,758	1,933,321
Other real estate investments	419,432	-	419,432
Notes receivable backed by real estate	-	247,241	247,241
Assets held for sale	84,271	17,912	102,183
Total consolidated	17,895,116	9,032,793	26,927,909
Unconsolidated operating portfolio - Prologis' share	978,919	3,627,330	4,606,249
Unconsolidated development portfolio and land - Prologis' share	68,788	5,498	74,286
Gross real estate assets	$ 18,942,823	$ 12,665,621	$ 31,608,444

Secured and Unsecured Debt as of March 31, 2012

	Unsecured Debt	Secured Mortgage Debt	Total
Prologis debt	$ 7,579,959	$ 2,738,957	$ 10,318,916
Consolidated investees debt	601,013	1,357,862	1,958,875
Our share of unconsolidated investees debt	107,935	1,742,573	1,850,508
Total debt - at par	8,288,907	5,839,392	14,128,299
Third party share of consolidated debt	(82,861)	(395,020)	(477,881)
Total Prologis share of debt - at par	8,206,046	5,444,372	13,650,418
Premium (discount) - consolidated	26,679	76,451	103,130
Third party share of premium (discount)	(1,708)	(3,756)	(5,464)
Our share of premium (discount) - unconsolidated	-	9,116	9,116
Total debt, net of premium (discount)	$ 8,231,017	$ 5,526,183	$ 13,757,200

(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.
(B) All metrics include both consolidated and Prologis share of unconsolidated investees.
(C) See Notes and Definitions for calculation of amounts.

(dollars in millions)



Net Asset Value

Components

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

Real Estate Operations

	Square Feet	Gross Book Value	GBV per Sq. Ft.	First Quarter NOI (Actual)	First Quarter NOI (Pro Forma)	Annualized NOI	Percent Occupied
CONSOLIDATED OPERATING PORTFOLIO							
Properties generating net operating income							
Americas	229,391	$ 14,609,221	$ 64	$ 207,569	$ 207,569	$ 830,276	95.4%
Europe	69,456	5,273,447	76	90,989	90,989	363,956	94.4%
Asia	14,427	2,574,210	178	37,816	37,816	151,264	95.0%
Pro forma adjustment for mid-quarter acquisitions/development completions (A)					17,221	68,884	
Sub-total	313,274	22,456,878	72	336,374	353,595	1,414,380	95.1%
Properties generating net operating loss							
Americas	11,207	654,263	58	(4,363)			31.6%
Europe	3,964	274,409	69	(1,498)			11.0%
Sub-total	15,171	928,672	61	(5,861)			26.2%
Total consolidated portfolio	**328,445**	**$ 23,385,550**	**$ 71**	**$ 330,513**	**$ 353,595**	**$ 1,414,380**	**91.9%**
UNCONSOLIDATED OPERATING PORTFOLIO (Prologis Share)							
Prologis interest in unconsolidated operating portfolio							
Americas	32,444	$ 2,348,432	$ 72	$ 32,407	$ 32,407	$ 129,628	91.9%
Europe	19,718	1,878,040	95	27,998	27,998	111,992	94.5%
Asia	1,990	379,777	191	5,401	5,401	21,604	97.7%
Pro forma adjustment for mid-quarter acquisitions/development completions					57	228	
Prologis share of unconsolidated operating portfolio	**54,152**	**$ 4,606,249**	**$ 85**	**$ 65,806**	**$ 65,863**	**$ 263,452**	**93.1%**
Total operating portfolio	**382,597**	**$ 27,991,799**	**$ 73**	**$ 396,319**	**$ 419,458**	**$ 1,677,832**	**92.1%**

Development

	Square Feet	Investment Balance	TEI	TEI per Sq Ft.		Annualized Pro Forma NOI	Percent Occupied
CONSOLIDATED							
Prestabilized							
Americas	726	$ 46,888	$ 55,664	$ 77		$ 4,391	45.4%
Europe	826	60,490	70,019	85		5,463	26.9%
Asia	1,557	252,781	255,285	164		18,296	80.2%
							57.9%
Properties under development							
Americas	1,316	78,244	112,040	85		7,944	
Europe	912	25,097	60,239	66		5,318	
Asia	3,358	323,529	537,253	160		38,214	
Total consolidated portfolio	**8,695**	**$ 787,029**	**$ 1,090,500**	**$ 125**		**$ 79,626**	
UNCONSOLIDATED (Prologis Share)							
Prologis interest in unconsolidated development portfolio							
Americas	863	$ 41,258	$ 83,880	$ 97		10,163	
Europe	56	3,810	5,200	93		409	
Asia	187	3,726	9,765	52		868	
Prologis share of unconsolidated development portfolio	**1,106**	**$ 48,794**	**$ 98,845**	**$ 89**		**$ 11,440**	
Total development portfolio	**9,801**	**$ 835,823**	**$ 1,189,345**	**$ 121**		**$ 91,066**	
Development Platform (see development pages)							

(A) This adjustment also includes pro-forma adjustments for the 100% of the NOI related to Prologis California and Prologis North America Fund II.

Net Asset Value

Components - Continued

(in thousands)

Balance Sheet and Other Items

	As of March 31, 2012
CONSOLIDATED	
Other assets	
Cash and cash equivalents	$ 343,736
Restricted cash	91,957
Deposits, prepaid assets and other tangible assets	512,890
Other real estate investments	419,432
Prologis' share of value added operating properties	57,897
Accounts receivable	163,679
Notes receivable backed by real estate	247,241
Prologis receivable from unconsolidated co-investment ventures	55,866
Investments in and advances to other unconsolidated investees	386,310
Assets held for sale, net of liabilities	98,337
Total other assets	**$ 2,377,345**
Other liabilities	
Accounts payable and other current liabilities	674,084
Deferred income taxes	621,211
Value added tax and other tax liabilities	73,691
Tenant security deposits	168,495
Other liabilities	395,045
Noncontrolling interests	833,005
Total liabilities and noncontrolling interests	$ **2,765,531**
UNCONSOLIDATED	
Prologis share of net assets (liabilities)	**$ 37,759**

Land

	Investment Balance
Original land basis	$ 3,073,677
Current book value of land	$ 1,933,321
Prologis share of book value of land in unconsolidated investees	25,492
Total	**$ 1,958,813**

Private Capital / Development Management

	First Quarter	Annualized
Private capital		
Private capital revenue	$ 32,357	$ 129,428
Private capital expenses	(16,881)	(67,524)
Profit margin	**$ 15,476**	**$ 61,904**
Development management income	**$ 3,113**	

Debt and Preferred Stock

	As of March 31, 2012
Prologis debt - at par	$ 10,318,916
Consolidated investee debt - at par	1,958,875
Prologis share of unconsolidated debt - at par	1,850,508
Subtotal debt	14,128,299
Preferred stock	582,200
Total debt and preferred stock	**$ 14,710,499**
Outstanding shares of common stock	459,555

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.

Our real estate operations segment represents the direct, long-term ownership of industrial properties. Our investment strategy in this segment focuses primarily on the ownership and leasing of industrial properties in global and regional markets. Our intent is to hold and use these properties; however, depending on market and other conditions, we may contribute or sell these properties to co-investment ventures or sell to third parties. When we contribute to an unconsolidated co-investment venture or sell properties we have developed, we recognize FFO to the extent the proceeds received exceed our original investment (i.e. prior to depreciation) and present the results as *Gains (Losses) on Acquisition and Dispositions of Investments in Real Estate, Net*. We have industrial properties that are currently under development and land available for development that are part of this segment as well. We may develop the land or sell to third parties, depending on market conditions, customer demand and other factors. The private capital segment represents the long-term management of unconsolidated co-investment ventures and other joint ventures.

In June 2011, AMB Property Corporation (“AMB”) and ProLogis combined through a merger of equals (the “Merger”). As a result of the Merger, each outstanding ProLogis common share was converted into 0.4464 shares of AMB common stock. At the time of the Merger, AMB changed its name to Prologis, Inc. After consideration of all applicable factors pursuant to the business combination accounting rules, the Merger resulted in a reverse acquisition in which AMB was considered the “legal acquirer” and ProLogis was considered the “accounting acquirer”. As such, the historical results of AMB have not been included in the 2011 results.

During the second quarter of 2011, we increased our ownership of ProLogis European Properties (“PEPR”), through open market purchases and a mandatory tender offer. Pursuant to the tender offer and open-market purchases made during the tender period, we acquired additional ordinary units and convertible preferred units of PEPR that were funded through borrowings under our existing credit facilities and a new €500 million bridge facility, which was subsequently repaid with proceeds received from our June equity offering. After completion of the tender offer, we began consolidating PEPR.

During the first quarter of 2012, we acquired our partner’s 63% interest in and now own 100% of Prologis North American Industrial Fund II. We also acquired our share of the assets and liabilities in Prologis California. These two transactions increased our real estate by $2.1 billion and debt by $1.0 billion.

Acquisition cost represents 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 closing costs, lease intangibles; and estimated acquisition capital expenditures including leasing costs to achieve stabilization.

Assets Held For Sale and Discontinued Operations. As of March 31, 2012, we had land and nine operating properties that met the criteria to be presented as held for sale. The amounts included in *Assets Held for Sale* include real estate investment balances and the related assets and liabilities for each property.

During the three months ended March 31, 2012, we disposed of 70 properties aggregating 7.9 million square feet to third parties. During all of 2011, we disposed of land subject to ground leases and 94 properties aggregating 10.7 million square feet to third parties.

The operations of the properties held for sale and properties that were disposed of to third parties during a period, including the aggregate net gains or losses recognized upon their disposition, are presented as discontinued operations in our Consolidated Statements of Operations for all periods presented. The income attributable to these properties was as follows (in thousands):

	Three Months Ended March 31,	
	2012	**2011**
Rental income	$ 12,907	$ 19,658
Rental expenses	(2,719)	(6,063)
Depreciation and amortization	(3,024)	(3,736)
Interest expense	-	(35)
Income attributable to disposed properties and assets held for sale	$ 7,164	$ 9,824

For purposes of our Consolidated Statements of FFO, we do not segregate discontinued operations. In addition, we include the gains or losses from disposition and impairment charges of land parcels and development properties in the calculation of FFO, including those classified as discontinued operations.

Assets Under Management (“AUM”) represents the estimated value of the real estate we own or manage through our consolidated entities and unconsolidated investees. We calculate AUM by adding the noncontrolling interests’ share of the estimated fair value of the real estate investment to our share of total market capitalization.

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

	Three Months Ended March 31,	
	2012	2011 (a)
Net earnings (loss)		
Net earnings (loss)	$ 202,412	$ (46,616)
Noncontrolling interest attributable to exchangeable limited partnership units	1,003	-
Interest expense on exchangeable debt assumed exchanged	4,216	-
Adjusted net earnings (loss) - Diluted	**$ 207,631**	**$ (46,616)**
Weighted average common shares outstanding - Basic (b)	459,203	254,698
Incremental weighted average effect on exchange of limited partnership units	3,347	-
Incremental weighted average effect of stock awards	1,678	-
Incremental weighted average effect on exchange of certain exchangeable debt	11,879	-
Weighted average common shares outstanding - Diluted (b)	**476,107**	**254,698**
Net earnings (loss) per share - Basic	**$ 0.44**	**$ (0.18)**
Net earnings (loss) per share - Diluted	**$ 0.44**	**$ (0.18)**
FFO, as defined by Prologis		
FFO, as defined by Prologis	$ 262,072	$ 62,146
Noncontrolling interest attributable to exchangeable limited partnership units	1,003	67
Interest expense on exchangeable debt assumed exchanged	4,216	-
FFO - Diluted, as defined by Prologis	**$ 267,291**	**$ 62,213**
Weighted average common shares outstanding - Basic (b)	459,203	254,698
Incremental weighted average effect of exchange of limited partnership units	3,347	339
Incremental weighted average effect of stock awards	1,678	1,163
Incremental weighted average effect of exchange of certain exchangeable debt	11,879	-
Weighted average common shares outstanding - Diluted (b)	**476,107**	**256,200**
FFO per share - Diluted, as defined by Prologis	**$ 0.56**	**$ 0.24**
Core FFO		
Core FFO	$ 184,765	$ 74,407
Noncontrolling interest attributable to exchangeable limited partnership units	1,003	67
Interest expense on exchange debt assumed exchanged	4,216	-
Core FFO - Diluted	**$ 189,984**	**$ 74,474**
Weighted average common shares outstanding - Basic (b)	459,203	254,698
Incremental weighted average effect of exchange of limited partnership units	3,347	339
Incremental weighted average effect of stock awards	1,678	1,163
Incremental weighted average effect of exchange of certain exchangeable debt	11,879	-
Weighted average common shares outstanding - Diluted (b)	**476,107**	**256,200**
Core FFO per share - Diluted	**$ 0.40**	**$ 0.29**

(a) *In periods with a net loss, the inclusion of any incremental shares is anti-dilutive, and therefore, both basic and diluted shares are the same.*
(b) *The historical Prologis shares outstanding have been adjusted by the Merger exchange ratio of 0.4464.*

Core EBITDA. We use Core EBITDA to measure both our operating performance and liquidity. We calculate Core EBITDA beginning with consolidated net earnings(loss) and removing the affect of interest, income taxes, depreciation and amortization, impairment charges, 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 Core FFO (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), including our share of these items from unconsolidated investees.

We consider Core 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 adjusted Core EBITDA to include a pro forma adjustment to reflect a full period of NOI on the operating properties we acquire in a significant transaction, such as the Merger, PEPR acquisition, acquisition of assets from Prologis California and the acquisition of Prologis North American Industrial Fund II. In addition, we excluded Merger, Acquisition and Other Integration Expenses and costs associated with the hurricane and tsunami that occurred in first quarter 2011 in Japan. By excluding interest expense 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 included the costs of repurchasing debt securities. Although difficult to predict, these items may be recurring given the uncertainty of the current economic climate and its adverse effects on the real estate and financial markets. 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.

As a liquidity measure, we believe that Core 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 Core EBITDA in conjunction with net income (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 Core 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, Core EBITDA has limitations as an analytical tool and should be used in conjunction with our required GAAP presentations. Core EBITDA does not reflect our historical cash expenditures or future cash requirements for working capital, capital expenditures distribution requirements or contractual commitments. Core 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 and liquidity, 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 Core EBITDA may not be comparable to EBITDA reported by other companies. We compensate for the limitations of Core EBITDA by providing investors with financial statements prepared according to GAAP, along with this detailed discussion of Core EBITDA and a reconciliation of Core EBITDA to consolidated net earnings (loss), a GAAP measurement.

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

	Three Months Ended	
	Mar. 31 2012	Dec. 31 2011
Debt as a % of gross real estate assets:		
Total debt - at par	$ 14,128,299	$ 13,888,412
Less: cash and cash equivalents	(343,736)	(176,072)
Total debt, net of cash	**$ 13,784,563**	**$ 13,712,340**
Gross real estate assets	**$ 31,608,444**	**$ 31,492,422**
Debt as a % of gross real estate assets	**43.6%**	**43.5%**
Secured debt as a % of gross real estate assets:		
Secured debt - at par	$ 5,839,392	$ 5,626,474
Gross real estate assets	$ 31,608,444	$ 31,492,422
Secured debt as a % of gross real estate assets	**18.5%**	**17.9%**
Unencumbered gross real estate assets to unsecured debt:		
Unencumbered gross real estate assets	$ 18,942,823	$ 18,896,910
Unsecured debt - at par	$ 8,288,907	$ 8,261,938
Unencumbered gross real estate assets to unsecured debt	**228.5%**	**228.7%**
Fixed Charge Coverage ratio:		
Core EBITDA	$ **388,869**	$ **397,629**
Interest expense	$ 133,447	$ 129,341
Amortization and write-off of deferred loan costs	(4,956)	(4,316)
Amortization of debt premium (discount), net	6,737	5,682
Capitalized interest	13,619	14,090
Preferred stock dividends	10,567	10,276
Our share of fixed charges from unconsolidated entities	24,474	37,003
Total fixed charges	$ **183,888**	$ **192,076**
Fixed charge coverage ratio	**2.11x**	**2.07x**
Debt to Core EBITDA:		
Total debt, net of cash	$ 13,784,563	$ 13,712,340
Core EBITDA-annualized	$ 1,555,476	$ 1,590,516
Debt to Core EBITDA ratio	**8.86x**	**8.62x**

Committed Equity/Investment is our estimate of the gross real estate, which could be acquired through the use of the equity commitments from our property fund or co-investment venture partners, plus our funding obligations and estimated debt capitalization.

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

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

NAREIT's FFO measure adjusts net earnings computed under GAAP to exclude historical cost depreciation and gains and losses from the sales and impairment charges of previously depreciated properties. We agree that these two 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 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 from dispositions of land and development properties, as well as our proportionate share of the gains and losses from dispositions recognized by our unconsolidated investees, 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 investees;
(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 investees; and
(v) mark-to-market adjustments associated with derivative financial instruments.

We calculate *FFO, as defined by Prologis* for our unconsolidated investees 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 recognized by our unconsolidated investees to the extent they are included in *FFO, as defined by Prologis*:

- gains or losses from acquisition, contribution or sale of land or development properties;
- income tax expense related to the sale of investments in real estate;
- impairment charges recognized related to our investments in real estate (either directly or through our investments in unconsolidated investees) generally as a result of our change in intent to contribute or sell these properties;
- impairment charges of goodwill and other assets;
- gains or losses from the early extinguishment of debt;
- merger, acquisition and other integration expenses; and
- 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 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. We currently have and have had over the past several years a stated priority to strengthen our financial position. We expect to accomplish this by reducing our debt, our investment in certain low yielding assets, such as land that we decide not to develop and our exposure to foreign currency exchange fluctuations. As a result, we have sold to third parties or contributed to unconsolidated investees real estate properties that, depending on market conditions, might result in a gain or loss. The impairment charges related to goodwill and other assets that we have recognized were similarly caused by the decline in the real estate markets.

Also in connection with our stated priority to reduce debt and extend debt maturities, we have purchased portions of our debt securities. As a result, we recognized net gains or losses on the early extinguishment of certain debt due to the financial market conditions at that time.

We have also adjusted for some non-recurring items. The merger, acquisition and other integration expenses include costs we incurred in 2011 and that we expect to incur in 2012 associated with the Merger and PEPR Acquisition and the integration of our systems and processes. We have not adjusted for the acquisition costs that we have incurred as a result of routine acquisitions but only the costs associated with significant business combinations that we would expect to be infrequent in nature. Similarly, the expenses related to the natural disaster in Japan that we recognized in 2011 are a rare occurrence but we may incur similar expenses again in the future.

We analyze our operating performance primarily by the rental income of our real estate and the revenue driven by our private 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.

AFFO

To arrive at AFFO, we adjust Core FFO to further exclude; (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 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, they are two of many measures we use when analyzing our business. Some of these limitations are:
- The current income tax expenses that are excluded from our defined FFO measures represent the taxes 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 the 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 impairment charges of goodwill and other assets that we exclude from Core FFO, have been or may be realized as a loss in the future upon the ultimate disposition of the related investments or other assets through the form of lower cash proceeds.
- 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. To assist investors in compensating for these limitations, we reconcile our defined FFO measures to our net earnings computed under GAAP. This information should be read with our complete financial statements prepared under GAAP.

Fixed Charge Coverage is defined as Core 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. Prologis uses fixed charge coverage to measure its liquidity. Prologis believes that the fixed charge coverage is relevant and useful to investors because it allows fixed income investors to measure Prologis' ability to meet its interest payments on outstanding debt, make distributions to its preferred unitholders and pay dividends to its preferred stockholders. Prologis' 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") consisted of the following (*in thousands*):

	Three Months Ended March 31,	
	2012	2011
Gross G&A expense	$ 101,814	$ 66,543
Reported as rental expense	(8,158)	(4,911)
Reported as private capital expenses	(16,881)	(10,552)
Capitalized amounts	(16,616)	(11,897)
Net G&A	**$ 60,159**	**$ 39,183**

Global Markets comprise the largest, most liquid markets benefiting from demand tied to global trade. These markets are defined by large population centers with high consumption per capita and typically feature major seaports, airports, and other transportation infrastructure tied to global trade. While initial returns might be lower, global markets tend to outperform overall markets in terms of growth and total return.

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

	Three Months Ended March 31,	
	2012	2011
Gross interest expense	$ 148,847	$ 89,023
Amortization of discount (premium), net	(6,737)	7,838
Amortization of deferred loan costs	4,956	4,997
Interest expense before capitalization	147,066	101,858
Capitalized amounts	(13,619)	(11,331)
Net interest expense	**$ 133,447**	**$ 90,527**

Market Equity is defined as the total number of outstanding shares of our common stock and common limited partnership units multiplied by the closing price per share of our common stock at period end.

Merger, Acquisition and Other Integration Expenses. In connection with the Merger, we have incurred significant transaction, integration, and transitional costs. These costs include investment banker advisory fees; legal, tax, accounting and valuation fees; termination and severance costs (both cash and stock based compensation awards) for terminated and transitional employees; system conversion; and other integration costs. Certain of these costs were obligations of AMB and were expensed prior to the closing of the Merger by AMB. The remainder of the costs are being expensed by us as incurred, which in some cases will be through the end of 2012. In addition, we have included costs associated with the acquisition of a controlling interest in PEPR and reduction in workforce charges associated with dispositions made in 2011. The following is a breakdown of the costs incurred:

	Three Months Ended March 31,	
	2012	2011
Termination, severance and transitional employee costs	$ 7,685	$ 3,807
Professional fees	2,216	2,181
Office closure, travel and other costs	827	-
Total	**$ 10,728**	**$ 5,988**

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, in this supplemental report, 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, private capital platform, or development platform.

Net Gains on Acquisitions and Dispositions of Investments in Real Estate includes the gains we recognized from the acquisition of our share of the real estate properties in one of our unconsolidated co-investment ventures, Prologis California in the first quarter of 2012.

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

Operating Portfolio includes stabilized operating industrial properties we own or that we manage and are owned by an unconsolidated investee accounted for by the equity method of accounting.

Operating Segments – Real Estate Operations represents the direct long-term ownership of industrial properties, including land and the development of properties.

Operating Segments – Private Capital represents the management of unconsolidated property funds/co-investment ventures and other joint ventures and the properties they own.

Pre-stabilized Development represents properties that are complete but have not yet reached Stabilization.

Pro forma NOI reflects the NOI for a full quarter of operating properties that were acquired, contributed or stabilized during the quarter. Pro forma NOI for the properties in our development portfolio is based on current total expected investment and an estimated stabilized yield.

A reconciliation of our rental income and rental expenses, computed under GAAP, to adjusted net operating income (NOI) for the operating portfolio for purposes of the Net Asset Value calculation is as follows:

(in thousands)

Reconciliation of NOI	
Rental income	$ 464,594
Rental expenses	(125,096)
NOI	339,498
Net termination fees and adjustments (a)	(993)
Less: Actual NOI for development portfolio and other	(7,711)
Less: NOI on contributed properties (b)	(281)
Adjusted NOI for operating portfolio owned at March 31, 2012	330,513
Straight-lined rents and amortization of lease intangibles (c)	(8,002)
NOI for operating portfolio owned at March 31, 2012 - Cash	$ 322,511

(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 under GAAP. Removing the net termination fees from rental income allows for the calculation of pro forma NOI to include only rental income that is indicative of the property's recurring operating performance.

(b) The actual NOI for properties that were contributed and not part of discontinued operations during the three-month period is removed.

(c) Straight-lined rents and amortization of above and below market leases are removed from rental income computed under GAAP to allow for the calculation of a cash yield.

Regional Markets, similar to global markets, also benefit from large-population centers and demand. They are located at key crossroads in the supply chain and/or near economic centers for leading national or global industries. Our assets reflect the highest quality class-A product in that market and are often less supply- constrained and focus on delivering bulk goods to customers.

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

	Three Months Ended March 31, 2012	2011
Rental income	$ 363,911	$ 141,757
Amortization of lease intangibles	(9,463)	(202)
Rental expense recoveries	91,858	42,999
Straight-lined rents	18,288	11,160
	$ 464,594	**$ 195,714**

Same Store. We evaluate the operating performance of the industrial 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 all consolidated properties, and properties owned by property funds and joint ventures that are managed by us and in which we have an equity interest (referred to as "unconsolidated investees"), in our same store analysis. We have defined the same store portfolio, for the quarter ended March 31, 2012, as those operating properties in operation at January 1, 2011 that were in operation throughout the full periods in both 2011 and 2012 either by Prologis or AMB or their unconsolidated investees. 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 net operating income 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, to derive the same store results.

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

Same Store Rental Expense represents gross property operating expenses. In computing the percentage change in rental expenses for the same store analysis, rental expenses include property management expenses for our direct owned properties based on the property management fee that has been computed as provided in the individual agreements under which our wholly owned management companies provide property management services to each property (generally, the fee is based on a percentage of revenues).

Same Store Change in Rental Rate represents the change in effective rental rates (average rate over the lease term) on new leases signed during the period as compared with the previous effective rental rates in that same space.

Same Store Rental Income includes the amount of rental expenses that are recovered from customers under the terms of their respective lease agreements. In computing the percentage change in rental income for the same store analysis, rental income (as computed under GAAP) is adjusted to remove the net termination fees recognized for each period. Removing the net termination fees for the same store calculation allows 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.

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.

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 Estimated 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.

Total Market Capitalization is defined as market equity plus our share of total debt and preferred stock.

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 which Prologis acquires as part of management's current belief that the discount in pricing attributed to the operating challenges of the property could provide greater returns, once stabilized, than the returns of stabilized properties, which 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 will be created through our development and leasing activities at stabilization. We calculate value by estimating the NOI that the property will generate at Stabilization and applying an estimated stabilized cap 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 adjusted to reflect stabilized occupancy divided by Acquisition Cost or TEI, as applicable.