April 20, 2011

ProLogis Reports First Quarter Results

- Financial Results in Line with Company Expectations -

- Overall Market Fundamentals Continue Steady Improvement -

- Sale of Majority of Catellus Retail / Mixed-Use Assets Closed During Quarter -

DENVER, April 20, 2011 /PRNewswire/ -- ProLogis (NYSE: PLD), the leading global provider of distribution facilities, today reported funds from operations excluding gains as defined by ProLogis (core FFO) of $0.13 per diluted share for the first quarter of 2011, compared with core FFO of $0.11 per diluted share for the same period in 2010. Core FFO for the 2011 period excluded approximately $12.9 million, or $0.02 per diluted share, of charges related to merger integration, workforce reduction associated with the sale of Catellus and expected clean-up and repair costs related to the Japan earthquake and tsunami. In the first quarter of 2010, core FFO excluded net gains of $9.5 million, or $0.02 per share, and charges of $54.7 million, or $0.12 per diluted share, related to losses on early extinguishment of debt and the company's share of fund-related derivative losses. ProLogis reported a net loss of $0.08 per diluted share for the first quarter of 2011, compared with a net loss of $0.19 for the same period in 2010.

First quarter financial results were in line with the company's expectations, reflecting: the full quarter effect of the company's October 2010 equity offering; lower operating income due to property dispositions completed in the fourth quarter of 2010 and the first quarter of 2011; and lower management and development fees. These impacts were somewhat offset by lower interest expense related to significantly reduced debt levels in the current period.

Pace of Market Recovery Steady

"Globally, the gradual recovery in industrial real estate continues, with new supply in the major logistics markets still constrained and demand remaining stable," said Walter C. Rakowich, chief executive officer. "However, macroeconomic issues contributed to a slower pace of improvement in the first quarter as the market assessed the impact of continued concerns about sovereign debt issues, rising energy costs, global military actions and the devastation and loss caused by the earthquake and tsunami in Japan. While customers remain optimistic about the overall global recovery, we sensed a slightly slower pace with respect to certain leasing decisions."

The company's total industrial operating portfolio was 90.7 percent leased, down 30 basis points from the fourth quarter of 2010, principally as a result of expected lower levels of leasing velocity typical of the first calendar quarter. However, the total operating portfolio leased percentage was 147 basis points higher than in the first quarter of 2010. Same-store net operating income for the first quarter increased 1.0 percent, while rental rates on turnovers in the same-store portfolio declined 9.2 percent, an improvement over both the fourth quarter of 2010 and the year-ago period.

"Throughout our European markets, conditions continue to improve, with Germany, France and Central Europe all benefiting from the global recovery. Italy, Spain and the Benelux region remain a bit softer, while the UK is still reacting to recently implemented austerity measures," Rakowich noted. "In North America, market conditions are pointed in the right direction, with a modest increase in overall national occupancy levels in the first quarter. In Japan, the real estate market was showing some strength prior to the recent catastrophic events, and subsequently we have seen greater momentum as a result of the quality and location of our facilities."

Events in Japan

"Our colleagues in Japan worked tirelessly following the recent earthquake and tsunami, first to ensure the safety of our employees and customers and then to minimize the impact of these events on our customers' operations," said Rakowich. "Because of the superior earthquake protection engineered into our buildings and the extraordinary commitment of our people, the majority of ProLogis customers were operational within 24 to 48 hours."

Clean-up efforts continue at ProLogis Parc Iwanuma I in Sendai, the area hit hardest by the tsunami. The building suffered minimal structural damage but is in need of substantial clean up and repair due to the flooding. Total costs for clean up and repairs in our Japan portfolio is expected to be approximately $7 million, which was accrued for during the quarter.

Development-Related Activity

The company started development on four facilities in Europe during the quarter representing 1.2 million square feet, including a 457,500-square-foot facility for BMW in the United Kingdom and a 240,600-square-foot facility for a third-party logistics provider in the Czech Republic. Since quarter end, an additional build-to-suit was signed with a third-party logistics provider for a major auto manufacturer in Germany. "Inquiries in Japan have risen dramatically as companies look to rebuild their distribution networks. Discussions are underway with a number of ProLogis' global customers on how we can help them with both their short- and long-term distribution needs," said Michael S. Curless, managing director of global investments.

Development starts were $99 million for the quarter, which along with dispositions monetized a total of $31 million of land. "The number of requests for build-to-suit proposals and increasing opportunities for development in stronger target markets supports our expectation of $800 million to $1 billion of starts this year with related land monetization of $200 to $250 million. We believe that a number of third-party development decisions were slowed down in the first quarter principally due to the uncertainty caused by world events; however, the underlying requirements for high-quality distribution space have not changed. We expect to see development ramp up as the year progresses, which will contribute to our target to monetize approximately $200 million of land through third-party land sales," concluded Curless.

The company completed the sale of a majority of the Catellus retail and mixed-use assets during the quarter, generating net proceeds of $357 million. Combined with additional third-party and fund sales, total gross disposition proceeds were $409 million, representing approximately 60 percent of the mid-point of the company's 2011 full-year range of $650 to $750 million.

Anticipated Results

"We remain comfortable with our guidance for 2011 core FFO per share of$0.62 to $0.66 per share on a standalone basis," said William E. Sullivan, chief financial officer. "As we progress through the year, we expect the quarterly core FFO run rate to increase gradually reflecting occupancy gains, the impact of development completions and lower interest and G&A expenses."

Webcast and Conference Call Information

The company will host a webcast/conference call to discuss quarterly results, current market conditions and future outlook on Wednesday, April 20, 2011, at 10:00 a.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 (866) 305-2304 domestically or (660) 422-4873 internationally.

Replay Information

A replay of the conference call will be posted after1:00 p.m. Eastern Time on Wednesday, April 20, 2011. The replay will be available until midnight Eastern Time on Thursday, May 5, 2011, and can be accessed by dialing (800) 642-1687 domestically or (706) 645-9291 internationally and entering passcode 53819903. A transcript of the call and the webcast replay, including a podcast format, will be posted when available in the "Financial Information" section of the ProLogis Investor Relations website.

About ProLogis

ProLogis is the leading global provider of distribution facilities, with more than 435 million square feet of industrial space owned and managed (40 million square meters) in markets across North America, Europe and Asia. The company leases its industrial facilities to more than 3,800 customers, including manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises with large-scale distribution needs. For additional information about the company, go to www.prologis.com.

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The statements above 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, they 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, general conditions in the geographic areas where we operate 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, (v) maintenance of real estate investment trust ("REIT") status, (vi) availability of financing and capital, (vii) changes in demand for developed properties, and (viii) 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 press release.

Overview

(in thousands, except per share amounts)

Summary of Results

	Three Months Ended March 31,	
	2011	2010
Revenues	$ 238,800	$ 217,283
Net loss attributable to common shares	$ (46,616)	$ (91,129)
FFO, as defined by ProLogis	$ 62,146	$ 7,117
Adjustments	-	15,808
FFO, excluding significant non-cash items	62,146	22,925
Adjustments	12,261	29,412
Core FFO	$ 74,407	$ 52,337
Per share - Diluted:		
Net loss attributable to common shares	$ (0.08)	$ (0.19)
FFO, as defined by ProLogis	$ 0.11	$ 0.01

Core FFO	$ 0.13	$ 0.11

Footnotes follow Financial Statements

Consolidated Balance Sheets

(in thousands)

	March 31, 2011	December 31, 2010
Assets:		
Investments in real estate assets:		
Industrial properties:		
Core	$ 10,807,183	$ 10,714,799
Properties under development	452,813	365,362
Land	1,599,966	1,533,611
Other real estate investments	281,546	265,869
	13,141,508	12,879,641
Less accumulated depreciation	1,656,781	1,595,678
Net investments in properties	11,484,727	11,283,963
Investments in and advances to unconsolidated investees	2,084,696	2,024,661
Notes receivable backed by real estate	358,323	302,144
Assets held for sale (1)	215,714	574,791
Net investments in real estate	14,143,460	14,185,559
Cash and cash equivalents	24,744	37,634
Restricted cash	34,088	27,081
Accounts receivable	95,538	58,979
Other assets	637,865	593,414

Total assets	$ 14,935,695	$ 14,902,667
Liabilities and Equity:		
Liabilities:		
Debt	$ 6,415,034	$ 6,506,029
Accounts payable and accrued expenses	394,862	388,536
Other liabilities	496,946	467,998
Liabilities related to assets held for sale (1)	2,464	19,749
Total liabilities	7,309,306	7,382,312
Equity:		
ProLogis shareholders' equity:		
Preferred shares	350,000	350,000
Common shares	5,706	5,701
Additional paid-in capital	9,665,861	9,668,404
Accumulated other comprehensive income (loss)	213,465	(3,160)
Distributions in excess of net earnings	(2,626,381)	(2,515,722)
Total ProLogis shareholders' equity	7,608,651	7,505,223
Noncontrolling interests	17,738	15,132
Total equity	7,626,389	7,520,355
Total liabilities and equity	$ 14,935,695	$ 14,902,667

Footnotes follow Financial Statements

Consolidated Statements of Operations

(in thousands, except per share amounts)

Three Months Ended

	March 31,	
	2011	2010
Revenues:		
Rental income (2)	$ 205,311	$ 187,545
Property management and other fees and incentives	29,170	28,662
Development management and other income	4,319	1,076
Total revenues	238,800	217,283
Expenses:		
Rental expenses	63,342	56,264
Investment management expenses	10,552	10,319
General and administrative (3)	39,183	42,006
Merger integration expenses and reduction in workforce (4)	5,988	-
Depreciation and amortization	82,693	75,166
Other expenses	4,684	4,267
Total expenses	206,442	188,022
Operating income	32,358	29,261
Other income (expense):		
Earnings from unconsolidated investees, net	13,641	7,973
Interest income	4,436	310
Interest expense (5)	(90,562)	(109,979)
Other expense, net (6)	(7,015)	(482)
Net gains on dispositions of investments in real estate	3,725	11,807
Foreign currency exchange gains, net	1,374	3,688
Loss on early extinguishment of debt, net (7)	-	(47,633)
Total other income (expense)	(74,401)	(134,316)
Loss before income taxes	(42,043)	(105,055)

Current income tax expense	5,505	9,753
Deferred income tax expense (benefit)	864	(1,551)
Total income taxes	6,369	8,202
Loss from continuing operations	(48,412)	(113,257)
Discontinued operations (1):		
Income attributable to disposed properties and assets held for sale	6,288	20,602
Net gains on dispositions of properties and other real estate investments, net of taxes	1,960	8,148
Total discontinued operations	8,248	28,750
Consolidated net loss	(40,164)	(84,507)
Net earnings attributable to noncontrolling interests	(83)	(253)
Net loss attributable to controlling interests	(40,247)	(84,760)
Less preferred share dividends	6,369	6,369
Net loss attributable to common shares	$ (46,616)	$ (91,129)
Weighted average common shares outstanding - Basic	570,559	474,991
Weighted average common shares outstanding - Diluted	570,559	474,991
Net earnings (loss) per share attributable to common shares - Basic:		
Continuing operations	$ (0.09)	$ (0.25)
Discontinued operations	0.01	0.06
Net loss per share attributable to common shares - Basic	$ (0.08)	$ (0.19)
Net earnings (loss) per share attributable to common shares - Diluted:		
Continuing operations	$ (0.09)	$ (0.25)
Discontinued operations	0.01	0.06
Net loss per share attributable to common shares - Diluted	$ (0.08)	$ (0.19)

Footnotes follow Financial Statements

Consolidated Statements of Funds From Operations (FFO)

(in thousands)

	Three Months Ended March 31, 2011	2010
Revenues:		
Rental income	$ 215,372	$ 230,918
Property management and other fees and incentives	29,170	28,662
Development management and other income	4,319	1,076
Total revenues	248,861	260,656
Expenses:		
Rental expenses	66,687	67,886
Investment management expenses	10,552	10,319
General and administrative (3)	39,183	42,006
Merger integration expenses and reduction in workforce (4)	5,988	-
Depreciation of corporate assets	3,609	3,395
Other expenses	4,684	4,267
Total expenses	130,703	127,873
Operating FFO	118,158	132,783
Other income (expense):		
FFO from unconsolidated investees	48,695	37,668

Interest income	4,436	310
Interest expense	(90,562)	(109,979)
Other expense, net (6)	(7,015)	(482)
Net gains on dispositions of investments in real estate	2,568	10,346
Foreign currency exchange gains (losses), net	(261)	479
Loss on early extinguishment of debt, net (7)	-	(47,633)
Current income tax expense		
Income tax expense on dispositions	(1,916)	(851)
Income tax expense - other	(5,505)	(8,902)
Total other income (expense)	(49,560)	(119,044)
FFO	68,598	13,739
Less preferred share dividends	6,369	6,369
Less net earnings attributable to noncontrolling interests	83	253
FFO attributable to common shares, as defined by ProLogis	$ 62,146	$ 7,117

Footnotes follow Financial Statements

Reconciliations of Net Loss to FFO

(in thousands, except per share amount)

Reconciliations to FFO

	Three Months Ended March 31,	
	2011	2010
Net loss attributable to common shares	$ (46,616)	$ (91,129)

Add (deduct) NAREIT defined adjustments:		
Real estate related depreciation and amortization	79,084	71,771
Adjustments to gains on dispositions for depreciation	(327)	(1,629)
Adjustments to dispositions of non-development properties	(830)	103
Reconciling items attributable to discontinued operations:		
Gains on dispositions of non-development properties	(3,876)	(8,083)
Real estate related depreciation and amortization	428	11,149
Our share of reconciling items from unconsolidated investees:		
Real estate related depreciation and amortization	39,233	37,641
Other amortization items	(3,556)	(3,474)
Subtotal-NAREIT defined FFO	63,540	16,349
Add (deduct) our defined adjustments:		
Foreign currency exchange gains, net	(1,635)	(3,209)
Deferred income tax expense (benefit)	864	(1,551)
Our share of reconciling items from unconsolidated investees:		
Foreign currency exchange gains, net	(196)	(787)
Unrealized gains on derivative contracts, net	-	(4,060)
Deferred income tax expense (benefit)	(427)	375
FFO, as defined by ProLogis	62,146	7,117
Adjustments made in 2010, not applicable to 2011	-	15,808
FFO, excluding significant non-cash items in 2010	62,146	22,925
Adjustments:		
Japan disaster expenses	6,925	-
Merger integration expenses and reduction in workforce	5,988	-
Net gains on dispositions of real estate properties	(2,568)	(10,346)
Income tax expense related to dispositions	1,916	851

Adjustments made in 2010, not applicable in 2011	-	38,907
Core FFO	$ 74,407	$ 52,337

Per diluted share:		
FFO, as defined by ProLogis	$ 0.11	$ 0.01
Core FFO	$ 0.13	$ 0.11

See Consolidated Statements of Operations and Consolidated Statements of FFO

Footnotes follow Financial Statements

Other Financial Metrics

(dollars in thousands)

Reconciliation of Consolidated Net Loss to Core EBITDA, as adjusted

	Three Months Ended March 31,	
	2011	2010
Consolidated net loss	$ (40,164)	$ (84,507)
Gains from dispositions of investments in real estate, net	(7,601)	(19,955)
Depreciation and amortization	82,693	75,166
Interest expense	90,562	109,979
Loss on early extinguishment of debt	-	47,633

Current and deferred income tax expense	8,285	8,202
Adjustments made in 2010, not applicable in 2011	-	15,808
Income on properties sold during the quarter included in discontinued operations	(6,288)	(343)
Other non-cash charges	2,977	2,472
Other adjustments made to Core FFO	12,913	-
Core EBITDA, as adjusted, prior to our share of unconsolidated investees	143,377	154,455
Our share of reconciling items from unconsolidated investees:		
Depreciation and amortization	35,677	34,167
Other non-cash charges	(623)	(3,897)
Realized losses on derivative activity	226	6,507
Core EBITDA, as adjusted	$ 178,657	$ 191,232

ProLogis debt to core EBITDA:		
Core EBITDA, as adjusted - annualized	$ 714,628	$ 764,928
ProLogis debt as of March 31	$ 6,415,034	$ 8,112,712
ProLogis debt to core EBITDA ratio	8.98 x	10.61 x
Debt to core EBITDA, including our share of unconsolidated investees:		
Core EBITDA, as adjusted - annualized	$ 714,628	$ 764,928
Our share of interest and current income taxes from unconsolidated investees	156,900	179,840
Core EBITDA, as adjusted	$ 871,528	$ 944,768
ProLogis debt as of March 31	$ 6,415,034	$ 8,112,712
Our share of debt of unconsolidated investees as of March 31	2,406,534	2,655,794
Debt	$ 8,821,568	$ 10,768,506
Debt to core EBITDA ratio	10.12 x	11.40 x

Calculation of Per Share Amounts

(in thousands, except per share amounts)

Net Earnings (Loss) Per Share

	Three Months Ended March 31,	
	2011 (a)	2010 (a)
Net loss (b)	$ (46,616)	$ (91,129)
Noncontrolling interest attributable to convertible limited partnership units (c)	-	-
Adjusted net loss - Diluted (b)	$ (46,616)	$ (91,129)
Weighted average common shares outstanding - Basic	570,559	474,991
Incremental weighted average effect of conversion of limited partnership units (c)	-	-
Incremental weighted average effect of stock awards	-	-
Weighted average common shares outstanding - Diluted (d)	570,559	474,991
Net loss per share - Diluted (b)	$ (0.08)	$ (0.19)

FFO Per Share, as defined by ProLogis

	Three Months Ended March 31,	
	2011	2010
FFO, as defined by ProLogis (b)	$ 62,146	$ 7,117
Noncontrolling interest attributable to convertible limited partnership units (c)	67	-

FFO, as defined by ProLogis - Diluted (b)	$ 62,213	$ 7,117
Weighted average common shares outstanding - Basic	570,559	474,991
Incremental weighted average effect of conversion of limited partnership units (c)	760	-
Incremental weighted average effect of stock awards	2,605	3,004
Weighted average common shares outstanding - Diluted	573,924	477,995
FFO per share, as defined by ProLogis - Diluted (b)	$ 0.11	$ 0.01

Core FFO Per Share

	Three Months Ended March 31,	
	2011	2010
Core FFO (b)	$ 74,407	$ 52,337
Noncontrolling interest attributable to convertible limited partnership units (c)	67	-
Core FFO - Diluted (b)	$ 74,474	$ 52,337
Weighted average common shares outstanding - Basic	570,559	474,991
Incremental weighted average effect of conversion of limited partnership units (c)	760	-
Incremental weighted average effect of stock awards	2,605	3,004
Weighted average common shares outstanding - Diluted	573,924	477,995
Core FFO per share - Diluted (b)	$ 0.13	$ 0.11

(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) Attributable to common shares.

(c) If the impact of the conversion of limited partnership units or convertible debt is anti-dilutive, the income impact and shares are not included in the diluted per share calculation.

Notes to Section II – Financial Statements

(1) As of March 31, 2011, we have eight land parcels and six operating properties that met the criteria as held for sale. We also have certain other non-core assets, which are part of a definitive agreement signed in December 2010 and expected to close in the second quarter of 2011, that met the criteria as held for sale. The amounts included in *Assets Held for Sale* as of March 31, 2011 include real estate investment balances and the related assets and liabilities for each property.

During the three months ended March 31, 2011, we disposed of 33 non-development properties aggregating 2.2 million square feet to third parties, including 30 properties aggregating 1.2 million square feet that were included in *Assets Held for Sale* at December 31, 2010. During all of 2010, we disposed of land subject to ground leases and 205 properties aggregating 25.4 million square feet to third parties, 2 of which were development properties.

The operations of the properties held for sale and properties that are disposed of to third parties during a period including the aggregate net gains 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:

	Three Months Ended March 31,	
	2011	2010
Rental income	$ 10,061	$ 43,373
Rental expenses	(3,345)	(11,622)
Depreciation and amortization	(428)	(11,149)
Income attributable to disposed properties and assets held for sale	$ 6,288	$ 20,602

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

(2) In our Consolidated Statements of Operations, *Rental Income* includes the following (in thousands):

	Three Months Ended March 31,	
	2011	2010
Rental income	$ 147,724	$ 135,758
Rental expense recoveries	44,856	41,474
Straight-lined rents	12,731	10,313
	$ 205,311	$ 187,545

(3) Our *General and Administrative Expenses* ("G&A") included in our Statements of Operations consisted of the following (in thousands):

	Three Months Ended March 31,	
	2011	2010
Gross G&A expense	$ 66,543	$ 66,853
Reported as rental expense	(4,911)	(5,001)
Reported as investment management expenses	(10,552)	(10,319)
Capitalized amounts	(11,897)	(9,527)
Net G&A	$ 39,183	$ 42,006

(4) During the first quarter of 2011, we incurred expenses in connection with the expected merger with AMB Property Corporation and a reduction in workforce associated with certain recent or expected dispositions.

(5) The following table presents the components of *Interest Expense* as reflected in our Consolidated Statements of Operations (in thousands):

	Three Months Ended March 31, 2011	2010
Gross interest expense	$ 89,058	$ 105,009
Amortization of discount, net	7,838	15,334
Amortization of deferred loan costs	4,997	6,482
Interest expense before capitalization	101,893	126,825
Capitalized amounts	(11,331)	(16,846)
Net interest expense	$ 90,562	$ 109,979

Gross interest expense decreased in 2011 from 2010 due primarily to lower debt levels as a result of the 2010 debt repurchases. The decrease in capitalized amounts in 2011 from 2010 is due to less development activity.

(6) Included in this amount is a$6.9 million charge related primarily to one of our buildings in Japan that was damaged from the earthquake and related tsunami inMarch 2011.

(7) During the three months endedMarch 31, 2010, in connection with our announced initiatives to stagger and extend our debt maturities and reduce debt, we repurchased certain senior and convertible senior notes outstanding with maturities in 2012 and 2013 (we did not repurchase any debt in 2011). We utilized proceeds from borrowings under the Global Line to repurchase the senior notes. In addition, in 2010 we repaid certain secured mortgage debt in connection with the sale of a property in Japan. The activity is summarized as follows (in thousands):

	Three Months Ended March 31, 2010
Convertible Senior Notes (a):	
Original principal amount	$ 490,039
Cash purchase price	$ 465,094
Senior Notes:	
Original principal amount	$ 422,476

Cash purchase price	$ 449,382
Secured Mortgage Debt:	
Original principal amount	$ 45,140
Cash repayment price	$ 46,659
Total:	
Original principal amount	$ 957,655
Cash purchase / repayment price	$ 961,135
Gain (loss) on early extinguishment of debt, net (b)	$ (47,633)

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(a) Although the purchase price is less than the principal amount outstanding, the repurchase of these notes resulted in a non-cash loss in 2010 due to the non-cash discount. Therefore, we adjusted for this non-cash loss to arrive at FFO, excluding significant non-cash items.

(b) Represents the difference between the recorded debt (including unamortized related debt issuance costs, premiums and discounts) and the consideration we paid to retire the debt. Of the loss we referred to above, the non-cash loss of $15.2 million for the three months ended March 31, 2010, is adjusted back to arrive at FFO, excluding significant non-cash items.

SOURCE ProLogis