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Prologis Completes \$1.8 Billion Refinancing Related to Acquisition of DCT Industrial Trust

SAN FRANCISCO, Sept. 25, 2018 /PRNewswire/ -- Prologis, Inc. (NYSE: PLD), the global leader in logistics real estate, today announced the closing of a ¥55.1 billion senior unsecured note transaction. This activity, in conjunction with previously announced capital market transactions, completes Prologis' refinancing of \$1.8 billion of debt assumed in connection with the acquisition of DCT Industrial Trust.

In aggregate, the refinancings totaled approximately \$2.0 billion and included the issuance of:

- ¥55.1 billion of senior unsecured notes due in 2025, 2028, 2030 and 2038 with an average annual coupon of 0.998% (approximately \$500 million USD)
- €700 million of senior unsecured notes due in 2029 with an average annual coupon of 1.875% (approximately \$825 million USD)
- \$700 million of senior unsecured notes due in 2028 and 2048 with an average annual coupon of 4.089%

The blended interest rate associated with the financings was approximately 2.4% with a weighted average term of more than 13 years. The proceeds raised were substantially used to retire \$1.8 billion of DCT's debt, as well as fund certain closing costs related to the acquisition of DCT, with the remainder to pay down other short-term borrowings. The financings will generate an estimated \$38 million in annual interest savings.

"Completed within a month of closing the acquisition of DCT, this activity is another example of Prologis' ability to source capital globally at attractive rates," said Thomas S. Olinger, chief financial officer, Prologis. "In addition to further increasing our USD net equity exposure, we have extended the duration of our debt stack from 5.0 years to 6.3 years and lowered the company's weighted average interest rate from approximately 2.9% to 2.8%."

ABOUT PROLOGIS

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of June 30, 2018, and inclusive of the DCT acquisition on August 22, 2018, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 756 million square feet (75 million square meters) in 19 countries. Prologis leases modern distribution facilities to a diverse base of approximately 5,500 customers across two major categories: business-to-business and retail/online fulfillment.

Forward-Looking Statements

The statements in this document that are not historical facts are forward-looking statements

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

*This is a non-GAAP financial measure. Please refer to our Second Quarter 2018 Supplemental Information Report for our definition of Core FFO and a reconciliation to the most directly comparable GAAP measure available on our website at www.ir.prologis.com and the SEC's website at www.sec.gov.



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