

Components of Net Asset Value for ProLogis

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

Direct Owned

	March 31, 2011					December 31, 2010				
	Sq. Ft.	Investment Balance	NOI	Annualized NOI	Leased Percent	Sq. Ft.	Investment Balance	NOI	Annualized NOI	Leased Percent
Operating properties:										
Core > 75% leased	100,770	\$ 5,748,135	\$ 87,438	\$ 349,752	98.6%	105,557	\$ 5,953,804	\$ 92,425	\$ 369,700	98.8%
Core < 75% leased	17,937	876,847	2,557	10,228	40.3%	14,228	691,727	6,014	24,056	34.5%
Retail and mixed use	-	-	-	-		-	-	-	-	
Land subject to ground leases and other		66,878	1,765	7,060			66,460	1,700	6,800	
Total core and other	118,707	\$ 6,691,860	\$ 91,760	\$ 367,040	89.8%	119,785	\$ 6,711,991	\$ 100,139	\$ 400,556	91.2%
	Sq. Ft.	Investment Balance	Pro Forma NOI	Annualized NOI	Leased Percent	Sq. Ft.	Investment Balance	Pro Forma NOI	Annualized NOI	Leased Percent
Development properties:										
Completed development > 75% leased										
North America	17,007	\$ 1,012,866	\$ 15,751	\$ 63,004	98.8%	17,119	\$ 1,002,884	\$ 15,385	\$ 61,540	98.2%
Europe	14,012	1,064,185	18,044	72,176	97.0%	13,410	956,133	17,753	71,012	96.7%
Asia	6,667	1,301,736	21,998	87,992	95.8%	6,022	1,193,804	20,361	81,444	95.7%
Completed development < 75% leased										
North America	3,305	166,987	2,217	8,868	38.4%	3,192	161,123	2,142	8,568	23.9%
Europe	7,295	532,553	9,526	38,104	29.4%	7,804	520,649	10,224	40,896	23.8%
Asia	570	126,112	1,705	6,820	37.0%	1,215	258,672	3,161	12,644	17.9%
Total completed development	48,856	\$ 4,204,439	\$ 69,241	\$ 276,964	82.7%	48,762	\$ 4,093,265	\$ 69,026	\$ 276,104	78.7%
Total operating properties	167,563	\$ 10,896,299	\$ 161,001	\$ 644,004	87.7%	168,547	\$ 10,805,256	\$ 169,165	\$ 676,660	87.6%

Please note that the pro forma NOI associated with those properties previously identified as the “completed development portfolio” did not change materially between the two quarters. There are two primary drivers behind the \$32.7 million decrease in annualized operating property NOI, both of which are related to the core (non-development) operating properties:

- 1) In the “Core > 75% leased” pool, Q4 2010 NOI included a tax credit of approximately \$5 million, which reduced rental expenses. While a portion of the impact from a lower level of tax for these properties will flow through in future quarters, the Q4 tax credit was based upon a bi-annual assessment and was therefore sizeable.
- 2) In the “Core < 75% leased pool, there were approximately one dozen buildings that were previously fully leased, but at March 31 were vacant (note the increase of 3.7 msf in this pool). The quarterly impact from these vacancies is roughly \$3.5 million. As we see improvement in overall occupancies through the remainder of the year, we would expect to recoup a portion of that NOI.