

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 23, 2012

PROLOGIS, INC.
PROLOGIS, L.P.

(Exact name of registrant as specified in charter)

Maryland (Prologis, Inc.)
Delaware (Prologis, L.P.)
(State or other jurisdiction
of Incorporation)

001-13545 (Prologis, Inc.)
001-14245 (Prologis, L.P.)
(Commission
File Number)

94-3281941 (Prologis, Inc.)
94-3285362 (Prologis, L.P.)
(I.R.S. Employer
Identification No.)

Pier 1, Bay 1, San Francisco, California
(Address of Principal Executive Offices)

94111
(Zip Code)

Registrants' Telephone Number, including Area Code: (415) 394-9000

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition (Prologis, Inc.) and

Item 7.01. Regulation FD Disclosure (Prologis, Inc. and Prologis, L.P.).

On October 23, 2012, Prologis, Inc., the general partner of Prologis, L.P., issued a press release announcing third quarter 2012 financial results. A copy of the press release as well as supplemental information is furnished with this report as Exhibit 99.1, and is incorporated herein by reference.

The information in this report and the exhibits attached hereto is being furnished, not filed, for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and pursuant to Items 2.02 and 7.01 of Form 8-K will not be incorporated by reference into any filing under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated October 23, 2012, and supplemental information.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

October 23, 2012

PROLOGIS, INC.

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer

October 23, 2012

PROLOGIS, L.P.,

By: Prologis, Inc., its general partner

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer



PROLOGIS.

Earnings Release and Supplemental Information

Unaudited

Third Quarter 2012



Prologis Rancho Cucamonga, CA, United States



Prologis Park Yokohama Tsurumi, Japan



Prologis Swindon, North Hampton, United Kingdom

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Prologis, Inc. Announces Third Quarter 2012 Earnings Results

- Record 39 million square feet of leasing -
- Same Store NOI increases 2.7% over the third quarter 2011 -
- Occupancy increases to 93.1 percent, 210 basis points over the third quarter 2011-

SAN FRANCISCO, Oct. 23, 2012 -- Prologis, Inc. (NYSE: PLD), the leading global owner, operator and developer of industrial real estate, today reported results for the third quarter 2012, the first period of year-over-year comparable results for the combined company.

Core funds from operations (Core FFO) per fully diluted share was \$0.49 for the third quarter 2012 compared to \$0.44 for the same period in 2011. The results included a tax benefit of \$0.06 per share in 2012 and \$0.03 per share in 2011.

Net loss per fully diluted share was \$0.10 per share for the third quarter 2012 compared to net income of \$0.12 per share for the same period in 2011. The year-over-year change was primarily due to an unrealized gain on exchangeable debt that was included in the 2011 results.

"We delivered strong quarterly results highlighted by record leasing, as well as increases in occupancy and effective rents," said Hamid R. Moghadam, chairman and co-chief executive officer, Prologis. "A dearth of new construction, supply chain reconfiguration, and growth in consumption are driving demand for our properties around the world, even in the face of a slowing global economy. Prologis has the highest-quality facilities located in the strongest global markets, and we are well-positioned to capitalize on these market drivers moving forward."

Operating Portfolio Metrics

During the quarter, the company leased a record 39.0 million square feet (3.6 million square meters) in its combined operating and development portfolios. Prologis ended the quarter above its forecast with 93.1 percent occupancy in its operating portfolio, up 70 basis points over the prior quarter. Tenant retention in the quarter was 87.5 percent, with renewals totaling 25.6 million square feet (2.4 million square meters).

Same-store net operating income (NOI) increased 2.7 percent over the third quarter 2011, compared to an increase of 0.4 percent in the second quarter of 2012. Rental rates on leases signed in the third quarter same-store pool decreased by 1.8 percent from in-place rents, as compared to a decrease of 3.9 percent in the second quarter 2012.

"One of the main storylines coming out of operations this quarter is the improvement in rent change on rollover," said Moghadam. "Following three years of rent roll downs, we appear to be at a positive inflection point. The trend line is very clear and we expect rent change on rollovers to be positive for 2013."

Dispositions and Contributions

During the quarter, the company completed approximately \$174 million in dispositions and contributions, of which \$141 million was Prologis' share. The building sales and contributions reflect a weighted average stabilized capitalization rate of 7.0 percent.

Development Starts and Building Acquisitions

Committed capital during the third quarter 2012 totaled approximately \$620 million, of which \$483 million was Prologis' share, including:

- Development starts of \$386 million, of which \$332 million was Prologis' share. These starts totaled 4.4 million square feet (408,000 square meters), and monetized \$91 million of land. Of the total expected investment, 66 percent was in build-to-suit projects. The company's estimated share of value creation on development starts in the third quarter is \$72 million.
- Acquisitions of \$234 million, including \$112 million in buildings with a stabilized capitalization rate of 7.0 percent and an investment of \$122 million in land and land infrastructure. Of the total acquisitions, \$152 million was Prologis' share.

At quarter end, Prologis' global development pipeline comprised 16.3 million square feet (1.5 million square meters), with a total expected investment of \$1.5 billion, of which Prologis' share is \$1.4 billion. The company's share of estimated value creation at stabilization is expected to be \$259 million, with a stabilized yield of 7.7 percent and a margin of approximately 18.5 percent.

"A lack of supply and increasing demand for large, Class-A facilities is driving stronger build-to-suit activity," said Walter C. Rakowich, co-chief executive officer, Prologis. "Two-thirds of our development starts this quarter were for build-to-suits in Japan, the United Kingdom and Mexico. Our global platform and strategic land holdings uniquely position us to fulfill our customers' logistics needs on a real-time basis."

Private Capital Activity

Year-to-date through September 30, Prologis raised or received commitments for \$330 million in new third-party equity in its private capital business. In addition, during the quarter, Prologis assumed all of ProLogis European Properties' (PEPR) assets and liabilities and is actively working toward recapitalizing its European platform.

Capital Markets

During the quarter, Prologis completed \$378 million of debt financings, re-financings and pay-downs on behalf of its property funds.

Guidance for 2012

Prologis is increasing its full-year 2012 Core FFO guidance range to \$1.72 to \$1.74 per diluted share, from \$1.64 to \$1.70 per diluted share. The company also expects to recognize net earnings, for GAAP purposes, of \$0.23 to \$0.25 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, and unrealized gains or losses on foreign currency or derivative activity, as well as merger and integration 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, October 23, 2012, at 12:00 p.m. U.S. Eastern Time. Interested parties are encouraged to access the live webcast by clicking the microphone icon located near the top of the opening page of the Prologis Investor Relations website (<http://ir.prologis.com>). Interested parties also can participate via conference call by dialing +1 877-447-8218 (from the U.S. and Canada toll free) or +1 973-409-9692 (from all other countries) and enter reservation code 34781721.

A telephonic replay will be available from October 23 through November 23, at +1 855-859-2056 (from the U.S. and Canada) or +1 404-537-3406 (from all other countries), with reservation code 34781721. The webcast and podcast replay will be posted when available in the "Financial Information" section of Investor Relations on the Prologis website.

About Prologis

Prologis, Inc., is the leading owner, operator and developer of industrial real estate, focused on global and regional markets across the Americas, Europe and Asia. As of September 30, 2012, Prologis owned or had investments in, on a consolidated basis or through unconsolidated joint ventures, properties and development projects expected to total approximately 565 million square feet (52.5 million square meters) in 21 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.

Media Contacts

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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 September 30, 2012, Prologis owned or had investments in, on a consolidated basis or through unconsolidated joint ventures, properties and development projects totaling 565 million square feet (52.5 million square meters) in 21 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.



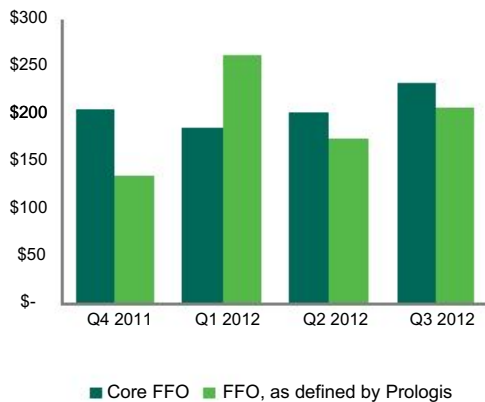
	AMERICAS (4 countries)	EUROPE (14 countries)	ASIA (3 countries)	TOTAL
Number of operating portfolio buildings	2,397	587	77	3,061
Operating Portfolio (msf)	367	136	27	530
Development Portfolio (msf)	8	2	6	16
Other (msf) (A)	12	6	1	19
Total (msf)	387	144	34	565
Development portfolio TEI (millions)	\$471	\$179	\$882	\$ 1,532
Land (acres)	6,897	3,543	129	10,569
Land gross book value (millions) (B)	\$1,111	\$759	\$138	\$ 2,008

(A) Generally represents properties in which Prologis has an ownership interest but doesn't manage (10 msf) and other properties owned by Prologis (9 msf), which includes properties held for sale (7 msf).

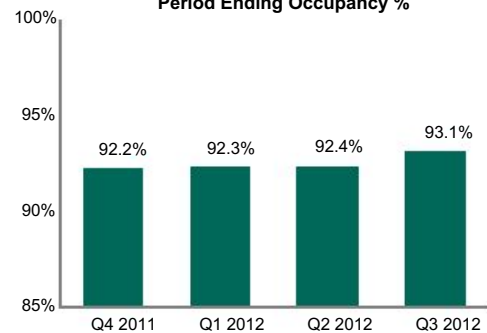
(B) Original cost basis for the total land portfolio is \$3.1 billion.

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011 (A)
<i>(dollars in thousands, except per share data)</i>				
Revenues	\$ 512,105	\$ 469,137	\$ 1,511,045	\$ 1,008,382
Net earnings (loss) available for common stockholders	(46,526)	55,436	147,767	(142,651)
FFO, as defined by Prologis	205,891	207,730	640,634	278,071
Core FFO	231,962	206,433	618,047	390,502
AFFO	170,001	147,546	452,395	284,047
Core EBITDA	393,371	386,321	1,175,922	1,122,800
Per common share - diluted:				
Net earnings (loss) available for common stockholders	\$ (0.10)	\$ 0.12	\$ 0.32	\$ (0.42)
FFO, as defined by Prologis	0.44	0.45	1.37	0.81
Core FFO (B)	0.49	0.44	1.32	1.13

Funds from Operations (in millions)



Operating Portfolio - Owned and Managed
Period Ending Occupancy %



(A) AMB and Prologis completed a merger (the "Merger") in June 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. See the Notes and Definitions for more information.
 (B) Included in the results for the three months ended September 30, 2012 and 2011 is a benefit in current income tax expense of \$.06 per share and \$.03 per share, respectively.



Financial Information

Consolidated Balance Sheets

(in thousands)

Third Quarter 2012 Report

	September 30, 2012	June 30, 2012	December 31, 2011
Assets:			
Investments in real estate assets:			
Operating properties	\$ 23,304,246	\$ 23,442,394	\$ 21,552,548
Development portfolio	774,821	656,561	860,531
Land	1,924,626	1,881,062	1,984,233
Other real estate investments	457,373	442,280	390,225
	<u>26,461,066</u>	<u>26,422,297</u>	<u>24,787,537</u>
Less accumulated depreciation	2,389,214	2,256,101	2,157,907
Net investments in properties	<u>24,071,852</u>	<u>24,166,196</u>	<u>22,629,630</u>
Investments in and advances to unconsolidated entities	2,242,075	2,220,172	2,857,755
Notes receivable backed by real estate	243,979	245,654	322,834
Assets held for sale	376,642	50,672	444,850
Net investments in real estate	<u>26,934,548</u>	<u>26,682,694</u>	<u>26,255,069</u>
Cash and cash equivalents	158,188	293,631	176,072
Restricted cash	172,515	151,184	71,992
Accounts receivable	181,855	168,008	147,999
Other assets	1,129,316	1,120,046	1,072,780
Total assets	<u>\$ 28,576,422</u>	<u>\$ 28,415,563</u>	<u>\$ 27,723,912</u>
Liabilities and Equity:			
Liabilities:			
Debt	\$ 12,578,060	\$ 12,433,585	\$ 11,382,408
Accounts payable, accrued expenses, and other liabilities	1,823,841	1,812,411	1,866,030
Total liabilities	<u>14,401,901</u>	<u>14,245,996</u>	<u>13,268,438</u>
Equity:			
Stockholders' equity:			
Preferred stock	582,200	582,200	582,200
Common stock	4,609	4,606	4,594
Additional paid-in capital	16,395,797	16,373,438	16,349,328
Accumulated other comprehensive loss	(165,100)	(333,811)	(182,321)
Distributions in excess of net earnings	(3,335,757)	(3,159,462)	(3,092,162)
Total stockholders' equity	<u>13,481,749</u>	<u>13,466,971</u>	<u>13,661,639</u>
Noncontrolling interests	639,631	649,389	735,222
Noncontrolling interests - limited partnership unitholders	53,141	53,207	58,613
Total equity	<u>14,174,521</u>	<u>14,169,567</u>	<u>14,455,474</u>
Total liabilities and equity	<u>\$ 28,576,422</u>	<u>\$ 28,415,563</u>	<u>\$ 27,723,912</u>



Financial Information

Consolidated Statements of Operations

(in thousands, except per share amounts)

Third Quarter 2012 Report

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011 (A)
Revenues:				
Rental income	\$ 479,374	\$ 430,283	\$ 1,410,122	\$ 893,478
Private capital revenue	31,714	34,578	95,064	97,389
Development management and other income	1,017	4,276	5,859	17,515
Total revenues	512,105	469,137	1,511,045	1,008,382
Expenses:				
Rental expenses	130,820	119,949	382,679	254,078
Private capital expenses	15,730	17,080	47,686	39,228
General and administrative expenses	55,886	53,341	167,460	144,364
Merger, acquisition and other integration expenses	20,659	12,683	52,573	121,723
Impairment of real estate properties	9,778	-	12,963	-
Depreciation and amortization	194,622	182,774	560,563	377,193
Other expenses	5,580	3,971	17,142	14,242
Total expenses	433,075	389,798	1,241,066	950,828
Operating income	79,030	79,339	269,979	57,554
Other income (expense):				
Earnings from unconsolidated co-investment ventures, net	2,378	27,855	15,289	48,422
Earnings from other unconsolidated entities, net	185	3,120	5,158	7,593
Interest income	6,399	4,960	17,192	14,063
Interest expense	(123,161)	(135,863)	(384,489)	(339,306)
Impairment of other assets	-	-	(16,135)	(103,823)
Gain on acquisitions and dispositions of investments in real estate, net	12,677	8,396	280,968	114,650
Foreign currency and derivative gains (losses) and other income (expenses), net	(3,549)	52,208	(17,351)	36,921
Gain (loss) on early extinguishment of debt, net	-	(298)	4,919	(298)
Total other income (expense)	(105,071)	(39,622)	(94,449)	(221,778)
Earnings (loss) before income taxes	(26,041)	39,717	175,530	(164,224)
Income tax expense (benefit) - current and deferred	(19,983)	(2,838)	216	9,960
Earnings (loss) from continuing operations	(6,058)	42,555	175,314	(174,184)
Discontinued operations:				
Income attributable to disposed properties and assets held for sale	4,618	11,903	19,889	34,716
Net gain (loss) on dispositions, including related impairment charges and taxes	(31,458)	11,410	(10,335)	21,545
Total discontinued operations	(26,840)	23,313	9,554	56,261
Consolidated net earnings (loss)	(32,898)	65,868	184,868	(117,923)
Net earnings attributable to noncontrolling interests	(3,323)	(23)	(6,180)	(308)
Net earnings (loss) attributable to controlling interests	(36,221)	65,845	178,688	(118,231)
Less preferred stock dividends	10,305	10,409	30,921	24,420
Net earnings (loss) available for common stockholders	\$ (46,526)	\$ 55,436	\$ 147,767	\$ (142,651)
Weighted average common shares outstanding - Diluted (B)	460,079	462,408	464,938	340,923
Net earnings (loss) per share available for common stockholders - Diluted	\$ (0.10)	\$ 0.12	\$ 0.32	\$ (0.42)

(A) The financial results include Prologis for the full period and AMB and PEPR results from approximately June 1, 2011.
 (B) See Calculation of Per Share Amounts in the Notes and Definitions.



Financial Information

Reconciliations of Net Earnings (Loss) to FFO

Third Quarter 2012 Report

(in thousands)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011 (A)
Reconciliation of net earnings (loss) to FFO				
Net earnings (loss) available for common stockholders	\$ (46,526)	\$ 55,436	\$ 147,767	\$ (142,651)
Add (deduct) NAREIT defined adjustments:				
Real estate related depreciation and amortization	190,063	176,719	547,654	363,072
Impairment charges on certain real estate properties	21,660	-	21,660	-
Net loss (gain) on non-FFO dispositions and acquisitions	6,622	6,468	(165,238)	7,954
Reconciling items related to noncontrolling interests	(6,084)	(8,756)	(22,088)	(11,160)
Our share of reconciling items included in earnings from unconsolidated entities	35,309	31,393	104,291	103,730
Subtotal-NAREIT defined FFO	201,044	261,260	634,046	320,945
Add (deduct) our defined adjustments:				
Unrealized foreign currency and derivative losses (gains), net	5,841	(53,688)	15,558	(45,036)
Deferred income tax expense (benefit)	(1,884)	1,773	(6,642)	2,755
Our share of reconciling items included in earnings from unconsolidated entities	890	(1,615)	(2,328)	(593)
FFO, as defined by Prologis	205,891	207,730	640,634	278,071
Adjustments to arrive at Core FFO, including our share of unconsolidated entities:				
Impairment charges	15,527	-	34,847	106,482
Japan disaster expenses	-	(400)	-	5,210
Merger, acquisition and other integration expenses	20,659	12,683	52,573	121,723
Gain on acquisitions and dispositions of investments in real estate, net	(11,575)	(11,018)	(115,468)	(120,338)
Loss (gain) on early extinguishment of debt, net	-	298	(4,919)	298
Income tax expense on dispositions	-	-	-	1,916
Our share of reconciling items included in earnings from unconsolidated entities	1,460	(2,860)	10,380	(2,860)
Adjustments to arrive at Core FFO	26,071	(1,297)	(22,587)	112,431
Core FFO	\$ 231,962	\$ 206,433	\$ 618,047	\$ 390,502
Adjustments to arrive at Adjusted FFO ("AFFO"), including our share of unconsolidated entities:				
Straight-lined rents and amortization of lease intangibles	(4,217)	(10,540)	(22,210)	(33,609)
Property improvements	(25,938)	(24,939)	(54,107)	(43,445)
Tenant improvements	(22,459)	(18,569)	(68,596)	(41,417)
Leasing commissions	(14,031)	(12,500)	(37,148)	(29,166)
Amortization of management contracts	1,606	3,496	4,614	4,824
Amortization of debt discounts/(premiums) and financing costs, net of capitalization	(5,359)	(4,841)	(12,811)	14,731
Stock compensation expense	8,438	9,008	24,605	21,626
AFFO	\$ 170,002	\$ 147,548	\$ 452,394	\$ 284,046
Common stock dividends	\$ 129,769	\$ 128,731	\$ 391,362	\$ 257,760

(A) The financial results include Prologis for the full period and AMB and PEPR results from approximately June 1, 2011.

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Financial Information

EBITDA Reconciliation

(in thousands)

Third Quarter 2012 Report

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Reconciliation of consolidated net earnings (loss) to Core EBITDA				
Net earnings (loss) available for common stockholders	\$ (46,526)	\$ 55,436	\$ 147,767	\$ (142,651)
Net gain on acquisitions and dispositions of investments in real estate	(8,628)	(19,806)	(298,042)	(140,770)
Depreciation and amortization from continuing operations	194,622	182,774	560,563	377,193
Interest expense from continuing operations	123,161	135,863	384,489	339,306
Impairment charges	37,187	-	56,507	106,482
Merger, acquisition and other integration expenses	20,659	12,683	52,573	121,723
Loss (gain) on early extinguishment of debt	-	298	(4,919)	298
Current and deferred income tax expense (benefit)	(19,983)	(2,838)	216	11,876
Pro forma adjustment (A)	-	-	12,352	263,994
Income attributable to disposed properties and assets held for sale	(4,618)	(11,903)	(19,889)	(34,716)
NOI attributable to assets held for sale	6,917	2,200	22,056	3,322
Net earnings attributable to noncontrolling interest	3,323	23	6,180	308
Preferred stock dividends	10,305	10,409	30,921	24,420
Unrealized losses (gains) and stock compensation expense, net	14,279	(44,680)	40,163	(23,410)
Other adjustments made to arrive at Core FFO	-	(400)	-	5,210
Core EBITDA, prior to our share of unconsolidated entities	330,698	320,059	990,937	912,585
Our share of reconciling items from unconsolidated entities:				
Net losses (gains) on disposition of real estate, net	357	(2,860)	1,695	(2,860)
Depreciation and amortization	35,309	31,393	101,284	103,730
Interest expense	22,328	38,043	69,722	105,051
Loss on early extinguishment of debt	-	-	5,999	-
Impairment of real estate properties and other assets	1,563	-	3,146	-
Current income tax expense	2,226	1,301	5,467	4,661
Unrealized losses (gains) and deferred income tax expense (benefit)	890	(1,615)	(2,328)	(593)
Realized losses on derivative activity	-	-	-	226
Core EBITDA	\$ 393,371	\$ 386,321	\$ 1,175,922	\$ 1,122,800

(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.



Financial Information

Pro-rata Balance Sheet Information

(in thousands)

Third Quarter 2012 Report

Pro-rata Balance Sheet Information as of September 30, 2012	Consolidated	Less Non Controlling Interest	Plus PLD Share of Unconsolidated Co-Investment Ventures	PLD Total Share	Investors' Share of Ventures	Total Owned and Managed
Assets:						
Gross operating properties	\$ 23,304,246	\$ (911,895)	\$ 4,547,125	\$ 26,939,476	\$ 14,251,233	\$ 41,190,709
Other real estate	3,156,820	(46,167)	70,479	3,181,132	152,231	3,333,363
Less accumulated depreciation	(2,389,214)	30,922	(386,046)	(2,744,338)	(1,160,790)	(3,905,128)
Net investments in properties	24,071,852	(927,140)	4,231,558	27,376,270	13,242,674	40,618,944
Investments in unconsolidated investees	2,242,075	(60,997)	(2,181,078)	-	60,997	60,997
Other assets	2,262,495	(146,125)	23,939	2,140,309	927,726	3,068,035
Total assets	\$ 28,576,422	\$ (1,134,262)	\$ 2,074,419	\$ 29,516,579	\$ 14,231,397	\$ 43,747,976
Liabilities and Equity:						
Liabilities:						
Debt	\$ 12,578,060	\$ (390,402)	\$ 1,817,868	\$ 14,005,526	\$ 5,811,349	\$ 19,816,875
Other liabilities	1,823,841	(51,088)	256,551	2,029,304	818,316	2,847,620
Total liabilities	14,401,901	(441,490)	2,074,419	16,034,830	6,629,665	22,664,495
Equity:						
Stockholders' / partners' equity	13,481,749	-	-	13,481,749	7,601,732	21,083,481
Noncontrolling interests	692,772	(692,772)	-	-	-	-
Total equity	14,174,521	(692,772)	-	13,481,749	7,601,732	21,083,481
Total liabilities and equity	\$ 28,576,422	\$ (1,134,262)	\$ 2,074,419	\$ 29,516,579	\$ 14,231,397	\$ 43,747,976

On this page and the following page, we present balance sheet and income statement information on a pro-rata basis reflecting our proportionate economic ownership of each entity included in our Total Owned and Managed portfolio.

The consolidated amounts shown are derived from, and prepared on a consistent basis with, our consolidated financial statements. The PLD Share of Unconsolidated Co-Investment Ventures column was derived on an entity-by-entity basis by applying our ownership percentage to each line item to calculate our share of that line item. For purposes of balance sheet data, we used our ownership percentage at the end of the period and for operating information, we used our average ownership percentage for the period, consistent with how we calculate our share of net income (loss) during the period. We used a similar calculation to derive the noncontrolling interests' share of each line item. In order to present the total Owned and Managed portfolio, we added our investors' share of each line item in the unconsolidated co-investment ventures and the noncontrolling interests share of each line item to the PLD Total Share.



Financial Information

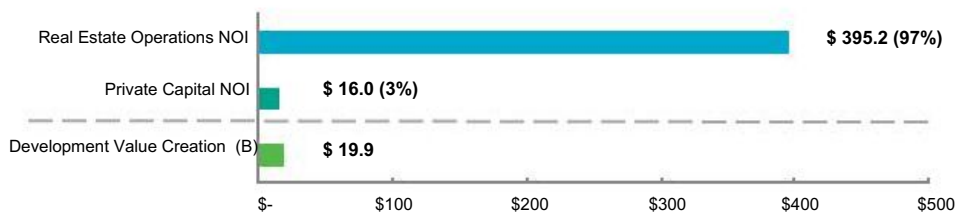
Pro-rata Operating Information

(in thousands)

Third Quarter 2012 Report

Pro-rata Operating Information for Three Months Ended September 30, 2012	Consolidated	Less Non Controlling Interest	Plus PLD Share of Unconsolidated Co-Investment Ventures	PLD Total Share	Investors' Share of Ventures	Total Owned and Managed
Revenues:						
Rental income	\$ 479,374	\$ (19,708)	\$ 85,594	\$ 545,260	\$ 270,382	\$ 815,642
Private capital revenue	31,714	-	-	31,714	-	31,714
Development management and other income	1,017	-	233	1,250	221	1,471
Total revenues	512,105	(19,708)	85,827	578,224	270,603	848,827
Expenses:						
Rental expenses	130,820	(5,282)	19,951	145,489	64,168	209,657
Private capital expenses	15,730	-	-	15,730	-	15,730
General and administrative expenses	55,886	(553)	3,934	59,267	11,886	71,153
Merger, acquisition and other integration expenses	20,659	-	-	20,659	-	20,659
Impairment of real estate properties	9,778	-	1,563	11,341	4,142	15,483
Depreciation and amortization	194,622	(6,464)	31,556	219,714	98,937	318,651
Other expenses	5,580	(469)	696	5,807	3,404	9,211
Total expenses	433,075	(12,768)	57,700	478,007	182,537	660,544
Operating income	79,030	(6,940)	28,127	100,217	88,066	188,283
Our share of co-investment ventures	65,051	-	(65,051)	-	-	-
Total reconciling items to Core EBITDA	249,290	(8,776)	36,924	277,438	107,798	385,236
Core EBITDA (A)	\$ 393,371	\$ (15,716)	\$ -	\$ 377,655	\$ 195,864	\$ 573,519
Core EBITDA by segment:						
Real Estate Operations NOI	\$ 343,991	\$ (13,957)	\$ 65,180	\$ 395,214	\$ 203,031	\$ 598,245
Private Capital NOI	15,984	-	-	15,984	-	15,984
Our share of co-investment ventures	65,051	-	(65,051)	-	-	-
General and administrative and other expenses	(31,655)	(1,759)	(129)	(33,543)	(7,167)	(40,710)
Core EBITDA	\$ 393,371	\$ (15,716)	\$ -	\$ 377,655	\$ 195,864	\$ 573,519

Prologis' Share (in millions)



(A) See reconciliation of Net Earnings (Loss) to Core EBITDA on page 9.

(B) Represents Value Creation for development properties that reached Stabilization during the quarter and moved into the Operating Portfolio.



Operations Overview

Operating Portfolio – Square Feet, Occupied and Leased

(square feet in thousands)

Third Quarter 2012 Report

	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	125	15,973	12,048	75.4%	3.2%	84.7%	84.5%	84.9%	84.7%
Baltimore/Washington	East	68	8,095	5,361	66.2%	1.4%	92.8%	93.8%	92.9%	93.9%
Central Valley	Northwest	24	8,970	7,128	79.5%	1.9%	91.3%	91.3%	91.3%	91.3%
Central & Eastern PA	East	27	14,049	7,137	50.8%	1.9%	95.9%	96.8%	95.9%	96.8%
Chicago	Central	211	35,573	27,521	77.4%	7.4%	89.5%	91.1%	90.0%	91.6%
Dallas/Ft. Worth	Central	160	23,240	18,747	80.7%	5.0%	94.3%	95.0%	94.4%	95.1%
Houston	Central	82	9,838	7,111	72.3%	1.9%	98.0%	98.4%	98.1%	98.5%
New Jersey/New York City	East	182	22,353	16,042	71.8%	4.3%	94.2%	93.2%	94.2%	93.2%
San Francisco Bay Area	Northwest	242	19,803	17,071	86.2%	4.6%	92.8%	92.9%	93.1%	93.2%
Seattle	Northwest	70	8,643	4,774	55.2%	1.3%	92.7%	93.3%	92.7%	93.3%
South Florida	East	91	10,553	7,611	72.1%	2.0%	95.8%	95.3%	95.8%	95.3%
Southern California	Southwest	308	56,708	46,435	81.9%	12.4%	97.6%	98.0%	97.9%	98.3%
On Tarmac	Various	31	2,598	2,376	91.5%	0.6%	91.9%	91.2%	92.0%	91.3%
Canada	East	19	6,383	5,081	79.6%	1.4%	95.5%	99.4%	95.5%	99.4%
Mexico	Latin America	183	29,703	17,105	57.6%	4.6%	92.2%	92.0%	92.8%	92.6%
Brazil	Latin America	6	1,845	365	19.8%	0.1%	100.0%	100.0%	100.0%	100.0%
Americas total		1,829	274,327	201,913	73.6%	54.0%	93.7%	94.0%	93.9%	94.3%
Belgium	Northern	9	2,016	1,654	82.0%	0.4%	99.6%	99.6%	99.6%	99.6%
France	Southern	128	30,185	21,412	70.9%	5.7%	94.4%	93.6%	94.6%	93.8%
Germany	Northern	85	17,626	8,475	48.1%	2.3%	98.2%	96.5%	98.2%	96.5%
Netherlands	Northern	53	10,720	6,457	60.2%	1.7%	89.2%	89.8%	91.8%	92.1%
Poland	CEE	96	20,779	12,382	59.6%	3.3%	86.0%	83.9%	88.3%	86.4%
Spain	Southern	26	7,126	6,006	84.3%	1.6%	76.5%	77.1%	83.2%	80.0%
United Kingdom	UK	73	17,194	10,483	61.0%	2.8%	95.7%	95.0%	95.7%	95.0%
Europe total		470	105,646	66,869	63.3%	17.8%	92.0%	90.7%	93.2%	91.7%
China	China	25	5,499	2,312	42.0%	0.6%	91.9%	95.8%	91.9%	95.8%
Japan	Japan	47	20,781	14,977	72.1%	4.0%	97.6%	97.4%	97.6%	97.4%
Singapore	Singapore	5	942	942	100.0%	0.3%	100.0%	100.0%	100.0%	100.0%
Asia total		77	27,222	18,231	67.0%	4.9%	96.5%	97.4%	96.5%	97.4%
Total global markets		2,376	407,195	287,013	70.5%	76.7%	93.4%	93.4%	93.9%	93.9%
Regional markets (A)										
Italy - Europe	Southern	27	8,378	7,690	91.8%	2.1%	89.6%	89.4%	89.6%	89.4%
Czech Republic - Europe	CEE	29	6,821	5,096	74.7%	1.4%	91.3%	88.4%	91.8%	89.1%
San Antonio - Americas	Central	60	6,298	4,878	77.5%	1.3%	93.3%	93.1%	93.5%	93.4%
Columbus - Americas	Central	39	10,309	8,046	78.0%	2.2%	95.8%	94.6%	96.4%	95.4%
Sweden - Europe	Northern	10	3,808	2,738	71.9%	0.7%	100.0%	100.0%	100.0%	100.0%
Hungary - Europe	CEE	30	5,346	3,822	71.5%	1.0%	85.2%	87.1%	87.7%	89.8%
Denver - Americas	Northwest	33	5,208	4,138	79.5%	1.1%	93.9%	93.0%	94.7%	93.8%
Memphis - Americas	Central	17	6,270	5,475	87.3%	1.5%	100.0%	100.0%	100.0%	100.0%
Cincinnati - Americas	Central	27	6,663	4,144	62.2%	1.1%	97.3%	95.6%	98.9%	98.2%
Louisville - Americas	Central	11	4,341	3,810	87.8%	1.0%	93.3%	93.5%	93.3%	93.5%
Remaining other regional (5 markets)	Various	114	18,516	11,497	62.1%	3.1%	93.6%	90.9%	93.9%	91.2%
Regional markets total		397	81,958	61,334	74.8%	16.5%	93.8%	92.8%	94.4%	93.4%
Other markets (18 markets)	Various	288	41,131	24,838	60.4%	6.8%	88.8%	91.6%	89.2%	91.9%
Total operating portfolio - owned and managed		3,061	530,284	373,185	70.4%	100.0%	93.1%	93.2%	93.6%	93.7%

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



Operations Overview

Operating Portfolio – NOI and Gross Book Value

(dollars in thousands)

Third Quarter 2012 Report

	Region	Third 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	\$8,923	\$6,447	72.3%	1.6%	\$697,177	\$497,708	71.4%	1.8%
Baltimore/Washington	East	10,215	6,743	66.0%	1.7%	618,744	375,349	60.7%	1.3%
Central Valley	Northwest	6,690	5,463	81.7%	1.3%	468,905	363,990	77.6%	1.3%
Central & Eastern PA	East	12,632	6,316	50.0%	1.6%	867,258	405,031	46.7%	1.5%
Chicago	Central	24,472	17,924	73.2%	4.4%	2,143,922	1,608,178	75.0%	5.8%
Dallas/Ft. Worth	Central	14,577	11,257	77.2%	2.8%	1,109,690	846,422	76.3%	3.0%
Houston	Central	8,792	5,955	67.7%	1.5%	532,164	333,000	62.6%	1.2%
New Jersey/New York City	East	26,248	17,449	66.5%	4.3%	1,962,078	1,300,591	66.3%	4.7%
San Francisco Bay Area	Northwest	27,704	22,697	81.9%	5.6%	1,954,729	1,681,713	86.0%	6.0%
Seattle	Northwest	10,214	5,496	53.8%	1.4%	818,764	445,618	54.4%	1.6%
South Florida	East	13,256	9,677	73.0%	2.4%	1,026,564	767,747	74.8%	2.8%
Southern California	Southwest	63,777	52,596	82.5%	12.9%	5,065,090	4,102,355	81.0%	14.8%
On Tarmac	Various	7,604	6,784	89.2%	1.7%	313,351	275,467	87.9%	1.0%
Canada	East	9,421	7,493	79.5%	1.8%	648,377	511,787	78.9%	1.8%
Mexico	Latin America	31,192	16,255	52.1%	4.0%	1,766,689	968,724	54.8%	3.5%
Brazil	Latin America	3,223	161	5.0%	0.0%	166,123	30,464	18.3%	0.1%
Americas total		278,940	198,713	71.2%	49.0%	20,159,625	14,514,144	72.0%	52.2%
Belgium	Northern	2,759	2,139	77.5%	0.5%	168,135	131,484	78.2%	0.5%
France	Southern	36,962	24,804	67.1%	6.1%	2,524,390	1,716,202	68.0%	6.2%
Germany	Northern	25,117	12,039	47.9%	3.0%	1,500,816	691,448	46.1%	2.5%
Netherlands	Northern	14,603	8,313	56.9%	2.1%	1,006,015	559,926	55.7%	2.0%
Poland	CEE	17,947	10,502	58.5%	2.6%	1,362,427	739,458	54.3%	2.7%
Spain	Southern	8,276	7,366	89.0%	1.8%	601,717	526,847	87.6%	1.9%
United Kingdom	UK	32,748	19,303	58.9%	4.8%	2,078,581	1,157,578	55.7%	4.2%
Europe total		138,412	84,466	61.0%	20.9%	9,242,081	5,522,943	59.8%	20.0%
China	China	4,142	1,347	32.5%	0.3%	282,643	88,651	31.4%	0.3%
Japan	Japan	67,221	47,716	71.0%	11.8%	4,510,810	3,149,239	69.8%	11.3%
Singapore	Singapore	2,389	2,389	100.0%	0.6%	148,647	148,647	100.0%	0.5%
Asia total		73,752	51,452	69.8%	12.7%	4,942,100	3,386,537	68.5%	12.1%
Total global markets		491,104	334,631	68.1%	82.6%	34,343,806	23,423,624	68.2%	84.3%
Regional markets (A)									
Italy - Europe	Southern	7,521	6,837	90.9%	1.7%	545,588	492,648	90.3%	1.8%
Czech Republic - Europe	CEE	7,857	5,740	73.1%	1.4%	542,947	386,583	71.2%	1.4%
San Antonio - Americas	Central	5,502	4,326	78.6%	1.1%	282,779	208,533	73.7%	0.7%
Columbus - Americas	Central	5,917	4,312	72.9%	1.1%	389,569	294,728	75.7%	1.1%
Sweden - Europe	Northern	5,625	3,993	71.0%	1.0%	350,964	247,518	70.5%	0.9%
Hungary - Europe	CEE	5,295	3,794	71.7%	0.9%	375,078	238,445	63.6%	0.9%
Denver - Americas	Northwest	4,379	3,489	79.7%	0.8%	291,192	236,204	81.1%	0.8%
Memphis - Americas	Central	3,475	3,008	86.6%	0.7%	206,822	178,716	86.4%	0.6%
Cincinnati - Americas	Central	5,088	2,796	55.0%	0.7%	267,710	150,391	56.2%	0.5%
Louisville - Americas	Central	2,865	2,496	87.1%	0.6%	174,623	154,571	88.5%	0.6%
Remaining other regional (5 markets)	Various	14,110	7,588	53.8%	1.9%	934,916	536,353	57.4%	1.9%
Regional markets total		67,634	48,379	71.5%	11.9%	4,362,188	3,124,690	71.6%	11.2%
Other markets (18 markets)	Various	35,668	22,239	62.4%	5.5%	2,423,777	1,262,445	52.1%	4.5%
Total operating portfolio - owned and managed		\$594,406	\$405,249	68.2%	100.0%	\$41,129,771	\$27,810,759	67.6%	100.0%

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



Operations Overview

Operating Portfolio – Summary by Region

(square feet and dollars in thousands)

Third Quarter 2012 Report

	# of Buildings	Square Feet			% of Total	Occupied		Leased	
		Total Owned and Managed	Prologis Share	Prologis Share (%)		Total Owned and Managed	Prologis Share	Total Owned and Managed	Prologis Share
Consolidated									
Americas	1,567	234,268	234,268	100.0%	62.8%	93.9%	93.9%	94.3%	94.3%
Europe	294	69,149	69,149	100.0%	18.5%	89.8%	89.8%	90.6%	90.6%
Asia	33	16,218	16,218	100.0%	4.4%	97.6%	97.6%	97.6%	97.6%
Total operating portfolio - consolidated	1,894	319,635	319,635	100.0%	85.7%	93.2%	93.2%	93.6%	93.6%
Unconsolidated									
Americas	830	133,162	31,699	23.8%	8.5%	92.2%	92.4%	92.4%	92.6%
Europe	293	66,483	19,838	29.8%	5.3%	94.3%	94.2%	95.7%	95.6%
Asia	44	11,004	2,013	18.3%	0.5%	94.9%	95.4%	94.9%	95.4%
Total operating portfolio - unconsolidated	1,167	210,649	53,550	25.4%	14.3%	93.0%	93.2%	93.6%	93.8%
Total									
Americas	2,397	367,430	265,967	72.4%	71.3%	93.3%	93.7%	93.6%	94.1%
Europe	587	135,632	88,987	65.6%	23.8%	92.0%	90.8%	93.1%	91.7%
Asia	77	27,222	18,231	67.0%	4.9%	96.5%	97.4%	96.5%	97.4%
Total operating portfolio - owned and managed	3,061	530,284	373,185	70.4%	100.0%	93.1%	93.2%	93.6%	93.7%
Value added properties - consolidated	4	706	706	100.0%		9.1%	9.1%	9.1%	9.1%
Value added properties - unconsolidated	4	372	93	25.0%		11.8%	11.8%	11.8%	11.8%
Total owned and managed	3,069	531,362	373,984	70.4%		93.0%	93.0%	93.4%	93.5%
Third Quarter NOI									
		Total Owned and Managed	Prologis Share (\$)	Prologis Share (%)	% of Total	Total Owned and Managed	Prologis Share (\$)	Prologis Share (%)	% of Total
Consolidated									
Americas		\$213,899	\$213,899	100.0%	52.8%	\$15,082,154	\$15,082,154	100.0%	54.2%
Europe		81,010	81,010	100.0%	20.0%	5,176,335	5,176,335	100.0%	18.6%
Asia		46,082	46,082	100.0%	11.3%	3,011,911	3,011,911	100.0%	10.8%
Total operating portfolio - consolidated		\$340,991	\$340,991	100.0%	84.1%	\$23,270,400	\$23,270,400	100.0%	83.6%
Unconsolidated									
Americas		\$135,335	\$31,741	23.5%	7.8%	\$9,688,543	\$2,291,255	23.6%	8.3%
Europe		90,410	27,147	30.0%	6.7%	6,240,639	1,874,478	30.0%	6.8%
Asia		27,670	5,370	19.4%	1.4%	1,930,189	374,626	19.4%	1.3%
Total operating portfolio - unconsolidated		\$253,415	\$64,258	25.4%	15.9%	\$17,859,371	\$4,540,359	25.4%	16.4%
Total									
Americas		\$349,234	\$245,640	70.3%	60.6%	\$24,770,697	\$17,373,409	70.1%	62.5%
Europe		171,420	108,157	63.1%	26.7%	11,416,974	7,050,813	61.8%	25.4%
Asia		73,752	51,452	69.8%	12.7%	4,942,100	3,386,537	68.5%	12.1%
Total operating portfolio - owned and managed		\$594,406	\$405,249	68.2%	100.0%	\$41,129,771	\$27,810,759	67.6%	100.0%
Value added properties - consolidated		(215)	(215)	100.0%		33,846	33,846	100.0%	
Value added properties - unconsolidated		(61)	(15)	24.6%		27,092	6,766	25.0%	
Total owned and managed		\$594,130	\$405,019	68.2%		\$41,190,709	\$27,851,371	67.6%	



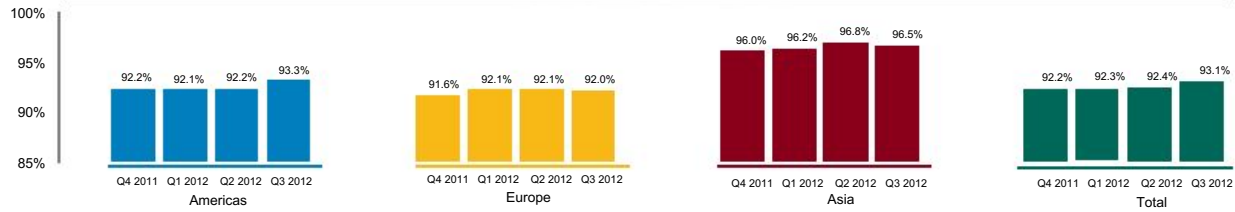
Operations Overview

Operating Metrics – Owned and Managed

Third Quarter 2012 Report

(square feet and dollars in thousands)

Period Ending Occupancy by Region



Leasing Activity

	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Square feet of leases signed:				
Properties under development	1,365	1,017	2,863	2,279
Operating properties:				
New leases	13,663	10,023	11,947	12,102
Renewals	22,533	19,812	20,189	24,599
Total square feet of leases signed	37,561	30,852	34,999	38,980
Weighted average customer retention	80.1%	78.3%	82.4%	87.5%
Turnover costs (per square foot) (B)	\$ 1.40	\$ 1.14	\$ 1.50	\$ 1.50

Capital Expenditures Incurred

	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Property improvements	\$ 32,297	\$ 17,100	\$ 21,056	\$ 33,704
\$ per square foot	\$ 0.06	\$ 0.03	\$ 0.04	\$ 0.06
Tenant improvements	29,418	28,598	29,243	31,515
Leasing commissions	23,674	16,401	18,523	21,483
Total turnover costs	53,092	44,999	47,766	52,998
Total capital expenditures	\$ 85,389	\$ 62,099	\$ 68,822	\$ 86,702
Trailing four quarters - % of gross NOI	11.5% (C)	11.9% (C)	12.0% (C)	12.7%
Weighted average ownership percent	66.5%	76.9%	72.2%	72.0%
Prologis share	\$ 56,770	\$ 47,734	\$ 49,689	\$ 62,428

Same Store Information (A)

	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Square feet of population	538,400	522,571	519,939	514,031
Percentage change:				
Rental income	0.9%	(0.6%)	1.5%	2.3%
Rental expenses	2.0%	(6.6%)	4.8%	1.1%
Net operating income - GAAP	0.4%	1.7%	0.4%	2.7%
Net operating income - adjusted cash	N/A	3.1%	2.3%	3.0%
Average occupancy	1.6%	2.6%	2.9%	2.3%
Square feet of leasing activity	32,159	28,227	30,127	33,852
Percentage change in rental rates	(4.5%)	(1.1%)	(3.9%)	(1.8%)

(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.



Operations Overview

Customer Information – Owned and Managed

(square feet and dollars in thousands)

Third Quarter 2012 Report

Top Customers

		% of Annual Base Rent	Total Square Feet
1	DHL	2.2%	11,887
2	Kuehne & Nagel	1.3%	7,140
3	CEVA Logistics	1.3%	6,916
4	Geodis	1.1%	5,666
5	Amazon.com, Inc.	0.9%	3,664
6	Home Depot, Inc.	0.8%	4,317
7	Panasonic Logistics Co. Ltd.	0.8%	2,143
8	United States Government	0.8%	1,833
9	FedEx Corporation	0.7%	2,172
10	PepsiCo	0.7%	4,126
Top 10 Customers		10.6%	49,864
11	Tesco PLC	0.7%	2,693
12	Nippon Express Group	0.6%	1,419
13	Sagawa Express	0.6%	935
14	Kraft Foods, Inc.	0.6%	3,530
15	Hitachi Ltd	0.6%	1,541
16	Wal-Mart Stores	0.5%	3,234
17	Panalpina, Inc.	0.5%	2,359
18	Catpillar Logistics Services	0.5%	1,344
19	Unilever	0.5%	3,920
20	DB Schenker	0.4%	2,410
21	ND Logistics	0.4%	2,356
22	LG	0.4%	2,540
23	UPS SCS (United Parcel Service Inc.)	0.4%	2,169
24	Schneider Electric S.A.	0.4%	1,646
25	La Poste	0.4%	1,278
Top 25 Customers		18.1%	83,238

Lease Expirations - Owned and Managed

Year	Annual Base Rent	Percentage of Total	Occupied Square Feet	Percentage of Total
Month to month customers	\$ 48,256	1.7%	11,865	2.4%
2012	48,522	1.7%	8,663	1.8%
2013	421,081	14.9%	75,205	15.2%
2014	442,099	15.6%	77,694	15.7%
2015	397,437	14.1%	75,610	15.3%
2016	343,681	12.2%	60,520	12.3%
Thereafter	1,126,933	39.8%	184,273	37.3%
Total	\$ 2,828,009	100%	493,830	100%

Lease Expirations - Prologis Share

Year	Annual Base Rent	Percentage of Total	Occupied Square Feet	Percentage of Total
Month to month customers	\$ 27,839	1.4%	8,599	2.5%
2012	36,993	1.9%	6,500	1.8%
2013	305,355	15.7%	54,807	15.7%
2014	311,574	16.0%	58,376	16.8%
2015	275,194	14.1%	53,563	15.4%
2016	249,663	12.8%	44,773	12.9%
Thereafter	741,017	38.1%	121,235	34.9%
Total	\$ 1,947,635	100%	347,853	100%



Capital Deployment

Building Dispositions and Contributions (A)

Third Quarter 2012 Report

(square feet and dollars in thousands)

	Q3 2012					FY 2012				
	Square Feet	Prologis Share of Square Feet	Total Proceeds	Prologis Share of Proceeds (\$)	Prologis Share of Proceeds (%) (B)	Square Feet	Prologis Share of Square Feet	Total Proceeds	Prologis Share of Proceeds (\$)	Prologis Share of Proceeds (%)
Third Party Building Dispositions										
Americas										
Prologis wholly owned	2,123	2,123	78,971	78,971	100.0%	7,198	7,198	381,887	381,887	100.0%
Prologis Institutional Alliance Fund II (C)	-	-	-	-	-	430	121	29,000	8,164	28.2%
Prologis North American Properties Fund XI	100	20	3,597	719	20.0%	3,616	723	138,959	27,791	20.0%
Prologis North American Industrial Fund	-	-	-	-	-	60	14	2,400	554	23.1%
Prologis Targeted U.S. Logistics Fund	66	16	3,632	907	25.0%	66	16	3,632	907	25.0%
Total Americas	2,289	2,159	86,200	80,597	93.5%	11,370	8,072	555,878	419,303	75.4%
Europe										
Prologis wholly owned	-	-	-	-	-	2,176	2,176	135,022	135,022	100.0%
Prologis European Properties (D)	-	-	-	-	-	3,670	3,439	338,862	317,513	93.7%
Prologis European Properties Fund II	-	-	-	-	-	2,043	608	150,174	44,630	29.7%
Prologis Targeted Europe Logistics Fund	217	70	8,368	2,686	32.1%	217	70	8,368	2,686	32.1%
Total Europe	217	70	8,368	2,686	32.1%	8,106	6,293	632,426	499,851	79.0%
Asia										
Prologis wholly owned	-	-	-	-	-	592	592	36,938	36,938	100.0%
Prologis Japan Fund 1	8	2	993	199	20.0%	8	2	993	199	20.0%
Total Asia	8	2	993	199	20.0%	600	594	37,931	37,137	97.9%
Total Third Party Building Dispositions	2,514	2,231	\$95,561	\$83,482	87.4%	20,076	14,959	\$1,226,235	\$956,291	78.0%
Building Contributions and Dispositions to Co-Investment Ventures										
Americas										
Brazil Fund and related joint ventures	300	75	28,362	7,091	25.0%	300	75	28,362	7,091	25.0%
Prologis Mexico Fondo Logistico (C)	-	-	-	-	-	755	755	40,650	32,520	80.0%
Total Americas	300	75	28,362	7,091	25.0%	1,055	830	69,012	39,611	57.4%
Europe										
Prologis European Properties Fund II	136	136	16,014	16,014	100.0%	136	136	16,014	16,014	100.0%
Europe Logistics Venture 1	-	-	-	-	-	139	139	16,875	14,343	85.0%
Total Europe	136	136	16,014	16,014	100.0%	275	275	32,889	30,357	92.3%
Asia										
Total Asia	-	-	-	-	-	-	-	-	-	-
Total Contributions and Dispositions to Co-Investment Ventures	436	211	\$44,376	\$23,105	52.1%	1,330	1,105	\$101,901	\$69,968	68.7%
Total Building Dispositions and Contributions	2,950	2,442	\$139,937	\$106,587	76.2%	21,406	16,064	\$1,328,136	\$1,026,259	77.3%
Weighted average stabilized cap rate	7.0%					7.2%				

(A) Amounts include industrial building dispositions, but do not include dispositions of non-industrial buildings or land subject to ground leases of \$7.0 million for the quarter and \$13.4 million year to date, of which \$7.0 million and \$12.1 million is Prologis' share, respectively.

(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.

(D) This was a consolidated fund through the second quarter of 2012. Beginning in the third quarter, the assets and liabilities of this fund are now wholly owned.



Capital Deployment

Third Party Building Acquisitions

(square feet and dollars in thousands)

Third Quarter 2012 Report

	Q3 2012					FY 2012				
	Square Feet	Prologis Share of Square Feet	Acquisition Cost	Prologis Share of Acquisition Cost (\$)	Prologis Share of Acquisition Cost (%)	Square Feet	Prologis Share of Square Feet	Acquisition Cost	Prologis Share of Acquisition Cost (\$)	Prologis Share of Acquisition Cost (%)
Third Party Building Acquisitions										
Americas										
Prologis wholly owned	132	132	\$ 10,401	\$ 10,401	100.0%	1,007	1,007	\$ 57,043	\$ 57,043	100.0%
Prologis Mexico Fondo Logistico (A)	290	58	10,275	2,055	20.0%	290	58	10,275	2,055	20.0%
Prologis North American Industrial Fund	-	-	-	-	-	41	9	2,886	667	23.1%
Prologis Targeted U.S. Logistics Fund	424	106	65,307	16,311	25.0%	971	254	109,961	28,333	25.8%
Total Americas	846	296	85,983	28,767	33.5%	2,309	1,328	180,165	88,098	48.9%
Europe										
Europe Logistics Venture 1	415	62	25,901	3,885	15.0%	762	114	50,194	7,529	15.0%
Prologis European Properties Fund II	-	-	-	-	-	717	213	36,812	10,940	29.7%
Total Europe	415	62	25,901	3,885	15.0%	1,479	327	87,006	18,469	21.2%
Asia										
-	-	-	-	-	-	-	-	-	-	-
Total Third Party Acquisitions	1,261	358	\$ 111,884	\$ 32,652	29.2%	3,788	1,655	\$ 267,171	\$ 106,567	39.9%
Weighted average stabilized cap rate				7.0%					7.0%	



Capital Deployment

Development Starts – Current Quarter

(in thousands, except percent and per square foot)

Third Quarter 2012 Report

	Total Q3 2012				Prologis Share (\$) - Q3				Prologis Share (%) - Q3	
	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										
Consolidated	1,806	\$105,173	\$58	5.5%	1,806	\$105,173	\$58	5.5%	100.0%	100.0%
Brazil Fund and related joint ventures	415	34,319	83	100.0%	104	8,580	83	100.0%	25.0%	25.0%
Total Americas	2,221	139,492	63	23.2%	1,910	113,753	60	10.7%	86.0%	81.5%
Europe										
Consolidated	375	34,746	93	100.0%	375	34,746	93	100.0%	100.0%	100.0%
Total Europe	375	34,746	93	100.0%	375	34,746	93	100.0%	100.0%	100.0%
Asia										
Consolidated	1,161	177,983	153	100.0%	1,161	177,983	153	100.0%	100.0%	100.0%
Prologis China Logistics Venture I	598	33,774	56	0.0%	90	5,066	56	0.0%	15.0%	15.0%
Total Asia	1,759	211,757	120	66.0%	1,251	183,049	146	92.8%	71.1%	86.4%
Total	4,355	\$385,995	\$89	47.1%	3,536	\$331,548	\$94	49.2%	81.2%	85.9%
Weighted average estimated stabilized yield	8.2%									
Pro forma NOI	\$31,652									
Weighted average estimated cap rate at stabilization	6.7%									
Estimated value creation (A)	\$86,423									
Estimated development margin	22.4%									
Prologis share of value creation on development starts (A)	83.4%									
Prologis share of value creation on development starts (A)	\$72,077									



Capital Deployment

Development Starts – Year to Date

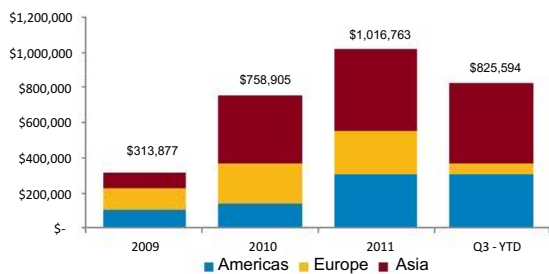
Third Quarter 2012 Report

(in thousands, except percent and per square foot)

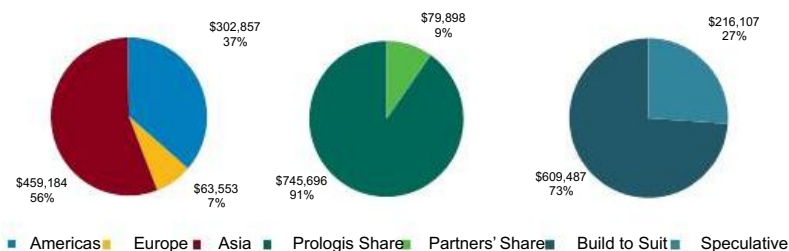
	Total YTD 2012				Prologis Share (\$) - YTD 2012				Prologis Share (%) - YTD 2012	
	Square Feet	Total Expected Investment	Cost Per Square Foot	Leased % at Start	Square Feet	Total Expected Investment	Cost Per Square Foot	Leased % at Start	Square Feet	Total Expected Investment
Americas										
Consolidated	4,853	\$234,603	\$48	33.3%	4,853	\$234,603	\$48	33.3%	100.0%	100.0%
Brazil Fund and related joint ventures	732	68,254	93	100.0%	183	17,064	93	100.0%	25.0%	25.0%
Total Americas	5,585	302,857	54	42.0%	5,036	251,667	50	35.7%	90.2%	83.1%
Europe										
Consolidated	889	63,553	71	70.3%	889	63,553	71	70.3%	100.0%	100.0%
Total Europe	889	63,553	71	70.3%	889	63,553	71	70.3%	100.0%	100.0%
Asia										
Consolidated	2,551	425,410	167	100.0%	2,551	425,410	167	100.0%	100.0%	100.0%
Prologis China Logistics Venture I	598	33,774	56	0.0%	90	5,066	56	0.0%	15.0%	15.0%
Total Asia	3,149	459,184	146	81.0%	2,641	430,476	163	96.6%	83.9%	93.7%
Total	9,623	\$825,594	\$86	57.4%	8,566	\$745,696	\$87	58.1%	89.0%	90.3%

Weighted average estimated stabilized yield	7.9%
Pro forma NOI	\$65,222
Weighted average estimated cap rate at stabilization	6.5%
Estimated value creation (A)	\$177,822
Estimated development margin	21.5%
Prologis share of value creation on development starts (A)	88.1%
Prologis share of value creation on development starts (A)	\$156,661
Prologis share of value creation realized on VAC buildings (B)	10,954
Total Prologis share of estimated and realized value creation year to date	\$167,615

Historical Development Starts (TEI)



Year to Date 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 "VAC" property during the year. The gain represents the amount by which the sales proceeds exceeds the amount included in NAV for this property.



Capital Deployment

Development Portfolio

Third Quarter 2012 Report

(in thousands, except percent)

	Under Development												
	Pre-Stabilized Developments		2012 Expected Completion		2013 and thereafter Expected Completion		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	\$7,731	-	\$-	1,052	\$41,086	1,052	\$41,086	\$48,817	\$48,817	3.6%	41.6%	
East	706	73,111	-	-	1,612	69,163	1,612	69,163	142,274	142,274	10.4%	63.7%	
Northwest	-	-	-	-	241	16,141	241	16,141	16,141	16,141	1.2%	0.0%	
Southwest	415	26,637	-	-	800	48,128	800	48,128	74,765	74,765	5.5%	0.0%	
U.S. Total	1,268	107,479	-	-	3,705	174,518	3,705	174,518	281,997	281,997	20.7%	39.7%	
Latin America	140	6,324	383	19,414	279	18,175	662	37,589	43,913	43,913	3.2%	27.4%	
Americas total	1,408	113,803	383	19,414	3,984	192,693	4,367	212,107	325,910	325,910	23.9%	38.0%	
Europe													
Northern Europe	659	49,467	-	-	-	-	-	-	49,467	49,467	3.6%	50.1%	
Southern Europe	507	37,874	-	-	-	-	-	-	37,874	37,874	2.8%	21.8%	
Central Europe	-	-	201	9,919	74	4,254	275	14,173	14,173	14,173	1.0%	100.0%	
United Kingdom	-	-	-	-	331	33,270	331	33,270	33,270	33,270	2.5%	100.0%	
Europe total	1,166	87,341	201	9,919	405	37,524	606	47,443	134,784	134,784	9.9%	59.1%	
Asia													
Japan	2,163	353,725	-	-	2,551	435,409	2,551	435,409	789,134	789,134	57.8%	77.7%	
Asia total	2,163	353,725	-	-	2,551	435,409	2,551	435,409	789,134	789,134	57.8%	77.7%	
Total global markets	4,737	554,869	584	29,333	6,940	665,626	7,524	694,959	1,249,828	1,249,828	91.6%	56.3%	
Regional and other markets													
Americas	-	-	-	-	486	22,729	486	22,729	22,729	22,729	1.7%	0.0%	
Europe	264	14,441	-	-	-	-	-	-	14,441	14,441	1.1%	0.0%	
Total regional and other markets	264	14,441	-	-	486	22,729	486	22,729	37,170	37,170	2.8%	0.0%	
Total consolidated development portfolio	5,001	569,310	584	29,333	7,426	688,355	8,010	717,688	1,286,998	1,286,998	94.4%	53.1%	
Unconsolidated													
Prologis Targeted U.S. Logistics Fund	272	29,378	-	-	-	-	-	-	29,378	7,338	0.5%	0.0%	
Brazil Fund and related joint ventures	-	-	672	59,144	415	34,318	1,087	93,462	93,462	46,731	3.4%	67.3%	
Prologis Targeted Europe Logistics Fund	-	-	48	5,214	249	24,230	297	29,444	29,444	9,464	0.7%	0.0%	
Prologis China Logistics Venture I	-	-	-	-	1,676	92,528	1,676	92,528	92,528	13,879	1.0%	0.0%	
Total unconsolidated development portfolio	272	29,378	720	64,358	2,340	151,076	3,060	215,434	244,812	77,412	5.6%	22.0%	
Total development portfolio - owned & managed	5,273	\$ 598,688	1,304	\$ 93,691	9,766	\$ 839,431	11,070	\$ 933,122	\$ 1,531,810	\$ 1,364,410	100.0%	46.7%	
Total development portfolio - Prologis share	5,069	576,647	935	60,581	7,965	727,182	8,900	787,763	1,264,410			52.1%	
Total development portfolio - Prologis share (%)	96.1%	96.3%	71.7%	64.7%	81.6%	86.6%	80.4%	84.4%	89.1%				
Cost to complete		\$ 48,082		\$ 32,036		\$ 547,478		\$ 579,514	\$ 627,596				
Prologis share of cost to complete		\$ 45,402		\$ 19,570		\$ 478,515		\$ 498,085	\$ 543,487				
Percent build to suit (based on Prologis share)		3.44%		25.6%		76.7%		72.7%	43.5%				
Pre-leased percent		n/a		39.7%		51.1%		49.7%					
Weighted average estimated stabilized yield		7.4%		11.2%		7.6%		7.9%					
Pro forma NOI									\$ 117,949				
Weighted average estimated cap rate at stabilization									6.5%				
Estimated value creation (A)									\$ 282,790				
Estimated development margin									18.5%				
Prologis share of value creation (A)									\$ 259,318				
Prologis share of value creation (A)									91.7%				



Capital Deployment

Land Portfolio – Owned and Managed

(dollars in thousands)

Third Quarter 2012 Report

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	616	616	100.0%	\$ 25,132	\$ 25,132	100.0%	1.3%
Baltimore/Washington	East	106	106	100.0%	14,645	14,645	100.0%	0.7%
Central Valley	Northwest	183	183	100.0%	17,897	17,897	100.0%	0.9%
Central & Eastern PA	East	311	311	100.0%	26,770	26,770	100.0%	1.4%
Chicago	Central	626	626	100.0%	61,402	61,402	100.0%	3.1%
Dallas/Ft. Worth	Central	398	398	100.0%	22,094	22,094	100.0%	1.1%
Houston	Central	65	65	100.0%	7,918	7,918	100.0%	0.4%
New Jersey/New York City	East	372	372	100.0%	146,601	146,601	100.0%	7.5%
South Florida	East	377	377	100.0%	147,116	147,116	100.0%	7.5%
Southern California	Southwest	843	843	100.0%	144,729	144,729	100.0%	7.4%
Canada	Canada	228	228	100.0%	115,444	115,444	100.0%	5.9%
Mexico	Mexico	939	939	100.0%	189,037	189,037	100.0%	9.6%
Brazil	Brazil	353	177	50.0%	79,354	39,677	50.0%	2.0%
Americas total		5,417	5,241	96.8%	998,139	958,462	96.0%	48.8%
Belgium	Northern	30	30	100.0%	10,238	10,238	100.0%	0.5%
France	Southern	503	503	100.0%	87,476	87,476	100.0%	4.5%
Germany	Northern	156	156	100.0%	36,203	36,203	100.0%	1.8%
Netherlands	Northern	63	63	100.0%	57,911	57,911	100.0%	2.9%
Poland	CEE	807	807	100.0%	114,057	114,057	100.0%	5.8%
Spain	Southern	100	100	100.0%	19,995	19,995	100.0%	1.0%
United Kingdom	UK	979	979	100.0%	271,806	271,806	100.0%	13.8%
Europe total		2,638	2,638	100.0%	597,686	597,686	100.0%	30.3%
China	China	50	43	86.0%	15,687	12,338	78.7%	0.6%
Japan	Japan	79	79	100.0%	122,352	122,352	100.0%	6.2%
Asia total		129	122	94.6%	138,039	134,690	97.6%	6.8%
Total global markets		8,184	8,001	97.8%	1,733,864	1,690,838	97.5%	85.9%
Regional markets (A)								
Hungary	C.E.E.	338	338	100.0%	46,526	46,526	100.0%	2.4%
Czech Republic	C.E.E.	247	247	100.0%	39,402	39,402	100.0%	2.0%
Italy	Southern	107	107	100.0%	32,065	32,065	100.0%	1.6%
Central Florida	East	129	129	100.0%	25,686	25,686	100.0%	1.3%
Slovakia	C.E.E.	95	95	100.0%	16,439	16,439	100.0%	0.9%
Savannah	East	229	229	100.0%	13,097	13,097	100.0%	0.7%
Denver	Northwest	66	66	100.0%	8,727	8,727	100.0%	0.5%
Memphis	Central	165	165	100.0%	7,293	7,293	100.0%	0.4%
Columbus	Central	199	199	100.0%	6,692	6,692	100.0%	0.3%
Indianapolis	Central	127	127	100.0%	4,472	4,472	100.0%	0.2%
Cincinnati	Central	15	15	100.0%	1,316	1,316	100.0%	0.1%
Louisville	Central	13	13	100.0%	425	425	100.0%	0.0%
Total regional markets		1,730	1,730	100.0%	202,140	202,140	100.0%	10.4%
Total other markets (11 markets)	Various	655	655	100.0%	71,916	71,916	100.0%	3.7%
Total land portfolio - owned and managed		10,569	10,386	98.3%	\$ 2,007,920	\$ 1,964,894	97.9%	100.0%
Original Cost Basis					\$ 3,115,835	\$ 3,074,359		

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



Capital Deployment

Land Portfolio – Summary and Roll Forward

Third Quarter 2012 Report

(dollars in thousands)

Land Portfolio Summary	Acres	% of Total	Investment at September 30, 2012	% of Total
Americas				
Consolidated	6,544	61.9%	\$ 1,032,025	51.4%
Brazil Fund and related joint ventures	353	3.4%	79,354	4.0%
Total Americas	6,897	65.3%	1,111,379	55.4%
Europe				
Consolidated	3,543	33.5%	758,502	37.8%
Asia				
Consolidated	121	1.1%	134,099	6.7%
Prologis China Logistics Venture 1	8	0.1%	3,940	0.1%
Total Asia	129	1.2%	138,039	6.8%
Total land portfolio - owned and managed	10,569	100.0%	\$ 2,007,920	100.0%

Land Roll Forward - Owned and Managed	Americas	Europe	Asia	Total
As of June 30, 2012	\$ 1,077,799	\$ 736,182	\$ 160,794	\$ 1,974,775
Acquisitions	39,968	28,517	22,006	90,491
Dispositions (A)	(9,872)	(8,951)	-	(18,823)
Development starts	(36,709)	(9,494)	(44,793)	(90,996)
Infrastructure costs	28,163	2,626	528	31,317
Reclasses	5,733	-	(749)	4,984
Impairment charges	(535)	(6,148)	-	(6,683)
Effect of changes in foreign exchange rates and other	6,832	18,368	253	25,453
Reclass to "Assets Held for Sale"	-	(2,598)	-	(2,598)
As of September 30, 2012	\$ 1,111,379	\$ 758,502	\$ 138,039	\$ 2,007,920

Fund Investment Information

Co-Investment Ventures	Type	Investment Type	Geographic Focus	Ownership	Date Established	Term
Prologis Institutional Alliance Fund II	Core	Consolidated	US	28.2%	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 North American Properties Fund I	Core	Unconsolidated	US	41.3%	June 2000	Closed end
Prologis Targeted U.S. Logistics Fund (A)	Core	Unconsolidated	US	25.0%	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)(B)	Development	Unconsolidated	Brazil	50.0%	December 2010	Closed end
Prologis Targeted Europe Logistics Fund (A)	Core	Unconsolidated	Europe	32.1%	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 (C):

(in thousands)					Prologis' Share			Total Other Tangible Assets (Liabilities)	Prologis Investment In and Advances To
	Square Feet	Third Quarter NOI	Gross Book Value of Operating Buildings	Debt	Third Quarter NOI	Annualized Pro forma NOI	Debt		
Prologis North American Properties Fund I	6,239	\$4,864	\$267,074	\$107,444	\$2,010	\$8,040	\$44,374	\$433	\$32,999
Prologis North American Industrial Fund	48,881	41,426	2,966,444	1,192,165	9,569	38,276	274,913	4,953	212,750
Prologis North American Industrial Fund III	17,655	13,247	1,281,857	648,596	2,650	10,600	129,719	(3,536)	22,775
Prologis Targeted U.S. Logistics Fund	43,039	53,636	4,028,440	1,512,907	13,396	53,584	377,870	(2,050)	653,265
Prologis Mexico Industrial Fund	9,500	8,585	593,662	214,149	1,717	6,868	42,830	1,103	51,562
Prologis SGP Mexico	6,374	10,293	412,035	216,183	2,223	8,892	46,696	(11,149)	34,007
Brazil Fund and related joint ventures	1,846	3,223	166,123	-	161	644	-	3,716	112,497
Americas	133,534	135,274	9,715,635	3,891,444	31,726	126,904	916,402	(6,530)	1,119,855
Prologis European Properties Fund II	53,725	68,778	4,664,683	1,646,943	20,441	81,764	489,471	(19,661)	395,308
Prologis Targeted Europe Logistics Fund	11,416	20,192	1,468,570	639,601	6,490	25,960	205,579	(19,986)	236,415
Europe Logistics Venture I	1,342	1,440	107,386	-	216	864	-	2,068	16,674
Europe	66,483	90,410	6,240,639	2,286,544	27,147	108,588	695,050	(37,579)	648,397
Prologis Japan Fund 1	7,255	24,382	1,701,963	945,827	4,877	19,508	189,165	18,107	165,883
Prologis China Logistics Venture 1	3,749	3,288	228,226	115,000	493	1,972	17,250	3,890	31,599
Asia	11,004	27,670	1,930,189	1,060,827	5,370	21,480	206,415	21,997	197,482
Total	211,021	\$253,354	\$17,886,463	\$7,238,815	\$64,243	\$256,972	\$1,817,867	\$(22,112)	\$1,965,734

(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) 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 and 2012, the Brazil Fund sold 90% of four operating 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 2.5% of the operating properties in the Brazil JVs, which are included in our Owned and Managed operating pool.

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



Private Capital

Fund Operating and Balance Sheet Information

(dollars in thousands)

Third Quarter 2012 Report

	Americas	Europe	Asia	Total
FFO and Net Earnings (Loss) of the Co-Investment Ventures, Aggregated (A)(B)				
For the Three Months Ended September 30, 2012				
Rental income	\$ 184,809	\$ 115,502	\$ 35,957	\$ 336,268
Rental expenses	(47,540)	(23,064)	(8,233)	(78,837)
Net operating income from properties	137,269	92,438	27,724	257,431
Other income (expense), net	6,562	(2,612)	265	4,215
Gain (loss) on dispositions of investments in real estate, impairment charges and early extinguishment of debt, net	(8,280)	4,826	(85)	(3,539)
General and administrative expenses	(7,055)	(12,929)	(5,112)	(25,096)
Interest expense	(59,694)	(24,962)	(5,263)	(89,919)
Current income tax expense	(3,513)	(2,400)	(809)	(6,722)
FFO of the unconsolidated co-investment ventures	65,289	54,361	16,720	136,370
Real estate related depreciation and amortization	(74,165)	(37,804)	(12,060)	(124,029)
Foreign currency exchange and unrealized derivative gains (losses), net	60	(800)	(285)	(1,025)
Loss on dispositions of investments in real estate, net	(8,127)	(6,123)	-	(14,250)
Deferred tax benefit (expense) and other income (expense), net	242	-	(168)	74
Net earnings (loss) of the unconsolidated co-investment ventures	\$ (16,701)	\$ 9,634	\$ 4,207	\$ (2,860)
Prologis' Share of FFO and Net Earnings (Loss) of the Unconsolidated Co-Investment Ventures (A)				
For the Three Months Ended September 30, 2012				
Prologis' share of the co-investment ventures' FFO	\$ 15,183	\$ 16,444	\$ 3,696	\$ 35,323
Interest income	550	8	56	614
FFO from unconsolidated co-investment ventures, net	15,733	16,452	3,752	35,937
Fees earned by Prologis	16,937	9,546	5,131	31,614
Total FFO recognized by Prologis, net	\$ 32,670	\$ 25,998	\$ 8,883	\$ 67,551
Prologis' share of the co-investment ventures' net earnings (loss)	\$ (4,462)	\$ 5,850	\$ 376	\$ 1,764
Interest income	550	8	56	614
Earnings (loss) from unconsolidated co-investment ventures, net	(3,912)	5,858	432	2,378
Fees earned by Prologis	16,937	9,546	5,131	31,614
Total earnings recognized by Prologis, net	\$ 13,025	\$ 15,404	\$ 5,563	\$ 33,992
Condensed Balance Sheet of the Unconsolidated Co-Investment Ventures, Aggregated (A)(B)				
As of September 30, 2012				
Operating industrial properties, before depreciation	\$ 9,715,634	\$ 6,240,639	\$ 1,930,190	\$ 17,886,463
Accumulated depreciation	(995,809)	(444,198)	(75,907)	(1,515,914)
Properties under development and land	131,513	20,064	32,453	184,030
Other assets	434,404	438,342	210,897	1,083,643
Total assets	\$ 9,285,742	\$ 6,254,847	\$ 2,097,633	\$ 17,638,222
Third party debt	\$ 3,891,444	2,286,544	1,060,827	\$ 7,238,815
Other liabilities	321,218	528,645	100,864	950,727
Total liabilities	\$ 4,212,662	\$ 2,815,189	\$ 1,161,691	\$ 8,189,542
Weighted average ownership	23.9%	30.0%	19.3%	25.5%

(A) Includes the unconsolidated co-investment ventures listed on the previous page.
 (B) Represents the entire entity, not our proportionate share.



Capitalization

Debt and Equity Summary

(dollars and shares in millions)

Third Quarter 2012 Report

Maturity	Prologis											Prologis Share of Total Debt	Prologis Share (%)	
	Unsecured				Secured		Consolidated		Unconsolidated		Prologis			
	Senior Debt	Convertible Debt	Credit Facilities	Other Debt	Mortgage Debt	Total	Entities Debt	Total Debt	Entities Debt	Total Debt	Total Debt			Total Debt
2012	\$0	\$0	-	\$0	\$9	\$9	\$34	\$43	\$238	\$281	\$98	34.9%		
2013	376	483	-	1	518	1,378	255	1,633	1,516	3,149	1,821	57.8%		
2014	903	-	465	645	1,137	3,150	62	3,212	1,056	4,268	3,457	81.0%		
2015	287	460	744	1	214	1,706	27	1,733	994	2,727	2,007	73.6%		
2016	640	-	-	1	316	957	123	1,080	1,265	2,345	1,282	54.7%		
2017	700	9	-	1	579	1,289	3	1,292	778	2,070	1,459	70.5%		
2018	900	-	-	1	330	1,231	73	1,304	265	1,569	1,310	83.5%		
2019	647	-	-	1	528	1,176	1	1,177	220	1,397	1,241	88.8%		
2020	690	-	-	1	10	701	1	702	408	1,110	801	72.2%		
2021	-	-	-	-	171	171	1	172	333	505	258	51.1%		
Thereafter	-	-	-	10	143	153	1	154	139	293	190	64.8%		
Subtotal	5,143	952	1,209	662	\$3,955	11,921	581	12,502	\$7,212	19,714	13,924	70.6%		
Unamortized net (discounts) premiums	87	(70)	-	-	56	73	3	76	27	103	81	78.6%		
Subtotal	5,230	882	1,209	662	4,011	11,994	584	12,578	7,239	19,817	\$14,005	70.7%		
Third party share of debt	-	-	-	-	-	-	(391)	(391)	(5,421)	(5,812)	-	-		
Prologis share of debt	\$5,230	\$882	\$1,209	\$662	\$4,011	\$11,994	\$193	\$12,187	\$1,818	\$14,005				
Prologis share of debt by local currency														
Dollars	\$4,552	\$882	\$308	\$30	\$1,728	\$7,500	\$160	\$7,660	\$924	\$8,584				
Euro	548	-	235	470	689	1,942	30	1,972	553	2,525				
GBP	-	-	1	-	182	183	-	183	139	322				
Yen	130	-	665	162	1,389	2,346	-	2,346	189	2,535				
Other	-	-	-	-	23	23	3	26	13	39				
Prologis share of debt	\$5,230	\$882	\$1,209	\$662	\$4,011	\$11,994	\$193	\$12,187	\$1,818	\$14,005				
Weighted average interest rate (A)	5.6%	4.6%	1.4%	1.8%	4.0%	4.4%	4.4%	4.4%	4.6%	4.3%				
Weighted average remaining maturity in years	4.6	1.5	2.0	1.8	4.0	3.7	2.5	3.7	3.4	3.7				

Market Equity				Preferred Stock			Liquidity	
Security	Shares	Price	Value	Series	Dividend Rate	Value		
Common Stock	460.1	\$35.03	\$16,117	Series L	6.5%	\$49	Aggregate lender commitments	\$2,179
Partnership Units	3.2	\$35.03	112	Series M	6.8%	58	Less:	
Total	<u>463.3</u>		<u>\$16,229</u>	Series O	7.0%	75	Borrowings outstanding	1,209
				Series P	6.9%	50	Outstanding letters of credit	67
				Series Q	8.5%	100	Current availability	\$903
				Series R	6.8%	125	Unrestricted cash	158
				Series S	6.8%	125	Total liquidity	<u>\$1,061</u>
					<u>7.1%</u>	<u>\$582</u>		

(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

Third Quarter 2012 Report

(dollars in thousands)

Covenants as of September 30, 2012 (A)

	Legacy AMB Indenture		New Prologis Indenture	
	Covenant	Actual	Covenant	Actual
Outstanding indebtedness to adjusted total assets	<60%	40.5%	<60%	40.5%
Fixed charge coverage ratio	>1.5x	2.82x	>1.5x	2.81x
Maximum secured debt to adjusted total assets	<40%	14.8%	<40%	14.8%
Unencumbered assets ratio to unsecured debt	>150%	267.5%	>150%	267.5%
	Global Line			
	Covenant	Actual		
Maximum consolidated leverage to total asset value	<60%	45.0%		
Fixed charge coverage ratio	>1.5x	2.99x		
Unencumbered debt service coverage ratio	>1.5x	3.50x		
Maximum secured debt to total asset value	<35%	16.2%		
Minimum net worth	>\$10.0 billion	\$15.8 billion		

Debt Metrics (A) (B) (C)

	2012	
	Third Quarter	Second Quarter
Debt as % of gross real estate assets	44.7%	44.2%
Secured debt as % of gross real estate assets	19.5%	19.5%
Unencumbered gross real estate assets to unsecured debt	227.1%	227.5%
Fixed charge coverage ratio	2.25x	2.20x
Debt/Core EBITDA	9.00x	8.76x

Encumbrances as of September 30, 2012

	Unencumbered	Encumbered	Total
Consolidated:			
Operating properties	\$ 13,940,332	\$ 9,363,914	\$ 23,304,246
Development portfolio	774,821	-	774,821
Land	1,890,340	34,286	1,924,626
Other real estate investments	457,373	-	457,373
Notes receivable backed by real estate	-	243,979	243,979
Assets held for sale	358,974	17,668	376,642
Total consolidated	17,421,840	9,659,847	27,081,687
Unconsolidated operating properties - Prologis' share	1,002,117	3,545,008	4,547,125
Unconsolidated development portfolio and land - Prologis' share	65,330	5,149	70,479
Gross real estate assets	\$ 18,489,287	\$ 13,210,004	\$ 31,699,291

Secured and Unsecured Debt as of September 30, 2012

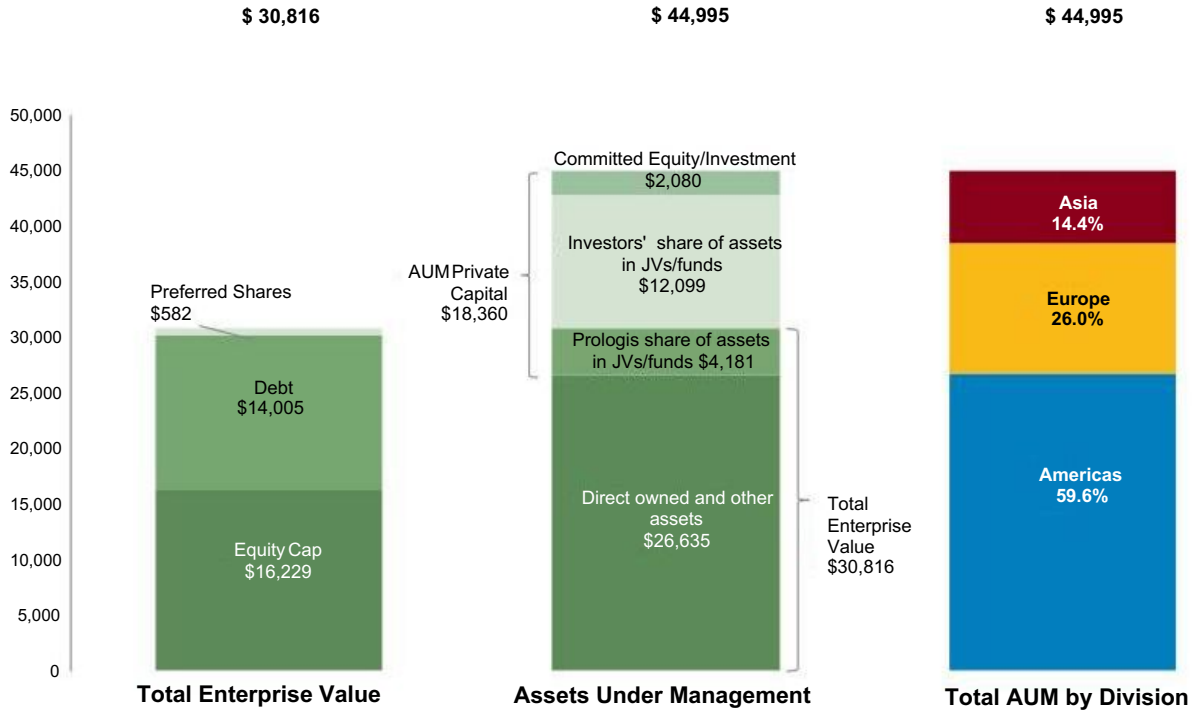
	Unsecured Debt	Secured Mortgage Debt	Total
Prologis debt	\$ 7,966,094	\$ 3,954,580	\$ 11,920,674
Consolidated entities debt	67,937	512,965	580,902
Our share of unconsolidated entities debt	109,033	1,701,638	1,810,671
Total debt - at par	8,143,064	6,169,183	14,312,247
Third party share of consolidated debt	(50,249)	(338,564)	(388,813)
Total Prologis share of debt - at par	8,092,815	5,830,619	13,923,434
Premium (discount) - consolidated	17,613	58,871	76,484
Third party share of premium (discount)	-	(2,015)	(2,015)
Our share of premium (discount) - unconsolidated	-	7,197	7,197
Total debt, net of premium (discount)	\$ 8,110,428	\$ 5,894,672	\$ 14,005,100

(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 entities.

(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)

Third Quarter 2012 Report

Real Estate Operations

	Square Feet	Gross Book Value	GBV per Sq. Ft.	Third Quarter Adjusted Cash NOI (Actual)	Third Quarter Adjusted Cash NOI (Pro Forma)	Annualized Adjusted Cash NOI	Percent Occupied
CONSOLIDATED OPERATING PORTFOLIO							
Properties generating net operating income							
Americas	224,888	\$ 14,592,018	\$ 65	\$ 224,826	\$ 224,826	\$ 899,304	95.9%
Europe	64,190	4,863,985	76	88,238	88,238	352,952	95.4%
Asia	16,218	3,011,911	186	47,145	47,145	188,580	97.6%
Pro forma adjustment for mid-quarter acquisitions/development completions					685	2,740	
Sub-total	305,296	22,467,914	74	360,209	360,894	1,443,576	96.0%
Properties generating net operating loss							
Americas	9,380	490,136	52	(3,609)			46.4%
Europe	4,959	312,350	63	(1,600)			17.6%
Sub-total	14,339	802,486	56	(5,209)			36.5%
Total consolidated portfolio	319,635	\$ 23,270,400	\$ 73	\$ 355,000	\$ 360,894	\$ 1,443,576	93.2%
UNCONSOLIDATED OPERATING PORTFOLIO (Prologis Share)							
Prologis interest in unconsolidated operating portfolio							
Americas	31,699	\$ 2,291,255	\$ 72	\$ 31,217	\$ 31,217	\$ 124,868	92.4%
Europe	19,838	1,874,478	94	29,865	29,865	119,460	94.2%
Asia	2,013	374,626	186	5,463	5,463	21,852	95.4%
Pro forma adjustment for mid-quarter acquisitions/development completions					276	1,104	
Prologis share of unconsolidated operating portfolio	53,550	\$ 4,540,359	\$ 85	\$ 66,545	\$ 66,821	\$ 267,284	93.2%
Total operating portfolio	373,185	\$ 27,810,759	\$ 75	\$ 421,545	\$ 427,715	\$ 1,710,860	93.2%

Development

	Square Feet	Investment Balance	TEI	TEI per Sq Ft.	Annualized Pro Forma NOI	Percent Occupied
CONSOLIDATED						
Prestabilized						
Americas	1,408	\$ 96,462	\$ 113,803	\$ 81	\$ 7,849	34.4%
Europe	1,430	91,092	101,782	71	8,802	7.7%
Asia	2,163	335,082	353,725	164	25,542	40.8%
						29.5%
Properties under development	4,853	70,233	234,836	48	17,424	
Americas	606	21,692	47,443	78	3,284	
Europe	2,551	160,260	435,409	171	32,459	
Asia						
Total consolidated portfolio	13,011	\$ 774,821	\$ 1,286,998	\$ 99	\$ 95,360	
UNCONSOLIDATED (Prologis Share)						
Prologis interest in unconsolidated development portfolio						
Americas	612	\$ 19,485	\$ 54,069	\$ 88	3,305	
Europe	95	6,449	9,464	100	558	
Asia	251	4,277	13,879	55	1,139	
Prologis share of unconsolidated development portfolio	958	\$ 30,211	\$ 77,412	\$ 81	\$ 5,002	
Total development portfolio	13,969	\$ 805,032	\$ 1,364,410	\$ 98	\$ 100,362	

Development Platform (see development and pro rata operating information pages)



Net Asset Value

Components - Continued

(in thousands)

Third Quarter 2012 Report

Balance Sheet and Other Items

	As of September 30, 2012	
CONSOLIDATED		
Other assets		
Cash and cash equivalents	\$	158,188
Restricted cash		172,515
Deposits, prepaid assets and other tangible assets		565,696
Other real estate investments		457,373
Prologis' share of value added operating properties		40,612
Accounts receivable		181,855
Notes receivable backed by real estate		243,979
Prologis receivable from unconsolidated co-investment ventures		16,102
Investments in and advances to other unconsolidated entities		276,341
Assets held for sale, net of liabilities		342,325
Total other assets	\$	2,444,986
Other liabilities		
Accounts payable and other current liabilities		625,873
Deferred income taxes		564,266
Value added tax and other tax liabilities		28,687
Tenant security deposits		184,151
Other liabilities		386,547
Noncontrolling interests		692,772
Total liabilities and noncontrolling interests	\$	2,482,296
UNCONSOLIDATED		
Prologis share of net assets (liabilities)	\$	(22,112)
Land		
		Investment Balance
Our share of original land basis	\$	3,074,359
Current book value of land	\$	1,924,626
Prologis share of book value of land in unconsolidated entities		40,268
Total	\$	1,964,894
Private Capital / Development Management		
	Third Quarter	Annualized
Private capital		
Private capital revenue	\$ 31,714	\$ 126,856
Private capital expenses	(15,730)	(62,920)
Private capital NOI	\$ 15,984	\$ 63,936
Development management income	\$ 1,017	\$ 4,068
Debt and Preferred Stock		
		As of September 30, 2012
Prologis debt - at par	\$	11,920,674
Consolidated investee debt - at par		580,902
Prologis share of unconsolidated debt - at par		1,810,671
Subtotal debt - at par		14,312,247
Preferred stock		582,200
Total debt and preferred stock	\$	14,894,447
Outstanding shares of common stock		460,093

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 2011 equity offering. After completion of the tender offer, we began consolidating PEPR. Subsequently in connection with the liquidation, we have acquired all of the assets and liabilities of PEPR during the third quarter of 2012.

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 September 30, 2012, we had land and 23 operating properties totaling 7.4 million square feet 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 nine months ended September 30, 2012, we recorded a gain of \$17.1 million on the disposition of 113 properties aggregating 14.4 million square feet to third parties. In addition, we recorded impairment charges of \$27.4 million on assets held for sale at September 30, 2012. 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 September 30,		Three Months Ended September 30,	
	2012	2011	2012	2011
Rental income	\$ 11,267	\$ 36,671	\$ 50,830	\$ 86,479
Rental expenses	(2,975)	(9,187)	(13,445)	(22,873)
Depreciation and amortization	(3,674)	(15,256)	(17,335)	(28,387)
Interest expense	-	(325)	(161)	(503)
Income attributable to disposed properties and assets held for sale	\$ 4,618	\$ 11,903	\$ 19,889	\$ 34,716

We include the gains or losses from disposition and impairment charges of land parcels and development properties in the calculation of FFO as defined by Prologis, 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 entities. 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 September 30,		Nine Months Ended September 30,	
	2012(a)	2011	2012	2011(a)
Net earnings (loss)				
Net earnings (loss)	\$ (46,526)	\$ 55,436	\$ 147,767	\$ (142,651)
Noncontrolling interest attributable to exchangeable limited partnership units	-	(485)	935	-
Adjusted net earnings (loss) - Diluted	\$ (46,526)	\$ 54,951	\$ 148,702	\$ (142,651)
Weighted average common shares outstanding - Basic	460,079	458,256	459,720	340,923
Incremental weighted average effect on exchange of limited partnership units	-	3,362	3,260	-
Incremental weighted average effect of stock awards	-	790	1,958	-
Weighted average common shares outstanding - Diluted	460,079	462,408	464,938	340,923
Net earnings (loss) per share - Basic	\$ (0.10)	\$ 0.12	\$ 0.32	\$ (0.42)
Net earnings (loss) per share - Diluted	\$ (0.10)	\$ 0.12	\$ 0.32	\$ (0.42)
FFO, as defined by Prologis				
FFO, as defined by Prologis	\$ 205,891	\$ 207,730	\$ 640,634	\$ 278,071
Noncontrolling interest attributable to exchangeable limited partnership units	(134)	(485)	935	(349)
Interest expense on exchangeable debt assumed converted	4,229	4,114	12,661	-
FFO - Diluted, as defined by Prologis	\$ 209,986	\$ 211,359	\$ 654,230	\$ 277,722
Weighted average common shares outstanding - Basic	460,079	458,256	459,720	340,923
Incremental weighted average effect of exchange of limited partnership units	3,185	3,362	3,260	1,668
Incremental weighted average effect of stock awards	1,882	790	1,958	1,070
Incremental weighted average effect of exchange of certain exchangeable debt	11,879	11,879	11,879	-
Weighted average common shares outstanding - Diluted	477,025	474,287	476,817	343,661
FFO per share - Diluted, as defined by Prologis	\$ 0.44	\$ 0.45	\$ 1.37	\$ 0.81
Core FFO				
Core FFO	\$ 231,962	\$ 206,433	\$ 618,047	\$ 390,502
Noncontrolling interest attributable to exchangeable limited partnership units	(134)	(485)	935	(349)
Interest expense on exchangeable debt assumed converted	4,229	4,114	12,661	12,659
Core FFO - Diluted	\$ 236,057	\$ 210,062	\$ 631,643	\$ 402,812
Weighted average common shares outstanding - Basic	460,079	458,256	459,720	340,923
Incremental weighted average effect of exchange of limited partnership units	3,185	3,362	3,260	1,668
Incremental weighted average effect of stock awards	1,882	790	1,958	1,070
Incremental weighted average effect of exchange of certain exchangeable debt	11,879	11,879	11,879	11,879
Weighted average common shares outstanding - Diluted	477,025	474,287	476,817	355,540
Core FFO per share - Diluted	\$ 0.49	\$ 0.44	\$ 1.32	\$ 1.13

(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.

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 entities.

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 included a pro forma adjustment in Core EBITDA 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 our share of the 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 natural disaster 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.

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 earnings (the primary measure of our performance) and the other required Generally Accepted Accounting Principles ("GAAP") measures of our performance and liquidity, to improve their understanding of our operating results and liquidity, and to make more meaningful comparisons of our performance against other companies. By using 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, 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	
	Sept. 30	June 30
	2012	2012
Debt as a % of gross real estate assets:		
Total debt - at par	\$ 14,312,247	\$ 14,137,793
Less: cash and cash equivalents	(158,188)	(293,631)
Total debt, net of cash	\$ 14,154,059	\$ 13,844,162
Gross real estate assets	\$ 31,699,291	\$ 31,318,125
Debt as a % of gross real estate assets	44.7%	44.2%
Secured debt as a % of gross real estate assets:		
Secured debt - at par	\$ 6,169,183	\$ 6,117,614
Gross real estate assets	\$ 31,699,291	\$ 31,318,125
Secured debt as a % of gross real estate assets	19.5%	19.5%
Unencumbered gross real estate assets to unsecured debt:		
Unencumbered gross real estate assets	\$ 18,489,287	\$ 18,246,262
Unsecured debt - at par	\$ 8,143,064	\$ 8,020,179
Unencumbered gross real estate assets to unsecured debt	227.1%	227.5%
Fixed Charge Coverage ratio:		
Core EBITDA	\$ 393,371	\$ 395,147
Interest expense	\$ 123,161	\$ 128,042
Amortization and write-off of deferred loan costs	(3,902)	(4,175)
Amortization of debt premium (discount), net	9,925	9,753
Capitalized interest	13,488	12,946
Preferred stock dividends	10,305	10,049
Our share of fixed charges from unconsolidated entities	21,552	22,744
Total fixed charges	\$ 174,529	\$ 179,359
Fixed charge coverage ratio	2.25x	2.20x
Debt to Core EBITDA:		
Total debt, net of cash	\$ 14,154,059	\$ 13,844,162
Core EBITDA-annualized	\$ 1,573,484	\$ 1,580,588
Debt to Core EBITDA ratio	9.00x	8.76x

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, 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, along with impairment charges, of previously depreciated properties. We agree that these NAREIT adjustments are useful to investors for the following reasons:

- (i) historical cost accounting for real estate assets in accordance with GAAP assumes, through depreciation charges, that the value of real estate assets diminishes predictably over time. NAREIT stated in its White Paper on FFO "since real estate asset values have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves." Consequently, NAREIT's definition of FFO reflects the fact that real estate, as an asset class, generally appreciates over time and depreciation charges required by GAAP do not reflect the underlying economic realities. REITs were created as a legal form of organization in order to encourage public ownership of real estate as an asset class through investment in firms that were in the business of long-term ownership and management of real estate. The exclusion, in NAREIT's definition of FFO, of gains and losses from the sales, along with impairment charges, of previously depreciated operating real estate assets allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods. We include the gains and losses from dispositions and impairment charges of land and development properties, as well as our proportionate share of the gains and losses from dispositions and impairment charges recognized by our unconsolidated entities, in our definition of FFO.
- (ii)

Our FFO Measures

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

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

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

FFO, as defined by Prologis

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

- (i) deferred income tax benefits and deferred income tax expenses recognized by our subsidiaries;
- (ii) current income tax expense related to acquired tax liabilities that were recorded as deferred tax liabilities in an acquisition, to the extent the expense is offset with a deferred income tax benefit in GAAP earnings that is excluded from our defined FFO measure;
- (iii) foreign currency exchange gains and losses resulting from debt transactions between us and our foreign consolidated subsidiaries and our foreign unconsolidated entities;
- (iv) foreign currency exchange gains and losses from the remeasurement (based on current foreign currency exchange rates) of certain third party debt of our foreign consolidated subsidiaries and our foreign unconsolidated entities; and
- (v) mark-to-market adjustments associated with derivative financial instruments.

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

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

Core FFO

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

- (i) gains or losses from acquisition, contribution or sale of land or development properties;
- (ii) income tax expense related to the sale of investments in real estate;
- (iii) impairment charges recognized related to our investments in real estate (either directly or through our investments in unconsolidated entities) generally as a result of our change in intent to contribute or sell these properties;
- (iv) impairment charges of goodwill and other assets;
- (v) gains or losses from the early extinguishment of debt;
- (vi) merger, acquisition and other integration expenses; and
- (vii) 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 entities 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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Gross G&A expense	\$ 95,486	\$ 94,741	\$ 287,967	\$ 243,373
Reported as rental expense	(9,430)	(7,192)	(26,438)	(17,257)
Reported as private capital expenses	(15,730)	(17,080)	(47,686)	(39,228)
Capitalized amounts	(14,440)	(17,128)	(46,383)	(42,524)
Net G&A	\$ 55,886	\$ 53,341	\$ 167,460	\$ 144,364

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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Gross interest expense	\$ 142,672	\$ 154,123	\$ 437,925	\$ 355,796
Amortization of discount (premium), net	(9,925)	(7,079)	(26,415)	5,910
Amortization of deferred loan costs	3,902	3,572	13,033	16,160
Interest expense before capitalization	136,649	150,616	424,543	377,866
Capitalized amounts	(13,488)	(14,753)	(40,054)	(38,560)
Net interest expense	\$ 123,161	\$ 135,863	\$ 384,489	\$ 339,306

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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Termination, severance and transitional employee costs	\$ 14,757	\$ 11,107	\$ 34,294	\$ 45,444
Professional fees	3,718	909	12,672	42,398
Office closure, travel and other costs	2,184	667	5,607	23,012
Write-off of deferred loan costs	-	-	-	10,869
Total	\$ 20,659	\$ 12,683	\$ 52,573	\$ 121,723

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 a 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 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.

Private Capital NOI represents private capital revenue less private capital expenditures.

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	\$ 479,374
Rental expenses	(130,820)
NOI	348,554
Net termination fees and adjustments (a)	(2,784)
Less: Actual NOI for development portfolio and other	(5,772)
Less: NOI on contributed properties (b)	(36)
	339,962
Straight-lined rents and amortization of lease intangibles (c)	15,038
Third quarter adjusted cash NOI	\$ 355,000

(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, net of free rent amounts, 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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Rental income	\$ 380,710	\$ 335,403	\$ 1,109,262	\$ 684,416
Amortization of lease intangibles	(10,239)	(11,479)	(30,245)	(13,572)
Rental expense recoveries	97,081	89,165	285,469	185,734
Straight-lined rents	11,822	17,194	45,636	36,900
Total	\$ 479,374	\$ 430,283	\$ 1,410,122	\$ 893,478

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 entities"), in our same store analysis. We have defined the same store portfolio, for the quarter ended September 30, 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 entities. 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 ("VAA") 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 ("VAC") 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.