
**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): April 19, 2015

**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))
-
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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 April 19, 2015, Prologis, Inc., the general partner of Prologis, L.P., issued a press release announcing first quarter 2015 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 April 19, 2015, 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.

April 19, 2015

PROLOGIS, INC.

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer

April 19, 2015

PROLOGIS, L.P.,

By: Prologis, Inc., its general partner

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer



FIRST QUARTER 2015

Earnings Release and Supplemental Information

UNAUDITED



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Supplemental 1Q 2015



Prologis Park Prague D1 West DC4, Prague, Czech Republic



Prologis Park Osaka 5, Osaka, Japan



Stapleton Business Center North, Denver, Colorado, USA

Cover: Prologis Park Tres Rios, Mexico City, Mexico

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Prologis Announces First Quarter 2015 Earnings Results

- Core Funds From Operations Per Share Grew 14 Percent Year-Over-Year–
- Rent Change on Rollovers Increased 9.7 Percent–
- Stabilized \$358.2 Million of Development with Estimated Margin of 35.5 Percent –
- Increases Mid-Point of 2015 Core FFO Guidance, excluding KTR Capital Partners transaction –

SAN FRANCISCO (April 19, 2015) – Prologis, Inc. (NYSE: PLD), the global leader in industrial real estate, today reported results for the first quarter 2015.

Core funds from operations (Core FFO) per diluted share was \$0.49 for the first quarter compared with \$0.43 for the same period in 2014.

“We had an excellent start to the year and we continue to deliver growth across our three lines of business,” said Hamid R. Moghadam, chairman and CEO, Prologis. “Generally, market conditions are in great shape, and the scale, quality and diversification of our global platform, combined with solid execution by teams throughout the world, are driving strong financial results.”

STRONG OPERATING PERFORMANCE RESULTING FROM FOCUSED INVESTMENT STRATEGY

Prologis ended the quarter with 95.9 percent occupancy in its operating portfolio, an increase of 140 basis points over the same period in 2014. In the first quarter, the company leased 39.2 million square feet (3.6 million square meters) in its combined operating and development portfolios, which includes 3.9 million square feet (0.4 million square meters) of properties under development. Tenant retention was 86.3 percent.

Rent change on rollovers was positive, with GAAP rental rates on signed leases increasing 9.7 percent. In the U.S., GAAP rental rates on signed leases increased 15.1 percent.

During the first quarter, same store NOI for the owned and managed portfolio increased 3.5 percent on a GAAP basis and 3.9 percent on an adjusted cash basis. On a Prologis' share basis, same store NOI increased 3.7 percent on a GAAP basis and 4.2 percent on an adjusted cash basis.

PROFITABLE CAPITAL DEPLOYMENT

During the first quarter, Prologis invested \$421.0 million (\$278.6 million Prologis' share) at attractive yields.

Value Creation

The company generated \$264.2 million (\$259.3 million Prologis' share) of estimated value creation during the quarter. This includes \$127.2 million (\$122.3 million Prologis' share) of estimated value creation from \$358.2 million (\$331.0 million Prologis' share) of development stabilizations at an estimated development margin of 35.5 percent and \$137.0 million (of which 100% is Prologis' share) of value creation recognized through its value-added conversion program.

“During the quarter we monetized one of our significant value-added conversion projects, said Moghadam. While these projects are episodic, they produce meaningful gains and NAV appreciation as we convert some of our infill industrial properties higher and better use. Through the first quarter of 2015, we have averaged approximately \$50 million annually in gains from our value-add efforts over the last nine years.”

Development Starts

The company started \$280.1 million (\$218.4 million Prologis' share) of new developments with an estimated weighted average yield upon stabilization of 7.1 percent and an estimated development margin of 20.5 percent. Build-to-suits represented 16.5 percent of development starts in the first quarter.

At quarter end, the book value of the company's land bank totaled \$1.8 billion with an estimated build-out potential of \$11.1 billion.

Acquisitions

Prologis acquired \$140.9 million (\$60.2 million Prologis' share) of buildings with a stabilized capitalization rate on Prologis' share of 6.8 percent.

Dispositions and Contributions

Prologis completed \$464.7 million (\$461.6 million Prologis' share) of third-party building dispositions, primarily through its value-added conversion program, and contributions to its co-investment ventures of \$29.6 million (\$20.4 million Prologis' share). Prologis' share of dispositions and contributions had a stabilized capitalization rate of 3.6 percent.

CAPITAL MARKETS ACTIVITY INSULATES EARNINGS AND NAV FROM MOVEMENTS IN FOREIGN CURRENCIES

Prologis completed \$405.2 million of capital markets activity in the quarter and increased its U.S. dollar net equity exposure to 91 percent.

"I am very pleased with our financial position, our balance sheet and credit metrics are as strong as they have ever been," said Tom Olinger, chief financial officer, Prologis. "Additionally, we have effectively hedged the impact of foreign currency movements on our estimated 2015 Core FFO, insulating our earnings and net asset value."

NET EARNINGS

Net earnings per diluted share was \$0.65 for the first quarter compared with \$0.01 for the same period in 2014.

GUIDANCE NARROWED AND MIDPOINT RAISED FOR 2015

Guidance for 2015 does not include any impact from the KTR Capital Partners transaction

Prologis narrowed its 2015 Core FFO guidance range to \$2.07 to \$2.13 per diluted share from \$2.04 to \$2.12 per diluted share representing 12 percent growth at the midpoint compared with full year 2014. The company expects to recognize net earnings, for GAAP purposes, of \$0.98 to \$1.04 per share. This assumes (on an owned and managed basis):

- Year-end occupancy between 95.5 and 96.5 percent
- GAAP same store NOI growth between 3.75 and 4.50 percent
- Development stabilizations between \$1.7 and \$1.9 billion
- Development starts between \$2.3 and \$2.6 billion
- Building acquisitions between \$1.0 and \$1.5 billion
- Contributions to co-investment ventures between \$1.3 and \$1.8 billion
- Third-party dispositions between \$2.1 billion and 2.5 billion
- Strategic capital revenue between \$195 and \$205 million
- Net G&A between \$235 and \$245 million

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 expenses, gains (losses) recognized from real estate transactions and early extinguishment of

debt or redemption of preferred stock, impairment charges, deferred taxes and unrealized gains or losses on foreign currency or derivative activity.

The difference between the company's Core FFO and net earnings guidance for 2015 relates predominantly to real estate depreciation and realized gains or losses on real estate transactions.

NEW WEBCAST & CONFERENCE CALL INFORMATION

Prologis will host a live webcast and conference call with senior management to discuss first quarter results, current market conditions and future outlook on April 20, at 8 a.m. U.S. Eastern time. Interested parties are encouraged to access the webcast by clicking on the Investor Events and Presentations section on the opening page of the Prologis Investor Relations website (<http://ir.prologis.com>). Interested parties also can participate via conference call by dialing +1 877 256 7020 (toll-free from the U.S. and Canada) or +1 973 409 9692 (from all other countries) and entering conference code 48765488.

A telephonic replay will be available April 20-May 20 at +1 855 859 2056 (from the U.S. and Canada) or +1 404 537 3406 (from all other countries) using conference code 48765488. The webcast replay will be posted when available in the "Events & Presentations" section of Investor Relations on the Prologis website.

ABOUT PROLOGIS

Prologis, Inc., is the global leader in industrial real estate. As of March 31, 2015, Prologis owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 594 million square feet (55 million square meters) in 21 countries. The company leases modern distribution facilities to more than 4,700 customers, including third-party logistics providers, transportation companies, retailers and manufacturers.

FORWARD-LOOKING STATEMENTS

The statements in this document that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which 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 properties, disposition activity, general conditions in the geographic areas where we operate, our debt and financial position, our ability to form new co-investment ventures and the availability of capital in existing or new co-investment ventures — are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in financial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions, dispositions and development of properties, (v) maintenance of real estate investment trust (“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 document.

MEDIA CONTACTS

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Highlights

Company Profile

Supplemental 1Q 2015

Prologis, Inc. is the global leader in industrial real estate. As of March 31, 2015, Prologis owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 594 million square feet (55 million square meters) in 21 countries. The company leases modern distribution facilities to more than 4,700 customers, including third-party-logistics providers, transportation companies, retailers and manufacturers.



	AMERICAS (4 countries)	EUROPE (14 countries)	ASIA (3 countries)	TOTAL
Number of operating portfolio buildings	2,101	673	71	2,845
Operating portfolio (msf)	352	157	32	541
Development portfolio (msf)	21	6	13	40
Other (msf) (A)	6	6	1	13
Total (msf)	379	169	46	594
Development portfolio TEB (millions)	\$1,374	\$529	\$1,129	\$3,032
Land (acres)	6,747	2,814	219	9,780
Land book value (millions)	\$1,023	\$547	\$181	\$1,751

Highlights

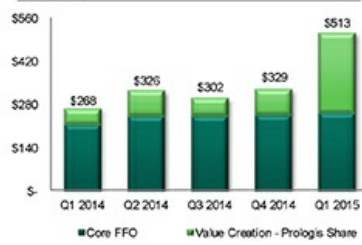
Company Performance

Supplemental 1Q 2015

(dollars in thousands, except per share data)

	Three months ended March 31,	
	2015	2014
Revenues	\$ 452,847	\$ 434,682
Net earnings attributable to common stockholders	345,206	4,666
Core FFO	254,379	217,555
AFFO	212,781	177,465
Adjusted EBITDA	365,996	361,192
Value creation - Prologis share	122,296	50,507
Common stock dividends paid	188,915	166,689
Per common share - diluted:		
Net earnings attributable to common stockholders	\$ 0.65	\$ 0.01
Core FFO	0.49	0.43
Dividends per share	0.36	0.33

Core FFO and Value Creation (A)
(in millions)



Adjusted EBITDA
(in millions)



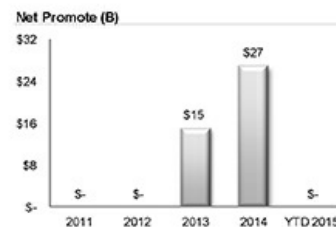
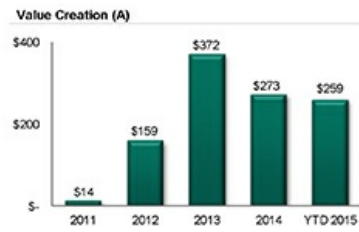
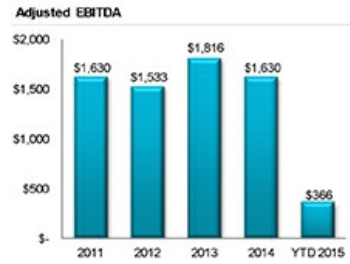
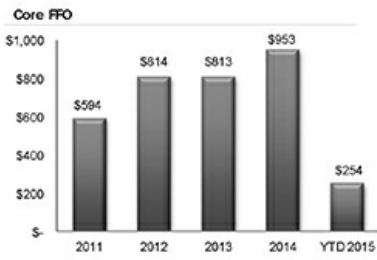
(A) Includes value creation from the stabilization of development buildings and the sale of value-add/ret conversion properties. Value creation in the first quarter of 2015 and fourth quarter of 2014 includes \$137.0 million and \$36.5 million, respectively related to the sale of value-add/ret conversions.

Highlights

Company Performance

(in millions)

Supplemental 1Q 2015



(A) Prologis share. Includes value creation from the stabilization of development buildings and the sale of value-added conversion properties. Value creation in 2012, 2014 and 2015 includes \$11.0 million, \$36.8 million and \$33.2 million, respectively, related to value-added conversions.

(B) Net promote includes actual promote earned from third party investors during the period, net of related cash expenses.

Highlights

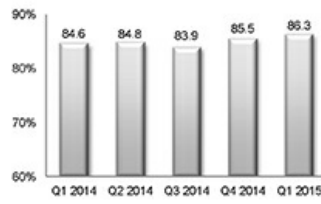
Operating Performance – Owned and Managed

Supplemental 1Q 2015

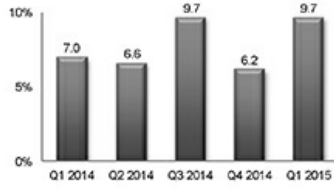
Occupancy



Weighted Average Customer Retention



Net Effective Rent Change (GAAP)



Same Store NOI Change Over Prior Year



Highlights

Guidance

(dollars in millions, except per share)

Supplemental 1Q 2015

2015 Guidance	2015 Guidance	
	Low	High
Net earnings (A)	\$0.98	\$1.04
Core FFO (A)	\$2.07	\$2.13
Operations		
Year-end occupancy	95.5%	96.5%
Same store NOI - GAAP increase	3.75%	4.50%
Capital Deployment		
Development stabilizations (95% Prologis share)	\$1,700	\$1,900
Development starts (80% Prologis share)	\$2,300	\$2,600
Building acquisitions (70% Prologis share)	\$1,000	\$1,500
Building and land dispositions (80% Prologis share)	\$2,100	\$2,500
Building contributions (65% Prologis share)	\$1,300	\$1,800
Strategic Capital		
Strategic capital income	\$195	\$205
Other Assumptions		
General & administrative expenses	\$235	\$245
Realized development gains	\$250	\$300
Annualized first quarter 2015 dividend		\$1.44

Exchange Rates

We have hedged the majority of our estimated 2015 Euro, Sterling and Yen Core FFO, effectively insulating 2015 results from any FX movements. For purposes of capital deployment and other metrics, we assumed effective rates for EUR and JPY of 1.05 (\$/€) and 125 (¥/\$), respectively.

Impact of USD strengthening 10%	2015 Earnings
USD	-
Sterling	(0¢)
Euro	(0¢)
Yen	(0¢)
Other	(0¢)
Total	~(1¢)

(A) The difference between Core FFO and Net Earnings predominately relates to real estate depreciation and gains or losses on real estate transactions and early extinguishment of debt. See the Notes and Definitions for more information.

Financial Information

Consolidated Balance Sheets

(In thousands)

Supplemental 1Q 2015

	March 31, 2015	December 31, 2014
Assets:		
Investments in real estate properties:		
Operating properties	\$ 18,291,593	\$ 18,635,452
Development portfolio	1,452,266	1,473,980
Land	1,535,622	1,577,786
Other real estate investments	521,018	502,927
	<u>21,800,499</u>	<u>22,190,145</u>
Less accumulated depreciation	2,877,478	2,790,781
Net investments in real estate properties	18,923,021	19,399,364
Investments in and advances to unconsolidated entities	4,559,721	4,824,724
Assets held for sale	337,229	43,934
Note receivable backed by real estate	197,500	-
Net investments in real estate	<u>24,017,471</u>	<u>24,268,022</u>
Cash and cash equivalents	192,013	350,692
Other assets	1,251,337	1,199,509
Total assets	\$ 25,460,821	\$ 25,818,223
Liabilities and Equity:		
Liabilities:		
Debt	\$ 8,641,421	\$ 9,380,199
Accounts payable, accrued expenses, and other liabilities	1,028,593	1,254,425
Total liabilities	<u>9,669,014</u>	<u>10,634,624</u>
Equity:		
Stockholders' equity:		
Preferred stock	78,235	78,235
Common stock	5,240	5,095
Additional paid-in capital	19,052,562	18,467,009
Accumulated other comprehensive loss	(701,713)	(600,337)
Distributions in excess of net earnings	(3,819,351)	(3,974,493)
Total stockholders' equity	<u>14,614,973</u>	<u>13,975,509</u>
Noncontrolling interests	1,122,001	1,159,901
Noncontrolling interests - limited partnership unitholders	55,833	48,189
Total equity	<u>15,792,807</u>	<u>15,183,599</u>
Total liabilities and equity	\$ 25,460,821	\$ 25,818,223

Financial Information

Pro-rata Balance Sheet Information

(in thousands)

Supplemental 1Q 2015

Pro-rata Balance Sheet Information as of March 31, 2015	Prologis Consolidated	Less Non Controlling Interests	Plus Prologis Share of Unconsolidated Co-investment Ventures	Prologis Total Share	Investors' Share of		Total Owned and Managed
					Unconsolidated Ventures	Consolidated Ventures	
Assets:							
Investments in real-estate properties:							
Operating properties	\$ 18,291,593	\$ (1,397,377)	\$ 6,754,147	\$ 23,648,363	\$ 14,498,276	\$ 1,397,377	\$ 39,544,016
Other real estate and assets held for sale	3,846,135	(31,493)	149,063	3,963,705	423,376	31,493	4,418,574
Accumulated depreciation	(2,877,478)	59,718	(497,298)	(3,315,058)	(1,079,477)	(59,718)	(4,454,253)
Net investments in real estate properties	19,260,250	(1,369,152)	6,405,912	24,297,010	13,842,175	1,369,152	39,508,337
Investments in unconsolidated co-investment ventures	4,381,650	(96,173)	(4,325,477)	-	-	56,173	56,173
Investments in other unconsolidated ventures	178,071	(8,796)	-	-	-	8,796	178,071
Other assets	1,640,850	(190,184)	88,025	1,538,691	2,308,908	190,184	4,037,753
Total assets	\$ 26,460,821	\$ (1,624,306)	\$ 2,168,460	\$ 26,004,976	\$ 16,161,083	\$ 1,624,306	\$ 43,780,364
Liabilities and Equity:							
Liabilities:							
Debt	\$ 8,641,421	\$ (406,726)	\$ 1,754,659	\$ 9,989,354	\$ 4,542,519	\$ 406,726	\$ 14,938,599
Other liabilities	1,026,593	(39,745)	413,801	1,400,649	757,420	39,745	2,197,814
Total liabilities	9,668,014	(446,471)	2,168,460	11,390,003	5,299,939	446,471	17,136,413
Equity:							
Stockholders' / partners' equity	14,614,973	-	-	14,614,973	10,851,144	1,177,834	26,643,951
Noncontrolling interests	1,177,834	(1,177,834)	-	-	-	-	-
Total equity	15,792,807	(1,177,834)	-	14,614,973	10,851,144	1,177,834	26,643,951
Total liabilities and equity	\$ 26,460,821	\$ (1,624,306)	\$ 2,168,460	\$ 26,004,976	\$ 16,161,083	\$ 1,624,306	\$ 43,780,364

Financial Information
Consolidated Statements of Operations

(In thousands, except per share amounts)

Supplemental 1Q 2015

	Three Months Ended	
	2015	2014
Revenues:		
Rental income	\$ 418,802	\$ 388,240
Strategic capital income	42,025	45,310
Development management and other income	2,020	1,132
Total revenues	462,847	434,682
Expenses:		
Rental expenses	126,934	110,517
Strategic capital expenses	20,361	24,163
General and administrative expenses	56,288	63,223
Depreciation and amortization	169,800	160,200
Other expenses	5,575	5,053
Total expenses	378,966	363,216
Operating income	83,881	71,466
Other income (expense):		
Earnings from unconsolidated entities, net	31,042	29,746
Interest expense	(68,761)	(65,523)
Gains on dispositions of development properties and land, net	831	7,510
Gains on dispositions of other investments in real estate properties, net	276,864	9,545
Foreign currency and derivative gains (losses), related amortization and interest and other income (expense), net	45,615	(14,134)
Gains (losses) on early extinguishment of debt, net	(16,289)	273
Total other income (expense)	269,322	(52,583)
Earnings before income taxes	353,203	18,883
Income tax expense - current and deferred	(1,891)	(6,830)
Consolidated net earnings	351,312	12,053
Net earnings attributable to noncontrolling interests	(4,436)	(5,202)
Net earnings attributable to controlling interests	346,876	6,851
Referred stock dividends	(1,670)	(2,135)
Net earnings attributable to common stockholders	\$ 345,206	\$ 4,716
Weighted average common shares outstanding - Diluted	529,022	604,373
Net earnings per share attributable to common stockholders - Diluted	\$ 0.65	\$ 0.01

Financial Information

Reconciliations of Net Earnings (Loss) to FFO

(In thousands)

Supplemental 1Q 2015

	Three Months Ended	
	March 31,	
	2015	2014
Reconciliation of net earnings to FFO		
Net earnings attributable to common stockholders	\$ 345,205	\$ 4,695
Add (deduct) NAREIT defined adjustments:		
Real estate related depreciation and amortization	164,251	154,495
Gains on dispositions of other investments in real estate properties, net	(276,884)	(9,545)
Reconciling items related to noncontrolling interests	(11,513)	(6,201)
Our share of reconciling items included in earnings from unconsolidated co-investment ventures	47,372	41,716
Our share of reconciling items included in earnings from other unconsolidated ventures	1,721	1,350
Subtotal-NAREIT defined FFO	270,154	186,481
Add (deduct) our defined adjustments:		
Unrealized foreign currency and derivative losses (gains) and related amortization, net	(32,860)	28,110
Deferred income tax expense	1,052	1,031
Reconciling items related to noncontrolling interests	(1,568)	-
Our share of reconciling items included in earnings from unconsolidated co-investment ventures	1,949	229
FFO, as defined by Prologis	238,727	216,851
Adjustments to arrive at Core FFO:		
Gains on dispositions of development properties and land, net of taxes	(3,234)	(6,158)
Acquisition expenses	1,304	500
Losses (gains) on early extinguishment of debt, net	16,289	(273)
Reconciling items related to noncontrolling interests	(2,029)	-
Our share of reconciling items from unconsolidated ventures	3,322	7,635
Core FFO	\$ 254,379	\$ 217,555
Adjustments to arrive at Adjusted FFO ("AFFO"), including our share of unconsolidated ventures less third party share of consolidated entities:		
Gains on dispositions of development properties and land, net of taxes	4,249	6,112
Straight-lined rents and amortization of lease intangibles	(7,685)	(8,570)
Property improvements	(14,938)	(11,142)
Tenant improvements	(20,398)	(20,072)
Leasing commissions	(14,336)	(15,567)
Amortization of management contracts	944	1,305
Amortization of debt premiums and financing costs, net	(3,909)	(2,209)
Cash received (paid) on net investment hedges	1,457	(5,126)
Stock compensation expense	13,234	15,235
AFFO	\$ 212,781	\$ 177,465
Common stock dividends	\$ 168,915	\$ 166,689

Financial Information

Pro-rata Operating Information and Reconciliation to FFO

(In thousands)

Supplemental 1Q 2015

Pro-rata Operating Information for Three Months Ended March 31, 2015	Prologis Consolidated	Less Non Controlling Interests	Plus Prologis Share of Unconsolidated Co-Investment Ventures	Prologis Total Share	Investors' Share of		Total Owned and Managed
					Unconsolidated Ventures	Consolidated Ventures	
Revenues:							
Rental income	\$ 418,802	\$ (31,636)	\$ 147,878	\$ 535,044	\$ 304,767	\$ 31,636	\$ 871,447
Strategic capital income	42,025	-	303	42,328	308	-	42,636
Development management and other income	2,020	(453)	-	1,567	-	453	2,020
Total revenues	462,847	(32,089)	148,181	578,939	305,075	32,089	916,123
Expenses:							
Rental expenses	126,034	(9,368)	33,844	151,410	72,652	9,368	233,430
Strategic capital expenses	20,361	-	-	20,361	-	-	20,361
General and administrative expenses	56,208	(1,257)	10,368	65,329	20,072	1,257	87,558
Depreciation and amortization	169,806	(11,402)	47,307	205,693	98,719	11,402	315,834
Other expenses	5,575	-	3,196	8,771	4,203	-	12,974
Total expenses	378,986	(22,027)	94,945	451,834	196,246	22,027	670,157
Operating income	83,861	(10,012)	53,236	127,105	108,829	10,012	245,946
Earnings from unconsolidated co-investment ventures, net	30,236	(436)	(29,797)	-	-	439	439
Earnings from other unconsolidated joint ventures, net	806	-	806	806	-	-	806
Interest expense	(69,765)	2,629	(16,402)	(82,534)	(36,064)	(2,629)	(124,227)
Gains on dispositions of development properties and land, net	831	60	(60)	831	(164)	(60)	567
Gains on dispositions of other investments in real estate, net	276,884	-	(1,014)	275,870	(967)	-	274,903
Foreign currency and derivative gains (losses), related amortization and other income (expense), net	46,615	1,729	(1,729)	46,615	(445)	(1,729)	44,441
Losses on early extinguishment of debt, net	(19,269)	-	(342)	(19,611)	(1,448)	-	(21,059)
Income tax expense	(1,051)	1,567	(3,856)	(4,190)	(5,769)	(1,567)	(11,526)
Consolidated net earnings	251,312	(4,436)	-	346,876	60,452	4,436	411,764
Net earnings attributable to noncontrolling interests	(4,436)	4,436	-	-	-	-	-
Preferred stock dividends	(1,620)	-	-	(1,620)	-	-	(1,620)
Net earnings attributable to common stockholders	245,250	-	-	345,256	60,452	4,436	410,094
Add (deduct) adjustments to arrive at FFO, as defined by Prologis:							
Real estate related depreciation and amortization	164,254	(11,452)	47,307	200,109	98,719	11,452	310,277
Gains on dispositions of investments in real estate, net	(276,884)	(60)	60	(276,870)	164	60	(276,646)
Unrealized foreign currency and derivative losses (gains) and related amortization, net	(32,860)	(1,625)	1,896	(32,589)	1,155	1,625	(29,809)
Deferred income tax expense	1,052	57	53	1,162	256	(57)	1,423
Reconciling items related to noncontrolling interests	(13,080)	13,080	-	-	-	-	-
Our share of reconciling items included in earnings from unconsolidated co-investment ventures	49,321	-	(49,321)	-	-	-	-
Our share of reconciling items included in earnings from other unconsolidated ventures	1,721	-	-	1,721	-	-	1,721
FFO, as defined by Prologis	238,727	-	-	238,727	160,808	17,516	417,051
Adjustments to arrive at Core FFO:							
Gains on dispositions of development properties and land, net	(3,234)	(2,029)	1,014	(4,249)	97	2,029	(1,253)
Acquisition expenses	1,304	-	1,966	3,270	3,834	-	7,104
Losses on early extinguishment of debt, net	16,269	-	342	16,611	1,448	-	18,059
Reconciling items related to noncontrolling interests	(2,029)	2,029	-	-	-	-	-
Our share of reconciling items unconsolidated co-investment ventures	3,322	-	(3,322)	-	-	-	-
Core FFO	\$ 254,379	\$ -	\$ -	\$ 254,379	\$ 167,097	\$ 19,545	\$ 440,981

Financial Information

EBITDA Reconciliation

(In thousands)

Supplemental 1Q 2015

	Three Months Ended	
	March 31,	
	2015	2014
Reconciliation of net earnings to Adjusted EBITDA		
Net earnings attributable to common stockholders	\$ 345,206	\$ 4,666
Gain on dispositions of other investments in real estate properties, net	(276,854)	(9,545)
Depreciation and amortization	169,828	160,280
Interest expense	68,701	85,523
Losses (gains) on early extinguishment of debt, net	16,289	(273)
Current and deferred income tax expense, net	1,891	6,880
Pro forma adjustments	740	492
Referred stock dividends	1,670	2,135
Unrealized foreign currency and derivative losses (gains) and related amortization, net	(32,660)	28,110
Stock compensation expense	13,234	15,238
Acquisition expenses	1,304	500
Adjusted EBITDA, consolidated	309,189	294,006
Our share of reconciling items from unconsolidated entities less third party share of consolidated entities:		
Loss (gains) on dispositions of other investments in real estate properties, net	5	(9,217)
Depreciation and amortization	38,161	45,585
Interest expense	13,773	17,251
Losses (gains) on early extinguishment of debt, net	342	(640)
Current income tax expense	2,189	5,448
Unrealized foreign currency and derivative losses and deferred income tax expense, net	381	229
Acquisition expenses	1,906	8,230
Adjusted EBITDA	\$ 366,996	\$ 361,192

Co-Investment Ventures (A)	Type	Established	Accounting Method	Region	Ownership	Structure	Next Promote Opportunity
Americas:							
Prologis U.S. Logistics Venture	Core	2014	Consolidated	US	55.0%	Open end	Q4 2016 (C)
Prologis North American Industrial Fund	Core	2006	Consolidated	US	66.1%	Open end	Q1 2018 (C)
Prologis Targeted U.S. Logistics Fund	Core	2004	Unconsolidated	US	24.4%	Open end	Q2 2017 (C)
FBRA Prologis	Core	2014	Unconsolidated	Mexico	45.9%	Public, Mexican Exchange	Q2 2015 (D)
Brazil Fund and joint ventures (B)	Development	2010	Unconsolidated	Brazil	various	Closed end	Q4 2017 (E)
Europe:							
Prologis Targeted Europe Logistics Fund	Core	2007	Unconsolidated	Europe	43.0%	Open end	Q3 2016 (C)
Prologis European Properties Fund II	Core	2007	Unconsolidated	Europe	31.2%	Open end	Q3 2016 (C)
Europe Logistics Venture I	Core	2011	Unconsolidated	Europe	15.0%	Open end	Q4 2015 (C)
Prologis European Logistics Partners	Core	2013	Unconsolidated	Europe	50.0%	Open end	Q4 2015 (C)
Asia:							
Nippon Prologis REIT	Core	2013	Unconsolidated	Japan	15.1%	Public, Tokyo Exchange	n/a
Prologis China Logistics Venture	Core/Development	2011	Unconsolidated	China	15.0%	Closed end	Q1 2018

Unconsolidated Co-Investment Ventures (F): (in thousands)	GBV of Operating			Prologis Share		Prologis Investment
	Sq Ft	Bldgs	Debt	Debt	Net Tangible Other Assets	
Prologis Targeted U.S. Logistics Fund	50,659	\$ 4,627,800	\$ 1,578,357	\$ 384,818	\$ 14,495	\$ 704,844
FBRA Prologis (G)	31,362	1,762,656	676,372	310,252	71,245	592,306
Brazil Fund and joint ventures	5,574	362,364	-	-	15,549	204,496
Americas	87,595	6,753,120	2,254,729	695,070	101,289	1,501,646
Prologis Targeted Europe Logistics Fund	16,291	1,674,273	420,258	180,879	32,498	426,969
Prologis European Properties Fund II	70,746	5,072,015	1,852,143	577,128	44,832	409,560
Europe Logistics Venture I	5,257	359,589	-	-	601	49,217
Prologis European Logistics Partners	57,959	3,696,326	99,204	49,602	21,528	1,645,107
Europe	150,243	10,802,203	2,371,605	807,609	99,459	2,530,853
Nippon Prologis REIT (G)	20,913	3,381,148	1,353,323	204,352	20,065	294,404
Prologis China Logistics Venture	5,482	315,952	317,521	47,626	7,044	54,747
Asia	26,395	3,697,100	1,670,844	251,980	27,109	349,151
Total	264,233	\$ 21,252,423	\$ 6,297,178	\$ 1,744,659	\$ 227,857	\$ 4,381,650

- (A) The information presented excludes the co-investment venture Prologis D/G Fund I due to the investment size of the venture.
- (B) We have a 50% ownership interest in Prologis Brazil Logistics Partners Fund I (Brazil Fund I), a consolidated co-investment venture. The Brazil Fund in turn has an ownership interest in various joint ventures that are accounted for on the equity method. We also have other Brazil joint ventures that we account for using the equity method. Prologis' share in these Brazil entities is reflected at our effective economic ownership.
- (C) Promote opportunity is every three years.
- (D) Promote opportunity is every year.
- (E) We have an opportunity to earn a promote, at the end of the term of the fund, based on the performance of the Brazil Fund only. We do not have a promote opportunity in any of the other Brazil joint ventures.
- (F) Values represent Prologis' equity share and may not be comparable to values reflected in the ventures' stand alone financial statements concluded on a different basis.
- (G) Throughout this document, we use the most recent public information for these co-investment ventures.

Strategic Capital

Operating and Balance Sheet Information

(dollars in thousands)

Supplemental 1Q 2015

	Americas	Europe	Asia	Total
FFO and Net Earnings of the Unconsolidated Co-Investment Ventures, Aggregated (A)(B)				
For the Three Months Ended March 31, 2015				
Rental income	\$ 150,014	\$ 234,713	\$ 67,918	\$ 452,645
Rental expenses	(37,931)	(53,681)	(14,684)	(106,296)
Net operating income from properties	112,083	180,932	53,234	346,149
Other income (expense), net	847	(1,636)	187	(602)
General and administrative expenses	(11,602)	(12,768)	(6,900)	(31,270)
Interest expense	(24,531)	(24,086)	(6,849)	(55,466)
Current income tax expense	(1,060)	(7,639)	(615)	(9,314)
Core FFO	76,737	134,703	39,057	249,497
Acquisition expenses, gains on dispositions of development properties and land and early extinguishment of debt, net	(2,315)	(5,662)	(1,584)	(9,571)
FFO, as defined by Prologis	74,422	129,041	37,463	239,926
Real estate related depreciation and amortization	(52,420)	(77,878)	(15,728)	(146,026)
Gains on dispositions of other investments in real estate, net	(233)	(16)	-	(249)
Unrealized foreign currency and derivative gains (losses), net	(4,869)	163	1,655	(3,051)
Deferred tax expense, net	-	(351)	-	(351)
Net earnings	\$ 16,900	\$ 60,959	\$ 23,390	\$ 90,249
Prologis' Share of Core FFO and Net Earnings of the Unconsolidated Co-Investment Ventures (A)				
For the Three Months Ended March 31, 2015				
Core FFO from unconsolidated co-investment ventures, net	\$ 23,785	\$ 53,225	\$ 5,009	\$ 82,019
Fees earned by Prologis	14,361	18,393	8,549	41,303
Total Core FFO recognized by Prologis, net	\$ 38,146	\$ 71,618	\$ 14,418	\$ 124,182
Prologis' share of the unconsolidated co-investment ventures' net earnings	\$ 4,798	\$ 21,508	\$ 3,930	\$ 30,236
Fees earned by Prologis	14,361	18,393	8,549	41,303
Total earnings recognized by Prologis, net	\$ 19,159	\$ 39,901	\$ 12,479	\$ 71,539
Condensed Balance Sheet of the Unconsolidated Co-Investment Ventures, Aggregated (A)(B)				
As of March 31, 2015				
Operating industrial properties, before depreciation	\$ 6,753,120	\$ 10,802,203	\$ 3,697,100	\$ 21,252,423
Accumulated depreciation	(504,966)	(952,793)	(118,996)	(1,576,755)
Properties under development and land	198,777	42,265	331,397	572,439
Other assets	442,406	610,764	234,041	1,287,211
Total assets	\$ 6,889,317	\$ 10,802,439	\$ 4,143,542	\$ 21,635,299
Third party debt	\$ 2,254,729	\$ 2,371,605	\$ 1,670,844	\$ 6,297,178
Other liabilities	131,234	847,063	192,924	1,171,221
Total liabilities	\$ 2,385,963	\$ 3,218,668	\$ 1,863,768	\$ 7,468,399
Weighted average ownership	31.0%	38.7%	16.0%	31.8%

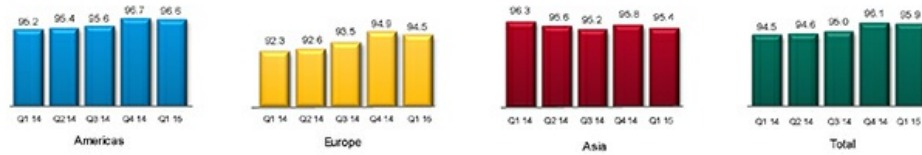
(A) Includes the unconsolidated co-investment ventures listed on the previous page.
 (B) Represents the entire entity, not our proportionate share.

Operations Overview

Operating Metrics – Owned and Managed

Supplemental 1Q 2015

Period Ending Occupancy by Division (%)



Leasing Activity

(square feet in thousands)

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Square feet of leases signed:					
Operating portfolio:					
Renewals	23,307	20,108	24,596	21,075	26,893
New leases	8,292	8,908	12,254	11,754	8,468
Total operating portfolio	31,599	29,016	36,850	32,869	35,361
Properties under development	2,130	2,352	3,938	8,878	3,870
Total square feet of leases signed	33,729	31,368	40,788	41,747	39,231
Average term of leases signed (months)	40	45	45	60	42
Operating Portfolio:					
Trailing four quarters - leases signed	135,271	130,426	136,438	130,334	134,096
Trailing four quarters - % of average portfolio	25.7%	24.6%	25.7%	24.4%	25.0%
Net effective rent change (GAAP)	7.0%	6.6%	9.7%	6.2%	9.7%

Operations Overview

Operating Metrics – Owned and Managed

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

Supplemental 1Q 2015

Capital Expenditures Incurred

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Property improvements	\$ 19,347	\$ 25,690	\$ 45,615	\$ 49,516	\$ 23,713
Tenant improvements	27,208	28,570	30,569	30,501	28,932
Leasing commissions	20,378	19,143	22,152	27,453	21,355
Total turnover costs	47,595	47,713	52,751	58,074	50,317
Total capital expenditures	\$ 66,933	\$ 73,833	\$ 98,368	\$ 107,590	\$ 74,030
Trailing four quarters - % of gross NOI	14.4%	13.5%	13.7%	13.6%	14.0%
Weighted average ownership percent	69.9%	66.7%	73.7%	71.4%	67.1%
Prologis share	\$ 46,774	\$ 48,982	\$ 72,465	\$ 76,862	\$ 49,658

Same Store Information

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Square feet of population	505,644	496,858	490,614	497,240	511,717
Average occupancy	94.1%	94.2%	94.7%	95.4%	95.7%
Percentage change:					
Rental income	1.5%	3.1%	2.9%	4.7%	4.5%
Rental expenses	(2.1%)	1.3%	0.9%	5.2%	7.0%
NOI - GAAP	3.0%	3.6%	3.7%	4.1%	3.5%
NOI - Adjusted Cash	4.1%	5.3%	4.0%	4.6%	3.9%
Average occupancy	1.3%	1.1%	1.2%	1.2%	2.0%

Turnover Costs: per Square Foot (\$) and per Value of Lease (%)



Property Improvements per Square Foot



Operations Overview

Operating Portfolio – Square Feet, Occupied and Leased

(square feet in thousands)

Supplemental 1Q 2015

	# of Buildings	Square Feet			Occupied %		Leased %		
		Owned and Managed	Owned and Managed	Prologis Share % of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	
Global Markets									
U.S.									
Atlanta	68	4,343	11,758	82.3	3.4	94.3	95.4	94.9	95.6
Baltimore/Washington	66	8,073	5,975	73.3	17	95.4	95.7	95.4	95.7
Central Valley	25	10,866	9,308	91.3	2.7	100.0	100.0	100.0	100.0
Central & Eastern PA	30	4,925	11,252	75.4	3.2	96.1	95.3	96.1	95.3
Chicago	205	35,288	28,775	81.5	8.2	97.2	98.1	97.2	98.1
Dallas/Ft. Worth	65	24,664	20,844	84.5	6.0	98.1	98.3	98.1	98.3
Houston	97	2,027	8,561	71.2	2.4	98.9	98.8	98.9	98.8
New Jersey/New York City	140	22,003	9,291	77.4	4.9	96.9	97.0	97.1	97.1
San Francisco Bay Area	200	9,810	4,586	82.8	4.2	96.9	97.4	97.0	97.6
Seattle	82	9,923	5,261	49.1	15	97.3	98.0	97.6	98.2
South Florida	92	10,844	7,831	72.2	2.2	96.7	96.0	97.4	96.6
Southern California	308	59,097	48,597	82.2	5.9	96.0	95.9	97.5	97.4
Canada	21	7,065	6,492	91.9	1.9	98.1	97.9	99.2	99.1
Mexico									
Guadalajara	25	5,872	2,726	46.4	0.8	95.9	96.9	96.9	96.9
Mexico City	47	13,011	5,306	40.9	15	96.6	96.8	96.6	96.8
Monterrey	24	3,413	1,566	45.9	0.4	97.4	97.4	97.4	97.4
Brazil	15	5,574	944	16.9	0.3	92.6	90.8	92.6	90.8
Americas total	1,640	272,988	207,015	75.8	59.2	96.8	97.0	97.2	97.4
Europe									
Belgium	12	2,497	1,251	50.1	0.4	91.8	88.4	91.8	88.4
Czech Republic	39	7,918	3,345	42.3	10	94.4	93.9	94.4	93.9
France	111	32,259	14,318	44.4	4.1	93.4	93.2	94.0	93.4
Germany	97	20,910	7,771	37.2	2.2	97.4	97.4	97.8	97.9
Italy	32	9,455	4,962	52.5	14	87.0	77.8	87.0	77.8
Netherlands	67	4,655	5,714	39.0	16	95.8	95.1	95.9	95.2
Poland	104	23,356	10,365	44.5	2.9	92.8	93.2	93.5	93.7
Spain	30	8,191	3,974	48.5	11	85.8	88.2	88.2	89.8
United Kingdom	51	22,120	9,957	45.0	2.9	99.3	99.5	99.3	99.5
Europe total	603	141,566	61,450	43.5	17.6	94.2	93.3	94.7	93.8
Asia									
China	34	7,807	3,147	40.3	0.9	91.2	85.8	91.2	85.8
Japan	32	22,875	5,120	22.4	14	96.7	90.8	97.3	92.8
Singapore	5	959	959	100.0	0.3	100.0	100.0	100.0	100.0
Asia total	71	31,641	9,226	29.2	2.6	95.4	90.1	95.9	91.2
Total global markets	2,314	445,995	277,689	62.3	79.4	95.9	95.9	96.3	96.4
Regional markets (A)									
Columbus	27	8,545	7,680	89.9	2.2	95.0	94.5	95.5	95.0
Dover	27	4,491	4,822	93.1	12	99.8	99.8	99.8	99.8
San Antonio	50	5,606	4,581	81.9	14	94.9	94.8	97.4	97.6
Orlando	33	3,895	3,310	85.1	0.9	96.6	96.0	97.0	96.5
Cincinnati	23	5,899	4,784	81.1	14	99.7	99.7	99.7	99.7
Remaining other regional (5 markets)	347	61,983	42,507	68.5	2.2	96.0	95.8	96.2	95.9
Regional markets total	507	89,629	67,447	75.3	19.3	96.3	96.1	96.7	96.5
Other markets (9 markets)	24	6,354	4,359	68.6	1.5	94.1	94.1	94.1	94.1
Total operating portfolio - owned and managed	2,845	540,978	349,526	64.6	100.0	95.9	95.9	96.4	96.4

Operations Overview

Operating Portfolio – NOI and Gross Book Value

(dollars in thousands)

Supplemental 1Q 2015

	First Quarter NOI				Gross Book Value			
	Owned and Managed	Prologis Share (A)	% of Total	% of Total	Owned and Managed	Prologis Share	% of Total	% of Total
	(\$)	(\$)	(%)	(%)	(\$)	(\$)	(%)	(%)
Global Markets								
U.S.								
Atlanta	\$ 10,011	\$ 8,110	80.1	2.2	\$ 656,654	\$ 501,865	76.3	2.2
Baltimore/Washington	10,349	7,631	73.4	2.1	709,235	513,033	72.3	2.2
Central Valley	10,074	9,265	92.0	2.6	568,657	533,666	93.8	2.2
Central & Eastern PA	10,658	9,902	72.9	2.7	928,025	682,834	73.6	2.9
Chicago	25,203	9,892	78.9	5.5	2,103,380	1,651,977	78.5	6.9
Dallas/Ft. Worth	9,454	11,667	79.5	4.3	1,299,190	998,183	79.3	4.2
Houston	13,030	9,023	69.2	2.5	781,158	487,931	61.1	2.0
New Jersey/New York City	27,323	20,058	73.4	5.5	1,695,523	1,339,310	78.1	5.9
San Francisco Bay Area	25,491	20,932	82.1	5.8	1,580,691	1,311,325	83.0	5.8
Seattle	11,399	6,897	47.9	1.9	1,048,581	511,808	48.8	2.2
South Florida	11,435	11,000	71.3	3.0	1,098,720	825,030	75.1	3.5
Southern California	69,030	56,685	82.7	8.3	5,321,526	4,289,783	80.6	18.0
Canada	7,924	7,205	90.9	2.0	584,334	529,799	90.7	2.2
Mexico								
Guadalajara	3,761	3,103	48.3	0.9	316,927	147,288	46.5	0.8
Mexico City	13,900	7,393	52.8	2.0	738,860	350,425	47.4	1.5
Monterrey	4,370	2,005	45.9	0.6	399,889	181,680	45.4	0.4
Brazil	10,650	1,520	14.0	0.4	362,383	57,052	15.7	0.2
Americas total	297,990	215,181	72.3	59.3	20,327,986	14,937,605	73.5	62.9
Europe								
Belgium	2,741	1,333	48.6	0.4	69,071	30,021	43.5	0.3
Czech Republic	8,029	3,345	41.7	0.9	488,166	191,083	39.1	0.8
France	33,921	14,504	42.9	4.0	2,061,091	895,530	43.4	3.8
Germany	27,236	9,093	33.4	2.8	1,906,976	601,691	31.6	2.9
Italy	7,419	3,410	46.0	0.9	461,880	244,178	52.9	1.0
Netherlands	9,100	7,396	81.3	2.0	1,048,816	821,047	78.3	1.9
Poland	20,846	6,888	32.9	2.5	1,372,384	458,605	33.4	2.2
Spain	7,828	3,938	50.3	1.1	612,112	306,328	49.9	1.1
United Kingdom	47,065	21,142	44.9	5.8	2,777,521	1,238,180	44.6	5.2
Europe total	173,815	74,160	42.7	20.4	10,318,056	4,336,260	41.6	18.5
Asia								
China	6,545	1,599	24.4	0.4	365,105	126,546	34.6	0.5
Japan	49,207	8,870	18.0	2.4	3,605,893	705,293	19.6	3.2
Singapore	2,300	2,300	100.0	0.7	105,008	105,008	100.0	0.8
Asia total	58,052	12,769	22.0	3.5	4,146,106	1,636,847	39.5	4.3
Total global markets	529,378	397,110	75.0	83.2	34,812,178	25,380,847	73.0	85.7
Regional markets (8)								
Coimbatore	5,038	4,416	87.7	1.2	208,343	170,237	81.8	1.1
Denver	4,140	3,850	93.0	1.1	272,484	254,562	93.4	1.1
San Antonio	4,905	4,347	88.6	1.2	236,210	225,463	95.4	0.9
Orlando	3,649	3,028	83.0	0.8	292,741	224,047	76.6	0.9
Cincinnati	4,624	3,922	84.8	1.1	256,588	202,322	78.9	0.9
Remaining other regional (16 markets)	56,437	37,226	66.0	6.3	3,248,255	2,023,200	62.3	8.5
Regional markets total	79,894	56,788	71.1	15.7	4,394,431	3,119,851	71.0	13.4
Other markets (9 markets)	5,597	4,164	74.4	1.1	282,852	206,094	73.2	0.9
Total operating portfolio - owned and managed	\$ 614,869	\$ 367,064	59.7	10.0	\$ 39,489,461	\$ 23,786,792	59.8	10.0

Operations Overview

Operating Portfolio – Summary by Division

(square feet and dollars in thousands)

Supplemental 1Q 2015

	# of Buildings		Square Feet		% of Total	Occupied %		Leased %	
	Owned and Managed	Owned and Managed	Prologis Share \$ sq ft	%		Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Consolidated									
Americas	1,513	264,886	243,671	92.0	89.7	96.9	96.9	97.3	97.3
Europe	49	12,233	12,233	100.0	3.5	86.9	86.9	86.9	86.9
Asia	18	5,246	5,246	100.0	1.5	84.3	84.3	85.1	85.1
Total operating portfolio - consolidated	1,580	282,377	261,150	92.5	74.7	96.2	96.2	96.7	96.6
Unconsolidated									
Americas	588	86,865	27,480	31.6	7.9	95.8	95.6	95.0	95.8
Europe	624	145,341	55,915	39.2	16.3	95.2	94.9	95.7	95.4
Asia	53	26,355	3,550	15.1	1.1	97.6	97.6	97.8	97.8
Total operating portfolio - unconsolidated	1,265	288,601	88,375	34.2	25.3	96.6	95.3	95.0	95.6
Total									
Americas	2,101	351,763	271,151	77.1	77.8	96.6	96.8	97.0	97.2
Europe	673	157,574	69,148	43.9	19.8	94.5	93.5	95.0	93.9
Asia	71	31,641	9,226	29.2	2.6	95.4	90.1	95.9	91.2
Total operating portfolio - owned and managed	2,845	540,978	349,525	64.6	100.0	96.9	95.9	96.4	96.4
Value added properties - consolidated	1	164	164	100.0		100.0	100.0	100.0	100.0
Value added properties - unconsolidated	35	5,532	2,095	37.2		52.3	53.0	53.1	53.7
Total owned and managed	2,881	546,774	351,784	64.3		96.6	95.7	95.9	96.1
	First Quarter NOI				Gross Book Value				
	Owned and Managed	Prologis Share (A)	% of Total	% of Total	Owned and Managed	Prologis Share	% of Total	% of Total	
Consolidated									
Americas	\$256,361	\$235,266	91.8	64.8	\$17,391,843	\$15,064,496	92.0	67.1	
Europe	11,930	11,930	100.0	3.3	706,324	706,324	100.0	3.0	
Asia	4,722	4,722	100.0	1.3	489,036	489,036	100.0	2.0	
Total operating portfolio - consolidated	\$273,013	\$251,918	92.3	69.4	\$18,537,203	\$17,139,826	92.5	72.1	
Unconsolidated									
Americas	\$109,492	\$33,315	30.4	9.2	\$6,703,455	\$1,580,351	29.5	8.3	
Europe	178,233	89,784	39.2	19.2	10,551,703	4,106,659	38.9	17.3	
Asia	53,331	8,047	15.1	2.2	3,697,100	557,946	15.1	2.3	
Total operating portfolio - unconsolidated	\$341,056	\$111,146	32.6	30.6	\$20,952,258	\$6,644,956	31.7	27.9	
Total									
Americas	\$365,853	\$288,581	73.4	74.0	\$24,095,298	\$17,644,817	74.6	75.4	
Europe	190,163	81,714	43.0	22.5	11,258,027	4,814,993	42.8	20.3	
Asia	58,053	12,769	22.0	3.5	4,186,136	1,026,982	24.7	4.3	
Total operating portfolio - owned and managed	\$614,069	\$363,064	59.1	100.0	\$39,489,461	\$23,786,792	60.2	100.0	
Value added properties - consolidated	29	29	100.0		7,212	7,212	100.0		
Value added properties - unconsolidated	2,019	753	37.3		300,165	107,181	35.7		
Total owned and managed	\$616,117	\$363,846	59.1		\$39,796,838	\$23,901,186	60.1		

(A) Prologis share of NOI for the properties that were contributed to or acquired from the co-investment ventures is included at our actual share prior to and subsequent to the change in ownership.

Operations Overview

Customer Information – Owned and Managed

(square feet and dollars in thousands)

Supplemental 1Q 2015

Top Customers

	% of Net Effective Rent	Total Square Feet
1 DHL	2.0	9,842
2 CEVA Logistics	1.4	7,227
3 Kuehne + Nagel	1.4	6,348
4 Geodis	1.2	6,515
5 Amazon.com	1.0	4,440
6 Home Depot	0.9	4,177
7 Nippon Express Group	0.9	2,839
8 Wal-Mart Stores	0.7	4,820
9 Tesco	0.7	3,172
10 FedEx Corporation	0.7	2,447
Top 10 Customers	10.9	51,827
11 United States Government	0.7	1,291
12 DB Schenker	0.7	3,616
13 PepsiCo	0.6	3,939
14 Hitachi	0.6	1,872
15 LG	0.6	2,994
16 Ingram Micro	0.5	2,959
17 UPS	0.5	2,626
18 ND Logistics	0.5	3,064
19 Bayerische Motoren Werke AG (BMW)	0.5	2,274
20 Panalpina	0.5	2,031
21 La Poste	0.4	1,619
22 Rhenus AG & CO KG	0.4	2,034
23 UTI	0.4	2,184
24 Schneider Electric	0.4	1,487
25 DSV Air and Sea	0.4	1,753
Top 25 Customers	18.6	87,570

Lease Expirations - Operating Portfolio - Owned and Managed

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2015 remaining	48,939	\$ 241,781	9.3	4.97
2016	102,902	485,178	18.7	4.77
2017	101,961	508,017	19.6	5.00
2018	74,995	379,876	14.7	5.08
2019	54,393	286,432	11.0	5.28
Thereafter	125,963	693,073	26.7	5.61
	509,153	\$ 2,594,357	100.0	5.14
Month to month		9,788		
Total	518,941			

Lease Expirations - Operating Portfolio - Prologis Share

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2015 remaining	35,152	\$ 160,276	10.3	4.59
2016	65,652	285,441	18.4	4.38
2017	64,590	300,042	19.3	4.66
2018	47,246	227,782	14.6	4.84
2019	37,876	184,319	11.9	4.88
Thereafter	78,006	395,722	25.5	5.19
	328,522	\$ 1,553,582	100.0	4.77
Month to month		6,812		
Total	335,334			

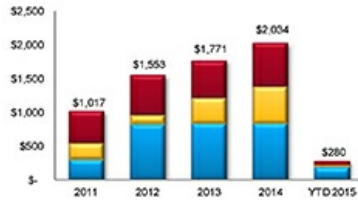
Capital Deployment

Overview – Owned and Managed

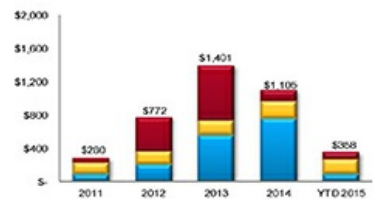
(In millions)

Supplemental 1Q 2015

Development Starts (TEI)

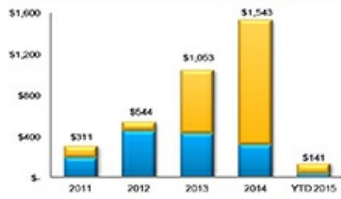


Development Stabilizations

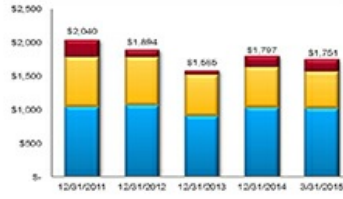


Value Creation	2011	2012	2013	2014	YTD 2015
Value Creation	\$26	\$184	\$426	\$285	\$127

Building Acquisitions



Land Portfolio



■ Americas ■ Europe ■ Asia

Capital Deployment

Value Creation from Development Stabilization

(square feet and dollars in thousands)

Supplemental 1Q 2015

	Q1 2015				
	Square Feet	Leased % at Start	Owned and Managed	TB Prologis Share (\$)	Prologis Share (%)
Americas					
U.S.					
Central	157	0.0	\$ 9,117	\$ 9,117	100.0
East	332	0.0	29,291	29,291	100.0
Northeast	-	-	-	-	-
Southwest	145	30.5	15,415	15,415	100.0
Canada	-	-	-	-	-
Mexico	221	0.0	14,211	14,211	100.0
Brazil	311	0.0	21,692	10,846	50.0
Americas total	1,166	3.8	89,726	78,890	87.9
Europe					
Northern					
Southern	262	100.0	15,948	7,974	50.0
Central	544	17.7	23,568	23,568	100.0
United Kingdom	1,006	92.7	142,113	142,113	100.0
Europe total	1,812	71.1	181,629	173,655	95.6
Asia					
Japan					
China	247	0.0	76,960	76,960	100.0
	202	0.0	9,633	1,415	15.0
Asia total	449	0.0	86,593	78,375	90.4
Total	4,617	34.8	\$ 358,088	\$ 331,080	92.4
Weighted average estimated stabilized yield					
Pro forma NOI					
Weighted average estimated cap rate at stabilization					
Estimated value creation					
Estimated development margin					
Prologis share of estimated value creation (\$)			\$122,286		
Prologis share of estimated value creation (%)			36.1%		

Capital Deployment

Development Starts

(square feet and dollars in thousands)

Supplemental 1Q 2015

	Q1 2015				
	Leased % at Start	Owned and Managed	TB		
	Prologis Share (%)	Prologis Share (\$)	Prologis Share (\$)	Prologis Share (%)	
Americas					
U.S.					
Central	1,000	36.1	\$ 64,880	\$ 64,880	100.0
East	-	-	-	-	-
Northwest	647	0.0	63,577	63,577	100.0
Southwest	635	0.0	65,053	65,053	100.0
Canada	-	-	-	-	-
Mexico	-	-	-	-	-
Brazil	-	-	-	-	-
Americas total	2,562	16.1	193,510	193,510	100.0
Europe					
Northern	287	100.0	14,752	4,597	31.2
Southern	-	-	-	-	-
Central	296	68.8	11,145	11,145	100.0
United Kingdom	-	-	-	-	-
Europe total	583	84.1	25,897	15,742	60.8
Asia					
Japan	-	-	-	-	-
China	957	0.0	60,738	9,111	15.0
Asia total	957	0.0	60,738	9,111	15.0
Total	4,104	22.8	\$ 280,145	\$ 218,363	77.9
Weighted average estimated stabilized yield			7.1%		
Pro forma NOI			\$19,003		
Weighted average estimated cap rate at stabilization			5.9%		
Estimated value creation			\$57,505		
Estimated development margin			20.5%		
Prologis share of estimated value creation (\$)			\$46,029		
Prologis share of estimated value creation (%)			80.1%		
% BTS (based on Prologis share)			16.5%		

Capital Deployment Development Portfolio

(square feet and dollars in thousands)

Supplemental 1Q 2015

	Pre-stabilized Developments				Under Development						Total Development Portfolio					
	T/E I				2015 Expected Completion			2016 and There after Expected Completion			T/E I					
	Leased Sq Ft	Owned and Managed %	Prologis Share	Prologis Share	Sq Ft	Owned and Managed	Prologis Share	Sq Ft	Owned and Managed	Prologis Share	Sq Ft	Leased %	Owned and Managed	Prologis Share (\$)	Prologis Share (%)	
Americas																
U.S.																
Central	1,175	45.9	\$61,788	\$61,788	2,340	\$138,700	\$138,700	-	\$-	\$-	3,523	54.7	\$199,888	\$199,888	100.0	
East	1,611	28.5	154,114	154,114	4,874	202,716	202,716	-	-	-	6,435	57.6	416,832	416,832	100.0	
Southwest	1,003	79.3	61,300	61,300	1,640	127,174	127,174	-	-	-	2,651	30.9	188,524	188,524	100.0	
Southeast	406	48.3	51,987	51,987	1,921	139,502	139,502	240	18,484	18,484	2,970	68.7	208,983	208,983	100.0	
Canada	591	0.0	49,644	49,644	637	50,979	50,979	-	-	-	1,198	10.1	100,619	100,619	100.0	
Mexico	562	28.1	35,814	35,814	1,802	115,614	109,871	-	-	-	2,384	27.9	151,438	145,665	96.2	
Brazil	851	80.9	49,038	11,290	-	-	-	1,071	67,284	30,642	1,722	92.8	126,322	41,902	39.6	
Americas total	6,302	55.3	456,755	425,957	13,180	854,003	828,340	1,311	79,778	49,138	20,853	50.5	1,373,566	1,300,433	94.9	
Europe																
Northern	242	67.7	21,647	17,841	1,509	86,391	76,235	-	-	-	1,751	73.2	128,038	94,075	87.1	
Southern	-	-	-	-	1,524	71,890	71,890	-	-	-	1,524	100.0	71,890	71,890	100.0	
Central	519	37.9	31,868	31,868	1,100	54,508	54,508	-	-	-	1,627	74.5	86,376	85,375	100.0	
United Kingdom	669	0.0	84,371	84,371	1,251	178,840	153,333	-	-	-	1,940	48.2	253,217	237,704	93.9	
Europe total	1,490	24.9	137,896	134,002	4,392	391,641	355,972	-	-	-	6,342	70.2	629,627	490,052	92.5	
Asia																
Japan	1,792	39.3	216,541	216,541	1,731	206,568	206,568	1,789	243,890	243,890	5,292	26.1	666,999	666,999	100.0	
China	1,723	17.5	66,009	13,021	3,099	206,961	31,044	2,759	168,239	25,235	7,591	9.5	462,009	69,300	15.0	
Asia total	3,515	28.6	300,350	229,562	4,830	413,529	237,612	4,538	412,129	269,125	12,883	16.3	1,129,008	736,299	65.2	
Total	11,327	40.3	\$900,971	\$789,559	22,992	\$1,639,203	\$1,421,924	5,849	\$491,907	\$318,261	40,078	42.6	\$3,032,131	\$2,529,784	83.4	
Cost to complete			\$ 78,433	\$ 68,396		\$ 727,790	\$ 643,547		\$ 337,329	\$ 238,538		\$ 1,143,561	\$ 940,483			
Percent build to suit (based on Prologis share)				0.5%			42.2%			9.6%				25.0%		
Weighted average estimated stabilized yield			7.3%			6.9%			11.2%				7.2%			
Americas																
Europe																
Asia																
Total																
Pro forma ICD														\$ 216,258		
Weighted average estimated cap rate at stabilization														9.8%		
Estimated value creation														\$ 657,904		
Estimated development margin														21.7%		
Prologis share of estimated value creation														\$ 625,319		
Prologis share of estimated value creation														95.0%		

Capital Deployment

Third Party Building Acquisitions

(square feet and dollars in thousands)

Supplemental 1Q 2015

	Q1 2015				
	Square Feet	Prologis Share of Square Feet	Owned and Managed Acquisition Cost	Prologis Share of Acquisition Cost (\$)	Prologis Share of Acquisition Cost (%)
Third Party Building Acquisitions					
Americas					
Prologis wholly owned	181	181	\$ 21,132	\$ 21,132	100.0
Prologis Targeted US Logistics Fund	136	41	22,868	5,578	24.4
Total Americas	317	222	44,000	26,710	60.7
Europe					
Prologis Targeted Europe Logistics Fund	747	322	27,938	12,021	43.0
Prologis European Properties Fund I	1,300	405	68,871	21,438	31.2
Total Europe	2,047	727	96,809	33,459	34.6
Total Third Party Building Acquisitions	2,402	949	\$ 140,809	\$ 60,200	42.7
Weighted average stabilized cap rate					6.9%

Capital Deployment

Dispositions and Contributions

(square feet and dollars in thousands)

Supplemental 1Q 2015

	Square Feet	Prologis Share of Square Feet	Q1 2015		
			Owned and Managed Total Proceeds	Prologis Share of Proceeds (\$)	Prologis Share of Proceeds (%) ^(A)
Third Party Building Dispositions					
Americas					
Prologis wholly owned (B)	2,359	2,359	\$ 455,424	\$ 455,424	100.0
Prologis 100% American Industrial Fund	334	221	9,507	6,156	65.1
Total Americas	2,693	2,580	464,931	461,580	99.3
Europe					
Total Europe	-	-	-	-	-
Asia					
Total Asia	-	-	-	-	-
Total Third Party Building Dispositions	2,693	2,580	\$ 464,931	\$ 461,580	99.3
Building Contributions to Co-Investment Ventures					
Americas					
Total Americas	-	-	-	-	-
Europe					
Prologis European Properties Fund I	507	507	\$ 20,643	\$ 20,407	69.8
Total Europe	507	507	20,643	20,407	69.8
Asia					
Total Asia	-	-	-	-	-
Total Contributions to Co-Investment Ventures	507	507	\$ 20,643	\$ 20,407	69.8
Total Building Dispositions and Contributions	3,200	3,087	\$ 485,574	\$ 481,987	97.5
Land Dispositions			24,641	21,315	85.8
Other real estate dispositions			14,397	14,397	100.0
Grand Total Dispositions and Contributions			\$ 524,612	\$ 518,109	97.0
Weighted average stabilized cap rate on building dispositions and contributions					3.6%

(A) For contributions, this amount reflects total proceeds to Prologis, net of units received for partial consideration.
 (B) Activity in the first quarter of 2015 includes a previous announced sale under our value added conversion program.

Capital Deployment

Land Portfolio – Owned and Managed

(square feet and dollars in thousands)

Supplemental 1Q 2015

Land by Market	Acres			Current Book Value				
	Owned and Managed	Prologis Share Acres (%)	Estimated Build Out (sq ft)	Owned and Managed	Prologis Share (\$)(%)	% of Total		
Global markets								
U.S.								
Atlanta	473	473	100.0	6,708	\$ 23,037	\$ 23,037	100.0	14
Baltimore/Washington	39	39	100.0	400	1,568	1,568	100.0	0.1
Central Valley	1,195	1,195	100.0	22,854	67,930	67,930	100.0	4.2
Central & Eastern PA	188	188	100.0	2,474	26,852	26,852	100.0	1.7
Chicago	473	473	100.0	8,909	26,754	26,754	100.0	1.7
Dallas/Ft. Worth	498	498	100.0	8,309	41,275	41,275	100.0	2.6
Houston	70	70	100.0	112	8,899	8,899	100.0	0.5
New Jersey/New York City	148	148	100.0	2,356	69,243	69,243	100.0	4.3
South Florida	361	361	100.0	6,361	83,007	83,007	100.0	11.4
Southern California	633	633	100.0	9,399	10,173	10,173	100.0	6.4
Canada	91	91	100.0	3,281	44,907	44,907	100.0	2.8
Mexico								
Guadalajara	50	50	100.0	1,066	11,893	11,893	100.0	0.7
Mexico City	301	301	100.0	5,661	18,489	18,489	100.0	7.5
Monterrey	172	166	96.5	2,866	32,243	31,577	97.9	2.0
Brazil	834	799	95.8	10,992	183,923	183,922	100.0	3.9
Americas total	6,317	4,927	92.7	95,037	902,811	820,111	90.8	61.2
Belgium	27	27	100.0	526	9,216	8,808	95.6	0.6
Czech Republic	218	218	100.0	3,522	37,279	37,279	100.0	2.3
France	449	387	86.4	8,386	71,020	63,952	89.9	4.0
Germany	55	54	98.1	1,611	8,392	10,102	94.4	0.7
Italy	91	79	86.8	2,053	20,569	18,188	78.6	1.0
Netherlands	55	56	100.0	1,538	42,519	42,519	100.0	2.7
Poland	69	69	100.0	1,902	65,746	65,746	100.0	4.1
Spain	107	18	16.8	2,871	23,639	9,271	39.2	1.2
United Kingdom	609	609	100.0	9,491	202,695	202,695	100.0	8.7
Europe total	2,264	2,177	96.2	41,972	485,481	469,440	96.5	29.3
China	63	38	60.3	4,871	63,228	14,486	22.9	0.9
Japan	66	66	100.0	3,504	18,033	18,033	100.0	7.4
Asia total	129	104	80.6	8,375	81,261	32,519	39.9	8.3
Total global markets	7,800	7,208	92.4	144,784	1,669,553	1,421,070	85.2	88.8
Regional markets (A)								
Hungary	335	335	100.0	5,604	31,445	31,445	100.0	2.0
Orlando	12	12	100.0	176	29,514	29,514	100.0	1.6
Vancouver	107	107	100.0	2,692	14,687	14,687	100.0	0.9
Slovakia	97	84	86.6	2,211	8,752	12,247	89.1	0.8
Rybinsk	196	196	100.0	3,490	12,221	12,221	100.0	0.7
Remaining other regional (11 markets)	150	150	100.0	2,688	47,657	47,657	100.0	2.5
Total regional markets	1,487	1,454	97.8	25,813	137,676	135,171	98.2	8.5
Total other markets (S markets)	613	613	100.0	8,554	43,415	43,415	100.0	2.7
Total land portfolio - owned and managed	9,780	9,175	93.8	178,851	\$ 1,750,644	\$ 1,600,656	91.4	100.0
Original Cost Basis					\$ 2,464,982	\$ 2,309,518		

Capital Deployment

Land Portfolio – Summary and Roll Forward

(dollars in thousands)

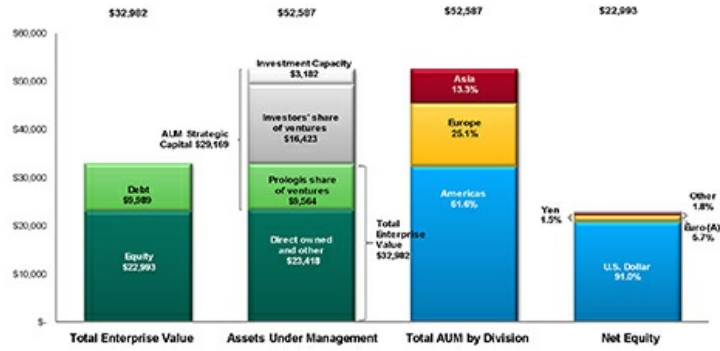
Supplemental 1Q 2015

Land Portfolio Summary	Acres			Current Book Value			
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total	
Americas							
U.S.							
Central	1,336	1,336	14.6	\$ 90,868	\$ 90,868	5.7	
East	1,733	1,732	18.9	357,414	357,414	22.3	
Northwest	1,258	1,258	13.7	78,733	78,733	4.9	
Southwest	725	725	7.9	111,131	111,131	6.9	
Canada	171	171	1.9	44,907	44,907	2.8	
Mexico	850	884	9.6	195,856	194,991	12.2	
Brazil	634	250	2.7	143,931	61,897	3.9	
Total Americas	6,747	6,356	69.3	1,022,640	939,941	58.7	
Europe							
Central	1,359	1,346	14.7	153,972	152,466	9.5	
Northern	169	166	1.8	74,442	73,345	4.6	
Southern	677	594	6.5	115,334	99,390	6.2	
United Kingdom	609	609	6.6	202,995	202,995	12.7	
Total Europe	2,814	2,715	29.6	546,743	528,196	33.0	
Asia							
China	153	38	0.4	63,228	14,486	0.9	
Japan	66	66	0.7	118,033	118,033	7.4	
Total Asia	219	104	1.1	181,261	132,519	8.3	
Total land portfolio - owned and managed	9,780	9,175	100.0	\$ 1,750,644	\$ 1,600,656	100.0	
Estimated Build Out (in TB)				\$ 11,100,000			
Land Roll Forward - Owned and Managed				Americas	Europe	Asia	Total
As of December 31, 2014				\$ 1,037,598	\$ 604,661	\$ 155,109	\$ 1,797,368
Acquisitions				55,798	2,454	39,889	98,141
Dispositions				(13,225)	(6,975)	-	(20,200)
Development starts				(51,187)	(4,053)	(14,613)	(69,853)
Infrastructure costs				31,438	7,100	1,776	40,314
Effect of changes in foreign exchange rates and other				(37,782)	(56,444)	(900)	(95,126)
As of March 31, 2015				\$ 1,022,640	\$ 546,743	\$ 181,261	\$ 1,750,644

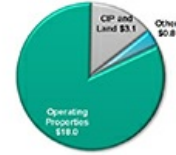
Capitalization Overview

Supplemental 1Q 2015

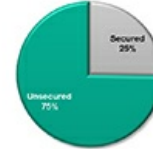
Assets Under Management (in millions)



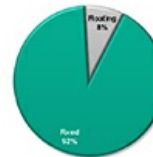
Unencumbered Assets-Prologis Share (in billions)



Secured & Unsecured Debt-Prologis Share



Fixed vs. Floating Debt-Prologis Share



Debt Metrics (B)

	2015		2014	
	First Quarter	Fourth Quarter	First Quarter	Fourth Quarter
Debt as % of gross real estate assets	34.4%	30.5%	33.9%	30.5%
Secured debt as % of gross real estate assets	8.9%	10.2%	8.9%	10.2%
Unencumbered gross real estate assets to unsecured debt	263.2%	270.5%	263.2%	270.5%
Fixed charge coverage ratio	3.93x	3.68x	3.93x	3.68x
Fixed charge coverage ratio, excluding development gains (C)	3.55x	3.30x	3.55x	3.30x
Debt/Adjusted EBITDA	5.70x	6.13x	5.70x	6.13x
Debt/Adjusted EBITDA, excluding development gains (C)	6.38x	6.84x	6.38x	6.84x

Investment Ratings at March 31, 2015 (D)

Moody's	Baa1 (Outlook Stable)
Standard & Poor's	BBD+ (Outlook Stable)

(A) This includes the currencies in Europe in which we operate, predominantly Euro and GBP.
 (B) These calculations are included in the notes and Definitions section, and are not calculated in accordance with the applicable SEC rules.
 (C) Prologis share of gains or dispositions of development properties for the 12 months ended March 31, 2015 and December 31, 2014 was \$158.8 million and \$173.8 million, respectively.
 (D) A securities rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time by the rating organization.

Capitalization

Debt Summary

(dollars in millions)

Supplemental 1Q 2015

Maturity	Prologis										Prologis Share		
	Unsecured					Total	Consolidated Entities	Total Consolidated	Unconsolidated Entities (A)	Total	(\$)	% Maturing	Wtd. Avg. Interest Rate (B)
	Senior	Exchangeable	Credit Facilities (A)	Other (A)	Secured Mortgage								
2016	\$-	\$-	\$-	\$1	\$9	\$20	\$10	\$12	\$55	\$647	\$217	2.2	3.2%
2016	-	-	-	1	160	161	447	608	890	1,438	744	7.5	3.8%
2017	378	-	-	1	5	384	206	590	311	901	646	6.6	4.3%
2018	262	-	65	1	111	439	166	605	1,357	1,962	921	9.3	3.4%
2019	693	-	-	539	265	1,507	1	1,518	891	2,209	1,717	17.3	3.5%
2020	1,015	-	-	1	6	1,022	86	1,108	887	2,095	1,374	15.8	3.2%
2021	900	-	-	342	11	853	1	854	853	1,707	1,074	10.8	3.0%
2022	753	-	-	1	7	761	1	762	629	1,391	921	9.3	3.1%
2023	850	-	-	1	7	858	1	859	16	975	876	8.8	4.2%
2024	753	-	-	1	129	883	1	884	25	909	888	8.9	4.0%
2025	-	-	-	1	-	1	1	2	-	2	2	-	4.9%
Thereafter	558	-	-	5	-	543	3	546	-	546	546	5.5	3.0%
Subtotal	5,740	-	65	895	749	7,449	1,128	8,577	6,244	14,821	9,924	100.0	
Unamortized net premiums (discounts)	(8)	-	-	-	11	3	20	23	33	56	53		
Subtotal	5,732	-	65	895	751	7,443	1,198	8,641	6,297	14,938	9,989		3.5%
Third party share of debt	-	-	-	-	-	-	(407)	(407)	(4,542)	(4,949)			
Prologis share of debt	\$5,732	\$-	\$65	\$895	\$751	\$7,443	\$791	\$8,234	\$1,755	\$9,989			

Prologis share of debt by local currency (C)

	Total	Investment Hedged (C)	Total Prologis Share
Dollars	\$2,976	\$-	\$2,976
Euro	2,672	-	2,672
GBP	-	-	-
Yen	64	-	64
Other	-	-	-
Prologis share of debt	\$5,732	\$-	\$5,732

	3.6%	1.1%	1.5%	6.9%	3.6%	2.5%	3.5%	3.4%	3.5%
Weighted average GAAP interest rate (D)									
Weighted average remaining maturity in years	6.6	3.1	5.1	4.6	6.2	2.5	5.9	3.6	5.5

Near Term Maturities	Prologis Share of Debt	Wtd Avg Interest Rate	Liquidity
Q2 2015	\$00	3.4%	Aggregate lender commitments- credit facilities
Q3 2015	94	2.5%	Less:
Q4 2015	63	4.1%	Borrowings outstanding
Q1 2016	35	3.5%	Outstanding letters of credit
Total next 12 months	\$192	3.5%	Current availability- credit facilities
			Multi-currency term loan net availability
			Unrestricted cash
			Total liquidity

- (A) For any balances outstanding, the maturity date for the global senior credit facility, multi-currency term loan (Prologis share \$205.0 million) and certain unconsolidated entity debt (Prologis share \$21.3 million) is reflected at the extended maturity date if the extension is at the entity's option.
- (B) Interest rate is based on the effective rate but it includes the amortization of related premiums and (discount) lessening the net premium (discount) associated with the respective debt were included in the maturities by year.
- (C) We hedge the net assets of certain international subsidiaries using foreign currency forward contracts that are accounted for as net investment hedges and economically reduce our exposure to fluctuations in foreign currency rates. The effect is to convert all exchange (U.S. dollar) denominated debt into foreign currency denominated debt as reflected in the table under "Investment Hedged." See also page 15 for our net equity exposure by currency.
- (D) Interest rate is based on the effective rate and weighted based on borrowings outstanding.

Capitalization

Debt Covenants and Other Metrics

(dollars in thousands)

Supplemental 1Q 2015

Covenants as of March 31, 2015 (A)

	Indenture (B)		Global Line	
	Covenant	Actual	Covenant	Actual
Leverage ratio	<60%	30.2%	<60%	31.1%
Fixed charge coverage ratio	>1.5x	5.06x	>1.5x	4.60x
Secured debt leverage ratio	<40%	6.6%	<40%	6.9%
Unencumbered asset to unsecured debt ratio	>150%	294.8%	NA	NA
Unencumbered debt service coverage ratio	NA	NA	>150%	653.7%

Encumbrances as of March 31, 2015

	Unencumbered	Encumbered	Total
Consolidated operating properties	\$ 14,211,047	\$ 4,080,546	\$ 18,291,593
Consolidated development portfolio and land	2,974,576	13,312	2,987,888
Consolidated other investments in real estate and assets held for sale	845,450	12,797	858,247
Total consolidated	18,031,073	4,106,655	22,137,728
Less: third party share of investments in real estate	754,763	674,107	1,428,870
Total consolidated - Prologis share	17,276,310	3,432,548	20,708,858
Unconsolidated operating properties - Prologis share	4,493,834	2,260,313	6,754,147
Unconsolidated development portfolio and land - Prologis share	142,488	6,575	149,063
Gross real estate assets - Prologis share	\$ 21,912,632	\$ 5,699,436	\$ 27,612,068

Secured and Unsecured Debt as of March 31, 2015

	Unsecured Debt	Secured Mortgage Debt	Total
Prologis debt	\$ 6,700,126	\$ 740,128	\$ 7,440,254
Consolidated entities debt	-	1,128,557	1,128,557
Our share of unconsolidated entities debt	772,748	967,588	1,740,336
Total debt - at par	7,472,874	2,836,273	10,309,147
Less: third party share of consolidated debt	-	(383,107)	(383,107)
Total Prologis share of debt - at par	7,472,874	2,453,166	9,926,040
Premium (discount) - consolidated	(8,195)	80,805	72,610
Less: third party share of consolidated debt discount (premium)	-	(23,619)	(23,619)
Our share of premium (discount) - unconsolidated	-	14,323	14,323
Total Prologis share of debt, net of premium (discount)	\$ 7,464,679	\$ 2,524,675	\$ 9,989,354

(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.

Please refer to the respective agreements for full financial covenant descriptions and calculation methods.

(B) These covenants are calculated in accordance with the Indenture dated June 8, 2011 and its supplemental indentures, including the Fifth Supplemental Indenture dated August 15, 2013.

Net Asset Value

Components

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

Supplemental 1Q 2015

Operating							
	Square Feet	Gross Book Value	GBV per Sq Ft	First Quarter Adjusted Cash NOI (Actual)	First Quarter Adjusted Cash NOI (Pro Forma)	Annualized Adjusted Cash NOI	Percent Occupied
CONSOLIDATED OPERATING PORTFOLIO (Prologis Share)							
Prologis interest in consolidated operating portfolio							
Americas	243,871	\$ 10,964,466	\$ 66	\$ 241,304	\$ 241,304	\$ 965,416	96.0%
Europe	12,233	706,324	58	12,722	12,722	50,888	86.0%
Asia	5,246	469,036	89	4,436	4,436	17,744	84.3%
Pro forma adjustment for third-quarter acquisition/development completions							9,636
Prologis share of consolidated operating portfolio	261,350	\$ 17,139,826	\$ 66	\$ 258,462	\$ 260,921	\$ 1,043,684	96.2%
UNCONSOLIDATED OPERATING PORTFOLIO (Prologis Share)							
Prologis interest in unconsolidated operating portfolio							
Americas	27,480	\$ 1,980,351	\$ 72	\$ 33,136	\$ 33,136	\$ 132,544	95.0%
Europe	56,915	4,108,669	72	72,611	72,611	290,444	94.0%
Asia	3,980	557,946	140	7,980	7,980	31,920	97.0%
Pro forma adjustment for third-quarter acquisition/development completions							316
Prologis share of unconsolidated operating portfolio	88,375	\$ 6,646,966	\$ 75	\$ 113,727	\$ 114,043	\$ 456,972	95.3%
Total operating portfolio	349,725	\$ 23,786,792	\$ 68	\$ 372,189	\$ 374,964	\$ 1,499,656	95.9%
Development							
	Square Feet	Investment Balance	T&I	T&I per Sq Ft	Annualized Pro Forma NOI	Percent Occupied	
CONSOLIDATED (Prologis Share)							
Prestable 2							
Americas	5,711	\$ 357,428	\$ 44,897	\$ 73	\$ 28,544	24.7%	
Europe	1,372	108,178	52,358	96	10,154	15.5%	
Asia	1,782	204,984	210,541	121	13,777	21.5%	
							22.6%
Properties under development							
Americas	13,255	359,083	841,968	64	57,025		
Europe	4,268	200,420	320,891	76	23,408		
Asia	3,520	182,175	450,457	99	29,348		
Prologis share of consolidated development portfolio	29,915	\$ 1,452,266	\$ 2,385,882	\$ 80	\$ 101,856		
UNCONSOLIDATED (Prologis Share)							
Prologis interest in unconsolidated development portfolio							
Americas	774	\$ 17,035	\$ 46,768	\$ 60	\$ 5,410		
Europe	272	16,143	31,933	107	2,993		
Asia	1,159	42,992	62,301	81	5,421		
Prologis share of unconsolidated development portfolio	2,105	\$ 72,270	\$ 147,962	\$ 68	\$ 13,024		
Total development portfolio	32,020	\$ 1,524,536	\$ 2,533,844	\$ 79	\$ 114,880		
Prologis share of estimated value creation (See Capital Deployment - Development Portfolio)							625,319
Total development portfolio, including estimated value creation		\$ 2,150,075					

Net Asset Value

Components - Continued

(In thousands)

Supplemental 1Q 2015

Balance Sheet and Other Items

	As of March 31, 2015	
CONSOLIDATED		
Other assets		
Cash and cash equivalents	\$	192,013
Restricted cash		5,932
Accounts receivable, prepaid assets and other tangible assets		555,958
Other real estate investments and assets held for sale		585,613
Notes receivable backed by real estate		197,500
Prologis share of value added operating properties		114,393
Prologis receivable from unconsolidated co-investment ventures		130,854
Investments in and advances to other unconsolidated joint ventures		178,071
Less: third party share of other assets		(833,405)
Total other assets - Prologis share	\$	2,139,782
Other liabilities		
Accounts payable and other current liabilities	\$	459,840
Deferred income taxes		76,624
Value added tax and other tax liabilities		20,349
Tenant security deposits		167,500
Other liabilities		299,679
Less: third party share of other liabilities		(59,149)
Total liabilities and noncontrolling interests - Prologis share	\$	969,844
UNCONSOLIDATED		
Land		
Prologis share of net tangible other assets		\$ 227,887
Investment Balance		
Prologis share of original land basis		\$ 2,309,515
Current book value of land		\$ 1,538,622
Less: third party share of the current book value of land		(11,259)
Prologis share of book value of land in unconsolidated entities		76,252
Total	\$	1,600,696
Strategic Capital/Development Management		
	First Quarter	Annualized
Strategic Capital		
Strategic capital income - third party share of asset management fees from consolidated and unconsolidated co-investment ventures	\$ 21,700	\$ 87,076
Strategic capital income - third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months)	5,293	27,441
Strategic capital expenses	(10,005)	(40,320)
Strategic capital NOI	\$ 16,988	\$ 74,197
Profit fees earned in last 12 months, net of cash expenses		\$ 29,378
Development management income	\$ 2,020	\$ 8,080
Debt (at par) and Preferred Stock		
As of March 31, 2015		
Prologis debt		
Consolidated entities debt		\$ 7,440,254
Less: third party share of consolidated debt		(1,338,907)
Prologis share of unconsolidated debt		1,740,336
Subsidiary debt		9,505,040
Preferred stock		75,295
Total debt and preferred stock	\$	16,004,228
Outstanding shares of common stock		624,037

Notes and Definitions



Please refer to our annual and quarterly financial statements filed with the Securities and Exchange Commission on Forms 10-K and 10-Q and other public reports for further information about us and our business. Certain amounts from previous periods presented in the Supplemental Information have been reclassified to conform to the current presentation.

Acquisition cost, as presented for building acquisitions, represents the 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 lease intangibles; and estimated acquisition capital expenditures including leasing costs to achieve stabilization.

Adjusted EBITDA. We use Adjusted EBITDA to measure both our operating performance and liquidity. We calculate Adjusted EBITDA beginning with consolidated net earnings (loss) attributable to common stockholders and removing the effect of interest, income taxes, depreciation and amortization, impairment charges, third party acquisition expenses related to the acquisition of real estate, gains or losses from the acquisition or disposition of investments in real estate (other than from land and development properties), gains from the revaluation of equity investments upon acquisition of a controlling interest, gains or losses on early extinguishment of debt and derivative contracts (including cash charges), similar adjustments we make to our FFO measures (see definition below), and other non-cash charges or gains (such as stock based compensation and unrealized gains or losses on foreign currency and derivative activity and related amortization). We make adjustments to reflect our economic ownership in each entity, whether consolidated or unconsolidated.

We consider Adjusted EBITDA to provide investors relevant and useful information because it permits investors to view our operating performance on an unleveraged basis before the effects of income tax, non-cash depreciation and amortization expenses and other items (outlined above), items that affect comparability, and other significant non-cash items. We also include a pro forma adjustment in Adjusted EBITDA to reflect a full period of NOI on the operating properties we acquire and stabilize and to remove NOI on properties we dispose of during the quarter assuming the transaction occurred at the beginning of the quarter. By excluding interest expense, Adjusted 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 disposition of non-development properties and on the early extinguishment of debt generally include the costs of repurchasing debt securities. 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 Adjusted 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 Adjusted 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 Adjusted 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, Adjusted EBITDA has limitations as an analytical tool and should be used in conjunction with our GAAP presentations. Adjusted EBITDA does not reflect our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements or contractual commitments. Adjusted 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 Adjusted EBITDA may not be comparable to EBITDA reported by other companies. We compensate for the limitations of Adjusted EBITDA by providing investors with financial statements prepared according to GAAP, along with this detailed discussion of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to consolidated net earnings (loss), a GAAP measurement.

Adjusted Cash NOI (Actual). A reconciliation of our rental income and rental expenses included in our Statement of Operations to adjusted cash NOI for the consolidated operating portfolio for purposes of the Net Asset Value calculation is as follows (in thousands):

Rental income	\$ 410,602
Rental expenses	(120,854)
NOI	289,748
Net termination fees and adjustments (a)	(1,464)
Less: actual NOI for development portfolio and other	(13,774)
Less: properties contributed or sold (b)	(2,414)
Less: third party share of NOI	(22,788)
Adjusted NOI for consolidated operating portfolio owned at March 31, 2015	251,912
Straight-lined rents (c)	(6,662)
Free rent (c)	10,503
Amortization of lease intangibles (c)	5,549
Less: third party share	124
First Quarter Adjusted Cash NOI (Actual)	\$ 256,512

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

(b) The actual NOI for properties that were contributed or sold during the three-month period is removed.

(c) Straight-lined rents, free rent amount and amortization of lease intangibles (above and below market leases) are removed from rental income for the Operating Portfolio to allow for the calculation of a cash yield.

Adjusted Cash NOI (Pro forma) consists of Adjusted Cash NOI (Actual) for the properties in our Operating Portfolio adjusted to reflect NOI for a full quarter for operating properties that were acquired or stabilized during the quarter. Adjusted Cash NOI (Pro forma) for the properties in our Development Portfolio is based on current Total Expected Investment and an estimated stabilized yield.

Assets Under Management ("AUM") represents the estimated value of the real estate we own or manage through both our consolidated and unconsolidated entities. We calculate AUM by adding the third party investors' share of the estimated fair value of the assets in the co-investment ventures to our share of total market capitalization (calculated using the market price of our equity plus our share of total debt).

Notes and Definitions

(continued)

Supplemental 1Q 2015

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

	Three Months Ended	
	2015	2014
Net earnings		
Net earnings	\$ 345,206	\$ 4,096
Noncontrolling interest attributable to exchangeable limited partnership units	1,650	17
Claims, net of expenses, associated with exchangeable debt assumed exchanged	(1,614)	-
Adjusted net earnings - Diluted	\$ 345,242	\$ 4,133
Weighted average common shares outstanding - Basic		
Weighted average common shares outstanding - Basic	514,022	499,696
Incremental weighted average effect on exchange of limited partnership units	3,734	1,767
Incremental weighted average effect of stock awards	2,324	3,510
Incremental weighted average effect on exchangeable debt assumed exchanged (a)	8,812	-
Weighted average common shares outstanding - Diluted	\$ 529,892	\$ 504,973
Net earnings per share - Basic	\$ 0.67	\$ 0.01
Net earnings per share - Diluted	\$ 0.65	\$ 0.01
Core FFO		
Core FFO	\$ 254,379	\$ 217,555
Noncontrolling interest attributable to exchangeable limited partnership units	881	297
Interest expense on exchangeable debt assumed exchanged	(4,526)	(4,246)
Core FFO - Diluted	\$ 250,734	\$ 213,606
Weighted average common shares outstanding - Basic		
Weighted average common shares outstanding - Basic	514,022	499,696
Incremental weighted average effect on exchange of limited partnership units	2,324	3,510
Incremental weighted average effect of stock awards	2,324	3,510
Incremental weighted average effect on exchangeable debt assumed exchanged (a)	8,812	11,572
Weighted average common shares outstanding - Diluted	\$ 529,892	\$ 518,290
Core FFO per share - Diluted	\$ 0.48	\$ 0.43

(a) In March 2015, the exchangeable debt was settled primarily through the issuance of common stock. The adjustment in 2015 assumes the exchange occurred on January 1, 2015.

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

	Three Months Ended	
	Mar. 31	Dec. 31
Debt as a % of gross real estate assets		
Total Prologis share of debt - at par	\$ 9,926,040	\$ 10,763,232
Less: Prologis share of outstanding foreign currency derivatives	(171,626)	(162,280)
Less: consolidated cash and cash equivalents	(192,013)	(393,892)
Add consolidated cash and cash equivalents - third party share	38,821	45,236
Less: unconsolidated entities cash - Prologis share	(67,452)	(111,620)
Total Prologis share of debt, net of adjustments	\$ 9,600,785	\$ 10,244,047
Gross real estate assets - Prologis share	\$ 27,612,099	\$ 28,099,031
Debt as a % of gross real estate assets	34.8%	36.5%
Secured debt as a % of gross real estate assets		
Prologis share of secured debt - at par	\$ 2,483,166	\$ 2,857,186
Gross real estate assets - Prologis share	\$ 27,612,099	\$ 28,099,031
Secured debt as a % of gross real estate assets	8.9%	10.2%

Unconsolidated gross real estate assets to unsecured debt	\$ 21,817,632	\$ 21,827,627
Unconsolidated gross real estate assets - Prologis share	\$ 7,472,874	\$ 7,926,036
Prologis share of unsecured debt - at par	263.2%	276.5%
Unconsolidated gross real estate assets to unsecured debt	293.2%	276.5%
Fixed Charge Coverage Ratio		
Adjusted EBITDA	\$ 380,958	\$ 397,230
Adjusted EBITDA-annualized including 12 month rolling development gains	\$ 1,621,292	\$ 1,642,814
Net proceeds for the twelve months ended	20,320	20,320
Adjusted EBITDA-annualized	\$ 1,641,670	\$ 1,671,192
Pro forma adjustment for mid-quarter activity and NOI from disposed properties - annualized	(2,660)	(8,172)
Adjusted EBITDA, including NOI from disposed properties, annualized	\$ 1,644,710	\$ 1,663,020
Interest expense	\$ 61,761	\$ 74,092
Amortization and write-off of deferred loan costs	(3,418)	(3,669)
Amortization of debt premium (discount), net	9,937	8,922
Capitalized interest	16,284	16,132
Unpaid stock dividends	1,612	1,678
Third party share of fixed charges from consolidated entities	(5,215)	(4,606)
Our share of fixed charges from unconsolidated entities	16,633	19,828
Total fixed charges	\$ 101,882	\$ 112,934
Total fixed charges, annualized	\$ 410,468	\$ 451,738
Fixed charge coverage ratio	3.93x	3.68x
Debt to Adjusted EBITDA		
Total Prologis share of debt, net of adjustments	\$ 9,600,785	\$ 10,244,047
Adjusted EBITDA-annualized	\$ 1,641,670	\$ 1,671,192
Debt to Adjusted EBITDA ratio	5.76x	6.13x

Development Margin is calculated on developed properties as the estimated value at Stabilization minus estimated total investment, before closing costs, the impact of any deferred rents, taxes or third party promotes net of deferred amounts on contributions, divided by the estimated total investment.

Development Portfolio includes industrial properties that are under development and properties that are developed but have not met Stabilization.

Estimated Build Out (TE) and sq ft) represents the estimated TE and finished square feet available for rent upon completion of an industrial building on existing parcels of land.

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.
- (ii) REITs were created 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 assets in comparing those operating results between periods. We include the gains and losses (including impairment charges) from dispositions of land and development properties, as well as our proportionate share of the gains and losses (including impairment charges) from dispositions of development properties recognized by our unconsolidated entities, in our definition of FFO. We exclude the gain on revaluation of equity investments upon acquisition of a controlling interest from our definition of FFO.

Our FFO Measures

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

We use these FFO measures, including by segment and region, to: (i) evaluate our performance and the performance of our properties in comparison to expected results and results of previous periods, relative to resource allocation decisions; (ii) evaluate the performance of our management; (iii) budget and forecast future results to assist in the allocation of resources; (iv) assess our performance as compared to similar real estate companies and the industry in general; and (v) evaluate how a specific potential investment will impact our future results. Because we make decisions with regard to our performance with a long-term outlook, we believe it is appropriate to remove the effects of short-term items that we do not expect to affect the underlying long-term performance of the properties. The long-term performance of our properties is principally driven by rental income. While not infrequent or unusual, these additional items we exclude in calculating FFO, as defined by Prologis, defined below, 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) unhedged 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 and related amortization of debt discounts 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 of these items recognized by our unconsolidated entities to the extent they are included in FFO, as defined by Prologis:

- (i) gains or losses from contribution or sale of land or development properties;
- (ii) income tax expense related to the sale of investments in real estate and third-party acquisition costs related to the acquisition of real estate;
- (iii) impairment charges recognized related to our investments in real estate generally as a result of our change in intent to contribute or sell these properties;
- (iv) gains or losses from the early extinguishment of debt and redemption and repurchase of preferred stock;
- (v) merger, acquisition and other integration expenses; and
- (vi) 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 ongoing operating performance of our properties or investments. The impairment charges we have 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. Over the last few years, we made it a priority to strengthen our financial position by reducing our debt, our investment in certain low yielding assets and our exposure to foreign currency exchange fluctuations. As a result, we changed our intent to sell or contribute certain of our real estate properties and recorded impairment charges when we did not expect to recover the costs of our investment. Also, we purchased portions of our debt securities when we believed it was advantageous to do so, which was based on market conditions, and in an effort to lower our borrowing costs and extend our debt maturities. As a result, we have recognized net gains or losses on the early extinguishment of certain debt due to the financial market conditions at that time. In addition, we and our co-investment ventures make acquisitions of real estate and we believe the costs associated with these transactions are transaction based and not part of our core operations.

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We analyze our operating performance primarily by the rental income of our real estate and the revenue driven by our strategic 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. Although these items discussed above 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 include realized gains from the disposition of land and development properties and to exclude our share of the impact of: (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 and financing costs, 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, these are only a few of the many measures we use when analyzing our business. Some of these limitations are:

- The current income tax expenses and acquisition costs that are excluded from our defined FFO measures represent the taxes and transaction costs 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 non-development property acquisitions and dispositions or impairment charges related to expected dispositions represent changes in 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 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. This information should be read with our complete consolidated financial statements prepared under GAAP. To assist investors in compensating for these limitations, we reconcile our defined FFO measures to our net earnings computed under GAAP.

Fixed Charge Coverage is defined as Adjusted 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. We use fixed charge coverage to measure our liquidity. We believe that fixed charge coverage is relevant and useful to investors because it allows fixed income investors to measure our ability to make interest payments on outstanding debt and make distributions/dividends to preferred unitholders/stockholders. Our 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") were as follows (in thousands):

	Three Months Ended	
	March 31,	
	2015	2014
Gross overhead	\$ 100,705	\$ 117,249
Allocated to rental expenses	(7,954)	(8,123)
Allocated to strategic capital expenses	(20,361)	(24,153)
Capitalized amounts	(24,072)	(21,790)
G&A expenses	\$ 58,288	\$ 63,203

We capitalize certain costs directly related to our development and leasing activities. Capitalized G&A expenses include salaries and related costs as well as other G&A costs. The capitalized costs were as follows (in thousands):

	Three Months Ended	
	March 31,	
	2015	2014
Development activities	\$ 17,022	\$ 16,801
Leasing activities	5,043	4,718
Costs related to internally developed software	1,157	151
Total capitalized G&A	\$ 24,072	\$ 21,760

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G&A as a Percent of Assets Under Management (in thousands):

Net G&A - midpoint of 2015 guidance range (a)	\$ 240,000
Add: estimated 2015 strategic capital expenses	91,000
Less: estimated 2015 strategic capital property management expenses	(43,000)
Adjusted G&A, using 2015 guidance amounts	\$ 288,000
Carrying value at period end:	
Operating properties	\$ 39,796,838
Development portfolio - TEI	3,032,131
Land portfolio	1,750,844
Other real estate investments and assets held for sale	955,613
Total assets under management	\$ 45,165,226

G&A as % of assets under management 0.64%

(a) This amount represents the 2015 guidance provided in this Supplemental Package.

Interest Expense consisted of the following (in thousands):

	Three Months Ended March 31	
	2015	2014
Gross interest expense	\$ 91,464	\$ 102,464
Amortization of discount (premium), net	(9,837)	(5,835)
Amortization of deferred loan costs	3,418	3,407
Interest expense before capitalization	85,045	100,036
Capitalized amounts	(16,284)	(14,523)
Interest expense	\$ 68,761	\$ 85,523

Investment Capacity is our estimate of the gross real estate, which could be acquired by our co-investment ventures through the use of existing equity commitments from us and our partners up to the ventures maximum leverage limits.

Market Classification

- Global Markets** feature large population centers with high per-capita consumption and are located near major seaports, airports, and ground transportation systems.
- Regional Markets** benefit from large population centers but typically are not as tied to the global supply chain, but rather serve local consumption and are often less supply constrained. Markets included as regional markets include: Austin, Charlotte, Cincinnati, Columbus, Denver, Hungary, Indianapolis, Juarez, Las Vegas, Louisville, Memphis, Nashville, Orlando, Phoenix, Portland, Reno, Reynosa, San Antonio, Slovakia, Sweden and Tijuana.
- Other Markets** represent a small portion of our portfolio that is located outside global and regional markets. These markets include: Austria, Boston, El Paso, Jacksonville, Kansas City, Norfolk, Romania, Salt Lake City, Savannah and St. Louis.

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, 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, strategic capital platform, or development platform.

Net Effective Rent is calculated at the beginning of the lease using the estimated total cash to be received over the term of the lease (including base rent and expense reimbursements) and annualized. Amounts derived in a currency other than the U.S. Dollar have been translated using the average rate from the previous twelve months. The per square foot number is calculated by dividing the annualized net effective rent by the occupied square feet of the lease.

Net Effective Rent Change (GAAP) represents the change on operating portfolio properties in net effective rental rates (average rate over the lease term) on new and renewed leases signed during the period as compared with the previous effective rental rates in that same space.

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

Noncontrolling Interest. The following table includes information for each entity we consolidate and in which we own less than 100% (dollars in thousands):

	Ownership Percentage	Noncontrolling Interest	Real Estate	Debt
Brazil Fund	50.0%	\$ 56,897	\$ -	\$ -
Prologis U.S. Logistics Venture	55.0%	423,401	1,008,793	-
Prologis North American Industrial Fund	60.1%	527,996	2,746,765	1,180,409
Other consolidated entities	various	103,707	1,013,008	17,511
Limited partners in the Operating Partnership	-	55,833	-	-
Noncontrolling interests		\$ 1,177,834	\$ 4,771,566	\$ 1,197,920

Operating Portfolio includes stabilized industrial properties in our owned and managed portfolio. A developed property moves into the Operating Portfolio when it meets Stabilization.

Pro-Rata Balance Sheet and Operating Information. The consolidated amounts shown are derived from and prepared on a consistent basis with our consolidated financial statements and are adjusted to remove the amounts attributable to non-controlling interests. The Prologis 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 earnings (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 Prologis Total Share.

Prologis Share represents our proportionate economic ownership of each entity included in our total owned and managed portfolio.

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Rental Income included the following (in thousands):

	Three Months Ended March 31,	
	2015	2014
Rental income	\$ 316,715	\$ 265,506
Amortization of lease intangibles	(2,553)	(7,664)
Rental expense recoveries	91,255	87,302
Straight-lined rents	10,685	13,056
	\$ 416,002	\$ 358,200

Same Store. We evaluate the operating performance of the 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 the properties included in our owned and managed portfolio that were in operation at January 1, 2014 and throughout the full periods in both 2014 and 2015. 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 NOI 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.

Our same store measures are non-GAAP measures that are commonly used in the real estate industry and are calculated beginning with rental income and rental expenses from the financial statements prepared in accordance with GAAP. It is also common in the real estate industry and expected from the analyst and investor community that these numbers be further adjusted to remove certain non-cash items included in the financial statements prepared in accordance with GAAP to reflect a cash same store number. In order to clearly label these metrics, we call one Same Store NOI-GAAP and one Same Store NOI-Adjusted Cash. As these are non-GAAP measures they have certain limitations as an analytical tool and may vary among real estate companies. As a result, we provide a reconciliation from our financial statements prepared in accordance with GAAP to Same Store NOI-GAAP and then to Same Store NOI-Adjusted Cash with explanations of how these metrics are calculated and adjusted.

The following is a reconciliation of our consolidated rental income, rental expenses and NOI, as included in the Consolidated Statements of Operations, to the respective amounts in our Same Store portfolio analysis (dollars in thousands):

	Three Months Ended March 31,		Change (%)
	2015	2014	
Rental Income			
Per the Consolidated Statements of Operations	\$ 416,002	\$ 358,200	
Properties not included and other adjustments (a)	(37,028)	(47,052)	
Unconsolidated Co-Investment Ventures	415,606	422,070	
Same Store - Rental Income	\$ 797,440	\$ 763,208	4.5%
Rental Expense			
Per the Consolidated Statements of Operations	\$ 126,664	\$ 110,517	
Properties not included and other adjustments (b)	(5,521)	(7,139)	
Unconsolidated Co-Investment Ventures	97,365	101,053	
Same Store - Rental Expense	\$ 218,798	\$ 204,432	7.0%
NOI-GAAP			
Per the Consolidated Statements of Operations	\$ 291,668	\$ 277,723	
Properties not included and other adjustments	(31,507)	(30,914)	
Unconsolidated Co-Investment Ventures	318,261	321,017	
Same Store - NOI - GAAP	\$ 578,642	\$ 558,826	3.5%
NOI-Adjusted Cash			
Same Store - NOI - GAAP	\$ 578,642	\$ 558,826	
Adjustments (c)	(7,064)	(9,632)	
Same Store - NOI - Adjusted Cash	\$ 570,678	\$ 549,194	3.9%

- (a) To calculate Same Store rental income, we exclude the net termination and renegotiation fees to allow 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.
- (b) To calculate Same Store rental expense, we include an allocation of the property management expenses for our consolidated properties based on the property management fee that is provided for in the individual management agreements under which our wholly owned management companies provide property management services (generally the fee is based on a percentage of revenue). On consolidation, the management fee income and expenses are eliminated and the actual cost of providing property management services is recognized.
- (c) In order to derive Same Store - NOI - Adjusted Cash, we adjust Same Store - NOI - GAAP to exclude non-cash items included in our rental income in our GAAP financial statements, including straight line rent adjustments and adjustments related to purchase accounts to reflect leases at fair value at the time of acquisition.

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

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.

Strategic Capital NOI represents strategic capital income less strategic capital expenses.

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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 Expected 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.

Turnover Costs represent the costs incurred in connection with the signing of a lease, including leasing commissions and tenant improvements. Tenant improvements include costs to prepare a space for a new tenant and for a lease renewal with the same tenant. It excludes costs to prepare a space that is being leased for the first time (i.e. in a new development property).

Value-Added Acquisitions are properties we acquire for which we believe the discount in pricing attributed to the operating challenges could provide greater returns post-stabilization than the returns of stabilized properties that are not Value-Added Acquisitions. Value Added Acquisitions must have one or more of the following characteristics: (i) existing vacancy in excess of 20%; (ii) short term lease roll-over, typically during the first two years of ownership; (iii) significant capital improvement requirements in excess of 10% of the purchase price and must be invested within the first two years of ownership.

Value-Added Conversions represent the repurposing of industrial properties to a higher and better use, including office, residential, retail, research and development, data center, self storage or manufacturing with the intent to ultimately sell the property once repositioned. Activities required to prepare the property for conversion to a higher and better use may include such activities as re-zoning, re-designing, re-constructing, and re-tenanting. The economic gain on sales of value added conversions represents the amount by which the sales proceeds exceeds the amount included in NAV for the disposed property.

Value Creation represents the value that we will create through our development and leasing activities. We calculate value creation by estimating the NOI that the property will generate at stabilization and applying an estimated stabilized capitalization 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. This can also include realized economic gains from value-added conversion properties.

Weighted Average Estimated Stabilized Yield is calculated as NOI assuming stabilized occupancy divided by Acquisition Cost or TEI, as applicable.