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

**FORM 8-K/A
(Amendment No. 1)**

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

Date of Report (Date of earliest event reported): May 28, 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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This Form 8-K/A is being filed for the purpose of filing the financial statements and pro forma financial information required by Item 9.01 with respect to the Current Report on Form 8-K filed by Prologis, Inc., and Prologis, L.P., on June 1, 2015, regarding the completion of the acquisition of real estate assets and operating platform of KTR Capital Partners and its affiliates on May 29, 2015.

Item 9.01. Financial Statements and Exhibits.

- (a) Financial Statements of Real Estate Property Acquired
- (b) Pro Forma Financial Information

The financial statements and pro forma financial information required by item 9.01(a) and (b) are filed herewith as exhibits under Item 9.01(d) and such exhibits are incorporated herein by reference.

- (d) Exhibits

23.1 Consent of KPMG LLP, dated August 4, 2015

23.2 Consent of KPMG LLP, dated August 4, 2015

99.1 Financial Statements of Real Estate Property Acquired under Rule 3-14 of Regulation S-X

KTR Portfolio

Independent Auditors' Report

Combined Statements of Revenues and Certain Expenses for the Three Months Ended March 31, 2015 (Unaudited), and for the Year Ended December 31, 2014

Notes to the Combined Statements of Revenues and Certain Expenses for the Three Months Ended March 31, 2015 (Unaudited), and for the Year Ended December 31, 2014

99.2 Pro Forma Financial Information – Prologis, Inc. and Prologis, L.P.

Prologis, Inc. Pro Forma Condensed Consolidated Statement of Operations for the Six Months Ended June 30, 2015 (unaudited)

Prologis, Inc. Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2014 (unaudited)

Prologis, L.P. Pro Forma Condensed Consolidated Statement of Operations for the Six Months Ended June 30, 2015 (unaudited)

Prologis, L.P. Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2014 (unaudited)

Adjustments to the Prologis, Inc. and Prologis, L.P. Pro Forma Condensed Consolidated Statements of Operations for the Six Months Ended June 30, 2015, (unaudited) and for the Year Ended December 31, 2014 (unaudited)

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.

PROLOGIS, INC.

August 5, 2015

By: /s/ Thomas S. Olinger
Name: Thomas S. Olinger
Title: Chief Financial Officer

August 5, 2015

PROLOGIS, L.P.,
By: Prologis, Inc., its general partner

By: /s/ Thomas S. Olinger
Name: Thomas S. Olinger
Title: Chief Financial Officer

EXHIBIT INDEX

<u>EXHIBIT NUMBER</u>	<u>NAME</u>
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99.1	Financial Statements of Real Estate Property Acquired under Rule 3-14 of Regulation S-X KTR Portfolio Independent Auditors' Report Combined Statements of Revenues and Certain Expenses for the Three Months Ended March 31, 2015 (Unaudited), and for the Year Ended December 31, 2014 Notes to the Combined Statements of Revenues and Certain Expenses for the Three Months Ended March 31, 2015 (Unaudited), and for the Year Ended December 31, 2014
99.2	Pro Forma Financial Information – Prologis, Inc. and Prologis, L.P. Prologis, Inc. Pro Forma Condensed Consolidated Statement of Operations for the Six Months Ended June 30, 2015 (unaudited) Prologis, Inc. Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2014 (unaudited) Prologis, L.P. Pro Forma Condensed Consolidated Statement of Operations for the Six Months Ended June 30, 2015 (unaudited) Prologis, L.P. Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2014 (unaudited) Adjustments to the Prologis, Inc. and Prologis, L.P. Pro Forma Condensed Consolidated Statements of Operations for the Six Months Ended June 30, 2015, (unaudited) and for the Year Ended December 31, 2014 (unaudited)

Consent of Independent Auditor

The Board of Directors
Prologis, Inc.:

We consent to the incorporation by reference in Registration Statement Nos. 333-78699, 333-81475, 333-75951, and 333-195316 on Form S-3; Registration Statement Nos. 333-173891 and 333-172741 on Form S-4; and Registration Statement Nos. 333-42015, 333-78779, 333-90042, 333-100214, 333-144489, 333-177378, 333-178955, and 333-181529 on Form S-8 of Prologis, Inc. of our report dated August 4, 2015, relating to the combined statement of revenues and certain expenses of the KTR Portfolio for the year ended December 31, 2014. Our report dated August 4, 2015 contains an emphasis of matter paragraph referring to the fact that the combined statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, and is not intended to be a complete presentation of revenues and expenses.

KPMG LLP

Denver, Colorado
August 4, 2015

Consent of Independent Auditor

The Partners
Prologis, L.P.:

We consent to the incorporation by reference in Registration Statement No. 333-195316 on Form S-3; and Registration Statement No. 333-100214 on Form S-8 of Prologis, Inc. of our report dated August 4, 2015, relating to the combined statement of revenues and certain expenses of the KTR Portfolio for the year ended December 31, 2014. Our report dated August 4, 2015 contains an emphasis of matter paragraph referring to the fact that the combined statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission, and is not intended to be a complete presentation of revenues and expenses.

KPMG LLP

Denver, Colorado
August 4, 2015

Independent Auditors' Report

The Board of Directors and Stockholders
Prologis, Inc.:

We have audited the accompanying combined statements of revenues and certain expenses of the KTR Portfolio for the year ended December 31, 2014, and the related notes (the Historical Summary).

Management's Responsibility for the Historical Summary

Management is responsible for the preparation and fair presentation of the Historical Summary in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Historical Summary that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Historical Summary based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Historical Summary is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Historical Summary. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Historical Summary, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Historical Summary in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Historical Summary.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Historical Summary referred to above presents fairly, in all material respects, the combined revenues and certain expenses described in note 2 of the KTR Portfolio for the year ended December 31, 2014 in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

We draw attention to note 2 to the Historical Summary, which describes that the accompanying combined Historical Summary was prepared for the purpose of complying with the rules and regulations of Securities and Exchange Commission (for inclusion in the filing of Form 8-K/A of Prologis, Inc. and Prologis, L.P.) and is not intended to be a complete presentation of the KTR Portfolio's revenues and expenses. Our opinion is not modified with respect to this matter.

KPMG LLP

Denver, Colorado
August 4, 2015

KTR PORTFOLIO
COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES
(In thousands)

	For the Three Months Ended March 31, 2015 (Unaudited)	For the Year Ended December 31, 2014
REVENUES:		
Rental income	\$ 70,216	\$ 250,790
Rental recoveries	21,662	67,988
Total revenues	<u>91,878</u>	<u>318,778</u>
CERTAIN EXPENSES:		
Real estate taxes	15,251	53,759
Property operating expenses	12,147	35,194
Property management fees	2,550	9,381
Total Rental Expenses	<u>29,948</u>	<u>98,334</u>
OPERATING INCOME	61,930	220,444
Interest expense	8,113	32,145
REVENUES IN EXCESS OF CERTAIN EXPENSES	<u>\$ 53,817</u>	<u>\$ 188,299</u>

The accompanying notes are an integral part of these combined statements of revenues and certain expenses.

KTR PORTFOLIO
NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES
FOR THE THREE MONTHS ENDED MARCH 31, 2015 (unaudited) AND THE YEAR ENDED DECEMBER 31, 2014

1. Description of Business

On May 29, 2015, Prologis, Inc. (the "Company," "we" or "our") acquired the real estate assets and operating platform of KTR Capital Partners and its affiliates ("KTR"). The portfolio includes 315 operating properties aggregating 59 million square feet, 3.6 million square feet of properties under development and land parcels that will support an estimated potential build out of 6.8 million square feet ("the Portfolio").

Information with respect to the square footage, number of buildings and acres of land is unaudited.

2. Summary of Significant Accounting Policies

Basis of Presentation. The accounting records of KTR are maintained on the accrual basis of accounting. The accompanying combined statements of revenues and certain expenses were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission ("SEC") and with the provisions of Rule 3-14 of Regulation S-X, which requires certain information with respect to real estate operations to be included in filings with the SEC. These financial statements are not intended to be a complete presentation of the combined revenues and expenses for KTR. Certain expenses such as depreciation and amortization, amortization of above-market and below-market leases, interest expense related to debt not assumed, nonrecurring professional fees, general and administrative expenses and other revenues and expenses not directly related or comparable to, or expected to be incurred in the future operations of KTR have been excluded.

In preparation of the accompanying combined statements of revenues and certain expenses, KTR has been evaluated for events and transactions occurring after such date through the date of this report, for recognition or disclosure purposes.

Use of Estimates. The preparation of the combined statements of revenues and certain expenses in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Unaudited Interim Statement. The combined statement of revenues and certain expenses for the three months ended March 31, 2015, is unaudited. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair representation of the combined financial statement of revenues and certain expenses for the interim period have been made.

Revenue and Expense Recognition. Rental income is recognized on the accrual basis in accordance with the tenants' lease terms. Tenant reimbursements are accrued as revenue in the same period that the related expenses are incurred. KTR accounted for real estate at fair value based on the accounting standards for Investment Companies. The historical statements of combined revenues and certain expenses have not been adjusted to reflect the impact of straight-line rent adjustments.

Property operating expenses represent the direct expenses of operating the properties and include repairs and maintenance, utilities, property insurance and other property expenses that are expected to continue in the ongoing operations of the Portfolio. Expenditures for repairs and maintenance are charged to operations as incurred.

KTR received property management fees for its services to the Portfolio based on market rates, typically 3% of gross receipts, as defined.

Bad Debt Expense. A provision for possible loss is made if the collection of a receivable balance is considered doubtful. Bad debt expense of \$1.1 million and \$0.8 million was recorded for the year ended December 31, 2014, and for the three months ended March 31, 2015, respectively.

3. Operating Leases

Revenues are primarily obtained from tenant rental payments as provided for under non-cancelable operating leases. Future minimum base rent to be received as of December 31, 2014, is summarized below (in thousands):

2015	\$ 281,479
2016	267,434
2017	236,308
2018	206,908
2019	181,419
Thereafter	<u>1,051,417</u>
Total	<u>\$2,224,965</u>

These amounts do not reflect future rental revenues from the renewal or replacement of existing leases.

No customer comprised more than 10% of rental revenue for the year ended December 31, 2014, and Amazon.com represented 10% of the Portfolio's rental revenue for the three months ended March 31, 2015.

KTR PORTFOLIO
NOTES TO COMBINED STATEMENTS OF REVENUES AND CERTAIN EXPENSES
FOR THE THREE MONTHS ENDED MARCH 31, 2015 (unaudited) AND THE YEAR ENDED DECEMBER 31, 2014

4. Secured Mortgage Debt

We assumed secured mortgage debt with a total aggregate principal balance of \$704.7 million. At December 31, 2014, the debt had varying stated interest rates from 3.1% to 6.8% and is scheduled to mature July 2017 to January 2020. Interest expense on this debt was \$32.1 million and \$8.1 million for the year ended December 31, 2014, and for the three months ended March 31, 2015, respectively.

5. Commitments and Contingencies

Environmental. As an owner of real estate, KTR is subject to various environmental laws of federal, state and local governments. Compliance with existing environmental laws has not had a material impact on these combined statements of revenues and certain expenses, nor do we expect it will have such an impact in the future. However, we cannot predict the impact of unforeseen environmental contingencies or new or changed laws or regulations on the Portfolio.

Litigation. KTR is presently not subject to material litigation nor, to our knowledge, is any material litigation threatened against KTR, other than routine actions arising in the ordinary course of business.

PROLOGIS, INC. AND PROLOGIS, L.P.
PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

Unless stated otherwise or the context otherwise requires, references to “Prologis, Inc.” mean Prologis, Inc. and its consolidated subsidiaries; and references to “Prologis, L.P.” or the “Operating Partnership” mean Prologis, L.P., and its consolidated subsidiaries. The terms “the Company,” “Prologis,” “we,” “our” or “us” means Prologis, Inc. and the Operating Partnership collectively. Please refer to the explanatory note provided in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, and in our Annual Report on Form 10-K for the year ended December 31, 2014.

On May 29, 2015, we acquired the real estate assets and operating platform of KTR Capital Partners and its affiliates (“KTR”). The portfolio included 315 operating properties aggregating 59 million square feet, 3.6 million square feet of properties under development and land parcels that will support an estimated build out of 6.8 million square feet (the “Portfolio”). The properties were acquired by our consolidated co-investment venture Prologis U.S. Logistics Venture (“USLV”), of which we own 55%. The acquisition was funded through cash, the assumption of secured mortgage debt and the issuance of 4.5 million common limited partnership units in the Operating Partnership. Prologis’ portion of cash paid for the acquisition was \$2.6 billion. We incurred \$24.7 million of acquisition costs that were included in *Other Expense* in the Consolidated Statements of Operations for the six months ended June 30, 2015.

This pro forma consolidated financial information should be read in conjunction with the consolidated financial statements included in our Form 10-K for the fiscal year ended December 31, 2014, and our Form 10-Q for the quarter ended June 30, 2015, as filed with the Securities and Exchange Commission. The Form 10-Q for the quarter ended June 30, 2015, reflects the acquisition of KTR; therefore, the pro forma consolidated financial information does not include a consolidated balance sheet as of June 30, 2015.

The purchase allocation adjustments made in connection with the pro forma consolidated statements of operations are based on the information available at this time. Subsequent purchase allocation adjustments may be made based on additional information.

The KTR Portfolio’s historical financial statements include rental revenue and expenses related to various properties that were sold by KTR in 2014 and 2015 and not acquired by us. Pro forma adjustments have been reflected in the statements below to eliminate such rental revenue and expenses related to these properties.

The pro forma consolidated financial information does not purport to represent the Company’s results of operations that would actually have occurred had the acquisition of KTR occurred on January 1, 2014; nor does it purport to project our results of operations as of any future date or for any future period.

PROLOGIS, INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
FOR THE SIX MONTHS ENDED JUNE 30, 2015
(In thousands, except per share amounts)

	Prologis, Inc. Historical (1)	KTR Portfolio (2)	Pro Forma Adjustments	Pro Forma Consolidated
Revenues:				
Rental income	\$ 682,375	\$ 119,728	\$ 7,724(3)	\$ 809,827
Rental recoveries	197,871	34,215	—	232,086
Strategic capital income	89,071	—	—	89,071
Development management and other income	3,934	—	—	3,934
Total revenues	<u>973,251</u>	<u>153,943</u>	<u>7,724</u>	<u>1,134,918</u>
Expenses:				
Rental expenses	252,533	46,773	(2,714)(4)	296,592
Strategic capital expenses	40,476	—	—	40,476
General and administrative expenses	113,315	—	—	113,315
Depreciation and amortization	359,996	—	62,119(5)	422,115
Other expenses	35,702	—	(24,666)(6)	11,036
Total expenses	<u>802,022</u>	<u>46,773</u>	<u>34,739</u>	<u>883,534</u>
Operating income	<u>171,229</u>	<u>107,170</u>	<u>(27,015)</u>	<u>251,384</u>
Other income (expense):				
Earnings from unconsolidated entities, net	72,826	—	—	72,826
Interest expense	(137,663)	(13,301)	(9,729)(7)	(160,693)
Interest and other income, net	12,896	—	—	12,896
Gains on dispositions of investments in real estate, net	386,497	—	—	386,497
Foreign currency and derivative gains and related amortization, net	9,054	—	—	9,054
Losses on early extinguishment of debt, net	(16,525)	—	—	(16,525)
Total other income (expense)	<u>327,085</u>	<u>(13,301)</u>	<u>(9,729)</u>	<u>304,055</u>
Earnings before income taxes	<u>498,314</u>	<u>93,869</u>	<u>(36,744)</u>	<u>555,439</u>
Current income tax expense	5,545	—	—	5,545
Deferred income tax expense	1,197	—	—	1,197
Total income tax expense	<u>6,742</u>	<u>—</u>	<u>—</u>	<u>6,742</u>
Consolidated net earnings	<u>491,572</u>	<u>93,869</u>	<u>(36,744)</u>	<u>548,697</u>
Net (earnings) attributable to noncontrolling interests	<u>(2,778)</u>	<u>—</u>	<u>(32,219)(8)</u>	<u>(34,997)</u>
Net earnings attributable to controlling interests	<u>488,794</u>	<u>93,869</u>	<u>(68,963)</u>	<u>513,700</u>
Less preferred stock dividends	3,348	—	—	3,348
Net earnings attributable to common stockholders	<u>\$ 485,446</u>	<u>\$ 93,869</u>	<u>\$ (68,963)</u>	<u>\$ 510,352</u>
Weighted average common shares outstanding - Basic	<u>518,791</u>	<u>—</u>	<u>—</u>	<u>518,791</u>
Weighted average common shares outstanding - Diluted	<u>529,827</u>	<u>—</u>	<u>3,704(9)</u>	<u>533,531</u>
Net earnings per share attributable to common stockholders - Basic	<u>\$ 0.94</u>	<u>—</u>	<u>—</u>	<u>\$ 0.98</u>
Net earnings per share attributable to common stockholders - Diluted	<u>\$ 0.92</u>	<u>—</u>	<u>—</u>	<u>\$ 0.97</u>

The accompanying notes are an integral part of this pro forma condensed consolidated statement of operations.

PROLOGIS, INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2014
(In thousands, except per share amounts)

	Prologis, Inc. Historical (10)	KTR Portfolio (11)	Pro Forma Adjustments	Pro Forma Consolidated
Revenues:				
Rental income	\$ 1,178,609	\$250,790	\$ (14,579)(12)	\$ 1,414,820
Rental recoveries	348,740	67,988	—	416,728
Strategic capital income	219,871	—	—	219,871
Development management and other income	13,567	—	—	13,567
Total revenues	<u>1,760,787</u>	<u>318,778</u>	<u>(14,579)</u>	<u>2,064,986</u>
Expenses:				
Rental expenses	430,787	98,334	(15,124)(13)	513,997
Strategic capital expenses	96,496	—	—	96,496
General and administrative expenses	247,768	—	—	247,768
Depreciation and amortization	642,461	—	165,650(14)	808,111
Other expenses	23,467	—	—	23,467
Total expenses	<u>1,440,979</u>	<u>98,334</u>	<u>150,526</u>	<u>1,689,839</u>
Operating income	319,808	220,444	(165,105)	375,147
Other income (expense):				
Earnings from unconsolidated entities, net	134,288	—	—	134,288
Interest expense	(308,885)	(32,145)	(23,128)(15)	(364,158)
Interest and other income, net	25,768	—	—	25,768
Gains on dispositions of investments in real estate and revaluation of equity investments upon acquisition of a controlling interest, net	725,790	—	—	725,790
Foreign currency and derivative (losses) and related amortization, net	(17,841)	—	—	(17,841)
Losses on early extinguishment of debt, net	(165,300)	—	—	(165,300)
Total other income (expense)	<u>393,820</u>	<u>(32,145)</u>	<u>(23,128)</u>	<u>338,547</u>
Earnings (loss) before income taxes	713,628	188,299	(188,233)	713,694
Current income tax expense	(61,584)	—	—	(61,584)
Deferred income tax benefit	87,240	—	—	87,240
Total income tax expense	<u>25,656</u>	<u>—</u>	<u>—</u>	<u>25,656</u>
Consolidated net earnings	739,284	188,299	(188,233)	739,350
Net (earnings) attributable to noncontrolling interests	(103,101)	—	(7,670)(16)	(110,771)
Net earnings attributable to controlling interests	636,183	188,299	(195,903)	628,579
Less preferred stock dividends	7,431	—	—	7,431
Loss on preferred stock redemption / repurchase	6,517	—	—	6,517
Net earnings attributable to common stockholders	\$ 622,235	\$188,299	\$ (195,903)	\$ 614,631
Weighted average common shares outstanding - Basic	<u>499,583</u>		<u>—</u>	<u>499,583</u>
Weighted average common shares outstanding - Diluted	<u>506,391</u>		<u>4,500(17)</u>	<u>510,891</u>
Net earnings per share attributable to common stockholders - Basic	\$ 1.25			\$ 1.23
Net earnings per share attributable to common stockholders - Diluted	\$ 1.24			\$ 1.22

The accompanying notes are an integral part of this pro forma condensed consolidated statement of operations.

PROLOGIS, L.P.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
FOR THE SIX MONTHS ENDED JUNE 30, 2015
(In thousands, except per unit amounts)

	Prologis, L.P. Historical (1)	KTR Portfolio (2)	Pro Forma Adjustments	Pro Forma Consolidated
Revenues:				
Rental income	\$ 682,375	\$ 119,728	\$ 7,724(3)	\$ 809,827
Rental recoveries	197,871	34,215	—	232,086
Strategic capital income	89,071	—	—	89,071
Development management and other income	3,934	—	—	3,934
Total revenues	<u>973,251</u>	<u>153,943</u>	<u>7,724</u>	<u>1,134,918</u>
Expenses:				
Rental expenses	252,533	46,773	(2,714)(4)	296,592
Strategic capital expenses	40,476	—	—	40,476
General and administrative expenses	113,315	—	—	113,315
Depreciation and amortization	359,996	—	62,119(5)	422,115
Other expenses	35,702	—	(24,666)(6)	11,036
Total expenses	<u>802,022</u>	<u>46,773</u>	<u>34,739</u>	<u>883,534</u>
Operating income	171,229	107,170	(27,015)	251,384
Other income (expense):				
Earnings from unconsolidated entities, net	72,826	—	—	72,826
Interest expense	(137,663)	(13,301)	(9,729)(7)	(160,693)
Interest and other income, net	12,896	—	—	12,896
Gains on dispositions of investments in real estate, net	386,497	—	—	386,497
Foreign currency and derivative gains and related amortization, net	9,054	—	—	9,054
Losses on early extinguishment of debt, net	(16,525)	—	—	(16,525)
Total other income (expense)	<u>327,085</u>	<u>(13,301)</u>	<u>(9,729)</u>	<u>304,055</u>
Earnings before income taxes	498,314	93,869	(36,744)	555,439
Current income tax expense	5,545	—	—	5,545
Deferred income tax expense	1,197	—	—	1,197
Total income tax expense	<u>6,742</u>	<u>—</u>	<u>—</u>	<u>6,742</u>
Consolidated net earnings	491,572	93,869	(36,744)	548,697
Net (earnings) attributable to noncontrolling interests	(198)	—	(28,443)(8)	(28,641)
Net earnings attributable to controlling interests	491,374	93,869	(65,187)	520,056
Less preferred unit distributions	3,348	—	—	3,348
Net earnings attributable to common unitholders	<u>\$ 488,026</u>	<u>\$ 93,869</u>	<u>\$ (65,187)</u>	<u>\$ 516,708</u>
Weighted average common units outstanding - Basic	521,548	—	3,704(9)	525,252
Weighted average common units outstanding - Diluted	529,827	—	3,704(9)	533,531
Net earnings per unit attributable to common unitholders - Basic	<u>\$ 0.94</u>	<u>\$ 0.94</u>	<u>\$ (0.12)</u>	<u>\$ 0.98</u>
Net earnings per unit attributable to common unitholders - Diluted	<u>\$ 0.92</u>	<u>\$ 0.92</u>	<u>\$ (0.12)</u>	<u>\$ 0.97</u>

The accompanying notes are an integral part of this pro forma condensed consolidated statement of operations.

PROLOGIS, L.P.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2014
(In thousands, except per unit amounts)

	Prologis, L.P. Historical (10)	KTR Portfolio (11)	Pro Forma Adjustments	Pro Forma Consolidated
Revenues:				
Rental income	\$ 1,178,609	\$250,790	\$ (14,579)(12)	\$ 1,414,820
Rental recoveries	348,740	67,988	—	416,728
Strategic capital income	219,871	—	—	219,871
Development management and other income	13,567	—	—	13,567
Total revenues	<u>1,760,787</u>	<u>318,778</u>	<u>(14,579)</u>	<u>2,064,986</u>
Expenses:				
Rental expenses	430,787	98,334	(15,124)(13)	513,997
Strategic capital expenses	96,496	—	—	96,496
General and administrative expenses	247,768	—	—	247,768
Depreciation and amortization	642,461	—	165,650(14)	808,111
Other expenses	23,467	—	—	23,467
Total expenses	<u>1,440,979</u>	<u>98,334</u>	<u>150,526</u>	<u>1,689,839</u>
Operating income	319,808	220,444	(165,105)	375,147
Other income (expense):				
Earnings from unconsolidated entities, net	134,288	—	—	134,288
Interest expense	(308,885)	(32,145)	(23,128)(15)	(364,158)
Interest and other income, net	25,768	—	—	25,768
Gains on dispositions of investments in real estate and revaluation of equity investments upon acquisition of a controlling interest, net	725,790	—	—	725,790
Foreign currency and derivative (losses) and related amortization, net	(17,841)	—	—	(17,841)
Losses on early extinguishment of debt, net	(165,300)	—	—	(165,300)
Total other income (expense)	<u>393,820</u>	<u>(32,145)</u>	<u>(23,128)</u>	<u>338,547</u>
Earnings (loss) before income taxes	713,628	188,299	(188,233)	713,694
Current income tax expense	(61,584)	—	—	(61,584)
Deferred income tax benefit	87,240	—	—	87,240
Total income tax expense	<u>25,656</u>	<u>—</u>	<u>—</u>	<u>25,656</u>
Consolidated net earnings	739,284	188,299	(188,233)	739,350
Net (earnings) attributable to noncontrolling interests	(100,900)	—	(2,161)(16)	(103,061)
Net earnings attributable to controlling interests	638,384	188,299	(190,394)	636,289
Less preferred unit distributions	7,431	—	—	7,431
Loss on preferred unit redemption / repurchase	6,517	—	—	6,517
Net earnings attributable to common unitholders	\$ 624,436	\$188,299	\$ (190,394)	\$ 622,341
Weighted average common units outstanding - Basic	<u>501,349</u>		<u>4,500(17)</u>	<u>505,849</u>
Weighted average common units outstanding - Diluted	<u>506,391</u>		<u>4,500(17)</u>	<u>510,891</u>
Net earnings per unit attributable to common unitholders - Basic	\$ 1.25			\$ 1.23
Net earnings per unit attributable to common unitholders - Diluted	\$ 1.24			\$ 1.22

The accompanying notes are an integral part of this pro forma condensed consolidated statement of operations.

PROLOGIS, INC. AND PROLOGIS, L.P.
ADJUSTMENTS TO THE PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND FOR THE YEAR ENDED DECEMBER 31, 2014

- (1) Represents the consolidated statement of operations for Prologis, Inc. or Prologis, L.P. for the six months ended June 30, 2015, which was included in our previously filed Quarterly Report on Form 10-Q for the quarter ended June 30, 2015. Included in these results is \$27.4 million of net operating income (rental income less rental expenses) from the date of acquisition through June 30, 2015. The difference between the net operating income recognized in our operating results and the historical KTR Portfolio net operating income primarily relates to leasing activity in the Portfolio and development properties that were stabilized during 2014 and 2015. As of June 30, 2015, the KTR Portfolio of operating properties was 90% occupied.
- (2) This information represents the combined revenue and certain expenses of KTR for the period from January 1, 2015, through the acquisition date of May 29, 2015.
- (3) Rental income is adjusted to recognize: (i) \$1.1 million reduction due to properties sold prior to acquisition, (ii) \$9.4 million increase of total minimum lease payments provided under the acquired leases on a straight line basis over the remaining lease term and (iii) the amortization of the asset or liability from the acquired leases with favorable or unfavorable rents relative to estimated market rents, including a reduction of \$2.4 million from amortization of the asset and an increase of \$1.8 million from amortization of the liability. The asset or liability from the acquired leases with favorable or unfavorable market rents relative to estimated market rents is amortized using the remaining lease term associated with these leases, which is approximately five years.
- (4) Rental expense is adjusted for (i) \$0.4 million reduction due to properties sold, (ii) a \$4.0 million reduction for the removal of the Portfolio's historical property management fees; and (iii) a \$1.7 million increase of property management expense which primarily include estimated incremental salaries and benefits for property management personnel.
- (5) Depreciation and amortization expense is recorded based on the preliminary purchase price allocation of KTR to recognize real estate depreciation expense of \$53.8 million as a result of the acquisition of the properties acquired and to reflect amortization expense of \$8.3 million on intangible assets recognized related to the estimated value of in-place leases as of January 1, 2014. We estimated the average useful life of the properties to be 35 years and the remaining lease term associated with the in-place leases to be approximately six years.
- (6) Other expenses is adjusted to exclude acquisition costs of \$24.7 million incurred by the Company related to the acquisition of the Portfolio, as these costs were directly attributable to the Portfolio acquisition and are not recurring in nature.
- (7) The adjustment to interest expense includes: (i) the removal of the Portfolio's historical interest expense of \$13.3 million; and (ii) the additional interest expense attributable to the debt assumed, which was adjusted to fair value, as well as the interest expense on the \$1.8 billion of variable rate debt and \$0.8 billion of fixed rate debt issued by Prologis to finance our cash portion of the acquisition (\$2.6 billion) as detailed in the table below (in thousands):

<u>Debt</u>	<u>Pro forma Borrowings</u>	<u>Weighted Average Effective Interest Rate</u>	<u>Additional Interest Expense</u>
Secured mortgage debt assumed	\$ 735,172	2.69%	\$ 8,220
Prologis cash portion of acquisition	2,556,265	1.39%	14,810
Pro forma adjustment to interest expense			<u>\$ 23,030</u>

A 12.5 basis points, or 1/8th of 1.0%, increase (decrease) in the one-month LIBOR would increase (decrease) interest expense by approximately \$1.1 million for the six months ended June 30, 2015.

- (8) An adjustment of \$32.2 million was made to Prologis, Inc. and an adjustment of \$28.4 million was made to Prologis, L.P. to reflect: (i) the adjustment to the income allocated to noncontrolling interests, (ii) adjustment to reflect our partner's share of increased asset management fees within USLV; and (iii) the adjustment related to the limited partnership unitholders ownership percentage.
- (9) Represents the weighted average effect of Operating Partnership units issued in connection with the acquisition of the Portfolio.
- (10) Represents the consolidated statement of operations for Prologis, Inc. or Prologis L.P. for the year ended December 31, 2014, which was included in our previously filed Annual Report on Form 10-K for the fiscal year ended December 31, 2014.
- (11) This information represents the combined revenue and certain expenses of the Portfolio for the year ended December 31, 2014, which is included in Exhibit 99.1 to this Report on Form 8-K/A.

PROLOGIS, INC. AND PROLOGIS, L.P.
ADJUSTMENTS TO THE PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND FOR THE YEAR ENDED DECEMBER 31, 2014

- (12) Rental income is adjusted to recognize: (i) \$35.7 million reduction due to properties sold prior to acquisition, (ii) \$22.7 million increase of total minimum lease payments provided under the acquired leases on a straight line basis over the remaining lease term; and (iii) the amortization of the asset or liability from the acquired leases with favorable or unfavorable rents relative to estimated market rents, including a reduction of \$6.3 million from amortization of the asset and an increase of \$4.7 million from amortization of the liability. The asset or liability from the acquired leases with favorable or unfavorable market rents relative to estimated market rents is amortized using the remaining lease term associated with these leases, which is approximately five years.
- (13) Rental expense is adjusted for (i) \$9.9 million reduction due to properties sold, (ii) a \$9.4 million reduction for the removal of the Portfolio's historical property management fees; and (iii) a \$4.2 million increase of property management expense, which primarily include estimated incremental salaries and benefits for property management personnel.
- (14) Depreciation and amortization expense is recorded based on the preliminary purchase price allocation of KTR to recognize real estate depreciation expense of \$143.6 million as a result of the acquisition of the properties acquired and to reflect amortization expense of \$22.1 million on intangible assets recognized related to the estimated value of in-place leases as of January 1, 2014. We estimated the average useful life of the industrial properties to be 35 years and the remaining lease term associated with the in-place leases to be approximately six years.
- (15) The adjustment to interest expense includes: (i) the removal of the Portfolio's historical interest expense of \$32.1 million; and (ii) the additional interest expense attributable to the debt assumed, which was adjusted to fair value, as well as the interest expense on the \$1.8 billion of variable rate debt and \$0.8 billion of fixed rate debt issued by Prologis to finance our cash portion of the acquisition (\$2.6 billion) as detailed in the table below (in thousands):

<u>Debt</u>	<u>Pro forma Borrowings</u>	<u>Weighted Average Effective Interest Rate</u>	<u>Additional Interest Expense</u>
Secured mortgage debt assumed	\$ 735,172	2.69%	\$ 19,727
Prologis cash portion of acquisition	2,556,265	1.39%	35,545
Pro forma adjustment to interest expense			\$ 55,272

A 12.5 basis points, or 1/8th of 1.0%, increase (decrease) in the one-month LIBOR would increase (decrease) interest expense by approximately \$2.2 million for the year.

- (16) An adjustment of \$7.7 million was made to Prologis Inc. and an adjustment of \$2.2 million was made to Prologis, L.P. to reflect: (i) the adjustment to the income allocated to noncontrolling interests, (ii) adjustment to reflect our partner's share of increased asset management fees within USLV and (iii) the adjustment related to the limited partnership unitholders ownership percentage.
- (17) Represents the impact of Operating Partnership units issued in connection with the acquisition of the Portfolio.