

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 18, 2017

**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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 18, 2017, Prologis, Inc., the general partner of Prologis, L.P., issued a press release announcing first quarter 2017 financial results. A copy of the supplemental information as well as the press release is furnished with this report as Exhibit 99.1 and Exhibit 99.2, respectively, and are 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.

(d) Exhibits

Exhibit No. Description

99.1 Supplemental information, dated April 18, 2017.

99.2 Press release, dated April 18, 2017.

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.

April 18, 2017

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer

PROLOGIS, L.P.,

April 18, 2017

By: Prologis, Inc., its general partner

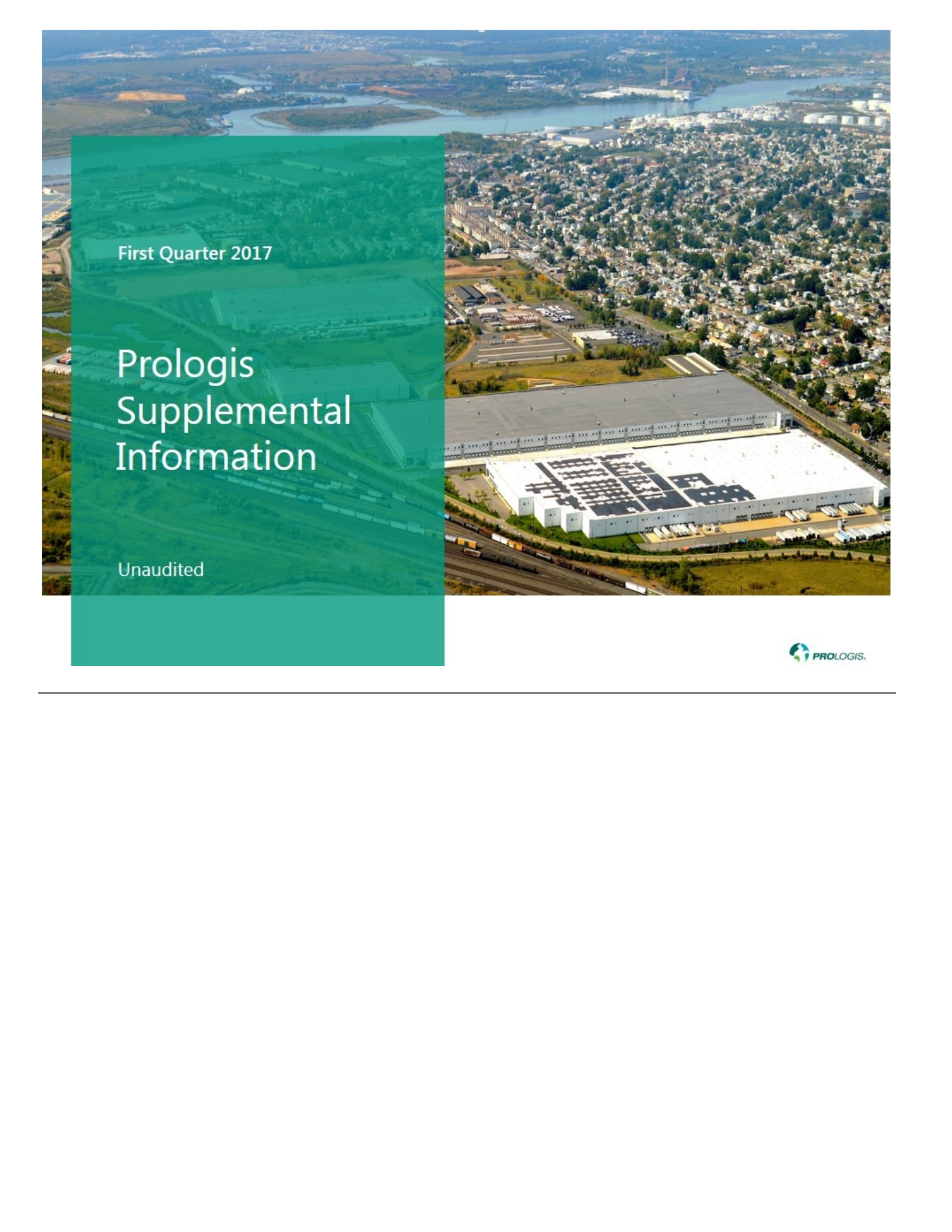
By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Supplemental information, dated April 18, 2017.
99.2	Press release, dated April 18, 2017.



First Quarter 2017

Prologis Supplemental Information

Unaudited



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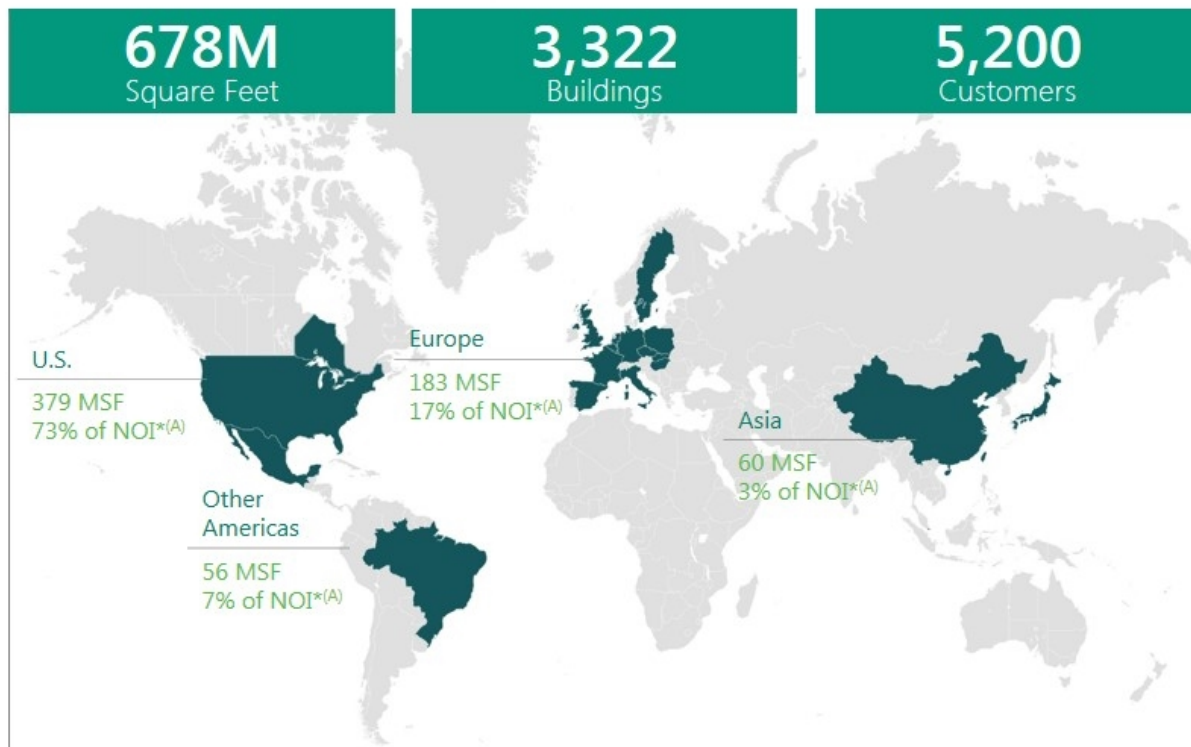
Net Asset Value

- 31 Components

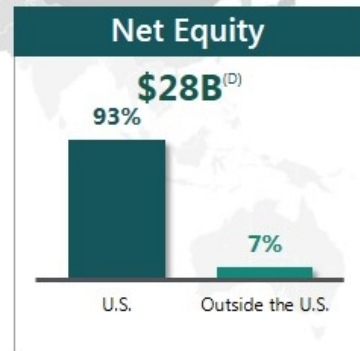
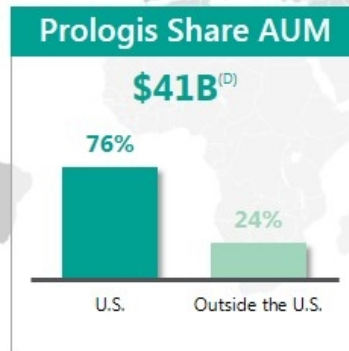
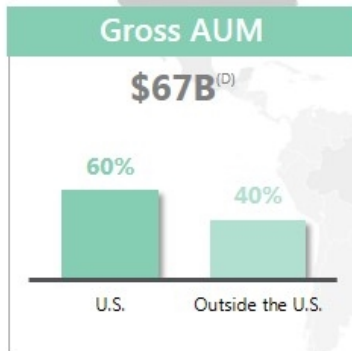
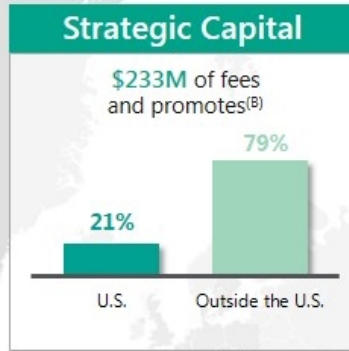
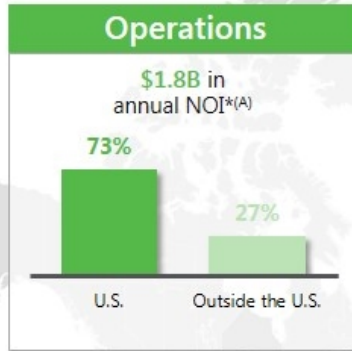
Notes and Definitions

- 33 Notes and Definitions ^(A)

Prologis, Inc., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of March 31, 2017, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 678 million square feet (63 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,200 customers across two major categories: business-to-business and retail/online fulfillment.



* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.
(A) NOI calculation based on Prologis share of the Operating Portfolio.



* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

(A) 1Q 2017 Prologis share of NOI of the operating portfolio annualized.

(B) 1Q 2017 third-party share of asset management fees annualized plus trailing twelve month third-party share of transaction fees and net promotes.

(C) Prologis share of trailing twelve month estimated value creation from development starts.

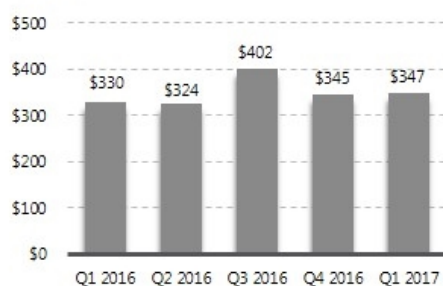
(D) Mexico is included in the U.S. as it is U.S. dollar functional.



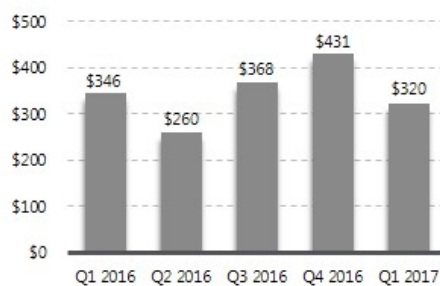
dollars in millions, except per share/unit data

	Three Months ended March 31,	
	2017	2016
Revenues	\$ 629	\$ 606
Net earnings attributable to common stockholders	203	208
Core FFO*	347	330
AFFO*	320	346
Adjusted EBITDA*	512	549
Estimated value creation from development starts - Prologis share	60	39
Common stock dividends and common limited partnership unit distributions	243	230
Per common share - diluted:		
Net earnings attributable to common stockholders	\$ 0.38	\$ 0.39
Core FFO*	0.63	0.61
Business line reporting:		
Real estate operations*	0.57	0.57
Strategic capital*	0.06	0.04
Core FFO*	0.63	0.61
Realized development gains, net of taxes	0.06	0.16
Dividends and distributions per common share/unit	0.44	0.42

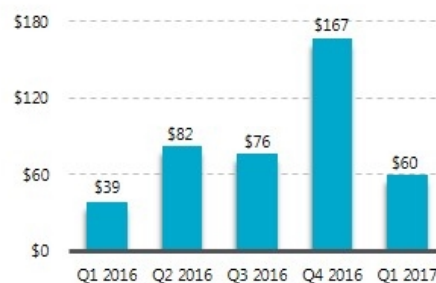
Core FFO*



AFFO*



Estimated Value Creation



* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

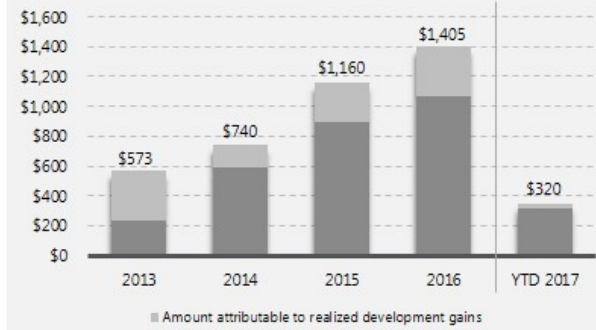
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(in millions)

Core FFO*



AFFO*



Estimated Value Creation



Asset Management Fees and Net Promotes



* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

dollars in millions, except per share

2017 Guidance		Low	High	
Net earnings (A)(B)(C)		\$ 1.70	\$ 1.80	
Core FFO* (A)(B)(C)		\$ 2.72	\$ 2.78	
Operations				
Year-end occupancy		96.0%	97.0%	
Same store NOI - growth - Prologis share*		4.50%	5.25%	
Other Assumptions				
Strategic capital revenue, excluding promote revenue		\$ 210	\$ 220	
Net promote income		\$ 65	\$ 75	
General & administrative expenses		\$ 215	\$ 225	
Realized development gains		\$ 250	\$ 300	
Capital Deployment				
	PROLOGIS SHARE	OWNED AND MANAGED		
	<i>Low</i>	<i>High</i>		
Development stabilizations	\$ 1,600	\$ 2,000	\$ 1,900	\$ 2,300
Development starts	\$ 1,600	\$ 1,900	\$ 2,000	\$ 2,400
Building acquisitions	\$ 100	\$ 300	\$ 200	\$ 500
Building and land dispositions	\$ 850	\$ 1,100	\$ 1,300	\$ 1,700
Building contributions	\$ 850	\$ 1,100	\$ 1,000	\$ 1,300

Exchange Rates

We have hedged the rates for the majority of our estimated 2017 Euro, Sterling and Yen Core FFO, effectively insulating 2017 results from any FX movements. For purposes of capital deployment and other metrics, we assumed effective rates for EUR, GBP and JPY of 1.05 (\$/€), 1.20 (\$/£) and 115 (¥/\$), respectively.

* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

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

(B) Net promote guidance is \$0.12 to \$0.14 per share.

(C) Earnings guidance includes potential future gains (losses) recognized from real estate transactions, but excludes future foreign currency or derivative gains or losses as these items are difficult to predict.



In thousands	March 31, 2017	December 31, 2016
Assets:		
Investments in real estate properties:		
Operating properties	\$ 23,950,202	\$ 23,943,457
Development portfolio	1,487,458	1,432,082
Land	1,162,427	1,218,904
Other real estate investments	531,142	524,887
	27,131,229	27,119,330
Less accumulated depreciation	3,914,817	3,758,372
Net investments in real estate properties	23,216,412	23,360,958
Investments in and advances to unconsolidated entities	4,305,881	4,230,429
Assets held for sale	439,743	322,139
Notes receivable backed by real estate	17,006	32,100
Net investments in real estate	27,979,042	27,945,626
Cash and cash equivalents	395,829	807,316
Other assets	1,440,087	1,496,990
Total assets	\$ 29,814,958	\$ 30,249,932
Liabilities and Equity:		
Liabilities:		
Debt	\$ 10,966,932	\$ 10,608,294
Accounts payable, accrued expenses and other liabilities	1,179,605	1,183,498
Total liabilities	12,146,537	11,791,792
Equity:		
Stockholders' equity	14,746,867	14,991,081
Noncontrolling interests	2,516,015	3,072,469
Noncontrolling interests - limited partnership unitholders	405,539	394,590
Total equity	17,668,421	18,458,140
Total liabilities and equity	\$ 29,814,958	\$ 30,249,932

In thousands, except per share amounts	Three Months Ended March 31,	
	2017	2016
Revenues:		
Rental	\$ 566,933	\$ 554,116
Strategic capital	57,045	51,003
Development management and other	5,177	1,181
Total revenues	629,155	606,300
Expenses:		
Rental	152,656	146,581
Strategic capital	31,799	25,293
General and administrative	53,617	50,543
Depreciation and amortization	226,591	250,000
Other	2,606	4,685
Total expenses	467,269	477,102
Operating income	161,886	129,198
Other income (expense):		
Earnings from unconsolidated co-investment ventures, net	45,450	47,192
Earnings from other unconsolidated ventures, net	3,155	11,119
Interest expense	(72,912)	(80,812)
Gains on dispositions of development properties and land, net	29,800	93,985
Gains on dispositions of real estate, net (excluding development properties and land)	67,525	50,332
Foreign currency and derivative (losses) and interest and other income, net	(4,615)	(11,620)
Losses on early extinguishment of debt, net	-	(1,052)
Total other income	68,403	109,144
Earnings before income taxes	230,289	238,342
Current income tax expense	(7,161)	(16,156)
Deferred income tax benefit (expense)	(2,439)	619
Consolidated net earnings	220,689	222,805
Net earnings attributable to noncontrolling interests	(10,137)	(6,841)
Net earnings attributable to noncontrolling interests - limited partnership units	(5,623)	(6,234)
Net earnings attributable to controlling interests	204,929	209,730
Preferred stock dividends	(1,674)	(1,689)
Net earnings attributable to common stockholders	\$ 203,255	\$ 208,041
Weighted average common shares outstanding - Diluted	550,010	543,562
Net earnings per share attributable to common stockholders - Diluted	\$ 0.38	\$ 0.39

in thousands	Three Months Ended March 31,	
	2017	2016
Net earnings attributable to common stockholders	\$ 203,255	\$ 208,041
Add (deduct) NAREIT defined adjustments:		
Real estate related depreciation and amortization	219,071	243,592
Gains on dispositions of real estate, net (excluding development properties and land)	(67,525)	(50,332)
Reconciling items related to noncontrolling interests	(25,063)	(40,275)
Our share of reconciling items related to unconsolidated co-investment ventures	32,059	40,000
Our share of reconciling items related to other unconsolidated ventures	1,614	(2,506)
Subtotal-NAREIT defined FFO*	\$ 363,411	\$ 398,520
Add (deduct) our defined adjustments:		
Unrealized foreign currency and derivative losses, net	12,203	15,328
Deferred income tax expense (benefit)	2,439	(619)
Current income tax benefit on dispositions related to acquired tax assets	(1,270)	-
Reconciling items related to noncontrolling interests	(94)	483
Our share of reconciling items related to unconsolidated co-investment ventures	1,063	(1,974)
FFO, as modified by Prologis*	\$ 377,752	\$ 411,738
Gains on dispositions of development properties and land, net	(29,800)	(93,985)
Current income tax expense (benefit) on dispositions	(1,086)	8,323
Acquisition expenses	-	1,261
Losses on early extinguishment of debt, net	-	1,052
Reconciling items related to noncontrolling interests	(1,167)	90
Our share of reconciling items related to unconsolidated co-investment ventures	974	2,464
Our share of reconciling items related to other unconsolidated ventures	79	(1,310)
Core FFO*	\$ 346,752	\$ 329,633
Adjustments to arrive at Adjusted FFO ("AFFO"), including our share of unconsolidated co-investment ventures less noncontrolling interests:		
Gains on dispositions of development properties and land, net	29,800	93,985
Current income tax benefit (expense) on dispositions	1,086	(8,323)
Straight-lined rents and amortization of lease intangibles	(25,497)	(31,561)
Property improvements	(7,395)	(7,257)
Turnover costs	(40,278)	(41,569)
Amortization of debt premiums, financing costs and management contracts, net	(2,065)	(4,475)
Stock compensation expense	18,380	12,465
Reconciling items related to noncontrolling interests	13,378	17,441
Our share of reconciling items related to unconsolidated co-investment ventures	(14,404)	(14,664)
AFFO*	\$ 319,757	\$ 345,675



* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

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In thousands	Three Months Ended March 31,	
	2017	2016
Net earnings attributable to common stockholders	\$ 203,255	\$ 208,041
Gains on dispositions of real estate, net (excluding development properties and land)	(67,525)	(50,332)
Depreciation and amortization	226,591	250,000
Interest expense	72,912	80,812
Losses on early extinguishment of debt, net	-	1,052
Current and deferred income tax expense, net	9,600	15,537
Net earnings attributable to noncontrolling interests - limited partnership unit holders	5,623	6,234
Pro forma adjustments	10,379	(5,935)
Preferred stock dividends	1,674	1,689
Unrealized foreign currency and derivative losses, net	12,203	15,328
Stock compensation expense	18,380	12,465
Acquisition expenses	-	1,261
Adjusted EBITDA, consolidated*	\$ 493,092	\$ 536,152
Reconciling items related to noncontrolling interests	(34,496)	(51,975)
Our share of reconciling items related to unconsolidated co-investment ventures	53,070	65,047
Adjusted EBITDA*	\$ 511,666	\$ 549,224

Co-Investment Ventures (A)	Type	Established	Accounting Method	Region	Ownership	Structure	Next Promote Opportunity
Prologis U.S. Logistics Venture	Core	2014	Consolidated	U.S.	55.0%	Open end	Q4 2019
Prologis Targeted U.S. Logistics Fund	Core	2004	Unconsolidated	U.S.	14.2%	Open end	Q2 2017
FIBRA Prologis	Core	2014	Unconsolidated	Mexico	45.9%	Public, Mexican Exchange	Q2 2017
Brazil joint ventures (B)	Core/Development	2010	Unconsolidated	Brazil	various	Closed end	n/a
Prologis Targeted Europe Logistics Fund (C)	Core	2007	Unconsolidated	Europe	17.9%	Open end	Q3 2019
Prologis European Properties Fund II	Core	2007	Unconsolidated	Europe	31.2%	Open end	Q3 2019
Prologis European Logistics Partners	Core	2013	Unconsolidated	Europe	50.0%	Open end	Q4 2018
Prologis UK Logistics Venture (D)	Core/Development	2017	Unconsolidated	Europe	15.0%	Closed end	Q1 2018
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

In thousands	Venture (at 100%) (E)		
	Square Feet	GBV of Operating Bldgs	Debt
Unconsolidated Co-Investment Ventures			
Prologis Targeted U.S. Logistics Fund	51,282	\$ 4,827,684	\$ 1,340,453
FIBRA Prologis (F)	34,164	2,007,838	736,516
Brazil joint ventures (B)	8,796	570,543	-
Prologis Targeted Europe Logistics Fund (C)	33,795	3,205,926	756,235
Prologis European Properties Fund II	71,444	4,935,179	1,754,429
Prologis European Logistics Partners	58,816	3,810,956	-
Prologis UK Logistics Venture (D)	950	128,401	34,987
Nippon Prologis REIT (F)	24,789	4,293,172	1,690,407
Prologis China Logistics Venture	11,514	560,735	365,305
Unconsolidated Co-Investment Ventures Total	295,550	24,340,434	6,678,332
Consolidated Co-Investment Ventures			
Prologis U.S. Logistics Venture	70,971	6,053,183	698,871
Consolidated Co-Investment Ventures Total	70,971	6,053,183	698,871
Total	366,521	\$ 30,393,617	\$ 7,377,203

- (A) In March 2017, we acquired our partner's interest in the consolidated co-investment venture Prologis North American Industrial Fund for \$710 million.
- (B) In March 2017, we acquired our partner's interest in the consolidated co-investment venture Prologis Brazil Logistics Partners Fund I, which owned an investment in several unconsolidated joint ventures, for \$80 million.
- (C) In January 2017, we sold our investment in Europe Logistics Venture 1 ("ELV") to our fund partner for \$84 million and ELV contributed its properties to Prologis Targeted Europe Logistics Fund in exchange for equity interests.
- (D) We formed this venture in February 2017.
- (E) Values represent the entire venture at 100%, not Prologis' proportionate share. Values are presented at Prologis' adjusted basis derived from the ventures' U.S. GAAP information and may not be comparable to values reflected in the ventures' stand alone financial statements calculated on a different basis.
- (F) Throughout this document we use the most recent public information for these co-investment ventures.



dollars in thousands	U.S.	Other Americas	Europe	Asia	Total
Operating Information					
For the Three Months Ended March 31, 2017					
Rental revenues	\$ 104,064	\$ 63,719	\$ 243,767	\$ 88,088	\$ 499,638
Rental expenses	(29,792)	(10,631)	(52,491)	(18,432)	(111,346)
General and administrative expenses	(6,111)	(6,501)	(20,674)	(9,366)	(42,652)
Depreciation and amortization	(42,312)	(18,416)	(82,725)	(22,390)	(165,843)
Other operating revenue (expense)	-	788	(451)	(87)	240
Operating income	25,849	28,959	87,426	37,803	180,037
Interest expense	(15,389)	(8,264)	(18,460)	(8,214)	(50,327)
Gains (losses) on dispositions of real estate	25,556	(1,471)	17,508	-	41,593
Current and deferred income tax expense	(66)	(1,675)	(12,695)	(1,642)	(16,078)
Other income (expense)	8	(65)	(884)	(4,054)	(4,995)
Net earnings	35,958	17,484	72,895	23,893	150,230
Real estate related depreciation and amortization	41,657	17,811	81,769	21,625	162,862
Gains on dispositions of real estate, net (excluding development properties and land)	(25,909)	-	(17,512)	-	(43,421)
Unrealized foreign currency and derivative losses, net	-	862	59	4,148	5,069
FFO, as modified by Prologis*	51,706	36,157	137,205	49,666	274,734
Reconciling Items to Core FFO	353	1,499	890	119	2,861
Core FFO*	52,059	37,656	138,095	49,785	277,595
Balance Sheet Information					
As of March 31, 2017					
Operating properties, before depreciation	\$ 4,827,684	\$ 2,578,381	\$ 12,080,462	\$ 4,853,907	\$ 24,340,434
Accumulated depreciation	(724,403)	(162,826)	(1,429,867)	(269,732)	(2,586,828)
Properties under development and land	-	229,313	182,112	473,080	884,505
Other assets	189,272	190,844	762,847	305,123	1,448,086
Total assets	\$ 4,292,553	\$ 2,835,711	\$ 11,595,554	\$ 5,362,378	\$ 24,086,196
Third party debt	\$ 1,340,453	\$ 736,516	\$ 2,545,651	\$ 2,055,712	\$ 6,678,332
Other liabilities	83,866	75,510	917,006	290,810	1,367,192
Total liabilities	\$ 1,424,319	\$ 812,026	\$ 3,462,657	\$ 2,346,522	\$ 8,045,524
Weighted average ownership	14.2%	43.9%	33.2%	15.1%	26.9%

* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

(A) Values represent the entire venture at 100%, not Prologis proportionate share. Values are presented at Prologis' adjusted basis derived from the ventures' U.S. GAAP information and may not be comparable to values reflected in the ventures' stand alone financial statements calculated on a different basis.



dollars in thousands

	Non Controlling Interests included in Consolidated Amounts*(B)	Prologis Share of Unconsolidated Co-Investment Ventures*(C)
Operating Information for the Three Months Ended March 31, 2017		
Rental revenues	\$ 72,883	\$ 138,941
Rental expenses	(21,299)	(29,572)
General and administrative expenses	(6,185)	(11,637)
Depreciation and amortization	(31,390)	(43,910)
Other operating revenue	-	276
Operating income	14,009	54,098
Interest expense	(3,942)	(12,430)
Gains (losses) on dispositions of real estate	(719)	10,284
Current and deferred income tax expense	(176)	(5,714)
Other income (expense)	438	(788)
Earnings from unconsolidated co-investment ventures, net	506	-
Net earnings	10,116	45,450
Real estate related depreciation and amortization	31,390	43,127
Gains on dispositions of real estate, net (excluding development properties and land)	(704)	(11,068)
Unrealized foreign currency and derivative losses (gains), net	(540)	1,063
Deferred income tax expenses, net of current income tax benefit related to acquired tax assets	634	-
FFO, as modified by Prologis*	40,896	78,572
Losses on dispositions of development properties and land, net	1,791	784
Current income tax benefit on dispositions	(624)	-
Acquisition expenses	-	22
Losses on early extinguishment of debt, net	-	168
Core FFO*	\$ 42,063	\$ 79,546
Balance Sheet Information as of March 31, 2017		
Operating properties, before depreciation	\$ 2,792,056	\$ 6,568,309
Accumulated depreciation	(1,814,611)	(699,707)
Properties under development, land and other real estate	77,417	229,138
Other assets	202,555	235,574
Total assets	\$ 2,890,567	\$ 6,333,314
Third party debt	\$ 318,341	\$ 1,525,255
Other liabilities	56,211	372,710
Total liabilities	\$ 374,552	\$ 1,897,965
Weighted average ownership	37.9%	26.9%
Noncontrolling interests investment	\$ 2,516,015	-
Investment in and advances to unconsolidated co-investment ventures (D)	-	\$ 4,096,173
Investment in and advances to other unconsolidated ventures	-	209,708
Investment in and advances to unconsolidated entities	-	\$ 4,305,881

* This is a non-GAAP financial measure, please see our Notes and Definitions for further explanation.

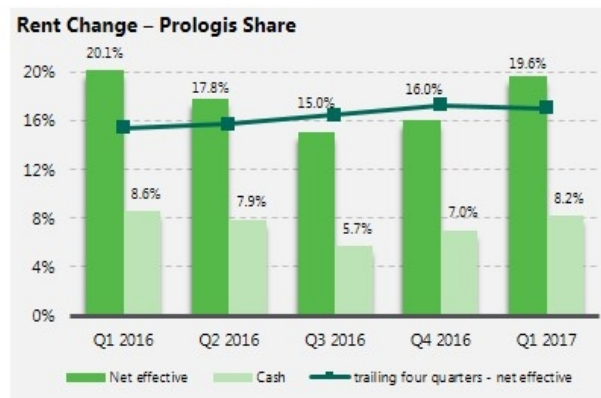
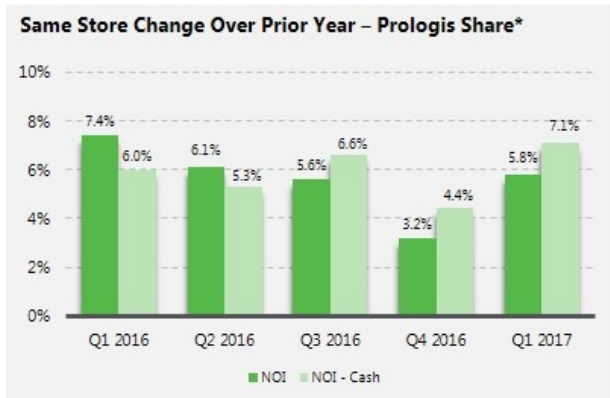
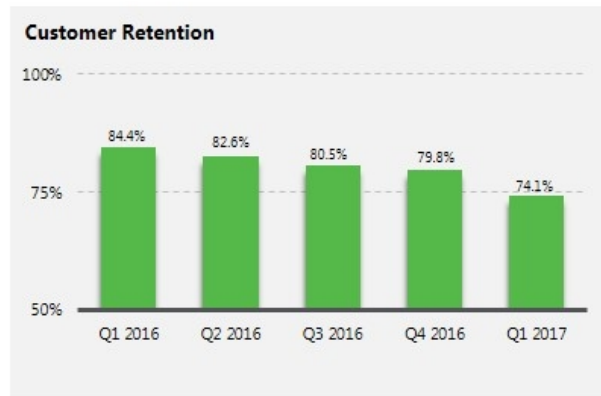
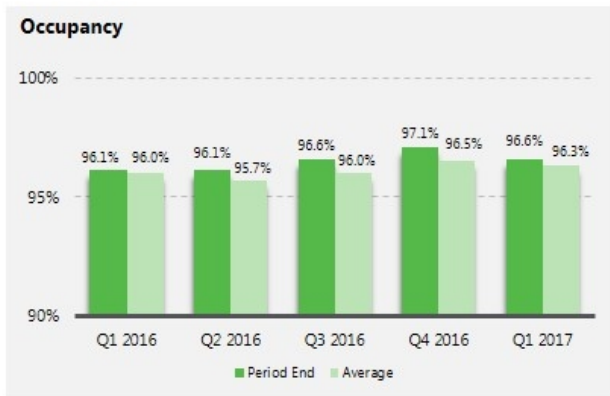
(A) See our Notes and Definitions for further explanation of how these amounts are calculated.

(B) Represents noncontrolling interests share of Prologis' consolidated financial statement amounts.

(C) Represents Prologis' share of unconsolidated co-investment ventures.

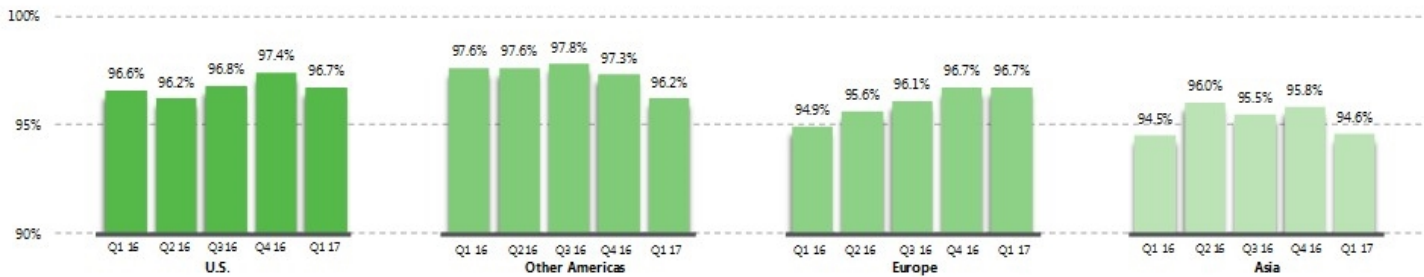
(D) This balance includes the deferred portion of gains on the contribution of our properties to the ventures, net of any additional costs, included in our investment in the venture.





* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation

Period Ending Occupancy



square feet in thousands

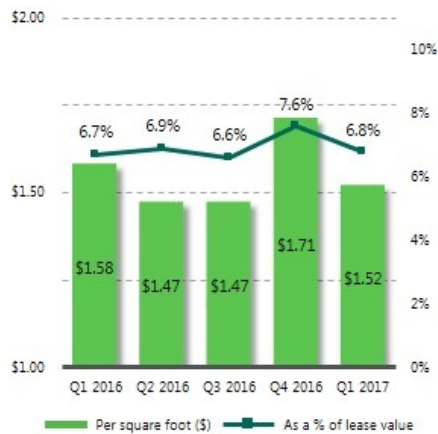
Leasing Activity

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Square feet of leases signed:					
Operating portfolio:					
Renewals	29,380	26,682	26,354	20,271	22,202
New leases	9,939	12,339	14,371	12,554	11,890
Total operating portfolio	39,319	39,021	40,725	32,825	34,092
Properties under development	7,006	9,488	5,767	6,047	5,334
Total Square Feet of Leases Signed	46,325	48,509	46,492	38,872	39,426
Average term of leases signed (months)	54	61	54	54	56
Operating Portfolio:					
Trailing four quarters - square feet of leases signed	147,036	149,604	152,412	151,890	146,663
Trailing four quarters - % of average portfolio	24.7%	24.5%	24.8%	24.7%	23.7%
Rent change (net effective)	16.2%	14.6%	11.7%	12.7%	14.0%
Rent change (net effective) - Prologis share	20.1%	17.8%	15.0%	16.0%	19.6%
Rent change (cash)	5.5%	5.8%	3.3%	4.9%	5.2%
Rent change (cash) - Prologis share	8.6%	7.9%	5.7%	7.0%	8.2%

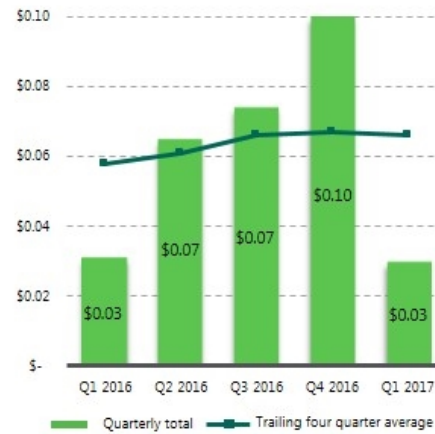
In thousands, except for percentages and per square foot

Capital Expenditures						Same Store Information					
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017		Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017
Property improvements	\$ 19,104	\$ 40,237	\$ 45,561	\$ 60,128	\$ 18,671	Square feet	517,525	511,133	504,259	500,668	586,274
Tenant improvements	29,160	33,646	28,698	28,499	29,455	Average occupancy	96.4%	96.1%	96.4%	97.0%	96.8%
Leasing commissions	28,684	27,604	27,531	33,475	25,188	Period end occupancy	96.4%	96.5%	96.9%	97.5%	96.9%
Total turnover costs	\$7,844	\$1,250	\$6,229	\$1,974	\$4,643	Percentage change:					
Total Capital Expenditures	\$ 76,948	\$101,487	\$101,790	\$122,102	\$ 73,314	Rental revenue	3.6%	3.8%	2.9%	2.7%	4.4%
Trailing four quarters - % of NOI*	13.4%	13.5%	13.6%	13.3%	13.0%	Rental expenses	(1.7%)	1.1%	(1.5%)	2.5%	3.6%
Weighted average ownership percent	67.6%	67.5%	62.5%	62.7%	61.6%	Same store NOI*	5.6%	4.7%	4.4%	2.8%	4.6%
Prologis share	\$ 51,995	\$ 68,490	\$ 63,668	\$ 76,548	\$ 45,142	Same store NOI - Prologis share*	7.4%	6.1%	5.6%	3.2%	5.8%
						Same store NOI - cash*	4.9%	4.4%	4.8%	3.8%	6.2%
						Same store NOI - cash - Prologis share*	6.0%	5.3%	6.6%	4.4%	7.1%
						Average occupancy	1.4%	1.1%	1.1%	0.6%	1.4%

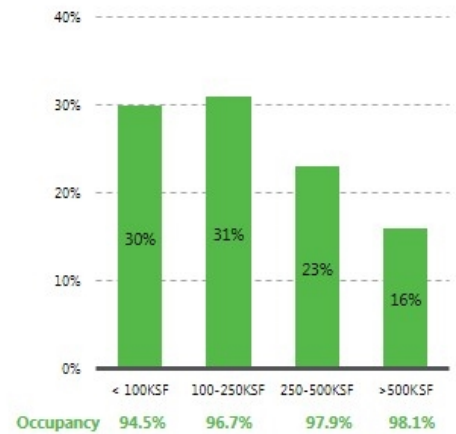
Turnover Costs on Leases Signed



Property Improvements per Square Foot



Composition of Portfolio (by Unit Size) and Occupancy



* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

Operations
Operating Portfolio – Square Feet, Occupied and Leased

1Q 2017 Supplemental

square feet in thousands and ordered by Prologis share of NOI (%)	# of Buildings Owned and Managed	Square Feet			Occupied %		Leased %	
		Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Southern California	350	72,524	56,751	14.6	97.2	97.3	97.7	97.9
New Jersey/New York City	141	32,410	24,639	6.3	97.8	97.3	97.8	97.3
San Francisco Bay Area	219	19,629	15,698	4.0	97.7	97.5	97.8	97.6
Chicago	233	40,342	29,279	7.5	96.2	96.5	96.3	96.7
Dallas/Ft. Worth	157	26,117	20,862	5.4	96.0	96.2	96.5	96.5
South Florida	134	14,654	9,520	2.4	96.0	94.9	96.6	95.9
Central & Eastern PA	33	17,756	14,166	3.6	94.0	92.5	94.0	92.5
Seattle	107	15,301	7,602	2.0	96.9	96.8	97.0	97.0
Atlanta	103	18,340	14,730	3.8	98.1	98.0	98.6	98.7
Central Valley	23	11,178	10,709	2.8	96.0	95.8	96.0	95.8
Baltimore/Washington	65	7,957	6,132	1.6	98.7	98.4	98.8	98.4
Houston	105	13,683	9,316	2.4	93.7	92.9	94.1	93.5
Las Vegas	46	6,101	4,543	1.2	99.0	99.3	99.2	99.4
Denver	30	5,538	5,538	1.4	98.8	98.8	100.0	100.0
Nashville	29	6,810	5,766	1.5	90.9	93.2	90.9	93.2
Columbus	24	7,246	6,780	1.7	97.9	97.8	97.9	97.8
San Antonio	38	4,735	4,735	1.2	99.4	99.4	99.4	99.4
Remaining U.S. markets (13 markets)	223	40,268	37,597	9.6	97.1	97.5	97.4	97.8
Total U.S.	2,060	360,599	284,373	73.0	96.7	96.7	97.0	97.0
Mexico	198	34,916	16,425	4.2	97.0	96.6	97.2	96.8
Canada	26	8,224	8,224	2.1	99.0	99.0	100.0	100.0
Brazil	20	8,796	3,137	0.8	90.1	86.1	90.1	86.1
Total Other Americas	244	51,936	27,786	7.1	96.2	96.1	96.4	96.5
United Kingdom	98	23,662	8,881	2.3	99.5	99.3	100.0	100.0
France	135	33,694	13,237	3.4	94.0	94.8	94.0	94.8
Germany	99	23,269	7,066	1.8	98.7	98.4	98.9	98.6
Poland	112	24,886	10,181	2.6	94.6	95.0	95.4	95.7
Netherlands	72	17,506	5,827	1.5	96.1	92.8	98.1	95.8
Czech Republic	56	10,940	4,180	1.1	97.6	98.1	98.0	98.4
Italy	44	10,915	5,295	1.4	98.4	97.2	99.4	99.3
Spain	36	8,169	3,816	1.0	94.7	94.6	94.7	94.6
Remaining European countries (4 countries)	88	19,897	7,938	2.0	98.5	98.4	98.7	98.5
Total Europe	740	172,938	66,421	17.1	96.7	96.5	97.3	97.2
Japan	39	26,773	5,725	1.5	95.7	86.5	96.2	88.5
China	59	13,837	4,051	1.0	93.8	94.0	94.4	95.1
Singapore	5	969	969	0.3	76.0	76.0	100.0	100.0
Total Asia	103	41,579	10,745	2.8	94.6	88.4	95.7	92.0
Total Outside the U.S.	1,087	266,453	104,952	27.0	96.3	95.6	96.9	96.5
Total Operating Portfolio	3,147	627,052	389,325	100.0	96.6	96.4	96.9	96.9
Total Global markets	2,588	527,040	311,532	80.0	96.4	96.1	96.8	96.6
Total Regional markets	555	99,459	77,250	19.8	97.4	97.7	97.6	97.9
Total Other markets	4	553	543	0.2	96.2	96.3	96.2	96.3

Operations

Operating Portfolio – NOI* and Gross Book Value

1Q 2017 Supplemental

dollars in thousands and ordered by Prologis share of NOI (%)

	First Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Southern California	\$ 101,428	\$ 75,990	17.0	\$ 6,979,504	\$ 5,271,986	18.8
New Jersey/New York City	51,164	37,262	8.3	3,338,937	2,358,493	8.4
San Francisco Bay Area	36,782	29,686	6.6	2,031,499	1,615,322	5.8
Chicago	37,052	25,254	5.6	2,620,328	1,827,947	6.5
Dallas/Ft. Worth	25,053	18,782	4.2	1,486,175	1,114,831	4.0
South Florida	23,110	14,670	3.3	1,527,589	1,027,025	3.7
Central & Eastern PA	17,203	12,745	2.8	1,104,787	861,943	3.1
Seattle	23,014	11,297	2.5	1,508,451	748,918	2.7
Atlanta	14,712	11,271	2.5	863,077	673,803	2.4
Central Valley	11,378	10,551	2.4	633,579	608,432	2.2
Baltimore/Washington	13,634	10,374	2.3	705,012	542,270	1.9
Houston	13,571	8,554	1.9	902,243	554,462	1.9
Las Vegas	8,540	6,034	1.4	431,806	307,028	1.1
Denver	6,157	5,895	1.3	334,029	334,029	1.2
Nashville	5,568	4,626	1.0	279,302	234,079	0.8
Columbus	5,184	4,598	1.0	265,272	248,409	0.9
San Antonio	4,888	4,467	1.0	232,354	232,354	0.9
Remaining U.S. markets (13 markets)	39,528	34,306	7.7	2,111,445	1,935,969	6.9
Total U.S.	437,966	326,362	72.8	27,355,389	20,497,300	73.2
Mexico	38,621	18,096	4.0	2,050,621	963,979	3.5
Canada	9,264	8,733	2.0	651,702	651,702	2.3
Brazil	15,110	4,514	1.0	570,543	193,725	0.7
Total Other Americas	62,995	31,343	7.0	3,272,866	1,809,406	6.5
United Kingdom	44,675	17,567	3.9	2,834,087	1,018,271	3.6
France	32,919	12,064	2.7	2,249,775	794,948	2.8
Germany	29,326	8,802	2.0	1,747,881	498,047	1.8
Poland	20,413	8,429	1.9	1,368,001	536,645	1.9
Netherlands	21,713	6,718	1.5	1,252,320	406,973	1.5
Czech Republic	11,302	4,515	1.0	681,905	255,906	0.9
Italy	9,560	4,467	1.0	566,935	269,901	1.0
Spain	9,346	4,391	1.0	544,873	258,773	0.9
Remaining European countries (4 countries)	20,209	7,823	1.7	1,175,566	457,848	1.7
Total Europe	199,463	74,776	16.7	12,521,343	4,497,313	16.1
Japan	61,052	10,892	2.4	4,555,484	910,161	3.2
China	11,734	2,890	0.7	630,023	153,399	0.5
Singapore	1,856	1,856	0.4	132,952	132,952	0.5
Total Asia	74,642	15,638	3.5	5,318,469	1,196,512	4.2
Total Outside the U.S.	337,100	121,757	27.2	21,112,678	7,503,231	26.8
Total Operating Portfolio	\$ 775,066	\$ 448,119	100.0	\$ 48,468,067	\$ 28,000,531	100.0
Total Global markets	674,857	375,048	83.7	43,228,754	24,025,327	85.8
Total Regional markets	99,405	72,289	16.1	5,203,616	3,940,385	14.1
Total Other markets	804	782	0.2	35,697	34,819	0.1



* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

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square feet and dollars in thousands

	# 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
Consolidated									
Total U.S.	1,683	309,922	277,177	71.2	96.5	96.7	96.8	97.0	
Total Outside the U.S.	90	23,273	23,273	6.0	92.5	92.5	94.9	94.9	
Total Operating Portfolio - Consolidated	1,773	333,195	300,450	77.2	96.3	96.4	96.7	96.8	
Unconsolidated									
Total U.S.	377	50,677	7,196	1.8	98.0	98.0	98.0	98.0	
Total Outside the U.S.	997	243,180	81,679	21.0	96.6	96.4	97.0	96.9	
Total Operating Portfolio - Unconsolidated	1,374	293,857	88,875	22.8	96.9	96.6	97.2	97.0	
Total									
Total U.S.	2,060	360,599	284,373	73.0	96.7	96.7	97.0	97.0	
Total Outside the U.S.	1,087	266,453	104,952	27.0	96.3	95.6	96.9	96.5	
Total Operating Portfolio	3,147	627,052	389,325	100.0	96.6	96.4	96.9	96.9	
Value added properties - consolidated	6	744	744		63.0	63.0	70.4	70.4	
Value added properties - unconsolidated	8	1,693	540		39.6	28.7	39.6	28.7	
Total	3,161	629,489	390,609		96.4	96.3	96.8	96.7	

	First Quarter NOP			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Consolidated						
Total U.S.	\$ 366,407	\$ 316,201	70.5	\$ 22,616,423	\$ 19,824,367	70.8
Total Outside the U.S.	23,134	22,603	5.1	1,632,911	1,632,911	5.8
Total Operating Portfolio - Consolidated	\$ 389,541	\$ 338,804	75.6	\$ 24,249,334	\$ 21,457,278	76.6
Unconsolidated						
Total U.S.	\$ 71,559	\$ 10,161	2.3	\$ 4,738,966	\$ 672,933	2.4
Total Outside the U.S.	313,966	99,154	22.1	19,479,767	5,870,320	21.0
Total Operating Portfolio - Unconsolidated	\$ 385,525	\$ 109,315	24.4	\$ 24,218,733	\$ 6,543,253	23.4
Total						
Total U.S.	\$ 437,966	\$ 326,362	72.8	\$ 27,355,389	\$ 20,497,300	73.2
Total Outside the U.S.	337,100	121,757	27.2	21,112,678	7,503,231	26.8
Total Operating Portfolio	\$ 775,066	\$ 448,119	100.0	\$ 48,468,067	\$ 28,000,531	100.0
Value added properties - consolidated	373	373		79,283	79,283	
Value added properties - unconsolidated	2	(30)		121,701	25,056	
Total	\$ 775,441	\$ 448,462		\$ 48,669,051	\$ 28,104,870	



* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

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square feet and dollars in thousands

Top Customers		
	% of Net Effective Rent	Total Square Feet
1 Amazon.com	3.2	15,870
2 DHL	1.6	10,247
3 Geodis	1.2	9,309
4 XPO Logistics	1.1	8,382
5 Kuehne + Nagel	1.1	6,566
6 Home Depot	1.1	6,665
7 FedEx	1.0	3,613
8 CEVA Logistics	0.8	6,405
9 DSV Air and Sea	0.8	5,392
10 Wal-Mart	0.8	4,742
Top 10 Customers	12.7	77,191
11 Nippon Express	0.7	2,960
12 UPS	0.7	3,614
13 BMW	0.6	3,806
14 DB Schenker	0.5	3,994
15 Hitachi	0.5	1,881
16 U.S. Government	0.5	1,157
17 Ingram Micro	0.5	2,959
18 Tesco	0.5	2,785
19 Panalpina	0.4	2,245
20 PepsiCo	0.3	2,586
21 Samsung Electronics	0.3	2,184
22 Best Buy	0.3	1,956
23 Under Armour	0.3	2,026
24 La Poste	0.3	1,658
25 APL Logistics	0.3	2,527
Top 25 Customers	19.4	115,529

Lease Expirations - Operating Portfolio - Owned and Managed				
Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2017	54,745	\$ 276,210	8.6	5.05
2018	98,524	493,569	15.4	5.01
2019	97,037	495,905	15.5	5.11
2020	84,498	451,740	14.1	5.35
2021	73,256	398,928	12.5	5.45
Thereafter	186,584	1,082,610	33.9	5.80
	594,644	\$ 3,198,962	100.0	5.38
Month to month	10,783			
Total	605,427			

Lease Expirations - Operating Portfolio - Prologis Share				
Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2017	31,945	\$ 149,510	7.9	4.68
2018	59,752	292,315	15.4	4.89
2019	61,757	295,713	15.5	4.79
2020	47,098	243,136	12.8	5.16
2021	50,602	263,546	13.9	5.21
Thereafter	117,722	657,530	34.5	5.59
	368,876	\$ 1,901,750	100.0	5.15
Month to month	6,481			
Total	375,357			

(in millions)

Development Starts (TEI)



Development Stabilizations (TEI)



Building Acquisitions



Land Portfolio



■ U.S. ■ Outside the U.S.

square feet and dollars in thousands

	Q1 2017		
	Square Feet	TEI	
		Owned and Managed	Prologis Share
Central	490	\$ 36,490	\$ 29,155
East	1,040	49,453	49,453
West	518	50,207	36,544
Total U.S.	2,048	136,150	115,152
Canada	158	11,964	11,964
Mexico	399	27,411	27,411
Brazil	742	44,151	22,076
Total Other Americas	1,299	83,526	61,451
Northern Europe	214	20,604	20,604
Southern Europe	582	35,701	35,701
Central Europe	645	42,031	40,724
United Kingdom (A)	622	68,941	38,998
Total Europe	2,063	167,277	136,027
Japan	626	91,883	91,883
China	-	-	-
Singapore	-	-	-
Total Asia	626	91,883	91,883
Total Outside the U.S.	3,988	342,686	289,361
Total Development Stabilizations	6,036	\$ 478,836	\$ 404,513
Percent build to suit			26.9%
Estimated weighted average stabilized yield			6.8%
Annualized estimated NOI			\$ 27,656
Estimated weighted average stabilized cap rate			5.5%
Estimated weighted average margin			22.1%
Estimated value creation			\$ 89,361



(A) Included in owned and managed TEI is \$39 million related to a building owned by a development joint venture with one other investor. As this venture is not considered a co-investment venture, it will not be included in our operating portfolio.

square feet and dollars in thousands

	Q1 2017			
	Square Feet	Leased % at Start	T E I	
			Owned and Managed	Prologis Share
Central	286	0.0	\$ 19,918	\$ 19,918
East	-	-	-	-
West	1,221	55.0	88,013	88,013
Total U.S.	1,507	44.5	107,931	107,931
Canada	-	-	-	-
Mexico	568	64.8	37,172	37,172
Brazil	-	-	-	-
Total Other Americas	568	64.8	37,172	37,172
Northern Europe	864	100.0	57,095	57,095
Southern Europe	317	100.0	23,442	23,442
Central Europe	174	100.0	9,562	9,562
United Kingdom	705	100.0	77,093	77,093
Total Europe	2,060	100.0	167,192	167,192
Japan	-	-	-	-
China	-	-	-	-
Total Asia	-	-	-	-
Total Outside the U.S.	2,628	92.4	204,364	204,364
Total Development Starts	4,135	74.9	\$ 312,295	\$ 312,295
Percent build to suit				77.0%
Estimated weighted average stabilized yield				6.7%
Annualized estimated NOI				\$ 20,967
Estimated weighted average stabilized cap rate				5.5%
Estimated weighted average margin				19.2%
Estimated value creation				\$ 59,906

	TEI				TEI			TEI			TEI				
	Sq Ft	Leased %	Owned and Managed	Prologis Share	Sq Ft	Owned and Managed	Prologis Share	Sq Ft	Owned and Managed	Prologis Share	Sq Ft	Leased %	Owned and Managed	Prologis Share	
Central	716	100.0	\$ 37,968	\$ 37,968	1,704	\$ 101,276	\$ 101,276	-	\$ -	\$ -	2,420	70.7	\$ 139,244	\$ 139,244	
East	111	100.0	13,106	13,106	1,044	155,709	155,709	-	-	-	1,155	34.2	168,815	168,815	
West	407	15.6	33,468	33,468	6,228	471,498	449,957	973	74,343	74,343	7,608	51.3	579,304	557,768	
Total U.S.	1,234	72.2	84,542	84,542	8,976	728,478	706,942	973	74,343	74,343	11,183	53.7	887,363	865,827	
Canada	546	71.8	44,917	44,917	-	-	-	-	-	-	546	71.8	44,917	44,917	
Mexico	561	55.6	35,882	35,882	1,812	102,047	102,047	-	-	-	2,373	70.2	137,929	137,929	
Brazil	963	0.0	72,545	36,272	-	-	-	-	-	-	963	0.0	72,545	36,272	
Total Other Americas	2,070	34.0	153,344	117,071	1,812	102,047	102,047	-	-	-	3,882	53.0	255,391	219,118	
Northern Europe	288	48.5	26,321	26,321	2,341	157,368	157,368	-	-	-	2,629	84.8	183,689	183,689	
Southern Europe	639	53.4	34,295	34,295	625	44,543	44,543	317	23,442	23,442	1,581	51.0	102,280	102,280	
Central Europe	1,598	82.1	82,066	76,662	1,298	63,138	53,578	-	-	-	2,896	90.1	145,204	130,240	
United Kingdom	291	0.0	80,727	80,727	964	84,575	62,131	705	77,093	77,093	1,960	57.2	242,386	219,951	
Total Europe	2,816	63.7	223,409	218,005	5,228	349,624	317,620	1,022	100,535	100,535	9,066	74.6	673,568	636,160	
Japan	2,796	62.5	418,327	418,327	756	144,943	144,943	966	132,787	132,787	4,518	59.3	696,057	696,057	
China	2,461	12.6	136,702	20,505	5,610	301,570	45,235	5,455	298,335	44,750	13,526	2.3	736,607	110,490	
Singapore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Asia	5,257	39.1	555,029	438,832	6,366	446,513	190,178	6,421	431,122	177,537	18,044	16.6	1,432,664	806,547	
Total Outside the U.S.	10,143	44.9	931,782	773,908	13,406	898,184	609,845	7,443	531,657	278,072	30,992	38.1	2,361,623	1,661,825	
Total Development Portfolio	11,377	47.8	\$ 1,016,324	\$ 858,450	22,382	\$ 1,626,662	\$ 1,316,787	8,416	\$ 606,000	\$ 352,415	42,175	42.2	\$ 3,248,986	\$ 2,527,652	
Cost to complete			\$ 67,830	\$ 55,432		\$ 662,292	\$ 557,726		\$ 405,421	\$ 252,336			\$ 1,135,543	\$ 865,494	
Percent build to suit				9.9%			42.6%			53.4%				33.0%	
Estimated weighted average yield															
U.S.				6.3%			6.3%			6.3%				6.3%	
Other Americas				7.8%			7.5%			-				7.7%	
Europe				6.8%			7.1%			6.4%				6.9%	
Asia				6.2%			5.9%			6.4%				6.2%	
Total				6.6%			6.5%			6.4%				6.5%	
														Annualized estimated NOI	\$165,188
														Estimated weighted average stabilized cap rate	5.3%
														Estimated development margin	21.9%
														Estimated value creation	\$554,539

square feet and dollars in thousands

	Q1 2017			
	Square Feet		Acquisition Costs	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Prologis Wholly Owned	26	26	\$ 24,951	\$ 24,951
Prologis Targeted U.S. Logistics Fund	1,715	244	163,951	23,281
Total U.S.	1,741	270	188,902	48,232
Total Outside the U.S.	-	-	-	-
Total Third Party Building Acquisitions	1,741	270	\$ 188,902	\$ 48,232
Weighted average stabilized cap rate				5.6%

(A) During the quarter, we bought out our remaining partner in North American Industrial Fund (NAIF) for \$710 million, which increased our ownership to 100%. In addition, we bought out our partner from Brazil Fund, the entity that has equity method investments in several joint ventures in Brazil, increasing our ownership in that entity to 100%. Both NAIF and Brazil fund were consolidated entities, so these transactions only impacted our reported noncontrolling interests and are not included in the table.



	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Third-Party Building Dispositions				
Prologis Wholly Owned	946	946	\$ 65,970	\$ 65,970
Prologis U.S. Logistics Venture	1,127	620	61,100	33,629
Prologis Targeted U.S. Logistics Fund	419	59	63,987	9,086
Total U.S.	2,492	1,625	191,057	108,685
Total Other Americas				
Prologis Wholly Owned	244	244	22,235	22,235
Prologis European Properties Fund II	501	156	26,917	8,385
Total Europe	745	400	49,152	30,620
Total Asia	-	-	-	-
Total Outside the U.S.	745	400	49,152	30,620
Total Third Party Building Dispositions	3,237	2,025	\$ 240,209	\$ 139,305
Building Contributions to Co-Investment Ventures				
Total U.S.	-	-	-	-
Total Other Americas				
Europe Logistics Venture I	1,541	1,541	\$ 128,569	\$ 109,284
Prologis Targeted Europe Logistics Fund	278	278	15,790	12,963
Prologis UK Logistics Venture	950	950	128,386	109,128
Total Europe	2,769	2,769	272,745	231,375
Total Asia	-	-	-	-
Total Outside the U.S.	2,769	2,769	272,745	231,375
Total Building Dispositions and Contributions	6,006	4,794	\$ 512,954	\$ 370,680
Weighted average stabilized cap rate				5.6%
Land dispositions			6,423	6,164
Dispositions of other investments in real estate			4,513	3,431
Land and properties under development contributed to Prologis UK Logistics Venture			123,670	105,119
Grand Total Dispositions and Contributions			\$ 647,560	\$ 485,394

square feet and dollars in thousands, ordered by Prologis share of NOI (%) of the operating portfolio

	Acres			Current Book Value		
	Owned and Managed	Prologis Share	Estimated Build Out (sq ft)	Owned and Managed	Prologis Share	% of Total
Southern California	144	139	2,695	\$ 30,435	\$ 28,587	2.3
New Jersey/New York Cty	119	97	1,364	42,408	35,349	2.8
San Francisco Bay Area	-	-	-	-	-	0.0
Chicago	219	214	3,785	18,645	18,093	1.4
Dallas/Ft. Worth	160	117	3,026	22,234	18,259	1.4
South Florida	215	214	4,381	124,222	123,997	9.9
Central & Eastern PA	137	137	1,623	23,753	23,753	1.9
Seattle	30	30	896	33,064	33,064	2.6
Atlanta	130	130	1,809	4,545	4,545	0.4
Central Valley	1,120	1,120	22,509	90,590	90,590	7.2
Baltimore/Washington	41	41	400	10,758	10,758	0.9
Houston	185	173	2,855	15,420	13,756	1.1
Las Vegas	96	96	1,884	17,644	17,644	1.4
Denver	53	53	913	18,640	18,640	1.5
Nashville	-	-	-	-	-	0.0
Columbus	47	47	925	1,614	1,614	0.1
San Antonio	-	-	-	-	-	0.0
Remaining U.S. markets (13 markets)	336	328	4,891	31,287	30,484	2.4
Total U.S.	3,032	2,936	53,956	485,299	469,133	37.3
Mexico	698	690	13,413	173,487	171,557	13.6
Canada	161	161	3,224	42,251	42,251	3.4
Brazil	489	245	11,950	160,587	80,294	6.4
Total Other Americas	1,348	1,096	28,587	376,325	294,102	23.4
United Kingdom	303	179	4,651	192,577	95,390	7.6
France	313	260	6,029	55,015	46,790	3.7
Germany	45	39	931	11,995	10,771	0.9
Poland	518	483	9,628	54,985	47,273	3.8
Netherlands	29	29	844	15,923	15,923	1.3
Czech Republic	167	163	2,721	29,525	28,209	2.2
Italy	91	79	2,053	11,105	8,094	0.6
Spain	109	90	2,878	38,036	33,290	2.6
Remaining European countries (4 countries)	446	418	7,194	45,729	43,421	3.5
Total Europe	2,021	1,740	36,929	454,890	329,161	26.2
Japan	69	69	4,714	152,834	152,834	12.1
China	135	36	4,417	51,882	12,345	1.0
Singapore	-	-	-	-	-	0.0
Total Asia	204	105	9,131	204,716	165,179	13.1
Total Outside the U.S.	3,573	2,941	74,647	1,035,931	788,442	62.7
Total Land Portfolio	6,605	5,877	128,603	\$ 1,521,190	\$ 1,257,575	100.0

dollars in thousands	Acres			Current Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Central	662	602	10.2	\$ 60,513	\$ 54,324	4.3
East	814	791	13.5	226,886	219,601	17.5
West	1,556	1,543	26.3	197,860	195,208	15.5
Total U.S.	3,032	2,936	50.0	485,259	469,133	37.3
Mexico	698	690	11.7	173,487	171,557	13.6
Canada	161	161	2.7	42,251	42,251	3.4
Brazil	489	245	4.2	160,587	80,294	6.4
Total Other Americas	1,348	1,096	18.6	376,325	294,102	23.4
Central Europe	1,083	1,018	17.3	116,648	105,889	8.4
Northern Europe	122	114	1.9	41,509	39,708	3.2
Southern Europe	513	429	7.3	104,156	88,174	7.0
United Kingdom	303	179	3.1	192,577	95,390	7.6
Total Europe	2,021	1,740	29.6	454,890	329,161	26.2
Japan	69	69	1.2	152,834	152,834	12.1
China	135	36	0.6	51,882	12,345	1.0
Total Asia	204	105	1.8	204,716	165,179	13.1
Total Outside the U.S.	3,573	2,941	50.0	1,035,931	788,442	62.7
Total Land Portfolio	6,605	5,877	100.0	\$ 1,521,190	\$ 1,257,575	100.0
Estimated build out of land portfolio (in TEI)				\$ 8,300,000	\$ 7,200,000	
Estimated build out of other land (in TEI) (A)				1,600,000	1,500,000	
Total				\$ 9,900,000	\$ 8,700,000	

Land Roll Forward - Prologis Share	U.S.	Other Americas	Europe	Asia	Total
As of December 31, 2016	\$ 458,590	\$ 278,639	\$ 401,620	\$ 127,931	\$ 1,266,780
Acquisitions	11,749	9,779	86,651	26,722	134,901
Dispositions	(1,032)	-	(114,574)	-	(115,606)
Development starts	(20,749)	(12,988)	(46,247)	-	(79,984)
Infrastructure costs	24,841	6,725	17,103	4,635	53,304
Effect of changes in foreign exchange rates and other	(4,266)	11,947	(15,392)	5,891	(1,820)
As of March 31, 2017	\$ 469,133	\$ 294,102	\$ 329,161	\$ 165,179	\$ 1,257,575



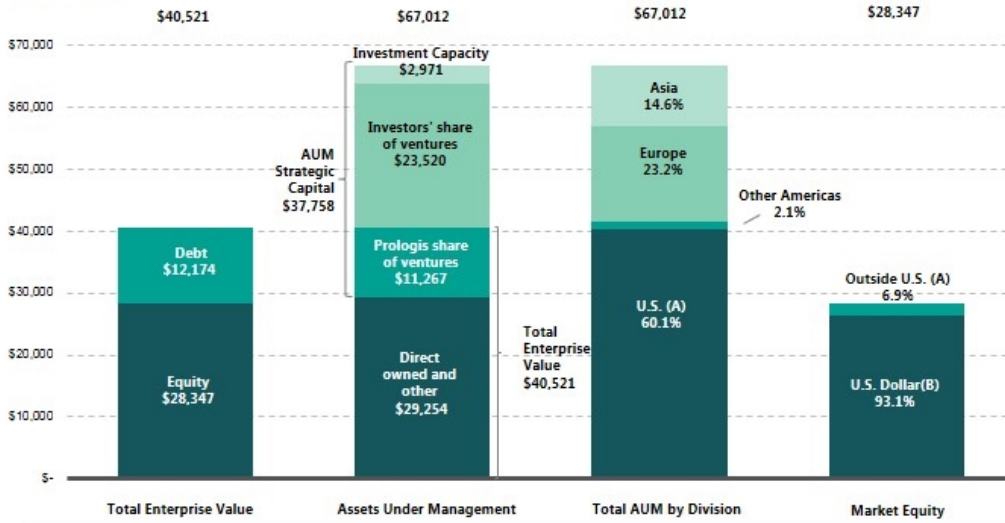
(A) Amounts include approximately 1,600 acres that we currently control through options, ground leases, unconsolidated joint ventures and other contractual arrangements.

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Capitalization Overview

1Q 2017 Supplemental

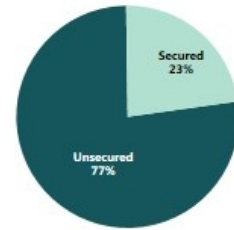
Assets Under Management (dollars in millions)



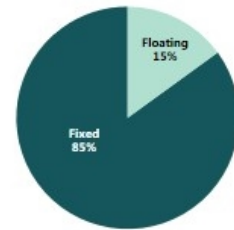
Unencumbered Assets – Prologis Share (in billions)



Secured & Unsecured Debt- Prologis Share



Fixed vs. Floating Debt- Prologis Share



Prologis Share - Debt Metrics (C)		
	March 31, 2017	December 31, 2016
Debt as % of gross real estate assets*	36.7%	34.6%
Debt as % of gross market capitalization*	29.3%	27.1%
Secured debt as % of gross real estate assets*	8.9%	8.3%
Unencumbered gross real estate assets to unsecured debt*	278.2%	282.5%
Fixed charge coverage ratio*	5.66x	5.75x
Fixed charge coverage ratio, excluding development gains*	4.97x	4.90x
Debt/Adjusted EBITDA*	5.18x	4.72x
Debt/Adjusted EBITDA, excluding development gains*	5.88x	5.55x
Weighted average interest rate	3.1%	3.2%
Weighted average remaining maturity in years	4.8	5.0
Credit Ratings at March 31, 2017 (D)		
Moody's	A3 (Outlook Stable)	
Standard & Poor's	A- (Outlook Stable)	

* This is a non-GAAP financial measure. Please see our Notes and Definitions for detailed calculation.

(A) This includes the currencies in Europe in which we operate, predominately Euro and GBP.

(B) Mexico is included in the U.S. as it is U.S. dollar functional.

(C) These calculations are included in the Notes and Definitions section, and are not calculated in accordance with the applicable SEC rules.

(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.



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dollars in thousands

Maturity	Unsecured			Secured Mortgage	Total	% Ownership	Wtd. Avg. Interest Rate	% Fixed
	Senior	Credit Facilities	Other (A)					
2017	\$ -	\$ -	\$ 845	\$ 424,476	\$ 425,321	68%	2.8%	100%
2018	175,000	-	961	570,107	746,068	86%	3.5%	100%
2019	618,294	-	378,573	446,360	1,443,227	96%	4.0%	70%
2020	844,077	-	1,190	436,736	1,282,003	100%	2.3%	82%
2021	1,248,370	-	1,012	141,573	1,390,955	100%	2.5%	100%
2022	748,370	-	447,914	163,197	1,359,481	100%	2.4%	67%
2023	850,000	-	905,517	174,416	1,929,933	100%	2.9%	68%
2024	748,370	-	911	133,333	882,614	100%	4.2%	100%
2025	750,000	-	976	135,895	886,871	100%	3.9%	100%
2026	534,550	-	696	1,223	536,469	100%	3.1%	100%
2027	-	-	65,028	1,161	66,189	99%	1.1%	100%
Thereafter	-	-	47,651	-	47,651	100%	1.5%	100%
Subtotal	6,517,031	-	1,851,274	2,628,477	10,996,782	97%	3.1%	84%
Unamortized net premiums (discounts)	(19,003)	-	-	36,098	17,095			
Unamortized finance costs	(26,916)	-	(10,874)	(9,155)	(46,945)			
Total consolidated debt, net of premium (discount)	\$ 6,471,112	\$ -	\$ 1,840,400	\$ 2,655,420	\$ 10,966,932			
Weighted average interest rate	3.3%	-	1.4%	3.7%	3.1%			
Weighted average remaining maturity in years	5.4	-	5.5	3.1	4.8			

Prologis debt by local currency

	Senior	Credit Facilities	Other	Secured Mortgage	Total	Investment Hedges (B)	Total	Liquidity	
								Aggregate lender commitments- GLOC and revolver	
Dollars	\$ 2,989,396	\$ -	\$ 354,665	\$ 2,330,202	\$ 5,674,263	\$ (708,099)	\$ 4,966,164	\$ 3,398,248	
Euro	3,391,833	-	-	-	3,391,833	169,539	3,561,372	-	
GBP	-	-	37,489	-	37,489	271,833	309,322	-	
Yen	89,883	-	1,171,625	178,255	1,439,763	147,374	1,587,137	36,152	
CAD	-	-	276,621	146,963	423,584	119,353	542,937	3,362,096	
Other	-	-	-	-	-	-	-	395,829	
Total Debt	\$ 6,471,112	\$ -	\$ 1,840,400	\$ 2,655,420	\$ 10,966,932	\$ -	\$ 10,966,932	Total liquidity	\$ 3,757,925

(A) The maturity of certain term loan debt (\$377 million) is reflected at the extended maturity date as the extension is at our option.

(B) We manage our exposure to changes in foreign currency exchange rates using foreign currency forward contracts, including those that are accounted for as net investment hedges, to economically reduce our exposure to fluctuations in foreign currency rates. The effect is reflected in the table under Investment Hedges. See also page 28 for our net equity exposure by currency.



dollars in thousands	Noncontrolling Interests					Prologis Share of Unconsolidated Co-Investment Ventures				
	Unsecured	Secured	Total	Wtd. Avg. Interest Rate	% Fixed	Unsecured (B)	Secured	Total	Wtd. Avg. Interest Rate	% Fixed
Maturity										
2017	\$ -	\$ 138,123	\$ 138,123	2.8%	100%	\$ 2,699	\$ 117,559	\$ 120,258	4.1%	100%
2018	-	106,615	106,615	2.8%	100%	177,832	64,794	242,626	3.0%	96%
2019	-	64,286	64,286	2.7%	65%	143,440	70,994	214,434	2.8%	42%
2020	-	2,828	2,828	3.2%	100%	255,207	57,393	312,600	3.8%	95%
2021	-	376	376	3.5%	100%	90,271	108,195	198,466	3.4%	92%
2022	-	389	389	3.5%	100%	134,993	32,109	167,102	2.9%	100%
2023	-	402	402	3.5%	100%	29,013	37,699	66,712	2.2%	99%
2024	-	416	416	3.5%	100%	40,691	6,914	47,605	2.3%	99%
2025	-	430	430	3.5%	100%	99,907	1,362	101,269	2.0%	100%
2026	-	445	445	3.5%	100%	12,686	45,949	58,635	3.9%	100%
2027	-	422	422	3.5%	100%	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ 314,733	\$ 314,733	2.8%	93%	\$ 986,739	\$ 542,968	\$ 1,529,707	3.2%	89%
Unamortized net premiums (discounts)	-	3,661	3,661			(1,075)	2,954	1,878		
Unamortized finance costs	-	(53)	(53)			(4,118)	(2,212)	(6,330)		
Noncontrolling interests share and Prologis share of unconsolidated debt	\$ -	\$ 318,341	\$ 318,341			\$ 981,545	\$ 543,710	\$ 1,525,255		
Weighted average interest rate	-	2.8%	2.8%			2.7%	4.2%	3.2%		
Weighted average remaining maturity in years	-	1.1	1.1			3.9	3.4	3.7		
Noncontrolling interests share and Prologis share of unconsolidated debt by local currency										
	Unsecured	Secured	Total			Unsecured (B)	Secured	Total	Investment Hedges (C)	Total
Dollars	\$ -	\$ 318,341	\$ 318,341			\$ 349,201	\$ 323,927	\$ 673,127	\$ (118,993)	\$ 554,134
Euro	-	-	-			376,036	87,216	463,251	93,450	556,701
GBP	-	-	-			-	118,147	118,147	-	118,147
Yen	-	-	-			255,082	-	255,082	-	255,082
CAD	-	-	-			-	-	-	-	-
Other	-	-	-			1,226	14,420	15,647	25,543	41,190
Total Debt	\$ -	\$ 318,341	\$ 318,341			\$ 981,545	\$ 543,710	\$ 1,525,255	\$ -	\$ 1,525,255

- (A) Refer to Notes and Definitions under Non-GAAP Pro-Rata Financial Information for further explanation on how these amounts are calculated.
 (B) The maturity of certain unsecured debt (Prologis share \$253 million) is reflected at the extended maturity date as the extension is at the entity's option.
 (C) We manage our exposure to changes in foreign currency exchange rates using foreign currency forward contracts, including those that are accounted for as net investment hedges, to economically reduce our exposure to fluctuations in foreign currency rates. The effect is reflected in the table under Investment Hedges. See also page 28 for our net equity exposure by currency.



in thousands, except for percentages and per square foot

Operating							
	Square Feet	Gross Book Value	GBV per Sq Ft	Adjusted Cash NOI (Actual)*	Adjusted Cash NOI (Pro Forma)*	Annualized Adjusted Cash NOI*	Percent Occupied
Consolidated Operating Portfolio							
U.S.	277,177	\$ 19,824,367	\$ 72	\$ 326,413	\$ 326,413	\$ 1,305,652	96.7%
Other Americas	8,975	694,486	77	9,883	9,883	39,532	97.5%
Europe	9,021	473,864	53	9,222	9,222	36,888	95.0%
Asia	5,277	464,561	88	5,095	5,095	20,380	79.7%
Pro forma adjustments for mid-quarter acquisitions/development completions						2,466	9,864
Total consolidated operating portfolio	300,450	21,457,278	71	350,613	353,079	1,412,316	96.4%
Unconsolidated Operating Portfolio							
U.S.	7,196	672,933	94	10,358	10,358	41,432	98.0%
Other Americas	18,811	1,114,921	59	22,991	22,991	91,964	95.5%
Europe	57,400	4,023,449	70	67,159	67,159	268,636	96.7%
Asia	5,468	731,950	134	10,501	10,501	42,004	96.8%
Pro forma adjustments for mid-quarter acquisitions/development completions						704	2,816
Total unconsolidated operating portfolio	88,875	6,543,253	74	111,009	111,713	446,852	96.6%
Total Operating Portfolio	389,325	\$ 28,000,531	\$ 72	\$ 461,622	\$ 464,792	\$ 1,859,168	96.4%
Development							
	Square Feet	Investment Balance	TEI	TEI per Sq Ft		Annualized Estimated NOI	Percent Occupied
Consolidated							
Prestabilized							
U.S.	1,234	\$ 73,086	\$ 84,542	\$ 69		\$ 5,301	42.8%
Other Americas	1,107	71,782	80,799	73		5,550	29.0%
Europe	2,648	178,005	213,556	81		14,596	40.5%
Asia	2,796	403,076	418,328	150		25,876	53.5%
							43.9%
Properties under development							
U.S.	9,678	380,862	781,285	81		49,246	
Other Americas	1,812	55,155	102,047	56		7,605	
Europe	5,650	185,155	404,634	72		28,067	
Asia	1,723	130,674	277,729	161		16,047	
Total consolidated development portfolio	26,648	1,477,795	2,362,920	89		\$ 152,288	
Unconsolidated							
Other Americas	482	32,580	36,272	75		\$ 3,618	
Europe	280	11,499	17,970	64		1,278	
Asia	2,029	63,985	110,490	54		8,004	
Total unconsolidated development portfolio	2,791	108,064	164,732	59		\$ 12,900	
Total Development Portfolio	29,439	\$ 1,585,859	\$ 2,527,652	\$ 86		\$ 165,188	
Prologis share of estimated value creation (see Capital Deployment - Development Portfolio)		554,539					
Total development portfolio, including estimated value creation		\$ 2,140,398					



* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

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In the usands			
Balance Sheet and Other Items			
			As of March 31, 2017
Consolidated			
Other assets			
Cash and cash equivalents	\$		395,829
Restricted cash			3,296
Accounts receivable, prepaid assets and other tangible assets			812,353
Other real estate investments and assets held for sale			543,351
Note receivable backed by real estate			17,006
Prologis share of value added operating properties			104,339
Prologis receivable from unconsolidated co-investment ventures			155,086
Investments in and advances to other unconsolidated joint ventures			209,708
Less: noncontrolling interests share of other assets			(91,360)
Total other assets	\$		2,149,608
Other liabilities			
Accounts payable and other current liabilities	\$		549,836
Deferred income taxes			64,984
Value added, tax and other tax liabilities			18,761
Tenant security deposits			211,103
Other liabilities			306,171
Less: noncontrolling interests share of other liabilities			(52,196)
Total liabilities and noncontrolling interests	\$		1,098,659
Unconsolidated			
Land			
Prologis share of net tangible other assets	\$		189,993
Land			
Current book value of land	\$		1,162,427
Less: noncontrolling interests share of the current book value of land			(25,926)
Prologis share of book value of land in unconsolidated entities			121,074
Total Land Portfolio	\$		1,257,575
Strategic Capital/ Development Management			
		First Quarter	Annualized
Strategic Capital			
Third party share of asset management fees from consolidated and unconsolidated co-investment ventures	\$	31,615	\$ 127,241
Third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months)		5,976	23,910
Strategic capital expenses for asset management and other transactional fees (annualized based on estimated 12 months)		(14,063)	(62,825)
Total Strategic Capital	\$	23,528	\$ 88,226
Promotes, net of cash expenses (trailing 12 months)	\$	2,606	\$ 91,523
Development management income (trailing 12 months)	\$	5,177	\$ 20,833
Debt (at par) and Preferred Stock			
			As of March 31, 2017
Debt			
Prologis debt	\$		10,996,779
Noncontrolling interests share of consolidated debt			(314,733)
Prologis share of unconsolidated debt			1,529,307
Total debt			12,211,353
Preferred stock			78,235
Total debt and preferred stock	\$		12,289,588
Outstanding shares of common stock and limited operating partnership units			544,873

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 Costs, as presented for building acquisitions, represents economic cost. This amount includes the building purchase price plus 1) transaction closing costs, 2) due diligence costs, 3) immediate capital expenditures (including two years of property improvements and all leasing commissions and tenant improvements required to stabilize the property), 4) the effects of marking assumed debt to market and 5) the net present value of free rent, if applicable.

Adjusted EBITDA. We use Adjusted EBITDA, a non-Generally Accepted Accounting Principles ("GAAP") financial measure, as a measure of our operating performance. The most directly comparable GAAP measure to Adjusted EBITDA is net earnings.

We calculate Adjusted EBITDA beginning with consolidated net earnings attributable to common stockholders and removing the effect of: interest expense, income taxes, depreciation and amortization, impairment charges, third party acquisition expenses related to the acquisition of real estate, gains or losses from the disposition of investments in real estate (excluding development properties and land), 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 items, such as, stock based compensation and unrealized gains or losses on foreign currency and derivatives. We also include a pro forma adjustment to reflect a full period of NOI on the operating properties we acquire or stabilize during the quarter and remove NOI on properties we dispose of during the quarter, to assume all transactions occurred at the beginning of the quarter. The pro forma adjustment also includes economic ownership changes in our ventures to reflect the full quarter at the new ownership percentage.

We believe Adjusted EBITDA provides investors relevant and useful information because it permits investors to view our operating performance, analyze our ability to meet interest payment obligations and make quarterly preferred stock dividends on an unleveraged basis before the effects of income tax, non-cash depreciation and amortization expense, gains and losses on the disposition of non-development properties and other items (outlined above), that affect comparability. While all items are not infrequent or unusual in nature, these items may 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.

While we believe Adjusted EBITDA is an important measure, it should not be used alone because it excludes significant components of net earnings, such as our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements, contractual commitments or interest and principal payments on our outstanding debt and is therefore limited as an analytical tool.

Our computation of Adjusted EBITDA may not be comparable to EBITDA reported by other companies in both the real estate industry and other industries. 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 to Adjusted EBITDA from consolidated net earnings attributable to common stockholders.

Adjusted Cash NOI (Actual) is a non-GAAP financial measure and is a component of Net Asset Value ("NAV"). It is used to assess the operating performance of our properties and enables both management and investors to estimate the fair value of our operating portfolio. A reconciliation of our rental income and rental expenses included in our Statement of Operations to Adjusted Cash NOI for the consolidated operating portfolio is as follows (in thousands):

Rental revenue	\$ 566,933
Rental expenses	(152,656)
NOI	414,277
Net termination fees and adjustments (a)	(1,934)
Less: actual NOI for development portfolio and other	(20,952)
Less: properties contributed or sold (b)	(2,203)
Less: noncontrolling interests share of NOI	(51,584)
Adjusted NOI for consolidated operating portfolio owned at March 31, 2017	338,804
Straight-line rents (c)	(19,163)
Free rent (c)	20,724
Amortization of lease intangibles (c)	(807)
Effect of foreign currency exchange (d)	(20)
Proforma adjustment to reflect period end NAIF ownership	10,828
Less: noncontrolling interests	247
First Quarter Adjusted Cash NOI (Actual)	\$ 350,619

(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) Actual NOI for properties that were contributed or sold during the three-month period is removed.
 (c) Straight-lined rents, free rent and amortization of lease intangibles (above and below market leases) are removed from the rental income of our Operating Portfolio to allow for the calculation of a cash yield.
 (d) Actual NOI and related adjustments are calculated in local currency and translated at the period end rate to allow for consistency with other assets and liabilities as of the reporting date.

Adjusted Cash NOI (Pro forma) is a non-GAAP financial measure and 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.

Annualized Estimated NOI for the properties in our Development Portfolio is based on current Total Expected Investment multiplied by the estimated weighted average stabilized yield.

Asset Management Fees represents the third party share of asset management and transactional fees from both consolidated and unconsolidated co-investment ventures.

Assets Under Management ("AUM") represents the estimated fair 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).

Business Line Reporting is a non-GAAP financial measure. Core FFO and development gains are generated by our three lines of business: (i) real estate operations; (ii) strategic capital; and (iii) development. The real estate operations line of business represents total Prologis Core FFO, less the amount allocated to the Strategic Capital line of business. The amount of Core FFO allocated to the Strategic Capital line of business represents the Asset Management Fees we earn from our consolidated and unconsolidated Co-Investment Ventures less costs directly associated to our strategic capital group, plus development management income. Realized development gains include our share of gains on dispositions of development properties and land, net of taxes. To calculate the per share amount, the amount generated by each line of business is divided by the weighted average diluted common shares outstanding used in our Core FFO per share calculation. Management believes evaluating our results by line of business is a useful supplemental measure of our operating performance because it helps the investing public compare the operating performance of Prologis' respective businesses to other companies' comparable businesses. Prologis' computation of FFO by line of business may not be comparable to that reported by other real estate investment trusts as they may use different methodologies in computing such measures.

Calculation of Per Share Amounts

In thousands, except per share amount	Three Months Ended Mar. 31,	
	2017	2016
Net earnings		
Net earnings	\$ 203,255	\$ 208,041
Noncontrolling interest attributable to exchangeable limited partnership units	5,967	6,600
Adjusted net earnings - Diluted	\$ 209,222	\$ 214,650
Weighted average common shares outstanding - Basic	528,721	524,205
Incremental weighted average effect on exchange of limited partnership units	16,455	17,543
Incremental weighted average effect of equity awards	4,834	1,814
Weighted average common shares outstanding - Diluted	550,010	543,562
Net earnings per share - Basic	\$ 0.38	\$ 0.40
Net earnings per share - Diluted	\$ 0.38	\$ 0.39
Core FFO		
Core FFO	\$ 346,752	\$ 320,633
Noncontrolling interest attributable to exchangeable limited partnership units	941	46
Core FFO - Diluted	\$ 347,693	\$ 329,679
Weighted average common shares outstanding - Basic	528,721	524,205
Incremental weighted average effect on exchange of limited partnership units	16,455	15,877
Incremental weighted average effect of equity awards	4,834	1,814
Weighted average common shares outstanding - Diluted	550,010	541,896
Core FFO per share - Diluted	\$ 0.63	\$ 0.61

Debt Covenants are calculated in accordance with the respective debt agreements and may be different than other covenants or metrics presented. They are not calculated in accordance with the applicable Securities Exchange Commission rules. Please refer to the respective agreements for full financial covenant descriptions. Debt covenants as of the period end were as follows:

dollars in thousands	Indenture		Global Line	
	Covenant	Actual	Covenant	Actual
Leverage ratio	<60%	32.9%	<60%	29.7%
Fixed charge coverage ratio	>1.5x	7.04x	>1.5x	6.88x
Secured debt leverage ratio	<40%	7.9%	<40%	7.8%
Unencumbered asset to unsecured debt ratio	>150%	283.1%	N/A	N/A
Unencumbered debt service coverage ratio	N/A	N/A	>150%	103.8%

Debt Metrics. We evaluate the following debt metrics to monitor the strength and flexibility of our capital structure and evaluate the performance of our management. Investors can utilize these metrics to make a determination about our ability to service or refinance our debt. See below for the calculations.

dollars in thousands	Three Months Ended	
	Mar. 31	Dec. 31
	2017	2016
Debt as a % of gross real estate assets:		
Consolidated debt - at par	\$ 10,996,782	\$ 10,632,534
Less: noncontrolling interests share of consolidated debt - at par	(314,733)	(634,945)
Prologis share of unconsolidated entities debt - at par	1,529,707	1,557,561
Total Prologis share of debt - at par	12,211,756	11,555,150
Less: Prologis share of outstanding foreign currency derivatives	(17,089)	(22,349)
Less: consolidated cash and cash equivalents	(395,829)	(807,316)
Add: consolidated cash and cash equivalents - third party share	42,250	52,519
Less: unconsolidated entities cash - Prologis share	(114,053)	(138,773)
Total Prologis share of debt net of adjustments	\$ 11,727,025	\$ 10,639,231
Gross real estate assets - consolidated	28,086,248	27,937,964
Less: gross real estate assets - noncontrolling interests	(2,940,029)	(3,824,024)
Gross real estate assets - Prologis share of unconsolidated entities	6,797,447	6,670,199
Gross real estate assets - Prologis share	\$ 31,943,766	\$ 30,784,139
Debt as a % of gross real estate assets	36.7 %	34.6 %
Debt as a % of gross market capitalization:		
Total Prologis share of debt net of adjustments	\$ 11,727,025	\$ 10,639,231
Total outstanding common stock and limited partnership units	544,873	542,660
Share price at quarter end	\$ 51.88	\$ 52.79
Total equity capitalization	\$ 28,268,011	\$ 28,647,021
Total Prologis share of debt net of adjustments	11,727,025	10,639,231
Gross market capitalization	\$ 39,995,036	\$ 39,286,252
Debt as a % of gross market capitalization	29.3 %	27.1 %
Secured debt as a % of gross real estate assets:		
Consolidated secured debt - at par	2,628,477	2,623,335
Less: noncontrolling interests share of secured debt - at par	(314,733)	(634,945)
Prologis share of unconsolidated entities secured debt - at par	542,968	564,904
Prologis share of secured debt - at par	\$ 2,856,712	\$ 2,553,294
Gross real estate assets - Prologis share	\$ 31,943,766	\$ 30,784,139
Secured debt as a % of gross real estate assets	8.9 %	8.3 %
Unencumbered gross real estate assets to unsecured debt:		
Consolidated unencumbered gross real estate assets	22,669,981	22,583,189
Less: unencumbered gross real estate assets - noncontrolling interests	(2,308,662)	(2,645,738)
Unencumbered gross real estate assets - Prologis share of unconsolidated entities	5,664,011	5,489,820
Unencumbered gross real estate assets - Prologis share	\$ 26,025,330	\$ 25,427,271
Consolidated unsecured debt - at par	8,368,305	8,009,199
Less: noncontrolling interests share of unsecured debt - at par	-	-
Prologis share of unconsolidated entities unsecured debt - at par	986,739	992,657
Prologis share of unsecured debt - at par	\$ 9,355,044	\$ 9,001,856
Unencumbered gross real estate assets to unsecured debt	278.2 %	282.5 %

	Three Months Ended	
	Mar. 31	Dec. 31
	2017	2016
Fixed Charge Coverage ratio:		
Adjusted EBITDA	\$ 511,666	\$ 640,921
Adjusted EBITDA-annualized including development gains (a)	\$ 2,183,028	\$ 2,173,919
Net promote for the twelve months ended	81,523	78,917
Adjusted EBITDA-annualized	\$ 2,264,551	\$ 2,252,836
Pro forma adjustment for mid-quarter activity and NOI from disposed properties - annualized	(41,516)	5,532
Adjusted EBITDA, including NOI from disposed properties, annualized	\$ 2,223,035	\$ 2,258,368
Interest expense	\$ 72,912	\$ 70,569
Amortization and write-off of deferred loan costs	(3,484)	(4,370)
Amortization of debt premium (discount), net	6,399	6,460
Capitalized interest	14,615	18,248
Preferred stock dividends	1,674	1,658
Noncontrolling interests share of consolidated fixed charges	(6,258)	(7,030)
Prologis share of fixed charges from unconsolidated entities	12,422	12,654
Total fixed charges	\$ 98,270	\$ 98,189
Total fixed charges, annualized	\$ 393,080	\$ 392,756
Fixed charge coverage ratio	5.66	5.75
Debt to Adjusted EBITDA:		
Total Prologis share of debt, net of adjustments	\$ 11,727,025	\$ 10,639,231
Adjusted EBITDA-annualized	\$ 2,264,551	\$ 2,252,836
Debt to Adjusted EBITDA ratio	5.18	4.72

(a) Prologis share of gains on dispositions of development properties for the rolling 12 month period was \$269.7 million and \$334.5 million for the current quarter and the previous quarter, respectively.

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

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

Estimated Development Margin is calculated on developed properties as the Estimated Value Creation less estimated closing costs and taxes, if any, on properties expected to be sold or contributed, divided by the TEI.

Estimated Value Creation represents the value that we expect to create through our development and leasing activities. We calculate Value Creation by estimating the Stabilized NOI that the property will generate and applying a stabilized capitalization rate applicable to that property. Estimated Value Creation is calculated as the amount by which the value exceeds our total expected investment and does not include any fees or promotes we may earn. Estimated Value Creation for our Value-Added Properties that are sold includes the realized economic gain.

Estimated Weighted Average Margin is calculated on development properties as Estimated Value Creation, less estimated closing costs and taxes on properties expected to be sold or contributed, divided by TEI.

FFO, as modified by Prologis attributable to common stockholders/unitholders ("FFO, as modified by Prologis"); Core FFO attributable to common stockholders/unitholders ("Core FFO"); AFFO; (collectively referred to as "FFO"). FFO is a non-GAAP financial measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net earnings.

The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as 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 also consider the gains on revaluation of equity investments upon acquisition of a controlling interest and the gain recognized from a partial sale of our investment to be similar as a gain from the sale of previously depreciated properties under the NAREIT definition of FFO. We exclude similar adjustments from our unconsolidated entities and the third parties' share of our consolidated ventures.

Our FFO Measures

Our FFO measures begin with NAREIT's definition and we make certain adjustments to reflect our business and the way that management plans and executes our business strategy. While not infrequent or unusual, the additional items we adjust for in calculating FFO, as modified by Prologis, Core FFO and AFFO, as defined below, are subject to significant fluctuations from period to period. Although these items may have 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. These items have 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 calculate our FFO measures, below, based on our proportionate ownership share of both our unconsolidated and consolidated ventures. We reflect our share of our FFO measures for unconsolidated ventures by applying our average ownership percentage for the period to the applicable reconciling items on an entity by entity basis. We reflect our share for consolidated ventures in which we do not own 100% of the equity by adjusting our FFO measures to remove the noncontrolling interests share of the applicable reconciling items based on our average ownership percentage for the applicable periods.

These FFO measures are used by management as supplemental financial measures of operating performance and we believe that it is important that stockholders, potential investors and financial analysts understand the measures management uses. 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.

We analyze our operating performance primarily by the rental revenues of our real estate and the revenues from 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.

FFO, as modified by Prologis

To arrive at FFO, as modified 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 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 associated with derivative financial instruments.

We use FFO, as modified by Prologis, so that management, analysts and investors are able to evaluate our performance against other REITs that do not have similar operations or operations in jurisdictions outside the U.S.

Core FFO

In addition to FFO, as modified by Prologis, we also use Core FFO. To arrive at Core FFO, we adjust FFO, as modified by Prologis, to exclude the following recurring and nonrecurring items that we recognized directly in FFO, as modified by Prologis:

- (i) gains or losses from the disposition of land and development properties that were developed with the intent to contribute or sell;
- (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; and
- (v) expenses related to natural disasters.

We use Core FFO, including by segment and region, to: (i) assess our operating performance as compared to other real estate companies, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods; (iii) evaluate the performance of our management; (iv) budget and forecast future results to assist in the allocation of resources; (v) provide guidance to the financial markets to understand our expected operating performance; and (vi) evaluate how a specific potential investment will impact our future results.

AFFO

To arrive at AFFO, we adjust Core FFO to include realized gains from the disposition of land and development properties and recurring capital expenditures and exclude the following items that we recognize directly in Core FFO:

- (i) straight-line rents;
- (ii) amortization of above- and below-market lease intangibles;
- (iii) amortization of management contracts;
- (iv) amortization of debt premiums and discounts and financing costs, net of amounts capitalized, and;
- (v) stock compensation expense.

We use AFFO to (i) assess our operating performance as compared to other real estate companies, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods, (iii) evaluate the performance of our management, (iv) budget and forecast future results to assist in the allocation of resources, and (v) evaluate how a specific potential investment will impact our future results.

Limitations on the use of our FFO measures

While we believe our modified 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 the limitations are:

- The current income tax expenses and acquisition costs that are excluded from our modified 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. Furthermore, the amortization of capital expenditures and leasing costs necessary to maintain the operating performance of logistics facilities are not reflected in FFO.

- Gains or losses from non-development property 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 disposed properties arising from changes in market conditions.
- The deferred income tax benefits and expenses that are excluded from our modified 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 modified 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 modified 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 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 modified FFO measures to our net earnings computed under GAAP.

General and Administrative Expenses ("G&A"). Generally our property management personnel who perform the property-level management of the properties in our owned and managed portfolio, which include properties we consolidate and those we manage that are owned by the unconsolidated co-investment ventures. We allocate the costs of our property management function to the properties we consolidate (included in Rental Expenses) and the properties owned by the unconsolidated co-investment ventures (included in Strategic Capital Expenses) by using the square feet owned by the respective portfolios. Strategic Capital Expenses also include the direct expenses associated with the asset management of the unconsolidated co-investment ventures provided by our employees who are assigned to our Strategic Capital segment. We do not allocate indirect costs to Strategic Capital Expenses.

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 Mar. 31,	
	2017	2016
Building and land development activities	\$ 15,298	\$ 14,154
Leasing activities	6,522	4,958
Operating building improvements and other	3,847	3,954
Total capitalized G&A	\$ 25,667	\$ 23,066

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

Net G&A - midpoint of 2017 guidance range (a)	\$ 220,000
Add: estimated 2017 strategic capital expenses	122,000
Less: estimated 2017 strategic capital property management expenses	(58,000)
Adjusted G&A, using 2017 guidance amounts	\$ 283,000
Gross book value at period end (b):	
Operating properties	\$ 48,468,067
Development portfolio - TEI	3,248,986
Land portfolio	1,521,190
Other real estate investments, assets held for sale and note receivable backed by real estate	560,357
Total Gross Book Value of Assets Under Management	\$ 53,798,600
G&A as % of Assets Under Management	0.53%

- (a) This amount represents the midpoint of the 2017 guidance provided in this Supplemental Package.
(b) This amount does not represent enterprise value.

Guidance. The following is a reconciliation of our annual guided Net Earnings per share to our guided Core FFO per share:

	Low	High
Net Earnings	\$ 1.70	\$ 1.80
Our share of:		
Depreciation and amortization	1.68	1.72
Net gains on real estate transactions, net of taxes	(0.69)	(0.77)
Unrealized foreign currency losses and other, net	0.03	0.03
Core FFO	\$ 2.72	\$ 2.78

Income Taxes

in thousands	Three Months Ended Mar. 31,	
	2017	2016
Current income tax expense	\$ 9,517	\$ 7,893
Current income tax expense (benefit) on dispositions	(1,086)	8,323
Current income tax benefit on dispositions related to acquired tax assets	(1,270)	-
Total current income tax expense	7,161	16,156
Deferred income tax current expense (benefit)	1,169	(619)
Deferred income tax expense on dispositions related to acquired tax assets	1,270	-
Total income tax expense	\$ 9,600	\$ 15,537

Interest Expense

in thousands	Three Months Ended Mar. 31,	
	2017	2016
Gross interest expense	\$ 90,432	\$ 100,005
Amortization of premiums, net	(6,399)	(9,154)
Amortization of deferred loan costs	3,494	3,763
Interest expense before capitalization	87,527	94,614
Capitalized amounts	(14,615)	(13,802)
Interest expense	\$ 72,912	\$ 80,812

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 assuming the ventures maximum leverage limits are used.

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, Raynosa, San Antonio, Slovakia, Sweden and Tijuana.

Market Equity equals outstanding shares of common stock and units multiplied by the closing stock price plus the liquidation preference of the preferred shares/units.

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 line 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 components that we believe are important in calculating our NAV but we 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 estimated total cash (including base rent and expense reimbursements) to be received over the term 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 Operating Income ("NOI") is a non-GAAP financial measure used to evaluate our operating performance and represents rental revenue less rental expenses.

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

Non-GAAP Pro-Rata Financial Information. This information includes non-GAAP financial measures. The Prologis share of unconsolidated co-investment ventures are derived on an entity-by-entity basis by applying our ownership percentage to each line item in the GAAP financial statements of these ventures to calculate our share of that line item. For purposes of balance sheet data, we use our ownership percentage at the end of the period and for operating information we use our average ownership percentage during the period consistent with how we calculate our share of net earnings (loss) during the period for our consolidated financial statements. We use a similar calculation to derive the noncontrolling interests' share of each line item in our consolidated financial statements.

We believe this form of presentation offers insights into the financial performance and condition of our company as a whole, given the significance of our co-investment ventures that are accounted for either under the equity method or consolidated with the third parties' share included in noncontrolling interests, although the presentation of such information may not accurately depict the legal and economic implications of holding a non-controlling interest in the co-investment venture. Other companies may calculate their proportionate interest differently than we do, limiting the usefulness as a comparative measure.

We do not control the unconsolidated co-investment ventures for purposes of GAAP and the presentation of the assets and liabilities and revenues and expenses do not represent a legal claim to such items. The operating

agreements of the unconsolidated co-investment ventures generally provide that investors, including Prologis, may receive cash distributions (1) to the extent there is available cash from operations, (2) upon a capital event, such as a refinancing or sale, or (3) upon liquidation of the venture. The amount of cash each investor receives is based upon specific provisions of each operating agreement and varies depending on factors including the amount of capital contributed by each investor and whether any contributions are entitled to priority distributions. Upon liquidation of the co-investment venture and after all liabilities, priority distributions and initial equity contributions have been repaid, the investors generally would be entitled to any residual cash remaining based on their respective legal ownership percentages.

Because of these limitations, the non-GAAP pro-rata financial information should not be considered in isolation or as a substitute for our financial statements as reported under GAAP.

Operating Portfolio represents industrial properties in our owned and managed portfolio that have reached Stabilization. Prologis share of NOI excludes termination fees and adjustments and includes NOI for the properties contributed to or acquired from co-investment ventures at our actual share prior to and subsequent to change in ownership. The markets presented represent markets that are generally greater than 1% of Prologis share of NOI.

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

Rental Revenue.

in thousands	Three Months Ended Mar. 31,	
	2017	2016
Rental revenue	\$ 414,387	\$ 416,821
Rental expense recoveries	127,049	117,012
Amortization of lease intangibles	909	415
Straight-lined rents	24,588	19,868
Rental revenue	\$ 566,933	\$ 554,116

Rent Change (Cash) represents the change in starting rental rates per the lease agreement, on new and renewed leases, signed during the periods as compared with the previous ending rental rates in that same space. This measure excludes any free rent periods and teaser rates defined as 50% or less of the stabilized rate.

Rent Change (Net Effective) represents the change 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.

Retention is the square footage of all leases rented by existing tenants divided by the square footage of all expiring and in-place leases during the reporting period. 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 are not included in the calculation.

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, which eliminates the effects of changes in the composition of the portfolio. We have defined the same store portfolio, for the three months ended March 31, 2017, as those owned and managed properties that were in operation at January 1, 2016 and have been in operation throughout the same three-month periods in both 2016 and 2017 (including development properties that have been completed and available for lease). We removed all properties that were disposed of to a third party or were classified as held for sale to a third party from the population for both periods. We believe the factors that affect rental revenues, rental expenses and NOI in the same store portfolio are generally the same as for the total operating portfolio. To derive an appropriate measure of period-to-period operating performance, we remove the effects of foreign currency exchange rate movements by using the recent period end exchange rate to translate from local currency into the U.S. dollar, for both periods.

Same store is a commonly used measure in the real estate industry. Our same store measures are non-GAAP financial measures that are calculated beginning with rental revenues, rental recoveries 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 and one Same Store NOI - Cash. As our same store measures are non-GAAP financial measures, they have certain limitations as analytical tools 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 property NOI with explanations of how these metrics are calculated.

The following is a reconciliation of our consolidated rental revenues, rental recoveries, rental expenses and property 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	(%)
	2017	2016		
Rental Revenue:				
Rental Revenue	\$ 439,884	\$ 437,304		
Rental Recoveries	127,046	117,062		
Per the Consolidated Statements of Operations	566,930	554,366		
Properties not included and other adjustments (a)	(46,644)	(59,064)		
Unconsolidated Co-Investment Ventures	460,870	445,273		
Same Store - Rental Revenue	\$ 981,159	\$ 940,105		4.4%
Rental Expense:				
Per the Consolidated Statements of Operations	\$ 152,656	\$ 146,518		
Properties not included and other adjustments (b)	(3,350)	(5,545)		
Unconsolidated Co-Investment Ventures	101,547	101,261		
Same Store - Rental Expense	\$ 250,853	\$ 242,134		3.6%
NOI:				
Consolidated NOI	\$ 414,277	\$ 407,898		
Properties not included and other adjustments	(43,294)	(53,539)		
Unconsolidated Co-Investment Ventures	359,323	343,912		
Same Store - NOI	\$ 730,306	\$ 697,971		4.6%
Same Store - NOI - Prologis Share (c)	\$ 432,960	\$ 409,273		5.8%
NOI - Cash:				
Same store - NOI	\$ 730,306	\$ 697,971		
Straight-line rent adjustments (d)	\$ (19,034)	\$ (27,451)		
Fair value lease adjustments (e)	(598)	(1,054)		
Same Store - NOI - Cash	\$ 710,684	\$ 669,466		6.2%
Same Store - NOI - Prologis Share (c)	\$ 420,048	\$ 392,328		7.1%

- (a) To calculate Same Store rental income, we exclude net termination and negotiation fees to allow us to evaluate the growth or decline in each property's rental income without regard to one-time 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) Prologis share of Same Store is calculated using the underlying building information from the Same Store NOI and NOI - Cash calculations and applying our ownership percentage as of March 31, 2017 to the NOI of each building for both periods.

- (d) In order to derive Same Store NOI - Cash, we adjust Same Store NOI to exclude non-cash items included in our rental income in our financial statements, including straight line rent adjustments and adjustments related to purchase accounting 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 as the earlier of 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.

Stabilized NOI is equal to the estimated twelve months of potential gross rental revenue (base rent, including above or below market rents plus operating expense reimbursements multiplied by 95% to adjust income to a stabilized vacancy factor of 5% minus estimated operating expenses.

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.

Turnover Costs represent the obligations 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 or a lease renewal with the current tenant. It excludes costs for a first generation lease (i.e. a new development property).

Value-Added Properties are properties we have either acquired at a discount and believe we could provide greater returns post-stabilization or properties we expect to repurpose to a higher and better use.

Weighted Average Interest Rate is based on the effective rate, which includes the amortization of related premiums and discounts and finance costs.

Weighted Average Stabilized Capitalization ("Cap") Rate is calculated as Stabilized NOI divided by the Acquisition Cost.



FOR IMMEDIATE RELEASE

Prologis Reports First Quarter 2017 Earnings Results

SAN FRANCISCO (April 18, 2017) – Prologis, Inc. (NYSE: PLD), the global leader in logistics real estate, today reported results for the first quarter of 2017.

Net earnings per diluted share was \$0.38 compared with \$0.39 for the same period in 2016. Core funds from operations* per diluted share was \$0.63 compared with \$0.61 for the same period in 2016.

"We started the year with excellent momentum as housing, construction and e-commerce drove demand for our facilities, leading to the ninth consecutive quarter of double-digit rent change on rollovers," said Hamid R. Moghadam, chairman and CEO, Prologis. "While the national vacancy rate ticked down slightly and fundamentals in our U.S. markets are solid, speculative construction activity increased in several markets in the quarter. Europe continues to emerge as a bright spot for us and market conditions are strengthening, even ahead of our expectations. Our strategy to own top-quality buildings close to the end consumer has never been more important."

Moghadam added: "The combination of our significant embedded rental upside, the build-out of our land bank and continued recovery in Europe will further extend the growth cycle for us."

PORTFOLIO LOCATION DRIVES OUTPERFORMANCE

Owned & Managed	1Q17	1Q16	Notes
Period End Occupancy	96.6%	96.1%	<i>Europe increased 180 bps year-over-year</i>
Leases Signed	39MSF	46MSF	<i>Tempered volume due to high occupancy</i>

Prologis Share	1Q17	1Q16	Notes
Net Effective Rent Change	19.6%	20.1%	<i>Led by the U.S. at a record 29.2%</i>
Cash Rent Change	8.2%	8.6%	
Net Effective Same Store NOI*	5.8%	7.4%	<i>Led by the U.S. at 7.1%</i>
Cash Same Store NOI*	7.1%	6.0%	<i>Led by the U.S. at 8.0%</i>

*This is a non-GAAP financial measure. See the Notes and Definitions in our supplemental information for further explanation and a reconciliation to the most directly comparable GAAP measure.



FOCUSED INVESTMENT STRATEGY DELIVERS PROFITABLE DEVELOPMENT ACTIVITY

Prologis Share	1Q17
Building Acquisitions	\$48M
Weighted avg stabilized cap rate	5.6%
Development Stabilizations	\$405M
Estimated weighted avg yield	6.8%
Estimated weighted avg margin	22.1%
Estimated value creation	\$89M
Development Starts	\$312M
Estimated weighted avg margin	19.2%
Estimated value creation	\$60M
% Build-to-suit	77.0%
Total Dispositions and Contributions	\$485M
Weighted avg stabilized cap rate (excluding land and other real estate)	5.6%

Capital deployment activity excludes the \$710M net investment made during the quarter to buy out our partners in our North American Industrial Fund (NAIF) venture.

FINANCING ACTIVITY HIGHLIGHTS ADVANTAGED ACCESS TO GLOBAL CAPITAL

Prologis ended the quarter with liquidity of \$3.8 billion. During the first quarter, the company and its co-investment ventures completed \$900 million of financings, including recasting our ¥50 billion yen revolver at 40 basis points over yen LIBOR and a ¥12 billion term loan at a fixed rate of 95 basis points with a term of over 10 years.

GUIDANCE INCREASED FOR 2017

At the midpoint, guidance for net earnings per diluted share increased \$0.13 and Core FFO* per diluted share increased \$0.10.

“Operating results continued to exceed our expectations in the first quarter,” said Thomas S. Olinger, chief financial officer, Prologis. “The combination of healthy operating fundamentals, higher deployment from investments in our ventures and increased net promote income has led us to raise the midpoint of our full-year guidance ranges for earnings.”

2017 GUIDANCE

Earnings (per diluted share)	Previous	Revised
Net Earnings	\$1.55 to \$1.70	\$1.70 to \$1.80
Core FFO*	\$2.60 to \$2.70	\$2.72 to \$2.78

Operations	Previous	Revised
Year-end occupancy	95.5% to 96.5%	96.0% to 97.0%
Net Effective Same Store NOI* – Prologis share	4.00% to 5.00%	4.50% to 5.25%

*This is a non-GAAP financial measure. See the Notes and Definitions in our supplemental information for further explanation and a reconciliation to the most directly comparable GAAP measure.



Other Assumptions (in millions)	Previous	Revised
Strategic capital revenue	\$205 to \$215	\$210 to \$220
Net promote income	\$35 to \$45	\$65 to \$75
General & administrative expenses	\$210 to \$220	\$215 to \$225
Realized development gains	\$250 to \$300	\$250 to \$300

Capital Deployment (in millions)	Prologis Share	Owned and Managed
Development stabilizations	\$1,600 to \$2,000	\$1,900 to \$2,300
Development starts	\$1,600 to \$1,900	\$2,000 to \$2,400
Building acquisitions	\$100 to \$300	\$200 to \$500
Building and land dispositions	\$850 to \$1,100	\$1,300 to \$1,700
Building contributions	\$850 to \$1,100	\$1,000 to \$1,300

Capital deployment activity excludes the \$710M net investment made during the first quarter to buy out our partners in our NAIF venture.

The earnings guidance described above includes potential future gains (losses) recognized from real estate transactions but excludes any future foreign currency or derivative gains or losses as these items are difficult to predict. In reconciling from net earnings to Core FFO*, Prologis makes certain adjustments, including but not limited to real estate depreciation and amortization expense, gains (losses) recognized from real estate transactions and early extinguishment of debt, acquisition costs, 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 2017 relates predominantly to these items. Please refer to our first quarter Supplemental Information, which is available on our Investor Relations website at www.ir.prologis.com and on the SEC's website at www.sec.gov for a definition of Core FFO* and other non-GAAP measures used by Prologis, along with reconciliations of these items to the closest GAAP measure for our results and guidance.

WEBCAST & CONFERENCE CALL INFORMATION

Prologis will host a live webcast and conference call to discuss quarterly results, current market conditions and future outlook. Here are the event details:

- Tuesday, April 18, 2017, at 12 p.m. U.S. Eastern Time.
- Live webcast at <http://ir.prologis.com> by clicking Investors>Investor Events and Presentations.
- Dial in: +1 877-447-8218 or +1 973-409-9692 and enter Passcode 44110133.

A telephonic replay will be available April 18-25 at +1 (855) 859-2056 (from the United States and Canada) or +1 (404) 537-3406 (from all other countries) using conference code 44110133. The webcast replay will be posted when available in the Investor Relations "Events & Presentations" section.

ABOUT PROLOGIS

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of March 31, 2017, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 678 million square feet (63 million

*This is a non-GAAP financial measure. See the Notes and Definitions in our supplemental information for further explanation and a reconciliation to the most directly comparable GAAP measure.

square meters) in 19 countries. Prologis leases modern distribution facilities to a diverse base of approximately 5,200 customers across two major categories: business-to-business and retail/online fulfillment.

FORWARD-LOOKING STATEMENTS

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

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*This is a non-GAAP financial measure. See the Notes and Definitions in our supplemental information for further explanation and a reconciliation to the most directly comparable GAAP measure.