

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): July 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 July 18, 2017, Prologis, Inc., the general partner of Prologis, L.P., issued a press release announcing second 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 July 18, 2017.

99.2 Press release, dated July 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.

July 18, 2017

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer

PROLOGIS, L.P.,

July 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 July 18, 2017.
99.2	Press release, dated July 18, 2017.

Second Quarter 2017

Prologis Supplemental Information

Unaudited



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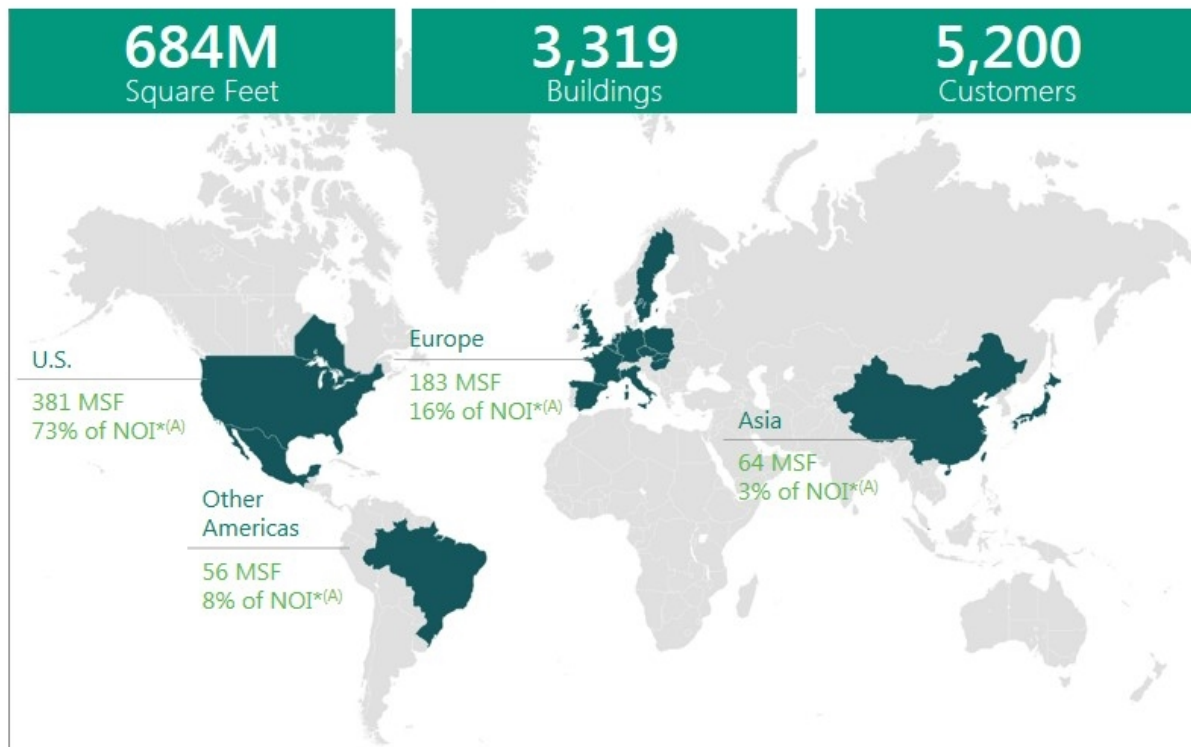
Net Asset Value

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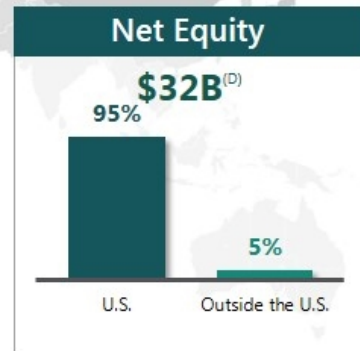
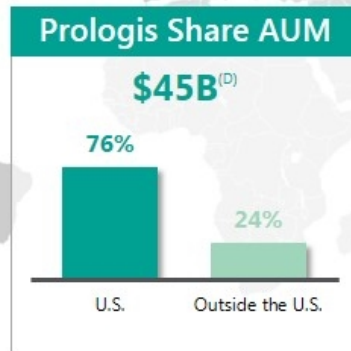
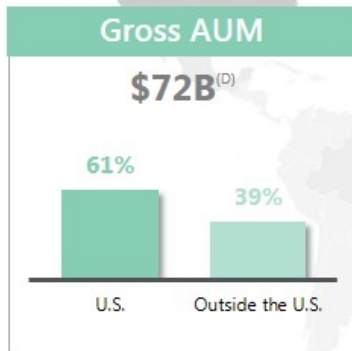
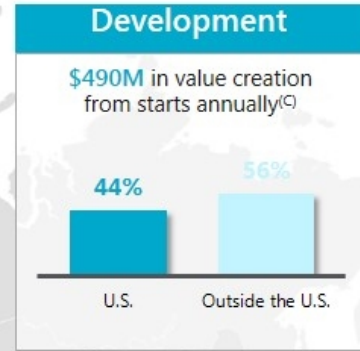
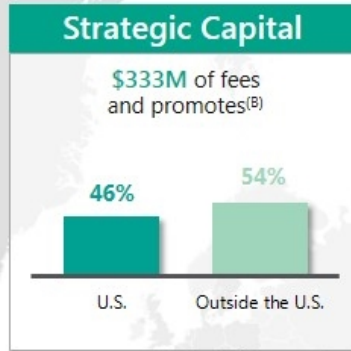
Notes and Definitions

- 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 June 30, 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 684 million square feet (64 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) 2Q 2017 Prologis share of NOI of the operating portfolio annualized.

(B) 2Q 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 June 30,		Six Months ended June 30,	
	2017	2016	2017	2016
Revenues	\$ 766	\$ 602	\$ 1,395	\$ 1,208
Net earnings attributable to common stockholders	267	275	470	483
Core FFO*	461	324	808	654
AFFO*	432	260	751	606
Adjusted EBITDA*	637	459	1,149	1,009
Estimated value creation from development starts - Prologis share	187	82	246	121
Common stock dividends and common limited partnership unit distributions	243	231	486	461
Per common share - diluted:				
Net earnings attributable to common stockholders	\$ 0.50	\$ 0.52	\$ 0.88	\$ 0.92
Core FFO*	0.84	0.60	1.47	1.20
Business line reporting:				
Real estate operations*	0.60	0.54	1.17	1.10
Strategic capital*	0.24	0.06	0.30	0.10
Core FFO*	0.84	0.60	1.47	1.20
Realized development gains, net of taxes	0.07	0.02	0.13	0.18
Dividends and distributions per common share/unit	0.44	0.42	0.88	0.84

Core FFO*



AFFO*



Estimated Value Creation

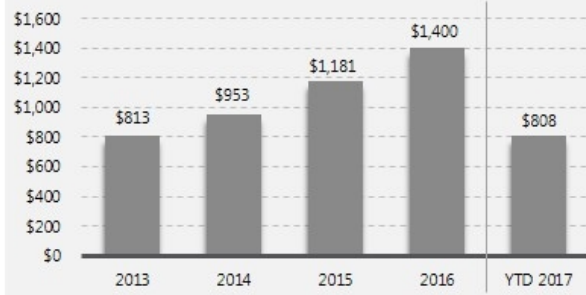


* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

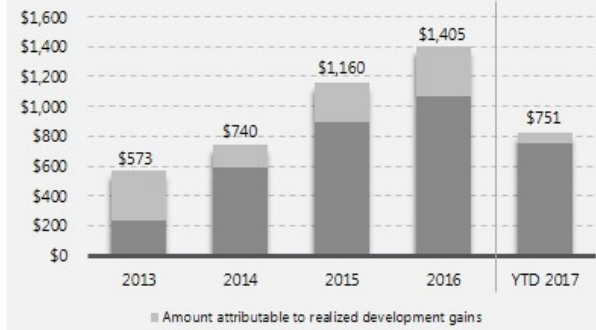
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(in millions)

Core FFO*



AFFO*



Estimated Value Creation



Asset Management Fees and Net Promotes



dollars in millions, except per share

2017 Guidance		Low	High	
Net earnings (A)(B)(C)		\$ 2.76	\$ 2.84	
Core FFO* (A)(B)(C)		\$ 2.78	\$ 2.82	
Operations				
Year-end occupancy		96.5%	97.0%	
Same store NOI - growth - Prologis share*		4.75%	5.25%	
Other Assumptions				
Strategic capital revenue, excluding promote revenue (D)		\$ 225	\$ 235	
Net promote income (B)		\$ 90	\$ 90	
General & administrative expenses		\$ 222	\$ 228	
Realized development gains		\$ 250	\$ 300	
Capital Deployment (E)				
	PROLOGIS SHARE	OWNED AND MANAGED		
	Low	High		
Development stabilizations	\$ 1,600	\$ 2,000	\$ 1,900	\$ 2,300
Development starts	\$ 1,800	\$ 2,100	\$ 2,300	\$ 2,600
Building acquisitions	\$ 100	\$ 150	\$ 400	\$ 600
Building and land dispositions	\$ 1,000	\$ 1,250	\$ 1,800	\$ 2,100
Building contributions	\$ 950	\$ 1,200	\$ 1,100	\$ 1,400

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 1.10 (\$/€), 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 \$0.16 per share, including \$0.18 per share in Q217 and (\$0.02) per share in the remaining quarters for amortization of related stock compensation.
- (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.
- (D) Strategic Capital Revenue guidance increased \$15 million at the midpoint, \$10 million of which relates to the reclassification of development fees earned from our unconsolidated entities from *Development Management and Other Revenues* to *Strategic Capital Revenues*.
- (E) Deployment guidance excludes the investment made to buy out our partner in the NAIF venture and the planned buy out of our partner in the Brazil joint ventures, as well as the contribution of the former NAIF portfolio into USLF.



In thousands	June 30, 2017	March 31, 2017	December 31, 2016
Assets:			
Investments in real estate properties:			
Operating properties	\$ 24,412,416	\$ 23,950,202	\$ 23,943,457
Development portfolio	1,489,293	1,487,458	1,432,082
Land	1,081,897	1,162,427	1,218,904
Other real estate investments	517,678	531,142	524,887
	27,501,284	27,131,229	27,119,330
Less accumulated depreciation	4,026,369	3,914,817	3,758,372
Net investments in real estate properties	23,474,915	23,216,412	23,360,958
Investments in and advances to unconsolidated entities	4,617,724	4,305,881	4,230,429
Assets held for sale	350,987	439,743	322,139
Notes receivable backed by real estate	19,536	17,006	32,100
Net investments in real estate	28,463,162	27,979,042	27,945,626
Cash and cash equivalents	271,354	395,829	807,316
Other assets	1,415,879	1,440,087	1,496,990
Total assets	\$ 30,150,395	\$ 29,814,958	\$ 30,249,932
Liabilities and Equity:			
Liabilities:			
Debt	\$ 11,081,922	\$ 10,966,932	\$ 10,608,294
Accounts payable, accrued expenses and other liabilities	1,208,235	1,179,605	1,183,498
Total liabilities	12,290,157	12,146,537	11,791,792
Equity:			
Stockholders' equity	14,847,296	14,746,867	14,991,081
Noncontrolling interests	2,607,352	2,516,015	3,072,469
Noncontrolling interests - limited partnership unitholders	405,590	405,539	394,590
Total equity	17,860,238	17,668,421	18,458,140
Total liabilities and equity	\$ 30,150,395	\$ 29,814,958	\$ 30,249,932

In thousands, except per share amounts	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues:				
Rental	\$ 576,377	\$ 546,131	\$ 1,143,310	\$ 1,100,247
Strategic capital	180,654	53,535	237,699	104,538
Development management and other	9,152	2,489	14,329	3,670
Total revenues	766,183	602,155	1,395,338	1,208,455
Expenses:				
Rental	147,794	140,725	300,450	287,306
Strategic capital	51,986	27,866	83,785	53,159
General and administrative	60,077	56,934	113,694	107,477
Depreciation and amortization	228,145	230,382	454,736	480,382
Other	2,909	3,900	5,515	8,585
Total expenses	490,911	459,807	958,180	936,909
Operating income	275,272	142,348	437,158	271,546
Other income (expense):				
Earnings from unconsolidated co-investment ventures, net	61,175	40,932	106,625	88,124
Earnings from other unconsolidated ventures, net	7,421	522	10,576	11,641
Interest expense	(75,354)	(76,455)	(148,266)	(157,267)
Gains on dispositions of development properties and land, net	37,720	12,299	67,520	106,284
Gains on dispositions of real estate, net (excluding development properties and land)	45,286	188,051	112,811	238,383
Foreign currency and derivative (losses) and interest and other income, net	(18,163)	(8,808)	(22,778)	(20,428)
Gains (losses) on early extinguishment of debt, net	(30,596)	2,044	(30,596)	992
Total other income	27,489	158,585	95,892	267,729
Earnings before income taxes	302,761	300,933	533,050	539,275
Current income tax expense	(14,952)	(9,125)	(22,113)	(25,281)
Deferred income tax benefit (expense)	171	3,983	(2,268)	4,602
Consolidated net earnings	287,980	295,791	508,669	518,596
Net earnings attributable to noncontrolling interests	(11,986)	(10,396)	(22,123)	(17,237)
Net earnings attributable to noncontrolling interests - limited partnership units	(7,377)	(8,316)	(13,000)	(14,550)
Net earnings attributable to controlling interests	268,617	277,079	473,546	486,809
Preferred stock dividends	(1,674)	(1,696)	(3,348)	(3,385)
Net earnings attributable to common stockholders	\$ 266,943	\$ 275,383	\$ 470,198	\$ 483,424
Weighted average common shares outstanding - Diluted	552,114	545,388	550,512	544,293
Net earnings per share attributable to common stockholders - Diluted	\$ 0.50	\$ 0.52	\$ 0.88	\$ 0.92

Financial Information
Reconciliations of Net Earnings to FFO*

2Q 2017 Supplemental

in thousands	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net earnings attributable to common stockholders	\$ 266,943	\$ 275,383	\$ 470,198	\$ 483,424
Add (deduct) NAREIT defined adjustments:				
Real estate related depreciation and amortization	220,130	221,233	439,201	464,825
Gains on dispositions of real estate, net (excluding development properties and land)	(45,286)	(188,051)	(112,811)	(238,383)
Reconciling items related to noncontrolling interests	(16,644)	(24,015)	(41,707)	(64,290)
Our share of reconciling items related to unconsolidated co-investment ventures	23,989	40,027	56,048	80,027
Our share of reconciling items related to other unconsolidated ventures	1,686	1,522	3,300	(984)
Subtotal-NAREIT defined FFO*	\$ 450,818	\$ 326,099	\$ 814,229	\$ 724,619
Add (deduct) our defined adjustments:				
Unrealized foreign currency and derivative losses, net	23,303	8,451	35,506	23,779
Deferred income tax expense (benefit)	(171)	(3,983)	2,268	(4,602)
Current income tax expense (benefit) on dispositions related to acquired tax assets	603	-	(667)	-
Reconciling items related to noncontrolling interests	107	803	13	1,286
Our share of reconciling items related to unconsolidated co-investment ventures	(2,892)	2,314	(1,829)	340
FFO, as modified by Prologis*	\$ 471,768	\$ 333,684	\$ 849,520	\$ 745,422
Gains on dispositions of development properties and land, net	(37,720)	(12,299)	(67,520)	(106,284)
Current income tax expense on dispositions	1,997	1,796	911	10,119
Acquisition expenses	-	967	-	2,228
Losses (gains) on early extinguishment of debt, net	30,596	(2,044)	30,596	(992)
Reconciling items related to noncontrolling interests	488	966	(679)	1,056
Our share of reconciling items related to unconsolidated co-investment ventures	(779)	855	195	3,319
Our share of reconciling items related to other unconsolidated ventures	(4,946)	-	(4,867)	(1,310)
Core FFO*	\$ 461,404	\$ 323,925	\$ 808,156	\$ 653,558
Adjustments to arrive at Adjusted FFO ("AFFO")*, including our share of unconsolidated ventures less noncontrolling interests:				
Gains on dispositions of development properties and land, net	37,720	12,299	67,520	106,284
Current income tax benefit (expense) on dispositions	(1,997)	(1,796)	(911)	(10,119)
Straight-lined rents and amortization of lease intangibles	(23,422)	(22,830)	(48,919)	(54,391)
Property improvements	(20,270)	(20,700)	(27,665)	(27,957)
Turnover costs	(38,064)	(47,150)	(78,342)	(88,719)
Amortization of debt premiums, financing costs and management contracts, net	(683)	(3,287)	(2,748)	(7,762)
Stock compensation expense	19,224	16,747	37,604	29,212
Reconciling items related to noncontrolling interests	7,194	14,587	20,572	32,028
Our share of reconciling items related to unconsolidated ventures	(9,578)	(11,526)	(23,982)	(26,190)
AFFO*	\$ 431,528	\$ 260,269	\$ 751,285	\$ 605,944



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

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Financial Information
Reconciliations of Net Earnings to Adjusted EBITDA*

2Q 2017 Supplemental

In thousands	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net earnings attributable to common stockholders	\$ 266,943	\$ 275,383	\$ 470,198	\$ 483,424
Gains on dispositions of real estate, net (excluding development properties and land)	(45,286)	(188,051)	(112,811)	(238,383)
Depreciation and amortization	228,145	230,382	454,736	480,382
Interest expense	75,354	76,455	148,266	157,267
Losses (gains) on early extinguishment of debt, net	30,596	(2,044)	30,596	(992)
Current and deferred income tax expense, net	14,781	5,142	24,381	20,679
Net earnings attributable to noncontrolling interests - limited partnership unitholders	7,377	8,316	13,000	14,550
Pro forma adjustments	707	(1,069)	11,086	(7,004)
Preferred stock dividends	1,674	1,696	3,348	3,385
Unrealized foreign currency and derivative losses, net	23,303	8,451	35,506	23,779
Stock compensation expense	19,224	16,747	37,604	29,212
Acquisition expenses	-	967	-	2,228
Adjusted EBITDA, consolidated*	\$ 622,818	\$ 432,375	\$ 1,115,910	\$ 968,527
Reconciling items related to noncontrolling interests	(25,192)	(85,772)	(59,688)	(87,747)
Our share of reconciling items related to unconsolidated co-investment ventures	39,772	62,755	92,842	127,802
Adjusted EBITDA*	\$ 637,398	\$ 459,358	\$ 1,149,064	\$ 1,008,582

Co-Investment Ventures	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 2020
FIBRA Prologis	Core	2014	Unconsolidated	Mexico	45.9%	Public, Mexican Exchange	Q2 2018
Brazil joint ventures	Core/Development	2010	Unconsolidated	Brazil	various	Closed end	n/a
Prologis Targeted Europe Logistics Fund	Core	2007	Unconsolidated	Europe	17.7%	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	Core/Development	2017	Unconsolidated	Europe	15.0%	Closed end	Q4 2017
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%) (A)		
	Square Feet	GBV of Operating Bldgs	Debt
Unconsolidated Co-Investment Ventures			
Prologis Targeted U.S. Logistics Fund	51,694	\$ 4,855,188	\$ 1,399,512
FIBRA Prologis (B)	34,167	2,013,850	728,267
Brazil joint ventures	9,172	575,568	-
Prologis Targeted Europe Logistics Fund	34,448	3,459,851	711,087
Prologis European Properties Fund II	70,194	5,153,754	1,758,563
Prologis European Logistics Partners	58,247	4,021,365	-
Prologis UK Logistics Venture	1,406	195,796	125,492
Nippon Prologis REIT (B)	23,752	4,142,965	1,656,229
Prologis China Logistics Venture	11,514	570,909	432,060
Unconsolidated Co-Investment Ventures Total	294,594	24,989,246	6,811,210
Consolidated Co-Investment Ventures			
Prologis U.S. Logistics Venture	70,968	6,064,630	391,283
Consolidated Co-Investment Ventures Total	70,968	6,064,630	391,283
Total	365,562	\$ 31,053,876	\$ 7,202,493

(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.

(B) 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 June 30, 2017					
Rental revenues	\$ 104,989	\$ 65,623	\$ 248,145	\$ 89,125	\$ 507,882
Rental expenses	(28,987)	(10,948)	(49,434)	(19,834)	(109,203)
General and administrative expenses	(6,357)	(6,495)	(17,589)	(9,352)	(39,793)
Depreciation and amortization expenses	(45,007)	(18,803)	(88,268)	(23,667)	(175,745)
Other operating revenue (expense)	-	678	(250)	(321)	107
Operating income	24,638	30,055	92,604	35,951	183,248
Interest expense	(15,528)	(7,893)	(19,370)	(9,497)	(52,288)
Gains on dispositions of real estate	6,221	-	22,212	64,448	92,881
Current and deferred income tax expense	(157)	(1,654)	(1,647)	(1,100)	(4,558)
Other income (expense)	(118)	1,901	(783)	2,951	3,951
Net earnings	15,056	22,409	93,016	92,753	223,234
Real estate related depreciation and amortization expenses	44,133	18,249	82,992	22,829	168,203
Gains on dispositions of real estate, net (excluding development properties and land)	(6,221)	-	(22,147)	(64,448)	(92,816)
Unrealized foreign currency and derivative losses (gains), net	-	(429)	711	(2,836)	(2,554)
Deferred income tax benefit	-	-	(10,219)	-	(10,219)
FFO, as modified by Prologis*	52,968	40,229	144,353	48,298	285,848
Reconciling items to Core FFO	154	(1,752)	13	-	(1,585)
Core FFO*	\$ 53,122	\$ 38,477	\$ 144,366	\$ 48,298	\$ 284,263
Balance Sheet Information					
As of June 30, 2017					
Operating properties, before depreciation	\$ 4,855,188	\$ 2,589,418	\$ 12,830,766	\$ 4,713,874	\$ 24,989,246
Accumulated depreciation	(759,039)	(178,040)	(1,573,930)	(280,898)	(2,791,907)
Properties under development and land	-	194,256	220,793	576,815	991,864
Other assets	250,104	185,620	700,548	517,565	1,653,837
Total assets	\$ 4,346,253	\$ 2,791,254	\$ 12,178,177	\$ 5,527,356	\$ 24,843,040
Third party debt	\$ 1,399,512	\$ 728,267	\$ 2,595,143	\$ 2,088,288	\$ 6,811,210
Other liabilities	220,389	84,160	940,570	287,226	1,532,345
Total liabilities	\$ 1,619,901	\$ 812,427	\$ 3,535,713	\$ 2,375,514	\$ 8,343,555
Weighted average ownership	14.2%	44.0%	33.0%	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

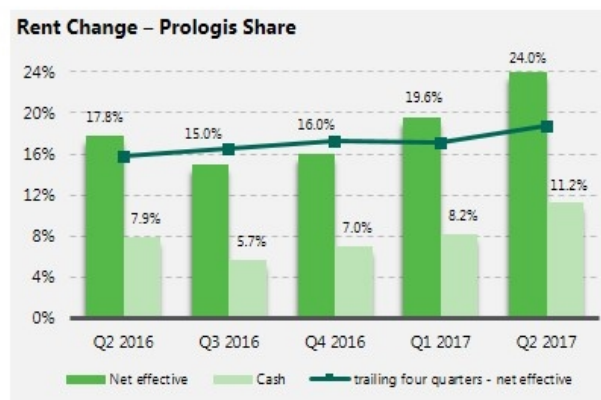
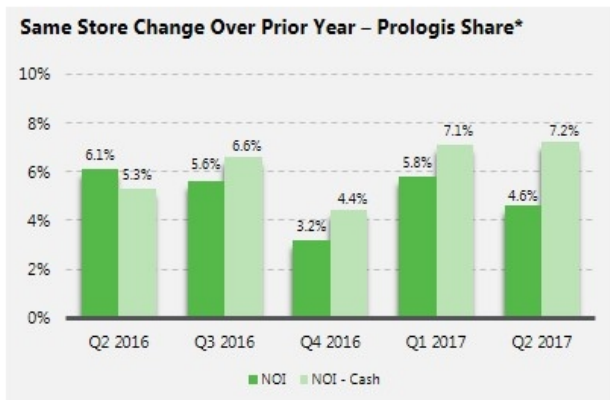
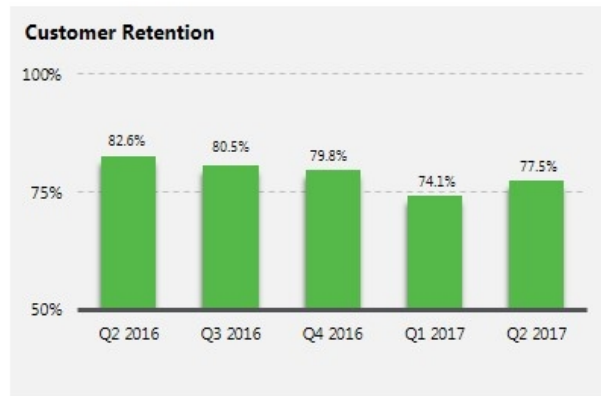
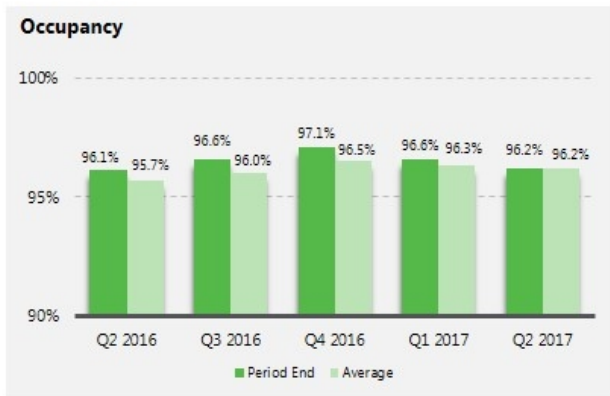
	Non Controlling Interests included in Consolidated Amounts*	Prologis Share of Unconsolidated Co-Investment Ventures*
Operating Information for the Three Months June 30, 2017		
Rental revenues	\$ 57,454	\$ 141,086
Rental expenses	(14,872)	(28,687)
General and administrative expenses	(5,281)	(11,200)
Depreciation and amortization expenses	(24,131)	(45,958)
Other operating revenue	(20)	121
Operating income	13,150	55,362
Interest expense	(1,464)	(12,581)
Gains on dispositions of real estate	110	20,067
Current and deferred income tax expense	(352)	(2,614)
Other income	400	941
Earnings from unconsolidated co-investment ventures, net	142	-
Net earnings	11,986	61,175
Real estate related depreciation and amortization expenses	24,131	44,036
Gains on dispositions of real estate, net (excluding development properties and land)	(110)	(20,047)
Unrealized foreign currency and derivative gains, net	(105)	(343)
Deferred income tax expenses, net of current income tax benefit related to acquired tax assets	(2)	(2,548)
FFO, as modified by Prologis*	35,900	82,272
Losses on dispositions of development properties and land, net	-	(20)
Current income tax benefit on dispositions	216	-
Acquisition expenses	-	8
Gains on early extinguishment of debt, net	(704)	(767)
Core FFO*	\$ 35,412	\$ 81,493
Balance Sheet Information as of June 30, 2017		
Operating properties, before depreciation	\$ 2,789,997	\$ 6,783,886
Accumulated depreciation	(196,238)	(762,209)
Properties under development, land and other real estate	80,754	228,660
Other assets	164,780	385,113
Total assets	\$ 2,839,293	\$ 6,635,450
Third party debt	\$ 179,970	\$ 1,540,877
Other liabilities	51,971	379,025
Total liabilities	\$ 231,941	\$ 1,919,902
Weighted average ownership	40.1%	26.9%
Noncontrolling interests investment	\$ 2,607,352	-
Investment in and advances to unconsolidated co-investment ventures (B)	-	\$ 4,382,825
Investment in and advances to other unconsolidated ventures	-	234,899
Investment in and advances to unconsolidated entities	-	\$ 4,617,724

* 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) 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.





Period Ending Occupancy



square feet in thousands

Leasing Activity

	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Square feet of leases signed:					
Operating portfolio:					
Renewals	26,682	26,354	20,271	22,202	26,416
New leases	12,339	14,371	12,554	11,890	12,819
Total operating portfolio	39,021	40,725	32,825	34,092	39,235
Properties under development	9,488	5,767	6,047	5,334	7,536
Total Square Feet of Leases Signed	48,509	46,492	38,872	39,426	46,771
Average term of leases signed (months)	61	54	54	56	57
Operating Portfolio:					
Trailing four quarters - square feet of leases signed	149,604	152,412	151,890	146,663	146,877
Trailing four quarters - % of average portfolio	24.5%	24.8%	24.7%	23.7%	23.6%
Rent change (net effective)	14.6%	11.7%	12.7%	14.0%	17.4%
Rent change (net effective) - Prologis share	17.8%	15.0%	16.0%	19.6%	24.0%
Rent change (cash)	5.8%	3.3%	4.9%	5.2%	7.4%
Rent change (cash) - Prologis share	7.9%	5.7%	7.0%	8.2%	11.2%

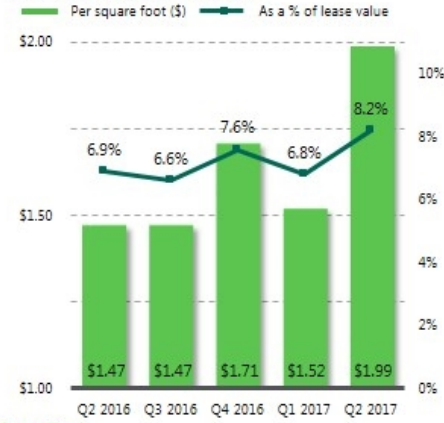
In thousands, except for percentages and per square foot

Capital Expenditures						Same Store Information					
	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017		Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Property improvements	\$ 40,237	\$ 45,561	\$ 60,128	\$ 19,897	\$ 44,547	Square feet	511,133	504,259	500,668	586,274	577,768
Tenant improvements	33,646	28,698	28,499	30,210	28,046	Average occupancy	96.1%	96.4%	97.0%	96.8%	96.7%
Leasing commissions	27,604	27,591	33,475	29,277	27,652	Period end occupancy	96.5%	96.9%	97.5%	96.9%	96.6%
Total turnover costs	61,250	56,229	61,974	59,487	55,698	Percentage change:					
Total Capital Expenditures	\$101,487	\$101,790	\$122,102	\$ 79,384	\$100,245	Rental revenue	3.8%	2.9%	2.7%	4.4%	3.6%
Trailing four quarters - % of NOI*	13.5%	13.6%	13.3%	13.2%	13.0%	Rental expenses	1.1%	(1.5%)	2.5%	3.6%	2.4%
Weighted average ownership percent	67.5%	62.5%	62.7%	62.0%	65.8%	Same store NOI*	4.7%	4.4%	2.8%	4.6%	3.9%
Prologis share	\$ 68,490	\$ 63,668	\$ 76,548	\$ 49,200	\$ 65,947	Same store NOI - Prologis share*	6.1%	5.6%	3.2%	5.8%	4.6%
						Same store NOI - cash*	4.4%	4.8%	3.8%	6.2%	5.9%
						Same store NOI - cash - Prologis share*	5.3%	6.6%	4.4%	7.1%	7.2%
						Average occupancy	1.1%	1.1%	0.6%	1.4%	1.0%

Property Improvements per Square Foot

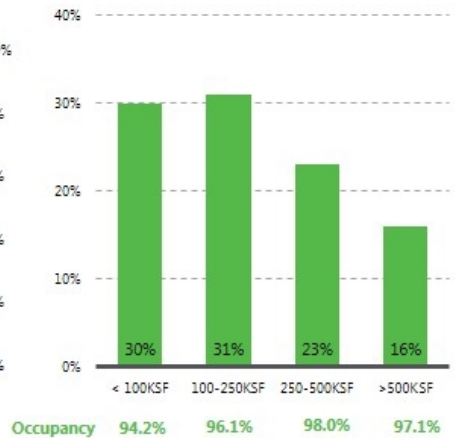


Turnover Costs on Leases Signed



Free rent as a % of lease value -- trailing four quarters

Composition of Portfolio (by Unit Size)



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

square feet in thousands and ordered by Prologis share of NOI (%)	# of Buildings	Square Feet			Occupied %		Leased %	
		Owned and Managed	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed
Southern California	247	71,420	55,946	14.3	98.6	98.3	99.9	99.9
New Jersey/New York City	141	32,724	24,688	6.3	99.6	99.7	99.8	99.8
San Francisco Bay Area	220	19,706	15,778	4.0	98.4	98.1	98.5	98.3
Chicago	230	39,970	28,959	7.4	96.1	96.1	96.1	96.1
Dallas/Ft. Worth	161	27,090	21,760	5.6	95.3	95.8	95.8	96.2
Central & Eastern PA	33	17,756	14,167	3.6	99.8	99.8	99.8	99.8
South Florida	133	14,719	9,595	2.4	96.5	96.2	97.6	97.1
Atlanta	101	18,064	14,454	3.7	98.2	98.4	98.2	98.5
Seattle	107	15,301	7,601	1.9	96.3	96.1	96.4	96.2
Central Valley	23	11,178	10,709	2.7	96.0	95.8	96.0	95.8
Houston	105	13,683	9,316	2.4	94.1	94.0	94.9	94.8
Baltimore/Washington	64	7,672	5,861	1.5	97.9	97.2	97.9	97.2
Las Vegas	48	6,968	5,410	1.4	97.8	98.5	98.2	98.7
Denver	30	5,538	5,538	1.4	99.3	99.3	99.7	99.7
Nashville	29	6,810	5,766	1.5	87.4	91.5	87.4	91.5
San Antonio	38	4,735	4,735	1.2	97.0	97.0	97.0	97.0
Columbus	23	6,231	5,765	1.5	95.7	95.3	96.0	95.7
Remaining U.S. markets (13 markets)	217	39,972	37,302	9.5	93.4	93.7	93.6	93.9
Total U.S.	2,050	359,537	283,350	72.3	96.9	96.9	97.3	97.4
Mexico	199	35,579	17,088	4.4	97.0	96.6	97.0	96.6
Canada	29	8,770	8,770	2.2	98.2	98.2	98.2	98.2
Brazil	21	9,172	3,324	0.8	83.8	79.0	83.8	79.0
Total Other Americas	249	53,521	29,182	7.4	94.9	95.1	94.9	95.1
United Kingdom	95	23,169	8,323	2.1	100.0	100.0	100.0	100.0
France	128	32,807	12,919	3.3	90.8	90.3	90.8	90.3
Germany	100	23,459	7,175	1.8	98.7	98.6	98.7	98.6
Poland	112	25,078	10,385	2.7	94.8	95.1	96.2	96.4
Netherlands	74	17,786	6,072	1.6	98.2	96.1	99.3	99.4
Spain	37	8,424	4,071	1.0	95.0	94.1	95.0	94.1
Remaining European countries (6 countries)	195	43,218	18,240	4.7	97.0	97.5	98.4	98.6
Total Europe	741	173,941	67,185	17.2	96.2	95.9	96.8	96.6
Japan	39	27,099	6,931	1.8	92.0	77.4	96.1	90.6
China	59	13,838	4,051	1.0	91.3	93.1	91.9	93.4
Singapore	5	969	969	0.3	76.0	76.0	100.0	100.0
Total Asia	103	41,906	11,951	3.1	91.4	82.6	94.8	92.3
Total Outside the U.S.	1,093	269,368	108,318	27.7	95.2	94.2	96.1	95.7
Total Operating Portfolio	3,143	628,905	391,668	100.0	96.2	96.1	96.8	96.9
Total Global markets	2,582	527,760	313,419	80.0	96.4	96.4	97.1	97.3
Total Regional markets	557	100,592	77,706	19.8	94.9	95.1	95.5	95.5
Total Other markets	4	553	543	0.2	96.2	96.3	96.2	96.3

Operations
Operating Portfolio – NOI* and Gross Book Value

2Q 2017 Supplemental

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

	Second Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Southern California	\$ 102,344	\$ 77,949	16.6	\$ 6,912,041	\$ 5,239,807	18.3
New Jersey/New York City	54,723	40,636	8.6	3,352,547	2,365,500	8.3
San Francisco Bay Area	38,842	31,252	6.6	2,043,971	1,627,770	5.7
Chicago	38,600	26,311	5.6	2,610,921	1,818,350	6.4
Dallas/Ft. Worth	26,305	20,417	4.3	1,537,451	1,160,504	4.1
Central & Eastern PA	19,988	15,729	3.3	1,105,855	862,912	3.0
South Florida	23,445	15,297	3.3	1,542,715	1,041,451	3.6
Atlanta	15,408	12,295	2.6	858,758	668,917	2.3
Seattle	22,662	11,213	2.4	1,511,538	750,422	2.6
Central Valley	10,818	10,321	2.2	634,926	609,767	2.1
Houston	15,022	9,671	2.1	905,947	556,956	1.9
Baltimore/Washington	11,673	8,954	1.9	664,028	502,853	1.8
Las Vegas	9,476	7,245	1.6	502,315	375,639	1.3
Denver	6,246	6,246	1.3	334,956	334,956	1.2
Nashville	5,448	4,873	1.0	280,802	235,448	0.8
San Antonio	4,862	4,862	1.0	232,947	232,947	0.8
Columbus	4,828	4,520	1.0	244,060	227,198	0.8
Remaining U.S. markets (13 markets)	37,221	34,581	7.4	2,104,863	1,929,352	6.8
Total U.S.	447,911	342,382	72.8	27,380,741	20,534,749	71.8
Mexico	40,843	21,190	4.5	2,081,532	991,636	3.5
Canada	9,773	9,773	2.1	718,470	718,470	2.5
Brazil	14,620	5,016	1.1	575,568	200,107	0.7
Total Other Americas	65,236	35,979	7.7	3,375,570	1,910,213	6.7
United Kingdom	46,530	17,094	3.6	2,911,899	1,015,466	3.6
France	33,477	12,541	2.7	2,318,282	817,074	2.9
Germany	29,831	8,999	1.9	1,881,155	536,635	1.9
Poland	20,707	8,522	1.8	1,470,933	582,520	2.0
Netherlands	22,799	7,266	1.5	1,464,703	453,008	1.6
Spain	9,669	4,546	1.0	597,357	290,892	1.0
Remaining European countries (6 countries)	42,231	16,925	3.6	2,702,697	1,090,306	3.7
Total Europe	205,244	75,893	16.1	13,347,026	4,785,911	16.7
Japan	60,291	11,600	2.5	4,598,803	1,081,012	3.8
China	12,301	2,978	0.5	640,738	155,466	0.5
Singapore	1,719	1,719	0.4	135,158	135,158	0.5
Total Asia	74,311	16,297	3.4	5,374,699	1,371,636	4.8
Total Outside the U.S.	344,791	128,169	27.2	22,097,295	8,067,760	28.2
Total Operating Portfolio	\$ 792,702	\$ 470,551	100.0	\$ 49,478,036	\$ 28,602,509	100.0
Total Global markets	691,361	393,025	83.5	44,007,034	24,509,201	85.7
Total Regional markets	100,553	76,760	16.3	5,435,283	4,058,467	14.2
Total Other markets	788	766	0.2	35,719	34,841	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.	1,670	308,447	276,100	70.4	96.9	96.9	97.1	97.3	
Total Outside the U.S.	95	26,768	26,768	6.9	90.7	90.7	95.6	95.6	
Total Operating Portfolio - Consolidated	1,765	335,215	302,868	77.3	96.2	96.3	97.0	97.2	
Unconsolidated									
Total U.S.	380	51,090	7,250	1.9	98.3	98.3	98.7	98.7	
Total Outside the U.S.	998	242,600	81,550	20.8	95.7	95.3	96.2	95.8	
Total Operating Portfolio - Unconsolidated	1,378	293,690	88,800	22.7	96.1	95.6	96.6	96.0	
Total									
Total U.S.	2,050	359,537	283,350	72.3	96.9	96.9	97.3	97.4	
Total Outside the U.S.	1,093	269,368	108,318	27.7	95.2	94.2	96.1	95.7	
Total Operating Portfolio	3,143	628,905	391,668	100.0	96.2	96.1	96.8	96.9	
Value added properties - consolidated	7	1,771	1,464		68.7	73.9	68.7	73.9	
Value added properties - unconsolidated	6	904	179		58.2	59.9	58.5	60.2	
Total	3,156	631,580	393,311		96.0	96.0	96.7	96.8	

	Second Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Consolidated						
Total U.S.	\$ 373,696	\$ 331,851	70.6	\$ 22,616,014	\$ 19,858,634	69.4
Total Outside the U.S.	25,326	25,326	5.3	1,977,177	1,977,177	6.9
Total Operating Portfolio - Consolidated	\$ 399,022	\$ 357,177	75.9	\$ 24,593,191	\$ 21,835,811	76.3
Unconsolidated						
Total U.S.	\$ 74,215	\$ 10,531	2.2	\$ 4,764,727	\$ 676,115	2.4
Total Outside the U.S.	319,465	102,843	21.9	20,120,118	6,090,583	21.3
Total Operating Portfolio - Unconsolidated	\$ 393,680	\$ 113,374	24.1	\$ 24,884,845	\$ 6,766,698	23.7
Total						
Total U.S.	\$ 447,911	\$ 342,382	72.8	\$ 27,380,741	\$ 20,534,749	71.8
Total Outside the U.S.	344,791	128,169	27.2	22,097,295	8,067,760	28.2
Total Operating Portfolio	\$ 792,702	\$ 470,551	100.0	\$ 49,478,036	\$ 28,602,509	100.0
Value added properties - consolidated	71	105		151,899	119,282	
Value added properties - unconsolidated	316	86		104,401	17,188	
Total	\$ 793,089	\$ 470,742		\$ 49,734,336	\$ 28,738,979	

square feet and dollars in thousands

Top Customers		
	% of Net Effective Rent	Total Square Feet
1 Amazon.com	3.0	15,942
2 DHL	1.5	10,285
3 Geodis	1.3	9,337
4 XPO Logistics	1.1	8,203
5 Kuehne + Nagel	1.1	6,509
6 DSV Air and Sea	1.0	5,366
7 Home Depot	1.0	6,665
8 FedEx	0.9	3,514
9 CEVA Logistics	0.9	6,587
10 Wal-Mart	0.9	5,084
Top 10 Customers	12.7	77,492
11 Nippon Express	0.7	2,893
12 UPS	0.7	3,614
13 BMW	0.6	3,806
14 U.S. Government	0.5	1,143
15 Hitachi	0.5	2,038
16 DB Schenker	0.5	4,173
17 Tesco	0.5	3,012
18 Ingram Micro	0.4	2,959
19 Panalpina	0.4	2,357
20 PepsiCo	0.3	2,586
21 Samsung Electronics	0.3	2,184
22 Best Buy	0.3	1,971
23 Kimberly-Clark Corporation	0.3	2,841
24 APL Logistics	0.3	2,559
25 Office Depot	0.3	2,079
Top 25 Customers	19.3	117,707

Lease Expirations - Operating Portfolio - Owned and Managed				
Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2017	29,050	146,275	4.5	5.04
2018	97,475	483,158	14.9	4.96
2019	98,159	506,683	15.7	5.16
2020	89,277	479,896	14.8	5.38
2021	74,263	408,064	12.6	5.49
Thereafter	205,996	1,211,935	37.5	5.88
	594,220	\$ 3,236,011	100.0	5.45
Month to month	10,492			
Total	604,712			

Lease Expirations - Operating Portfolio - Prologis Share				
Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2017	16,331	77,046	4.0	4.72
2018	58,607	283,107	14.6	4.83
2019	62,110	298,195	15.4	4.80
2020	49,184	255,498	13.2	5.19
2021	51,098	268,151	13.8	5.25
Thereafter	133,160	755,606	39.0	5.67
	370,490	\$ 1,937,603	100.0	5.23
Month to month	6,078			
Total	376,568			

(in millions)

Development Starts (TEI)



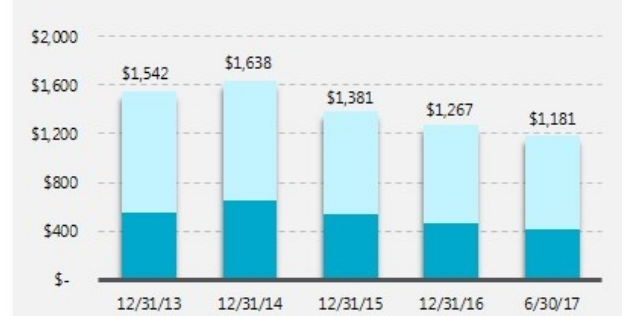
Development Stabilizations (TEI)



Building Acquisitions



Land Portfolio



■ U.S. ■ Outside the U.S.

square feet and dollars in thousands

	Q2 2017			YTD		
	Square Feet	T EI		Square Feet	T EI	
		Owned and Managed	Prologis Share		Owned and Managed	Prologis Share
Central	849	\$ 38,740	\$ 38,740	1,339	\$ 75,230	\$ 67,895
East	-	-	-	1,040	49,453	49,453
West	867	73,769	73,769	1,385	123,976	110,313
Total U.S.	1,716	112,509	112,509	3,764	248,659	227,661
Canada	546	45,842	45,842	704	57,806	57,806
Mexico	663	28,967	28,967	1,062	56,378	56,378
Brazil	377	29,699	14,850	1,119	73,850	36,926
Total Other Americas	1,586	104,508	89,659	2,885	188,034	151,110
Northern Europe	443	34,292	34,292	657	54,896	54,896
Southern Europe	640	35,889	35,889	1,222	71,590	71,590
Central Europe	1,812	98,509	86,627	2,457	140,540	127,351
United Kingdom(A)	-	-	-	622	68,941	38,998
Total Europe	2,895	168,690	156,808	4,958	335,967	292,835
Japan	1,363	201,373	201,373	1,989	293,256	293,256
China	-	-	-	-	-	-
Singapore	-	-	-	-	-	-
Total Asia	1,363	201,373	201,373	1,989	293,256	293,256
Total Outside the U.S.	5,844	474,571	447,840	9,832	817,257	737,201
Total Development Stabilizations	7,560	\$ 587,080	\$ 560,349	13,596	\$ 1,065,916	\$ 964,862
Percent build to suit			50.0%			40.3%
Estimated weighted average stabilized yield			6.6%			6.7%
Annualized estimated NOI			\$ 36,712			\$ 64,368
Estimated weighted average stabilized cap rate			5.3%			5.4%
Estimated weighted average margin			23.1%			22.7%
Estimated value creation			\$ 129,514			\$ 218,875



(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.

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square feet and dollars in thousands

	Q2 2017				YTD			
	T E I				T E I			
	Square Feet	Leased % at Start	Owned and Managed	Prologis Share	Square Feet	Leased % at Start	Owned and Managed	Prologis Share
Central	1,431	92.0	\$ 67,757	\$ 41,781	1,717	76.6	\$ 87,675	\$ 61,699
East	154	0.0	16,424	16,424	154	0.0	16,424	16,424
West	2,714	46.5	300,345	300,345	3,935	49.1	388,358	388,358
Total U.S.	4,299	60.0	384,526	358,550	5,806	56.0	492,457	466,481
Canada	249	0.0	25,187	25,187	249	0.0	25,187	25,187
Mexico	-	-	-	-	568	64.8	37,172	37,172
Brazil	-	-	-	-	-	-	-	-
Total Other Americas	249	0.0	25,187	25,187	817	45.0	62,359	62,359
Northern Europe	1,249	85.4	88,630	47,497	2,113	91.4	145,725	104,592
Southern Europe	849	66.0	60,726	60,726	1,166	75.2	84,168	84,168
Central Europe	76	100.0	4,169	1,302	250	100.0	13,731	10,864
United Kingdom	-	-	-	-	705	100.0	77,093	77,093
Total Europe	2,174	78.3	153,525	109,525	4,234	88.9	320,717	276,717
Japan	2,517	42.5	385,326	385,326	2,517	42.5	385,326	385,326
China	1,977	0.0	121,043	18,156	1,977	0.0	121,043	18,156
Total Asia	4,494	23.8	506,369	403,482	4,494	23.8	506,369	403,482
Total Outside the U.S.	6,917	40.1	685,081	538,194	9,545	54.5	889,445	742,558
Total Development Starts	11,216	47.7	\$ 1,069,607	\$ 896,744	15,351	55.1	\$ 1,381,902	\$ 1,209,039
Percent build to suit				34.6%				45.6%
Estimated weighted average stabilized yield				6.5%				6.5%
Annualized estimated NOI				\$ 57,936				\$ 78,903
Estimated weighted average stabilized cap rate				5.3%				5.4%
Estimated weighted average margin				20.8%				20.4%
Estimated value creation				\$ 186,539				\$ 246,445

square feet and dollars in thousands

	Pre-Stabilized Developments				Under Development						Total Development Portfolio			
	TEI				2017 Expected Completion			2018 and Thereafter Expected Completion			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	\$ 37,878	\$ 37,878	970	\$ 70,434	\$ 70,434	1,316	\$ 57,776	\$ 31,800	3,002	79.6	\$ 166,088	\$ 140,112
East	111	100.0	13,136	13,136	563	77,169	77,169	636	94,428	94,428	1,310	35.9	184,733	184,733
West	898	62.5	67,629	67,629	5,965	437,690	416,342	2,591	305,022	305,022	9,454	54.0	810,341	788,993
Total U.S.	1,725	80.5	118,643	118,643	7,498	585,293	563,945	4,543	457,226	431,250	13,766	57.9	1,161,162	1,113,838
Canada	-	-	-	-	-	-	-	249	25,187	25,187	249	0.0	25,187	25,187
Mexico	873	65.1	57,051	57,051	837	50,710	50,710	-	-	-	1,710	76.8	107,761	107,761
Brazil	587	0.0	37,044	18,522	-	-	-	-	-	-	587	0.0	37,044	18,522
Total Other Americas	1,460	39.0	94,095	75,573	837	50,710	50,710	249	25,187	25,187	2,546	51.6	169,992	151,470
Northern Europe	288	48.5	27,760	27,760	2,333	167,959	167,959	813	54,809	13,675	3,434	83.1	250,528	209,394
Southern Europe	254	0.0	15,335	15,335	955	70,781	70,781	589	46,880	46,880	1,798	57.0	132,996	132,996
Central Europe	912	95.3	43,866	40,164	250	14,382	11,515	-	-	-	1,162	96.3	58,248	51,679
United Kingdom	566	0.0	111,962	88,416	689	61,105	36,970	705	80,065	80,065	1,960	57.2	253,132	205,451
Total Europe	2,020	49.9	198,923	171,675	4,227	314,227	287,225	2,107	181,754	140,620	8,354	73.2	694,904	599,520
Japan	1,658	95.6	261,297	261,297	544	118,011	118,011	3,482	517,886	517,886	5,684	61.8	897,194	897,194
China	3,969	7.8	224,143	33,621	4,102	219,994	32,999	7,433	424,139	63,621	15,504	2.0	868,276	130,241
Singapore	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Asia	5,627	33.7	485,440	294,918	4,646	338,005	151,010	10,915	942,025	581,507	21,188	18.0	1,765,470	1,027,435
Total Outside the U.S.	9,107	38.1	778,458	542,166	9,710	702,942	488,945	13,271	1,148,966	747,314	32,088	35.1	2,630,366	1,778,425
Total Development Portfolio	10,832	44.9	\$ 897,101	\$ 660,809	17,208	\$ 1,288,235	\$ 1,052,890	17,814	\$ 1,606,192	\$ 1,178,564	45,854	41.9	\$ 3,791,528	\$ 2,892,263
Cost to complete			\$ 61,971	\$ 43,420		\$ 410,384	\$ 349,893		\$ 1,086,268	\$ 824,010			\$ 1,558,623	\$ 1,217,323
Percent build to suit				8.6%			32.7%			40.9%				30.5%
Estimated weighted average yield														
U.S.				6.4%			6.8%			6.0%				6.5%
Other Americas				8.6%			7.5%			5.2%				7.6%
Europe				6.1%			6.4%			5.7%				6.1%
Asia				6.1%			5.7%			6.2%				6.1%
Total				6.4%			6.6%			6.1%				6.3%
Annualized estimated NOI														\$183,298
Estimated weighted average stabilized cap rate														5.1%
Estimated development margin														23.7%
Estimated value creation														\$686,344

square feet and dollars in the usands

	Q2 2017				YTD			
	Square Feet		Acquisition Costs		Square Feet		Acquisition Costs	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Prologis Wholly Owned	124	124	\$ 16,961	\$ 16,961	150	150	\$ 41,912	\$ 41,912
Prologis Targeted U.S. Logistics Fund	525	74	39,013	5,533	2,240	318	202,964	28,814
Total U.S.	649	198	55,974	22,494	2,390	468	244,876	70,726
Prologis Targeted Europe Logistics Fund	854	151	84,778	14,970	854	151	84,778	14,970
Total Outside the U.S.	854	151	84,778	14,970	854	151	84,778	14,970
Total Third Party Building Acquisitions	1,503	349	\$ 140,752	\$ 37,464	3,244	619	\$ 329,654	\$ 85,696
Weighted average stabilized cap rate				5.9%				5.7%

square feet and dollars in thousands

	Q2 2017				YTD			
	Square Feet		Sales Price		Square Feet		Sales Price	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Third-Party Building Dispositions								
Prologis Wholly Owned	2,875	2,875	\$ 129,764	\$ 129,764	3,821	3,821	\$ 195,734	\$ 195,734
Prologis U.S. Logistics Venture	43	23	3,121	1,718	1,170	643	64,221	35,347
Prologis Targeted U.S. Logistics Fund	112	16	27,000	3,831	531	75	90,987	12,917
Total U.S.	3,030	2,914	159,885	135,313	5,522	4,539	350,942	243,998
Total Other Americas								
Prologis Wholly Owned	713	713	38,009	38,009	957	957	60,244	60,244
Prologis Targeted Europe Logistics Fund	518	91	63,562	11,225	518	91	63,562	11,225
Prologis European Properties Fund II	1,400	437	77,566	24,216	1,901	593	104,483	32,601
Prologis European Logistics Partners	895	447	56,405	28,203	895	447	56,405	28,203
Total Europe	3,526	1,688	235,542	101,653	4,271	2,088	284,694	132,273
Nippon Prologis REIT	1,037	156	207,929	31,377	1,037	156	207,929	31,377
Total Asia	1,037	156	207,929	31,377	1,037	156	207,929	31,377
Total Outside the U.S.	4,563	1,844	443,471	133,030	5,308	2,244	492,623	163,650
Total Third Party Building Dispositions	7,593	4,758	\$ 603,356	\$ 268,343	10,830	6,783	\$ 843,565	\$ 407,648
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	319	319	21,590	17,777	597	597	37,380	30,740
Prologis European Properties Fund II	100	100	10,194	7,012	100	100	10,194	7,012
Prologis UK Logistics Venture	456	456	61,887	52,604	1,406	1,406	190,273	161,732
Total Europe	875	875	93,671	77,393	3,644	3,644	366,416	308,768
Total Asia	-	-	-	-	-	-	-	-
Total Outside the U.S.	875	875	93,671	77,393	3,644	3,644	366,416	308,768
Total Building Dispositions and Contributions	8,468	5,633	\$ 697,027	\$ 345,736	14,474	10,427	\$ 1,209,981	\$ 716,416
Weighted average stabilized cap rate				6.1%				5.8%
Land dispositions			29,679	28,765			36,102	34,929
Dispositions of other investments in real estate			16,469	16,469			20,982	19,900
Land and properties under development contributed to Prologis UK Logistics Venture			22,470	19,100			146,140	124,219
Grand Total Dispositions and Contributions			\$ 765,645	\$ 410,070			\$ 1,413,205	\$ 895,464

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	\$ 30,841	\$ 28,994	2.5
New Jersey/New York Cty	119	97	1,364	44,298	37,135	3.1
San Francisco Bay Area	-	-	-	-	-	0.0
Chicago	227	222	3,963	26,060	25,509	2.2
Dallas/Ft. Worth	64	64	1,520	14,107	14,107	1.2
Central & Eastern PA	45	45	624	9,856	9,856	0.8
South Florida	194	193	3,678	118,984	118,759	10.1
Atlanta	130	130	1,655	5,626	5,626	0.5
Seattle	2	2	78	1,235	1,235	0.1
Central Valley	1,067	1,067	21,801	86,733	86,733	7.3
Houston	185	173	2,855	16,024	14,382	1.2
Baltimore/Washington	41	41	400	11,267	11,267	1.0
Las Vegas	74	74	1,485	17,146	17,146	1.5
Denver	53	53	913	19,469	19,469	1.6
Nashville	-	-	-	-	-	0.0
San Antonio	-	-	-	-	-	0.0
Columbus	47	47	925	1,614	1,614	0.1
Remaining U.S. markets (13 markets)	282	274	4,077	26,061	25,247	2.1
Total U.S.	2,674	2,621	48,033	429,321	417,079	35.3
Mexico	697	690	13,413	177,716	175,787	14.8
Canada	159	159	3,185	42,070	42,070	3.6
Brazil	489	245	11,950	157,315	78,657	6.7
Total Other Americas	1,345	1,094	28,548	377,101	296,514	25.1
United Kingdom	303	179	4,651	201,541	100,607	8.5
France	299	246	5,757	54,772	45,993	3.9
Germany	45	39	931	12,940	11,635	1.0
Poland	518	483	9,628	58,960	50,728	4.3
Netherlands	29	29	844	17,013	17,013	1.4
Spain	120	101	3,163	47,531	42,465	3.6
Remaining European countries (6 countries)	851	813	15,026	105,611	98,797	8.4
Total Europe	2,165	1,890	40,000	498,368	367,238	31.1
Japan	71	71	4,758	86,885	86,885	7.4
China	138	36	4,616	55,747	13,023	1.1
Singapore	-	-	-	-	-	0.0
Total Asia	209	107	9,374	142,632	99,908	8.5
Total Outside the U.S.	3,719	3,091	77,922	1,018,101	763,660	64.7
Total Land Portfolio	6,393	5,712	125,955	\$ 1,447,422	\$ 1,180,739	100.0

dollars in thousands	Acres			Current Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Central	574	558	9.8	\$ 60,419	\$ 58,229	4.9
East	673	650	11.4	208,842	201,453	17.1
West	1,427	1,413	24.7	160,060	157,397	13.3
Total U.S.	2,674	2,621	45.9	429,321	417,079	35.3
Mexico	697	690	12.1	177,716	175,787	14.8
Canada	159	159	2.8	42,070	42,070	3.6
Brazil	489	245	4.3	157,315	78,657	6.7
Total Other Americas	1,345	1,094	19.2	377,101	296,514	25.1
Central Europe	1,230	1,171	20.5	138,135	126,925	10.7
Northern Europe	122	114	2.0	44,534	42,609	3.6
Southern Europe	510	426	7.5	114,158	97,097	8.2
United Kingdom	303	179	3.1	201,541	100,607	8.6
Total Europe	2,165	1,890	33.1	498,368	367,238	31.1
Japan	71	71	1.2	86,885	86,885	7.4
China	138	36	0.6	55,747	13,023	1.1
Total Asia	209	107	1.8	142,632	99,908	8.5
Total Outside the U.S.	3,719	3,091	54.1	1,018,101	763,660	64.7
Total Land Portfolio	6,393	5,712	100.0	\$ 1,447,422	\$ 1,180,739	100.0
Estimated build out of land portfolio (in TEI)				\$ 8,500,000	\$ 7,300,000	
Estimated build out of other land (in TEI) (A)				1,500,000	1,400,000	
Total				\$ 10,000,000	\$ 8,700,000	

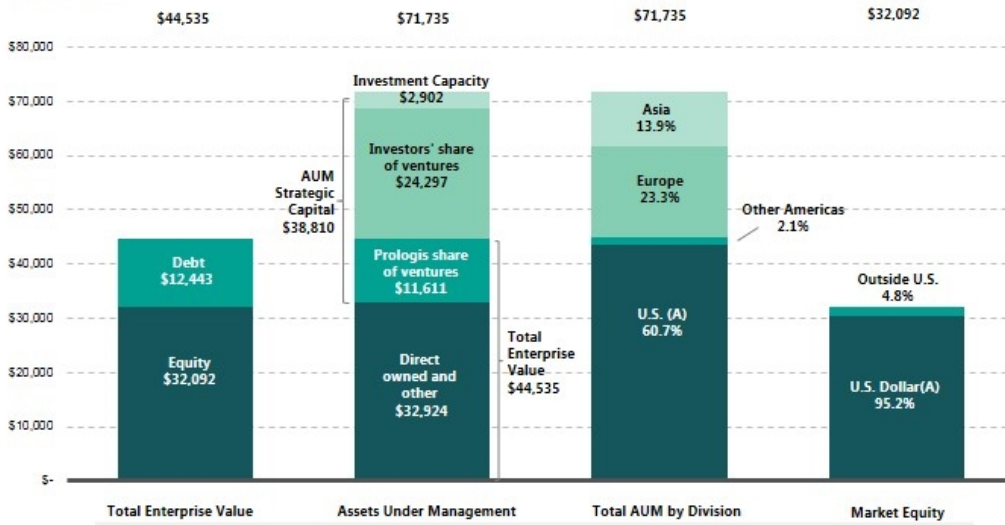
Land Roll Forward - Prologis Share	U.S.	Other Americas	Europe	Asia	Total
As of March 31, 2017	\$ 469,133	\$ 294,102	\$ 329,161	\$ 165,179	\$ 1,257,575
Acquisitions	13,939	4,875	38,728	2,694	60,236
Dispositions	(24,237)	-	(34)	-	(24,271)
Development starts	(57,883)	(6,829)	(25,668)	(71,190)	(161,570)
Infrastructure costs	14,892	6,310	3,401	3,110	27,713
Effect of changes in foreign exchange rates and other	1,235	(1,944)	21,650	115	21,056
As of June 30, 2017	\$ 417,079	\$ 296,514	\$ 367,238	\$ 99,908	\$ 1,180,739



(A) Amounts include approximately 1,500 acres that we currently control through options, ground leases, unconsolidated joint ventures and other contractual arrangements.

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Assets Under Management
(dollars in millions)



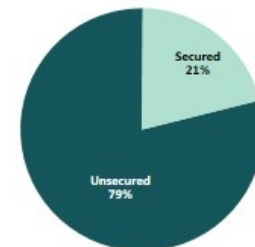
Prologis Share - Debt Metrics (B)		
	June 30, 2017	March 31, 2017
Debt as % of gross real estate assets*	37.3%	36.7%
Debt as % of gross market capitalization*	27.4%	29.3%
Secured debt as % of gross real estate assets*	8.2%	8.9%
Unencumbered gross real estate assets to unsecured debt*	273.1%	278.2%
Fixed charge coverage ratio*	6.02x	5.66x
Fixed charge coverage ratio, excluding development gains*	5.29x	4.97x
Debt/Adjusted EBITDA*	4.94x	5.18x
Debt/Adjusted EBITDA, excluding development gains*	5.62x	5.88x
Weighted average interest rate	3.0%	3.1%
Weighted average remaining maturity in years	5.3	4.8
Credit Ratings at June 30, 2017 (C)		
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) Mexico is included in the U.S. as it is U.S. dollar functional.
 (B) These calculations are included in the Notes and Definitions section, and are not calculated in accordance with the applicable SEC rules.
 (C) 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.

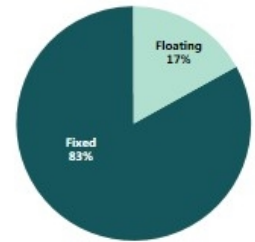
Unencumbered Assets - Prologis Share
(in billions)



Secured & Unsecured Debt - Prologis Share



Fixed vs. Floating Debt - Prologis Share



dollars in thousands

Maturity	Unsecured			Secured Mortgage	Total	% Ownership	Wtd. Avg. Interest Rate	% Fixed
	Senior	Credit Facilities	Other (A)					
2017	\$ -	\$ -	\$ 491	\$ 118,063	\$ 118,554	99%	2.6%	100%
2018	175,000	-	1,009	610,281	786,290	86%	3.4%	95%
2019	-	-	1,091	446,318	447,409	86%	5.6%	89%
2020	887,241	-	1,155	436,544	1,324,940	100%	2.3%	82%
2021	1,298,840	-	954	141,673	1,441,467	100%	2.4%	100%
2022	798,840	-	947,396	163,284	1,909,520	100%	2.4%	50%
2023	850,000	-	913,201	174,735	1,937,936	100%	2.9%	68%
2024	798,840	-	882	133,420	933,142	100%	4.1%	100%
2025	750,000	-	958	139,920	890,878	100%	3.9%	100%
2026	570,600	-	599	1,223	572,422	100%	3.1%	100%
2027	-	-	64,948	1,161	66,109	99%	1.1%	100%
Thereafter	648,903	-	47,903	-	696,806	100%	2.2%	100%
Subtotal	6,778,264	-	1,980,587	2,366,622	11,125,473	98%	3.0%	83%
Unamortized net premiums (discounts)	(22,648)	-	-	28,391	5,743			
Unamortized finance costs	(28,166)	-	(12,150)	(8,978)	(49,294)			
Total consolidated debt, net of premium (discount)	\$ 6,727,450	\$ -	\$ 1,968,437	\$ 2,386,035	\$ 11,081,922			
Weighted average interest rate	3.1%	-	1.6%	3.8%	3.0%			
Weighted average remaining maturity in years	6.1	-	5.8	3.1	5.4			

Prologis debt by local currency

	Senior	Credit Facilities	Other	Secured Mortgage	Total	Investment Hedges (B)	Total	Liquidity	
								Aggregate lender commitments- GLOC and revolver	
Dollars	\$ 2,370,417	\$ -	\$ 512,318	\$ 2,016,404	\$ 4,899,139	\$ (592,477)	\$ 4,306,662	\$ 3,451,284	
Euro	3,622,017	-	-	-	3,622,017	181,603	3,803,620	-	
GBP	645,269	-	-	-	645,269	142,812	788,081	-	
Yen	89,747	-	1,171,113	218,282	1,479,142	150,598	1,629,740	36,775	
CAD	-	-	285,006	151,349	436,355	117,464	553,819	3,414,509	
Other	-	-	-	-	-	-	-	271,354	
Total Debt	\$ 6,727,450	\$ -	\$ 1,968,437	\$ 2,386,035	\$ 11,081,922	\$ -	\$ 11,081,922	Total liquidity	\$ 3,685,863

- (A) The maturity of certain term loan debt (\$500 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.

Maturity	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
2017	\$ -	\$ 1,286	\$ 1,286	2.9%	100%	\$ -	\$ 19,255	\$ 19,255	4.3%	99%
2018	-	106,615	106,615	2.8%	100%	129,702	48,335	178,037	3.5%	99%
2019	-	64,286	64,286	2.8%	65%	184,845	75,280	260,125	3.7%	23%
2020	-	2,829	2,829	3.2%	100%	214,217	76,074	290,291	4.2%	98%
2021	-	376	376	3.5%	100%	70,790	113,927	184,717	3.5%	97%
2022	-	389	389	3.5%	100%	168,610	32,430	201,040	2.8%	100%
2023	-	402	402	3.5%	100%	39,227	39,370	78,597	1.7%	99%
2024	-	416	416	3.5%	100%	62,932	20,826	83,758	2.4%	99%
2025	-	430	430	3.5%	100%	138,293	1,393	139,686	1.7%	100%
2026	-	445	445	3.5%	100%	31,408	46,367	77,775	3.2%	99%
2027	-	422	422	3.5%	100%	34,778	-	34,778	0.8%	100%
Thereafter	-	-	-	-	-	1,348	-	1,348	0.9%	100%
Subtotal	\$ -	\$ 177,896	\$ 177,896	2.8%	87%	\$ 1,076,150	\$ 473,257	\$ 1,549,407	3.2%	86%
Unamortized net premiums (discounts)	-	2,126	2,126	-	-	(1,033)	1,488	455	-	-
Unamortized finance costs	-	(52)	(52)	-	-	(6,487)	(2,498)	(8,985)	-	-
Noncontrolling interests share and Prologis share of unconsolidated debt	\$ -	\$ 179,970	\$ 179,970			\$ 1,068,630	\$ 472,247	\$ 1,540,877		
Weighted average interest rate	-	2.8%	2.8%	-	-	2.8%	4.1%	3.2%	-	-
Weighted average remaining maturity in years	-	1.5	1.5	-	-	4.3	3.9	4.2	-	-

Noncontrolling interests share and Prologis share of unconsolidated debt by local currency

	Unsecured	Secured	Total	Unsecured (B)	Secured	Total	Investment Hedges (C)	Total
Dollars	\$ -	\$ 179,970	\$ 179,970	\$ 444,131	\$ 243,987	\$ 688,118	\$ (1,21,481)	\$ 566,637
Euro	-	-	-	374,574	92,450	467,024	93,660	560,684
GBP	-	-	-	-	119,672	119,672	-	119,672
Yen	-	-	-	249,925	-	249,925	-	249,925
CAD	-	-	-	-	-	-	-	-
Other	-	-	-	-	16,138	16,138	27,821	43,959
Total Debt	\$ -	\$ 179,970	\$ 179,970	\$ 1,068,630	\$ 472,247	\$ 1,540,877	\$ -	\$ 1,540,877

- (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 \$301 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.	276,100	\$ 19,858,634	\$ 72	\$ 332,973	\$ 332,973	\$ 1,331,892	96.9%
Other Americas	10,183	786,152	77	11,344	11,344	45,376	97.1%
Europe	9,946	530,199	53	9,659	9,659	38,636	96.1%
Asia	6,639	660,826	100	6,025	6,025	24,100	72.7%
Pro forma adjustments for mid-quarter acquisitions/development completions							
					3,745	14,980	
Total consolidated operating portfolio	302,868	21,835,811	72	360,001	363,746	1,454,984	96.3%
Unconsolidated Operating Portfolio							
U.S.	7,250	676,115	93	10,620	10,620	42,480	98.3%
Other Americas	18,999	1,124,061	59	23,535	23,535	94,140	94.1%
Europe	57,239	4,255,712	74	70,358	70,358	281,432	95.8%
Asia	5,312	710,810	134	10,175	10,175	40,700	95.0%
Pro forma adjustments for mid-quarter acquisitions/development completions							
					292	1,168	
Total unconsolidated operating portfolio	88,800	6,766,698	76	114,688	114,980	459,920	95.6%
Total Operating Portfolio	391,668	\$ 28,602,509	\$ 73	\$ 474,689	\$ 478,726	\$ 1,914,904	96.1%
Development							
	Square Feet	Investment Balance	TEI	TEI per Sq Ft		Annualized Estimated NOI	Percent Occupied
Consolidated							
Prestabilized							
U.S.	1,725	\$ 102,550	\$ 118,643	\$ 69		\$ 7,555	37.2%
Other Americas	873	45,787	57,051	65		4,587	40.2%
Europe	1,623	137,826	163,818	101		9,818	32.2%
Asia	1,658	240,279	261,296	158		15,548	85.8%
Properties under development							
U.S.	11,178	472,116	995,195	89		64,440	50.0%
Other Americas	1,086	36,123	75,897	70		5,099	
Europe	5,173	207,211	408,609	79		25,186	
Asia	4,027	227,559	635,897	158		37,950	
Total consolidated development portfolio	27,343	1,469,451	2,716,406	99		\$ 170,183	
Unconsolidated							
Other Americas	293	16,688	18,522	63		\$ 1,878	
Europe	362	13,258	27,093	75		1,829	
Asia	2,326	78,983	130,242	56		9,408	
Total unconsolidated development portfolio	2,981	108,929	175,857	59		\$ 13,115	
Total Development Portfolio	30,324	\$ 1,578,380	\$ 2,892,263	\$ 95		\$ 183,298	
Prologis share of estimated value creation (see Capital Deployment - Development Portfolio)							
		686,344					
Total development portfolio, including estimated value creation		\$ 2,264,724					

In the usands			
Balance Sheet and Other Items			
		As of June 30, 2017	
Consolidated			
Other assets			
Cash and cash equivalents		\$	271,354
Restricted cash			7,791
Accounts receivable, prepaid assets and other tangible assets			798,119
Other real estate investments and assets held for sale			527,451
Note receivable backed by real estate			19,536
Prologis share of value added operating properties			136,470
Prologis receivable from unconsolidated co-investment ventures			301,329
Investments in and advances to other unconsolidated joint ventures			224,899
Less: noncontrolling interests share of other assets			(61,895)
Total other assets		\$	2,229,554
Other liabilities			
Accounts payable and other current liabilities		\$	554,775
Deferred income taxes			65,031
Value added tax and other tax liabilities			14,570
Tenant security deposits			214,616
Other liabilities			333,237
Less: noncontrolling interests share of other liabilities			(48,261)
Total liabilities		\$	1,133,968
Unconsolidated			
Prologis share of net tangible other assets		\$	218,188
Land			
Current book value of land		\$	1,081,897
Less: noncontrolling interests share of the current book value of land			(70,889)
Prologis share of book value of land in unconsolidated entities			119,731
Total land portfolio		\$	1,180,739
Strategic Capital / Development Management			
		Second Quarter	Annualized
Strategic Capital			
Third party share of asset management fees from consolidated and unconsolidated co-investment ventures	\$	30,883	\$ 123,535
Third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months)		6,757	25,505
Strategic capital expenses for asset management and other transactional fees (annualized based on estimated 12 months)		(15,737)	(64,159)
Total strategic capital	\$	21,903	\$ 84,881
Promotes, net of cash expenses (trailing 12 months)	\$	102,811	\$ 184,334
Development management income (trailing 12 months)	\$	9,152	\$ 19,566
Debt (at par) and Preferred Stock			
		As of June 30, 2017	
Debt			
Prologis debt		\$	11,125,473
Noncontrolling interests share of consolidated debt			(77,896)
Prologis share of unconsolidated debt			1,549,407
Total debt			12,496,984
Preferred stock			78,235
Total debt and preferred stock	\$	12,575,219	
Outstanding shares of common stock and limited operating partnership units			545,881

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 aquisition 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	\$ 576,377
Rental expenses	(147,794)
NOI	428,583
Net termination fees and adjustments (a)	(2,356)
Less: actual NOI for development portfolio and other	(14,642)
Less: property management fees	(8,424)
Less: properties contributed or sold (b)	(3,402)
Less: noncontrolling interests share of NOI	(42,582)
Adjusted NOI for consolidated operating portfolio owned at June 30, 2017	357,177
Straight-line rents (c)	(15,430)
Free rent (c)	17,921
Amortization of lease intangibles (c)	(522)
Effect of foreign currency exchange (d)	358
Less: noncontrolling interests	497
Second Quarter Adjusted Cash NOI (Actual)	\$ 260,001

(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 Jun. 30,		Six Months Ended Jun. 30,	
	2017	2016	2017	2016
Net earnings				
Net earnings	\$ 266,943	\$ 275,383	\$ 470,198	\$ 483,424
Noncontrolling interest attributable to exchangeable limited partnership units	7,798	9,085	13,765	15,694
Adjusted net earnings - Diluted	\$ 274,741	\$ 284,468	\$ 483,963	\$ 499,118
Weighted average common shares outstanding - Basic	530,040	524,842	529,400	524,540
Incremental weighted average effect on exchange of limited partnership units	16,364	17,703	16,409	17,623
Incremental weighted average effect of equity awards	5,710	2,843	4,703	2,130
Weighted average common shares outstanding - Diluted	552,114	545,388	550,512	544,293
Net earnings per share - Basic	\$ 0.50	\$ 0.52	\$ 0.89	\$ 0.92
Net earnings per share - Diluted	\$ 0.50	\$ 0.52	\$ 0.88	\$ 0.92
Core FFO				
Core FFO	\$ 461,404	\$ 323,925	\$ 808,156	\$ 653,558
Noncontrolling interest attributable to exchangeable limited partnership units	974	47	1,916	93
Core FFO - Diluted	\$ 462,378	\$ 323,972	\$ 810,072	\$ 653,651
Weighted average common shares outstanding - Basic	530,040	524,842	529,400	524,540
Incremental weighted average effect on exchange of limited partnership units	16,364	16,037	16,409	15,957
Incremental weighted average effect of equity awards	5,710	2,843	4,703	2,130
Weighted average common shares outstanding - Diluted	552,114	543,722	550,512	542,627
Core FFO per share - Diluted	\$ 0.84	\$ 0.60	\$ 1.47	\$ 1.20

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	Indantura		Global Lina	
	Covenant	Actual	Covenant	Actual
Leverage ratio	<60%	32.9%	<60%	29.3%
Fixed charge coverage ratio	> 1.5x	7.82x	> 1.5x	7.74x
Secured debt leverage ratio	<40%	7.0%	<40%	6.3%
Unencumbered asset to unsecured debt ratio	>150%	277.6%	N/A	N/A
Unencumbered debt service coverage ratio	N/A	N/A	>150%	1053.7%

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	
	Jun. 30,	Mar. 31,
	2017	2017
Debt as a % of gross real estate assets:		
Consolidated debt - at par	\$ 11,125,473	\$ 10,996,782
Less: noncontrolling interests share of consolidated debt - at par	(177,896)	(314,733)
Prologis share of consolidated debt - at par	1,549,407	1,529,707
Total Prologis share of debt - at par	12,496,984	12,211,756
Less: Prologis share of outstanding foreign currency derivatives	(8,715)	(17,099)
Less: consolidated cash and cash equivalents	(271,354)	(395,829)
Add: consolidated cash and cash equivalents - third party share	17,813	42,250
Less: unconsolidated entities cash - Prologis share	(135,324)	(114,053)
Total Prologis share of debt net of adjustments	\$ 12,104,404	\$ 11,727,025
Gross real estate assets - consolidated	28,393,787	28,086,348
Less: gross real estate assets - noncontrolling interests	(2,941,307)	(2,940,029)
Gross real estate assets - Prologis share of unconsolidated entities	7,012,546	6,797,447
Gross real estate assets - Prologis share	\$ 32,465,026	\$ 31,943,766
Debt as a % of gross real estate assets	37.3%	36.7%
Debt as a % of gross market capitalization:		
Total Prologis share of debt net of adjustments	\$ 12,104,404	\$ 11,727,025
Total outstanding common stock and limited partnership units	545,891	544,873
Share price at quarter end	\$ 58.64	\$ 51.88
Total equity capitalization	\$ 32,011,048	\$ 28,268,011
Total Prologis share of debt net of adjustments	12,104,405	11,727,025
Gross market capitalization	\$ 44,115,453	\$ 39,995,036
Debt as a % of gross market capitalization	27.4%	29.3%
Secured debt as a % of gross real estate assets:		
Consolidated secured debt - at par	\$ 2,366,622	\$ 2,628,477
Less: noncontrolling interests share of secured debt - at par	(177,896)	(314,733)
Prologis share of unconsolidated entities secured debt - at par	473,257	542,068
Prologis share of secured debt - at par	\$ 2,661,983	\$ 2,856,712
Gross real estate assets - Prologis share	\$ 32,465,026	\$ 31,943,766
Secured debt as a % of gross real estate assets	8.2%	8.9%
Unencumbered gross real estate assets to unsecured debt:		
Consolidated unencumbered gross real estate assets	\$ 23,441,521	\$ 22,669,981
Less: unencumbered gross real estate assets - noncontrolling interests	(2,578,972)	(2,308,662)
Unencumbered gross real estate assets - Prologis share of unconsolidated entities	5,997,764	5,664,011
Unencumbered gross real estate assets - Prologis share	\$ 26,860,313	\$ 26,025,330
Consolidated unsecured debt - at par	8,758,851	8,368,305
Less: noncontrolling interests share of unsecured debt - at par	-	-
Prologis share of unconsolidated entities unsecured debt - at par	1,076,150	986,739
Prologis share of unsecured debt - at par	\$ 9,835,001	\$ 9,355,044
Unencumbered gross real estate assets to unsecured debt	273.1%	278.2%

	Three Months Ended	
	Jun. 30,	Mar. 31,
	2017	2017
Fixed Charge Coverage ratio:		
Adjusted EBITDA	\$ 637,398	\$ 611,666
Adjusted EBITDA-annualized including development gains excluding promotes (a)	\$ 2,267,681	\$ 2,183,028
Net promotes for the trailing twelve months	184,334	81,523
Adjusted EBITDA-annualized	\$ 2,452,015	\$ 2,264,551
Pro forma adjustment annualized	(2,828)	(41,516)
Adjusted EBITDA, including NOI from disposed properties, annualized interest expense	\$ 2,449,187	\$ 2,223,035
Interest expense	75,354	72,912
Amortization and write-off of deferred loan costs	(3,800)	(3,494)
Amortization of debt premium, net	5,340	6,399
Capitalized interest	13,325	14,615
Preferred stock dividends	1,674	1,674
Noncontrolling interests share of consolidated fixed charges	(2,477)	(6,258)
Prologis share of fixed charges from unconsolidated entities	12,221	12,422
Total fixed charges	\$ 101,637	\$ 96,270
Total fixed charges, annualized	\$ 406,548	\$ 393,080
Fixed charge coverage ratio	6.02	5.66
Debt to Adjusted EBITDA:		
Total Prologis share of debt, net of adjustments	\$ 12,104,404	\$ 11,727,025
Adjusted EBITDA-annualized	\$ 2,452,015	\$ 2,264,551
Debt to Adjusted EBITDA ratio	4.94	5.18

(a) Prologis share of gains on dispositions of development properties for the rolling 12 month period was \$300.1 million and \$269.7 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 (TE and sq ft) represents the estimate total TE 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/units holders ("FFO, as modified by Prologis"); Core FFO attributable to common stockholders/units holders ("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 exclude the gains on revaluation of equity investments upon acquisition of a controlling interest and the gain recognized from a partial sale of our investment, as these are similar to gains from sales of previously depreciated properties. 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, as defined 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 the impact of foreign currency related items and deferred tax, specifically:

- (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 and unconsolidated subsidiaries and from foreign debt issued by the US parent;
- (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 and 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 Jun. 30,		Six Months Ended Jun. 30,	
	2017	2016	2017	2016
Building and land development activities	\$ 15,905	\$ 15,746	\$ 31,203	\$ 29,900
Leasing activities	5,978	6,510	12,500	11,468
Operating building improvements and other	3,785	4,200	7,692	8,154
Total capitalized G&A	\$ 25,668	\$ 26,456	\$ 51,395	\$ 49,522

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

Net G&A - midpoint of 2017 guidance range (a)	\$ 225,000
Add: estimated 2017 strategic capital expenses	127,000
Less: estimated 2017 strategic capital property management expenses	(63,000)
Adjusted G&A, using 2017 guidance amounts	\$ 289,000
Gross book value at period end (b):	
Operating properties	\$ 49,478,036
Development portfolio - TEI	3,791,528
Land portfolio	1,447,422
Other real estate investments, assets held for sale and note receivable backed by real estate	546,987
Total Gross Book Value of Assets Under Management	\$ 55,263,973
G&A as % of Assets Under Management	0.52%

(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	\$ 2.76	\$ 2.84
Our share of:		
Depreciation and amortization	1.68	1.70
Net gains on real estate transactions, net of taxes (a)	(1.78)	(1.84)
Unrealized foreign currency losses and other, net	0.12	0.12
Core FFO	\$ 2.78	\$ 2.82

(a) This amount includes \$0.87 related to the NAIF sale to USLF (non-FFO).

Income Taxes.

in thousands	Three Months Ended Jun. 30,		Six Months Ended Jun. 30,	
	2017	2016	2017	2016
Current income tax expense	\$ 12,352	\$ 7,329	\$ 21,869	\$ 15,162
Current income tax expense (benefit) on dispositions	1,997	1,796	911	10,119
Current income tax expense (benefit) on dispositions related to acquired tax assets	603	-	(667)	-
Total current income tax expense	14,952	9,125	22,113	25,281
Deferred income tax current expense (benefit)	432	(3,983)	1,601	(4,602)
Deferred income tax expense (benefit) on dispositions related to acquired tax assets	(603)	-	667	-
Total income tax expense	\$ 14,781	\$ 5,142	\$ 24,381	\$ 20,679

Interest Expense.

in thousands	Three Months Ended Jun. 30,		Six Months Ended Jun. 30,	
	2017	2016	2017	2016
Gross interest expense	\$ 90,219	\$ 97,153	\$ 180,651	\$ 197,158
Amortization of premiums, net	(5,340)	(7,992)	(11,739)	(17,086)
Amortization of deferred loan costs	3,800	3,707	7,294	7,470
Interest expense before capitalization	88,679	92,928	176,206	187,542
Capitalized amounts	(13,325)	(16,473)	(27,940)	(30,275)
Interest expense	\$ 75,354	\$ 76,455	\$ 148,266	\$ 157,267

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, Juaraz, Las Vegas, Louisville, Memphis, Nashville, Orlando, Phoenix, Portland, Reno, Reynosa, 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 rent 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		Six Months Ended	
	2017 Jun. 30	2016 Jun. 30	2017 Jun. 30	2016 Jun. 30
Rental revenue	\$ 424,538	\$ 403,320	\$ 838,925	\$ 820,141
Rental expense recoveries	128,417	119,981	255,466	236,993
Amortization of lease intangibles	626	(84)	1,535	361
Straight-lined rents	22,796	22,884	47,384	42,752
Rental revenue	\$ 576,377	\$ 546,131	\$ 1,143,310	\$ 1,100,247

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 composition 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 June 30, 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.

Samestore is a commonly used measure in the real estate industry. Our samestore 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 Jun. 30,		
	2017	2016	Change (%)
Rental Revenue:			
Rental Revenue	\$ 447,960	\$ 426,150	
Rental Recoveries	128,417	119,981	
Per the Consolidated Statements of Operations	576,377	546,131	
Properties not included and other adjustments (a)	(60,960)	(51,844)	
Unconsolidated Co-Investment Ventures	461,802	449,226	
Same Store - Rental Revenue	\$ 977,219	\$ 943,513	3.6%
Rental Expense:			
Per the Consolidated Statements of Operations	\$ 147,794	\$ 140,725	
Properties not included and other adjustments (b)	(5,038)	(5,307)	
Unconsolidated Co-Investment Ventures	99,194	100,747	
Same Store - Rental Expense	\$ 241,950	\$ 236,165	2.4%
NOI:			
Consolidated NOI	\$ 428,589	\$ 405,406	
Properties not included and other adjustments	(55,922)	(46,537)	
Unconsolidated Co-Investment Ventures	362,608	348,479	
Same Store - NOI	\$ 735,269	\$ 707,348	3.9%
Same Store - NOI - Prologis Share (c)	\$ 421,628	\$ 403,113	4.6%
NOI - Cash:			
Same store - NOI	\$ 735,269	\$ 707,348	
Straight-line rent adjustments (d)	(10,413)	(23,016)	
Fair value lease adjustments (d)	(280)	(343)	
Same Store - NOI - Cash	\$ 724,576	\$ 683,989	5.9%
Same Store - NOI - Prologis Share (c)	\$ 415,136	\$ 387,357	7.2%

- (a) To calculate Same Store rental income, we exclude net termination and renegotiation 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 June 30, 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 Second Quarter 2017 Earnings Results

SAN FRANCISCO (July 18, 2017) – Prologis, Inc. (NYSE: PLD), the global leader in logistics real estate, today reported results for the second quarter of 2017. Net earnings per diluted share was \$0.50 compared with \$0.52 for the same period in 2016. Core funds from operations* per diluted share was \$0.84 compared with \$0.60 for the same period in 2016. The impact from net promote income for the quarter was \$0.18 per share.

“Our second quarter results were excellent and reflect record rent increases and higher earnings from our strategic capital business,” said Hamid R. Moghadam, chairman and CEO, Prologis. “Market conditions continue to be healthy. On the margin, we are now even more positive as we see increased activity from our customers and a greater willingness to compete and pay for quality locations. Market rent growth surprised us to the upside, and the mark-to-market of our portfolio increased to 13 percent globally, which positions us for strong operating performance for the next several years.”

PORTFOLIO LOCATION DRIVES OUTPERFORMANCE

Owned & Managed	2Q17	2Q16	Notes
Period End Occupancy	96.2%	96.1%	<i>The U.S. increased 70 bps year-over-year</i>
Leases Signed	47MSF	49MSF	

Prologis Share	2Q17	2Q16	Notes
Net Effective Rent Change	24.0%	17.8%	<i>Led by the U.S. at 29.0%</i>
Cash Rent Change	11.2%	7.9%	
Net Effective Same Store NOI*	4.6%	6.1%	<i>Led by the U.S. at 5.2%</i>
Cash Same Store NOI*	7.2%	5.3%	<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.



GLOBAL INVESTMENT STRATEGY DELIVERS PROFITABLE DEPLOYMENT ACTIVITY

Prologis Share	2Q17
Building Acquisitions	\$37M
Weighted avg stabilized cap rate	5.9%
Development Stabilizations	\$560M
Estimated weighted avg yield	6.6%
Estimated weighted avg margin	23.1%
Estimated value creation	\$130M
Development Starts	\$897M
Estimated weighted avg margin	20.8%
Estimated value creation	\$187M
% Build-to-suit	34.6%
Total Dispositions and Contributions	\$410M
Weighted avg stabilized cap rate (excluding land and other real estate)	6.1%

STRATEGIC CAPITAL BUSINESS FURTHER STREAMLINED

As previously announced, Prologis entered into an agreement to acquire its partner’s interest in its Brazil platform for approximately R\$1.2 billion (US\$362) million. The transaction is expected to close this year, at which point we will own 100% of the Brazil platform.

Subsequent to quarter-end, Prologis contributed \$2.8 billion of the assets formerly owned by the North American Industrial Fund (NAIF) to its Prologis Targeted U.S. Logistics Fund (USLF) at a 5.4 percent stabilized capitalization rate. The NAIF portfolio, primarily developed by Prologis, is highly complementary to USLF. Prologis received cash proceeds of \$720 million and additional units, which increased its interest in USLF to 27 percent. USLF raised over \$950 million from 14 new and existing investors to facilitate this transaction. With this activity, the company now has 9 co-investment ventures.

FINANCING ACTIVITY HIGHLIGHTS ADVANTAGED ACCESS TO GLOBAL CAPITAL

During the second quarter, the company and its co-investment ventures completed \$2.9 billion of financings, principally denominated in sterling and yen. In aggregate, this activity reduced Prologis’ weighted average cost of debt by 10 basis points to 3 percent and extended maturities by 6 months to 5.3 years. The company ended the quarter with 95 percent USD net equity exposure and liquidity of \$3.7 billion.

GUIDANCE RANGES INCREASED AND NARROWED FOR 2017

At the midpoint, guidance for net earnings per diluted share increased \$1.05 and Core FFO* per diluted share increased \$0.05.

“The promote we earned this quarter was above our forecast, driven by rising property values in our USLF portfolio from higher-than-expected rents and slight cap rate compression,” said Thomas S. Olinger, chief financial officer, Prologis. “The combination of this promote income and higher operational performance led us to raise the midpoint of our full-year earnings guidance ranges.”

2017 GUIDANCE

Earnings (per diluted share)	Previous	Revised
Net Earnings	\$1.70 to \$1.80	\$2.76 to \$2.84

*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.



Core FFO*	\$2.72 to \$2.78	\$2.78 to \$2.82
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Operations **Previous Revised**

Year-end occupancy	96.0% to 97.0%	96.5% to 97.0%
Net Effective Same Store NOI* – Prologis share	4.50% to 5.25%	4.75% to 5.25%

Other Assumptions (in millions) **Previous Revised**

Strategic capital revenue, excl. promote revenue	\$210 to \$220	\$225 to \$235
Net promote income	\$65 to \$75	\$90
General & administrative expenses	\$215 to \$225	\$222 to \$228
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	\$1,800 to \$2,100	\$2,300 to \$2,600
Building acquisitions	\$100 to \$150	\$400 to \$600
Building and land dispositions	\$1,000 to \$1,250	\$1,800 to \$2,100
Building contributions	\$950 to \$1,200	\$1,100 to \$1,400

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, 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 second 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, July 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: +1 800-708-4540 or +1 847-619-6397 and enter Passcode 45189496.

A telephonic replay will be available July 18-25 at +1 888-843-7419 (from the United States and Canada) or +1 630-652-3042 (from all other countries) using conference code 45189496. 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

*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.



June 30, 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 684 million square feet (64 million 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.