

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): January 23, 2018

**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 January 23, 2018, Prologis, Inc., the general partner of Prologis, L.P., issued a press release announcing fourth 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 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 January 23, 2018.

99.2 Press release, dated January 23, 2018.

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	<u>Supplemental information, dated January 23, 2018.</u>
99.2	<u>Press release, dated January 23, 2018.</u>

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.

January 23, 2018

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer

PROLOGIS, L.P.,


January 23, 2018

By: Prologis, Inc., its general partner

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer



Fourth Quarter 2017

Prologis Supplemental Information

Unaudited

Highlights

- 1 Company Profile
- 3 Company Performance
- 5 Guidance

Financial Information

- 6 Consolidated Balance Sheets
- 7 Consolidated Statements of Income
- 8 Reconciliations of Net Earnings to FFO
- 9 Reconciliations of Net Earnings to Adjusted EBITDA

Strategic Capital

- 10 Summary and Financial Highlights
- 11 Operating and Balance Sheet Information of the Unconsolidated Co-Investment Ventures
- 12 Non-GAAP Pro-rata Financial Information

Operations

- 13 Overview
- 14 Operating Metrics
- 16 Operating Portfolio
- 19 Customer Information

Capital Deployment

- 20 Overview
- 21 Development Stabilizations
- 22 Development Starts
- 23 Development Portfolio
- 24 Third Party Building Acquisitions
- 25 Dispositions and Contributions
- 26 Land Portfolio

Capitalization

- 28 Overview
- 29 Debt Components - Consolidated
- 30 Debt Components - Noncontrolling Interests and Unconsolidated

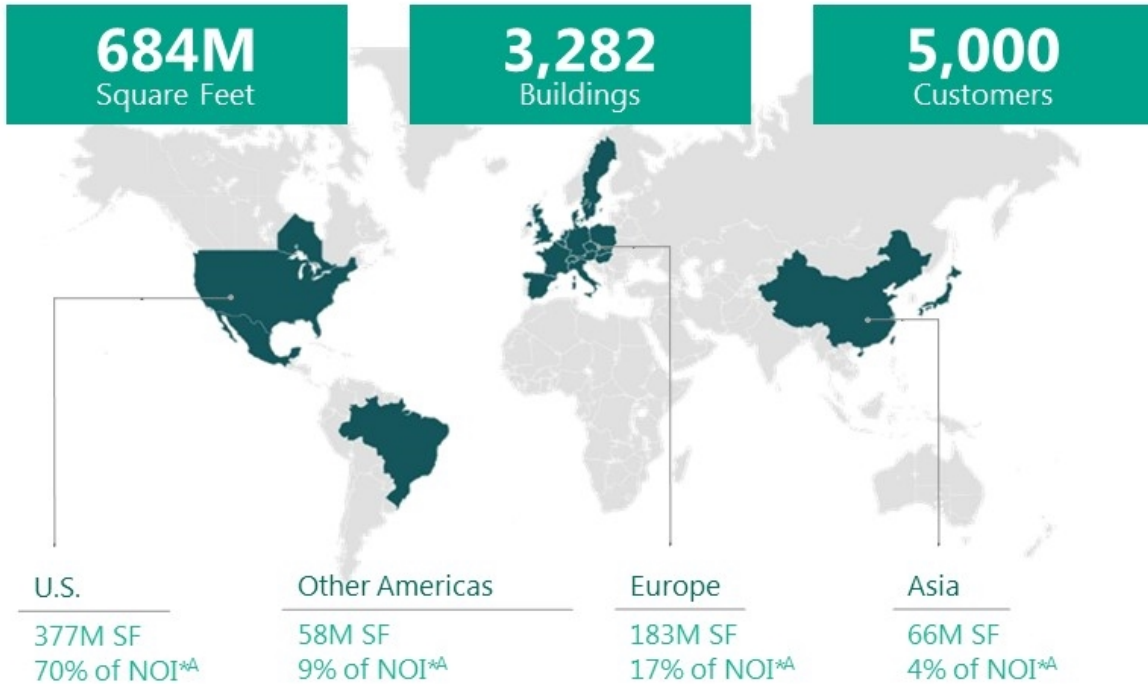
Net Asset Value

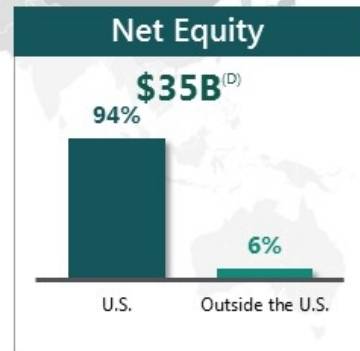
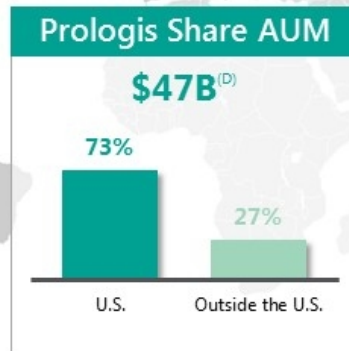
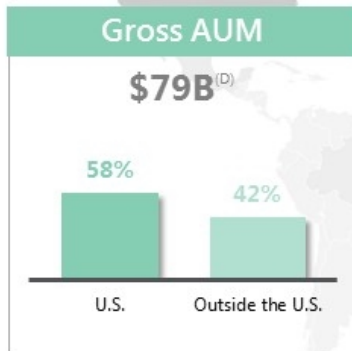
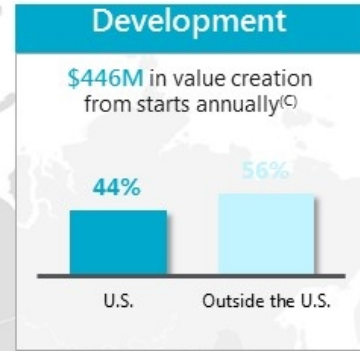
- 31 Components

Notes and Definitions

- 33 Notes and Definitions ^(A)

Prologis, Inc., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of December 31, 2017, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 684 million square feet (64 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,000 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) 4Q 2017 Prologis share of NOI of the operating portfolio annualized.

(B) 4Q 2017 third-party share of asset management fees annualized plus trailing twelve month third-party share of transaction fees and net promotes.

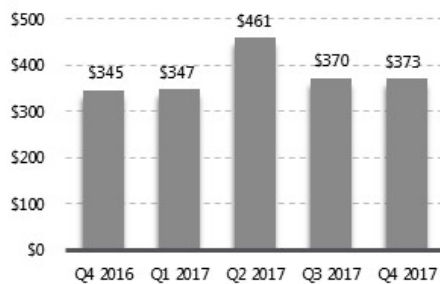
(C) Prologis share of trailing twelve month estimated value creation from development starts.

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

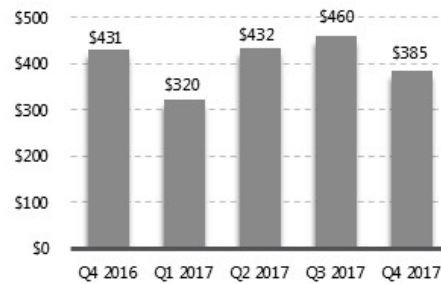
dollars in millions, except per share/unit data

	Three Months ended December 31,		Twelve Months ended December 31,	
	2017	2016	2017	2016
Rental and other revenues	\$ 552	\$ 564	\$ 2,244	\$ 2,230
Strategic capital revenues	68	56	374	303
Total revenues	620	620	2,618	2,533
Net earnings attributable to common stockholders	296	441	1,642	1,203
Core FFO*	373	345	1,551	1,400
AFFO*	385	431	1,597	1,405
Adjusted EBITDA*	584	641	2,398	2,223
Estimated value creation from development starts - Prologis share	135	167	446	365
Common stock dividends and common limited partnership unit distributions	243	231	973	923
Per common share - diluted:				
Net earnings attributable to common stockholders	\$ 0.55	\$ 0.82	\$ 3.06	\$ 2.27
Core FFO*	0.67	0.63	2.81	2.57
Business line reporting:				
Real estate operations*	0.61	0.57	2.40	2.22
Strategic capital*	0.06	0.06	0.41	0.35
Core FFO*	0.67	0.63	2.81	2.57
Realized development gains, net of taxes	0.15	0.30	0.56	0.57
Dividends and distributions per common share/unit	0.44	0.42	1.76	1.68

Core FFO*



AFFO*

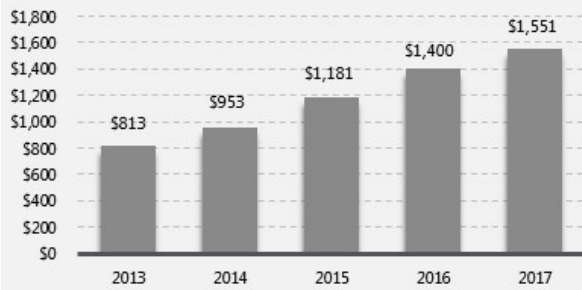


Estimated Value Creation

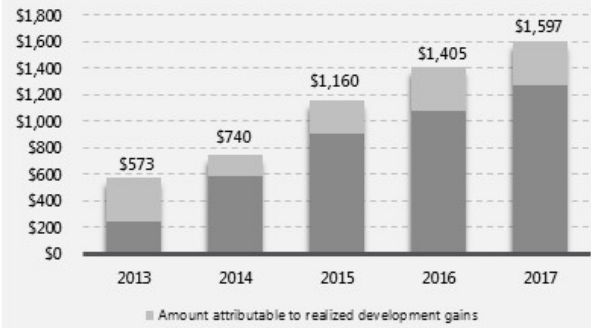


(in millions)

Core FFO*



AFFO*



Estimated Value Creation



Asset Management Fees and Net Promotes



dollars in millions, except per share

2018 Guidance		Low	High
Net earnings (A)(B)(C)		\$ 2.10	\$ 2.25
Core FFO* (A)(B)(C)		\$ 2.85	\$ 2.95
Operations			
Year-end occupancy		96.0%	97.0%
Same store NOI - growth - Prologis share* (D)		4.0%	5.0%
Other Assumptions			
Strategic capital revenue, excluding promote revenue		\$ 260	\$ 270
Net promote income (B)		\$ 30	\$ 40
General & administrative expenses		\$ 227	\$ 237
Realized development gains		\$ 300	\$ 400
Capital Deployment			
	PROLOGIS SHARE	OWNED AND MANAGED	
	<i>Low</i>	<i>High</i>	
Development stabilizations	\$ 1,800	\$ 2,000	\$ 2,100
Development starts	\$ 2,000	\$ 2,300	\$ 2,500
Building acquisitions	\$ 300	\$ 500	\$ 500
Building and land dispositions	\$ 950	\$ 1,200	\$ 1,600
Building contributions	\$ 1,350	\$ 1,650	\$ 1,800

Exchange Rates

We have hedged the rates for the majority of our estimated 2018 Euro, Sterling and Yen Core FFO, effectively insulating 2018 results from any FX movements. For purposes of capital deployment and other metrics, we assumed effective rates for EUR, GBP and JPY of 1.20 (\$/€), 1.35 (\$/£) and 113 (¥/\$), 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 on real estate transactions. See the Notes and Definitions for more information.

(B) Net promote guidance is \$0.05 to \$0.07 per share.

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

(D) As disclosed in the Press Release dated January 17, 2018, same store guidance is based on the new definition.



In the usands	December 31, 2017	September 30, 2017	December 31, 2016
Assets:			
Investments in real estate properties:			
Operating properties	\$ 22,585,327	\$ 22,656,273	\$ 23,943,457
Development portfolio	1,593,489	1,500,999	1,432,082
Land	1,154,383	1,313,268	1,218,904
Other real estate investments	505,445	506,617	524,887
	25,838,644	25,977,157	27,119,330
Less accumulated depreciation	4,059,348	3,977,667	3,758,372
Net investments in real estate properties	21,779,296	21,999,490	23,360,958
Investments in and advances to unconsolidated entities	5,496,450	5,371,758	4,230,429
Assets held for sale	342,060	321,905	322,139
Notes receivable backed by real estate	34,260	-	32,100
Net investments in real estate	27,652,066	27,693,153	27,945,626
Cash and cash equivalents	447,046	568,726	807,316
Other assets	1,381,963	1,392,271	1,496,990
Total assets	\$ 29,481,075	\$ 29,654,150	\$ 30,249,932
Liabilities and Equity:			
Liabilities:			
Debt	\$ 9,412,631	\$ 9,721,065	\$ 10,608,294
Accounts payable, accrued expenses and other liabilities	1,362,703	1,373,829	1,183,498
Total liabilities	10,775,334	11,094,894	11,791,792
Equity:			
Stockholders' equity	15,631,158	15,543,751	14,991,081
Noncontrolling interests	2,660,242	2,591,544	3,072,469
Noncontrolling interests - limited partnership unitholders	414,341	423,961	394,590
Total equity	18,705,741	18,559,256	18,458,140
Total liabilities and equity	\$ 29,481,075	\$ 29,654,150	\$ 30,249,932

In the usands, except per share amounts	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Revenues:				
Rental	\$ 550,649	\$ 559,885	\$ 2,225,141	\$ 2,220,409
Strategic capital	68,148	56,443	373,889	303,562
Development management and other	1,125	3,787	19,104	9,164
Total revenues	619,922	620,115	2,618,134	2,533,135
Expenses:				
Rental	140,338	141,050	569,523	568,870
Strategic capital	35,360	30,723	155,141	128,506
General and administrative	59,709	56,433	231,059	222,067
Depreciation and amortization	222,501	225,736	879,140	930,985
Other	3,597	1,965	12,205	14,329
Total expenses	461,505	455,907	1,847,068	1,864,757
Operating income	158,417	164,208	771,066	668,378
Other income (expense):				
Earnings from unconsolidated co-investment ventures, net	73,768	59,204	234,168	191,877
Earnings from other unconsolidated ventures, net	2,532	1,481	14,399	14,430
Interest expense	(62,030)	(70,569)	(274,486)	(303,146)
Gains on dispositions of development properties and land, net	91,794	174,368	327,528	334,369
Gains on dispositions of real estate, net (excluding development properties and land)	131,787	121,067	855,437	423,029
Foreign currency and derivative (losses) and interest and other income, net	(7,331)	34,909	(44,165)	15,683
Gains (losses) on early extinguishment of debt, net	(37,783)	-	(68,379)	2,484
Total other income	192,737	320,460	1,044,502	678,726
Earnings before income taxes	351,154	484,668	1,815,568	1,347,104
Current income tax expense	(17,089)	(21,754)	(59,614)	(60,089)
Deferred income tax benefit	4,808	3,788	5,005	5,525
Consolidated net earnings	338,873	466,702	1,760,959	1,292,540
Net earnings attributable to noncontrolling interests	(30,086)	(12,442)	(63,620)	(48,307)
Net earnings attributable to noncontrolling interests - limited partnership units	(7,901)	(12,063)	(45,014)	(34,301)
Net earnings attributable to controlling interests	300,886	442,197	1,652,325	1,209,932
Preferred stock dividends	(1,476)	(1,658)	(6,499)	(6,714)
Loss on preferred stock repurchase	(3,895)	-	(3,895)	-
Net earnings attributable to common stockholders	\$ 295,515	\$ 440,539	\$ 1,641,931	\$ 1,203,218
Weighted average common shares outstanding - Diluted	554,401	550,885	552,300	546,666
Net earnings per share attributable to common stockholders - Diluted	\$ 0.55	\$ 0.82	\$ 3.06	\$ 2.27

in thousands	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Net earnings attributable to common stockholders	\$ 295,515	\$ 440,539	\$ 1,641,931	\$ 1,203,218
Add (deduct) NAREIT defined adjustments:				
Real estate related depreciation and amortization	214,292	217,955	847,516	899,821
Gains on dispositions of real estate, net (excluding development properties and land)	(131,787)	(121,067)	(855,437)	(423,029)
Reconciling items related to noncontrolling interests	1,661	(17,514)	(38,972)	(104,832)
Our share of reconciling items related to unconsolidated co-investment ventures	38,076	43,135	140,712	159,956
Our share of reconciling items related to other unconsolidated ventures	1,728	1,718	6,759	2,154
Subtotal-NAREIT defined FFO*	\$ 419,485	\$ 564,766	\$ 1,742,509	\$ 1,737,288
Add (deduct) our defined adjustments:				
Unrealized foreign currency and derivative losses (gains), net	13,563	(29,369)	69,363	(7,505)
Deferred income tax benefit	(4,808)	(3,788)	(5,005)	(5,525)
Current income tax expense on dispositions related to acquired tax assets	2,241	-	2,331	-
Reconciling items related to noncontrolling interests	1	643	(8)	682
Our share of reconciling items related to unconsolidated co-investment ventures	(12,236)	(24,010)	(14,677)	(22,840)
FFO, as modified by Prologis*	\$ 418,246	\$ 508,242	\$ 1,794,513	\$ 1,702,100
Adjustments to arrive at Core FFO:				
Gains on dispositions of development properties and land, net	(91,794)	(174,368)	(327,528)	(334,369)
Current income tax expense on dispositions	6,529	9,332	19,102	24,152
Acquisition expenses	-	2,075	-	4,607
Losses (gains) on early extinguishment of debt and preferred stock repurchase, net	41,678	-	72,274	(2,484)
Reconciling items related to noncontrolling interests	297	1	(390)	4,299
Our share of reconciling items related to unconsolidated co-investment ventures	(33)	929	(224)	5,612
Our share of reconciling items related to other unconsolidated ventures	(1,656)	(1,424)	(6,594)	(3,419)
Core FFO*	\$ 373,267	\$ 344,787	\$ 1,551,153	\$ 1,400,498
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	91,794	174,368	327,528	334,369
Current income tax expense on dispositions	(6,529)	(9,332)	(19,102)	(24,152)
Straight-lined rents and amortization of lease intangibles	(14,788)	(8,944)	(81,021)	(104,886)
Property improvements	(33,992)	(28,451)	(84,022)	(78,745)
Turnover costs	(37,813)	(40,891)	(153,255)	(165,992)
Amortization of debt discount (premium), financing costs and management contracts, net	2,853	(1,172)	3,845	(11,420)
Stock compensation expense	18,549	16,683	76,640	60,341
Reconciling items related to noncontrolling interests	9,563	13,108	35,820	56,917
Our share of reconciling items related to unconsolidated ventures	(17,662)	(19,591)	(60,594)	(61,923)
AFFO*	\$ 385,242	\$ 430,565	\$ 1,596,992	\$ 1,405,007

In thousands	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Net earnings attributable to common stockholders	\$ 295,515	\$ 440,539	\$ 1,641,931	\$ 1,203,218
Gains on dispositions of real estate, net (excluding development properties and land)	(131,787)	(121,067)	(855,437)	(423,029)
Depreciation and amortization expenses	222,501	225,736	879,140	930,985
Interest expense	62,030	70,569	274,486	303,146
Losses (gains) on early extinguishment of debt, net	37,783	-	68,379	(2,484)
Current and deferred income tax expense, net	12,281	17,966	54,609	54,564
Net earnings attributable to noncontrolling interests - limited partnership unitholders	7,901	12,063	45,014	34,301
Pro forma adjustments	(2,777)	(1,382)	11,828	(10,248)
Preferred stock dividends and repurchase	5,371	1,658	10,394	6,714
Unrealized foreign currency and derivative losses (gains), net	13,563	(29,369)	69,363	(7,505)
Stock compensation expense	18,549	16,683	76,640	60,341
Acquisition expenses	-	2,075	-	4,607
Adjusted EBITDA, consolidated*	\$ 540,930	\$ 635,471	\$ 2,276,347	\$ 2,154,610
Reconciling items related to noncontrolling interests	(6,785)	(34,140)	(90,893)	(152,082)
Our share of reconciling items related to unconsolidated ventures	49,658	39,590	212,190	219,975
Adjusted EBITDA*	\$ 583,803	\$ 640,921	\$ 2,397,644	\$ 2,222,503

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.	28.2%	Open end	Q2 2020
FIBRA Prologis	Core	2014	Unconsolidated	Mexico	46.3%	Public, Mexican Exchange	Q2 2018
Prologis European Logistics Fund	Core	2007	Unconsolidated	Europe	26.3%	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 2018
Nippon Prologis REIT	Core	2013	Unconsolidated	Japan	15.1%	Public, Tokyo Exchange	n/a
Prologis China Logistics Venture	Core/Development	2011	Unconsolidated	China	15.0%	Closed end	Q1 2018

In thousands	Venture (at 100%) (A)		
	Square Feet	GBV of Operating Bldgs	Debt
Unconsolidated Co-Investment Ventures			
Prologis Targeted U.S. Logistics Fund	88,026	\$ 7,543,173	\$ 2,312,505
FIBRA Prologis (B)	34,601	2,051,802	756,502
Prologis European Logistics Fund (C)	106,558	9,565,175	2,474,601
Prologis European Logistics Partners	57,602	4,203,029	-
Prologis UK Logistics Venture	1,598	284,555	207,785
Nippon Prologis REIT (B)	26,245	4,624,754	1,704,792
Prologis China Logistics Venture	14,412	730,941	623,203
Brazil joint ventures	2,803	201,351	-
Unconsolidated Co-Investment Ventures Total	331,845	29,204,780	8,079,388
Consolidated Co-Investment Ventures			
Prologis U.S. Logistics Venture	66,842	5,930,998	148,689
Consolidated Co-Investment Ventures Total	66,842	5,930,998	148,689
Total	398,687	\$ 35,135,778	\$ 8,228,077

- (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.
- (C) Effective October 1, 2017, the assets of Prologis Targeted Europe Logistics Fund were contributed to Prologis European Properties Fund II, in exchange for units and the assumption of debt. At the same time Prologis European Properties Fund II was renamed to Prologis European Logistics Fund. We exchanged our investment in Prologis Targeted European Logistics Fund for an equity investment in Prologis European Logistics Fund, which resulted in our investment being economically similar to our investment in the previous ventures.

dollars in thousands	U.S.	Other Americas	Europe	Asia	Total
Operating Information					
For the Three Months Ended December 31, 2017					
Rental revenues	\$ 163,747	\$ 55,654	\$ 271,785	\$ 100,489	\$ 591,675
Rental expenses	(44,599)	(8,873)	(61,524)	(23,366)	(138,362)
General and administrative expenses	(10,718)	(6,936)	(12,582)	(10,958)	(41,194)
Depreciation and amortization expenses	(75,550)	(16,461)	(100,587)	(26,335)	(218,933)
Other operating revenues (expenses)	1,804	154	(47)	(85)	1,826
Operating in come	34,684	23,538	97,045	39,745	195,012
Interest expense	(22,721)	(9,115)	(19,187)	(10,915)	(61,938)
Gains on dispositions of real estate	9,419	-	83,719	5,603	98,741
Current and deferred income tax benefit (expense)	324	(17)	15,024	(2,518)	12,813
Other income (expense)	1,869	(1,445)	746	2,755	3,925
Net earnings	23,575	12,961	177,347	34,670	248,553
Real estate related depreciation and amortization expenses	75,153	16,286	97,012	25,085	213,536
Gains on dispositions of real estate, net (excluding land)	(9,335)	-	(83,779)	(5,603)	(98,717)
Unrealized foreign currency and derivative losses (gains), net	-	1,662	(1,527)	(2,730)	(2,595)
Deferred income tax benefit	-	-	(28,463)	(124)	(28,597)
FFO, as modified by Prologis*	89,393	30,909	160,590	51,288	332,180
Reconciling Items to Core FFO	(868)	(147)	805	821	611
Core FFO*	\$ 88,525	\$ 30,762	\$ 161,395	\$ 52,109	\$ 332,791
Balance Sheet Information					
As of December 31, 2017					
Operating properties, before depreciation	\$ 7,543,173	\$ 2,253,153	\$ 14,052,759	\$ 5,355,695	\$ 29,204,780
Accumulated depreciation	(839,628)	(177,731)	(1,459,501)	(321,944)	(2,799,804)
Properties under development and land	8,972	3,567	324,295	636,456	973,290
Other assets	249,103	39,320	668,797	462,650	1,519,870
Total assets	\$ 7,061,620	\$ 2,118,309	\$ 13,586,350	\$ 6,132,857	\$ 28,899,136
Third party debt	\$ 2,312,505	\$ 756,502	\$ 2,682,386	\$ 2,327,995	\$ 8,079,388
Other liabilities	207,321	25,109	973,108	357,491	1,563,029
Total liabilities	\$ 2,519,826	\$ 781,611	\$ 3,655,494	\$ 2,685,486	\$ 9,642,417
Weighted average ownership	28.2%	43.4%	32.8%	15.1%	28.8%

* 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

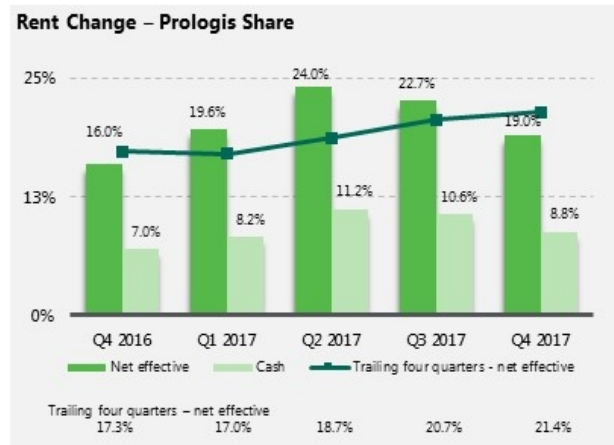
	Non Controlling Interests included in Consolidated Amounts*	Prologis Share of Unconsolidated Co-Investment Ventures*
Operating Information for the Three Months Ended December 31, 2017		
Rental revenues	\$ 58,597	\$ 176,373
Rental expenses	(14,857)	(40,497)
General and administrative expenses	(6,585)	(13,411)
Depreciation and amortization expenses	(22,717)	(64,729)
Other operating revenues	-	445
Operating income	14,438	58,181
Interest expense	(741)	(17,164)
Gains on dispositions of real estate	16,442	25,270
Current and deferred income tax benefit (expense)	(563)	6,988
Other income	321	493
Earnings from unconsolidated co-investment ventures, net	188	-
Net earnings	30,086	73,768
Real estate related depreciation and amortization expenses	22,717	63,285
Gains on dispositions of real estate, net (excluding land)	(16,477)	(25,209)
Unrealized foreign currency and derivative losses (gains), net	98	(68)
Deferred income tax benefit	(94)	(1,168)
FFO, as modified by Prologis*	36,325	99,608
Losses (gains) on dispositions of land, net	35	(61)
Current income tax expense on dispositions	520	316
Acquisition expenses	-	-
Gains on early extinguishment of debt, net	(852)	(288)
Core FFO*	\$ 36,028	\$ 99,575
Balance Sheet Information as of December 31, 2017		
Operating properties, before depreciation	\$ 2,717,635	\$ 8,560,843
Accumulated depreciation	(220,727)	(880,825)
Properties under development, land and other real estate	96,775	150,062
Other assets	200,004	465,803
Total assets	\$ 2,793,687	\$ 8,295,883
Third party debt	\$ 70,739	\$ 2,034,032
Other liabilities	62,706	413,944
Total liabilities	\$ 133,445	\$ 2,447,976
Weighted average ownership	40.5%	28.8%
Noncontrolling interests investment	\$ 2,660,242	
Investment in and advances to unconsolidated co-investment ventures (B)		\$ 5,274,702
Investment in and advances to other unconsolidated ventures		221,748
Investment in and advances to unconsolidated entities		\$ 5,496,450

* 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.

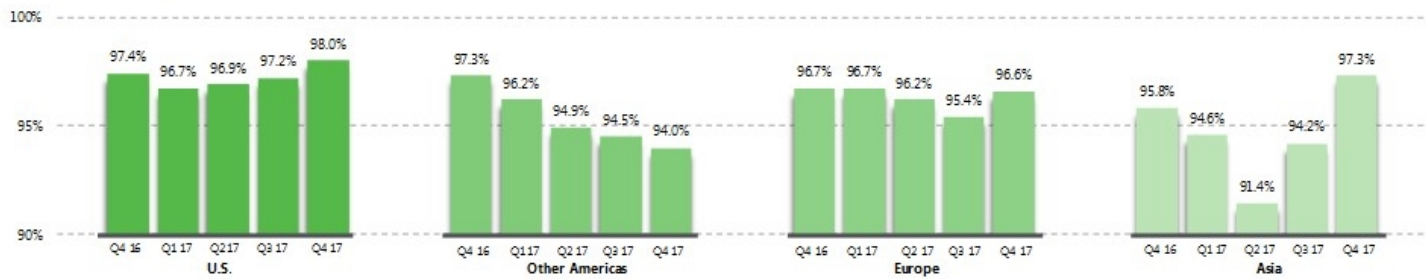
(B) This balance includes the deferred portion of gains on the contribution of our properties to the ventures, net of any additional costs, included in our investment in the venture.





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

Period Ending Occupancy



square feet in thousands

Leasing Activity

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Square feet of leases signed:					
Operating portfolio:					
Renewals	20,271	22,202	26,416	21,537	23,070
New leases	12,554	11,890	12,819	11,732	11,992
Total Operating Portfolio	32,825	34,092	39,235	33,269	35,062
Properties under development	6,047	5,334	7,536	7,404	7,349
Total Square Feet of Leases Signed	38,872	39,426	46,771	40,673	42,411
Average term of leases signed (months)	54	56	57	52	60
Operating Portfolio:					
Trailing four quarters - square feet of leases signed	151,890	146,663	146,877	139,421	141,658
Trailing four quarters - % of average portfolio	24.7%	23.7%	23.6%	22.3%	22.6%
Rent change (net effective)	12.7%	14.0%	17.4%	16.7%	13.5%
Rent change (net effective) - Prologis share	16.0%	19.6%	24.0%	22.7%	19.0%
Rent change (cash)	4.9%	5.2%	7.4%	7.0%	5.8%
Rent change (cash) - Prologis share	7.0%	8.2%	11.2%	10.6%	8.8%

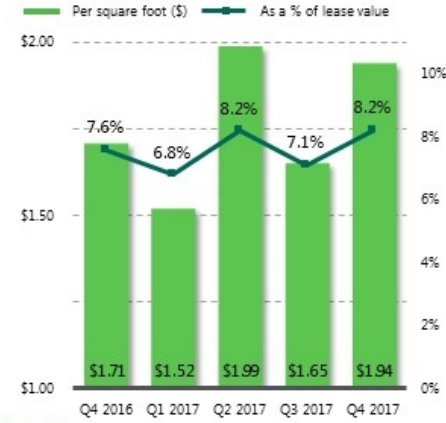
In thousands, except for percentages and per square foot

Capital Expenditures						Same Store Information					
	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017		Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Property improvements	\$ 60,128	\$ 19,897	\$ 44,547	\$ 50,898	\$ 71,654	Square feet	500,668	586,274	577,768	572,223	559,957
Tenant improvements	28,499	30,210	28,046	32,047	39,621	Average occupancy	97.0%	96.8%	96.7%	96.5%	96.9%
Leasing commissions	33,475	29,277	27,652	30,255	32,194	Period end occupancy	97.5%	96.9%	96.6%	96.6%	97.5%
Total turnover costs	61,974	59,487	55,698	62,302	71,815	Percentage change:					
Total Capital Expenditures	\$122,102	\$ 79,384	\$100,245	\$113,200	\$143,469	Rental revenue	2.7%	4.4%	3.6%	3.4%	3.7%
Trailing four quarters - % of NOI*	13.3%	13.2%	13.0%	13.1%	13.5%	Rental expenses	2.5%	3.6%	2.4%	4.8%	5.3%
Weighted average ownership percent	62.7%	62.0%	65.8%	64.8%	60.4%	Same store NOI*	2.8%	4.6%	3.9%	2.9%	3.2%
Prologis share	\$ 76,548	\$ 49,200	\$ 65,947	\$ 73,373	\$ 86,710	Same store NOI - Prologis share*	3.2%	5.8%	4.6%	4.1%	4.1%
						Same store NOI - cash*	3.8%	6.2%	5.9%	4.8%	4.1%
						Same store NOI - cash - Prologis share*	4.4%	7.1%	7.2%	6.1%	5.5%
						Average occupancy	0.6%	1.4%	1.0%	0.0%	-0.1%

Property Improvements per Square Foot

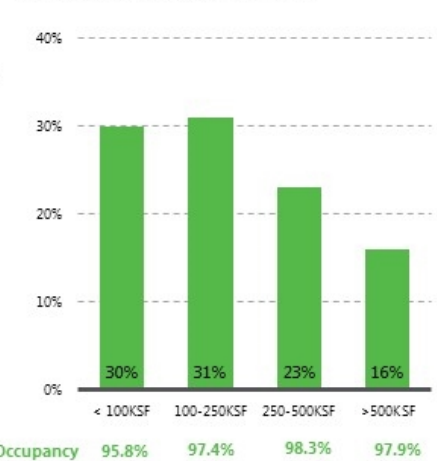


Turnover Costs on Leases Signed



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	353	72,685	55,258	14.9	99.9	99.9	99.9	100.0
New Jersey/New York City	127	31,768	23,473	6.3	99.9	99.8	99.9	99.8
San Francisco Bay Area	208	19,747	16,028	4.3	98.2	97.9	98.2	98.0
Chicago	208	36,105	25,696	6.9	99.2	99.5	99.5	99.6
Dallas/Ft. Worth	147	26,517	20,102	5.4	98.5	98.9	98.8	99.1
South Florida	123	14,554	9,610	2.6	96.3	96.1	97.5	96.8
Seattle	107	16,030	9,235	2.5	96.5	97.4	96.5	97.4
Central & Eastern PA	32	16,820	11,379	3.1	96.3	96.9	96.3	96.9
Atlanta	101	18,064	14,032	3.8	95.9	96.2	96.2	96.5
Central Valley	25	12,060	10,392	2.8	96.3	98.8	96.3	98.8
Houston	105	13,683	8,708	2.4	99.6	99.7	99.6	99.7
Baltimore/Washington	63	7,530	4,957	1.4	97.1	98.7	97.1	98.7
Las Vegas	59	8,479	5,811	1.6	95.7	94.5	98.7	98.6
Denver	30	5,538	4,881	1.3	98.5	99.0	99.4	99.3
Remaining U.S. markets (16 markets)	298	56,008	42,690	11.5	95.5	94.6	95.7	94.8
Total U.S.	1,986	355,588	262,252	70.8	98.0	98.0	98.2	98.2
Mexico	203	36,776	18,178	4.9	97.1	97.0	97.3	97.1
Canada	29	8,770	8,770	2.4	98.2	98.2	98.2	98.2
Brazil	23	9,747	7,223	1.9	78.6	77.4	78.6	77.4
Total Other Americas	255	55,293	34,171	9.2	94.0	93.2	94.1	93.2
United Kingdom	99	22,995	8,442	2.3	97.4	97.3	97.5	97.6
France	128	32,805	12,893	3.5	93.0	92.5	93.1	92.6
Germany	100	23,781	7,392	2.0	98.4	98.5	98.4	98.5
Netherlands	75	18,713	6,628	1.8	97.7	97.8	98.6	98.6
Poland	112	25,324	9,450	2.5	96.2	96.7	97.3	97.8
Spain	40	9,015	4,233	1.1	97.4	97.2	97.4	97.2
Czech Republic	56	11,094	3,845	1.0	98.7	98.9	98.9	99.1
Remaining European countries (5 countries)	129	28,486	10,692	2.9	97.2	97.8	97.2	97.8
Total Europe	739	172,213	63,575	17.1	96.6	96.6	96.9	96.9
Japan	40	28,753	6,467	1.7	97.6	96.0	98.2	97.3
China	64	15,452	3,203	0.9	96.5	94.4	96.5	94.4
Singapore	5	969	969	0.3	100.0	100.0	100.0	100.0
Total Asia	109	45,174	10,639	2.9	97.3	95.9	97.7	96.7
Total Outside the U.S.	1,103	272,680	108,385	29.2	96.2	95.4	96.5	95.7
Total Operating Portfolio	3,089	628,268	370,637	100.0	97.2	97.3	97.4	97.5
Total Global markets	2,534	529,712	305,436	82.4	97.3	97.6	97.5	97.8
Total Regional markets	551	98,003	64,658	17.4	96.6	95.7	97.0	96.2
Total Other markets	4	553	543	0.2	96.2	96.3	96.2	96.3

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

	Fourth Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Southern California	\$ 109,802	\$ 82,098	17.2	\$ 7,159,692	\$ 5,272,222	18.5
New Jersey/New York City	52,948	38,350	8.0	3,286,323	2,299,608	8.0
San Francisco Bay Area	39,157	31,938	6.7	2,094,666	1,684,300	5.9
Chicago	37,108	25,565	5.4	2,481,112	1,714,652	6.0
Dallas/Ft. Worth	26,767	19,772	4.1	1,537,769	1,107,940	3.9
South Florida	24,595	16,033	3.4	1,541,390	1,047,077	3.7
Seattle	24,570	14,306	3.0	1,570,997	897,940	3.1
Central & Eastern PA	18,272	12,438	2.6	1,114,448	728,483	2.5
Atlanta	15,477	11,826	2.5	871,840	652,683	2.3
Central Valley	11,862	10,803	2.3	725,338	615,970	2.2
Houston	15,337	9,847	2.1	916,243	528,586	1.8
Baltimore/Washington	11,688	7,857	1.6	679,472	425,908	1.5
Las Vegas	11,162	7,421	1.6	629,292	419,450	1.5
Denver	6,875	6,032	1.3	350,608	303,024	1.1
Remaining U.S. markets (16 markets)	53,895	40,168	8.4	2,940,332	2,147,248	7.5
Total U.S.	459,510	334,254	70.2	27,899,522	19,845,092	69.5
Mexico	43,818	22,105	4.7	2,165,303	1,062,460	3.7
Canada	10,122	10,122	2.1	744,559	744,559	2.6
Brazil	14,754	10,098	2.1	718,348	537,131	1.9
Total Other Americas	68,694	42,325	8.9	3,628,210	2,344,150	8.2
United Kingdom	46,986	18,183	3.8	3,214,215	1,132,491	4.0
France	35,448	13,059	2.7	2,550,551	915,474	3.2
Germany	31,936	9,790	2.1	2,003,281	588,120	2.1
Netherlands	25,811	9,207	1.9	1,674,767	556,947	1.9
Poland	22,220	8,571	1.8	1,571,728	555,862	1.9
Spain	11,318	5,597	1.2	696,589	329,410	1.2
Czech Republic	12,802	5,018	1.1	821,626	276,531	1.0
Remaining European countries (5 countries)	30,732	11,441	2.4	1,902,457	688,048	2.4
Total Europe	217,254	80,866	17.0	14,435,214	5,052,883	17.7
Japan	66,681	13,910	2.9	4,965,338	1,037,998	3.6
China	14,120	2,651	0.6	774,077	152,777	0.5
Singapore	2,043	2,043	0.4	139,556	139,556	0.5
Total Asia	82,844	18,604	3.9	5,878,971	1,330,331	4.6
Total Outside the U.S.	368,792	141,795	29.8	23,942,395	8,727,364	30.5
Total Operating Portfolio	\$ 828,302	\$ 476,049	100.0	\$ 51,841,917	\$ 28,572,456	100.0
Total Global markets	722,921	408,304	85.8	46,193,302	25,014,854	87.6
Total Regional markets	104,514	66,903	14.0	5,612,865	3,522,732	12.3
Total Other markets	867	842	0.2	35,750	34,870	0.1

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.	1,435	267,768	237,469	64.1	97.9	98.0	98.1	98.2	
Total Outside the U.S.	97	28,994	28,994	7.8	92.1	92.1	92.4	92.4	
Total Operating Portfolio - Consolidated	1,532	296,762	266,463	71.9	97.3	97.4	97.6	97.6	
Unconsolidated									
Total U.S.	551	87,820	24,783	6.7	98.1	98.1	98.4	98.4	
Total Outside the U.S.	1,006	243,686	79,391	21.4	96.7	96.7	97.0	96.9	
Total Operating Portfolio - Unconsolidated	1,557	331,506	104,174	28.1	97.1	97.0	97.3	97.3	
Total									
Total U.S.	1,986	355,588	262,252	70.8	98.0	98.0	98.2	98.2	
Total Outside the U.S.	1,103	272,680	108,385	29.2	96.2	95.4	96.5	95.7	
Total Operating Portfolio	3,089	628,268	370,637	100.0	97.2	97.3	97.4	97.5	
Value added properties - consolidated	8	1,793	1,476		52.5	54.5	52.5	54.5	
Value added properties - unconsolidated	2	339	93		0.0	0.0	39.3	37.6	
Total Operating Properties	3,099	630,400	372,206		97.0	97.1	97.3	97.3	

	Fourth Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Consolidated						
Total U.S.	\$ 341,979	\$ 301,510	63.3	\$ 20,401,065	\$ 17,729,028	62.1
Total Outside the U.S.	36,426	36,426	7.7	2,300,337	2,300,337	8.0
Total Operating Portfolio - Consolidated	\$ 378,405	\$ 337,936	71.0	\$ 22,701,402	\$ 20,029,365	70.1
Unconsolidated						
Total U.S.	\$ 117,531	\$ 32,744	6.9	\$ 7,498,457	\$ 2,116,064	7.4
Total Outside the U.S.	332,366	105,369	22.1	21,642,058	6,427,027	22.5
Total Operating Portfolio - Unconsolidated	\$ 449,897	\$ 138,113	29.0	\$ 29,140,515	\$ 8,543,091	29.9
Total						
Total U.S.	\$ 459,510	\$ 334,254	70.2	\$ 27,899,522	\$ 19,845,092	69.5
Total Outside the U.S.	368,792	141,795	29.8	23,942,395	8,727,364	30.5
Total Operating Portfolio	\$ 828,302	\$ 476,049	100.0	\$ 51,841,917	\$ 28,572,456	100.0
Value added properties - consolidated	2,796	1,669		180,767	135,169	
Value added properties - unconsolidated	(407)	(113)		64,265	17,752	
Total Operating Properties	\$ 830,691	\$ 477,605		\$ 52,086,949	\$ 28,725,377	

square feet and dollars in thousands

Top Customers

	% of Net Effective Rent	Total Square Feet
1 Amazon.com	3.0	16,619
2 DHL	1.5	10,669
3 Geodis	1.2	9,230
4 XPO Logistics	1.2	9,628
5 Kuehne + Nagel	1.1	6,772
6 DSV Air and Sea Inc.	1.0	5,231
7 Home Depot	1.0	6,962
8 FedEx	0.9	3,451
9 Wal-Mart	0.8	5,202
10 CEVA Logistics	0.7	5,693

Top 10 Customers

11 Nippon Express	0.7	3,005
12 UPS	0.6	3,614
13 BMW	0.6	4,154
14 DB Schenker	0.6	4,415
15 Hitachi	0.6	2,220
16 Ingram Micro	0.5	3,912
17 U.S. Government	0.5	1,143
18 Panalpina	0.4	2,440
19 PepsiCo	0.3	2,755
20 Office Depot	0.3	2,078
21 Best Buy	0.3	2,014
22 APL Logistics	0.3	2,627
23 Kimberly-Clark Corporation	0.3	2,841
24 Tesco	0.3	1,427
25 Schneider Electric	0.3	1,406

Top 25 Customers 19.0 119,508

Lease Expirations - Operating Portfolio - Owned and Managed

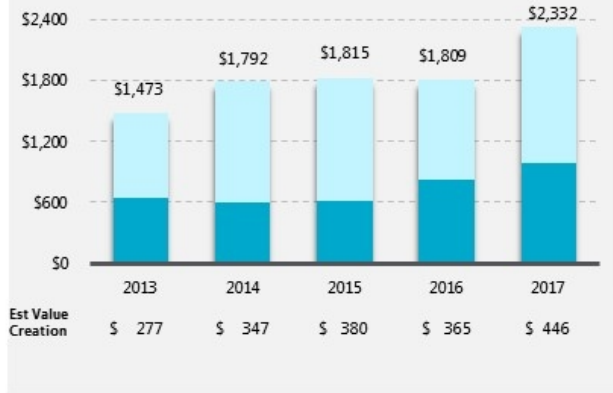
Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2018	79,045	408,215	12.1	516
2019	100,514	521,950	15.5	519
2020	96,164	526,110	15.7	547
2021	80,921	443,027	13.2	547
2022	81,248	466,269	13.9	574
Thereafter	164,014	995,778	29.6	607
	601,906	\$ 3,361,349	100.0	558
Month to month	8,725			
Total	610,631			

Lease Expirations - Operating Portfolio - Prologis Share

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2018	43,121	222,677	11.4	516
2019	59,557	296,586	15.2	498
2020	49,507	268,384	13.7	542
2021	52,298	279,709	14.3	535
2022	49,402	278,335	14.2	563
Thereafter	101,512	609,194	31.2	600
	355,397	\$ 1,954,885	100.0	550
Month to month	5,128			
Total	360,525			

(dollars in millions)

Development Starts (TEI)



Development Stabilizations (TEI)



Building Acquisitions



Land Portfolio



■ U.S. ■ Outside the U.S.

square feet and dollars in thousands

	Q4 2017			FY 2017		
	Square Feet	T E I		Square Feet	T E I	
		Owned and Managed	Prologis Share		Owned and Managed	Prologis Share
Central	-	\$ -	\$ -	1,483	\$ 87,722	\$ 80,387
East	358	43,893	43,893	1,509	106,672	106,672
West	3,725	252,599	252,599	5,981	438,551	424,888
Total U.S.	4,083	296,492	296,492	8,973	632,945	611,947
Canada	-	-	-	704	57,806	57,806
Mexico	885	52,258	52,258	2,259	130,543	130,543
Brazil	587	40,479	40,479	1,706	114,329	77,405
Total Other Americas	1,472	92,737	92,737	4,669	302,678	265,754
Northern Europe	1,431	98,368	98,368	2,088	153,264	153,264
Southern Europe	292	21,716	21,716	1,662	107,252	107,252
Central Europe	76	4,381	1,150	3,340	185,700	165,449
United Kingdom (A)	-	-	-	1,330	186,604	156,661
Total Europe	1,799	124,465	121,234	8,420	632,820	582,626
Japan	-	-	-	3,647	544,895	544,895
China	1,860	94,479	14,172	4,194	213,092	31,964
Singapore	-	-	-	-	-	-
Total Asia	1,860	94,479	14,172	7,841	757,987	576,859
Total Outside the U.S.	5,131	311,681	228,143	20,930	1,693,485	1,425,239
Total Development Stabilizations	9,214	\$ 608,173	\$ 524,635	29,903	\$ 2,326,430	\$ 2,037,186
Percent build to suit			46.4%			34.9%
Estimated weighted average stabilized yield			6.9%			6.6%
Annualized estimated NOI			\$ 35,967			\$ 135,148
Estimated weighted average stabilized cap rate			5.2%			5.1%
Estimated weighted average margin			29.0%			28.6%
Estimated value creation			\$ 152,081			\$ 583,201



(A) Included in year-to-date for 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.

Copyright © 2018 Prologis

square feet and dollars in thousands

	Q4 2017				FY 2017			
	Square Feet	Leased % at Start	T E I		Square Feet	Leased % at Start	T E I	
			Owned and Managed	Prologis Share			Owned and Managed	Prologis Share
Central	401	10.0	\$ 33,670	\$ 33,670	2,483	57.9	\$ 157,352	\$ 124,089
East	1,761	100.0	161,800	144,716	1,915	92.0	178,224	161,140
West	3,221	24.2	291,505	291,505	7,416	36.6	702,091	702,091
Total U.S.	5,383	47.9	486,975	469,891	11,814	50.0	1,037,667	987,320
Canada	-	-	-	-	249	0.0	25,187	25,187
Mexico	408	0.0	28,346	28,346	2,466	66.8	166,010	166,010
Brazil	-	-	-	-	-	-	-	-
Total Other Americas	408	0.0	28,346	28,346	2,715	60.7	191,197	191,197
Northern Europe	-	-	-	-	3,342	75.5	242,051	200,918
Southern Europe	760	100.0	59,562	59,562	3,225	83.2	237,282	237,282
Central Europe	792	14.1	50,407	50,407	1,831	38.5	118,274	112,257
United Kingdom	773	0.0	159,114	23,867	1,478	47.7	236,207	100,960
Total Europe	2,325	37.5	269,083	133,836	9,876	67.0	833,814	651,417
Japan	260	100.0	34,683	34,683	2,949	57.1	456,567	456,567
China	3,203	0.0	165,006	24,751	5,527	0.0	306,230	45,934
Total Asia	3,463	7.5	199,689	59,434	8,476	19.9	762,797	502,501
Total Outside the U.S.	6,196	18.3	497,118	221,616	21,067	47.2	1,787,808	1,345,115
Total Development Starts	11,579	32.1	\$ 984,093	\$ 691,507	32,881	48.2	\$ 2,825,475	\$ 2,332,435
Percent build to suit				43.3%				47.1%
Estimated weighted average stabilized yield				6.5%				6.5%
Annualized estimated NOI				\$ 45,203				\$ 152,570
Estimated weighted average stabilized cap rate				5.4%				5.4%
Estimated weighted average margin				19.5%				19.1%
Estimated value creation				\$ 134,755				\$ 446,431

square feet and dollars in thousands

	Pre-Stabilized Developments				Under Development						Total Development Portfolio				
	TEI				2018 Expected Completion			2019 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	
															TEI
Central	1,426	75.9	\$ 86,087	\$ 86,087	2,197	\$ 137,648	\$ 104,384	-	\$ -	\$ -	3,623	71.0	\$ 223,735	\$ 190,471	
East	204	0.00	37,154	37,154	1,841	226,727	209,644	557	33,830	33,830	2,602	86.2	297,711	280,628	
West	2,267	55.4	177,545	155,880	6,071	626,269	626,269	-	-	-	8,338	46.1	803,814	782,149	
Total U.S.	3,897	60.0	300,786	279,121	10,109	990,644	940,297	557	33,830	33,830	14,563	59.5	1,325,260	1,253,248	
Canada	-	-	-	-	249	26,502	26,502	-	-	-	249	0.0	26,502	26,502	
Mexico	513	43.8	31,626	31,626	1,899	129,077	129,077	-	-	-	2,412	62.4	160,703	160,703	
Brazil	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Americas	513	43.8	31,626	31,626	2,148	155,579	155,579	-	-	-	2,661	56.6	187,205	187,205	
Northern Europe	1,193	80.1	103,813	103,813	2,042	156,884	113,367	-	-	-	3,235	72.9	260,697	217,180	
Southern Europe	769	0.0	55,396	55,396	2,646	204,139	204,139	-	-	-	3,415	70.0	259,535	259,535	
Central Europe	430	55.1	27,276	27,276	1,426	94,136	90,936	-	-	-	1,856	45.3	121,412	118,212	
United Kingdom	551	50.5	60,418	9,063	1,478	244,990	109,742	-	-	-	2,029	48.5	305,408	118,805	
Total Europe	2,943	50.0	246,903	195,548	7,592	700,149	518,184	-	-	-	10,535	62.4	947,052	713,732	
Japan	543	100.0	116,804	116,804	3,654	549,409	549,409	260	34,683	34,683	4,457	57.0	700,896	700,896	
China	4,544	48.4	255,580	38,337	7,436	425,553	63,833	3,544	198,248	29,737	15,524	14.2	879,381	131,907	
Singapore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Asia	5,087	53.9	372,384	155,141	11,090	974,962	613,242	3,804	232,931	64,420	19,981	23.7	1,580,277	832,803	
Total Outside the U.S.	8,543	51.9	650,913	382,315	20,830	1,830,690	1,287,005	3,804	232,931	64,420	33,177	38.6	2,714,534	1,733,740	
Total Development Portfolio	12,440	54.5	\$ 951,699	\$ 661,436	30,939	\$ 2,821,334	\$ 2,227,302	4,361	\$ 266,761	\$ 98,250	47,740	45.0	\$ 4,039,794	\$ 2,986,988	
Cost to complete			\$ 91,884	\$ 68,241		\$ 1,294,352	\$ 1,076,165		\$ 204,345	\$ 80,406			\$ 1,590,581	\$ 1,224,812	
Percent build to suit				13.2%			43.7%			69.7%				37.8%	
Estimated weighted average stabilized yield				6.1%			6.0%			7.3%				6.0%	
U.S.				6.1%			6.0%			7.3%				6.0%	
Other Americas				7.9%			7.4%			-				7.5%	
Europe				6.3%			6.3%			-				6.3%	
Asia				5.8%			6.1%			6.7%				6.1%	
Total				6.2%			6.2%			6.9%				6.2%	
														Annualized estimated NOI	\$185,713
														Estimated weighted average stabilized cap rate	5.1%
														Estimated weighted average margin	20.6%
														Estimated value creation	\$615,734

square feet and dollars in thousands

	Q4 2017				FY 2017			
	Square Feet		Acquisition Costs		Square Feet		Acquisition Costs	
	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	
Prologis Wholly Owned	-	-	\$ -	\$ -	150	150	\$ 41,912	\$ 41,912
Prologis U.S. Logistics Venture	381	210	95,274	52,437	381	210	95,274	52,437
Prologis Targeted U.S. Logistics Fund	474	134	54,093	15,263	3,600	691	329,029	63,598
Total U.S.	855	344	149,367	67,700	4,131	1,051	466,215	157,947
Prologis Targeted Europe Logistics Fund	-	-	-	-	854	151	84,778	14,970
Prologis Europe Logistics Fund	590	155	44,371	11,650	590	155	44,371	11,650
Total Outside the U.S.	590	155	44,371	11,650	1,444	306	129,149	26,620
Total Third Party Building Acquisitions	1,445	499	193,738	79,350	5,575	1,357	595,364	184,567
Weighted average stabilized cap rate				5.6%				5.6%

square feet and dollars in thousands

	Q4 2017				FY 2017			
	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	2,725	2,725	\$ 212,404	\$ 212,404	8,424	8,424	\$ 524,856	\$ 524,856
Prologis U.S. Logistics Venture	4,456	2,453	294,203	161,930	5,668	3,119	364,424	200,579
Prologis Targeted U.S. Logistics Fund	525	148	41,106	11,600	2,587	638	317,285	74,760
Total U.S.	7,706	5,326	547,713	385,934	16,679	12,181	1,206,565	800,195
Total Other Americas								
Prologis Wholly Owned	-	-	-	-	-	-	-	-
Prologis European Logistics Fund	1,727	1,727	76,696	76,696	2,684	2,684	136,940	136,940
Prologis European Logistics Partners	2,937	771	218,220	57,305	4,838	1,364	322,703	89,906
Prologis Targeted Europe Logistics Fund	770	385	26,812	13,406	1,665	852	83,217	41,609
Prologis Targeted Europe Logistics Fund	-	-	-	-	645	115	82,344	14,724
Total Europe	5,434	2,883	321,728	147,407	9,832	4,995	625,204	283,179
Prologis Wholly Owned	-	-	-	-	259	259	21,673	21,673
Nippon Prologis REIT	-	-	-	-	1,037	156	207,929	31,377
China Logistics Venture	629	94	36,325	5,449	629	94	36,325	5,449
Total Asia	629	94	36,325	5,449	1,925	509	265,927	58,499
Total Outside the U.S.	6,063	2,977	358,053	152,856	11,757	5,504	891,131	341,678
Total Third Party Building Dispositions	13,769	8,303	\$ 905,766	\$ 538,790	28,436	17,685	\$ 2,097,696	\$ 1,141,873
Building Contributions to Co-Investment Ventures								
Total U.S. (A)								
FIBRA Prologis	434	434	\$ 28,800	\$ 15,480	434	434	\$ 28,800	\$ 15,480
Total Other Americas	434	434	28,800	15,480	434	434	28,800	15,480
Prologis European Logistics Fund	2,126	2,126	171,441	126,421	2,865	2,865	221,879	161,033
Prologis UK Logistics Venture	192	192	79,354	67,451	1,598	1,598	269,627	229,183
Europe Logistics Venture I	-	-	-	-	1,541	1,541	128,569	109,284
Prologis Targeted Europe Logistics Fund	-	-	-	-	2,144	2,144	173,314	141,350
Total Europe	2,318	2,318	250,795	193,872	8,148	8,148	793,389	640,850
Nippon Prologis REIT	-	-	-	-	2,496	2,496	524,542	445,441
Total Asia	-	-	-	-	2,496	2,496	524,542	445,441
Total Outside the U.S.	2,752	2,752	279,595	209,352	11,078	11,078	1,346,731	1,101,771
Total Building Dispositions and Contributions	16,521	11,055	\$ 1,185,361	\$ 748,142	39,514	28,763	\$ 3,444,427	\$ 2,243,644
Weighted average stabilized cap rate								
Land dispositions			30,874	30,756			84,007	79,055
Dispositions of other investments in real estate			8,992	8,747			30,261	28,921
Land and properties under development contributed to Prologis UK Logistics Venture, Prologis European Logistics Fund and FIBRA Prologis			60,864	51,678			207,004	175,897
Grand Total Dispositions and Contributions			\$ 1,286,091	\$ 839,323			\$ 3,765,699	\$ 2,527,517



(A) During the third quarter, we contributed the Prologis North American Industrial Fund portfolio of assets (totaling \$2.8 billion) to Prologis Targeted U.S. Logistics Fund for \$722 million in cash and the remainder, net of debt, in equity units. This transaction is not reflected in the table above.

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	93	88	1,423	\$ 32,300	\$ 30,438	2.6
New Jersey/New York City	56	34	649	27,711	18,386	1.6
San Francisco Bay Area	-	-	-	-	-	0.0
Chicago	151	151	3,007	15,380	15,380	1.3
Dallas/Ft. Worth	38	38	1,079	7,606	7,606	0.6
South Florida	175	174	3,352	121,927	121,701	10.5
Seattle	9	9	382	13,860	13,860	1.2
Central & Eastern PA	29	29	399	7,850	7,850	0.7
Atlanta	54	54	557	5,730	5,730	0.5
Central Valley	1,046	1,046	20,783	102,956	102,956	8.8
Houston	185	173	2,855	16,777	15,135	1.3
Baltimore/Washington	41	41	480	16,464	16,464	1.4
Las Vegas	50	50	1,000	7,128	7,128	0.6
Denver	18	18	278	7,753	7,753	0.7
Remaining U.S. markets (16 markets)	265	258	3,949	27,376	26,514	2.3
Total U.S.	2,210	2,163	40,193	410,818	396,901	34.1
Mexico	523	515	10,029	114,734	112,817	9.7
Canada	159	159	3,181	45,198	45,198	3.9
Brazil	531	490	11,950	165,955	149,600	12.9
Total Other Americas	1,213	1,164	25,160	325,887	307,615	26.5
United Kingdom	262	156	4,082	156,177	63,280	5.4
France	277	216	5,389	51,854	39,221	3.4
Germany	45	38	931	13,574	12,103	1.0
Netherlands	39	39	1,154	25,105	25,105	2.2
Poland	512	479	9,537	61,118	53,017	4.6
Spain	101	82	2,632	38,510	33,186	2.9
Czech Republic	122	118	2,438	24,059	22,643	1.9
Remaining European countries (5 countries)	640	610	11,590	71,079	66,874	5.7
Total Europe	1,998	1,738	37,753	441,476	315,429	27.1
Japan	81	81	4,851	130,524	130,524	11.2
China	212	32	7,755	80,359	12,054	1.1
Singapore	-	-	-	-	-	0.0
Total Asia	293	113	12,606	210,883	142,578	12.3
Total Outside the U.S.	3,504	3,015	75,519	978,246	765,622	65.9
Total Land Portfolio	5,714	5,178	115,712	\$ 1,389,064	\$ 1,162,523	100.0

dollars in thousands	Acres			Current Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Central	499	487	9.4	\$ 49,767	\$ 48,109	4.1
East	434	412	8.0	193,192	183,642	15.8
West	1,277	1,264	24.4	167,859	165,150	14.2
Total U.S.	2,210	2,163	41.8	410,818	396,901	34.1
Mexico	523	515	9.9	114,734	112,817	9.7
Canada	189	159	3.1	45,198	45,198	3.9
Brazil	531	490	9.5	165,955	149,600	12.9
Total Other Americas	1,243	1,164	22.5	325,887	307,615	26.5
Central Europe	1,156	1,100	21.2	132,748	121,482	10.4
Northern Europe	132	122	2.4	54,027	51,872	4.5
Southern Europe	448	360	6.9	98,524	78,795	6.8
United Kingdom	262	156	3.0	156,177	63,280	5.4
Total Europe	1,998	1,738	33.5	441,476	315,429	27.1
Japan	81	81	1.6	130,524	130,524	11.2
China	212	32	0.6	80,359	12,054	1.1
Total Asia	293	113	2.2	210,883	142,578	12.3
Total Outside the U.S.	3,504	3,015	58.2	978,246	765,622	65.9
Total Land Portfolio	5,714	5,178	100.0	\$ 1,389,064	\$ 1,162,523	100.0
Estimated build out of land portfolio (in TB)				\$ 8,800,000	\$ 8,000,000	
Estimated build out of other land (in TE) (A)				2,100,000	1,900,000	
Total				\$ 10,900,000	\$ 9,900,000	

Land Roll Forward - Prologis Share	U.S.	Other Americas	Europe	Asia	Total
As of September 30, 2017	\$ 443,704	\$ 368,392	\$ 367,073	\$ 140,298	\$ 1,319,467
Acquisitions	20,400	-	27,618	7,468	55,486
Dispositions	(12,061)	(8,215)	(57,165)	-	(77,441)
Development starts	(86,051)	(51,975)	(31,609)	(11,216)	(180,851)
Infrastructure costs	30,909	6,347	5,183	5,638	48,077
Effect of changes in foreign exchange rates and other	-	(6,934)	4,329	390	(2,215)
As of December 31, 2017	\$ 396,901	\$ 307,615	\$ 315,429	\$ 142,578	\$ 1,162,523



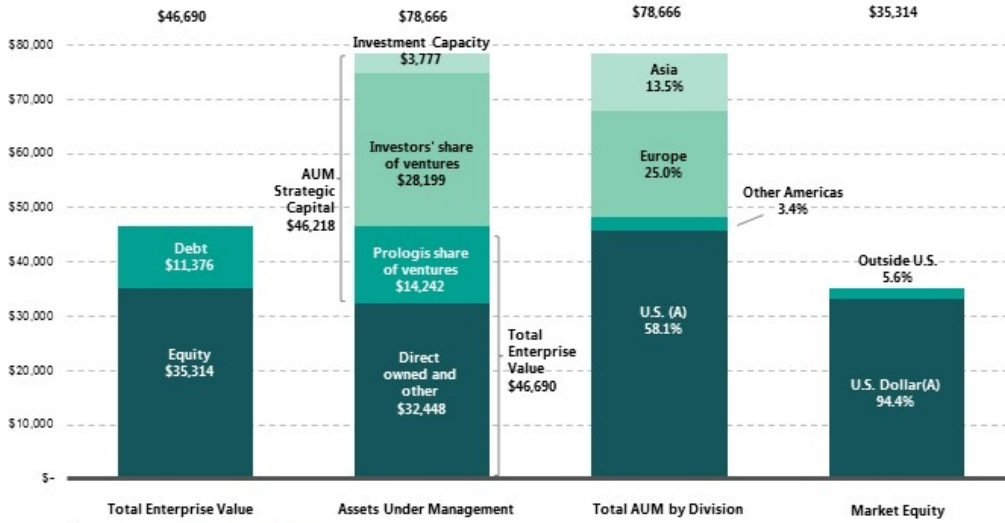
(A) Amounts include approximately 1,800 acres that we currently control through options, ground leases, unconsolidated joint ventures and other contractual arrangements.

Copyright © 2018 Prologis

Capitalization Overview

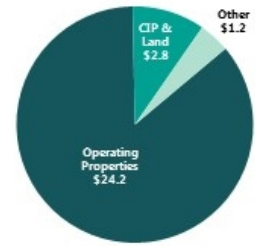
Assets Under Management

(dollars in millions)

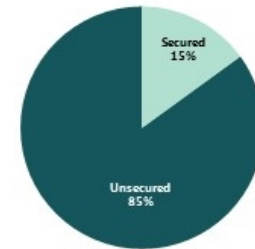


Unencumbered Assets – Prologis Share

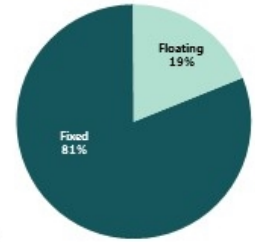
(in billions)



Secured & Unsecured Debt - Prologis Share



Fixed vs. Floating Debt - Prologis Share



Prologis Share - Debt Metrics (B)		
	December 31, 2017	September 30, 2017
Debt as % of gross real estate assets*	33.6%	33.7%
Debt as % of gross market capitalization*	23.7%	23.9%
Secured debt as % of gross real estate assets*	5.4%	5.8%
Unencumbered gross real estate assets to unsecured debt*	291.3%	284.1%
Fixed charge coverage ratio*	6.71x	6.77x
Fixed charge coverage ratio, excluding development gains*	5.78x	5.64x
Debt/Adjusted EBITDA*	4.55x	4.33x
Debt/Adjusted EBITDA, excluding development gains*	5.29x	5.19x
Weighted average interest rate	3.0%	3.1%
Weighted average remaining maturity in years	5.3	5.3
Credit Ratings at December 31, 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.

dollars in thousands

Maturity	Unsecured			Secured Mortgage	Total	% Ownership	Wtd. Avg. Interest Rate	% Fixed
	Senior	Credit Facilities (A)	Other (A)					
2018	\$ -	\$ -	\$ 934	\$ 167,960	\$ 168,894	100%	4.3%	100%
2019	-	-	1,013	446,324	447,337	86%	5.6%	89%
2020	719,580	-	1,077	12,401	733,058	100%	1.6%	100%
2021	839,510	264,982	910	14,780	1,120,182	100%	1.8%	76%
2022	839,510	52,410	944,890	10,791	1,847,601	100%	2.4%	46%
2023	849,999	-	919,212	33,842	1,803,053	100%	3.0%	66%
2024	839,510	-	874	133,527	973,911	100%	4.1%	100%
2025	750,000	-	950	144,528	895,478	100%	3.9%	100%
2026	599,650	-	591	1,232	601,473	100%	3.1%	100%
2027	-	-	64,589	1,169	65,758	99%	1.1%	100%
2028	-	-	43,313	-	43,313	100%	1.1%	100%
Thereafter	675,868	-	93,180	-	769,048	100%	2.2%	100%
Subtotal	6,113,627	317,392	2,071,533	966,554	9,469,106	99%	2.9%	80%
Unamortized net premiums (discounts)	(21,333)	-	-	4,660	(16,673)			
Unamortized finance costs	(25,017)	-	(11,042)	(3,743)	(39,802)			
Total consolidated debt, net of premium (discount)	\$ 6,067,277	\$ 317,392	\$ 2,060,491	\$ 967,471	\$ 9,412,631			
Weighted average interest rate	3.0%	1.8%	1.7%	5.3%	2.9%			
Weighted average remaining maturity in years	6.0	3.4	5.7	3.4	5.6			

Prologis debt by local currency									Liquidity	
	Senior	Credit Facilities	Other	Secured Mortgage	Total	Investment Hedges (B)	Total	% of Total		
Dollars	\$ 1,586,315	\$ 235,000	\$ 511,876	\$ 811,036	\$ 3,144,227	\$ (671,878)	\$ 2,472,349	26%	Aggregate lender commitments- GLOC and revolver	\$ 3,488,925
Euro	3,809,440	29,982	-	-	3,839,422	232,654	4,072,076	43%	Less:	
GBP	671,522	-	-	-	671,522	131,863	803,385	9%	Borrowings outstanding	317,392
Yen	-	52,410	1,253,970	-	1,306,380	152,724	1,459,104	16%	Outstanding letters of credit	32,871
CAD	-	-	294,645	156,435	451,080	154,637	605,717	6%	Current availability-credit facilities	3,139,662
Other	-	-	-	-	-	-	-	0%	Cash and cash equivalents	447,046
Total Debt	\$ 6,067,277	\$ 317,392	\$ 2,060,491	\$ 967,471	\$ 9,412,631	\$ -	\$ 9,412,631	100%	Total liquidity	\$ 3,586,708

- (A) The maturity for the global senior credit facility and revolver (\$317 million) and 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.



dollars in thousands										
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
2018	\$ -	\$ 399	\$ 399	3.4%	100%	\$ 111,503	\$ 81,063	\$ 192,566	3.1%	95%
2019	-	64,288	64,288	2.9%	65%	52,478	80,668	133,146	3.6%	42%
2020	-	2,831	2,831	3.2%	100%	196,727	194,810	391,537	4.1%	94%
2021	-	379	379	3.5%	100%	98,805	209,447	308,252	3.8%	99%
2022	-	392	392	3.5%	100%	341,423	102,818	444,241	3.3%	66%
2023	-	405	405	3.5%	100%	53,094	104,824	157,918	2.2%	90%
2024	-	419	419	3.5%	100%	108,417	34,890	143,307	3.0%	98%
2025	-	434	434	3.5%	100%	125,695	1,519	127,214	1.7%	100%
2026	-	449	449	3.5%	100%	31,214	46,755	77,969	3.2%	99%
2027	-	426	426	3.5%	100%	62,781	-	62,781	2.1%	100%
2028	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	1,340	-	1,340	0.9%	100%
Subtotal	\$ -	\$ 70,422	\$ 70,422	2.9%	68%	\$ 1,183,477	\$ 856,794	\$ 2,040,271	3.3%	86%
Unamortized net premiums (discounts)	-	366	366	-	-	(740)	5,315	4,575	-	-
Unamortized finance costs	-	(49)	(49)	-	-	(7,372)	(3,442)	(10,814)	-	-
Noncontrolling interests share and Prologis share of unconsolidated debt	\$ -	\$ 70,739	\$ 70,739			\$ 1,175,365	\$ 858,667	\$ 2,034,032		
Weighted average interest rate	-	2.9%	2.9%	-	-	2.8%	3.9%	3.3%	-	-
Weighted average remaining maturity in years	-	1.8	1.8	-	-	4.4	3.5	4.1	-	-

Noncontrolling interests share of Consolidated debt and Prologis share of unconsolidated debt by local currency											
	Noncontrolling Interests				Prologis Share of Unconsolidated Co-Investment Ventures				Investment Hedges (C)		
	Unsecured	Secured	Total	% of Total	Unsecured	Secured	Total	Total	Total	% of Total	
Dollars	\$ -	\$ 70,739	\$ 70,739	100%	\$ 597,122	\$ 567,201	\$ 1,164,323	\$ (114,300)	\$ 1,050,023	51%	
Euro	-	-	-	-	321,160	132,283	453,443	78,780	532,223	26%	
GBP	-	-	-	-	-	137,342	137,342	-	137,342	7%	
Yen	-	-	-	-	257,083	-	257,083	-	257,083	13%	
CAD	-	-	-	-	-	-	-	-	-	0%	
Other	-	-	-	-	-	21,841	21,841	35,520	57,361	3%	
Total Debt	\$ -	\$ 70,739	\$ 70,739	100%	\$ 1,175,365	\$ 858,667	\$ 2,034,032	\$ -	\$ 2,034,032	100%	

- (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 \$282 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 the 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.	237,469	\$ 17,729,028	\$ 75	\$ 303,424	\$ 303,424	\$ 1,213,696	98.0%
Other Americas	17,888	1,375,057	77	22,864	22,864	91,456	89.6%
Europe	6,587	402,004	61	7,672	7,672	30,688	98.0%
Asia	4,519	523,276	116	7,492	7,492	29,968	93.4%
Pro forma adjustments for mid-quarter acquisitions/development completions					3,074	12,296	
Total consolidated operating portfolio	266,463	20,029,365	75	341,452	344,526	1,378,104	97.4%
Unconsolidated Operating Portfolio							
U.S.	24,783	2,116,064	85	32,821	32,821	131,284	98.1%
Other Americas	16,283	969,093	60	19,782	19,782	79,128	97.0%
Europe	56,988	4,650,879	82	73,298	73,298	293,192	96.4%
Asia	6,120	807,055	132	11,485	11,485	45,940	97.7%
Pro forma adjustments for mid-quarter acquisitions/development completions					951	3,804	
Total unconsolidated operating portfolio	104,174	8,543,091	82	137,386	138,337	553,348	97.0%
Total Operating Portfolio	370,637	\$ 28,572,456	\$ 77	\$ 478,838	\$ 482,863	\$ 1,931,452	97.3%
Development							
	Square Feet	Investment Balance	TEI	TEI per Sq Ft		Annualized Estimated NOI	Percent Occupied
Consolidated Prestabilized							
U.S.	3,627	\$ 291,912	\$ 279,121	\$ 77		\$ 17,071	31.0%
Other Americas	513	26,905	31,626	62		2,505	43.8%
Europe	2,392	158,866	186,485	78		11,616	19.1%
Asia	543	110,864	116,804	215		6,283	49.6%
							29.3%
Properties under development							
U.S.	9,645	420,884	964,518	100		58,183	
Other Americas	2,148	89,278	155,579	72		11,584	
Europe	5,917	246,550	475,619	80		30,045	
Asia	3,914	270,755	584,092	149		35,204	
Total consolidated development portfolio	28,699	1,556,014	2,793,844	97		\$ 172,491	
Unconsolidated							
U.S.	429	2,532	9,609	22		\$ 567	
Other Americas	-	-	-	-		-	
Europe	457	32,918	51,628	113		3,123	
Asia	2,329	83,415	131,907	57		9,522	
Total unconsolidated development portfolio	3,215	118,865	193,144	60		\$ 13,222	
Total Development Portfolio	31,914	\$ 1,674,879	\$ 2,986,988	\$ 94		\$ 185,713	
Prologis share of estimated value creation (see Capital Deployment - Development Portfolio)		615,734					
Total development portfolio, including estimated value creation		\$ 2,290,613					

In thousands

Balance Sheet and Other Items		As of December 31, 2017	
Consolidated			
Other assets			
Cash and cash equivalents		\$	447,046
Restricted cash			2,298
Accounts receivable, prepaid assets and other tangible assets			813,787
Other real estate investments and assets held for sale			526,646
Note receivable backed by real estate			34,260
Prologis share of value added operating properties			152,901
Prologis receivable from unconsolidated co-investment ventures			210,419
Investments in and advances to other unconsolidated joint ventures			221,748
Less: noncontrolling interests share of other assets			(89,543)
Total other assets		\$	2,319,582
Other liabilities			
Accounts payable and other current liabilities		\$	702,804
Deferred income taxes			53,988
Value added tax and other tax liabilities			13,081
Tenant security deposits			209,741
Other liabilities			358,320
Less: noncontrolling interests share of other liabilities			(57,998)
Total liabilities		\$	1,279,936
Unconsolidated			
Prologis share of net tangible other assets		\$	295,095
Land			
Current book value of land		\$	1,154,383
Less: noncontrolling interests share of the current book value of land			(23,057)
Prologis share of book value of land in unconsolidated co-investment ventures			31,137
Total land portfolio		\$	1,162,523
Strategic Capital / Development Management			
		Fourth Quarter	Annualized
Strategic Capital			
Third party share of asset management fees from consolidated and unconsolidated co-investment ventures	\$	28,334	\$ 153,337
Third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months)		8,786	30,290
Strategic capital expenses for asset management and other transactional fees (annualized based on estimated 12 months)		(17,747)	(67,188)
Total strategic capital	\$	29,380	\$ 116,439
Promotes, net of cash expenses (trailing 12 months)	\$	427	\$ 105,470
Development management income (trailing 12 months)	\$	1,125	\$ 19,104
Debt (at par) and Preferred Stock			
Debt			
Consolidated debt		\$	9,469,106
Noncontrolling interests share of consolidated debt			(70,422)
Prologis share of unconsolidated co-investment ventures debt			2,040,271
Total debt			11,438,955
Preferred stock			68,948
Total debt and preferred stock	\$		11,507,903
Outstanding shares of common stock and limited operating partnership units			546,355



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, represent 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 and discounts, if applicable.

Adjusted Cash NOI (Actual) is non-Generally Accepted Accounting Principles ("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 for the most recent quarter ended of our rental income and rental expenses included in our Consolidated Statement of Income to Adjusted Cash NOI for the consolidated operating portfolio is as follows (in thousands):

Rental revenues	\$ 550,649
Rental expenses	(140,338)
NOI	410,311
Net termination fees and adjustments (a)	(3,682)
Less: actual NOI for development portfolio and other	(15,019)
Less: property management fees	(3,060)
Less: properties contributed or sold (b)	(6,874)
Less: noncontrolling interests share of NOI	(42,740)
Prologis share of adjusted NOI for consolidated operating portfolio at December 31, 2017	337,936
Straight-line rents (c)	(11,920)
Free rent (c)	34,080
Amortization of lease intangibles (c)	1,028
Effect of foreign currency exchange (d)	7
Less: noncontrolling interests and other	321
Fourth quarter Adjusted Cash NOI (Actual)	\$ 341,452

(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.

Adjusted EBITDA. We use Adjusted EBITDA, a non-GAAP financial measure, as a measure of our operating performance. The most directly comparable GAAP measure to Adjusted EBITDA is net earnings.

We calculate Adjusted EBITDA beginning with consolidated net earnings attributable to common stockholders and removing the effect of: interest expense, income taxes, depreciation and amortization, impairment charges, third party acquisition expenses related to the acquisition of real estate, gains or losses from the disposition of investments in real estate (excluding development properties and land), gains from the revaluation of equity investments upon acquisition of a controlling interest, gains or losses on early extinguishment of debt and derivative

contracts (including cash charges), similar adjustments we make to our FFO measures (see definition below), and other items such as stock based compensation and unrealized gains or losses on foreign currency and derivatives. We also include a pro forma adjustment to reflect a full period of NOI on the operating properties we acquire or stabilize during the quarter and to remove NOI on properties we dispose of during the quarter, assuming 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.

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.

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 as Market 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 third party share of asset management and transactional fees that 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 PerShare Amounts

In thousands, except per share amount	Three Months Ended Dec. 31,		Twelve Months Ended Dec. 31,	
	2017	2016	2017	2016
Net earnings				
Net earnings	\$ 295,515	\$ 440,539	\$ 1,641,931	\$ 1,208,218
Noncontrolling interest attributable to exchangeable limited partnership units	8,183	12,600	46,280	37,079
Adjusted net earnings - Diluted	\$ 303,668	\$ 453,139	\$ 1,688,211	\$ 1,240,297
Weighted average common shares outstanding - Basic	531,478	528,012	530,400	526,103
Incremental weighted average effect on exchange of limited partnership units	15,336	15,869	15,946	16,833
Incremental weighted average effect of equity awards	7,587	7,004	5,955	3,730
Weighted average common shares outstanding - Diluted	554,401	550,885	552,300	546,666
Net earnings per share - Basic	\$ 0.56	\$ 0.83	\$ 3.10	\$ 2.29
Net earnings per share - Diluted	\$ 0.55	\$ 0.82	\$ 3.06	\$ 2.27
Core FFO				
Core FFO	\$ 373,267	\$ 344,787	\$ 1,551,153	\$ 1,400,488
Noncontrolling interest attributable to exchangeable limited partnership units	415	991	2,903	4,273
Core FFO - Diluted	\$ 373,682	\$ 345,778	\$ 1,554,056	\$ 1,404,771
Weighted average common shares outstanding - Basic	531,478	528,012	530,400	526,103
Incremental weighted average effect on exchange of limited partnership units	15,336	15,869	15,946	16,833
Incremental weighted average effect of equity awards	7,587	7,004	5,955	3,730
Weighted average common shares outstanding - Diluted	554,401	550,885	552,300	546,666
Core FFO per share - Diluted	\$ 0.67	\$ 0.63	\$ 2.81	\$ 2.57

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

dollars in thousands	Indenture		Global Line	
	Covenant	Actual	Covenant	Actual
Leverage ratio	<=60%	28.8%	<=60%	24.4%
Fixed charge coverage ratio	>=1.5x	8.75x	>=1.5x	7.85x
Secured debt leverage ratio	<=40%	2.9%	<=40%	2.6%
Unencumbered asset to unsecured debt ratio	>=150%	297.5%	N/A	N/A
Unencumbered debt service coverage ratio	N/A	N/A	>=150%	1082.4%

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	
	Dec. 31,	Sep. 30,
	2017	2017
Debt as a % of gross real estate assets:		
Consolidated debt (at par)	\$ 9,469,206	\$ 9,778,393
Noncontrolling interests share of consolidated debt (at par)	(70,422)	(177,286)
Prologis share of unconsolidated debt (at par)	2,040,271	2,028,827
Total Prologis share of debt (at par)	11,438,955	11,629,934
Prologis share of outstanding foreign currency derivatives	4,965	3,233
Consolidated cash and cash equivalents	(447,046)	(568,726)
Noncontrolling interests share of consolidated cash and cash equivalents	55,827	16,772
Prologis share of unconsolidated cash and cash equivalents	(132,276)	(108,455)
Total Prologis share of debt, net of adjustments	\$ 10,920,424	\$ 10,882,758
Consolidated gross real estate assets	26,632,170	26,762,604
Noncontrolling interests share of consolidated gross real estate assets	(2,874,777)	(2,959,154)
Prologis share of unconsolidated gross real estate assets	8,710,905	8,485,736
Total Prologis share of gross real estate assets	\$ 32,464,598	\$ 32,309,186
Debt as a % of gross real estate assets	33.6%	33.7%
Debt as a % of gross market capitalization:		
Total Prologis share of debt, net of adjustments	\$ 10,920,424	\$ 10,882,758
Total outstanding common stock and limited partnership units	546,355	546,630
Share price at quarter end	\$ 64.51	\$ 63.46
Total equity capitalization	\$ 35,245,361	\$ 34,669,140
Total Prologis share of debt, net of adjustments	10,920,424	10,882,758
Gross market capitalization	\$ 46,165,785	\$ 45,571,896
Debt as a % of gross market capitalization	23.7%	23.9%
Secured debt as a % of gross real estate assets:		
Consolidated secured debt (at par)	\$ 966,554	\$ 1,207,681
Noncontrolling interests share of consolidated secured debt (at par)	(70,422)	(177,286)
Prologis share of unconsolidated secured debt (at par)	886,794	827,355
Total Prologis share of secured debt (at par)	\$ 1,752,926	\$ 1,867,790
Total Prologis share of gross real estate assets	\$ 32,464,598	\$ 32,309,186
Secured debt as a % of gross real estate assets	5.4%	5.8%
Unencumbered gross real estate assets to unsecured debt:		
Consolidated unencumbered gross real estate assets	\$ 24,137,755	\$ 23,778,008
Noncontrolling interests share of consolidated unencumbered gross real estate assets	(2,740,683)	(2,578,283)
Prologis share of unconsolidated unencumbered gross real estate assets	6,823,579	6,554,930
Total Prologis share of unencumbered gross real estate assets	\$ 28,218,653	\$ 27,754,655
Consolidated unsecured debt (at par)	8,502,552	8,570,712
Noncontrolling interests share of consolidated unsecured debt (at par)	-	-
Prologis share of unconsolidated unsecured debt (at par)	1,183,477	1,391,442
Total Prologis share of unsecured debt (at par)	\$ 9,686,029	\$ 9,762,154
Unencumbered gross real estate assets to unsecured debt	291.3%	284.1%

	Three Months Ended	
	Dec. 31,	Sep. 30,
	2017	2017
Fixed Charge Coverage ratio:		
Adjusted EBITDA	\$ 583,808	\$ 664,777
Adjusted EBITDA-annualized including development gains and excluding net promotes (a)	\$ 2,294,637	\$ 2,403,078
Net promotes for the trailing 12 months	105,470	110,745
Adjusted EBITDA-annualized	\$ 2,400,087	\$ 2,513,823
Pro forma adjustment annualized	11,108	(14,076)
Adjusted EBITDA including NOI from disposed properties, annualized	\$ 2,411,195	\$ 2,499,747
Interest expense	\$ 62,030	\$ 64,190
Amortization and write-off of deferred loan costs	(3,259)	(3,026)
Amortization of debt premiums, net	923	1,066
Capitalized interest	13,020	13,851
Preferred stock dividends	1,476	1,675
Noncontrolling interests share of consolidated fixed charges	(1,496)	(1,742)
Prologis share of unconsolidated fixed charges	17,196	17,443
Total Prologis share of fixed charges	\$ 82,862	\$ 92,257
Total Prologis share of fixed charges, annualized	\$ 359,448	\$ 369,028
Fixed charge coverage ratio	6.71	6.77
Debt to Adjusted EBITDA:		
Total Prologis share of debt, net of adjustments	\$ 10,920,424	\$ 10,882,758
Adjusted EBITDA-annualized	\$ 2,400,087	\$ 2,513,823
Debt to Adjusted EBITDA ratio	4.55	4.33

(a) Prologis share of gains on dispositions of development properties for the trailing 12 months was \$336.3 million and \$472 million for the current quarter and the previous quarter, respectively.

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

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

Estimated 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, if any, on properties expected to be sold or contributed, divided by TEI.

Estimated Weighted Average Stabilized Yield is calculated on development properties as Stabilized NOI divided by TEI.

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

The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as earnings computed under GAAP to exclude historical cost depreciation and gains and losses from the sales, along with impairment charges, of previously depreciated properties. We also 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 the sales of previously depreciated properties. We exclude similar adjustments from our unconsolidated entities and the third parties' share of our consolidated co-investment 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 subsidiaries and our foreign unconsolidated entities;
- (iv) foreign currency exchange gains and losses from the remeasurement (based on current foreign currency exchange rates) of certain third party debt of our foreign consolidated 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 Dec. 31,		Twelve Months Ended Dec. 31,	
	2017	2016	2017	2016
Building and land development activities	\$ 16,606	\$ 14,277	\$ 69,381	\$ 60,643
Leasing activities	5,913	6,123	23,809	23,935
Operating building improvements and other	3,811	4,070	15,126	16,168
Total capitalized G&A	\$ 26,330	\$ 24,470	\$ 102,316	\$ 100,746

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

Net G&A	\$ 291,059
Add: strategic capital expenses (excluding promote expense)	133,092
Less: strategic capital property management expenses	(65,904)
Adjusted G&A	\$ 298,247
Gross book value at period end (a):	
Operating properties	\$ 52,086,949
Development portfolio - TEI	4,039,794
Land portfolio	1,389,064
Other real estate investments, assets held for sale and note receivable backed by real estate	560,906
Total value of assets under management	\$ 58,076,713
G&A as % of assets under management	0.51%

(a) 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	\$ 2.10	\$ 2.25
Our share of:		
Depreciation and amortization	1.69	1.74
Net gains on real estate transactions, net of taxes	(0.94)	(1.04)
Unrealized foreign currency losses and other net	0.00	0.00
Core FFO	\$ 2.85	\$ 2.95

Income Taxes.

in thousands	Three Months Ended Dec. 31,		Twelve Months Ended Dec. 31,	
	2017	2016	2017	2016
Current income tax expense	\$ 8,319	\$ 12,422	\$ 38,181	\$ 35,937
Current income tax expense on dispositions	6,529	9,332	19,102	24,152
Current income tax expense on dispositions related to acquired tax assets	2,241	-	2,331	-
Total current income tax expense	17,089	21,754	59,614	60,089
Deferred income tax current benefit	(2,567)	(3,788)	(2,674)	(5,525)
Deferred income tax expense on dispositions related to acquired tax assets	(2,241)	-	(2,331)	-
Total income tax expense	\$ 12,281	\$ 17,966	\$ 54,609	\$ 54,564

Interest Expense.

in thousands	Three Months Ended Dec. 31,		Twelve Months Ended Dec. 31,	
	2017	2016	2017	2016
Gross interest expense	\$ 72,696	\$ 90,907	\$ 328,228	\$ 383,098
Amortization of debt premiums, net	(923)	(646)	(3,728)	(30,596)
Amortization of finance costs	3,259	4,370	14,479	15,459
Interest expense before capitalization	75,032	89,817	328,979	367,961
Capitalized amounts	(13,002)	(18,248)	(54,493)	(64,815)
Interest expense	\$ 62,030	\$ 70,569	\$ 274,486	\$ 303,146

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

Market Classification

- **Global Markets** feature large population centers with high per-capita consumption and are located near major seaports, airports, and ground transportation systems.
- **Regional Markets** benefit from large population centers but typically are not as tied to the global supply chain, but rather serve local consumption and are often less supply constrained. Markets included as regional markets include: Austin, Charlotte, Cincinnati, Columbus, Denver, Hungary, Indianapolis, Juarez, Las Vegas, Louisville, Memphis, Nashville, Orlando, Phoenix, Portland, Reno, 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 a 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		Twelve Months Ended	
	2017	2016	2017	2016
Rental revenues	\$ 418,780	\$ 416,778	\$ 1,656,818	\$ 1,641,236
Rental recoveries	117,081	124,163	487,302	485,565
Amortization of lease intangibles	(1,456)	787	(830)	1,755
Straight-lined rents	16,244	18,157	81,851	91,853
Rental revenues	\$ 550,649	\$ 559,885	\$ 2,225,141	\$ 2,220,409

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

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

Retention is the square footage of all leases rented by existing tenants divided by the square footage of all expiring and in-place leases during the reporting period. The square footage of tenants that default or buy-out prior to expiration of their lease, short-term tenants and the square footage of month-to-month leases are not included in the calculation.

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

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

The following is a reconciliation of our consolidated rental revenues, rental recoveries, rental expenses and property NOI, as included in the Consolidated Statements of Operations, to the respective amounts in our same store portfolio analysis:

dollars in thousands	Three Months Ended		
	Dec. 31,		Change (%)
	2017	2016	
Rental revenues:			
Rental revenues	\$ 433,568	\$ 435,722	
Rental recoveries	117,081	124,163	
Per the Consolidated Statements of Operations	550,649	559,885	
Properties not included and other adjustments (a)	(82,049)	(65,535)	
Unconsolidated co-investment ventures	525,164	463,858	
Same Store - rental revenues	\$ 993,764	\$ 958,207	3.7%
Rental expenses:			
Per the Consolidated Statements of Operations	\$ 140,338	\$ 141,050	
Properties not included and other adjustments (b)	(13,986)	(8,314)	
Unconsolidated co-investment ventures	123,923	104,962	
Same Store - rental expenses	\$ 250,280	\$ 237,698	5.3%
NOI:			
Consolidated NOI	\$ 410,311	\$ 418,835	
Properties not included and other adjustments	(68,063)	(57,222)	
Unconsolidated Co-Investment Ventures	401,236	358,896	
Same Store - NOI	\$ 743,484	\$ 720,509	3.2%
Same Store - NOI - Prologis Share (d)	\$ 426,803	\$ 409,982	4.1%
NOI- Cash:			
Same store- NOI	\$ 743,484	\$ 720,509	
Straight-line rent adjustments (d)	(9,591)	(13,635)	
Fair value lease adjustments (d)	532	(1,089)	
Same Store - NOI- Cash	\$ 734,425	\$ 705,785	4.1%
Same Store - NOI- Prologis Share (c)	\$ 423,606	\$ 401,530	5.5%

(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 December 31, 2017 to the NOI of each building for both periods.

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

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

Stabilization is defined as the earlier of when a property that was developed has been completed for one year or is 90% occupied. Upon Stabilization, a property is moved into our Operating Portfolio.

Stabilized NOI is equal to the estimated twelve months of potential gross rental revenue (base rent, including a 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 Fourth Quarter and Full Year 2017 Earnings Results

SAN FRANCISCO (January 23, 2018) – Prologis, Inc. (NYSE: PLD), the global leader in logistics real estate, today reported results for the fourth quarter and full year 2017. Net earnings per diluted share was \$0.55 for the quarter and \$3.06 for the year compared with \$0.82 and \$2.27 for the same periods in 2016. The year-over-year increase is principally due to higher gains on real estate transactions, stronger operating results and higher net promote income.

Core funds from operations* per diluted share was \$0.67 for the quarter and \$2.81 for the year compared with \$0.63 and \$2.57 for the same periods in 2016. The year-over-year increase is due primarily to stronger operating results and higher net promote income.

“Our results are a testament to our high-quality portfolio, proven strategy and strong execution by our global team,” said Hamid R. Moghadam, chairman and CEO, Prologis. “We are starting 2018 with even more embedded rental upside than we had last year. Looking forward, it’s all about using our scale and expertise to drive organic growth, put our global land bank to work and deliver further value from our customer relationships.”

OPERATING RESULTS REMAIN EXCELLENT

Owned & Managed	4Q17	4Q16	Notes
Period End Occupancy	97.2%	97.1%	<i>Record and led by the U.S. at 98.0%</i>
Leases Signed	42MSF	39MSF	

Prologis Share	4Q17	4Q16	Notes
Net Effective Rent Change	19.0%	16.0%	<i>Led by the U.S. at 29.8%</i>
Cash Rent Change	8.8%	7.0%	
Net Effective Same Store NOI*	4.1%	3.2%	<i>Led by the U.S. at 5.4%</i>
Cash Same Store NOI*	5.5%	4.4%	<i>Led by the U.S. at 6.8%</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.



STRONG CUSTOMER RELATIONSHIPS DRIVE RECORD BUILD-TO-SUIT ACTIVITY

Prologis Share	4Q17	FY2017
Building Acquisitions	\$79M	\$185M
Weighted avg stabilized cap rate	5.6%	5.6%
Development Stabilizations	\$525M	\$2,037M
Estimated weighted avg yield	6.9%	6.6%
Estimated weighted avg margin	29.0%	28.6%
Estimated value creation	\$152M	\$583M
% Build-to-suit	46.4%	34.9%
Development Starts	\$692M	\$2,332M
Estimated weighted avg margin	19.5%	19.1%
Estimated value creation	\$135M	\$446M
% Build-to-suit	43.3%	47.1%
Dispositions and Contributions	\$839M	\$2,528M
Weighted avg stabilized cap rate (excluding land and other real estate)	6.0%	5.5%

BEST-IN-CLASS BALANCE SHEET PRIMED FOR GROWTH

During the fourth quarter, Prologis and its co-investment ventures completed \$1.9 billion of refinancings and redeemed \$788 million of near-term bonds. For the full year, on a look-through basis, the company reduced its leverage by 340 basis points to 23.7 percent on a market capitalization basis and improved its debt-to-Adjusted EBITDA* by approximately 0.2x to 4.6x.

COMPANY ESTABLISHES 2018 EARNINGS GUIDANCE RANGES

The company established a guidance range for net earnings per diluted share of \$2.10 to \$2.25 and a range for Core FFO* per diluted share of \$2.85 to \$2.95.

“Strong operating fundamentals will translate to robust earnings growth in 2018,” said Thomas S. Olinger, chief financial officer, Prologis. “Fueled by same-store NOI growth, Core FFO, excluding promotes, is expected to increase 7% at the midpoint. This represents very strong growth, given that we anticipate further delevering of our already conservative balance sheet.”

2018 GUIDANCE

Earnings (per diluted share)

Net Earnings	\$2.10 to \$2.25
Core FFO*	\$2.85 to \$2.95

Operations

Year-end occupancy	96.0% to 97.0%
Net Effective Same Store NOI – Prologis share*	4.0% to 5.0%

Other Assumptions (in millions)

Strategic capital revenue, excl. promote revenue	\$260 to \$270
Net promote income	\$30 to \$40
General & administrative expenses	\$227 to \$237

*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.

Realized development gains	\$300 to \$400
----------------------------	----------------

Capital Deployment (Prologis Share, in millions)	Prologis Share	Owned and Managed
Development stabilizations		\$1,800 to \$2,000
Development starts		\$2,000 to \$2,300
Building acquisitions		\$300 to \$500
Building and land dispositions		\$950 to \$1,200
Building contributions		\$1,350 to \$1,650

The earnings guidance described above includes potential future gains 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 2018 relates predominantly to these items. Please refer to our fourth 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 outlook. Here are the event details:

- Tuesday, January 17, 2018, at 12 p.m. U.S. Eastern Time.
- Live webcast at <http://ir.prologis.com> by clicking Investors>Investor Events and Presentations.
- Dial in: +1 888-771-7371 or +1 847-585-4405 and enter Passcode 46214331.

A telephonic replay will be available January 23-30 at +1 888-843-7419 (from the United States and Canada) or +1 630-652-3042 (from all other countries) using conference code 46214331. 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 December 31, 2017, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 684 million square feet (64 million square meters) in 19 countries. Prologis leases modern distribution facilities to a diverse base of approximately 5,000 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.

*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.



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.

CONTACTS

Investors: Tracy Ward, Tel: +1 415 733 9565, tward@prologis.com, San Francisco

Media: Jason Golz, Tel: +1 415 733 9439, jgolz@prologis.com, San Francisco

*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.