

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 17, 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 April 17, 2018, Prologis, Inc., the general partner of Prologis, L.P., issued a press release announcing first quarter 2018 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 April 17, 2018.

99.2 Press release, dated April 17, 2018.

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Supplemental information, dated April 17, 2018.
99.2	Press release, dated April 17, 2018.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

PROLOGIS, INC.

April 17, 2018

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer

PROLOGIS, L.P.,

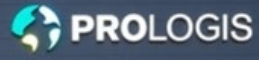
April 17, 2018

By: Prologis, Inc., its general partner

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer



First Quarter 2018

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

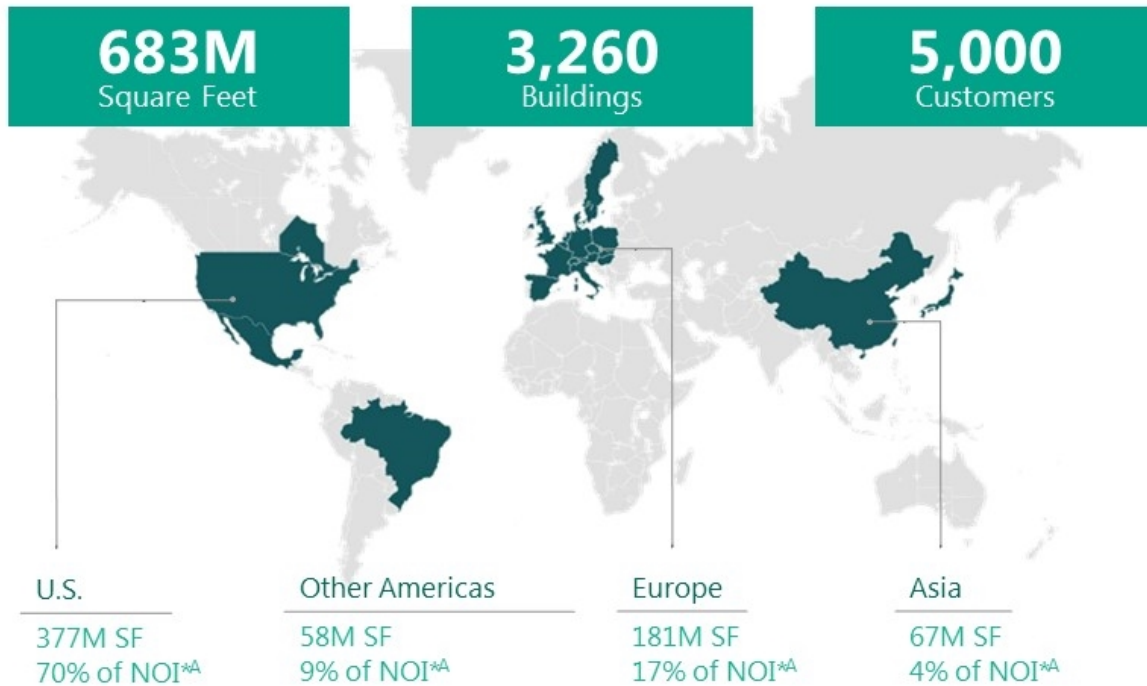
Net Asset Value

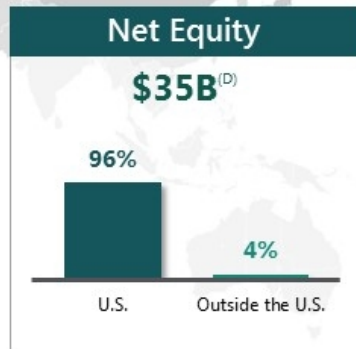
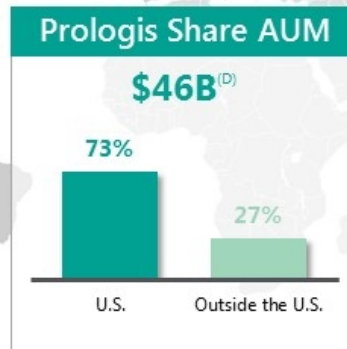
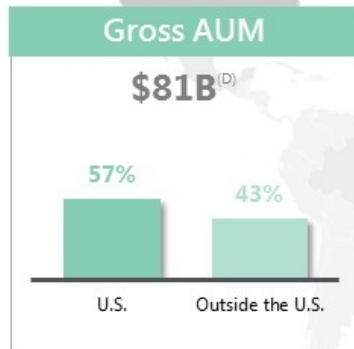
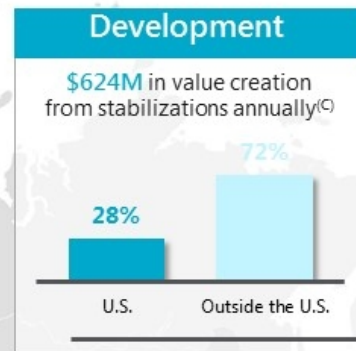
- 31 Components

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 March 31, 2018, 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 683 million square feet (63 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) 1Q 2018 Prologis share of NOI of the Operating Portfolio annualized.

(B) 1Q 2018 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 stabilizations.

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

dollars in millions, except per share/unit data

	Three Months ended March 31,	
	2018	2017
Rental and other revenues	\$ 561	\$ 572
Strategic capital revenues	133	57
Total revenues	694	629
Net earnings attributable to common stockholders	366	203
Core FFO attributable to common stockholders/unitholders*	443	347
AFFO attributable to common stockholders/unitholders*	564	320
Adjusted EBITDA attributable to common stockholders*	715	512
Estimated value creation from development stabilizations - Prologis share	130	89
Common stock dividends and common limited partnership unit distributions	267	243
Per common share - diluted:		
Net earnings attributable to common stockholders	\$ 0.68	\$ 0.38
Core FFO attributable to common stockholders/unitholders*	0.80	0.63
Business line reporting:		
Real estate operations*	0.64	0.57
Strategic capital*	0.16	0.06
Core FFO attributable to common stockholders/unitholders*	0.80	0.63
Realized development gains, net of taxes	0.28	0.06
Dividends and distributions per common share/unit	0.48	0.44

Core FFO*



AFFO*

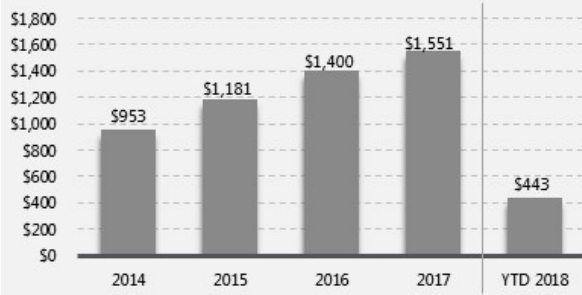


Estimated Value Creation - Stabilizations

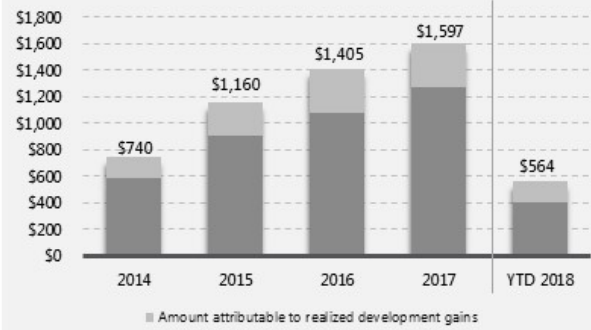


(in millions)

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)		\$ 2.50	\$ 2.60
Core FFO* (A)(B)(C)		\$ 2.95	\$ 3.01
Operations			
Year-end occupancy		96.25%	97.25%
Same store NOI - Cash - Prologis share*		5.50%	6.50%
Same store NOI - Net effective - Prologis share*		4.25%	5.00%
Other Assumptions			
Strategic capital revenue, excluding promote revenue		\$ 270	\$ 280
Net promote income (B)		\$ 60	\$ 72
General & administrative expenses		\$ 227	\$ 237
Realized development gains		\$ 350	\$ 450
Capital Deployment			
	<i>PROLOGIS SHARE</i>		<i>OWNED AND MANAGED</i>
	<i>Low</i>	<i>High</i>	
Development stabilizations	\$ 1,800	\$ 2,000	\$ 2,100
Development starts	\$ 2,200	\$ 2,500	\$ 2,600
Building acquisitions	\$ 300	\$ 500	\$ 500
Building and land dispositions	\$ 1,400	\$ 1,700	\$ 2,200
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 1.23 (\$/€), 1.41 (\$/£) and 106 (¥/\$), respectively.

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

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

(B) Net promote guidance is \$0.11 to \$0.13 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.



In the usands	March 31, 2018	December 31, 2017
Assets:		
Investments in real estate properties:		
Operating properties	\$ 22,421,633	\$ 22,585,327
Development portfolio	1,697,487	1,593,489
Land	1,231,759	1,154,383
Other real estate investments	525,123	505,445
	25,876,002	25,838,644
Less accumulated depreciation	4,199,159	4,059,348
Net investments in real estate properties	21,676,843	21,779,296
Investments in and advances to unconsolidated entities	5,675,989	5,496,450
Assets held for sale or contribution	473,154	342,060
Notes receivable backed by real estate	-	34,260
Net investments in real estate	27,825,996	27,652,066
Cash and cash equivalents	458,089	447,046
Other assets	1,387,390	1,381,963
Total assets	\$ 29,671,485	\$ 29,481,075
Liabilities and Equity:		
Liabilities:		
Debt	\$ 9,460,177	\$ 9,412,631
Accounts payable, accrued expenses and other liabilities	1,423,188	1,362,703
Total liabilities	10,883,365	10,775,334
Equity:		
Stockholders' equity	15,680,075	15,631,158
Noncontrolling interests	2,643,034	2,660,242
Noncontrolling interests - limited partnership unitholders	465,011	414,341
Total equity	18,788,120	18,705,741
Total liabilities and equity	\$ 29,671,485	\$ 29,481,075

In thousands, except per share amounts

	Three Months Ended March 31,	
	2018	2017
Revenues:		
Rental	\$ 555,943	\$ 566,933
Strategic capital	132,961	57,045
Development management and other	4,752	5,177
Total revenues	693,656	629,155
Expenses:		
Rental	142,941	152,656
Strategic capital	43,860	31,799
General and administrative	62,428	53,617
Depreciation and amortization	204,081	226,591
Other	3,239	2,606
Total expenses	456,549	467,269
Operating income	237,107	161,886
Other income (expense):		
Earnings from unconsolidated co-investment ventures, net	55,295	45,450
Earnings from other unconsolidated ventures, net	7,361	3,155
Interest expense	(47,245)	(72,912)
Gains on dispositions of development properties and land, net	157,568	29,800
Gains on dispositions of real estate, net (excluding development properties and land)	37,543	67,525
Foreign currency and derivative gains (losses) and interest and other income, net	(39,118)	(4,615)
Total other income	171,404	68,403
Earnings before income taxes	408,511	230,289
Current income tax expense	(18,616)	(7,161)
Deferred income tax benefit (expense)	2,064	(2,439)
Consolidated net earnings	391,959	220,689
Net earnings attributable to noncontrolling interests	(14,058)	(10,137)
Net earnings attributable to noncontrolling interests - limited partnership units	(10,523)	(5,623)
Net earnings attributable to controlling interests	367,378	204,929
Preferred stock dividends	(1,476)	(1,674)
Net earnings attributable to common stockholders	\$ 365,902	\$ 203,255
Weighted average common shares outstanding - Diluted	554,123	550,010
Net earnings per share attributable to common stockholders - Diluted	\$ 0.68	\$ 0.38

in thousands	Three Months Ended March 31,	
	2018	2017
Net earnings attributable to common stockholders	\$ 365,902	\$ 203,255
Add (deduct) NAREIT defined adjustments:		
Real estate related depreciation and amortization	195,903	219,071
Gains on dispositions of real estate, net (excluding development properties and land)	(37,543)	(67,525)
Reconciling items related to noncontrolling interests	(10,471)	(25,063)
Our share of reconciling items related to unconsolidated co-investment ventures	51,485	32,059
Our share of reconciling items related to other unconsolidated ventures	1,760	1,614
Subtotal-NAREIT defined FFO attributable to common stockholders/unitholders*	\$ 567,036	\$ 363,411
Add (deduct) our defined adjustments:		
Unrealized foreign currency and derivative losses (gains), net	33,964	12,203
Deferred income tax expense (benefit)	(2,064)	2,439
Current income tax expense (benefit) on dispositions related to acquired tax assets	878	(1,270)
Reconciling items related to noncontrolling interests	100	(94)
Our share of reconciling items related to unconsolidated co-investment ventures	(1,908)	1,063
FFO, as modified by Prologis attributable to common stockholders/unitholders*	\$ 598,006	\$ 377,752
Adjustments to arrive at Core FFO attributable to common stockholders/unitholders*:		
Gains on dispositions of development properties and land, net	(157,568)	(29,800)
Current income tax expense (benefit) on dispositions	6,611	(1,086)
Loss on early extinguishment of debt, net	984	-
Reconciling items related to noncontrolling interests	(600)	(1,167)
Our share of reconciling items related to unconsolidated co-investment ventures	2,101	974
Our share of reconciling items related to other unconsolidated ventures	(6,414)	79
Core FFO attributable to common stockholders/unitholders*	\$ 443,120	\$ 346,752
Adjustments to arrive at Adjusted FFO ("AFFO") [†] attributable to common stockholders/unitholders, including our share of unconsolidated ventures less noncontrolling interest:		
Gains on dispositions of development properties and land, net	157,568	29,800
Current income tax expense (benefit) on dispositions	(6,611)	1,086
Straight-lined rents and amortization of lease intangibles	(15,060)	(25,497)
Property improvements	(8,998)	(7,395)
Turnover costs	(28,027)	(40,278)
Amortization of debt discount (premium), financing costs and management contracts, net	3,530	(2,065)
Stock compensation expense	19,996	18,380
Reconciling items related to noncontrolling interests	7,443	13,378
Our share of reconciling items related to unconsolidated ventures	(9,025)	(14,404)
AFFO attributable to common stockholders/unitholders*	\$ 563,936	\$ 319,757

In thousands	Three Months Ended March 31,	
	2018	2017
Net earnings attributable to common stockholders	\$ 365,902	\$ 203,255
Gains on dispositions of real estate, net (excluding development properties and land)	(37,543)	(67,525)
Depreciation and amortization expenses	204,081	226,591
Interest expense	47,245	72,912
Current and deferred income tax expense, net	16,552	9,600
Net earnings attributable to noncontrolling interests - limited partnership unitholders	10,523	5,623
Pro forma adjustments	(967)	10,379
Preferred stock dividends	1,476	1,674
Unrealized foreign currency and derivative losses (gains), net	33,964	12,203
Stock compensation expense	19,996	18,380
Adjusted EBITDA, consolidated*	\$ 661,229	\$ 493,092
Reconciling items related to noncontrolling interests	(21,792)	(34,496)
Our share of reconciling items related to unconsolidated ventures	75,382	53,070
Adjusted EBITDA attributable to common stockholders*	\$ 714,819	\$ 511,666

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.	28.1%	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	26.5%	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	Q4 2020

In thousands	Venture (at 100%) (A)		
	Square Feet	GBV of Operating Bldgs	Debt
Unconsolidated Co-Investment Ventures			
Prologis Targeted U.S. Logistics Fund	87,938	\$ 7,544,726	\$ 2,278,062
FIBRA Prologis (B)	34,601	2,056,601	744,497
Prologis European Logistics Fund	105,267	9,735,343	2,514,642
Prologis European Logistics Partners	54,990	4,220,812	-
Prologis UK Logistics Venture	2,033	346,998	231,233
Nippon Prologis REIT (B)	28,145	5,302,667	1,914,669
Prologis China Logistics Venture	15,065	792,530	692,322
Brazil joint ventures	2,803	200,395	-
Unconsolidated Co-Investment Ventures Total	330,842	30,200,072	8,375,425
Consolidated Co-Investment Ventures			
Prologis U.S. Logistics Venture	66,429	5,924,160	148,513
Consolidated Co-Investment Ventures Total	66,429	5,924,160	148,513
Total	397,271	\$ 36,124,232	\$ 8,523,938

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

(B) Throughout this document we use the most recent public information for these co-investment ventures.



dollars in thousands	U.S.	Other Americas	Europe	Asia	Total
Operating Information					
For the Three Months Ended March 31, 2018					
Rental revenues	\$ 167,993	\$ 53,343	\$ 288,488	\$ 107,510	\$ 617,274
Rental expenses	(47,480)	(7,282)	(63,673)	(23,258)	(141,703)
General and administrative expenses	(7,787)	(5,579)	(14,091)	(11,667)	(39,124)
Depreciation and amortization expenses	(77,243)	(19,286)	(99,011)	(27,707)	(223,247)
Other operating revenues (expenses)	(225)	99	(843)	22	(447)
Operating income	35,188	21,295	111,370	44,900	212,753
Interest expense	(22,254)	(7,959)	(20,660)	(11,882)	(62,755)
Gains on dispositions of real estate	715	-	20,602	-	21,317
Current and deferred income tax expense	(1,101)	(18)	(11,077)	(2,675)	(14,871)
Other income (expense)	366	1,400	(7,312)	11,391	5,845
Net earnings	12,914	14,718	92,923	41,734	162,289
Real estate related depreciation and amortization expenses	77,336	19,286	95,951	26,160	218,733
Gains on dispositions of real estate, net (excluding land)	(913)	-	(20,604)	-	(21,517)
Unrealized foreign currency and derivative losses (gains), net	-	(699)	447	(11,107)	(11,359)
Deferred income tax benefit (expense)	-	-	(483)	140	(343)
FFO, as modified by Prologis*	89,337	33,305	168,234	56,927	347,803
Reconciling items to Core FFO	123	(270)	7,700	13	7,566
Core FFO*	\$ 89,460	\$ 33,035	\$ 175,934	\$ 56,940	\$ 355,369
Balance Sheet Information					
As of March 31, 2018					
Operating properties, before depreciation	\$ 7,544,726	\$ 2,256,996	\$ 14,303,159	\$ 6,095,197	\$ 20,200,072
Accumulated depreciation	(895,051)	(195,117)	(1,551,910)	(366,254)	(3,008,332)
Properties under development and land	12,397	3,579	368,456	675,951	1,060,383
Other assets	347,261	36,530	821,274	343,628	1,548,693
Total assets	\$ 7,009,333	\$ 2,101,988	\$ 13,940,979	\$ 6,748,522	\$ 29,800,816
Third party debt	\$ 2,278,062	\$ 744,497	\$ 2,745,875	\$ 2,606,991	\$ 8,375,425
Other liabilities	201,155	28,476	1,137,870	381,912	1,749,413
Total liabilities	\$ 2,479,217	\$ 772,973	\$ 3,883,745	\$ 2,988,903	\$ 10,124,838
Weighted average ownership	28.1%	43.4%	32.8%	15.1%	28.6%

* 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.

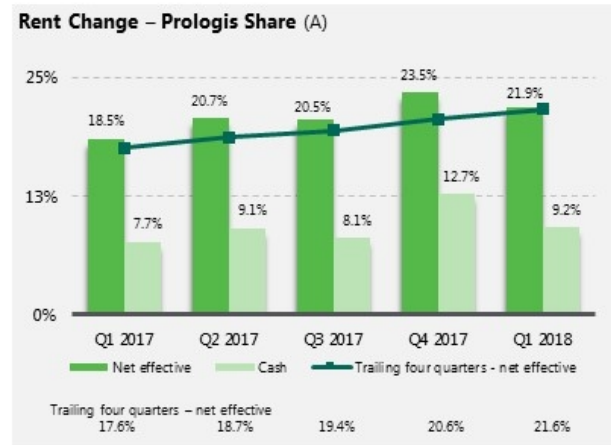


dollars in thousands	Non Controlling Interests included in Consolidated Amounts*	Prologis Share of Unconsolidated Co-Investment Ventures*
Operating Information for the Three Months Ended March 31, 2018		
Rental revenues	\$ 58,792	\$ 183,976
Rental expenses	(16,624)	(41,587)
General and administrative expenses	(6,096)	(12,408)
Depreciation and amortization expenses	(22,477)	(64,412)
Other operating expenses	(2)	(325)
Operating income	13,653	65,244
Interest expense	(393)	(1,099)
Gains on dispositions of real estate	1,337	11,699
Current and deferred income tax expense	(504)	(4,991)
Other income (expense)	(150)	442
Earnings from unconsolidated co-investment ventures, net	115	-
Net earnings	14,058	55,295
Real estate related depreciation and amortization expenses	22,477	63,240
Gains on dispositions of real estate, net (excluding land)	(1,483)	(11,755)
Unrealized foreign currency and derivative gains, net	(100)	(1,801)
Deferred income tax benefit	-	(107)
FFO, as modified by Prologis*	34,952	104,872
Loss on dispositions of land, net	146	56
Current income tax expense on dispositions	453	330
Loss on early extinguishment of debt, net	1	1,715
Core FFO*	\$ 35,552	\$ 106,973
Balance Sheet Information as of March 31, 2018		
Operating properties, before depreciation	\$ 2,707,092	\$ 8,755,224
Accumulated depreciation	(235,973)	(942,919)
Properties under development, land and other real estate	99,089	161,560
Other assets	209,717	572,841
Total assets	\$ 2,779,925	\$ 8,546,706
Third party debt	\$ 70,578	\$ 2,079,128
Other liabilities	66,312	440,913
Total liabilities	\$ 136,891	\$ 2,520,041
Weighted average ownership	40.4%	28.6%
Noncontrolling interests investment	\$ 2,643,034	\$ 5,468,405
Investment in and advances to unconsolidated co-investment ventures (B)		207,584
Investment in and advances to other unconsolidated ventures		207,584
Investment in and advances to unconsolidated entities		\$ 5,675,999

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

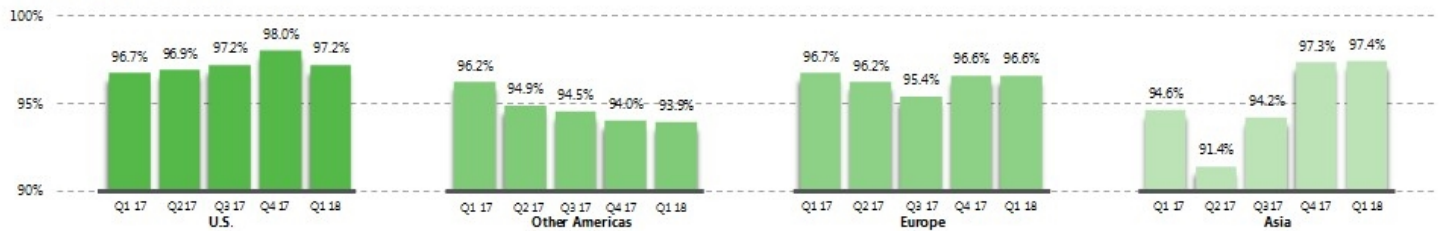
(A) See our Notes and Definitions for further explanation of how these amounts are calculated.

(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.
 (A) As disclosed in our press release dated January 17, 2018, we established our definition of these operating metrics to align on consistent methodologies with members of the industrial REIT group. The changes to the operating metrics were retroactively applied for all prior periods presented. See updated definitions in the Notes and Definitions.

Period Ending Occupancy



square feet in thousands

Leasing Activity

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Square feet of leases commenced:					
Operating portfolio:					
Renewals	30,669	17,216	19,707	16,753	21,555
New leases	9,673	10,455	11,483	11,307	6,757
Total Operating Portfolio	40,342	27,671	31,190	28,060	28,312
Properties under development	5,776	5,290	4,343	7,181	4,300
Total Square Feet of Leases Commenced	46,118	32,961	35,533	35,241	32,612
Average term of leases started (months)	65	65	58	56	57
Operating Portfolio:					
Trailing four quarters - square feet of leases commenced	135,384	130,314	126,770	127,263	115,233
Trailing four quarters - % of average portfolio	21.9%	21.0%	20.3%	20.3%	18.3%
Rent change (net effective) (A)	14.4%	16.0%	15.6%	14.9%	16.0%
Rent change (net effective) - Prologis share (A)	18.5%	20.7%	20.5%	23.5%	21.9%
Rent change (cash) (A)	5.4%	6.3%	5.1%	7.9%	6.1%
Rent change (cash) - Prologis share (A)	7.7%	9.1%	8.1%	12.7%	9.2%
Total square feet of Operating Portfolio leases commenced (B)	45,185	30,495	34,523	32,764	29,845

(A) As disclosed in our press release dated January 17, 2018, we established our definition of these operating metrics to align on consistent methodologies with members of the industrial REIT group. The changes to the operating metrics were retroactively applied for all prior periods presented. See updated definitions in the Notes and Definitions.

(B) Amount includes short-term leases, exclusive of month-to-month leases and holdovers.

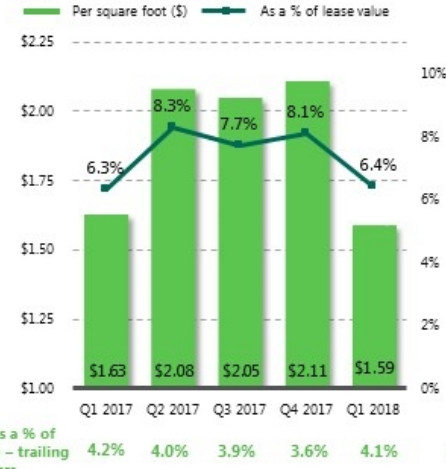
In thousands, except for percentages and per square foot

Capital Expenditures						Same Store Information (A)					
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018		Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Property improvements	\$ 19,897	\$ 44,547	\$ 50,898	\$ 71,654	\$ 26,890	Square feet	579,578	571,070	565,525	553,259	582,492
Tenant improvements	30,210	28,046	32,047	39,621	31,579	Average occupancy	96.9%	96.8%	96.5%	97.0%	96.8%
Leasing commissions	28,277	27,652	30,255	32,194	22,997	Period end occupancy	96.9%	96.6%	96.6%	97.5%	96.8%
Total turnover costs	59,487	55,698	62,902	71,815	54,576	Percentage change:					
Total Capital Expenditures	\$ 79,384	\$ 100,245	\$ 113,200	\$ 143,469	\$ 81,466	Rental revenues - cash*	4.8%	4.4%	4.4%	4.1%	6.1%
Trailing four quarters - % of NOI*	13.2%	13.0%	13.1%	13.5%	13.3%	Rental revenues - net effective	3.7%	3.1%	3.1%	3.6%	4.6%
Weighted average ownership percent	62.0%	65.8%	64.8%	60.4%	56.4%	Rental expenses	3.3%	2.1%	4.7%	5.4%	5.1%
Prologis share	\$ 49,200	\$ 65,947	\$ 73,373	\$ 86,710	\$ 45,957	Same store NOI - cash*	5.4%	5.2%	4.2%	3.7%	6.5%
						Same store NOI - cash - Prologis share*	6.3%	6.4%	5.4%	5.1%	7.9%
						Same store NOI - net effective*	3.9%	3.4%	2.6%	2.9%	4.4%
						Same store NOI - net effective - Prologis share*	5.0%	4.0%	3.8%	3.9%	5.3%
						Average occupancy	0.7%	0.5%	(0.3%)	(0.3%)	0.2%

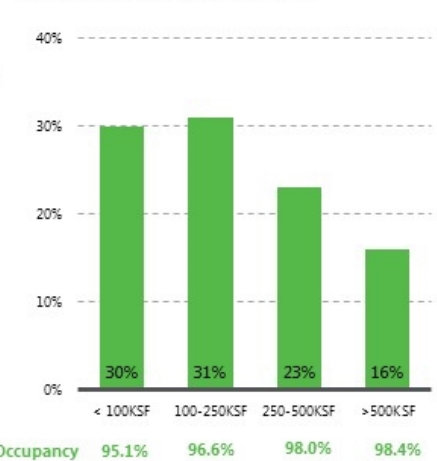
Property Improvements per Square Foot



Turnover Costs on Leases Commenced



Composition of Portfolio (by Unit Size)



* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.
(A) As disclosed in our press release dated January 17, 2018, we established our definition of these operating metrics to align on consistent methodologies with members of the industrial REIT group. The changes to the operating metrics were retroactively applied for all prior periods presented. See updated definitions in the Notes and Definitions.

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	55,241	15.1	99.2	99.6	99.3	99.7
New Jersey/New York City	127	31,768	23,474	6.4	99.5	99.4	99.5	99.4
San Francisco Bay Area	206	19,609	15,881	4.3	97.5	97.2	97.8	97.5
Chicago	208	36,104	25,762	7.0	97.1	96.9	97.8	97.4
Dallas/Ft. Worth	147	26,517	20,110	5.5	96.8	97.8	97.1	98.1
South Florida	123	14,554	9,604	2.6	95.0	95.2	95.0	95.2
Seattle	107	16,030	9,227	2.5	95.9	95.4	98.2	98.3
Central & Eastern PA	32	16,820	11,376	3.1	96.3	96.9	96.3	96.9
Atlanta	99	17,653	13,803	3.8	95.8	96.1	96.0	96.3
Central Valley	24	11,389	9,718	2.7	96.1	98.7	96.1	98.7
Houston	103	13,554	8,570	2.3	98.7	98.9	99.0	99.3
Las Vegas	59	8,479	5,809	1.6	97.2	97.4	98.7	98.6
Baltimore/Washington	63	7,530	4,953	1.4	96.4	97.6	96.8	97.8
Denver	30	5,538	4,880	1.3	100.0	100.0	100.0	100.0
Remaining U.S. markets (16 markets)	296	54,568	41,427	11.3	94.7	93.8	96.2	95.4
Total U.S.	1,977	352,798	259,835	70.9	97.2	97.4	97.7	97.9
Mexico	203	36,776	18,178	5.0	95.9	95.8	95.9	95.8
Canada	29	8,770	8,770	2.4	95.2	95.2	95.2	95.2
Brazil	23	9,747	7,223	2.0	85.3	83.1	85.3	83.1
Total Other Americas	255	55,293	34,171	9.4	93.9	93.0	93.9	93.0
United Kingdom	100	23,428	8,912	2.4	97.6	97.7	97.6	97.7
France	124	31,990	12,659	3.5	93.0	93.4	94.4	94.3
Germany	96	23,154	7,000	1.9	98.7	98.6	98.7	98.6
Netherlands	71	18,456	6,679	1.8	99.3	99.2	99.3	99.2
Poland	108	24,213	8,884	2.4	94.8	94.6	97.1	97.4
Spain	38	8,120	3,892	1.1	97.1	96.9	97.1	96.9
Czech Republic	56	11,093	3,863	1.0	98.9	99.0	99.0	99.1
Remaining European countries (5 countries)	131	28,967	10,949	3.0	96.8	97.1	97.0	97.3
Total Europe	724	169,421	62,838	17.1	96.6	96.6	97.2	97.2
Japan	41	29,296	5,407	1.5	98.1	97.3	98.9	99.0
China	66	16,106	3,301	0.9	95.9	94.1	98.0	97.6
Singapore	5	969	969	0.2	100.0	100.0	100.0	100.0
Total Asia	112	46,371	9,677	2.6	97.4	96.5	98.6	98.6
Total Outside the U.S.	1,091	271,085	106,686	29.1	96.2	95.4	96.8	96.0
Total Operating Portfolio	3,068	623,883	366,521	100.0	96.8	96.8	97.3	97.3
Total Global markets	2,515	527,039	303,099	82.7	96.9	97.1	97.3	97.5
Total Regional markets	549	96,291	62,879	17.2	96.2	95.3	97.2	96.5
Total Other markets	4	553	543	0.1	95.1	95.3	95.1	95.3

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

	First Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Southern California	\$ 110,845	\$ 83,610	17.1	\$ 7,169,490	\$ 5,278,821	18.4
New Jersey/New York City	56,828	41,806	8.6	3,287,081	2,300,264	8.0
San Francisco Bay Area	42,024	33,794	6.9	2,113,669	1,692,272	5.9
Chicago	37,893	25,859	5.3	2,485,645	1,721,190	6.0
Dallas/Ft. Worth	27,229	20,530	4.2	1,541,161	1,110,738	3.9
South Florida	23,357	15,565	3.2	1,544,104	1,047,950	3.7
Seattle	25,210	14,273	2.9	1,580,347	903,577	3.2
Central & Eastern PA	18,653	12,693	2.6	1,107,931	726,586	2.5
Atlanta	15,339	11,748	2.4	860,066	646,320	2.3
Central Valley	12,245	10,942	2.2	681,456	571,905	2.0
Houston	16,358	10,284	2.1	908,936	520,877	1.8
Las Vegas	12,240	8,411	1.7	632,994	422,199	1.5
Baltimore/Washington	11,809	7,950	1.6	680,280	426,024	1.5
Denver	6,762	5,905	1.2	351,429	303,577	1.1
Remaining U.S. markets (16 markets)	53,122	39,463	8.1	2,892,076	2,106,300	7.4
Total U.S.	469,924	342,833	70.1	27,837,665	19,778,600	69.2
Mexico	43,749	21,539	4.4	2,170,565	1,065,142	3.7
Canada	10,702	10,702	2.2	726,016	726,016	2.5
Brazil	13,828	9,847	2.0	715,321	534,966	1.9
Total Other Americas	68,279	42,088	8.6	3,611,902	2,326,124	8.1
United Kingdom	49,937	18,309	3.7	3,368,549	1,196,427	4.2
France	36,200	13,766	2.8	2,578,728	930,519	3.3
Germany	33,656	10,249	2.1	2,002,374	586,633	2.1
Netherlands	28,136	9,784	2.0	1,743,858	598,896	2.1
Poland	23,014	8,600	1.8	1,557,404	549,454	1.9
Spain	12,166	5,823	1.2	668,970	323,942	1.1
Czech Republic	13,842	4,821	1.0	844,179	285,651	1.0
Remaining European countries (5 countries)	33,331	12,135	2.5	2,006,901	739,585	2.5
Total Europe	230,282	83,487	17.1	14,770,963	5,211,107	18.2
Japan	72,881	15,428	3.2	5,485,177	984,271	3.4
China	16,285	2,998	0.6	837,289	163,639	0.6
Singapore	2,061	2,061	0.4	142,388	142,388	0.5
Total Asia	91,227	20,487	4.2	6,464,854	1,290,298	4.5
Total Outside the U.S.	389,788	146,062	29.9	24,847,719	8,827,529	30.8
Total Operating Portfolio	\$ 859,712	\$ 488,895	100.0	\$ 52,685,384	\$ 28,606,129	100.0
Total Global markets	754,270	421,877	86.3	47,048,732	25,094,585	87.7
Total Regional markets	104,961	66,543	13.6	5,600,888	3,476,661	12.2
Total Other markets	481	475	0.1	35,764	34,883	0.1

square feet and dollars in thousands

	Square Feet				Occupied %		Leased %	
	# of Buildings	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Consolidated								
Total U.S.	1,427	265,248	235,234	64.2	97.2	97.4	97.8	97.9
Total Outside the U.S.	95	28,181	28,181	7.7	92.6	92.6	93.1	93.1
Total Operating Portfolio - Consolidated	1,522	293,429	263,415	71.9	96.8	96.9	97.4	97.4
Unconsolidated								
Total U.S.	550	87,550	24,601	6.7	97.1	97.1	97.5	97.5
Total Outside the U.S.	996	242,904	78,505	21.4	96.6	96.4	97.2	97.0
Total Operating Portfolio - Unconsolidated	1,546	330,454	103,106	28.1	96.7	96.6	97.3	97.1
Total								
Total U.S.	1,977	352,798	259,835	70.9	97.2	97.4	97.7	97.9
Total Outside the U.S.	1,091	271,085	106,686	29.1	96.2	95.4	96.8	96.0
Total Operating Portfolio	3,068	623,883	366,521	100.0	96.8	96.8	97.3	97.3
Value added properties - consolidated	8	2,294	1,987		21.3	24.6	21.3	24.6
Value added properties - unconsolidated	2	388	109		47.1	47.1	47.1	47.1
Total Operating Properties	3,078	626,565	368,617		96.4	96.4	97.0	96.9

	First Quarter NOP*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Consolidated						
Total U.S.	\$ 351,356	\$ 309,516	63.3	\$ 20,348,567	\$ 17,674,163	61.8
Total Outside the U.S.	35,620	35,620	7.3	2,192,373	2,192,373	7.6
Total Operating Portfolio - Consolidated	\$ 386,976	\$ 345,136	70.6	\$ 22,540,940	\$ 19,866,536	69.4
Unconsolidated						
Total U.S.	\$ 118,568	\$ 33,317	6.8	\$ 7,489,098	\$ 2,104,437	7.4
Total Outside the U.S.	354,168	110,442	22.6	22,655,346	6,635,156	23.2
Total Operating Portfolio - Unconsolidated	\$ 472,736	\$ 143,759	29.4	\$ 30,144,444	\$ 8,739,593	30.6
Total						
Total U.S.	\$ 469,924	\$ 342,833	70.1	\$ 27,837,665	\$ 19,778,600	69.2
Total Outside the U.S.	389,788	146,062	29.9	24,847,719	8,827,529	30.8
Total Operating Portfolio	\$ 859,712	\$ 488,895	100.0	\$ 52,685,384	\$ 28,606,129	100.0
Value added properties - consolidated	(192)	(53)		187,592	154,904	
Value added properties - unconsolidated	(430)	(121)		55,628	15,631	
Total Operating Properties	\$ 859,090	\$ 488,721		\$ 52,928,604	\$ 28,776,664	

square feet and dollars in thousands

Top Customers - Owned and Managed

	% of Net Effective Rent	Total Square Feet
1 Amazon.com	3.1	16,619
2 DHL	1.4	9,519
3 Geodis	1.3	9,203
4 XPO Logistics	1.2	8,610
5 Kuehne + Nagel	1.0	6,383
6 Home Depot	1.0	6,458
7 DSV Air and Sea Inc.	1.0	5,200
8 FedEx	0.9	3,403
9 CEVA Logistics	0.8	5,477
10 Wal-Mart	0.7	4,401
Top 10 Customers	12.4	75,273
11 UPS	0.7	3,614
12 Nippon Express	0.7	2,692
13 BMW	0.6	3,806
14 DB Schenker	0.6	4,197
15 Hitachi	0.5	2,145
16 Ingram Micro	0.5	3,912
17 U.S. Government	0.5	1,143
18 Panalpina	0.4	2,385
19 PepsiCo	0.4	2,754
20 Office Depot	0.3	2,078
21 Yusen Logistics	0.3	1,833
22 APL Logistics	0.3	2,627
23 Best Buy	0.3	1,971
24 Kimberly-Clark Corporation	0.3	2,841
25 Tesco	0.3	1,427
Top 25 Customers	19.1	114,698

Lease Expirations - Operating Portfolio - Owned and Managed

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2018	65,005	340,796	9.9	5.24
2019	97,289	510,754	14.8	5.25
2020	94,871	527,721	15.3	5.56
2021	83,804	467,617	13.6	5.58
2022	82,007	479,772	14.0	5.85
Thereafter	180,644	1,113,235	32.4	6.16
	603,620	\$ 3,439,895	100.0	5.70

Lease Expirations - Operating Portfolio - Prologis Share

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2018	36,549	191,281	9.6	5.23
2019	58,058	291,210	14.7	5.02
2020	48,716	267,075	13.5	5.48
2021	52,604	285,242	14.4	5.42
2022	48,785	278,655	14.1	5.71
Thereafter	110,039	668,955	33.7	6.08
	354,751	\$ 1,982,418	100.0	5.59

(dollars in millions)

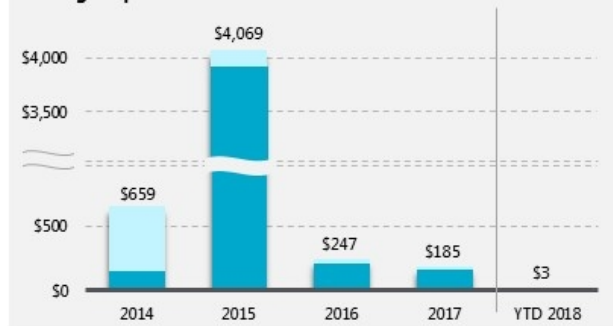
Development Starts (TEI)



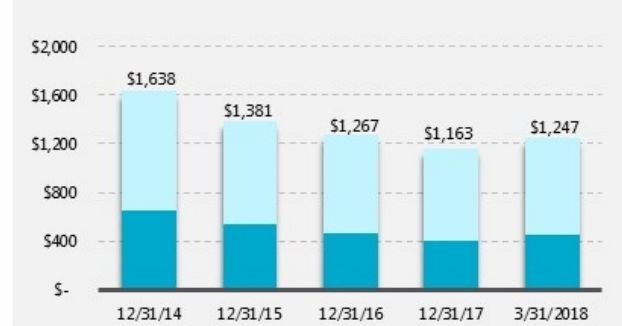
Development Stabilizations (TEI)



Building Acquisitions



Land Portfolio



■ U.S. ■ Outside the U.S.

square feet and dollars in thousands

	Q1 2018		
	Square Feet	TEI	
		Owned and Managed	Prologis Share
Central	716	\$ 36,534	\$ 36,534
East	-	-	-
West	-	-	-
Total U.S.	716	36,534	36,534
Canada	-	-	-
Mexico	-	-	-
Brazil	-	-	-
Total Other Americas	-	-	-
Northern Europe	1,035	93,378	93,378
Southern Europe	1,007	70,881	70,881
Central Europe	364	22,261	19,003
United Kingdom	1,140	131,411	92,282
Total Europe	3,546	317,931	275,544
Japan	543	122,467	122,467
China	631	37,073	5,561
Singapore	-	-	-
Total Asia	1,174	159,540	128,028
Total Outside the U.S.	4,720	477,471	403,572
Total Development Stabilizations	5,436	\$ 514,005	\$ 440,106
Percent build to suit			58.1%
Estimated weighted average stabilized yield			5.9%
Annualized estimated NOI		\$	26,140
Estimated weighted average stabilized cap rate			4.5%
Estimated weighted average margin			29.6%
Estimated value creation		\$	130,134

square feet and dollars in thousands

	Q1 2018			
	Square Feet	Leased % at Start	T E I	
			Owned and Managed	Prologis Share
Central	385	0.0	\$ 27,469	\$ 27,469
East	-	-	-	-
West	857	0.0	76,846	76,846
Total U.S.	1,242	0.0	104,315	104,315
Canada	-	-	-	-
Mexico	559	100.0	39,320	39,320
Brazil	-	-	-	-
Total Other Americas	559	100.0	39,320	39,320
Northern Europe	1,087	100.0	104,239	104,239
Southern Europe	-	-	-	-
Central Europe	539	44.3	32,760	32,760
United Kingdom	291	27.5	44,743	27,105
Total Europe	1,917	73.3	181,742	164,104
Japan	679	100.0	101,310	101,310
China	-	-	-	-
Total Asia	679	100.0	101,310	101,310
Total Outside the U.S.	3,155	83.8	322,372	304,734
Total Development Starts	4,397	60.1	\$ 426,687	\$ 409,049
Percent build to suit				63.4%
Estimated weighted average stabilized yield				6.1%
Annualized estimated NOI				\$ 25,140
Estimated weighted average stabilized cap rate				5.1%
Estimated weighted average margin				18.0%
Estimated value creation				\$ 73,760

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
Central	825	76.5	\$ 64,253	\$ 64,253	2,466	\$ 156,293	\$ 122,584	-	\$ -	\$ -	3,291	62.8	\$ 220,546	\$ 186,837
East	358	0.0	52,803	52,803	1,487	187,198	170,474	757	61,306	61,306	2,602	86.2	301,307	284,583
West	2,847	74.3	224,703	202,850	5,522	584,774	584,774	857	76,846	76,846	9,226	49.6	886,323	864,470
Total U.S.	4,030	68.1	341,759	319,906	9,475	928,265	877,832	1,614	138,152	138,152	15,119	58.8	1,408,176	1,335,890
Canada	-	-	-	-	249	25,828	25,828	-	-	-	249	0.0	25,828	25,828
Mexico	723	31.1	43,441	43,441	1,689	115,449	115,449	559	39,320	39,320	2,971	69.5	198,210	198,210
Brazil	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Americas	723	31.1	43,441	43,441	1,938	141,277	141,277	559	39,320	39,320	3,220	64.1	224,038	224,038
Northern Europe	436	73.2	36,515	36,515	2,851	240,418	195,575	-	-	-	3,287	77.0	276,933	232,090
Southern Europe	515	22.4	40,736	40,736	1,893	153,497	153,497	-	-	-	2,408	72.8	194,233	194,233
Central Europe	156	0.0	12,153	12,153	1,876	124,705	124,705	-	-	-	2,032	59.3	136,858	136,858
United Kingdom	116	0.0	14,478	2,172	1,064	211,659	52,141	-	-	-	1,180	6.8	226,137	54,313
Total Europe	1,223	35.5	103,882	91,576	7,684	730,279	525,918	-	-	-	8,907	62.5	834,161	617,494
Japan	652	6.6	97,712	97,712	3,002	483,326	483,326	939	137,990	137,990	4,593	59.2	719,028	719,028
China	6,825	63.0	397,536	59,630	4,524	273,534	410,300	3,544	206,008	30,902	14,893	28.8	877,078	131,562
Singapore	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Asia	7,477	58.0	495,248	157,342	7,526	756,860	524,356	4,483	343,998	168,892	19,486	36.0	1,596,106	850,590
Total Outside the U.S.	9,423	53.0	642,571	292,359	17,148	1,628,416	1,191,551	5,042	383,318	208,212	31,613	46.3	2,654,305	1,692,122
Total Development Portfolio	13,453	57.6	\$ 984,330	\$ 612,265	26,623	\$ 2,556,681	\$ 2,069,383	6,656	\$ 521,470	\$ 346,364	46,732	50.4	\$ 4,062,481	\$ 3,028,012
Cost to complete			\$ 108,747	\$ 75,549		\$ 1,006,195	\$ 847,482		\$ 374,587	\$ 252,668			\$ 1,489,529	\$ 1,175,699
Percent build to suit				0.0%			44.4%			68.9%				38.2%
Estimated weighted average stabilized yield														
U.S.				6.3%			6.0%			5.8%				6.0%
Other Americas				8.1%			7.4%			8.6%				7.8%
Europe				6.3%			6.4%			-				6.4%
Asia				6.4%			6.1%			6.2%				6.2%
Total				6.9%			6.2%			6.3%				6.3%
Annualized estimated NOI														\$189,894
Estimated weighted average stabilized cap rate														5.0%
Estimated weighted average margin														23.2%
Estimated value creation														\$702,641

square feet and dollars in thousands	Q1 2018			
	Square Feet		Acquisition Price	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Prologis Targeted U.S. Logistics Fund	183	51	\$ 12,434	\$ 3,494
Total U.S.	183	51	12,434	3,494
Total Outside the U.S.	-	-	-	-
Total Third Party Building Acquisitions	183	51	\$ 12,434	\$ 3,494
Weighted average stabilized cap rate				6.1%

square feet and dollars in thousands

	Q1 2018			
	Square Feet		Sales Price	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Third-Party Building Dispositions				
Prologis Wholly Owned	413	413	\$ 29,185	\$ 29,185
Prologis U.S. Logistics Venture	411	226	16,994	9,354
Prologis Targeted U.S. Logistics Fund	270	76	16,063	4,514
Total U.S.	1,094	715	62,242	43,053
Total Other Americas	-	-	-	-
Prologis Wholly Owned	479	479	23,376	23,376
Prologis European Logistics Fund	2,458	652	192,629	51,065
Prologis European Logistics Partners	2,702	1,351	129,645	64,822
Total Europe	5,639	2,482	345,650	139,263
Total Asia	-	-	-	-
Total Outside the U.S.	5,639	2,482	345,650	139,263
Total Third Party Building Dispositions	6,733	3,197	\$ 407,892	\$ 182,316
Building Contributions to Co-Investment Ventures				
Total U.S.	-	-	-	-
Total Other Americas	-	-	\$ -	\$ -
Prologis European Logistics Fund	1,176	1,176	106,527	78,287
Total Europe	1,176	1,176	106,527	78,287
Nippon Prologis REIT	1,901	1,901	407,885	346,213
Total Asia	1,901	1,901	407,885	346,213
Total Outside the U.S.	3,077	3,077	514,412	424,500
Total Building Dispositions and Contributions	9,810	6,274	\$ 922,304	\$ 606,816
Weighted average stabilized cap rate				5.2%
Land dispositions			12,918	12,918
Dispositions of other investments in real estate			25,921	22,084
Grand Total Dispositions and Contributions			\$ 961,143	\$ 641,818

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	54	50	874	\$ 11,841	\$ 9,979	0.8
New Jersey/New York City	56	34	649	27,753	18,413	1.5
San Francisco Bay Area	30	30	560	23,452	23,452	1.9
Chicago	151	151	3,007	15,380	15,380	1.2
Dallas/Ft. Worth	38	38	1,079	7,863	7,863	0.6
South Florida	175	174	3,417	124,800	124,574	10.0
Seattle	9	9	382	13,860	13,860	1.1
Central & Eastern PA	29	29	399	7,875	7,875	0.6
Atlanta	130	130	1,555	10,908	10,908	0.9
Central Valley	1,046	1,046	20,783	110,055	110,055	8.8
Houston	163	151	2,652	19,110	17,468	1.4
Las Vegas	87	87	1,747	17,521	17,521	1.4
Baltimore/Washington	41	41	480	21,690	21,690	1.7
Denver	18	18	278	7,283	7,283	0.6
Remaining U.S. markets (16 markets)	341	334	5,902	41,114	40,263	3.2
Total U.S.	2,368	2,322	43,764	460,505	446,584	35.7
Mexico	477	469	8,429	94,852	92,928	7.4
Canada	159	159	3,181	43,762	43,762	3.5
Brazil	531	490	11,950	169,118	151,509	12.2
Total Other Americas	1,167	1,118	23,560	307,732	288,199	23.1
United Kingdom	300	165	5,570	249,837	110,583	8.9
France	261	201	5,112	51,880	38,924	3.1
Germany	45	38	974	13,828	12,332	1.0
Netherlands	39	39	1,154	25,823	25,823	2.1
Poland	506	473	9,188	68,262	59,903	4.8
Spain	101	82	2,632	41,293	35,817	2.9
Czech Republic	102	98	2,179	21,356	19,906	1.6
Remaining European countries (5 countries)	599	570	11,187	70,899	66,588	5.3
Total Europe	1,953	1,666	37,996	543,178	369,876	29.7
Japan	81	81	4,851	130,400	130,400	10.5
China	212	32	7,755	82,874	12,431	1.0
Singapore	-	-	-	-	-	0.0
Total Asia	293	113	12,606	213,274	142,831	11.5
Total Outside the U.S.	3,413	2,897	74,162	1,064,184	800,906	64.3
Total Land Portfolio	5,781	5,219	117,926	1,524,689	1,247,490	100.0

dollars in thousands	Acres			Current Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Central	504	491	9.4	\$ 48,262	\$ 46,621	3.7
East	510	488	9.4	206,554	196,989	15.8
West	1,354	1,343	25.7	205,689	202,974	16.2
Total U.S.	2,368	2,322	44.5	460,505	446,584	35.7
Mexico	477	469	9.0	94,852	92,928	7.4
Canada	159	159	3.0	43,762	43,762	3.5
Brazil	531	490	9.4	169,118	151,509	12.2
Total Other Americas	1,167	1,118	21.4	307,732	288,199	23.1
Central Europe	1,089	1,033	19.8	136,366	124,736	10.0
Northern Europe	132	123	2.3	55,390	53,223	4.3
Southern Europe	432	345	6.6	101,585	81,334	6.5
United Kingdom	300	165	3.2	249,837	110,583	8.9
Total Europe	1,953	1,666	31.9	543,178	369,876	29.7
Japan	81	81	1.6	130,400	130,400	10.5
China	212	32	0.6	82,874	12,431	1.0
Total Asia	293	113	2.2	213,274	142,831	11.5
Total Outside the U.S.	3,413	2,897	55.5	1,064,184	800,906	64.3
Total Land Portfolio	5,781	5,219	100.0	\$ 1,524,689	\$ 1,247,490	100.0
Estimated build out of land portfolio (in TEI)				\$ 9,200,000	\$ 8,200,000	
Estimated build out of other land (in TEI) (A)				\$ 2,200,000	\$ 2,100,000	
Total				\$ 11,400,000	\$ 10,300,000	

Land Roll Forward - Prologis Share	U.S.	Other Americas	Europe	Asia	Total
As of December 31, 2017	\$ 396,901	\$ 307,615	\$ 315,429	\$ 142,578	\$ 1,162,523
Acquisitions	56,505	-	86,259	-	142,764
Dispositions	-	(5,076)	(13,265)	-	(18,341)
Development starts	(29,427)	(15,646)	(36,485)	(13,412)	(94,970)
Infrastructure costs	21,003	3,698	8,655	5,928	39,284
Effect of changes in foreign exchange rates and other	1,602	(2,392)	9,283	7,737	16,230
As of March 31, 2018	\$ 446,584	\$ 288,199	\$ 369,876	\$ 142,831	\$ 1,247,490

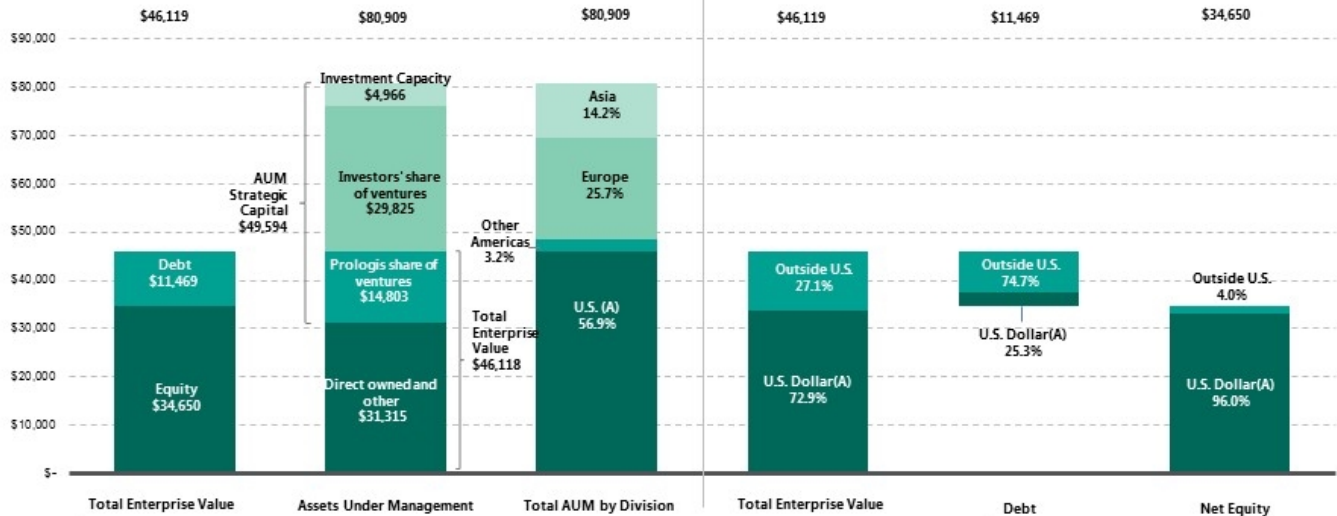


(A) Amounts include approximately 1,900 acres that we currently control through options, ground leases, unconsolidated joint ventures and other contractual arrangements.

Copyright © 2018 Prologis

Assets Under Management
(dollars in millions)

U.S. Dollar Exposure
(dollars in millions)



Prologis Share - Debt Metrics (B)		
	March 31, 2018	December 31, 2017
Debt as % of gross real estate assets*	33.5%	33.6%
Debt as % of gross market capitalization*	24.1%	23.7%
Secured debt as % of gross real estate assets*	5.2%	5.4%
Unencumbered gross real estate assets to unsecured debt*	291.5%	291.3%
Fixed charge coverage ratio*	7.67x	6.71x
Fixed charge coverage ratio, excluding development gains*	6.30x	5.78x
Debt/Adjusted EBITDA*	4.20x	4.55x
Debt/Adjusted EBITDA, excluding development gains*	5.12x	5.29x
Weighted average interest rate	2.8%	3.0%
Weighted average remaining maturity in years	5.1	5.3
Credit Ratings at March 31, 2018 (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.

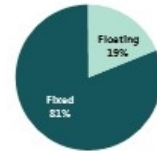
(A) Mexico is included in the U.S. as it is U.S. dollar functional.

(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.

Debt

Fixed vs. Floating Debt - Prologis Share



Unencumbered Assets - Prologis Share
(in billions)



Copyright © 2018 Prologis

dollars in thousands

Maturity	Unsecured			Secured Mortgage	Total	% Ownership	Wtd. Avg. Interest Rate	% Fixed
	Senior	Credit Facilities (A)	Other					
2018	\$ -	\$ -	\$ 935	\$ 163,553	\$ 164,488	100%	4.2%	100%
2019	-	-	1,013	446,323	447,336	86%	5.6%	89%
2020	1,232,100	-	1,077	12,402	1,245,579	100%	1.0%	60%
2021	862,470	336,848	910	14,695	1,214,923	100%	1.9%	72%
2022	862,470	-	470,464	10,705	1,343,639	100%	2.4%	65%
2023	850,000	-	790,592	33,757	1,674,349	100%	2.9%	61%
2024	862,470	-	874	133,442	996,786	100%	4.1%	100%
2025	750,000	-	950	140,520	891,470	100%	3.9%	100%
2026	616,050	-	591	1,233	617,874	100%	3.1%	100%
2027	-	-	68,272	1,170	69,442	99%	1.1%	100%
2028	-	-	45,769	-	45,769	100%	1.1%	100%
Thereafter	704,138	-	98,293	-	802,431	100%	2.7%	100%
Subtotal	6,739,698	336,848	1,479,740	957,800	9,514,086	99%	2.8%	79%
Unamortized net premiums (discounts)	(19,082)	-	-	3,439	(15,643)			
Unamortized finance costs	(24,869)	-	(9,891)	(3,506)	(38,266)			
Total consolidated debt, net of premium (discount)	\$ 6,695,747	\$ 336,848	\$ 1,469,849	\$ 957,733	\$ 9,460,177			
Weighted average interest rate	2.7%	2.4%	1.2%	5.3%	2.8%			
Weighted average remaining maturity in years	5.5	3.0	6.0	3.1	5.2			

Prologis debt by local currency									Liquidity	
	Senior	Credit Facilities	Other	Secured Mortgage	Total	Investment Hedges (B)	Total	% of Total		
Dollars	\$ 1,586,815	\$ 160,000	\$ 11,976	\$ 807,580	\$ 2,566,371	\$ (633,224)	\$ 1,933,147	20%	Aggregate lender commitments- GLOC and revolver	\$ 3,563,036
Euro	4,409,148	12,321	-	-	4,421,469	236,374	4,657,843	49%	Less:	
GBP	699,784	21,124	-	-	720,908	108,244	829,152	9%	Borrowings outstanding	336,848
Yen	-	-	1,326,536	-	1,326,536	133,894	1,460,430	15%	Outstanding letters of credit	34,619
CAD	-	143,403	131,337	150,153	424,893	154,712	579,605	6%	Current availability- credit facilities	3,191,569
Other	-	-	-	-	-	-	-	0%	Cash and cash equivalents	458,099
Total Debt	\$ 6,695,747	\$ 336,848	\$ 1,469,849	\$ 957,733	\$ 9,460,177	\$ -	\$ 9,460,177	100%	Total liquidity	\$ 3,649,668

- (A) The maturity for the global senior credit facility and revolver (\$337 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	\$ -	\$ 294	\$ 294	3.4%	100%	\$ 18,049	\$ 22,049	\$ 40,098	1.8%	76%
2019	-	64,289	64,289	2.9%	65%	60,526	77,679	138,205	3.4%	39%
2020	-	2,832	2,832	3.0%	100%	197,482	195,366	392,848	4.2%	94%
2021	-	379	379	3.5%	100%	102,034	211,972	314,006	3.7%	99%
2022	-	392	392	3.5%	100%	272,193	103,504	375,697	3.3%	98%
2023	-	405	405	3.5%	100%	176,310	107,363	283,673	3.1%	88%
2024	-	419	419	3.5%	100%	109,948	38,534	148,482	3.0%	97%
2025	-	434	434	3.5%	100%	131,088	2,511	133,599	1.7%	99%
2026	-	449	449	3.5%	100%	33,099	46,771	79,870	3.1%	99%
2027	-	426	426	3.5%	100%	64,748	-	64,748	2.0%	100%
2028	-	-	-	-	-	114,750	-	114,750	1.7%	100%
Thereafter	-	-	-	-	-	1,422	-	1,422	0.9%	100%
Subtotal	\$ -	\$ 70,319	\$ 70,319	2.9%	68%	\$ 1,281,649	\$ 805,749	\$ 2,087,398	3.2%	92%
Unamortized net premiums (discounts)	-	308	308			(937)	4,190	3,253		
Unamortized finance costs	-	(49)	(49)			(8,812)	(2,711)	(11,523)		
Noncontrolling interests share and Prologis share of unconsolidated debt	\$ -	\$ 70,578	\$ 70,578			\$ 1,271,900	\$ 807,228	\$ 2,079,128		
Weighted average interest rate	-	2.9%	2.9%			2.8%	3.9%	3.2%		
Weighted average remaining maturity in years	-	1.5	1.5			5.0	3.5	4.4		

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	\$ -	\$ 70,578	\$ 70,578	100%	\$ 650,197	\$ 505,654	\$ 1,155,851	\$ (115,050)	\$ 1,040,801	50%	
Euro	-	-	-	-	332,205	131,594	463,799	79,530	543,329	26%	
GBP	-	-	-	-	-	146,667	146,667	-	146,667	7%	
Yen	-	-	-	-	289,498	-	289,498	-	289,498	14%	
CAD	-	-	-	-	-	-	-	-	-	0%	
Other	-	-	-	-	-	23,313	23,313	35,520	58,833	3%	
Total Debt	\$ -	\$ 70,578	\$ 70,578	100%	\$ 1,271,900	\$ 807,228	\$ 2,079,128	\$ -	\$ 2,079,128	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 \$328 million) is reflected at the extended maturity dates as the extensions are 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 usdands, 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.	235,234	\$ 17,674,163	\$ 75	\$ 311,762	\$ 311,762	\$ 1,247,048	97.4%
Other Americas	17,888	1,354,907	76	23,468	23,468	93,872	90.3%
Europe	7,131	467,811	66	8,146	8,146	32,584	97.8%
Asia	3,162	369,655	117	5,499	5,499	21,996	94.1%
Pro forma adjustments for mid-quarter acquisitions/development completions					1,061	4,244	
Total consolidated operating portfolio	263,415	19,866,536	75	348,875	349,936	1,399,744	96.9%
Unconsolidated Operating Portfolio							
U.S.	24,601	2,104,437	86	33,041	33,041	132,164	97.1%
Other Americas	16,283	971,217	60	19,765	19,765	79,060	95.9%
Europe	55,707	4,743,296	85	76,860	76,860	307,440	96.4%
Asia	6,515	920,643	141	12,886	12,886	51,544	97.7%
Pro forma adjustments for mid-quarter acquisitions/development completions					926	3,704	
Total unconsolidated operating portfolio	103,106	8,739,593	85	142,552	143,478	573,912	96.6%
Total Operating Portfolio	366,521	\$ 28,606,129	\$ 78	\$ 491,427	\$ 493,414	\$ 1,973,656	96.8%
Development							
	Square Feet	Investment Balance	TEI	TEI per Sq Ft		Annualized Estimated NOI	Percent Occupied
Consolidated Prestabilized							
U.S.	3,759	\$ 265,495	\$ 319,906	\$ 85		\$ 20,201	27.1%
Other Americas	723	34,371	43,441	60		3,531	31.1%
Europe	1,107	74,594	89,404	81		5,615	39.2%
Asia	652	92,029	97,712	150		5,803	6.6%
							27.6%
Properties under development							
U.S.	10,069	522,434	1,006,462	100		59,875	
Other Americas	2,496	116,135	180,597	72		13,915	
Europe	6,018	234,057	481,592	80		30,874	
Asia	3,941	317,522	621,316	158		37,189	
Total consolidated development portfolio	28,765	1,656,637	2,840,430	99		\$ 177,003	
Unconsolidated							
U.S.	429	3,484	9,522	22		\$ 564	
Other Americas	-	-	-	-		-	
Europe	361	30,049	46,498	129		2,750	
Asia	2,234	88,966	131,562	59		9,577	
Total unconsolidated development portfolio	3,024	122,499	187,582	62		\$ 12,891	
Total Development Portfolio	31,789	\$ 1,779,136	\$ 3,028,012	\$ 95		\$ 189,894	
Prologis share of estimated value creation (see Capital Deployment - Development Portfolio)		702,641					
Total development portfolio, including estimated value creation		\$ 2,481,777					



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

Copyright © 2018 Prologis

In thousands

Balance Sheet and Other Items		As of March 31, 2018	
Consolidated			
Other assets			
Cash and cash equivalents	\$		458,099
Restricted cash			4,810
Accounts receivable, prepaid assets and other tangible assets			826,048
Other real estate investments and assets held for sale			617,432
Prologis share of value added operating properties			170,535
Prologis receivable from unconsolidated co-investment ventures			304,045
Investments in and advances to other unconsolidated joint ventures			207,994
Less: noncontrolling interests share of other assets			(87,791)
Total other assets	\$		2,490,772
Other liabilities			
Accounts payable and other current liabilities	\$		692,853
Deferred income taxes			51,079
Value added tax and other tax liabilities			32,777
Tenant security deposits			219,103
Other liabilities			404,184
Less: noncontrolling interests share of other liabilities			(61,903)
Total liabilities	\$		1,338,093
Unconsolidated			
Prologis share of net tangible other assets	\$		109,143
Land			
Current book value of land	\$		1,231,759
Less: noncontrolling interests share of the current book value of land			(73,330)
Prologis share of book value of land in unconsolidated co-investment ventures			39,061
Total land portfolio	\$		1,247,490
Strategic Capital / Development Management			
		First Quarter	Annualized
Strategic Capital			
Third party share of asset management fees from consolidated and unconsolidated co-investment ventures	\$	37,221	148,884
Third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months)		8,345	33,087
Strategic capital expenses for asset management and other transactional fees (annualized based on estimated 12 months)		(15,204)	(56,116)
Total strategic capital	\$	30,362	125,855
Promotes, net of expenses (trailing 12 months) (A)	\$	50,096	140,728
Development management income (trailing 12 months)	\$	4,752	18,679
Debt (at par) and Preferred Stock			
Debt			
Consolidated debt	\$		9,514,086
Noncontrolling interests share of consolidated debt			(70,319)
Prologis share of unconsolidated co-investment ventures debt			2,087,388
Total debt			11,531,165
Preferred stock			68,948
Total debt and preferred stock	\$		11,600,113
Outstanding shares of common stock and limited operating partnership units			548,987



(A) For the quarter, promote revenue was \$62.5 million, promote cash expense was \$7.9 million and promote amortization expense was \$4.6 million.

Copyright © 2018 Prologis



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 Price, 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 a non-Generally Accepted Accounting Principles ("GAAP") financial measure and 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	\$ 555,943
Rental expenses	(142,941)
NOI	413,002
Net termination fees and adjustments (a)	(4,303)
Less: actual NOI for development portfolio and other	(13,558)
Less: property management fees	(4,651)
Less: properties contributed or sold (b)	(3,186)
Less: noncontrolling interests share of NOI	(42,168)
Prologis share of adjusted NOI for consolidated Operating Portfolio at March 31, 2018	345,136
Straight-line rents (c)	(10,670)
Free rent (c)	13,866
Amortization of lease intangibles (d)	624
Effect of foreign currency exchange (d)	(345)
Less: noncontrolling interests and other	264
First quarter Adjusted Cash NOI (Actual)	\$ 348,875

(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 (Actual) 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-line 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 attributable to common stockholders/unitholders ("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, 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, 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.

We calculate our Adjusted EBITDA, based on our proportionate ownership share of both our unconsolidated and consolidated ventures. We reflect our share of our Adjusted EBITDA 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 Adjusted EBITDA measures to remove the noncontrolling interests share of the applicable reconciling items based on our average ownership percentage for the applicable periods.

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 TEI 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 Investment Capacity and the third party investors' share of the estimated fair value of the assets in the co-investment ventures to Enterprise Value.

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, Net Promotes 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 F Per Share Amounts

in thousands, except per share amount	Three Months Ended Mar. 31,	
	2018	2017
Net earnings		
Net earnings attributable to common stockholders	\$ 365,902	\$ 203,255
Noncontrolling interest attributable to exchangeable limited partnership units	10,699	5,967
Adjusted net earnings attributable to common stockholders - Diluted	\$ 376,595	\$ 209,222
Weighted average common shares outstanding - Basic	532,185	528,721
Incremental weighted average effect on exchange of limited partnership units	16,270	16,455
Incremental weighted average effect of equity awards	5,668	4,834
Weighted average common shares outstanding - Diluted	554,123	550,010
Net earnings per share - Basic	\$ 0.69	\$ 0.38
Net earnings per share - Diluted	\$ 0.68	\$ 0.38
Core FFO		
Core FFO attributable to common stockholders/unit holders	\$ 443,120	\$ 346,752
Noncontrolling interest attributable to exchangeable limited partnership units	370	941
Core FFO attributable to common stockholders/unit holders - Diluted	\$ 443,490	\$ 347,693
Weighted average common shares outstanding - Basic	532,185	528,721
Incremental weighted average effect on exchange of limited partnership units	16,270	16,455
Incremental weighted average effect of equity awards	5,668	4,834
Weighted average common shares outstanding - Diluted	554,123	550,010
Core FFO per share - Diluted	\$ 0.80	\$ 0.63

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:

	Indenture		Global Line	
	Covenant	Actual	Covenant	Actual
Leverage ratio	<60%	28.3%	<60%	23.9%
Fixed charge coverage ratio	>1.5x	10.13x	>1.5x	10.03x
Secured debt leverage ratio	<40%	2.9%	<40%	2.5%
Unencumbered asset to unsecured debt ratio	>150%	297.4%	N/A	N/A
Unencumbered debt service coverage ratio	N/A	N/A	>150%	1333.0%

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

dollars in thousands	Three Months Ended	
	Mar. 31,	Dec. 31,
	2018	2017
Debt as a % of gross real estate assets:		
Consolidated debt (at par)	\$ 9,514,086	\$ 9,469,106
Noncontrolling interests share of consolidated debt (at par)	(70,319)	(70,422)
Prologis share of unconsolidated debt (at par)	2,087,398	2,040,271
Total Prologis share of debt (at par)	11,531,165	11,438,955
Prologis share of outstanding foreign currency derivatives	2,442	4,965
Consolidated cash and cash equivalents	(458,099)	(447,046)
Noncontrolling interests share of consolidated cash and cash equivalents	56,594	55,827
Prologis share of unconsolidated cash and cash equivalents	(155,808)	(132,276)
Total Prologis share of debt, net of adjustments	\$ 10,976,294	\$ 10,920,425
Consolidated gross real estate assets	26,755,469	26,632,170
Noncontrolling interests share of consolidated gross real estate assets	(2,872,187)	(2,878,477)
Prologis share of unconsolidated gross real estate assets	8,916,784	8,710,905
Total Prologis share of gross real estate assets	\$ 32,800,066	\$ 32,464,598
Debt as a % of gross real estate assets	33.5%	33.6%
Debt as a % of gross market capitalization:		
Total Prologis share of debt, net of adjustments	\$ 10,976,294	\$ 10,920,424
Total outstanding common stock and limited partnership units	548,987	546,355
Share price at quarter end	\$ 62.99	\$ 64.51
Total equity capitalization	\$ 34,580,691	\$ 35,245,361
Total Prologis share of debt, net of adjustments	10,976,294	10,920,424
Gross market capitalization	\$ 45,556,985	\$ 46,165,785
Debt as a % of gross market capitalization	24.1%	23.7%
Secured debt as a % of gross real estate assets:		
Consolidated secured debt (at par)	\$ 957,800	\$ 966,554
Noncontrolling interests share of consolidated secured debt (at par)	(70,319)	(70,422)
Prologis share of unconsolidated secured debt (at par)	805,749	856,794
Total Prologis share of secured debt (at par)	\$ 1,693,230	\$ 1,752,926
Total Prologis share of gross real estate assets	\$ 32,800,066	\$ 32,464,598
Secured debt as a % of gross real estate assets	5.2%	5.4%
Unencumbered gross real estate assets to unsecured debt:		
Consolidated unencumbered gross real estate assets	\$ 24,273,134	\$ 24,137,755
Noncontrolling interests share of consolidated unencumbered gross real estate assets	(2,733,550)	(2,740,681)
Prologis share of unconsolidated unencumbered gross real estate assets	7,193,502	6,821,579
Total Prologis share of unencumbered gross real estate assets	\$ 28,673,086	\$ 28,218,653
Consolidated unsecured debt (at par)	8,556,286	8,502,552
Noncontrolling interests share of consolidated unsecured debt (at par)	-	-
Prologis share of unconsolidated unsecured debt (at par)	1,281,649	1,183,477
Total Prologis share of unsecured debt (at par)	\$ 9,837,935	\$ 9,686,029
Unencumbered gross real estate assets to unsecured debt	291.5%	291.3%

	Three Months Ended	
	Mar. 31,	Dec. 31,
	2018	2017
Fixed Charge Coverage ratio:		
Adjusted EBITDA	\$ 714,819	\$ 583,803
Adjusted EBITDA-annualized including development gains and excluding net promotes (a)	\$ 2,452,877	\$ 2,294,617
Net promotes for the trailing 12 months	157,540	105,470
Adjusted EBITDA-annualized	\$ 2,610,417	\$ 2,400,087
Pro forma adjustment annualized	3,866	11,108
Adjusted EBITDA, including NOI from disposed properties, annualized	\$ 2,614,283	\$ 2,411,195
Interest expense	\$ 59,061	\$ 62,030
Amortization and write-off of deferred loan costs	(3,358)	(3,259)
Amortization of debt premiums, net	344	923
Capitalized interest	11,119	13,002
Preferred stock dividends	1,476	1,476
Noncontrolling interests share of consolidated fixed charges	(578)	(1,466)
Prologis share of unconsolidated fixed charges	17,121	17,156
Total Prologis share of fixed charges	\$ 85,195	\$ 89,862
Total Prologis share of fixed charges, annualized	\$ 340,780	\$ 359,448
Fixed charge coverage ratio	7.67	6.71
Debt to Adjusted EBITDA:		
Total Prologis share of debt, net of adjustments	\$ 10,976,294	\$ 10,920,424
Adjusted EBITDA-annualized	\$ 2,610,417	\$ 2,400,087
Debt to Adjusted EBITDA ratio	4.20	4.55

(a) Prologis share of gains on dispositions of development properties for the trailing 12 months was \$468.6 million and \$335.3 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.

Enterprise Value equals our Market Equity plus our share of total debt.

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 Estimated 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 TEI 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/unit holders ("FFO, as modified by Prologis"); Core FFO attributable to common stockholders/unit holders ("Core FFO"); AFFO attributable to common stockholders/unit holders; (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;
- (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 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 dispositions and 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 or preferred stock that we exclude from our Core FFO, may provide a benefit or cost to us as we may be settling our obligation 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 perform the property-level management of the properties in our owned and managed portfolio, which include properties we consolidate and those we manage that are owned by the unconsolidated co-investment ventures. We allocate the costs of our property management function to the properties we consolidate (included in Rental Expenses) and the properties owned by the unconsolidated co-investment ventures (included in Strategic Capital Expenses) by using the square feet owned by the respective portfolios. Strategic Capital Expenses also include the direct expenses associated with the asset management of the unconsolidated co-investment ventures provided by our employees who are assigned to our Strategic Capital segment. We do not allocate indirect costs to Strategic Capital Expenses.

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

in thousands	Three Months Ended Mar. 31	
	2018	2017
Building and land development activities	\$ 16,091	\$ 15,298
Leasing activities	5,388	6,522
Operating building improvements and other	4,244	3,847
Total capitalized G&A	\$ 25,723	\$ 25,667

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

Net G&A - midpoint of 2018 guidance (a)	\$ 232,000
Add: estimated 2018 strategic capital expenses (excluding promote expense)	129,000
Less: estimated 2018 strategic capital property management expenses	(73,000)
Adjusted G&A, using 2018 guidance amounts	\$ 288,000
Gross book value at period end (b):	
Operating properties	\$ 52,928,604
Development portfolio - TEI	4,062,481
Land portfolio	1,524,689
Other real estate investments and assets held for sale	617,432
Total value of assets under management	\$ 59,133,206
G&A as % of assets under management	0.49%

(a) This amount represents the midpoint of the 2018 guidance provided in this Supplemental Package.
(b) This amount does not represent enterprise value.

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

	Low	High
Net Earnings	\$ 2.50	\$ 2.60
Our share of:		
Depreciation and amortization	1.70	1.74
Net gains on real estate transactions, net of taxes	(1.31)	(1.39)
Unrealized foreign currency losses and other, net	0.06	0.06
Core FFO	\$ 2.95	\$ 3.01

Income Taxes.

in thousands	Three Months Ended Mar. 31	
	2018	2017
Current income tax expense	\$ 11,127	\$ 9,517
Current income tax expense (benefit) on dispositions	6,611	(1,086)
Current income tax expense (benefit) on dispositions related to acquired tax assets	878	(1,270)
Total current income tax expense	18,616	7,161
Deferred income tax (benefit) expense	(1,186)	1,169
Deferred income tax (benefit) expense on dispositions related to acquired tax assets	(878)	1,270
Total income tax expense	\$ 16,552	\$ 9,600

Interest Expense.

in thousands	Three Months Ended Mar. 31	
	2018	2017
Gross interest expense	\$ 55,350	\$ 90,492
Amortization of debt premiums, net	(344)	(6,399)
Amortization of finance costs	3,358	3,494
Interest expense before capitalization	58,364	87,527
Capitalized amounts	(11,119)	(14,615)
Interest expense	\$ 47,245	\$ 72,912

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

Market Capitalization equals Market Equity plus our share of total debt.

Market Classification

- **Global Markets** feature large population centers with high per-capita consumption and are located near major airports, 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, Jerez, 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 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 dual promote revenue earned from third party investors during the period, net of related cash and stock compensation 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 consolidated 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	
	2018	2017
Rental revenues	\$ 412,841	\$ 414,387
Rental recoveries	128,042	127,049
Amortization of lease intangibles	(628)	909
Straight-lined rents	15,688	24,588
Rental Revenue	\$ 555,943	\$ 566,933

Rent Change (Cash) represents the percentage change in starting rental rates per the lease agreement, on new and renewed leases, commenced during the periods compared with the previous ending rental rates in that same space. This measure excludes any short-term leases of less than one-year, holdover payments, free rent periods and introductory (lease) rates defined as 50% or less of the stabilized rate.

Rent Change (Net Effective) represents the percentage change in net effective rental rates (average rate over the lease term), on new and renewed leases, commenced during the period compared with the previous net effective rental rates in that same space. This measure excludes any short-term leases of less than one year and holdover payments.

Retention is the square footage of all leases commenced during the period that are 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 and short-term leases of less than one year are not included in the calculation.

Same Store. Our same store metrics are non-GAAP financial measures, which are commonly used in the real estate industry and expected from the financial community, on both a net-effective and cash basis. We evaluate the 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 allows us to analyze our ongoing business operations.

We define our same store population for the three months ended March 31, 2018 as our owned and managed properties that were in the Operating Portfolio at January 1, 2017 and throughout the end of the same three month period in both 2018 and 2017. The same store population excludes development properties that were not stabilized at the beginning of the period and properties acquired or disposed of to third parties during the period. To derive an appropriate measure of period-to-period operating performance, we remove the effects of foreign currency exchange rate movements by using the reported period end exchange rate to translate from local currency into the U.S. dollar, for both periods. We believe the factors that affect rental revenues, rental recoveries, rental expenses and NOI in the same store portfolio are generally the same as for our consolidated portfolio.

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 of rental revenues, rental recoveries and rental expenses from our consolidated financial statements prepared in accordance with GAAP to same store property NOI with explanations of how these metrics are calculated. In addition, we further remove certain non-cash items (straight-line rent adjustments and amortization of lease intangibles) included in the financial statements prepared in accordance with GAAP to reflect a cash same store number. To clearly label these metrics, they are categorized as Same Store NOI - Net Effective and Same Store NOI - Cash.

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 Mar. 31,		
	2018	2017	Change (%)
Rental revenues:			
Rental revenues	\$ 427,901	\$ 439,884	
Rental recoveries	128,042	127,048	
Per the Consolidated Statements of Operations	555,943	566,932	
Properties not included and other adjustments (a)	(48,533)	(48,200)	
Unconsolidated co-investment ventures	967,236	508,990	
Same Store - rental revenues - net effective	\$ 1,074,646	\$ 1,027,665	4.6%
Straight-line rent adjustments	(17,616)	(29,849)	
Fair value lease adjustments	138	(1,597)	
Same Store - rental revenues - cash	\$ 1,057,168	\$ 996,219	6.1%
Rental expenses:			
Per the Consolidated Statements of Operations	\$ 342,941	\$ 152,656	
Properties not included and other adjustments (b)	(3,516)	(5,161)	
Unconsolidated co-investment ventures	129,905	108,685	
Same Store - rental expenses - net effective and cash	\$ 269,330	\$ 256,180	5.1%
Same Store - NOI - Net Effective	\$ 805,316	\$ 771,485	4.4%
Same Store - NOI - Net Effective - Prologis Share (c)	\$ 459,054	\$ 435,973	5.3%
Same Store - NOI - Cash	\$ 787,838	\$ 740,039	6.5%
Same Store - NOI - Cash - Prologis Share (c)	\$ 451,920	\$ 418,968	7.9%

(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) Same Store - NOI - Prologis Share is calculated using the underlying building information from the Same Store NOI - Net Effective and NOI - Cash calculations and applying our ownership percentage as of March 31, 2018 to the NOI of each building for both periods.

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

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

Stabilized NOI is equal to the estimated twelve months of potential gross rental revenue (base rent, including above or below market rents plus operating expense reimbursements) multiplied by 95% to adjust income to a stabilized vacancy factor of 9%, 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 estimated obligations incurred in connection with the signing of a lease, including leasing commissions and tenant improvements and are presented for leases that commenced during the period. 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) and short-term leases of less than one year.

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

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

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

FOR IMMEDIATE RELEASE

Prologis Reports First Quarter 2018 Earnings Results

SAN FRANCISCO (April 17, 2018) – Prologis, Inc. (NYSE: PLD), the global leader in logistics real estate, today reported results for the first quarter of 2018.

Net earnings per diluted share was \$0.68 compared with \$0.38 for the same period in 2017. Core funds from operations* per diluted share was \$0.80 compared with \$0.63 for the same period in 2017. The company's first quarter 2018 results included net promote income of \$0.09 per diluted share.

"Earlier this year, we established sector-leading 2018 guidance, and our quarterly results reflect the first step in delivering on that plan," said Hamid R. Moghadam, chairman and CEO, Prologis. "Market conditions remain extremely healthy and our strategy is set. Going forward, it's all about execution."

PORTFOLIO LOCATION CONTINUES TO DRIVE OUTPERFORMANCE

Owned & Managed	1Q18	1Q17	Notes
Period End Occupancy	96.8%	96.6%	
Leases Commenced	33MSF	46MSF	Above-average lease roll led to higher volume in Q1 2017

Prologis Share	1Q18	1Q17	Notes
Net Effective Rent Change	21.9%	18.5%	Led by the U.S. at 32.2%
Cash Rent Change	9.2%	7.7%	
Cash Same Store NOI*	7.9%	6.3%	Led by the U.S. at 9.1%

DEPLOYMENT ACTIVITY

Prologis Share	1Q18
Building Acquisitions	\$3M
Weighted avg stabilized cap rate	6.1%
Development Stabilizations	\$440M
Estimated weighted avg yield	5.9%
Estimated weighted avg margin	29.6%
Estimated value creation	\$130M
Development Starts	\$409M
Estimated weighted avg margin	18.0%
Estimated value creation	\$74M
% Build-to-suit	63.4%
Total Dispositions and Contributions	\$642M
Weighted avg stabilized cap rate (excluding land and other real estate)	5.2%

UNMATCHED ACCESS TO GLOBAL CAPITAL

The company ended the quarter with leverage of 24.1 percent on a market capitalization basis, debt-to-adjusted EBITDA* of 4.2x and more than \$3.6 billion of liquidity.

“We continue to lower our weighted average cost of debt, which is now 2.8%,” said Thomas S. Olinger, chief financial officer, Prologis. “During the quarter, we issued a two-year €400 million note at an all-in effective rate of negative 10 basis points, demonstrating our ability to opportunistically source capital globally.”

GUIDANCE INCREASED FOR 2018

At the midpoint, guidance for net earnings per diluted share increased \$0.38 and Core FFO* per diluted share increased \$0.08.

“Our first quarter results exceeded our expectations,” added Olinger. “The combination of strong operations and higher net promote income has led us to raise the midpoint of our full-year guidance ranges for both earnings and same store NOI.”

2018 GUIDANCE (UPDATES TO PRIOR GUIDANCE ONLY)

Earnings (per diluted share)	Previous	Revised
Net Earnings		\$2.10 to \$2.25
Core FFO*		\$2.85 to \$2.95
		\$2.50 to \$2.60
		\$2.95 to \$3.01

Operations	Previous	Revised
Year-end occupancy		96.0% to 97.0%
Cash Same Store NOI* - Prologis share		5.0% to 6.0%
		96.25% to 97.25%
		5.5% to 6.5%

Other Assumptions (in millions)	Previous	Revised
Strategic capital revenue, excl promote revenue		\$260 to \$270
Net promote income		\$30 to \$40
Realized development gains		\$300 to \$400
		\$270 to \$280
		\$60 to \$72
		\$350 to \$400

Prologis Share Capital Deployment (in millions)	Previous	Revised
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
Net Proceeds / (Uses)		(\$50) to \$0
		\$2,200 to \$2,500
		\$300 to \$500
		\$1,400 to \$1,700
		\$1,350 to \$1,650
		\$250 to \$350

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 first quarter Supplemental Information, which is available on our Investor Relations website at www.ir.prologis.com and on the SEC's website at www.sec.gov for a definition of Core FFO* and other non-GAAP measures used by Prologis, along with reconciliations of these items to the closest GAAP measure for our results and guidance.

WEBCAST & CONFERENCE CALL INFORMATION

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

- Tuesday, April 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 (866)-393-4306 or +1 (734)-385-2616 and enter Passcode 5768955.

A telephonic replay will be available April 17-24 at +1 (855) 859-2056 (from the United States and Canada) or +1 (404) 537-3406 (from all other countries) using conference code 5768955. The webcast replay will be posted when available in the Investor Relations "Events & Presentations" section.

ABOUT PROLOGIS

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of March 31, 2018, 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 683 million square feet (63 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. 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. *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.

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