

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

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**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): January 22, 2019**

**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.)

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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.

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**Item 2.02. Results of Operations and Financial Condition (Prologis, Inc.) and**

**Item 7.01. Regulation FD Disclosure (Prologis, Inc. and Prologis, L.P.).**

On January 22, 2019, Prologis, Inc., the general partner of Prologis, L.P., issued a press release announcing fourth 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 January 22, 2019.

99.2                    Press release, dated January 22, 2019.

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#"><u>Supplemental information, dated January 22, 2019.</u></a>
99.2	<a href="#"><u>Press release, dated January 22, 2019.</u></a>

SIGNATURES

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

PROLOGIS, INC.

January 22, 2019

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer

PROLOGIS, L.P.,

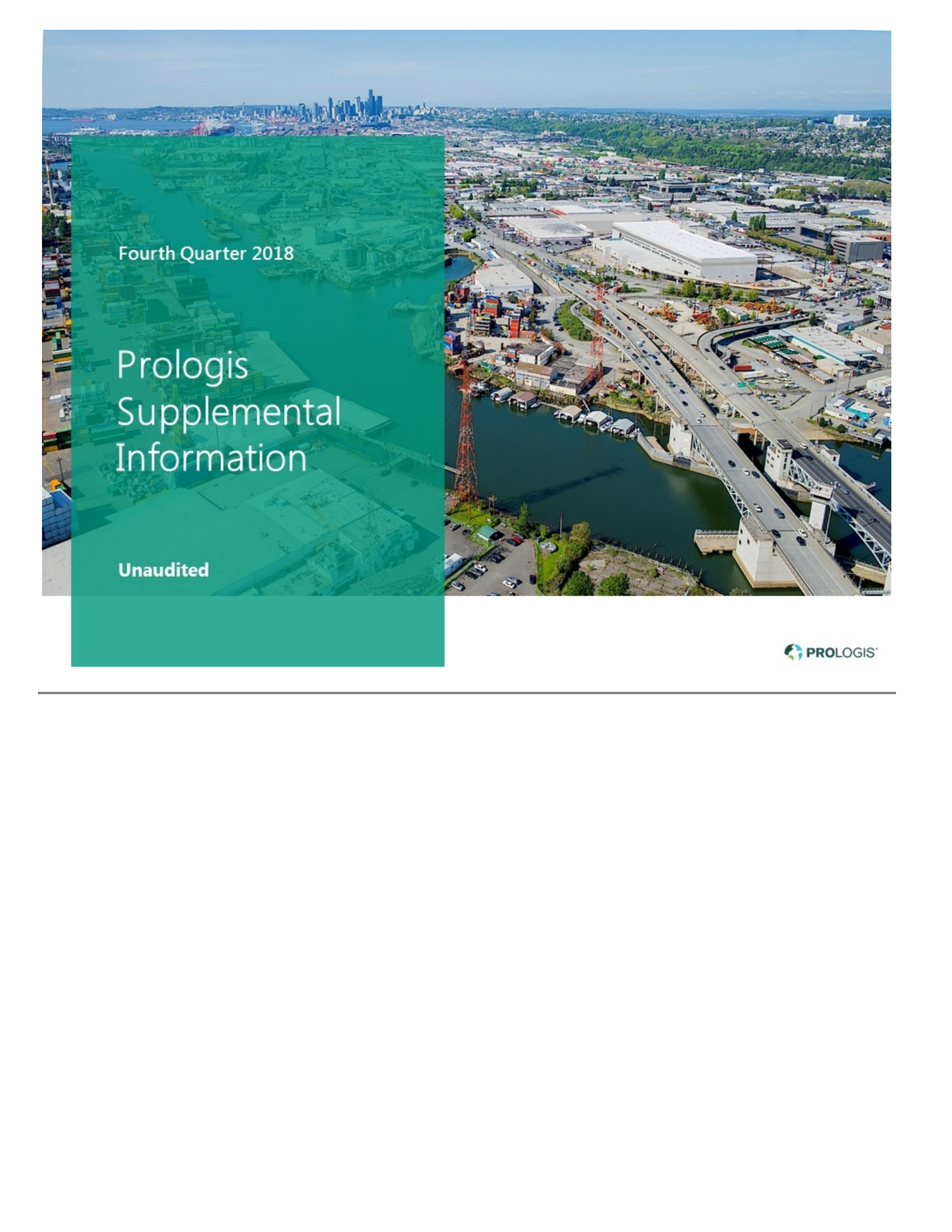
January 22, 2019

By: Prologis, Inc., its general partner

By: /s/ Thomas S. Olinger

Name: Thomas S. Olinger

Title: Chief Financial Officer

An aerial photograph of an industrial and commercial district. In the foreground, a large multi-lane highway bridge spans across a wide river. The surrounding area is filled with various industrial buildings, parking lots, and construction sites. In the far distance, a dense city skyline is visible under a clear blue sky.

Fourth Quarter 2018

Prologis  
Supplemental  
Information

Unaudited

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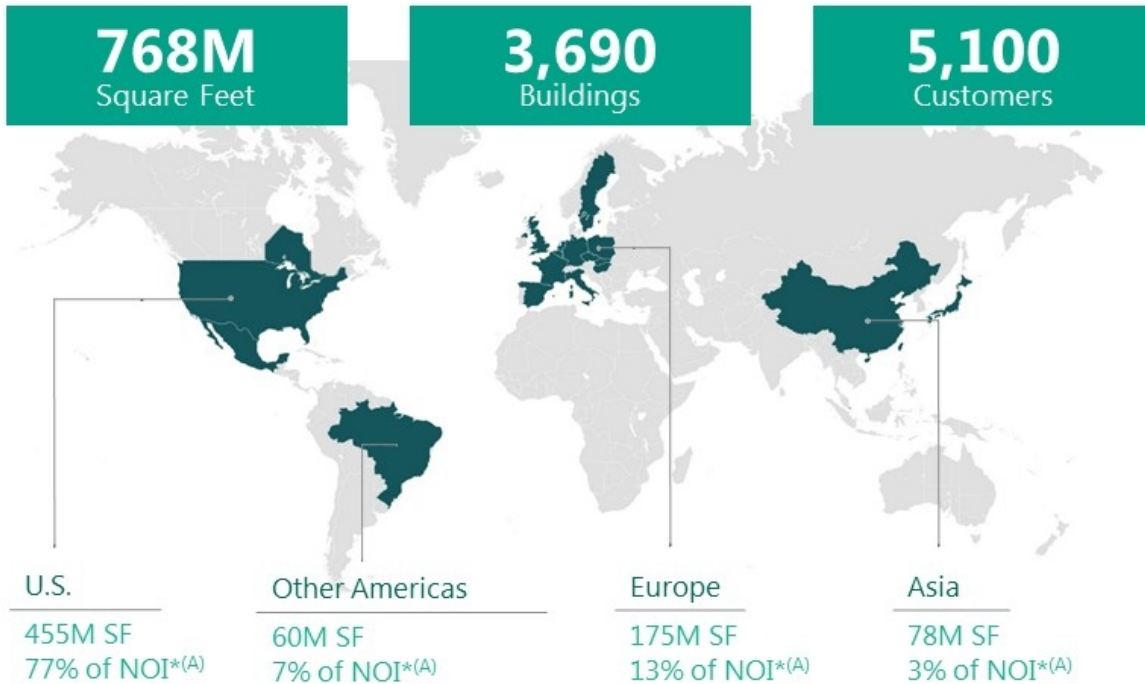
**Net Asset Value**

- 31 Components

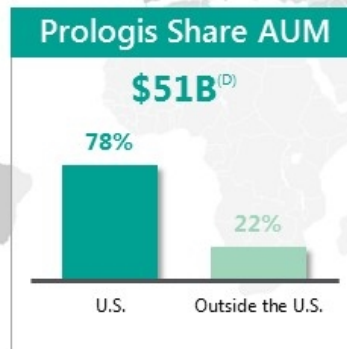
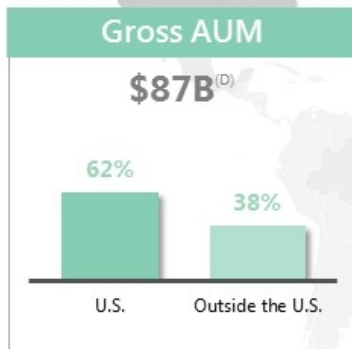
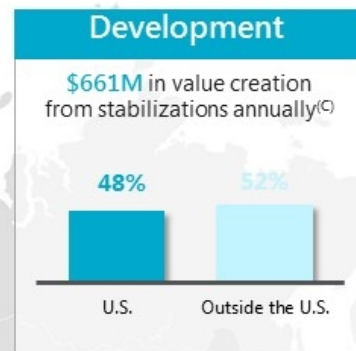
**Notes and Definitions**

- 33 Notes and Definitions <sup>(A)</sup>

Prologis, Inc., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of December 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 768 million square feet (71 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,100 customers across two major categories: business-to-business and retail/online fulfillment.



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



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

(A) 4Q 2018 Prologis Share of NOI of the Operating Portfolio annualized.

(B) 4Q 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.

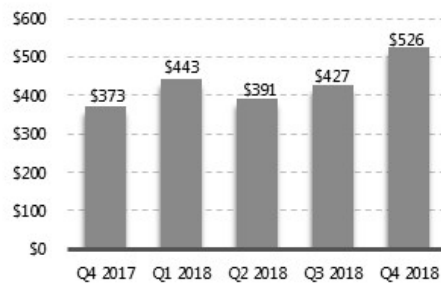
(D) Mexico is included in the U.S. as it is U.S. dollar functional.



dollars in millions, except per share/unit data

	Three Months ended December 31,		Twelve Months ended December 31,	
	2018	2017	2018	2017
Rental and other revenues	\$ 681	\$ 552	\$ 2,398	\$ 2,244
Strategic capital revenues	126	68	406	374
Total revenues	807	620	2,804	2,618
Net earnings attributable to common stockholders	597	296	1,643	1,642
Core FFO attributable to common stockholders/unitholders*	526	373	1,788	1,551
AFFO attributable to common stockholders/unitholders*	568	385	1,992	1,597
Adjusted EBITDA attributable to common stockholders*	793	584	2,798	2,398
Estimated value creation from development stabilizations - Prologis Share	185	152	661	583
Common stock dividends and common limited partnership unit distributions	314	243	1,163	973
Per common share - diluted:				
Net earnings attributable to common stockholders	\$ 0.94	\$ 0.55	\$ 2.87	\$ 3.06
Core FFO attributable to common stockholders/unitholders*	0.80	0.67	3.03	2.81
Business line reporting:				
Real estate operations*	0.68	0.61	2.65	2.40
Strategic capital*	0.12	0.06	0.38	0.41
Core FFO attributable to common stockholders/unitholders*	0.80	0.67	3.03	2.81
Realized development gains, net of taxes*	0.21	0.15	0.77	0.56
Dividends and distributions per common share/unit	0.48	0.44	1.92	1.76

Core FFO\*



AFFO\*



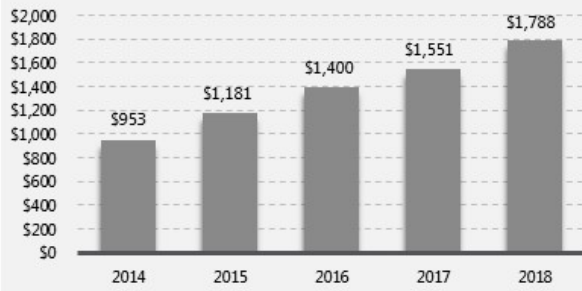
Estimated Value Creation - Stabilizations



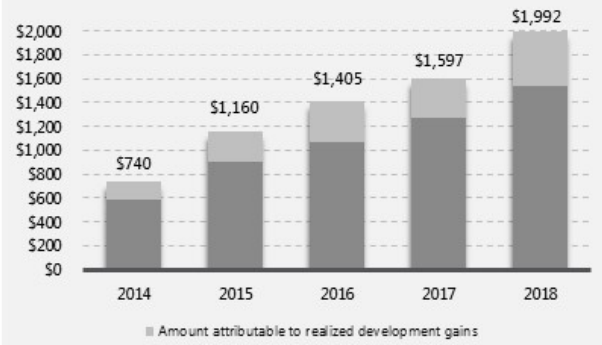
\* This is a non-GAAP financial measure. Please see our Notes and Definitions for further explanation.

(in millions)

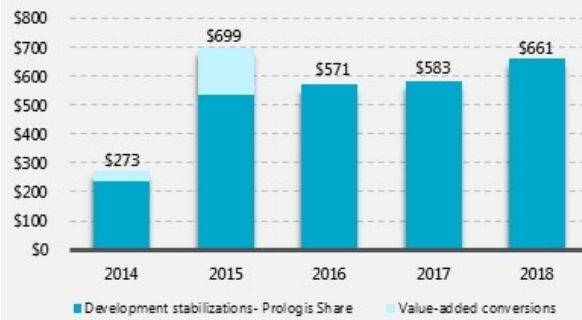
**Core FFO\***



**AFFO\***



**Estimated Value Creation**



**Asset Management Fees and Net Promotes**



dollars in millions, except per share

2019 Guidance		Low	High		
<b>Net earnings (A)(B)(C)(D)</b>		\$ 1.77	\$ 1.92		
<b>Core FFO* (A)(B)(C)(D)</b>		\$ 3.12	\$ 3.20		
<b>Operations</b>					
Year-end occupancy		96.0%	97.5%		
Same store NOI - Cash - Prologis share*		3.75%	4.75%		
Same store NOI - Net effective - Prologis share*		3.00%	4.00%		
<b>Other Assumptions</b>					
Strategic capital revenue, excluding promote revenue		\$ 300	\$ 310		
Net promote income (B)		\$ 65	\$ 65		
General & administrative expenses		\$ 240	\$ 250		
Realized development gains		\$ 200	\$ 250		
<b>Capital Deployment</b>					
		PROLOGIS SHARE		OWNED AND MANAGED	
		Low	High		
Development stabilizations		\$ 1,900	\$ 2,200	\$ 2,400	\$ 2,700
Development starts		\$ 1,600	\$ 2,000	\$ 2,000	\$ 2,500
Building acquisitions		\$ 300	\$ 500	\$ 700	\$ 1,000
Building and land dispositions		\$ 500	\$ 800	\$ 600	\$ 900
Building contributions		\$ 1,000	\$ 1,300	\$ 1,300	\$ 1,700

**Exchange Rates**

We have hedged the rates for the majority of our estimated 2019 Euro, Sterling and Yen Core FFO, effectively insulating 2019 results from FX movements in these currencies. For purposes of capital deployment and other metrics, we assumed effective rates for EUR, GBP and JPY of 1.14 (\$/€), 1.28 (\$/£) and 109.91 (¥/\$), 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 \$0.10 per share.
- (C) Earnings guidance includes potential future gains recognized from real estate transactions, but excludes future foreign currency or derivative gains or losses as these items are difficult to predict.
- (D) Our guidance reflects the adoption of the new lease accounting standard. For a year-over-year comparison, our 2018 earnings results would have been reduced by approximately \$0.04 per share.



in thousands	December 31, 2018	September 30, 2018	December 31, 2017
<b>Assets:</b>			
Investments in real estate properties:			
Operating properties	\$ 30,682,155	\$ 30,478,086	\$ 22,585,327
Development portfolio	2,142,801	2,010,046	1,593,489
Land	1,192,220	1,264,815	1,154,383
Other real estate investments	619,811	537,886	505,445
	34,586,987	34,285,783	25,838,644
Less accumulated depreciation	4,656,680	4,451,434	4,059,348
Net investments in real estate properties	29,930,307	29,834,349	21,779,296
Investments in and advances to unconsolidated entities	5,745,294	5,618,178	5,496,450
Assets held for sale or contribution	622,288	761,575	342,060
Notes receivable backed by real estate	-	-	34,260
Net investments in real estate	36,297,889	36,214,102	27,652,066
Cash and cash equivalents	343,856	275,562	447,046
Other assets	1,775,919	1,778,498	1,381,963
<b>Total assets</b>	<b>\$ 38,417,664</b>	<b>\$ 38,268,162</b>	<b>\$ 29,481,075</b>
<b>Liabilities and Equity:</b>			
Liabilities:			
Debt	\$ 11,089,815	\$ 11,232,129	\$ 9,412,631
Accounts payable, accrued expenses and other liabilities	1,526,961	1,598,378	1,362,703
Total liabilities	12,616,776	12,830,507	10,775,334
Equity:			
Stockholders' equity	22,298,093	22,030,599	15,631,158
Noncontrolling interests	2,836,469	2,743,408	2,660,242
Noncontrolling interests - limited partnership unitholders	666,326	668,648	414,341
Total equity	25,800,888	25,437,655	18,705,741
<b>Total liabilities and equity</b>	<b>\$ 38,417,664</b>	<b>\$ 38,268,162</b>	<b>\$ 29,481,075</b>

in thousands, except per share amounts	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2018	2017	2018	2017
<b>Revenues:</b>				
Rental	\$ 679,195	\$ 550,649	\$ 2,388,791	\$ 2,225,141
Strategic capital	126,500	68,148	406,300	373,889
Development management and other	1,390	1,125	9,358	19,104
Total revenues	807,085	619,922	2,804,449	2,618,134
<b>Expenses:</b>				
Rental	177,194	140,338	600,648	569,523
Strategic capital	42,940	35,360	157,040	155,141
General and administrative	56,698	59,709	238,985	231,059
Depreciation and amortization	286,758	222,501	947,214	879,140
Other	2,415	3,597	13,560	12,205
Total expenses	566,005	461,505	1,957,447	1,847,068
<b>Operating income</b>	<b>241,080</b>	<b>158,417</b>	<b>847,002</b>	<b>771,066</b>
<b>Other income (expense):</b>				
Earnings from unconsolidated co-investment ventures, net	114,187	73,768	279,170	234,168
Earnings from other unconsolidated ventures, net	2,234	2,532	19,090	14,399
Interest expense	(62,380)	(62,030)	(229,141)	(274,486)
Gains on dispositions of development properties and land, net	140,531	91,794	469,817	327,528
Gains on dispositions of real estate, net (excluding development properties and land)	217,035	131,787	371,179	855,437
Foreign currency and derivative gains (losses) and interest and other income, net	56,450	(7,331)	131,759	(44,165)
Gains (losses) on early extinguishment of debt, net	71	(3,783)	(2,586)	(68,379)
Total other income	468,128	192,737	1,039,288	1,044,502
<b>Earnings before income taxes</b>	<b>709,208</b>	<b>351,154</b>	<b>1,886,290</b>	<b>1,815,568</b>
Current income tax expense	(16,191)	(17,089)	(61,882)	(59,614)
Deferred income tax benefit (expense)	(2,527)	4,808	(1,448)	5,005
<b>Consolidated net earnings</b>	<b>690,490</b>	<b>338,873</b>	<b>1,822,960</b>	<b>1,760,959</b>
Net earnings attributable to noncontrolling interests	(74,508)	(30,086)	(124,712)	(63,620)
Net earnings attributable to noncontrolling interests - limited partnership units	(17,922)	(7,901)	(49,897)	(45,014)
<b>Net earnings attributable to controlling interests</b>	<b>598,060</b>	<b>300,886</b>	<b>1,648,351</b>	<b>1,652,325</b>
Preferred stock dividends	(1,492)	(1,476)	(5,935)	(6,499)
Loss on preferred stock repurchase	-	(3,895)	-	(3,895)
<b>Net earnings attributable to common stockholders</b>	<b>\$ 596,568</b>	<b>\$ 295,515</b>	<b>\$ 1,642,416</b>	<b>\$ 1,641,931</b>
Weighted average common shares outstanding - Diluted	654,579	554,401	590,239	552,300
<b>Net earnings per share attributable to common stockholders - Diluted</b>	<b>\$ 0.94</b>	<b>\$ 0.55</b>	<b>\$ 2.87</b>	<b>\$ 3.06</b>

in thousands	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2018	2017	2018	2017
Net earnings attributable to common stockholders	\$ 596,568	\$ 295,515	\$ 1,643,426	\$ 1,641,991
Add (deduct) NAREIT defined adjustments:				
Real estate related depreciation and amortization	277,977	214,292	912,781	847,516
Gains on dispositions of real estate, net (excluding development properties and land)	(217,095)	(131,787)	(371,179)	(855,487)
Reconciling items related to noncontrolling interests	56,213	1,661	23,081	(38,972)
Our share of reconciling items related to unconsolidated co-investment ventures	(19,088)	38,076	133,128	140,712
Our share of reconciling items related to other unconsolidated ventures	3,293	1,728	8,623	6,759
<b>Subtotal-NAREIT defined FFO attributable to common stockholders/unitholders*</b>	<b>\$ 697,928</b>	<b>\$ 419,485</b>	<b>\$ 2,349,860</b>	<b>\$ 1,742,509</b>
Add (deduct) our defined adjustments:				
Unrealized foreign currency and derivative losses (gains), net	(47,121)	13,563	(120,397)	69,363
Deferred income tax expense (benefit)	2,527	(4,808)	1,448	(5,005)
Current income tax expense on dispositions related to acquired tax assets	297	2,241	1,175	2,331
Reconciling items related to noncontrolling interests	(309)	1	(191)	(8)
Our share of reconciling items related to unconsolidated co-investment ventures	(3,242)	(12,236)	(263)	(14,677)
<b>FFO, as modified by Prologis attributable to common stockholders/unitholders*</b>	<b>\$ 650,080</b>	<b>\$ 418,246</b>	<b>\$ 2,231,632</b>	<b>\$ 1,794,513</b>
Adjustments to arrive at Core FFO attributable to common stockholders/unitholders*:				
Gains on dispositions of development properties and land, net	(140,531)	(91,794)	(469,817)	(327,528)
Current income tax expense on dispositions	3,504	6,529	17,085	19,102
Losses (gains) on early extinguishment of debt and preferred stock repurchase, net	(71)	41,678	2,586	72,274
Reconciling items related to noncontrolling interests	916	297	6,183	(390)
Our share of reconciling items related to unconsolidated co-investment ventures	12,723	(33)	13,946	(224)
Our share of reconciling items related to other unconsolidated ventures	(301)	(1,656)	(13,467)	(6,584)
<b>Core FFO attributable to common stockholders/unitholders*</b>	<b>\$ 526,321</b>	<b>\$ 373,267</b>	<b>\$ 1,788,149</b>	<b>\$ 1,551,153</b>
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	140,531	91,794	469,817	327,528
Current income tax expense on dispositions	(3,504)	(6,529)	(17,085)	(19,102)
Straight-lined rents and amortization of lease intangibles	(21,566)	(14,788)	(66,938)	(81,021)
Property improvements	(30,482)	(33,992)	(90,345)	(84,022)
Turnover costs	(43,674)	(37,813)	(134,868)	(153,255)
Amortization of debt discount (premium), financing costs and management contracts, net	4,428	2,853	14,112	3,845
Stock compensation expense	18,064	18,549	76,093	76,640
Reconciling items related to noncontrolling interests	6,747	9,563	21,225	35,820
Our share of reconciling items related to unconsolidated ventures	(28,670)	(17,662)	(67,906)	(60,584)
<b>AFFO attributable to common stockholders/unitholders*</b>	<b>\$ 568,192</b>	<b>\$ 385,242</b>	<b>\$ 1,992,252</b>	<b>\$ 1,596,992</b>

in thousands	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2018	2017	2018	2017
Net earnings attributable to common stockholders	\$ 596,568	\$ 295,515	\$ 1,643,426	\$ 1,641,931
Gains on dispositions of real estate, net (excluding development properties and land)	(217,035)	(131,787)	(371,179)	(855,437)
Depreciation and amortization expenses	286,758	222,501	947,214	879,140
Interest expense	62,380	62,030	229,141	274,486
Losses (gains) on early extinguishment of debt, net	(71)	37,783	2,586	68,379
Current and deferred income tax expense, net	18,718	12,281	63,330	54,609
Net earnings attributable to noncontrolling interests - limited partnership unitholders	17,922	7,901	48,887	45,014
Pro forma adjustments	464	(2,777)	59,124	11,828
Preferred stock dividends and repurchase	1,492	5,371	5,935	10,394
Unrealized foreign currency and derivative losses (gains), net	(47,121)	13,563	(120,397)	69,363
Stock compensation expense	18,064	18,549	76,093	76,640
<b>Adjusted EBITDA, consolidated*</b>	<b>\$ 738,139</b>	<b>\$ 540,930</b>	<b>\$ 2,584,160</b>	<b>\$ 2,276,347</b>
Reconciling items related to noncontrolling interests	38,993	(6,785)	(27,216)	(90,893)
Our share of reconciling items related to unconsolidated ventures	15,498	49,658	240,730	212,190
<b>Adjusted EBITDA attributable to common stockholders/unitholders*</b>	<b>\$ 792,630</b>	<b>\$ 583,803</b>	<b>\$ 2,797,674</b>	<b>\$ 2,397,644</b>

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.	27.4%	Open end	Q2 2020
FIBRA Prologis	Core	2014	Unconsolidated	Mexico	46.7%	Public, Mexican Exchange	Q2 2019
Prologis European Logistics Fund	Core	2007	Unconsolidated	Europe	27.9%	Open end	Q3 2019
Prologis European Logistics Partners	Core	2013	Unconsolidated	Europe	50.0%	Open end	Q4 2019
Prologis UK Logistics Venture	Core/Development	2017	Unconsolidated	Europe	15.0%	Closed end	Q4 2019
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
<b>Unconsolidated Co-Investment Ventures</b>			
Prologis Targeted U.S. Logistics Fund	90,444	\$ 7,906,917	\$ 2,093,722
FIBRA Prologis (B)	35,982	2,139,517	838,035
Prologis European Logistics Fund	106,883	9,399,506	2,237,558
Prologis European Logistics Partners	49,754	3,676,117	-
Prologis UK Logistics Venture	2,782	439,297	310,180
Nippon Prologis REIT (B)	29,137	5,316,170	1,956,744
Prologis China Logistics Venture	22,274	1,178,094	711,365
Brazil joint ventures (C)	2,803	172,560	-
<b>Unconsolidated Co-Investment Ventures Total</b>	<b>340,059</b>	<b>30,228,178</b>	<b>8,147,604</b>
<b>Consolidated Co-Investment Ventures</b>			
Prologis U.S. Logistics Venture	66,424	6,073,329	5,899
<b>Consolidated Co-Investment Ventures Total</b>	<b>66,424</b>	<b>6,073,329</b>	<b>5,899</b>
<b>Total</b>	<b>406,483</b>	<b>\$ 36,301,507</b>	<b>\$ 8,153,503</b>

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

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

(C) On January 18, 2019, Prologis contributed an initial portfolio of assets of approximately 6.9 million square feet of operating properties and 371 acres of land to a newly formed unconsolidated co-investment venture Prologis Brazil Logistics Venture.





dollars in thousands	U.S.	Other Americas	Europe	Asia	Total
<b>Operating Information</b>					
<b>For the Three Months Ended December 31, 2018</b>					
Rental revenues	\$ 172,383	\$ 55,295	\$ 268,242	\$ 118,138	\$ 614,058
Rental expenses	(46,030)	(10,142)	(57,635)	(28,849)	(142,656)
General and administrative expenses	(8,745)	(5,478)	(14,071)	(12,482)	(41,776)
Depreciation and amortization expenses	(68,229)	(17,499)	(98,646)	(31,814)	(216,148)
Other operating revenues (expenses)	(18)	106	251	(15)	224
<b>Operating income</b>	<b>48,361</b>	<b>22,322</b>	<b>98,141</b>	<b>44,978</b>	<b>213,802</b>
Interest expense	(19,008)	(10,757)	(34,884)	(14,298)	(78,947)
Gains (losses) on dispositions of real estate	54,641	-	161,418	(520)	215,539
Current and deferred income tax expense	(130)	(18)	(20,102)	(7,788)	(28,038)
Other income (expense)	1,313	574	4,286	(3,498)	2,685
<b>Net earnings</b>	<b>85,177</b>	<b>12,121</b>	<b>208,869</b>	<b>18,874</b>	<b>325,041</b>
Real estate related depreciation and amortization expenses	67,736	16,935	95,113	30,220	210,014
Losses (gains) on dispositions of real estate, net (excluding land)	(54,641)	-	(161,418)	520	(215,539)
Unrealized foreign currency and derivative losses (gains), net	-	(986)	720	3,932	4,286
Deferred income tax benefit	-	-	(10,913)	(981)	(11,294)
<b>FFO, as modified by Prologis*</b>	<b>98,272</b>	<b>28,690</b>	<b>132,371</b>	<b>53,175</b>	<b>312,508</b>
Reconciling items to Core FFO	(2,934)	1	37,979	6,319	41,365
<b>Core FFO*</b>	<b>\$ 95,338</b>	<b>\$ 28,691</b>	<b>\$ 170,350</b>	<b>\$ 59,494</b>	<b>\$ 353,873</b>
<b>Balance Sheet Information</b>					
<b>As of December 31, 2018</b>					
Operating properties, before depreciation	\$ 7,906,917	\$ 2,312,077	\$ 13,514,920	\$ 6,494,264	\$ 30,228,178
Accumulated depreciation	(1,035,228)	(294,361)	(1,600,475)	(435,236)	(3,305,300)
Properties under development and land	-	8,295	311,750	579,780	899,825
Other assets	431,355	50,642	801,307	450,651	1,733,955
<b>Total assets</b>	<b>\$ 7,303,044</b>	<b>\$ 2,136,653</b>	<b>\$ 13,027,502</b>	<b>\$ 7,089,459</b>	<b>\$ 29,556,658</b>
Third party debt	\$ 2,093,722	\$ 838,035	\$ 2,547,798	\$ 2,668,109	\$ 8,147,604
Other liabilities	255,787	23,488	1,067,751	337,931	1,684,937
<b>Total liabilities</b>	<b>\$ 2,349,509</b>	<b>\$ 861,523</b>	<b>\$ 3,615,469</b>	<b>\$ 3,006,040</b>	<b>\$ 9,892,541</b>
Weighted average ownership	27.4%	44.4%	33.2%	15.1%	28.3%

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

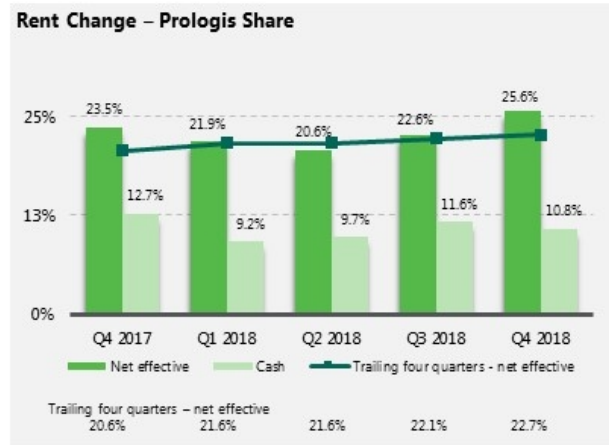
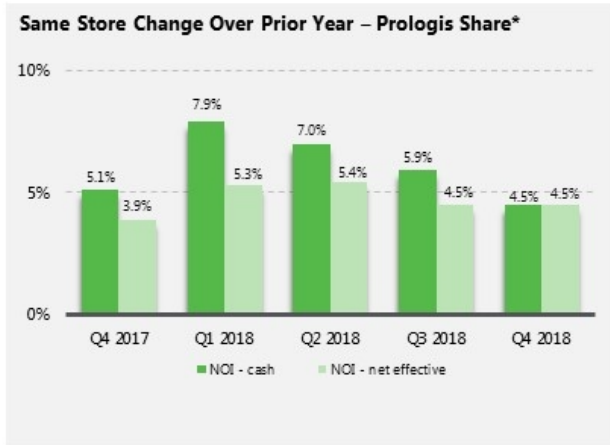
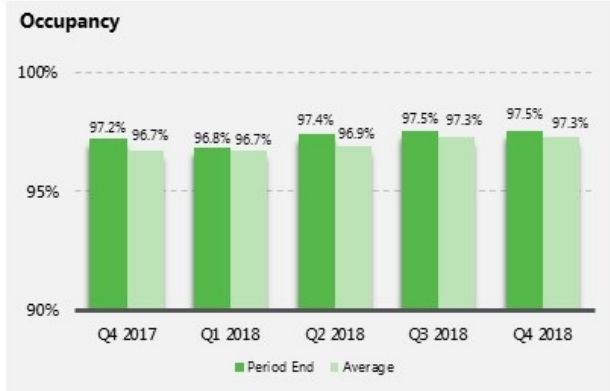
(A) Values represent the entire venture at 100%, not Prologis proportionate share. Values are presented at Prologis' adjusted basis derived from the ventures' U.S. GAAP information and may not be comparable to values reflected in the ventures' stand alone financial statements calculated on a different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

dollars in thousands	Non Controlling Interests included in Consolidated Amounts*	Prologis Share of Unconsolidated Co-Investment Ventures*
<b>Operating Information for the Three Months Ended December 31, 2018</b>		
Rental revenues	\$ 57,250	\$ 179,337
Rental expenses	(14,476)	(40,322)
General and administrative expenses	(7,717)	(12,814)
Depreciation and amortization expenses	(22,898)	(61,600)
Other operating expense	(1,615)	(165)
<b>Operating income</b>	<b>10,544</b>	<b>64,436</b>
Interest expense	(79)	(21,671)
Gains on dispositions of real estate	61,622	78,878
Current and deferred income tax benefit (expense)	.177	(8,677)
Other income	2,177	1,221
Earnings from unconsolidated co-investment ventures, net	57	-
<b>Net earnings</b>	<b>74,508</b>	<b>114,187</b>
Real estate related depreciation and amortization expenses	22,898	59,790
Gains on dispositions of real estate, net (excluding land)	(61,189)	(78,878)
Unrealized foreign currency and derivative losses (gains), net	58	696
Deferred income tax expense (benefit)	251	(3,938)
<b>FFO, as modified by Prologis*</b>	<b>36,526</b>	<b>91,857</b>
Gains on dispositions of development properties and land, net	(442)	-
Current income tax expense (benefit) on dispositions	(407)	8,876
Losses (gains) on early extinguishment of debt, net	(66)	3,847
<b>Core FFO*</b>	<b>\$ 35,610</b>	<b>\$ 104,580</b>
<b>Balance Sheet Information as of December 31, 2018</b>		
Operating properties, before depreciation	\$ 2,838,048	\$ 8,686,197
Accumulated depreciation	(276,821)	(1,030,250)
Properties under development, land and other real estate	110,817	152,402
Other assets	218,639	605,477
<b>Total assets</b>	<b>\$ 2,890,673</b>	<b>\$ 8,413,826</b>
Third party debt	\$ 13,217	\$ 2,037,337
Other liabilities	40,987	427,464
<b>Total liabilities</b>	<b>\$ 54,204</b>	<b>\$ 2,464,801</b>
Weighted average ownership	40.2%	28.3%
Noncontrolling interests investment	\$ 2,836,469	-
Investment in and advances to unconsolidated co-investment ventures (B)	-	\$ 5,407,838
Investment in and advances to other unconsolidated ventures	-	337,456
Investment in and advances to unconsolidated entities	-	\$ 5,745,294

\* 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 prior to 2018, net of any additional costs, included in our investment in the venture.



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

Period Ending Occupancy



square feet in thousands

Leasing Activity

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Square feet of leases commenced:					
Operating portfolio:					
Renewals	16,753	21,555	17,887	21,128	18,899
New leases	11,307	6,757	11,361	10,534	10,566
Total Operating Portfolio	28,060	28,312	29,248	31,662	29,465
Properties under development	7,181	4,300	8,633	5,305	5,408
<b>Total Square Feet of Leases Commenced</b>	<b>35,241</b>	<b>32,612</b>	<b>38,881</b>	<b>36,967</b>	<b>34,873</b>
Average term of leases started (months)	56	57	61	62	83
Operating Portfolio:					
Trailing four quarters - square feet of leases commenced	127,263	115,233	116,810	117,282	118,687
Trailing four quarters - average % of portfolio	20.3%	18.3%	18.6%	18.5%	18.3%
Rent change (net effective)	14.9%	16.0%	15.3%	18.8%	20.4%
Rent change (net effective) - Prologis share	23.5%	21.9%	20.6%	22.6%	25.6%
Rent change (cash)	7.9%	6.1%	5.9%	9.5%	7.7%
Rent change (cash) - Prologis share	12.7%	9.2%	9.7%	11.6%	10.8%
Total square feet of Operating Portfolio leases commenced (A)	32,764	29,845	31,398	33,649	30,467



(A) Amount includes leases less than one year, exclusive of month-to-month leases and holdovers.

In thousands, except for percentages and per square foot

Capital Expenditures						Same Store Information					
	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018		Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Property improvements	\$ 71,654	\$ 26,890	\$ 50,220	\$ 55,381	\$ 65,676	Square feet	553,259	582,492	565,141	562,123	560,294
Tenant improvements	39,621	31,579	29,990	26,151	31,131	Average occupancy	97.0%	96.8%	97.0%	97.4%	97.4%
Leasing commissions	32,194	22,997	27,794	32,448	37,651	Period end occupancy	97.5%	96.8%	97.4%	97.6%	97.5%
Total turnover costs	71,815	54,576	57,784	58,599	68,782	Percentage change:					
<b>Total Capital Expenditures</b>	<b>\$ 143,469</b>	<b>\$ 81,466</b>	<b>\$ 108,014</b>	<b>\$ 113,980</b>	<b>\$ 134,458</b>	Rental revenues - cash*	4.1%	6.1%	5.3%	5.5%	4.2%
Trailing four quarters - % of NOI*	13.5%	13.3%	13.3%	13.0%	12.3%	Rental revenues - net effective	3.6%	4.6%	4.1%	4.5%	3.7%
Weighted average ownership percent	60.4%	56.4%	59.8%	62.7%	64.3%	Rental expenses	5.4%	5.1%	2.4%	5.9%	3.2%
Prologis share	\$ 86,710	\$ 45,957	\$ 64,598	\$ 71,420	\$ 86,390	Same store NOI - cash*	3.7%	6.5%	6.3%	5.4%	4.5%
						Same store NOI - cash - Prologis share*	5.1%	7.9%	7.0%	5.9%	4.5%
						Same store NOI - net effective*	2.9%	4.4%	4.7%	4.1%	3.9%
						Same store NOI - net effective - Prologis share*	3.9%	5.3%	5.4%	4.5%	4.5%
						Average occupancy	(0.3%)	0.2%	0.2%	0.8%	0.2%

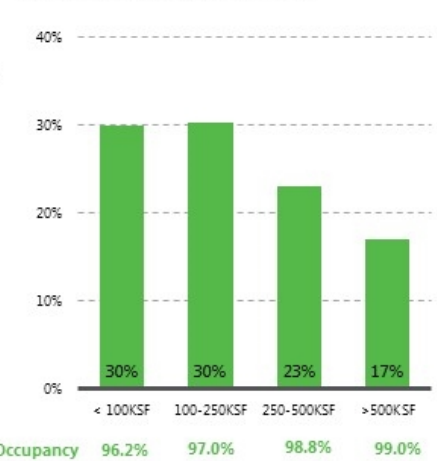
Property Improvements per Square Foot



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.

square feet in thousands and ordered by Prologis share of NOI (%)	# of Buildings Owned and Managed	Square Feet			Occupied %		Leased %	
		Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Southern California	400	82,321	63,851	15.1	99.5	99.7	99.5	99.7
New Jersey/New York City	137	34,082	25,524	6.0	99.7	99.6	99.9	99.9
San Francisco Bay Area	244	23,246	19,195	4.5	97.9	97.8	97.9	97.8
Chicago	227	42,148	31,914	7.6	97.9	97.9	97.9	98.0
Dallas/Ft. Worth	175	30,649	24,847	5.9	96.9	97.7	97.0	97.8
Seattle	126	17,538	11,750	2.8	96.6	96.4	97.5	97.6
Atlanta	133	25,505	21,636	5.1	96.5	96.4	97.0	97.0
South Florida	129	15,575	10,818	2.6	92.6	93.1	92.7	93.2
Central Valley	29	14,288	13,068	3.1	96.9	99.1	96.9	99.1
Central & Eastern PA	46	20,010	14,084	3.3	94.6	94.9	94.6	94.9
Houston	141	18,474	13,343	3.2	95.6	95.0	96.1	95.6
Baltimore/Washington	77	9,271	6,669	1.6	98.3	98.0	98.8	98.8
Las Vegas	62	9,361	6,039	1.4	97.3	97.7	97.5	97.8
Denver	38	6,543	5,879	1.4	99.6	99.6	99.8	99.9
Nashville	32	9,066	6,917	1.6	98.4	98.2	98.4	98.2
Orlando	56	6,877	5,607	1.3	96.9	98.6	96.9	98.6
Cincinnati	34	7,838	6,002	1.4	99.5	99.4	99.5	99.4
Remaining U.S. markets (12 markets)	231	41,404	31,438	7.5	95.3	94.4	96.0	95.1
<b>Total U.S.</b>	<b>2,317</b>	<b>414,196</b>	<b>318,581</b>	<b>75.4</b>	<b>97.4</b>	<b>97.6</b>	<b>97.7</b>	<b>97.8</b>
Mexico	207	28,570	19,406	4.6	97.2	96.9	97.2	96.9
Canada	31	9,166	9,165	2.2	100.0	100.0	100.0	100.0
Brazil	23	9,741	7,218	1.7	89.7	87.8	90.4	88.7
<b>Total Other Americas</b>	<b>261</b>	<b>57,477</b>	<b>35,789</b>	<b>8.5</b>	<b>96.3</b>	<b>95.8</b>	<b>96.5</b>	<b>96.0</b>
United Kingdom	103	23,381	8,154	1.9	97.4	96.3	97.4	96.3
France	108	29,069	10,703	2.5	98.4	98.8	98.4	98.8
Germany	90	21,847	6,840	1.6	99.0	99.1	99.5	99.5
Netherlands	72	19,748	6,651	1.6	99.9	99.8	99.9	99.9
Poland	87	19,542	6,641	1.6	98.4	98.4	98.8	99.0
Remaining European countries (7 countries)	224	47,816	18,766	4.5	96.7	96.0	97.0	96.2
<b>Total Europe</b>	<b>684</b>	<b>161,403</b>	<b>57,755</b>	<b>13.7</b>	<b>98.0</b>	<b>97.6</b>	<b>98.2</b>	<b>97.8</b>
Japan	44	30,681	5,938	1.4	99.0	99.1	99.0	99.2
China	85	22,474	3,542	0.8	96.0	96.2	96.0	96.2
Singapore	5	951	951	0.2	97.4	97.4	97.4	97.4
<b>Total Asia</b>	<b>134</b>	<b>54,106</b>	<b>10,431</b>	<b>2.4</b>	<b>97.7</b>	<b>98.0</b>	<b>97.8</b>	<b>98.0</b>
<b>Total Outside the U.S.</b>	<b>1,079</b>	<b>272,986</b>	<b>103,975</b>	<b>24.6</b>	<b>97.6</b>	<b>97.1</b>	<b>97.7</b>	<b>97.2</b>
<b>Total Operating Portfolio</b>	<b>3,396</b>	<b>687,182</b>	<b>422,556</b>	<b>100.0</b>	<b>97.5</b>	<b>97.5</b>	<b>97.7</b>	<b>97.7</b>
Total Global markets	2,778	578,657	349,477	82.7	97.6	97.6	97.8	97.8
Total Regional markets	618	108,525	73,079	17.3	96.8	96.6	97.2	97.0

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

	Fourth Quarter NOI*(A)			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Southern California	\$ 130,858	\$ 101,148	17.5	\$ 8,818,020	\$ 6,790,089	18.9
New Jersey/New York City	62,294	46,252	8.0	3,667,091	2,612,912	7.3
San Francisco Bay Area	53,962	45,021	7.8	2,888,163	2,499,455	7.0
Chicago	48,482	35,306	6.1	3,179,224	2,399,643	6.7
Dallas/Ft. Worth	33,889	27,512	4.8	1,959,191	1,544,631	4.3
Seattle	30,320	20,997	3.6	2,119,761	1,508,503	4.2
Atlanta	23,802	19,840	3.4	1,507,459	1,289,792	3.6
South Florida	25,968	18,505	3.2	1,776,711	1,291,479	3.6
Central Valley	17,736	16,354	2.8	971,647	889,579	2.5
Central & Eastern PA	22,374	15,900	2.8	1,460,377	1,035,474	2.9
Houston	21,380	15,689	2.7	1,491,678	1,086,569	3.0
Baltimore/Washington	16,067	11,797	2.0	976,589	718,403	2.0
Las Vegas	13,934	9,817	1.7	719,806	445,862	1.2
Denver	8,748	7,846	1.4	497,467	448,949	1.3
Nashville	7,756	6,346	1.1	479,992	372,993	1.0
Orlando	7,310	6,037	1.0	541,981	443,507	1.2
Cincinnati	7,703	5,898	1.0	408,165	319,736	0.9
Remaining U.S. markets (12 markets)	42,408	32,094	5.6	2,395,896	1,745,174	4.9
<b>Total U.S.</b>	<b>574,991</b>	<b>441,834</b>	<b>76.5</b>	<b>35,958,218</b>	<b>27,442,750</b>	<b>76.5</b>
Mexico	45,072	23,301	4.0	2,298,167	1,158,660	3.2
Canada	10,619	10,619	1.8	719,755	719,755	2.0
Brazil	11,600	8,276	1.4	606,726	451,422	1.3
<b>Total Other Americas</b>	<b>67,291</b>	<b>41,996</b>	<b>7.2</b>	<b>3,624,648</b>	<b>2,329,837</b>	<b>6.5</b>
United Kingdom	47,905	16,590	2.9	3,183,735	1,081,405	3.0
France	35,667	13,110	2.3	2,355,009	824,531	2.3
Germany	29,539	9,216	1.6	1,807,137	547,463	1.5
Netherlands	26,903	9,007	1.6	1,740,914	567,009	1.6
Poland	17,541	6,048	1.0	1,206,226	402,300	1.1
Remaining European countries (7 countries)	53,256	19,649	3.4	3,374,533	1,905,365	3.7
<b>Total Europe</b>	<b>210,811</b>	<b>73,615</b>	<b>12.8</b>	<b>13,667,654</b>	<b>4,728,073</b>	<b>13.2</b>
Japan	72,689	15,012	2.6	5,560,284	1,045,792	2.9
China	20,336	3,107	0.5	1,188,081	186,702	0.5
Singapore	2,057	2,057	0.4	138,339	138,339	0.4
<b>Total Asia</b>	<b>95,082</b>	<b>20,176</b>	<b>3.5</b>	<b>6,886,704</b>	<b>1,370,833</b>	<b>3.8</b>
<b>Total Outside the U.S.</b>	<b>373,184</b>	<b>135,787</b>	<b>23.5</b>	<b>24,179,006</b>	<b>8,428,743</b>	<b>23.5</b>
<b>Total Operating Portfolio</b>	<b>\$ 948,175</b>	<b>\$ 577,621</b>	<b>100.0</b>	<b>\$ 60,138,224</b>	<b>\$ 35,871,493</b>	<b>100.0</b>
Total Global markets	828,665	496,704	86.0	53,432,312	31,436,257	87.6
Total Regional markets	119,510	80,917	14.0	6,705,912	4,435,236	12.4

square feet and dollars in thousands

	# of Buildings Owned and Managed	Square Feet			Occupied %		Leased %	
		Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
<b>Consolidated</b>								
Total U.S.	1,754	324,085	292,917	69.6	97.4	97.6	97.7	97.9
Total Outside the U.S.	81	24,309	24,309	5.7	93.8	93.8	94.2	94.2
<b>Total Operating Portfolio - Consolidated</b>	<b>1,835</b>	<b>348,394</b>	<b>318,226</b>	<b>75.3</b>	<b>97.2</b>	<b>97.3</b>	<b>97.4</b>	<b>97.6</b>
<b>Unconsolidated</b>								
Total U.S.	563	90,111	24,664	5.8	97.4	97.4	97.5	97.5
Total Outside the U.S.	998	248,677	79,666	18.9	98.0	98.0	98.1	98.2
<b>Total Operating Portfolio - Unconsolidated</b>	<b>1,561</b>	<b>338,788</b>	<b>104,330</b>	<b>24.7</b>	<b>97.8</b>	<b>97.9</b>	<b>98.0</b>	<b>98.0</b>
<b>Total</b>								
Total U.S.	2,317	414,196	318,581	75.4	97.4	97.6	97.7	97.8
Total Outside the U.S.	1,079	272,986	103,975	24.6	97.6	97.1	97.7	97.2
<b>Total Operating Portfolio</b>	<b>3,396</b>	<b>687,182</b>	<b>422,556</b>	<b>100.0</b>	<b>97.5</b>	<b>97.5</b>	<b>97.7</b>	<b>97.7</b>
Value added properties - consolidated	28	7,855	7,308	16.3	16.3	17.5	32.8	31.0
Value added properties - unconsolidated	8	1,271	373	37.5	37.5	40.9	37.5	40.9
<b>Total Operating Properties</b>	<b>3,432</b>	<b>696,308</b>	<b>430,237</b>		<b>96.5</b>	<b>96.0</b>	<b>96.8</b>	<b>96.5</b>

	Fourth Quarter NOI*			Gross Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
<b>Consolidated</b>						
Total U.S.	\$ 449,654	\$ 407,181	70.5	\$ 28,075,690	\$ 25,285,029	70.5
Total Outside the U.S.	28,808	28,808	5.0	1,928,137	1,928,137	5.4
<b>Total Operating Portfolio - Consolidated</b>	<b>\$ 478,462</b>	<b>\$ 435,989</b>	<b>75.5</b>	<b>\$ 30,003,827</b>	<b>\$ 27,213,166</b>	<b>75.9</b>
<b>Unconsolidated</b>						
Total U.S.	\$ 125,337	\$ 34,653	6.0	\$ 7,883,528	\$ 2,157,721	6.0
Total Outside the U.S.	344,376	106,979	18.5	22,250,869	6,500,606	18.1
<b>Total Operating Portfolio - Unconsolidated</b>	<b>\$ 469,713</b>	<b>\$ 141,632</b>	<b>24.5</b>	<b>\$ 30,134,397</b>	<b>\$ 8,658,327</b>	<b>24.1</b>
<b>Total</b>						
Total U.S.	\$ 574,991	\$ 441,834	76.5	\$ 35,959,218	\$ 27,442,750	76.5
Total Outside the U.S.	373,184	135,797	23.5	24,179,006	8,428,743	23.5
<b>Total Operating Portfolio</b>	<b>\$ 948,175</b>	<b>\$ 577,631</b>	<b>100.0</b>	<b>\$ 60,138,224</b>	<b>\$ 35,871,493</b>	<b>100.0</b>
Value added properties - consolidated	(877)	(700)		772,706	725,319	
Value added properties - unconsolidated	469	133		93,781	27,870	
<b>Total Operating Properties</b>	<b>\$ 947,767</b>	<b>\$ 577,054</b>		<b>\$ 61,004,711</b>	<b>\$ 36,624,682</b>	



square feet and dollars in thousands

Top Customers - Owned and Managed

	% of Net Effective Rent	Total Square Feet
1 Amazon	3.3	19,826
2 DHL	1.4	10,402
3 XPO Logistics	1.3	9,256
4 Geodis	1.2	9,943
5 FedEx	1.1	4,392
6 Home Depot	1.0	6,962
7 Kuhne + Nagel	0.9	6,138
8 UPS	0.9	5,879
9 DSV Air and Sea	0.9	5,200
10 BMW	0.6	4,244
<b>Top 10 Customers</b>	<b>12.6</b>	<b>82,242</b>
11 Wal-Mart	0.6	4,429
12 CEVA Logistics	0.6	4,739
13 Nippon Express	0.6	2,687
14 Cainiao Network	0.5	4,148
15 Hitachi	0.5	2,235
16 Ingram Micro	0.5	3,885
17 DB Schenker	0.5	3,554
18 Panalpina	0.4	2,821
19 U.S. Government	0.4	1,129
20 Yusen Logistics	0.4	2,159
21 PepsiCo	0.3	2,755
22 Office Depot	0.3	2,266
23 APL Logistics	0.3	2,729
24 LG	0.3	2,304
25 Kimberly-Clark Corporation	0.3	2,840
<b>Top 25 Customers</b>	<b>19.1</b>	<b>126,922</b>

Lease Expirations - Operating Portfolio - Owned and Managed

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2019	87,951	471,355	12.1	5.36
2020	106,260	592,247	15.1	5.57
2021	105,022	588,608	15.1	5.60
2022	100,233	580,678	14.8	5.79
2023	84,166	505,807	12.9	6.01
Thereafter	186,355	1,175,659	30.0	6.31
	<b>669,987</b>	<b>3,914,354</b>	<b>100.0</b>	<b>5.84</b>

Lease Expirations - Operating Portfolio - Prologis Share

Year	Occupied Sq Ft	Net Effective Rent		
		\$	% of Total	\$ Per Sq Ft
2019	54,369	284,465	12.0	5.23
2020	57,689	316,385	13.3	5.48
2021	65,814	362,131	15.3	5.50
2022	61,717	347,506	14.7	5.63
2023	55,009	323,512	13.7	5.88
Thereafter	117,200	735,205	31.0	6.27
	<b>411,798</b>	<b>2,369,204</b>	<b>100.0</b>	<b>5.75</b>

(dollars in millions)

**Development Starts (TEI)**



Year	2014	2015	2016	2017	2018
Est Value Creation	\$ 347	\$ 380	\$ 365	\$ 446	\$ 482

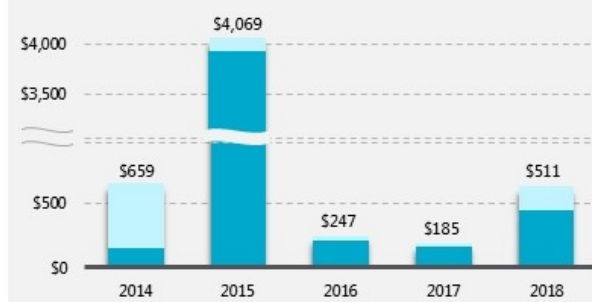
**Development Stabilizations (TEI)**



Year	2014	2015	2016	2017	2018
Est wtd avg stabilized yield	7.5%	7.3%	6.8%	6.6%	6.5%

Year	2014	2015	2016	2017	2018
Est Value Creation	\$236	\$533	\$571	\$583	\$661

**Building Acquisitions**



**Land Portfolio**



■ U.S.    ■ Outside the U.S.

square feet and dollars in thousands

	Q4 2018			FY 2018		
	Square Feet	T E I		Square Feet	T E I	
		Owned and Managed	Prologis Share		Owned and Managed	Prologis Share
Central	-	\$ -	\$ -	2,863	\$ 158,480	\$ 125,628
East	1,375	191,545	171,461	1,880	251,878	231,794
West	932	69,836	69,836	5,010	401,634	380,835
<b>Total U.S.</b>	<b>2,307</b>	<b>261,381</b>	<b>241,297</b>	<b>9,753</b>	<b>811,992</b>	<b>738,257</b>
Canada	249	24,215	24,215	249	24,215	24,215
Mexico	283	18,134	18,134	1,792	116,931	116,931
Brazil	-	-	-	-	-	-
<b>Total Other Americas</b>	<b>532</b>	<b>42,349</b>	<b>42,349</b>	<b>2,041</b>	<b>141,146</b>	<b>141,146</b>
Northern Europe	-	-	-	2,680	206,779	165,001
Southern Europe	827	58,535	58,535	3,166	229,037	229,037
Central Europe	-	-	-	1,604	95,691	92,433
United Kingdom	254	68,721	10,308	1,510	212,350	104,422
<b>Total Europe</b>	<b>1,081</b>	<b>127,256</b>	<b>68,843</b>	<b>8,960</b>	<b>743,857</b>	<b>590,893</b>
Japan	1,250	195,083	195,083	2,107	355,783	355,783
China	485	22,843	3,426	5,998	312,001	46,800
Singapore	-	-	-	-	-	-
<b>Total Asia</b>	<b>1,735</b>	<b>217,926</b>	<b>198,509</b>	<b>8,105</b>	<b>667,784</b>	<b>402,583</b>
<b>Total Outside the U.S.</b>	<b>3,348</b>	<b>387,531</b>	<b>309,701</b>	<b>19,106</b>	<b>1,552,787</b>	<b>1,134,622</b>
<b>Total Development Stabilizations</b>	<b>5,655</b>	<b>\$ 648,912</b>	<b>\$ 550,998</b>	<b>28,859</b>	<b>\$ 2,364,779</b>	<b>\$ 1,872,879</b>
Percent build to suit			64.9%			56.6%
Estimated weighted average stabilized yield			6.2%			6.5%
Annualized estimated NCI			\$ 343,377			\$ 122,058
Estimated weighted average stabilized cap rate			4.6%			4.7%
Estimated weighted average margin			33.7%			35.3%
<b>Estimated value creation</b>			<b>\$ 185,497</b>			<b>\$ 660,523</b>

square feet and dollars in thousands

	Q4 2018				FY 2018			
	Square Feet	Leased % at Start	TE I		Square Feet	Leased % at Start	TE I	
			Owned and Managed	Prologis Share			Owned and Managed	Prologis Share
Central	681	0.0	\$ 48,165	\$ 48,165	3,436	64.3	\$ 212,550	\$ 212,550
East	913	0.0	93,747	93,747	2,119	22.7	248,373	222,307
West	3,742	58.7	346,967	324,906	7,245	38.2	670,274	648,213
<b>Total U.S.</b>	<b>5,336</b>	<b>41.2</b>	<b>488,879</b>	<b>466,818</b>	<b>12,800</b>	<b>42.6</b>	<b>1,131,197</b>	<b>1,083,070</b>
Canada	847	100.0	93,934	93,934	847	100.0	93,934	93,934
Mexico	588	100.0	31,964	31,964	1,147	100.0	71,284	71,284
Brazil	-	-	-	-	-	-	-	-
<b>Total Other Americas</b>	<b>1,435</b>	<b>100.0</b>	<b>125,898</b>	<b>125,898</b>	<b>1,994</b>	<b>100.0</b>	<b>165,218</b>	<b>165,218</b>
Northern Europe	528	61.6	42,858	42,858	3,924	59.4	352,478	347,127
Southern Europe	993	53.8	83,149	83,149	1,926	63.1	166,487	166,487
Central Europe	937	11.3	59,232	53,422	2,689	24.5	171,385	155,815
United Kingdom	641	0.0	92,204	13,830	1,346	36.7	191,513	49,120
<b>Total Europe</b>	<b>3,099</b>	<b>31.1</b>	<b>277,443</b>	<b>193,259</b>	<b>9,885</b>	<b>47.6</b>	<b>881,863</b>	<b>718,549</b>
Japan	625	0.0	110,180	110,180	2,655	46.7	432,529	432,529
China	4,132	0.0	225,610	33,842	8,603	0.0	476,298	71,445
<b>Total Asia</b>	<b>4,757</b>	<b>0.0</b>	<b>335,790</b>	<b>144,022</b>	<b>11,258</b>	<b>11.0</b>	<b>908,827</b>	<b>503,974</b>
<b>Total Outside the U.S.</b>	<b>9,291</b>	<b>25.8</b>	<b>739,131</b>	<b>463,179</b>	<b>23,137</b>	<b>34.3</b>	<b>1,955,908</b>	<b>1,387,741</b>
<b>Total Development Starts</b>	<b>14,627</b>	<b>31.4</b>	<b>\$ 1,228,010</b>	<b>\$ 929,997</b>	<b>35,937</b>	<b>37.3</b>	<b>\$ 3,087,105</b>	<b>\$ 2,470,811</b>
Percent build to suit				42.3%				39.5%
Estimated weighted average stabilized yield				6.2%				6.2%
Annualized estimated NOI				\$ 57,450				\$ 152,160
Estimated weighted average stabilized cap rate				5.1%				5.0%
Estimated weighted average margin				19.0%				19.5%
<b>Estimated value creation</b>				<b>\$ 176,920</b>				<b>\$ 482,354</b>

square feet and dollars in thousands

	Pre-Stabilized Developments				Under Development						Total Development Portfolio				
	TEI				2019 Expected Completion			2020 and Thereafter Expected Completion			TEI				
	Sq Ft	Leased %	Owned and	Prologis	Sq Ft	Owned and	Prologis	Sq Ft	Owned and	Prologis	Sq Ft	Leased %	Owned and	Prologis	
			Managed	Share		Managed	Share		Managed	Share			Managed	Share	
Central	1,326	23.5	\$ 107,292	\$ 107,292	3,434	\$ 212,966	\$ 212,966	-	\$ -	\$ -	4,760	52.0	\$ 320,258	\$ 320,258	
East	296	49.2	27,946	27,946	3,157	308,248	281,952	-	-	-	3,413	22.5	336,194	309,898	
West	2,251	26.2	298,992	298,992	7,756	797,025	797,025	1,690	140,620	118,559	11,697	35.8	1,236,637	1,214,576	
<b>Total U.S.</b>	<b>3,873</b>	<b>26.8</b>	<b>434,230</b>	<b>434,230</b>	<b>14,347</b>	<b>1,318,239</b>	<b>1,291,943</b>	<b>1,690</b>	<b>140,620</b>	<b>118,559</b>	<b>19,870</b>	<b>37.6</b>	<b>1,893,089</b>	<b>1,844,732</b>	
Canada	-	-	-	-	847	93,934	93,934	-	-	-	847	100.0	93,934	93,934	
Mexico	619	100.0	41,508	41,508	1,146	72,712	72,712	-	-	-	1,765	100.0	114,220	114,220	
Brazil	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Other Americas</b>	<b>619</b>	<b>100.0</b>	<b>41,508</b>	<b>41,508</b>	<b>1,993</b>	<b>166,646</b>	<b>166,646</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,612</b>	<b>100.0</b>	<b>208,154</b>	<b>208,154</b>	
Northern Europe	566	81.2	42,337	42,337	3,905	343,895	338,633	-	-	-	4,471	62.4	386,232	380,700	
Southern Europe	253	22.3	16,658	16,658	1,926	165,102	165,102	-	-	-	2,179	58.3	181,760	181,760	
Central Europe	1,128	48.1	76,285	76,285	1,416	89,024	73,517	-	-	-	2,544	29.2	165,909	149,802	
United Kingdom	501	2.3	84,508	31,955	1,365	186,814	28,022	-	-	-	1,866	22.8	271,322	59,977	
<b>Total Europe</b>	<b>2,448</b>	<b>43.7</b>	<b>219,788</b>	<b>167,235</b>	<b>8,612</b>	<b>784,835</b>	<b>605,004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,060</b>	<b>47.3</b>	<b>1,004,623</b>	<b>772,239</b>	
Japan	2,099	99.9	326,341	326,341	2,290	353,368	353,368	625	110,180	110,180	5,014	77.2	789,889	789,889	
China	4,280	41.2	233,499	35,025	6,054	325,475	48,822	7,184	404,545	60,681	17,518	10.3	963,519	144,528	
Singapore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Asia</b>	<b>6,379</b>	<b>60.6</b>	<b>559,840</b>	<b>361,366</b>	<b>8,344</b>	<b>678,843</b>	<b>402,190</b>	<b>7,809</b>	<b>514,725</b>	<b>170,861</b>	<b>22,532</b>	<b>25.2</b>	<b>1,753,408</b>	<b>934,417</b>	
<b>Total Outside the U.S.</b>	<b>9,446</b>	<b>58.8</b>	<b>821,136</b>	<b>570,109</b>	<b>18,949</b>	<b>1,630,324</b>	<b>1,173,840</b>	<b>7,809</b>	<b>514,725</b>	<b>170,861</b>	<b>36,204</b>	<b>37.3</b>	<b>2,966,185</b>	<b>1,914,610</b>	
<b>Total Development Portfolio</b>	<b>13,279</b>	<b>49.5</b>	<b>\$ 1,255,366</b>	<b>\$ 1,004,339</b>	<b>33,296</b>	<b>\$ 2,948,563</b>	<b>\$ 2,465,783</b>	<b>9,499</b>	<b>\$ 655,345</b>	<b>\$ 289,420</b>	<b>56,074</b>	<b>37.4</b>	<b>\$ 4,859,274</b>	<b>\$ 3,759,542</b>	
Cost to complete			\$ 118,619	\$ 113,971		\$ 1,265,101	\$ 1,095,840		\$ 497,538	\$ 239,490			\$ 1,881,258	\$ 1,449,301	
Percent build to suit				0.0%			39.5%			9.3%				26.6%	
Estimated weighted average stabilized yield															
U.S.				5.9%			6.0%			5.8%				5.9%	
Other Americas				8.2%			6.4%			-				6.8%	
Europe				6.7%			6.1%			-				6.3%	
Asia				6.1%			5.9%			5.9%				5.9%	
Total				6.2%			6.0%			5.9%				6.1%	
														Annualized estimated NOI	\$227,619
														Estimated weighted average stabilized cap rate	4.9%
														Estimated weighted average margin	20.7%
														Estimated value creation	\$779,051

square feet and dollars in thousands

	Q4 2018				FY 2018			
	Square Feet		Acquisition Price		Square Feet		Acquisition Price	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
Prologis Wholly Owned	135	135	\$ 63,596	\$ 63,596	1,082	1,082	\$ 158,562	\$ 158,562
Prologis U.S. Logistics Venture	3,057	1,684	246,086	135,441	3,516	1,936	362,800	199,680
Prologis Targeted U.S. Logistics Fund	2,262	619	236,056	64,602	2,849	778	302,618	82,534
<b>Total U.S. (A)</b>	<b>5,454</b>	<b>2,438</b>	<b>545,738</b>	<b>263,639</b>	<b>7,447</b>	<b>3,796</b>	<b>823,980</b>	<b>440,776</b>
Prologis Europe Wholly Owned	159	159	34,292	34,292	159	159	34,292	34,292
Prologis European Logistics Fund	976	272	79,944	22,301	1,447	398	110,467	30,490
Prologis European Logistics Partners	-	-	-	-	92	46	10,711	5,355
<b>Total Outside the U.S.</b>	<b>1,135</b>	<b>431</b>	<b>114,236</b>	<b>56,593</b>	<b>1,698</b>	<b>603</b>	<b>155,470</b>	<b>70,137</b>
<b>Total Third Party Building Acquisitions</b>	<b>6,589</b>	<b>2,869</b>	<b>\$ 659,974</b>	<b>\$ 320,232</b>	<b>9,145</b>	<b>4,399</b>	<b>\$ 979,450</b>	<b>\$ 510,913</b>
<b>Weighted average stabilized cap rate</b>				<b>5.1%</b>				<b>5.0%</b>

square feet and dollars. In thousands

	Q4 2018				FY 2018			
	Square Feet		Sales Price		Square Feet		Sales Price	
	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share	Owned and Managed	Prologis Share
<b>Third-Party Building Dispositions</b>								
Prologis Wholly Owned	1,129	1,129	\$ 80,140	\$ 80,140	5,782	5,782	\$ 373,850	\$ 373,850
Prologis U.S. Logistics Venture	4,875	2,683	424,846	233,835	6,878	3,786	536,472	295,274
Prologis Targeted U.S. Logistics Fund	1,207	330	146,746	40,164	1,597	438	169,909	46,571
<b>Total U.S.</b>	<b>7,211</b>	<b>4,142</b>	<b>651,732</b>	<b>354,139</b>	<b>14,257</b>	<b>10,006</b>	<b>1,080,231</b>	<b>715,695</b>
<b>Total Other Americas</b>	-	-	-	-	-	-	-	-
Prologis Wholly Owned	1,937	1,937	120,458	120,458	2,550	2,550	171,300	171,300
Prologis European Logistics Fund	5,176	1,444	324,237	90,462	9,323	2,549	649,988	177,244
Prologis European Logistics Partners	4,967	2,184	252,620	126,310	7,069	3,535	382,265	191,132
<b>Total Europe</b>	<b>11,480</b>	<b>5,565</b>	<b>697,315</b>	<b>337,230</b>	<b>18,942</b>	<b>8,634</b>	<b>1,203,553</b>	<b>539,676</b>
Prologis Wholly Owned	172	172	44,513	44,513	172	172	44,513	44,513
<b>Total Asia</b>	<b>172</b>	<b>172</b>	<b>44,513</b>	<b>44,513</b>	<b>172</b>	<b>172</b>	<b>44,513</b>	<b>44,513</b>
<b>Total Outside the U.S.</b>	<b>11,652</b>	<b>5,737</b>	<b>741,828</b>	<b>381,743</b>	<b>19,114</b>	<b>8,806</b>	<b>1,248,066</b>	<b>584,189</b>
<b>Total Third Party Building Dispositions</b>	<b>18,863</b>	<b>9,879</b>	<b>\$ 1,393,560</b>	<b>\$ 735,882</b>	<b>33,371</b>	<b>18,812</b>	<b>\$ 2,328,297</b>	<b>\$ 1,299,884</b>
<b>Building Contributions to Co-Investment Ventures</b>								
Prologis U.S. Logistics Venture	-	-	\$ -	\$ -	1,030	1,030	\$ 82,293	\$ 36,999
Prologis Targeted U.S. Logistics Fund	1,122	1,122	106,722	77,512	1,122	1,122	106,722	77,512
<b>Total U.S.</b>	<b>1,122</b>	<b>1,122</b>	<b>106,722</b>	<b>77,512</b>	<b>2,152</b>	<b>2,152</b>	<b>189,015</b>	<b>114,511</b>
FIBRA Prologis	1,112	1,112	64,550	34,379	1,381	1,381	78,100	41,662
<b>Total Other Americas</b>	<b>1,112</b>	<b>1,112</b>	<b>64,550</b>	<b>34,379</b>	<b>1,381</b>	<b>1,381</b>	<b>78,100</b>	<b>41,662</b>
Prologis European Logistics Fund	1,448	1,448	127,786	92,134	6,448	6,448	627,740	456,660
Prologis UK Logistics Venture	-	-	-	-	379	379	52,231	44,397
<b>Total Europe</b>	<b>1,448</b>	<b>1,448</b>	<b>127,786</b>	<b>92,134</b>	<b>6,827</b>	<b>6,827</b>	<b>679,971</b>	<b>501,057</b>
Nippon Prologis REIT	999	999	161,325	136,997	2,900	2,900	569,210	483,210
Prologis China Logistics Venture	-	-	-	-	885	885	51,490	43,767
<b>Total Asia</b>	<b>999</b>	<b>999</b>	<b>161,325</b>	<b>136,997</b>	<b>3,785</b>	<b>3,785</b>	<b>620,700</b>	<b>526,977</b>
<b>Total Outside the U.S.</b>	<b>3,559</b>	<b>3,559</b>	<b>353,661</b>	<b>263,510</b>	<b>11,993</b>	<b>11,993</b>	<b>1,378,771</b>	<b>1,069,696</b>
<b>Total Building Contributions to Co-Investment Ventures</b>	<b>4,681</b>	<b>4,681</b>	<b>460,383</b>	<b>341,022</b>	<b>14,145</b>	<b>14,145</b>	<b>1,567,786</b>	<b>1,184,207</b>
<b>Total Building Dispositions and Contributions</b>	<b>23,544</b>	<b>14,560</b>	<b>\$ 1,853,943</b>	<b>\$ 1,076,904</b>	<b>\$ 47,516</b>	<b>\$ 32,957</b>	<b>\$ 3,896,083</b>	<b>\$ 2,484,091</b>
<b>Weighted average stabilized cap rate</b>				<b>5.3%</b>				<b>5.2%</b>
Land dispositions			22,324	20,895			102,536	96,830
Dispositions of other investments in real estate			16,098	16,098			58,130	53,266
<b>Grand Total Dispositions and Contributions</b>			<b>\$ 1,892,365</b>	<b>\$ 1,113,897</b>			<b>\$ 4,056,749</b>	<b>\$ 2,634,187</b>

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	92	88	1,744	\$ 78,751	\$ 76,863	6.4
New Jersey/New York City	20	20	206	14,044	14,044	1.2
San Francisco Bay Area	16	16	289	8,185	8,185	0.7
Chicago	161	161	2,053	18,987	18,987	1.6
Dallas/Ft. Worth	24	24	848	6,535	6,535	0.5
Seattle	36	36	908	41,722	41,722	3.5
Atlanta	218	218	2,593	16,928	16,928	1.4
South Florida	141	138	2,783	92,134	90,536	7.6
Central Valley	1,017	1,017	20,321	137,277	137,277	11.5
Central & Eastern PA	29	16	399	7,963	4,388	0.3
Houston	172	160	2,969	23,284	21,641	1.8
Baltimore/Washington	-	-	-	-	-	0.0
Las Vegas	67	67	1,314	13,676	13,676	1.1
Denver	18	18	278	6,036	6,036	0.5
Nashville	-	-	-	-	-	0.0
Orlando	65	65	972	17,431	17,431	1.5
Cincinnati	-	-	-	-	-	0.0
Remaining U.S. markets (12 markets)	161	154	2,869	18,695	17,429	1.5
<b>Total U.S.</b>	<b>2,237</b>	<b>2,190</b>	<b>40,546</b>	<b>501,640</b>	<b>491,678</b>	<b>41.1</b>
Mexico	551	521	10,222	111,308	103,880	8.7
Canada	109	109	2,053	28,397	28,397	2.3
Brazil	531	490	11,950	152,714	135,114	11.3
<b>Total Other Americas</b>	<b>1,191</b>	<b>1,120</b>	<b>24,225</b>	<b>292,419</b>	<b>267,391</b>	<b>22.3</b>
United Kingdom	276	183	5,068	187,622	107,455	9.0
France	279	223	4,749	47,803	35,879	3.0
Germany	18	14	399	3,257	2,486	0.2
Netherlands	25	25	721	9,578	9,578	0.8
Poland	431	403	8,109	59,125	52,674	4.4
Remaining European countries (7 countries)	661	620	13,293	94,571	86,428	7.2
<b>Total Europe</b>	<b>1,690</b>	<b>1,468</b>	<b>32,339</b>	<b>401,956</b>	<b>294,500</b>	<b>24.6</b>
Japan	101	101	5,812	134,797	134,797	11.3
China	205	31	7,565	58,828	8,824	0.7
Singapore	-	-	-	-	-	0.0
<b>Total Asia</b>	<b>306</b>	<b>132</b>	<b>13,377</b>	<b>193,625</b>	<b>143,621</b>	<b>12.0</b>
<b>Total Outside the U.S.</b>	<b>3,187</b>	<b>2,720</b>	<b>69,941</b>	<b>888,000</b>	<b>705,512</b>	<b>58.9</b>
<b>Total Land Portfolio</b>	<b>5,424</b>	<b>4,918</b>	<b>110,487</b>	<b>\$ 1,389,648</b>	<b>\$ 1,197,190</b>	<b>100.0</b>



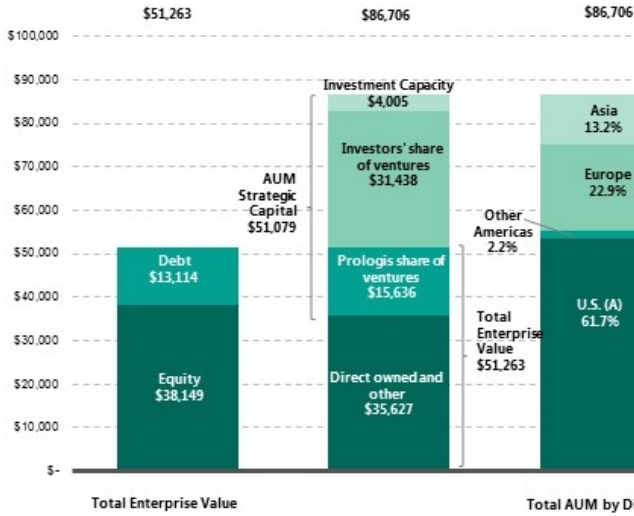
dollars in thousands	Acres			Current Book Value		
	Owned and Managed	Prologis Share	% of Total	Owned and Managed	Prologis Share	% of Total
Central	423	410	8.3	\$ 52,490	\$ 50,786	4.3
East	478	465	9.5	148,886	143,714	12.0
West	1,336	1,323	26.9	300,332	297,178	24.8
<b>Total U.S.</b>	<b>2,237</b>	<b>2,198</b>	<b>44.7</b>	<b>501,648</b>	<b>491,678</b>	<b>41.1</b>
Mexico	551	521	10.6	111,908	103,880	8.7
Canada	109	109	2.2	28,397	28,397	2.3
Brazil	531	490	10.0	152,714	125,114	11.3
<b>Total Other Americas</b>	<b>1,191</b>	<b>1,120</b>	<b>22.8</b>	<b>292,419</b>	<b>267,391</b>	<b>22.3</b>
Central Europe	909	861	17.5	105,931	97,040	8.1
Northern Europe	91	85	1.7	27,737	26,353	2.2
Southern Europe	414	339	6.9	80,666	63,652	5.3
United Kingdom	276	183	3.7	187,622	107,455	9.0
<b>Total Europe</b>	<b>1,690</b>	<b>1,468</b>	<b>29.8</b>	<b>401,956</b>	<b>294,500</b>	<b>24.6</b>
Japan	101	101	2.1	134,797	134,797	11.3
China	205	31	0.6	58,828	8,824	0.7
<b>Total Asia</b>	<b>306</b>	<b>132</b>	<b>2.7</b>	<b>193,625</b>	<b>143,621</b>	<b>12.0</b>
<b>Total Outside the U.S.</b>	<b>3,187</b>	<b>2,720</b>	<b>55.3</b>	<b>888,000</b>	<b>705,512</b>	<b>58.9</b>
<b>Total Land Portfolio</b>	<b>5,424</b>	<b>4,918</b>	<b>100.0</b>	<b>\$ 1,389,648</b>	<b>\$ 1,197,190</b>	<b>100.0</b>
Estimated build out of land portfolio (in TEI)				\$ 8,600,000	\$ 7,700,000	
Estimated build out of other land (in TEI) (A)				2,600,000	2,500,000	
<b>Total</b>				<b>\$ 11,200,000</b>	<b>\$ 10,200,000</b>	

Land Roll Forward - Prologis Share	U.S.	Other Americas	Europe	Asia	Total
<b>As of September 30, 2018</b>	\$ 555,882	\$ 300,498	\$ 321,909	\$ 97,134	\$ 1,275,423
Acquisitions	33,253	-	17,943	65,683	116,879
Dispositions	(125)	(2,489)	(4,891)	-	(7,505)
Development starts	(113,991)	(37,578)	(40,572)	(27,710)	(219,851)
Infrastructure costs	9,025	7,445	4,425	4,129	25,024
Effect of changes in foreign exchange rates and other	7,634	(485)	(4,314)	4,385	7,220
<b>As of December 31, 2018</b>	<b>\$ 491,678</b>	<b>\$ 267,391</b>	<b>\$ 294,500</b>	<b>\$ 143,621</b>	<b>\$ 1,197,190</b>

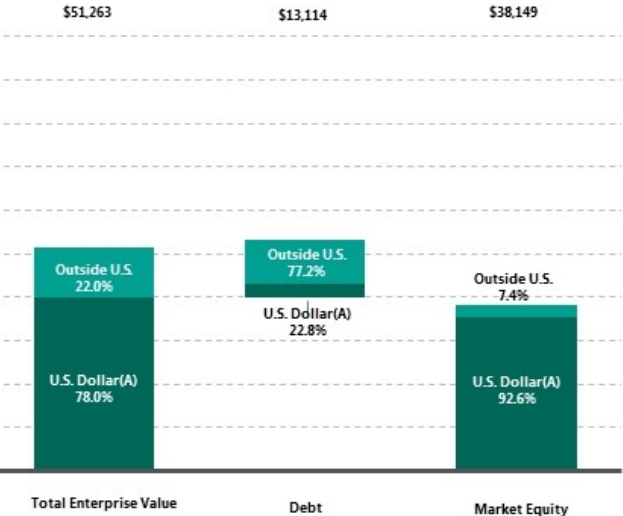


(A) Amounts include approximately 2,400 acres that we currently control through options, ground leases, unconsolidated joint ventures and other contractual arrangements.

**Assets Under Management**  
(dollars in millions)



**U.S. Dollar Exposure**  
(dollars in millions)



Total Enterprise Value

Total AUM by Division

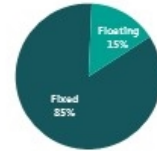
Total Enterprise Value

Debt

Market Equity

Prologis Share - Debt Metrics (B)		
	December 31, 2018	September 30, 2018
Debt as % of gross real estate assets*	20.6%	20.8%
Debt as % of gross market capitalization*	25.0%	22.5%
Secured debt as % of gross real estate assets*	3.5%	3.7%
Unencumbered gross real estate assets to unsecured debt*	321.4%	318.7%
Fixed charge coverage ratio*	8.16x	7.24x
Fixed charge coverage ratio, excluding development gains*	6.86x	6.08x
Debt/Adjusted EBITDA*	4.20x	4.40x
Debt/Adjusted EBITDA, excluding development gains*	5.00x	5.17x
Weighted average interest rate	2.8%	2.8%
Weighted average remaining maturity in years	6.0	6.0
Credit Ratings at December 31, 2018 (C)		
Moody's	A3 (Outlook Stable)	
Standard & Poor's	A- (Outlook Stable)	

Fixed vs. Floating Debt - Prologis Share



Unencumbered Assets - Prologis Share  
(in billions)



\* 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) The detail calculations are included in the Notes and Definitions section and are not in accordance with the applicable SEC rules.

(C) A securities rating is not a recommendation to buy, sell or hold securities and is subject to revision or withdrawal at any time by the rating organization.

dollars in thousands

Maturity	Unsecured			Secured Mortgage	Total	% Ownership	Wtd. Avg. Interest Rate	% Fixed
	Senior	Credit Facilities (A)	Other (A)					
2019	\$ -	\$ -	\$ 868	\$ 272,188	\$ 273,056	100%	7.4%	100%
2020	1,145,000	-	723	24,466	1,170,189	100%	0.9%	99%
2021	801,500	50,500	778	199,560	1,052,338	100%	1.6%	79%
2022	801,500	-	773,786	12,103	1,587,389	100%	2.9%	51%
2023	850,000	-	762,887	39,248	1,652,135	100%	3.2%	54%
2024	801,500	-	982	133,264	935,746	100%	4.1%	100%
2025	795,491	-	1,057	133,064	929,612	100%	3.7%	100%
2026	572,500	-	699	1,213	574,412	100%	3.1%	100%
2027	-	-	66,244	1,254	67,498	99%	1.1%	100%
2028	763,925	-	44,345	-	808,270	100%	2.5%	100%
2029	1,441,501	-	735	-	1,442,236	100%	2.1%	100%
Thereafter	391,891	-	276,554	-	668,445	100%	2.6%	86%
<b>Subtotal</b>	<b>8,364,808</b>	<b>50,500</b>	<b>1,929,658</b>	<b>816,360</b>	<b>11,161,326</b>	<b>100%</b>	<b>2.7%</b>	<b>83%</b>
Unamortized net premiums (discounts)	(26,173)	-	-	945	(25,228)			
Unamortized finance costs	(34,488)	-	(8,230)	(3,565)	(46,283)			
<b>Total consolidated debt, net of premium (discount)</b>	<b>\$ 8,304,147</b>	<b>\$ 50,500</b>	<b>\$ 1,921,428</b>	<b>\$ 813,740</b>	<b>\$ 11,089,815</b>			
Weighted average interest rate	2.7%	3.4%	1.8%	5.1%	2.7%			
Weighted average remaining maturity in years	6.7	2.3	5.7	3.3	6.3			

Prolgis debt by local currency

	Senior	Credit Facilities	Other	Secured Mortgage	Total	Investment Hedges (B)	Total	% of Total	Liquidity	
									Aggregate lender commitments - GLOC and revolver (C)	
Dollars	\$ 2,276,180	\$ 50,500	\$ 511,615	\$ 503,674	\$ 3,341,969	\$ (1,355,995)	\$ 1,985,974	18%		\$ 3,469,809
Euro	4,893,693	-	-	-	4,893,693	313,890	5,207,583	47%		
GBP	635,972	-	-	-	635,972	245,104	881,076	8%		50,500
Yen	498,302	-	1,285,693	167,849	1,951,844	177,317	2,129,161	19%		31,194
CAD	-	-	124,120	142,217	266,337	154,794	421,131	4%		3,388,115
Other	-	-	-	-	-	464,890	464,890	4%		343,856
<b>Total Debt</b>	<b>\$ 8,304,147</b>	<b>\$ 50,500</b>	<b>\$ 1,921,428</b>	<b>\$ 813,740</b>	<b>\$ 11,089,815</b>	<b>\$ -</b>	<b>\$ 11,089,815</b>	<b>100%</b>	<b>Total liquidity</b>	<b>\$ 3,731,971</b>

- (A) The maturity for the global senior credit facility (\$51 million) and a certain term loan (\$500 million) is reflected at the extended maturity date as the extension is at our option.
- (B) We manage our exposure to changes in foreign currency exchange rates using foreign currency forward contracts, including those that are accounted for as net investment hedges, to economically reduce our exposure to fluctuations in foreign currency rates. The effect is reflected in the table under Investment Hedges. See also page 28 for our market equity exposure by currency.
- (C) In January 2019, we recasted our GLOC increasing our borrowing capacity by approximately \$500 million and extending the maturity to 2023.



dollars in thousands		Noncontrolling Interests					Prologis Share of Unconsolidated Co-Investment Ventures				
Maturity	Unsecured	Secured	Total	Wtd. Avg. Interest Rate	% Fixed	Unsecured (B)	Secured	Total	Wtd. Avg. Interest Rate	% Fixed	
2019	\$ -	\$ 1,213	\$ 1,213	4.4%	100%	\$ 56,999	\$ 12,877	\$ 69,876	4.3%	22%	
2020	-	4,630	4,630	3.7%	79%	119,201	100,250	219,451	4.0%	99%	
2021	-	1,245	1,245	4.5%	100%	99,278	205,184	304,462	3.7%	99%	
2022	-	1,207	1,207	4.5%	100%	336,716	109,220	445,936	3.7%	79%	
2023	-	3,087	3,087	5.6%	100%	156,753	106,316	263,069	3.2%	94%	
2024	-	412	412	3.5%	100%	95,331	70,792	166,123	2.8%	94%	
2025	-	427	427	3.5%	100%	127,807	1,178	128,985	1.6%	100%	
2026	-	441	441	3.5%	100%	40,751	47,783	88,534	2.9%	89%	
2027	-	457	457	3.5%	100%	62,768	-	62,768	2.0%	100%	
2028	-	-	-	-	-	202,368	-	202,368	2.7%	100%	
2029	-	-	-	-	-	-	-	-	-	-	
Thereafter	-	-	-	-	-	97,205	-	97,205	2.5%	100%	
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 13,119</b>	<b>\$ 13,119</b>	<b>4.4%</b>	<b>92%</b>	<b>\$ 1,395,177</b>	<b>\$ 653,600</b>	<b>\$ 2,048,777</b>	<b>3.2%</b>	<b>91%</b>	
Unamortized net premiums (discounts)	-	302	302			(1,817)	604	(1,213)			
Unamortized finance costs	-	(204)	(204)			(7,939)	(2,288)	(10,227)			
<b>Noncontrolling interests share and Prologis Share of unconsolidated debt</b>	<b>\$ -</b>	<b>\$ 13,217</b>	<b>\$ 13,217</b>			<b>\$ 1,385,421</b>	<b>\$ 651,916</b>	<b>\$ 2,037,337</b>			
Weighted average interest rate	-	4.4%	4.4%			2.9%	4.1%	3.2%			
Weighted average remaining maturity in years	-	4.7	4.7			5.4	3.4	4.8			

Noncontrolling interests share of Consolidated debt and Prologis Share of unconsolidated debt by local currency										
	Unsecured	Secured	Total	% of Total	Unsecured	Secured	Total	Investment Hedges (C)	Total	% of Total
Dollars	\$ -	\$ 13,217	\$ 13,217	100%	\$ 645,321	\$ 392,316	\$ 1,037,637	\$ (24,660)	\$ 1,012,977	50%
Euro	-	-	-	-	419,460	86,286	505,746	-	505,746	25%
GBP	-	-	-	-	-	153,568	153,568	-	153,568	8%
Yen	-	-	-	-	295,077	-	295,077	-	295,077	14%
CAD	-	-	-	-	-	-	-	-	-	0%
Other	-	-	-	-	25,563	19,746	45,309	24,660	69,969	3%
<b>Total Debt</b>	<b>\$ -</b>	<b>\$ 13,217</b>	<b>\$ 13,217</b>	<b>100%</b>	<b>\$ 1,385,421</b>	<b>\$ 651,916</b>	<b>\$ 2,037,337</b>	<b>\$ -</b>	<b>\$ 2,037,337</b>	<b>100%</b>

- (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 \$349 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 market equity exposure by currency.

In thousands, except for percentages and per square foot

Operating							
	Square Feet	Gross Book Value	GBV per Sq Ft	Adjusted Cash NOI (Actual)*	Adjusted Cash NOI (Pro Forma)*	Annualized Adjusted Cash NOI*	Percent Occupied
<b>Consolidated Operating Portfolio</b>							
U.S.	298,917	\$ 25,285,029	\$ 86	\$ 401,040	\$ 401,040	\$ 1,604,160	97.6%
Other Americas	18,691	1,312,571	70	22,230	22,230	88,920	94.4%
Europe	2,922	228,127	76	1,492	1,492	5,968	85.6%
Asia	2,696	392,439	146	4,189	4,189	16,756	98.9%
Pro forma adjustments for mid-quarter acquisitions/development completions					2,596	10,344	
<b>Total consolidated operating portfolio</b>	<b>318,226</b>	<b>27,213,166</b>	<b>86</b>	<b>428,951</b>	<b>431,537</b>	<b>1,726,148</b>	<b>97.3%</b>
<b>Unconsolidated Operating Portfolio</b>							
U.S.	24,664	2,157,721	87	33,788	33,788	135,152	97.4%
Other Americas	17,098	1,017,266	59	19,982	19,982	79,928	97.4%
Europe	54,833	4,504,946	82	74,148	74,148	296,592	98.3%
Asia	7,735	978,904	126	13,860	13,860	55,440	97.7%
Pro forma adjustments for mid-quarter acquisitions/development completions					1,884	7,536	
<b>Total unconsolidated operating portfolio</b>	<b>104,330</b>	<b>8,658,327</b>	<b>83</b>	<b>141,778</b>	<b>143,662</b>	<b>574,648</b>	<b>97.9%</b>
<b>Total Operating Portfolio</b>	<b>422,556</b>	<b>\$ 35,871,493</b>	<b>\$ 85</b>	<b>\$ 570,729</b>	<b>\$ 575,199</b>	<b>\$ 2,300,796</b>	<b>97.5%</b>
Development							
	Square Feet	Investment Balance	TEI	TEI per Sq Ft		Annualized Estimated NOI	Percent Occupied
<b>Consolidated</b>							
<b>Prestabilized</b>							
U.S.	3,833	\$ 389,169	\$ 484,230	\$ 113		\$ 25,688	9.0%
Other Americas	619	31,461	41,508	67		3,401	16.6%
Europe	2,158	131,641	157,961	73		10,737	31.4%
Asia	2,099	305,798	325,950	155		19,392	27.3%
							19.5%
<b>Properties under development</b>							
U.S.	15,548	719,286	1,410,502	91		83,881	
Other Americas	1,993	74,069	166,646	84		10,663	
Europe	6,771	275,603	562,896	83		34,513	
Asia	2,915	183,533	463,928	159		25,774	
<b>Total consolidated development portfolio</b>	<b>35,936</b>	<b>2,080,555</b>	<b>3,563,631</b>	<b>99</b>		<b>\$ 214,049</b>	
<b>Unconsolidated</b>							
U.S.	-	-	-	-		\$ -	
Other Americas	-	-	-	-		-	
Europe	447	32,257	51,382	115		3,152	
Asia	2,628	78,143	144,529	55		10,418	
<b>Total unconsolidated development portfolio</b>	<b>3,075</b>	<b>110,400</b>	<b>195,911</b>	<b>64</b>		<b>\$ 13,570</b>	
<b>Total Development Portfolio</b>	<b>39,011</b>	<b>\$ 2,190,955</b>	<b>\$ 3,759,542</b>	<b>\$ 96</b>		<b>\$ 227,619</b>	
Prologis share of estimated value creation (see Capital Deployment - Development Portfolio)			779,051				
<b>Total development portfolio, including estimated value creation</b>		<b>\$ 2,970,006</b>					



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

In thousands			
Balance Sheet and Other Items			
		As of December 31, 2018	
<b>Consolidated</b>			
<b>Other assets</b>			
Cash and cash equivalents		\$	349,856
Restricted cash			4,110
Accounts receivable, prepaid assets and other tangible assets			918,128
Other real estate investments and gross book value of assets held for sale			1,095,888
Prologis share of value added operating properties			753,189
Prologis receivable from unconsolidated co-investment ventures			291,815
Investments in and advances to other unconsolidated joint ventures			337,456
Less: noncontrolling interests share of other assets			(113,540)
<b>Total other assets</b>		<b>\$</b>	<b>3,630,902</b>
<b>Other liabilities</b>			
Accounts payable and other current liabilities		\$	760,515
Deferred income taxes			56,766
Value added tax and other tax liabilities			14,037
Tenant security deposits			240,467
Other liabilities			369,093
Less: noncontrolling interests share of other liabilities			(37,032)
<b>Total liabilities</b>		<b>\$</b>	<b>1,403,846</b>
<b>Unconsolidated</b>			
Prologis share of net tangible other assets and gross book value of assets held for sale		\$	143,097
<b>Land</b>			
Current book value of land		\$	1,192,220
Less: noncontrolling interests share of the current book value of land			(37,632)
Prologis share of book value of land in unconsolidated co-investment ventures			42,602
<b>Total land portfolio</b>		<b>\$</b>	<b>1,197,190</b>
<b>Strategic Capital / Development Management</b>			
		<b>Fourth Quarter</b>	<b>Annual</b>
<b>Strategic Capital</b>			
Third party share of asset management fees from consolidated and unconsolidated co-investment ventures (annualized)	\$	42,037	\$ 168,148
Third party share of other transactional fees from consolidated and unconsolidated co-investment ventures (trailing 12 months)		12,811	35,641
Strategic capital expenses for asset management and other transactional fees (annualized based on actuals)		(13,484)	(57,515)
<b>Total strategic capital</b>	<b>\$</b>	<b>41,364</b>	<b>\$ 146,274</b>
<b>Promotes, net of expenses (trailing 12 months) (A)</b>	<b>\$</b>	<b>36,266</b>	<b>\$ 82,108</b>
<b>Development management income (trailing 12 months)</b>	<b>\$</b>	<b>1,990</b>	<b>\$ 9,358</b>
<b>Debt (at par) and Preferred Stock</b>			
		As of December 31, 2018	
<b>Debt</b>			
Consolidated debt		\$	11,161,326
Noncontrolling interests share of consolidated debt			(13,119)
Prologis share of unconsolidated co-investment ventures debt			2,048,777
<b>Total debt</b>			<b>13,196,984</b>
Preferred stock			69,948
<b>Total debt and preferred stock</b>		<b>\$</b>	<b>13,265,932</b>
Outstanding shares of common stock and limited operating partnership units			648,488



# 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	\$ 679,195
Rental expenses	(177,194)
NOI	502,001
Net termination fees and adjustments (a)	(1,540)
Less: actual NOI for development portfolio and other	(10,221)
Less: property management fees	(7,541)
Less: properties contributed or sold (b)	(3,936)
Less: noncontrolling interests share of NOI	(42,774)
<b>Prologis share of adjusted NOI for consolidated Operating Portfolio at December 31, 2018</b>	<b>435,989</b>
Straight-line rents (c)	(15,331)
Free rent (c)	13,472
Amortization of lease intangibles (c)	(2,886)
Effect of foreign currency exchange (d)	(2,379)
Less: noncontrolling interests and other	86
<b>Fourth quarter Adjusted Cash NOI (Actual)</b>	<b>\$ 429,951</b>

(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. Realized development gains include our share of gains on dispositions of development properties and land, net of taxes. To calculate the per share amount, the amount generated by each line of business is divided by the weighted average diluted common shares outstanding used in our Core FFO per share calculation. Management believes evaluating our results by line of business is a useful supplemental measure of our operating performance because it helps the investing public compare the operating performance of Prologis' respective businesses to other companies' comparable businesses. Prologis' computation of FFO by line of business may not be comparable to that reported by other real estate investment trusts as they may use different methodologies in computing such measures.



Calculation of Per Share Amounts

In thousands, except per share amount	Three Months Ended Dec. 31,		Twelve Months Ended Dec. 31,	
	2018	2017	2018	2017
<b>Net earnings</b>				
Net earnings attributable to common stockholders	\$ 596,568	\$ 296,515	\$ 1,648,426	\$ 1,941,981
Noncontrolling interest attributable to exchangeable limited partnership units	18,241	8,183	49,743	46,280
<b>Adjusted net earnings attributable to common stockholders - Diluted</b>	<b>\$ 614,809</b>	<b>\$ 304,698</b>	<b>\$ 1,698,169</b>	<b>\$ 1,988,261</b>
Weighted average common shares outstanding - Basic	628,956	531,478	567,367	550,400
Incremental weighted average effect on exchange of limited partnership units	10,759	15,336	17,765	15,945
Incremental weighted average effect of equity awards	5,864	7,587	5,104	5,265
<b>Weighted average common shares outstanding - Diluted</b>	<b>654,579</b>	<b>554,401</b>	<b>590,239</b>	<b>552,300</b>
<b>Net earnings per share - Basic</b>	<b>\$ 0.95</b>	<b>\$ 0.56</b>	<b>\$ 2.90</b>	<b>\$ 3.30</b>
<b>Net earnings per share - Diluted</b>	<b>\$ 0.94</b>	<b>\$ 0.55</b>	<b>\$ 2.87</b>	<b>\$ 3.06</b>
<b>Core FFO</b>				
Core FFO attributable to common stockholders/unit holders	\$ 526,521	\$ 373,267	\$ 1,738,149	\$ 1,951,153
Noncontrolling interest attributable to exchangeable limited partnership units	353	415	1,233	2,203
<b>Core FFO attributable to common stockholders/unit holders - Diluted</b>	<b>\$ 526,674</b>	<b>\$ 373,682</b>	<b>\$ 1,739,382</b>	<b>\$ 1,953,356</b>
Weighted average common shares outstanding - Basic	628,956	531,478	567,367	550,400
Incremental weighted average effect on exchange of limited partnership units	10,759	15,336	17,765	15,945
Incremental weighted average effect of equity awards	5,864	7,587	5,104	5,265
<b>Weighted average common shares outstanding - Diluted</b>	<b>654,579</b>	<b>554,401</b>	<b>590,239</b>	<b>552,300</b>
<b>Core FFO per share - Diluted</b>	<b>\$ 0.80</b>	<b>\$ 0.67</b>	<b>\$ 3.03</b>	<b>\$ 2.81</b>

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 Lme	
	Covenant	Actual	Covenant	Actual
Leverage ratio	<60%	26.0%	<60%	19.0%
Fixed charge coverage ratio	>1.5x	2.80x	>1.5x	12.33x
Secured debt leverage ratio	<40%	1.8%	<40%	1.4%
Unencumbered asset to unsecured debt ratio	>150%	335.3%	N/A	N/A
Unencumbered debt service coverage ratio	N/A	N/A	>150%	140.5%

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

dollars in thousands	Three Months Ended	
	Dec. 30, 2018	Sep. 30, 2018
<b>Debt as a % of gross real estate assets:</b>		
Consolidated debt (at par)	\$ 11,161,326	\$ 11,305,503
Noncontrolling interests share of consolidated debt (at par)	(13,119)	(71,620)
Prologis share of unconsolidated debt (at par)	2,048,777	2,005,180
Total Prologis share of debt (at par)	13,196,984	13,239,063
Prologis share of outstanding foreign currency derivatives	(1,519)	(5,928)
Consolidated cash and cash equivalents	(343,856)	(275,562)
Noncontrolling interests share of consolidated cash and cash equivalents	71,078	19,036
Prologis share of unconsolidated cash and cash equivalents	(203,997)	(200,456)
Total Prologis share of debt net of adjustments	\$ 12,718,690	\$ 12,776,152
Consolidated gross real estate assets	35,935,596	35,816,629
Noncontrolling interests share of consolidated gross real estate assets	(3,230,062)	(3,038,604)
Prologis share of unconsolidated gross real estate assets	8,838,699	8,715,827
Total Prologis share of gross real estate assets	\$ 41,544,233	\$ 41,493,852
<b>Debt as a % of gross real estate assets</b>	<b>30.6%</b>	<b>30.8%</b>
<b>Debt as a % of gross Market Capitalization:</b>		
Total Prologis share of debt net of adjustments	\$ 12,718,690	\$ 12,776,152
Total outstanding common stock and limited partnership units	648,488	648,545
Share price at quarter end	\$ 58.72	\$ 67.79
Total equity capitalization	\$ 38,079,215	\$ 43,964,866
Total Prologis share of debt net of adjustments	12,718,690	12,776,152
Gross Market Capitalization	\$ 50,797,905	\$ 56,741,018
<b>Debt as a % of gross Market Capitalization</b>	<b>25.0%</b>	<b>22.5%</b>
<b>Secured debt as a % of gross real estate assets:</b>		
Consolidated secured debt (at par)	\$ 816,360	\$ 866,917
Noncontrolling interests share of consolidated secured debt (at par)	(13,119)	(71,620)
Prologis share of unconsolidated secured debt (at par)	653,600	749,294
Total Prologis share of secured debt (at par)	\$ 1,456,841	\$ 1,544,591
Total Prologis share of gross real estate assets	\$ 41,544,233	\$ 41,493,852
<b>Secured debt as a % of gross real estate assets</b>	<b>3.5%</b>	<b>3.7%</b>
<b>Unencumbered gross real estate assets to unsecured debt</b>		
Consolidated unencumbered gross real estate assets	\$ 33,612,091	\$ 33,190,689
Noncontrolling interests share of consolidated unencumbered gross real estate assets	(3,160,219)	(2,844,677)
Prologis share of unconsolidated unencumbered gross real estate assets	7,278,081	6,929,482
Total Prologis share of unencumbered gross real estate assets	\$ 37,729,953	\$ 37,275,494
Consolidated unsecured debt (at par)	10,344,965	10,438,586
Noncontrolling interests share of consolidated unsecured debt (at par)	-	-
Prologis share of unconsolidated unsecured debt (at par)	1,395,177	1,255,886
Total Prologis share of unsecured debt (at par)	\$ 11,740,142	\$ 11,694,472
<b>Unencumbered gross real estate assets to unsecured debt</b>	<b>321.4%</b>	<b>318.7%</b>

	Three Months Ended	
	Dec. 31, 2018	Sep. 30, 2018
<b>Fixed Charge Coverage ratio:</b>		
Adjusted EBITDA	\$ 792,620	\$ 709,585
Adjusted EBITDA-annualized including development gains and excluding net promotes (a)	\$ 2,942,662	\$ 2,862,983
Net promotes for the trailing 12 months	82,108	41,570
Adjusted EBITDA-annualized	\$ 3,024,770	\$ 2,904,553
Pro forma adjustment annualized	(1,857)	(218,070)
Adjusted EBITDA, including NOI from disposed properties, annualized	\$ 3,022,913	\$ 2,686,483
Interest expense	\$ 62,380	\$ 64,186
Amortization and write-off of deferred loan costs	(3,460)	(3,310)
Amortization of debt premiums, net	(660)	748
Capitalized interest	15,634	13,356
Preferred stock dividends	1,492	1,491
Noncontrolling interests share of consolidated fixed charges	(28)	(692)
Prologis share of unconsolidated fixed charges	17,294	16,885
Total Prologis share of fixed charges	\$ 92,652	\$ 92,724
Total Prologis share of fixed charges, annualized	\$ 370,608	\$ 370,896
<b>Fixed charge coverage ratio</b>	<b>8.16</b>	<b>7.24</b>
<b>Debt to Adjusted EBITDA:</b>		
Total Prologis share of debt, net of adjustments	\$ 12,718,690	\$ 12,776,152
Adjusted EBITDA-annualized	\$ 3,024,770	\$ 2,904,553
<b>Debt to Adjusted EBITDA ratio</b>	<b>4.20</b>	<b>4.40</b>

(a) Prologis share of gains on dispositions of development properties for the trailing 12 months was \$479.7 million and \$432.6 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/units/holders ("FFO, as modified by Prologis"); Core FFO attributable to common stockholders/units/holders ("Core FFO"); AFFO attributable to common stockholders/units/holders ("AFFO"); (collectively referred to as "FFO"). FFO is a non-GAAP financial measure that is commonly used in the real estate industry. The most directly comparable GAAP measure to FFO is net earnings.

The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as earnings computed under GAAP to exclude historical cost depreciation and gains and losses from the sales, along with impairment charges, of previously depreciated properties. We also exclude the gains on revaluation of equity investments upon acquisition of a controlling interest and the gain recognized from a partial sale of our investment, as these are similar to gains from the sales of previously depreciated properties. We exclude similar adjustments from our unconsolidated entities and the third parties' share of our consolidated co-investment ventures.

*Our FFO Measure*

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 principally 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		Twelve Months Ended	
	Dec. 31,		Dec. 31,	
	2018	2017	2018	2017
Building and land development activities	\$ 16,179	\$ 14,606	\$ 62,908	\$ 63,381
Leasing activities	5,469	5,913	21,216	23,809
Operating building improvements and other	3,822	3,811	16,398	15,126
<b>Total capitalized G&amp;A</b>	<b>\$ 25,470</b>	<b>\$ 26,330</b>	<b>\$ 100,522</b>	<b>\$ 102,316</b>

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

Net G&A	\$ 238,985
Add: strategic capital expenses (excluding promote expense)	125,364
Less: strategic capital property management expenses	(67,850)
<b>Adjusted G&amp;A</b>	<b>\$ 296,499</b>
Gross book value at period end (a):	
Operating properties	\$ 61,004,711
Development portfolio - TEI	4,859,274
Land portfolio	1,389,648
Other real estate investments and gross assets held for sale	1,095,888
<b>Total value of assets under management</b>	<b>\$ 68,349,521</b>
<b>G&amp;A as % of assets under management</b>	<b>0.43%</b>

(a) This does not represent enterprise value.

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

	Low	High
Net Earnings	\$ 1.77	\$ 1.92
Our share of:		
Depreciation and amortization	1.95	1.98
Net gains on real estate transactions, net of taxes	(0.60)	(0.70)
Unrealized foreign currency gains and other, net	0.00	0.00
<b>Core FFO</b>	<b>\$ 3.12</b>	<b>\$ 3.20</b>

**Income Taxes.**

in thousands	Three Months Ended		Twelve Months Ended	
	Dec. 31,		Dec. 31,	
	2018	2017	2018	2017
Current income tax expense	\$ 12,390	\$ 8,319	\$ 43,622	\$ 38,181
Current income tax expense (benefit) on dispositions	3,504	6,529	17,086	19,102
Current income tax expense (benefit) on dispositions related to acquired tax assets	297	2,241	1,174	2,331
Total current income tax expense	16,191	17,089	61,882	59,614
Deferred income tax (benefit) expense	2,824	(2,567)	2,622	(2,674)
Deferred income tax (benefit) expense on dispositions related to acquired tax assets	(297)	(2,241)	(1,174)	(2,331)
<b>Total income tax expense</b>	<b>\$ 18,718</b>	<b>\$ 12,281</b>	<b>\$ 63,330</b>	<b>\$ 54,609</b>

**Interest Expense.**

in thousands	Three Months Ended		Twelve Months Ended	
	Dec. 31,		Dec. 31,	
	2018	2017	2018	2017
Gross interest expense	\$ 73,894	\$ 72,696	\$ 268,942	\$ 328,228
Amortization of debt premiums, net	660	(923)	(590)	(13,728)
Amortization of finance costs	3,460	3,259	13,243	14,479
Interest expense before capitalization	78,014	75,032	281,595	328,979
Capitalized amounts	(15,634)	(13,002)	(52,454)	(54,483)
<b>Interest expense</b>	<b>\$ 62,380</b>	<b>\$ 62,030</b>	<b>\$ 229,141</b>	<b>\$ 274,486</b>

**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, less liquidation preference of the preferred shares/units, plus our share of total debt.

**Market Classification**

- **Global Markets** feature large population centers with high per-capita consumption and are located near major seaports, airports, and ground transportation systems.
- **Regional Markets** benefit from large population centers but typically are not as tied to the global supply chain, but rather serve local consumption and are often less supply constrained. Markets included as regional markets include: Austin, Charlotte, Cincinnati, Columbus, Denver, Hungary, Indianapolis, Juarez, Las Vegas, Louisville, Memphis, Nashville, Orlando, Phoenix, Portland, Reno, Reynosa, San Antonio, Slovakia, Sweden and Tijuana.

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

**Net Asset Value ("NAV").** We consider NAV to be a useful supplemental measure of our operating performance because it enables both management and investors to estimate the fair value of our business. The assessment of the fair value of a particular line of our business is subjective in that it involves estimates and can be calculated using various methods. Therefore, we have presented the financial results and investments related to our business components that we believe are important in calculating our NAV but we have not presented any specific methodology nor provided any guidance on the assumptions or estimates that should be used in the calculation.

The components of NAV do not consider the potential changes in rental and fee income streams or the franchise value associated with our global operating platform, strategic capital platform or development platform.

**Net Effective Rent** is calculated at the beginning of the lease using estimated total cash rent to be received over the term and annualized. Amounts derived in a currency other than the U.S. dollar have been translated using the average rate from the previous twelve months. The per square foot number is calculated by dividing the Net Effective Rent by the occupied square feet of the lease.

**Net Operating Income ("NOI")** is a non-GAAP financial measure used to evaluate our operating performance and represents Rental Revenue less rental expenses.

**Net Promote** includes actual promote 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. Assets held for sale are excluded from the portfolio.

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

**Rental Revenue.**

in thousands	Three Months Ended		Twelve Months Ended	
	Dec. 31		Dec. 31	
	2018	2017	2018	2017
Rental revenues	\$ 506,008	\$ 418,780	\$ 1,791,951	\$ 1,656,818
Rental recoveries	151,621	117,081	529,902	487,902
Amortization of lease intangibles	2,745	(1,456)	3,029	(830)
Straight-lined rents	18,821	16,244	69,909	81,851
<b>Rental Revenue</b>	<b>\$ 679,195</b>	<b>\$ 550,649</b>	<b>\$ 2,388,791</b>	<b>\$ 2,225,141</b>

**Rent Change (Cash)** represents the percentage change in starting rental rates per the lease agreement, on new and renewed leases, commenced during the period 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 (lesser rate) 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 December 31, 2018 as our owned and managed properties that were in the Operating Portfolio at January 1, 2017 and owned throughout the same three month period in both 2018 and 2017. The same store population excludes non-industrial real estate properties and properties held for sale to third parties, along with development properties that were not stabilized at the beginning of the period (January 1, 2017) and properties acquired or disposed of to third parties during the period. Beginning January 1, 2018, we modified our definition of same store to align on consistent methodologies with members of the Industrial REIT group. This did not materially change our historical amounts reported. 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 and 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 noncash 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 portfolio NOI – net effective and same store portfolio 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 Income, to the respective amounts in our same store portfolio analysis:

dollars in thousands	Three Months Ended Dec. 31,		
	2018	2017	Change (%)
Rental revenues:			
Rental revenues	\$ 527,574	\$ 493,568	
Rental recoveries	151,621	117,081	
Per the Consolidated Statements of Income (a)	679,195	550,649	
Adjustments to derive same store results:			
Properties not included in same store portfolio and other adjustments (a)(b)	(187,095)	(75,250)	
Unconsolidated co-investment ventures (a)	597,126	516,687	
<b>Same Store - rental revenues - net effective</b>	<b>\$ 1,029,226</b>	<b>\$ 992,086</b>	<b>3.7%</b>
Straight-line rent adjustments	(9,159)	(12,580)	
Fair value lease adjustments	319	106	
<b>Same Store - rental revenues - cash</b>	<b>\$ 1,020,386</b>	<b>\$ 979,612</b>	<b>4.2%</b>
Rental expenses:			
Per the Consolidated Statements of Income (a)	\$ 177,194	\$ 140,938	
Adjustments to derive same store results:			
Properties not included in same store portfolio and other adjustments (a)(c)	(47,015)	(12,739)	
Unconsolidated co-investment ventures (a)	123,798	118,447	
<b>Same Store - rental expenses - net effective and cash</b>	<b>\$ 253,977</b>	<b>\$ 246,046</b>	<b>3.2%</b>
<b>Same Store - NOI - Net Effective</b>	<b>\$ 775,249</b>	<b>\$ 746,040</b>	<b>3.9%</b>
<b>Same Store - NOI - Net Effective - Prologis Share (d)</b>	<b>\$ 448,752</b>	<b>\$ 429,587</b>	<b>4.5%</b>
<b>Same Store - NOI - Cash</b>	<b>\$ 766,409</b>	<b>\$ 733,566</b>	<b>4.5%</b>
<b>Same Store - NOI - Cash - Prologis Share (d)</b>	<b>\$ 443,501</b>	<b>\$ 424,408</b>	<b>4.5%</b>

- (a) We include 100% of the same store NOI from the properties in our same store portfolio. During the periods presented, certain properties owned by us were contributed to a co-investment venture and are included in the same store portfolio. Neither our consolidated results nor those of the co-investment ventures, when viewed individually, would be comparable on a same store basis because of the changes in composition of the respective portfolios from period to period (e.g. the results of a contributed property are included in our consolidated results through the contribution date and in the results of the unconsolidated entities subsequent to the contribution date). As a result, only line items labeled "same store portfolio" are comparable period over period.
- (b) We exclude non-industrial real estate properties and properties held for sale, along with development properties that were not stabilized at the beginning of the reporting period or properties acquired or disposed of to third parties during the period. We also exclude net termination and negotiation fees to allow us to evaluate the growth or decline in each property's rental revenues without regard to one-time items that are not indicative of the property's recurring operating performance. Net termination and negotiation fees represent the gross fee negotiated to allow a customer to terminate or renegotiate their lease, offset by the write-off of the asset recorded due to the adjustment to straight-line rents over the lease term.
- (c) Rental expenses include the direct operating expenses of the property such as property taxes, insurance and utilities. In addition, we include an allocation of the property management expense for our consolidated properties based on the property management services provided to each property (generally, based on a percentage of revenues). On consolidation, these amounts are eliminated and the actual costs of providing property management services are recognized as part of our consolidated rental expenses. These expenses fluctuate based on the level of properties included in the same store portfolio and any adjustment is included as "effect of changes in foreign currency exchange rates and other" in this table.
- (d) 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 December 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 5%, minus estimated operating expenses.

**Total Expected Investment ("TEI")** represents total estimated cost of development or expansion, including land, development and leasing costs. TEI is based on current projections and is subject to change.

**Turnover Costs** represent the 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 Price.



FOR IMMEDIATE RELEASE

**Prologis Reports Fourth Quarter and Full Year 2018 Earnings Results**

SAN FRANCISCO (January 22, 2019) – Prologis, Inc. (NYSE: PLD), the global leader in logistics real estate, today reported results for the fourth quarter and full year 2018. Net earnings per diluted share was \$0.94 for the quarter and \$2.87 for the year compared with \$0.55 and \$3.06 for the same periods in 2017.

Core funds from operations (Core FFO)\* per diluted share was \$0.80 for the quarter (including \$0.05 of net promote income) compared with \$0.67 for the same quarter in 2017. For the full year 2018, Core FFO was \$3.03 compared with \$2.81 for the same period in 2017. Further, Core FFO for full-year periods 2018 and 2017 included net promote income of \$0.14 and \$0.16 per diluted share, respectively.

“We had a great fourth quarter, capping out our strongest year ever,” said Hamid R. Moghadam, chairman and CEO, Prologis. “The occupancy and the utilization of our buildings are running at peak levels and we expect activity to remain strong, with our most dynamic customers building out new-and-improved logistics networks.”

**STRONG OPERATING RESULTS DRIVEN BY HIGH-QUALITY, WELL-LOCATED PORTFOLIO**

Owned & Managed	4Q18	4Q17	Notes
Period End Occupancy	97.5%	97.2%	Europe at 98.0%
Leases Commenced	35MSF	35MSF	Average lease term in the quarter was a record 83 months

Prologis Share	4Q18	4Q17	Notes
Net Effective Rent Change	25.6%	23.5%	Record globally and for the U.S. at 33.1%
Cash Rent Change	10.8%	12.7%	Led by U.S. at 16.3%
Cash Same Store NOI*	4.5%	5.1%	Led by U.S. at 5.9%

**ACTIVE CAPITAL DEPLOYMENT MARKED COMPLETION OF MULTI-YEAR DISPOSITION STRATEGY**

Prologis Share	4Q18	FY2018
Building Acquisitions	\$320M	\$511M <sup>1</sup>
Weighted avg stabilized cap rate	5.1%	5.0%
Development Stabilizations	\$551M	\$1,873M
Estimated weighted avg yield	6.2%	6.5%
Estimated weighted avg margin	33.7%	35.3%
Estimated value creation	\$185M	\$661M
Development Starts	\$930M	\$2,471M
Estimated weighted avg margin	19.0%	19.5%
Estimated value creation	\$177M	\$482M
% Build-to-suit	42.3%	39.5%
Total Dispositions and Contributions	\$1,114M	\$2,634M
Weighted avg stabilized cap rate (excluding land and other real estate)	5.3%	5.2%

1. Excludes the acquisition of DCT Industrial Trust



**WELL-POSITIONED WITH BEST-IN-CLASS BALANCE SHEET**

During the fourth quarter, Prologis and its co-investment ventures completed \$1.4 billion of refinancings with a weighted average rate of 2.3% and term of 7.7 years. The company ended the year with leverage of 25.0% on a market capitalization basis and debt-to-adjusted EBITDA\* of 4.2x. As previously announced and subsequent to quarter end, the company recast and upsized its global line of credit, bringing its total liquidity to \$4.0 billion.

**COMPANY ESTABLISHES 2019 EARNINGS GUIDANCE RANGES**

The company established a guidance range for net earnings per diluted share of \$1.77 to \$1.92 and a range for Core FFO\* per diluted share of \$3.12 to \$3.20, which includes \$0.10 of net promote income.

“At the midpoint of our range, we project Core FFO growth of approximately 7.5%, excluding promotes,” said Thomas S. Olinger, chief financial officer, Prologis. “Cash Same Store NOI growth is projected to be 4.25% at the midpoint, reflecting our current operating strategy of favoring rent growth over occupancy.”

Olinger added, “We are confident in our ability to outperform in any future environment given our embedded rent upside, development-ready land bank and significant liquidity.”

**2019 GUIDANCE****Earnings (per diluted share)**

Net Earnings	\$1.77 to \$1.92	<i>Our guidance reflects the adoption of the new lease accounting standard. For a year-over-year comparison, our 2018 earnings results would have been reduced by approximately \$0.04 per share.</i>
Core FFO*	\$3.12 to \$3.20	

**Operations**

Year-end occupancy	96.0% to 97.5%
Cash Same Store NOI – Prologis share*	3.75% to 4.75%

**Other Assumptions (in millions)**

Strategic capital revenue, excl. promote revenue	\$300 to \$310
Net promote income, incl in Core FFO* range	\$65
General & administrative expenses	\$240 to \$250
Realized development gains	\$200 to \$250

**Capital Deployment (Prologis Share, in millions)**

	Prologis Share	Owned and Managed
Development stabilizations	\$1,900 to \$2,200	\$2,400 to \$2,700
Development starts	\$1,600 to \$2,000	\$2,000 to \$2,500
Building acquisitions	\$300 to \$500	\$700 to \$1,000
Building and land dispositions	\$500 to \$800	\$600 to \$900
Building contributions	\$1,000 to \$1,300	\$1,300 to \$1,700

\*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.

The earnings guidance described above includes potential gains recognized from real estate transactions but excludes any 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 2019 relates

predominantly to these items. Please refer to our fourth quarter Supplemental Information, which is available on our Investor Relations website at [www.ir.prologis.com](http://www.ir.prologis.com) and on the SEC's website at [www.sec.gov](http://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, January 22, 2019, at 12 p.m. U.S. Eastern time.
- Live webcast at <http://ir.prologis.com> by clicking Events & Presentations.
- Dial in: +1 (866) 393-4306 (toll-free from the United States and Canada) or +1 (734) 385-2616 (from all other countries) and enter Passcode 4659788.

A telephonic replay will be available January 22-29 at +1 (855) 859-2056 (from the United States and Canada) or +1 (404) 537-3406 (from all other countries) using conference code 4659788. The webcast replay will be posted when available in the Investor Relations "Events & Presentations" section.

#### **ABOUT PROLOGIS**

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of December 31, 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 768 million square feet (71 million square meters) in 19 countries. Prologis leases modern distribution facilities to a diverse base of approximately 5,100 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," and "estimates," including 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, contribution and 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 and political climates; (ii) changes in global 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 changes in income tax laws and 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; (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 except as may be required by law.

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