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

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2011

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from__________ to __________

Commission File Number: 001-13545 (Prologis, Inc.) 001-14245 (Prologis, L.P.)

Prologis, Inc.
Prologis, L.P.

(Exact name of registrant as specified in its charter)

Maryland (Prologis, Inc.) **Delaware (Prologis, L.P.)** *(State or other jurisdiction of incorporation or organization)*	**94-3281941 (Prologis, Inc.)** **94-3285362 (Prologis, L.P.)** *(I.R.S. Employer Identification No.)*
Pier 1, Bay 1, San Francisco, California *(Address or principal executive offices)*	**94111** *(Zip Code)*

(415) 394-9000
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)
AMB Property Corporation
AMB Property, L.P.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing for the past 90 days.

Prologis, Inc. Yes ☑ No ☐
Prologis, L.P. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website; if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter periods that the registrant was required to submit and post such files).

Prologis, Inc. Yes ☑ No ☐
Prologis, L.P. Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Prologis, Inc.:

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Prologis, L.P.:

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☑ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Prologis, Inc. Yes ☐ No ☑
Prologis, L.P. Yes ☐ No ☑

The number of shares outstanding of Prologis, Inc.'s common stock as of August 2, 2011 was approximately 459,001,300.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the period ended June 30, 2011 of Prologis, Inc. and Prologis, L.P. Unless stated otherwise or the context otherwise requires, references to “Prologis, Inc.” or the “REIT”, mean Prologis, Inc., and its consolidated subsidiaries; and references to “Prologis, L.P.” or the “Operating Partnership” mean Prologis, L.P., and its consolidated subsidiaries. The terms “the Company”, “Prologis”, “we”, “our” or “us” means the REIT and the Operating Partnership collectively.

Prologis, Inc is a real estate investment trust (“REIT”) and the general partner of the Operating Partnership. As of June 30, 2011, the REIT owned an approximate 99.55% common general partnership interest in the Operating Partnership and 100% of the preferred units in the Operating Partnership. The remaining approximate 0.45% common limited partnership interests are owned by non-affiliated investors and certain current and former directors and officers of the REIT. As the sole general partner of the Operating Partnership, the REIT has full, exclusive and complete responsibility and discretion in the day-to-day management and control of the Operating Partnership.

We operate the REIT and the Operating Partnership as one enterprise. The management of the REIT consists of the same members as the management of the Operating Partnership. These members are officers of the REIT and employees of the Operating Partnership or one of its subsidiaries. As general partner with control of the Operating Partnership, the REIT consolidates the Operating Partnership for financial reporting purposes, and the REIT does not have significant assets other than its investment in the Operating Partnership. Therefore, the assets and liabilities of the REIT and the Operating Partnership are the same on their respective financial statements.

We believe combining the quarterly reports on Form 10-Q of the REIT and the Operating Partnership into this single report results in the following benefits:

- enhances investors’ understanding of the REIT and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation since a substantial portion of the Company’s disclosure applies to both the REIT and the Operating Partnership; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

We believe it is important to understand the few differences between the REIT and the Operating Partnership in the context of how we operate as an interrelated consolidated company. The REIT’s only material asset is its ownership of partnership interests in the Operating Partnership. As a result, the REIT does not conduct business itself, other than acting as the sole general partner of the Operating Partnership and issuing public equity from time to time. The REIT itself does not issue any indebtedness, but guarantees the unsecured debt of the Operating Partnership. The Operating Partnership holds substantially all the assets of the business, directly or indirectly, and holds the ownership interests in the Company’s investment in certain investees. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from equity issuances by the REIT, which are contributed to the Operating Partnership in exchange for partnership units, the Operating Partnership generates the capital required by the business through the Operating Partnership’s operations, its incurrence of indebtedness, and the issuance of partnership units to third parties.

Noncontrolling interests, stockholders’ equity and partners’ capital are the main areas of difference between the consolidated financial statements of the REIT and those of the Operating Partnership. The non-controlling interests in the Operating Partnership’s financial statements include the interests in consolidated investees not owned by the Operating Partnership. The noncontrolling interests in the REIT’s financial statements include the same noncontrolling interests at the Operating Partnership level, as well as the common limited partnership interests in the Operating Partnership, which are accounted for as partners’ capital by the Operating Partnership.

In order to highlight the differences between the REIT and the Operating Partnership, there are separate sections in this report, as applicable, that separately discuss the REIT and the Operating Partnership including separate financial statements, controls and procedures sections, and separate Exhibit 31 and 32 certifications. In the sections that combine disclosure of the REIT and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of Prologis.

PROLOGIS

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PART 1.

Item 1. Financial Statements

PROLOGIS, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	June 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
Investments in real estate properties	$ 25,748,754	$ 12,879,641
Less accumulated depreciation	1,764,289	1,595,678
Net investments in real estate properties	23,984,465	11,283,963
Investments in and advances to unconsolidated investees	3,012,144	2,024,661
Notes receivable backed by real estate	359,228	302,144
Assets held for sale	171,765	574,791
Net investments in real estate	27,527,602	14,185,559
Cash and cash equivalents	260,893	37,634
Restricted cash	68,390	27,081
Accounts receivable	197,475	58,979
Other assets	1,080,146	593,414
Total assets	**$ 29,134,506**	**$ 14,902,667**
LIABILITIES AND EQUITY		
Liabilities:		
Debt	$ 12,119,952	$ 6,506,029
Accounts payable and accrued expenses	702,378	388,536
Other liabilities	1,239,922	467,998
Liabilities related to assets held for sale	2,009	19,749
Total liabilities	14,064,261	7,382,312
Equity:		
Prologis, Inc. stockholders' equity:		
Preferred stock	582,200	350,000
Common stock; $0.01 par value; 458,872 shares issued and outstanding at June 30, 2011 and 254,482 shares issued and outstanding at December 31, 2010	4,589	2,545
Additional paid-in capital	16,384,229	9,671,560
Accumulated other comprehensive income (loss)	225,364	(3,160)
Distributions in excess of net earnings	(2,842,842)	(2,515,722)
Total Prologis, Inc. stockholders' equity	14,353,540	7,505,223
Noncontrolling interests	716,705	15,132
Total equity	15,070,245	7,520,355
Total liabilities and equity	**$ 29,134,506**	**$ 14,902,667**

The accompanying notes are an integral part of these Consolidated Financial Statements.

PROLOGIS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share data)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Revenues:				
Rental income	$ 294,670	$ 188,205	$ 500,088	$ 375,835
Private capital revenue	32,311	28,307	61,481	56,969
Development management and other income	8,920	2,634	13,239	3,710
Total revenues	335,901	219,146	574,808	436,514
Expenses:				
Rental expenses	81,140	54,089	144,447	110,313
Private capital expenses	11,596	9,931	22,148	20,250
General and administrative	51,840	38,921	91,023	80,927
Merger, acquisition and other integration expenses	103,052	—	109,040	—
Depreciation and amortization	123,079	76,871	205,744	152,012
Other expenses	5,587	5,016	10,271	9,283
Total expenses	376,294	184,828	582,673	372,785
Operating income (loss)	(40,393)	34,318	(7,865)	63,729
Other income (expense):				
Earnings from unconsolidated investees, net	11,399	3,304	25,040	11,277
Interest expense	(113,059)	(118,920)	(203,621)	(228,899)
Impairment of other assets	(103,823)	—	(103,823)	—
Interest and other income (expense), net	5,277	(1,370)	2,698	(1,542)
Net gains on acquisitions and dispositions of investments in real estate	102,529	10,959	106,254	22,766
Foreign currency exchange and derivative losses, net	(10,255)	(7,206)	(8,881)	(3,518)
Gain (loss) on early extinguishment of debt, net	—	975	—	(46,658)
Total other income (expense)	(107,932)	(112,258)	(182,333)	(246,574)
Loss before income taxes	(148,325)	(77,940)	(190,198)	(182,845)
Current income tax expense	6,311	598	11,816	10,351
Deferred income tax expense (benefit)	118	(40,847)	982	(42,398)
Total income tax expense (benefit)	6,429	(40,249)	12,798	(32,047)
Loss from continuing operations	(154,754)	(37,691)	(202,996)	(150,798)
Discontinued operations:				
Income attributable to disposed properties and assets held for sale	2,952	20,122	9,070	40,574
Net gains on dispositions, net of related impairment charges and taxes	8,175	979	10,135	9,127
Total discontinued operations	11,127	21,101	19,205	49,701
Consolidated net loss	(143,627)	(16,590)	(183,791)	(101,097)
Net earnings attributable to noncontrolling interests	(202)	(191)	(285)	(444)
Net loss attributable to controlling interests	(143,829)	(16,781)	(184,076)	(101,541)
Less preferred share dividends	7,642	6,369	14,011	12,738
Net loss attributable to common shares	**$ (151,471)**	**$ (23,150)**	**$ (198,087)**	**$ (114,279)**
Weighted average common shares outstanding — Basic	307,756	212,840	281,384	212,441
Weighted average common shares outstanding — Diluted	307,756	212,840	281,384	212,441
Net earnings (loss) per share attributable to common shares — Basic:				
Continuing operations	$ (0.53)	$ (0.21)	$ (0.77)	$ (0.77)
Discontinued operations	0.04	0.10	0.07	0.23
Net loss per share attributable to common shares — Basic	**$ (0.49)**	**$ (0.11)**	**$ (0.70)**	**$ (0.54)**
Net earnings (loss) per share attributable to common shares — Diluted:				
Continuing operations	$ (0.53)	$ (0.21)	$ (0.77)	$ (0.77)
Discontinued operations	0.04	0.10	0.07	0.23
Net loss per share attributable to common shares — Diluted	**$ (0.49)**	**$ (0.11)**	**$ (0.70)**	**$ (0.54)**
Distributions per common share	**$ 0.25**	**$ 0.34**	**$ 0.50**	**$ 0.67**

The accompanying notes are an integral part of these Consolidated Financial Statements.

PROLOGIS, INC.

CONSOLIDATED STATEMENT OF EQUITY
Six Months Ended June 30, 2011
(Unaudited)
(In thousands)

	Preferred Stock	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Net Earnings	Non-controlling interests	Total Equity
		Number of Shares	Par Value					
Balance as of January 1, 2011	$350,000	254,482	$2,545	$ 9,671,560	$ (3,160)	$(2,515,722)	$ 15,132	$ 7,520,355
Consolidated net earnings (loss)	—	—	—	—	—	(184,076)	285	(183,791)
Merger and PEPR acquisition	232,200	169,626	1,696	5,581,415	—	—	709,433	6,524,744
Issuances of shares in equity offering, net of issuance costs	—	34,500	345	1,111,787	—	—	—	1,112,132
Issuance of common shares under common share plans, net of issuance costs	—	264	3	11,105	—	—	—	11,108
Distributions and allocations	—	—	—	8,362	—	(143,044)	(8,535)	(143,217)
Foreign currency translation gains, net	—	—	—	—	213,888	—	390	214,278
Unrealized gain and amortization on derivative contracts, net	—	—	—	—	14,636	—	—	14,636
Balance as of June 30, 2011	**$582,200**	**458,872**	**$4,589**	**$16,384,229**	**$ 225,364**	**$(2,842,842)**	**$716,705**	**$15,070,245**

PROLOGIS, INC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2011	2010
Net loss attributable to controlling interests	$ (184,076)	$ (101,541)
Other comprehensive income (loss):		
Foreign currency translation gains (losses), net	213,888	(409,567)
Unrealized gains (losses) and amortization on derivative contracts, net	14,636	(19,277)
Comprehensive income (loss) attributable to common shares	**$ 44,448**	**$ (530,385)**

The accompanying notes are an integral part of these Consolidated Financial Statements.

PROLOGIS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2011	**2010**
Operating activities:		
Net loss attributable to controlling interests	$ (184,076)	$ (101,541)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Noncontrolling interest share in earnings, net	285	444
Straight-lined rents	(23,368)	(21,511)
Cost of share-based compensation awards, net	5,039	11,909
Depreciation and amortization	206,219	173,802
Earnings from unconsolidated investees	(25,040)	(11,277)
Changes in operating receivables and distributions from unconsolidated investees	17,000	53,525
Amortization of management contracts	1,921	1,100
Amortization of deferred loan costs	12,761	13,917
Amortization of debt discount, net	12,908	27,532
Non-cash merger expenses	14,889	—
Impairment of real estate properties and other assets	103,823	367
Net gains on dispositions, net of related impairment charges, included in discontinued operations	(12,051)	(9,127)
Gains recognized on property acquisitions and dispositions, net	(106,254)	(22,766)
Loss on early extinguishment of debt, net	—	46,658
Unrealized foreign currency and derivative losses, net	8,652	4,229
Deferred income tax expense (benefit)	982	(42,398)
Decrease (increase) in restricted cash, accounts receivable and other assets	(53,663)	27,820
Increase (decrease) in accounts payable and accrued expenses and other liabilities	2,746	(49,960)
Net cash provided by (used in) operating activities	(17,227)	102,723
Investing activities:		
Real estate investments	(446,913)	(255,760)
Tenant improvements and lease commissions on previously leased space	(28,197)	(22,781)
Non-development capital expenditures	(13,865)	(11,836)
Net advances from (investments in and net advances to) unconsolidated investees	11,329	(150,981)
Return of investment from unconsolidated investees	57,256	41,644
Proceeds from dispositions of real estate properties	610,371	260,026
Proceeds from repayment of notes receivable	9,695	13,639
Investments in notes receivable backed by real estate and advances on other notes receivable	(55,000)	—
Cash acquired in connection with AMB merger	234,045	—
Acquisition of ProLogis European Properties (“PEPR”), net of cash received	(1,025,251)	—
Net cash used in investing activities	(646,530)	(126,049)
Financing activities:		
Issuance of common shares, net	1,156,493	28,714
Distributions paid on common shares	(129,030)	(143,815)
Dividends paid on preferred shares	(12,708)	(12,708)
Noncontrolling interest distributions, net	(170)	(352)
Debt and equity issuance costs paid	(67,316)	(25,270)
Net payments on credit facilities	(50,213)	(275,508)
Repurchase of senior and exchangeable senior notes and extinguishment of secured mortgage debt	—	(1,190,463)
Proceeds from issuance of debt	885,453	1,686,388
Payments on debt	(897,115)	(50,439)
Net cash provided by financing activities	885,394	16,547
Effect of foreign currency exchange rate changes on cash	1,622	(2,481)
Net increase (decrease) in cash and cash equivalents	223,259	(9,260)
Cash and cash equivalents, beginning of period	37,634	34,362
Cash and cash equivalents, end of period	**$ 260,893**	**$ 25,102**

See Note 16 for information on non-cash investing and financing activities and other information.

The accompanying notes are an integral part of these Consolidated Financial Statements.

PROLOGIS, L.P.

CONSOLIDATED BALANCE SHEETS
(In thousands)

	June 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
Investments in real estate properties	$ 25,748,754	$ 12,879,641
Less accumulated depreciation	1,764,289	1,595,678
Net investments in real estate properties	23,984,465	11,283,963
Investments in and advances to unconsolidated investees	3,012,144	2,024,661
Notes receivable backed by real estate	359,228	302,144
Assets held for sale	171,765	574,791
Net investments in real estate	27,527,602	14,185,559
Cash and cash equivalents	260,893	37,634
Restricted cash	68,390	27,081
Accounts receivable	197,475	58,979
Other assets	1,080,146	593,414
Total assets	**$ 29,134,506**	**$ 14,902,667**
LIABILITIES AND CAPITAL		
Liabilities:		
Debt	$ 12,119,952	$ 6,506,029
Accounts payable and accrued expenses	702,378	388,536
Other liabilities	1,239,922	467,998
Liabilities related to assets held for sale	2,009	19,749
Total liabilities	14,064,261	7,382,312
Capital:		
Partners' capital:		
General partner — preferred	582,200	350,000
General partner — common	13,771,340	7,155,223
Limited partners	61,793	—
Total partners' capital	14,415,333	7,505,223
Noncontrolling interests	654,912	15,132
Total capital	15,070,245	7,520,355
Total liabilities and capital	**$ 29,134,506**	**$ 14,902,667**

The accompanying notes are an integral part of these Consolidated Financial Statements.

PROLOGIS, L.P.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues:				
Rental income	$ 294,670	$ 188,205	$ 500,088	$ 375,835
Private capital revenue	32,311	28,307	61,481	56,969
Development management and other income	8,920	2,634	13,239	3,710
Total revenues	335,901	219,146	574,808	436,514
Expenses:				
Rental expenses	81,140	54,089	144,447	110,313
Private capital expenses	11,596	9,931	22,148	20,250
General and administrative	51,840	38,921	91,023	80,927
Merger, acquisition and other integration expenses	103,052	—	109,040	—
Depreciation and amortization	123,079	76,871	205,744	152,012
Other expenses	5,587	5,016	10,271	9,283
Total expenses	376,294	184,828	582,673	372,785
Operating income (loss)	(40,393)	34,318	(7,865)	63,729
Other income (expense):				
Earnings from unconsolidated investees, net	11,399	3,304	25,040	11,277
Interest expense	(113,059)	(118,920)	(203,621)	(228,899)
Impairment of other assets	(103,823)	—	(103,823)	—
Interest and other income (expense), net	5,277	(1,370)	2,698	(1,542)
Net gains on acquisitions and dispositions of investments in real estate	102,529	10,959	106,254	22,766
Foreign currency exchange and derivative losses, net	(10,255)	(7,206)	(8,881)	(3,518)
Gain (loss) on early extinguishment of debt, net	—	975	—	(46,658)
Total other income (expense)	(107,932)	(112,258)	(182,333)	(246,574)
Loss before income taxes	(148,325)	(77,940)	(190,198)	(182,845)
Current income tax expense	6,311	598	11,816	10,351
Deferred income tax expense (benefit)	118	(40,847)	982	(42,398)
Total income tax expense (benefit)	6,429	(40,249)	12,798	(32,047)
Loss from continuing operations	(154,754)	(37,691)	(202,996)	(150,798)
Discontinued operations:				
Income attributable to disposed properties and assets held for sale	2,952	20,122	9,070	40,574
Net gains on dispositions, net of related impairment charges and taxes	8,175	979	10,135	9,127
Total discontinued operations	11,127	21,101	19,205	49,701
Consolidated net loss	(143,627)	(16,590)	(183,791)	(101,097)
Net earnings attributable to noncontrolling interests	(202)	(191)	(285)	(444)
Net loss attributable to controlling interests	(143,829)	(16,781)	(184,076)	(101,541)
Less preferred unit dividends	7,642	6,369	14,011	12,738
Net loss attributable to common unitholders	**$ (151,471)**	**$ (23,150)**	**$ (198,087)**	**$ (114,279)**
Weighted average common units outstanding — Basic	308,389	212,840	281,702	212,441
Weighted average common units outstanding — Diluted	308,389	212,840	281,702	212,441
Net earnings (loss) per unit attributable to common unitholders — Basic:				
Continuing operations	$ (0.53)	$ (0.21)	$ (0.77)	$ (0.77)
Discontinued operations	0.04	0.10	0.07	0.23
Net loss per unit attributable to common unitholders — Basic	**$ (0.49)**	**$ (0.11)**	**$ (0.70)**	**$ (0.54)**
Net earnings (loss) per unit attributable to common unitholders — Diluted:				
Continuing operations	$ (0.53)	$ (0.21)	$ (0.77)	$ (0.77)
Discontinued operations	0.04	0.10	0.07	0.23
Net loss per unit attributable to common unitholders — Diluted	**$ (0.49)**	**$ (0.11)**	**$ (0.70)**	**$ (0.54)**

The accompanying notes are an integral part of these Consolidated Financial Statements.

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PROLOGIS, L.P.

CONSOLIDATED STATEMENT OF CAPITAL
Six Months Ended June 30, 2011
(Unaudited)
(In thousands)

	General Partner				Limited Partners			
	Preferred		Common		Common		Non-controlling Interests	Total
	Units	Amount	Units	Amount	Units	Amount		
Balance as of January 1, 2011	12,000	$350,000	254,482	$ 7,155,223	—	$ —	$ 15,132	$ 7,520,355
Consolidated net earnings (loss)	—	—	—	(184,076)	—	—	285	(183,791)
Merger and PEPR acquisition	9,300	232,200	169,626	5,583,111	2,059	70,155	639,278	6,524,744
Issuance of units in exchange for contributions of equity offering proceeds	—	—	34,500	1,112,132	—	—	—	1,112,132
Issuance of common units	—	—	264	11,108	—	—	—	11,108
Distributions and allocations	—	—	—	(134,682)	—	(8,362)	(173)	(143,217)
Foreign currency translation gains, net	—	—	—	213,888	—	—	390	214,278
Unrealized gain (loss) and amortization on derivative contracts, net	—	—	—	14,636	—	—	—	14,636
Balance as of June 30, 2011	**21,300**	**$582,200**	**458,872**	**$13,771,340**	**2,059**	**$61,793**	**$654,912**	**$15,070,245**

PROLOGIS, L.P.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2011	2010
Net loss attributable to controlling interests	$ (184,076)	$ (101,541)
Other comprehensive income (loss):		
Foreign currency translation gains (losses), net	213,888	(409,567)
Unrealized gains (losses) and amortization on derivative contracts, net	14,636	(19,277)
Comprehensive income (loss) attributable to common unitholders	**$ 44,448**	**$ (530,385)**

The accompanying notes are an integral part of these Consolidated Financial Statements.

PROLOGIS, L.P.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Operating activities:		
Net loss attributable to controlling interests	$ (184,076)	$ (101,541)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Noncontrolling interest share in earnings, net	285	444
Straight-lined rents	(23,368)	(21,511)
Cost of share-based compensation awards, net	5,039	11,909
Depreciation and amortization	206,219	173,802
Earnings from unconsolidated investees	(25,040)	(11,277)
Changes in operating receivables and distributions from unconsolidated investees	17,000	53,525
Amortization of management contracts	1,921	1,100
Amortization of deferred loan costs	12,761	13,917
Amortization of debt discount, net	12,908	27,532
Non-cash merger expenses	14,889	—
Impairment of real estate properties and other assets	103,823	367
Net gains on dispositions, net of related impairment charges, included in discontinued operations	(12,051)	(9,127)
Gains recognized on property acquisitions and dispositions, net	(106,254)	(22,766)
Loss on early extinguishment of debt, net	—	46,658
Unrealized foreign currency and derivative losses, net	8,652	4,229
Deferred income tax expense (benefit)	982	(42,398)
Decrease (increase) in restricted cash, accounts receivable and other assets	(53,663)	27,820
Increase (decrease) in accounts payable and accrued expenses and other liabilities	2,746	(49,960)
Net cash provided by (used in) operating activities	(17,227)	102,723
Investing activities:		
Real estate investments	(446,913)	(255,760)
Tenant improvements and lease commissions on previously leased space	(28,197)	(22,781)
Non-development capital expenditures	(13,865)	(11,836)
Net advances from (investments in and net advances to) unconsolidated investees	11,329	(150,981)
Return of investment from unconsolidated investees	57,256	41,644
Proceeds from dispositions of real estate properties	610,371	260,026
Proceeds from repayment of notes receivable	9,695	13,639
Investments in notes receivable backed by real estate and advances on other notes receivable	(55,000)	—
Cash acquired in connection with AMB merger	234,045	—
Acquisition of ProLogis European Properties (“PEPR”), net of cash received	(1,025,251)	—
Net cash used in investing activities	(646,530)	(126,049)
Financing activities:		
Proceeds from issuances of common partnership units in exchange for contributions	1,156,493	28,714
Distributions paid on common partnership units	(129,030)	(143,815)
Dividends paid on preferred units	(12,708)	(12,708)
Noncontrolling interest distributions, net	(170)	(352)
Debt and equity issuance costs paid	(67,316)	(25,270)
Net payments on credit facilities	(50,213)	(275,508)
Repurchase of senior and exchangeable senior notes and extinguishment of secured mortgage debt	—	(1,190,463)
Proceeds from issuance of debt	885,453	1,686,388
Payments on debt	(897,115)	(50,439)
Net cash provided by financing activities	885,394	16,547
Effect of foreign currency exchange rate changes on cash	1,622	(2,481)
Net increase (decrease) in cash and cash equivalents	223,259	(9,260)
Cash and cash equivalents, beginning of period	37,634	34,362
Cash and cash equivalents, end of period	**$ 260,893**	**$ 25,102**

See Note 16 for information on non-cash investing and financing activities and other information.

The accompanying notes are an integral part of these Consolidated Financial Statements.

PROLOGIS, INC. AND PROLOGIS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. General

Business. Prologis, Inc. (the “REIT”) commenced operations as a fully integrated real estate company in 1997, elected to be taxed as a real estate investment trust under the Internal Revenue Code of 1986, as amended, and believe the current organization and method of operation will enable the REIT to maintain its status. The REIT is the general partner of Prologis, L.P. (the “Operating Partnership”). Through our controlling interest in the Operating Partnership, we are engaged in the ownership, acquisition, development and operation of industrial properties in global, regional and other distribution markets throughout the Americas, Europe and Asia. Our current business strategy includes two reportable business segments: direct owned and private capital. Our direct owned segment represents the direct long-term ownership of industrial properties. Our private capital segment represents the long-term management of property funds and other unconsolidated investees, and the properties they own. See Note 10 for further discussion of our business segments. Unless otherwise indicated, the notes to the Consolidated Financial Statements apply to both the REIT and the Operating Partnership. The terms “the Company,” “Prologis,” “we,” “our” or “us” means the REIT and Operating Partnership collectively.

As of June 30, 2011, the REIT owned an approximate 99.55% general partnership interest in the Operating Partnership, and 100% of the preferred units. The remaining approximate 0.45% common limited partnership interests are owned by non-affiliated investors and certain current and former directors and officers of the REIT. As the sole general partner of the Operating Partnership, the REIT has full, exclusive and complete responsibility and discretion in the day-to-day management and control of the Operating Partnership. We operate the REIT and the Operating Partnership as one enterprise. The management of the REIT consists of the same members as the management of the Operating Partnership. These members are officers of the REIT and employees of the Operating Partnership. As general partner with control of the Operating Partnership, the REIT consolidates the Operating Partnership for financial reporting purposes, and the REIT does not have significant assets other than its investment in the Operating Partnership. Therefore, the assets and liabilities of the REIT and the Operating Partnership are the same on their respective financial statements.

On June 3, 2011, AMB Property Corporation (“AMB”) and AMB Property, LP completed the merger contemplated by the Agreement and Plan of Merger with ProLogis, a Maryland real estate investment trust and its subsidiaries (the “Merger”). Following the Merger, AMB changed its name to Prologis, Inc. As a result of the Merger, each outstanding common share of beneficial interest of ProLogis was converted into 0.4464 of a newly issued share of common stock of the REIT. As further discussed in Note 2, ProLogis was the accounting acquirer. As such, in the Consolidated Financial Statements the historical results of ProLogis are included for the entire period presented and AMB’s results are included subsequent to the Merger. See Note 2 for further discussion on the Merger.

Basis of Presentation. The accompanying consolidated financial statements, presented in the U.S. dollar, are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements and revenue and expenses during the reporting period. Our actual results could differ from those estimates and assumptions. All material intercompany transactions with consolidated entities have been eliminated.

The accompanying unaudited interim financial information has been prepared according to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted in accordance with such rules and regulations. Our management believes that the disclosures presented in these financial statements are adequate to make the information presented not misleading. In our opinion, all adjustments and eliminations, consisting only of normal recurring adjustments, necessary to present fairly the financial position and results of operations for both the REIT and the Operating Partnership for the reported periods have been included. The results of operations for such interim periods are not necessarily indicative of the results for the full year. The accompanying unaudited interim financial information should be read in conjunction with the December 31, 2010 Consolidated Financial Statements of ProLogis and AMB, as previously filed with the SEC on Form 10-K and other public information.

Certain amounts included in the accompanying Consolidated Financial Statements for 2010 have been reclassified to conform to the 2011 financial statement presentation.

Recent Accounting Pronouncements. In May 2011, the FASB issued an accounting standard update to amend the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements in order to achieve further convergence with International Financial Reporting Standards. The amendments will be effective for us on January 1, 2012 and we are currently evaluating the impact to our Consolidated Financial Statements.

In December 2010, the FASB updated the accounting standard related to business combinations that requires public entities to disclose certain pro forma information about revenues and earnings of the combined entity within the notes to the financial statements. As a result of the Merger and consolidation of Prologis European Properties (“PEPR”) as described in Note 2, we are required to present pro forma information as if the business combinations occurred at the beginning of the prior annual reporting period for purposes of calculating both the current reporting period and the prior reporting period pro forma financial information. The disclosure requirements were effective for business combinations with effective dates beginning January 1, 2011. See Note 2 for our pro forma disclosures.

In July 2010, the FASB issued an accounting standard update that expands existing disclosures about the credit quality of financing receivables and the related allowance for credit losses. We adopted the expanded disclosure requirements for ending balances applicable to our Notes Receivable Backed by Real Estate as of December 31, 2010. Disclosures regarding activity that occurs during the reporting period were effective beginning January 1, 2011. See Note 5 for disclosure of this activity for the six months ended June 30, 2011.

In January 2010, the FASB issued an accounting standard update that requires disclosures about purchases, sales, issuances and settlements in the reconciliation for Level 3 fair value measurements. The Level 3 disclosure requirements were effective for us on January 1, 2011. Since we do not have any significant financial assets or financial liabilities that are measured at fair value using Level 3 valuation techniques and inputs on a recurring basis, the adoption of this standard was not considered material.

2. Business Combinations

Merger of AMB and ProLogis

As discussed above, on June 3, 2011, we completed the Merger. After consideration of all applicable factors pursuant to the business combination accounting rules, the Merger resulted in a reverse acquisition in which AMB was the "legal acquirer" because AMB issued its common stock to ProLogis shareholders and ProLogis was the "accounting acquirer" due to various factors including that ProLogis shareholders hold the largest portion of the voting rights in the merged entity and ProLogis appointees represent the majority of the Board of Directors. In our Consolidated Financial Statements, the historical results of ProLogis are included for the entire period presented and the results of AMB are included subsequent to the Merger.

As ProLogis was the accounting acquirer, the calculation of the purchase price for accounting purposes is based on the price of ProLogis common shares and common shares Prologis would have had to issue to achieve a similar ownership split between AMB and ProLogis shareholders. The preliminary purchase price allocation reflects estimated aggregate consideration of approximately $5.8 billion, as calculated below (in millions, except price per share):

ProLogis shares and limited partnership units outstanding at June 2, 2011 (60% of total shares of the combined company)	571.4
Total shares of the combined company (for accounting purposes)	952.3
Number of AMB shares to be issued (40% of total shares of the combined company)	380.9
Multiplied by price of ProLogis common shares on June 2, 2011	$ 15.21
Estimated aggregate consideration	**$ 5,794.1**

The allocation of the purchase price requires a significant amount of judgment. The following purchase price allocation was based on our preliminary valuation, estimates and assumptions of the acquisition date fair value of the tangible and intangible assets and liabilities acquired and is subject to change. Such final determination of the purchase price allocation may be significantly different than reflected below. The preliminary allocation of the purchase price was as follows (in millions):

Investments in real estate properties	$ 8,103.7
Investments in and advances to unconsolidated investees	1,632.2
Cash, accounts receivable and other assets	736.5
Debt	(3,646.7)
Accounts payable, accrued expenses and other liabilities	(463.6)
Noncontrolling interest	(505.6)
Additional paid-in capital (stock awards)	(62.4)
Total estimated purchase price	**$ 5,794.1**

Acquisition of ProLogis European Properties

In April 2011, we purchased 11.1 million ordinary units of PEPR, increasing our ownership interest to approximately 39%, and launched a mandatory tender offer to acquire any or all of the outstanding ordinary units and convertible preferred units of PEPR that we did not own at that time. On May 25, 2011, we settled our mandatory tender offer that resulted in the acquisition of an additional 96.5 million ordinary units and 2.7 million convertible preferred units of PEPR. During all of the second quarter of 2011, we made aggregate cash purchases of €715.8 million ($1.0 billion). We funded the purchases through borrowings under our global line of credit and a new €500 million bridge facility, which was subsequently repaid with proceeds from our June equity offering ("June 2011 Equity Offering").

Upon completion of the tender offer, we met the requirements to consolidate PEPR. In addition, in accordance with the accounting rules for business combinations, we marked our equity investment in PEPR from carrying value to fair value of approximately €486 million, which resulted in the recognition of a gain of €59.6 million ($85.9 million). The fair value was based on the trading price and our acquisition price for the PEPR units previously outstanding and purchased during the tender offer period, respectively. As of June 30, 2011, we owned approximately 92.3% of the voting ordinary units of PEPR and 94.6% of the convertible preferred units.

We have preliminarily allocated the aggregate purchase price, representing the share of PEPR we owned at the time of consolidation of €1.1 billion or ($1.6 billion) as set forth below. The allocation was based on our preliminary valuation, estimates and assumptions of the acquisition date fair value of the tangible and intangible assets and liabilities acquired and is subject to change. The primary areas of the purchase price allocation that are not yet completed relate to the valuation of the intangible lease assets associated with the real estate portfolio of PEPR of 232 industrial buildings in 11 countries in Europe aggregating approximately 53.0 million square feet.

The preliminary allocation of the purchase price was as follows (in millions):	
Investments in real estate properties	$ 4,456.3
Cash, accounts receivable and other assets	100.7
Debt	(2,240.8)
Accounts payable, accrued expenses and other liabilities	(555.6)
Noncontrolling interest	(133.7)
Total estimated purchase price	**$ 1,626.9**

The preliminary allocations for the Merger and the PEPR acquisition were based on our assessment of the fair value of the acquired assets and liabilities, as summarized below.

Investments in Real Estate Properties- We estimated the fair value generally by applying an income approach methodology using a discounted cash flow analysis. Key assumptions included origination costs and discount and capitalization rates. Discount and capitalization rates were determined by market based on recent appraisals, transactions or other market data. The fair value also includes a portfolio premium that we estimate a third party would be willing to pay for the entire portfolio. Our preliminary valuations were based, in part, on a valuation prepared by an independent valuation firm.

Investments in Unconsolidated Investees- We estimated the fair value of the investee by using similar valuation methods as those used for consolidated real estate properties and debt and, based on our ownership interest in each entity, adjusted our investment.

Intangible Assets- The fair value of in place leases was calculated based upon our best estimate of the costs to obtain tenants, primarily leasing commissions, in each of the applicable markets. An asset or liability was recognized for acquired leases with favorable or unfavorable rents based on our best estimate of current market rents in each of the applicable markets. The recognition of value of existing investment management agreements was calculated by discounting future expected cash flows under these agreements. Our preliminary valuations of the intangible assets were based, in part, on a valuation prepared by an independent valuation firm.

Debt- The fair value of debt was estimated based on contractual future cash flows discounted using borrowing spreads and market interest rates that would be available to us for the issuance of debt with similar terms and remaining maturities. In the case of publicly traded debt, the fair value was estimated based on available market data.

Noncontrolling interest- We estimated the portion of the fair value of the net assets of our consolidated subsidiaries that was owned by third parties.

Equity- We estimated the fair value of the pre-combination portion of AMB's share-based compensation awards based on market data and, in the case of the stock options, we used a Black-Scholes model to estimate the fair value of these awards as of the Merger date. An adjustment was made to equity for the vested portion while the unvested portion will be expensed over the remaining service period.

Pro forma Information

The following unaudited pro forma financial information presents our results as though the Merger and the acquisition of PEPR had been consummated as of January 1, 2010, as well as the June 2011 Equity Offering that was used to fund the PEPR acquisition. The pro forma information does not necessarily reflect the actual results of operations had the transactions been consummated at the beginning of the period indicated nor is it necessarily indicative of future operating results. The pro forma information does not give effect to any cost synergies or other operating efficiencies that could result from the Merger and also does not include any merger and integration expenses. The results for the three and six months ended June 30, 2011 include approximately one month of actual results for both the Merger and the PEPR acquisition and pro forma adjustments for two and five months, respectively. Actual results included rental income and rental expenses of the acquired properties of $84.7 million and $19.6 million, respectively.

	Three Months Ended June 30,		Six Months Ended June 30,	
(*amounts in thousands*)	2011	2010	2011	2010
Total revenues	$505,023	$461,170	$ 992,563	$ 925,620
Net loss attributable to common stock	$ (59,172)	$ (47,707)	$(110,512)	$(169,390)
Net loss per share attributable to common stock — basic	$ (0.13)	$ (0.11)	$ (0.24)	$ (0.41)
Net loss per share attributable to common stock — diluted	$ (0.13)	$ (0.11)	$ (0.24)	$ (0.41)

These results include certain adjustments, primarily decreased revenues resulting from the amortization of the asset or liability from the acquired leases with favorable or unfavorable rents relative to estimated market rents and amortization of acquired management contracts, increased depreciation and amortization expense resulting from the adjustment of real estate assets to estimated fair value and recognition of intangible assets related to in-place leases, and decreased interest expense due to the accretion of the fair value adjustment of debt.

PROLOGIS, INC. AND PROLOGIS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

3. Real Estate

Investments in real estate properties are presented at cost, and consist of the following (in thousands):

	June 30, 2011 (1)	December 31, 2010
Industrial portfolio (2):		
Improved land	$ 5,035,181	$ 2,527,972
Buildings and improvements	17,594,674	8,186,827
Development portfolio, including cost of land (3)	632,196	365,362
Land (4)	2,033,725	1,533,611
Other real estate investments (5)	452,978	265,869
Total investments in real estate properties	25,748,754	12,879,641
Less accumulated depreciation	1,764,289	1,595,678
Net investments in properties	**$ 23,984,465**	**$ 11,283,963**

(1) Included in the balances at June 30, 2011 are the real estate properties acquired in connection with the acquisition of PEPR and the Merger. See Note 2 for further details.

(2) At June 30, 2011 and December 31, 2010, we had 1,898 and 985 industrial properties consisting of 302.3 million square feet and 168.5 million square feet, respectively. Of the properties owned at June 30, 2011, 685 properties consisting of 81.1 million square feet were acquired in the Merger and 232 properties consisting of 53.0 million square feet were acquired in the PEPR acquisition.

(3) At June 30, 2011 the development portfolio consisted of 23 properties aggregating 8.6 million square feet under development and 5 properties aggregating 1.5 million square feet of pre-stabilized completed properties. Of these properties, 13 properties consisting of 3.7 million square feet were acquired in the Merger. At December 31, 2010, 14 properties aggregating 4.9 million square feet were under development. Our total expected investment upon completion of the development portfolio at June 30, 2011 was $1.1 billion, including land, development and leasing costs.

(4) Land consisted of 10,921 acres at June 30, 2011, of which 2,257 acres were acquired in the Merger, and 8,990 acres at December 31, 2010.

(5) Included in other investments are: (i) land subject to ground leases; (ii) parking lots; (iii) certain mixed-use properties and office buildings available for lease; (iv) our corporate office buildings, which we occupy; (v) certain infrastructure costs related to projects we are developing on behalf of others; (vi) costs incurred related to future development projects, including purchase options on land; and (vii) earnest money deposits associated with potential acquisitions.

At June 30, 2011, excluding our assets held for sale, we owned real estate properties in the Americas (Canada, Mexico and the United States), Europe (Austria, Belgium, the Czech Republic, France, Germany, Hungary, Italy, the Netherlands, Poland, Romania, Slovakia, Spain, Sweden and the United Kingdom) and Asia (China, Japan, and Singapore).

During the three and six months ended June 30, 2011, we recognized *Net Gains on Acquisitions and Dispositions of Investments in Real Estate* in continuing operations of $102.5 million and $106.3 million, respectively, principally related to the recognition of an $85.9 million gain from the consolidation of PEPR (See Note 2) and a $13.5 million gain from the acquisition of a controlling interest in a joint venture in Japan.

When we contribute real estate properties to a property fund or joint venture in which we have an ownership interest, we do not recognize a portion of the gain realized. If a loss is realized it is recognized when known. The amount of gain not recognized, based on our ownership interest in the entity acquiring the property, is deferred by recognizing a reduction to our investment in the applicable unconsolidated investee. Due to our continuing involvement through our ownership in the unconsolidated investee, these dispositions are not included in discontinued operations. See Note 7 for further discussion of properties we sold to third parties that are reported in discontinued operations.

During the six months ended June 30, 2011, we recognized a $5.6 million charge for estimated repairs related primarily to one of our buildings in Japan that was damaged from the earthquake and related tsunami in March 2011. This charge was included in *Interest and Other Income (Expense), Net* on the Consolidated Statements of Operations.

4. Unconsolidated Investees

Summary of Investments

Our investments in and advances to unconsolidated investees, which we account for under the equity method, are summarized by type of investee as follows (in thousands):

PROLOGIS, INC. AND PROLOGIS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

	June 30, 2011	December 31, 2010
Unconsolidated property funds	$ 2,606,689	$ 1,890,016
Other unconsolidated investees	405,455	134,645
Totals	**$ 3,012,144**	**$ 2,024,661**

Unconsolidated Property Funds

As of June 30, 2011 we had investments in 16 unconsolidated property funds that own portfolios of operating industrial properties and may also develop properties. We earn fees for acting as manager of the property funds and the properties they own. We may earn fees by providing other services including, but not limited to, leasing, construction, development and financing. We may also earn incentive performance returns based on the investors' returns over a specified period.

Summarized information regarding our investments in the unconsolidated property funds is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Earnings (loss) from unconsolidated property funds:				
Americas	$ 2,004	$ (5,385)	$ 4,626	$ (8,199)
Europe	5,680	5,134	14,772	13,663
Asia	960	207	1,169	386
Total earnings from unconsolidated property funds, net	**$ 8,644**	**$ (44)**	**$ 20,567**	**$ 5,850**
Private capital revenue:				
Americas	$ 13,573	$ 14,712	$ 26,114	$ 29,088
Europe	13,806	12,372	27,131	25,267
Asia	2,343	187	2,536	376
Total private capital revenue	29,722	27,271	55,781	54,731
Development management and other income — Europe	4,042	—	5,943	—
Total	**$ 33,764**	**$ 27,271**	**$ 61,724**	**$ 54,731**

Private capital revenues include fees and incentives we earn for services provided to our unconsolidated property funds (shown above), as well as fees earned from other investees and third parties of $2.6 million and $3.8 million during the three and six months ended June 30, 2011, respectively and $1.0 million and $2.2 million for the three and six months ended June 30, 2010, respectively.

Information about our investments in the unconsolidated property funds is as follows (dollars in thousands):

	Weighted Average Ownership Percentage		Investment in and Advances to	
Unconsolidated property funds by region	June 30, 2011	December 31, 2010	June 30, 2011 (1)	December 31, 2010
Americas (2)	29.2%	28.5%	$ 1,588,381	$ 936,369
Europe (3)	31.3%	31.3%	720,933	936,931
Asia (4)	19.6%	20.0%	297,375	16,716
Totals	**28.5%**	**29.8%**	**$ 2,606,689**	**$ 1,890,016**

(1) Investments at June 30, 2011 include those acquired in connection with the Merger, offset by PEPR, which was an unconsolidated property fund and is now reflected on a consolidated basis (see Note 2 for more details).

(2) We acquired investments in three property funds through the Merger. In addition, we recognized an impairment associated with our investment in one property fund as discussed below.

(3) We acquired investments in two property funds through the Merger, offset by the consolidation of PEPR.

(4) We acquired investments in a property fund in each of China and Japan through the Merger.

During the three months ended June 30, 2011, we recorded impairment charges of $103.8 million primarily related to two of our investments in property funds. This included one investment in the U.S., Prologis North American Industrial Fund III, where our carrying value exceeded the fair value. The property fund has not had the same appreciation in value in its portfolio that we have experienced in our consolidated portfolio and in several of our other property funds. Based on the duration of time that the value of our investment has been less than carrying value and the lack of recovery as compared to our other real estate investments, we no longer believe the decline to be temporary. Also included was our investment in a property fund in South Korea that we sold to our fund partner in July 2011. We had previously recognized an impairment associated with this investment due to the decline in value that we believed to be other than temporary.

Equity Commitments Related to Certain Unconsolidated Property Funds

PROLOGIS, INC. AND PROLOGIS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

Certain unconsolidated property funds have equity commitments from us and our fund partners. We may fulfill our equity commitment through contributions of properties or cash. Our fund partners fulfill their equity commitment with cash. We are committed to offer to contribute substantially all of the properties that we develop and stabilize in select markets in Europe and Mexico to these respective funds. These property funds are committed to acquire such properties, subject to certain exceptions, including that the properties meet certain specified leasing and other criteria, and that the property funds have available capital. We are not obligated to contribute properties at a loss. Depending on market conditions, the investment objectives of the property funds, our liquidity needs and other factors, we may make contributions of properties to these property funds through the remaining commitment period.

The following table is a summary of remaining equity commitments as of June 30, 2011(in millions):

	Equity commitments	Expiration date for remaining commitments
Prologis Targeted U.S. Logistics Fund		
Prologis	$ —	December 2013
Fund Partners	$ 177.0	
Prologis Brazil Logistics Partners Fund 1 (1)		
Prologis	$ 96.2	December 2013
Fund Partner	$ 288.6	
Prologis SGP Mexico (2)		
Prologis	$ 24.6	(2)
Fund Partner	$ 98.1	
Europe Logistics Venture 1 (3)		
Prologis	$ 101.5	February 2014
Fund Partner	$ 580.1	
Prologis China Logistics Venture 1		
Prologis	$ 73.8	March 2015
Fund Partner	$ 418.2	
Total		
Prologis	$ 296.1	
Fund Partners	$ 1,562.0	

(1) Equity commitments are denominated in Brazilian real and our share represents our indirect ownership of 25%.

(2) We expect the property fund to use these capital contributions to repay outstanding debt during 2011.

(3) Equity commitments are denominated in euro.

In addition to the funds listed above, we also have a consolidated property fund in Mexico, Prologis Mexico Fondo Logistico to which we have an equity commitment of $60.0 million and our fund partners have an equity commitment of $240.1 million. If we contribute a property to a consolidated property fund, the property is still reflected in our Consolidated Financial Statements, but due to our ownership of less than 100%, there is an increase in noncontrolling interest related to the contributed properties.

Summarized financial information of the unconsolidated property funds (for the entire entity, not our proportionate share) and our investment in such funds is presented below (dollars in millions):

PROLOGIS, INC. AND PROLOGIS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

2011(1)	Americas	Europe	Asia	Total
For the three months ended June 30, 2011:				
Revenues	$ 195.1	$ 169.4	$ 15.1	$ 379.6
Net earnings (loss)	$ (15.4)	$ 17.3	$ 3.5	$ 5.4
For the six months ended June 30, 2011:				
Revenues	$ 368.4	$ 359.8	$ 18.1	$ 746.3
Net earnings (loss)	$ (29.9)	$ 37.8	$ 4.6	$ 12.5
As of June 30, 2011:				
Total assets	$11,545.5	$6,274.4	$3,187.5	$21,007.4
Amounts due to (from) us (2)	$ 109.9	$ (18.9)	$ 18.4	$ 109.4
Third party debt (3)	$ 6,023.1	$2,257.2	$ 979.5	$ 9,259.8
Total liabilities and noncontrolling interest	$ 6,461.8	$2,665.9	$1,107.0	$10,234.7
Fund partners' equity	$ 5,083.7	$3,608.5	$2,080.5	$10,772.7
Our weighted average ownership (4)	29.2%	31.3%	19.6%	28.5%
Our investment balance (5)	$ 1,588.4	$ 720.9	$ 297.4	$ 2,606.7
Deferred gains, net of amortization (6)	$ 231.8	$ 187.7	$ —	$ 419.5

2010	Americas	Europe	Asia	Total
For the three months ended June 30, 2010:				
Revenues	$ 199.3	$ 169.5	$ 2.8	$ 371.6
Net earnings (loss)	$ (33.2)	$ 6.7	$ 1.0	$ (25.5)
For the six months ended June 30, 2010:				
Revenues	$ 401.1	$ 356.2	$ 5.7	$ 763.0
Net earnings (loss) (7)	$ (57.3)	$ 23.2	$ 1.9	$ (32.2)
As of December 31, 2010:				
Total assets	$8,082.2	$8,176.7	$127.3	$16,386.2
Amounts due to (from) us (2)	$ 117.3	$ (5.9)	$ 0.2	$ 111.6
Third party debt (3)	$4,196.2	$3,476.8	$ 49.2	$ 7,722.2
Total liabilities and noncontrolling interest	$4,529.8	$4,137.6	$ 52.9	$ 8,720.3
Fund partners' equity	$3,552.4	$4,039.1	$ 74.4	$ 7,665.9
Our weighted average ownership (4)	28.5%	31.3%	20.0%	29.8%
Our investment balance (5)	$ 936.4	$ 936.9	$ 16.7	$ 1,890.0
Deferred gains, net of amortization (6)	$ 235.1	$ 297.1	$ —	$ 532.2

(1) Amounts include approximately one month of activity in the three and six months ended June 30, 2011 from the investments acquired through the Merger and approximately two months of activity for PEPR while accounted for on the equity method.

(2) As of both June 30, 2011 and December 31, 2010, we had notes receivable outstanding aggregating $21.4 million from one property fund. We also have a note receivable from another property fund that is secured by real estate and is included in *Notes Receivable Backed by Real Estate* (see Note 5). The remaining amounts represent current balances from services provided by us to the property funds.

(3) As of June 30, 2011 and December 31, 2010, we had not generally guaranteed the third party debt of the property funds. We have pledged direct owned properties, with an undepreciated cost of $274.4 million, to serve as additional collateral for the secured mortgage loan of one property fund payable to an affiliate of our fund partner.

(4) Represents our weighted average ownership interest in all property funds based on each entity's contribution to total assets, before depreciation, net of other liabilities.

(5) The difference between our ownership interest in the property fund's equity and our investment balance results principally from: (i) deferring a portion of the gains we recognize from a contribution of one of our properties to a property fund (see next footnote); (ii) recording additional costs associated with our investment in the property fund; (iii) advances to the property fund; and (iv) the fair value adjustment we made to our investment in connection with the Merger.

(6) This amount is recorded as a reduction to our investment and represents the gains that were deferred when we contributed a property to a property fund due to our continuing ownership in the property.

(7) In 2010, there were net losses of $11.9 million associated with interest rate contracts that no longer met the requirements for hedge accounting and, therefore, the change in fair value of these contracts was recognized within earnings, along with the gain or loss upon settlement. All derivatives were settled in 2010, therefore, there is no impact in 2011. Also included in net earnings (loss) in the Americas is a loss of $12.4 million for both the three and six months ended June 30, 2010 due to the impairment on an operating building in one of the property funds.

PROLOGIS, INC. AND PROLOGIS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

Other unconsolidated investees

In connection with the Merger, we acquired several investments in joint ventures that own industrial and retail properties, perform development activity and hold a mortgage debt investment. We also had investments in entities that owned non-core properties, which were disposed of in late 2010 and in the first half of 2011.

Our investments in and advances to these entities was as follows (in thousands):

	June 30, 2011	December 31, 2010
Americas	$ 324,703	$ 17,508
Europe	50,846	49,857
Asia (1)	29,906	67,280
Total investments in and advances to unconsolidated investees	**$ 405,455**	**$ 134,645**

(1) In April 2011, we acquired the remaining interest in a joint venture that owned one property in Japan. As a result, we marked our ownership interest to fair value, resulting in a gain of $13.5 million and we now report the property on a consolidated basis.

5. Notes Receivable Backed by Real Estate

The activity on the notes receivable backed by real estate for the six months ended June 30, 2011 is as follows (in thousands):

	$188 million Preferred Equity Interest	$55 million Preferred Equity Interest (1)	ProLogis NAIF II Secured Mortgage Receivable (2)	Other Notes Receivable	Total
Balance as of December 31, 2010	$ 189,550	$ —	$ 81,540	$ 31,054	$ 302,144
Investment	—	55,000	—	—	55,000
Principal payment received	—	—	(2,676)	—	(2,676)
Accrued interest, net of interest payments received	1,668	959	—	—	2,627
Impact of changes in foreign currency exchange rates	—	—	—	2,133	2,133
Balance as of June 30, 2011	**$ 191,218**	**$ 55,959**	**$ 78,864**	**$ 33,187**	**$ 359,228**

(1) In the first quarter of 2011, we completed the sale of a portfolio of retail, mixed-use and other non-core assets to a third party. As part of the transaction, we invested approximately $55 million in a preferred equity interest in a subsidiary of the buyer. Based on the terms of this instrument, the preferred equity interest meets the definition of an investment in a debt security from an accounting perspective. We earn a preferred return at an annual rate of 7% for the first three years, 8% for the fourth year and 10% for the fifth year. Partial or full redemption can occur at any time at the buyer's discretion or after the five year anniversary at our discretion.

(2) During the first quarter of 2011, one of the properties securing this note was sold and the proceeds were used to pay down the balance on the note. As of June 30, 2011 this note is secured by 12 properties.

PROLOGIS, INC. AND PROLOGIS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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6. Other Assets and Other Liabilities:

Our other assets consisted of the following, net of amortization and depreciation, if applicable, as of June 30, (in thousands):

	2011	2010
Lease intangible assets	$ 340,527	$ 116,993
Straight-line rent assets	144,372	112,284
Investment management contracts	139,090	24,066
Prepaid assets	124,377	52,272
Value added tax and other tax receivables	107,943	72,289
Goodwill	32,760	32,760
Other	191,077	182,750
Totals	**$ 1,080,146**	**$ 593,414**

Other liabilities consisted of the following, net of amortization, if applicable, as of June 30, (in thousands):

	2011	2010
Deferred income taxes	$ 593,106	$ 90,471
Tenant security deposits	149,785	71,982
Value added tax and other tax liabilities	119,818	80,188
Unearned rent	120,020	36,776
Deferred income	50,988	53,931
Lease intangible liabilities	39,709	737
Other	166,496	133,913
Totals	**$ 1,239,922**	**$ 467,998**

Included in the balances of *Other Assets* and *Other Liabilities* as of June 30, 2011 are the preliminary purchase price allocations for the Merger and the PEPR acquisition. See Note 2.

7. Assets Held for Sale and Discontinued Operations

Held for Sale

As of June 30, 2011, we had seven land parcels and eight operating properties that met the criteria as held for sale. Due to a pending sale on seven of the operating properties, we recorded an impairment charge of $2.7 million in the three months ended June 30, 2011, which is included in discontinued operations.

Discontinued Operations

During the six months ended June 30, 2011, we disposed of 38 non-development properties aggregating 2.8 million square feet to third parties, most of which was included in *Assets Held for Sale* at December 31, 2010. During all of 2010, we disposed of land subject to ground leases and 205 properties aggregating 25.4 million square feet to third parties, two of which were development properties.

The operations of the properties held for sale or disposed of to third parties and the aggregate net gains recognized upon their disposition are presented as *Discontinued Operations* in our Consolidated Statements of Operations for all periods presented. Interest expense is included in discontinued operations only if it is directly attributable to these properties.

Discontinued operations are summarized as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Rental income	$ 2,959	$ 42,044	$ 12,913	$ 85,332
Rental expenses	12	(11,306)	(3,368)	(22,968)
Depreciation and amortization	(19)	(10,616)	(475)	(21,790)
Income attributable to disposed properties	**2,952**	**20,122**	**9,070**	**40,574**
Net gains recognized on dispositions	10,834	979	14,710	9,978
Impairment charges	(2,659)	—	(2,659)	
Income tax on dispositions	—	—	(1,916)	(851)
Total discontinued operations	**$ 11,127**	**$ 21,101**	**$ 19,205**	**$ 49,701**

The following information relates to properties disposed of during the periods presented and recorded as discontinued operations (dollars in thousands):

PROLOGIS, INC. AND PROLOGIS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Number of properties	5	1	38	9
Net proceeds from dispositions	$ 176,213	$ 3,753	$567,990	$17,441
Net gains from dispositions	$ 10,834	$ 979	$ 14,710	$ 9,978

8. Debt

The REIT itself does not issue any indebtedness. All debt is held directly or indirectly by the Operating Partnership. Generally unsecured debt, including the credit facilities, senior notes, exchangeable senior notes, and unsecured term loans that are issued by the Operating Partnership or other wholly owned subsidiaries are guaranteed by the REIT. We generally do not guarantee the debt issued by consolidated subsidiaries in which we own less than 100%.

Our debt consisted of the following (dollars in thousands):

	June 30, 2011		December 31, 2010	
	Weighted Average Interest Rate (1)	Amount Outstanding (1)	Weighted Average Interest Rate	Amount Outstanding
Credit Facilities	2.24%	$ 802,880	3.53%	$ 520,141
Senior notes	5.74%	4,803,441	6.63%	3,195,724
Exchangeable senior notes (2)	4.90%	1,475,689	4.90%	1,521,568
Secured mortgage debt (3)	4.68%	1,681,361	5.67%	1,223,312
Secured mortgage debt of consolidated investees (4)	4.36%	1,798,500	5.56%	26,417
Other debt of consolidated investees (5)	5.32%	1,156,430	—	—
Other debt (6)	2.46%	401,651	6.48%	18,867
Totals	**4.90%**	**$ 12,119,952**	**5.79%**	**$ 6,506,029**

(1) Included in the balances at June 30, 2011 was debt assumed in connection with the Merger and acquisition of PEPR (see Note 2 for more details). The weighted average interest rate represents the interest rate including amortization of related premiums/discounts. Includes $4.3 billion of principal borrowings denominated in euros, Japanese yen, British pound sterling, Singapore dollar and Canadian dollar.

(2) The interest rates include the impact of amortization of the non-cash discount related to these notes. The weighted average coupon interest rate was 2.6% as of June 30, 2011 and December 31, 2010.

(3) The debt is secured by 217 real estate properties with an aggregate undepreciated cost of $4.0 billion at June 30, 2011.

(4) The debt is secured by 204 real estate properties with an aggregate undepreciated cost of $3.3 billion at June 30, 2011.

(5) This debt includes $54.9 million on a $70 million credit facility obtained by a consolidated investee. This debt also includes €523.2 million ($744.8 million at June 30, 2011) of Eurobonds and €250.6 million ($356.7 million at June 30, 2011) of unsecured credit facilities acquired with PEPR.

(6) The debt includes $18.6 million of assessments bonds and $383.1 million of corporate term loans.

During the six months ended June 30, 2010, we repurchased certain senior and exchangeable senior notes outstanding with maturities in 2012 and 2013. We utilized proceeds from borrowings under the credit facilities to repurchase the senior notes. In addition, in 2010 we repaid certain secured mortgage debt in connection with the sale of a property in Japan. The activity is summarized as follows (in thousands):

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Original principal amount	$ —	$ 1,207,258
Cash purchase / repayment price	$ —	$ 1,190,463
Loss on early extinguishment of debt (1)	$ —	$ (46,658)

(1) Represents the difference between the recorded debt (including unamortized related debt issuance costs, premiums and discounts) and the consideration we paid to retire the debt, which may include prepayment penalties and costs.

PROLOGIS, INC. AND PROLOGIS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

Credit Facilities

On June 3, 2011, we entered into a global senior credit facility ("Global Facility"), pursuant to which, the Operating Partnership and certain subsidiaries may obtain loans and/or procure the issuance of letters of credit in various currencies on a revolving basis in an aggregate amount not to exceed approximately $1.75 billion (subject to currency fluctuations). Funds may be drawn in U.S. dollars, euros, Japanese yen, British pound sterling and Canadian dollars. We may increase the Global Facility to $2.75 billion, subject to obtaining additional lender commitments.

The Global Facility is scheduled to mature on June 3, 2015, but the Operating Partnership may, at its option and subject to the satisfaction of certain conditions and payment of an extension fee, extend the maturity date of the Global Facility to June 3, 2016. Pricing under the Global Facility, including the spread over LIBOR, facility fees and letter of credit fees, varies based upon the public debt ratings of the Operating Partnership. The Global Facility contains customary representations, covenants and defaults (including a cross-acceleration to other recourse indebtedness of more than $50 million).

In addition, on June 3, 2011, we entered into a ¥36.5 billion (approximately $453.8 million at June 30, 2011) yen revolver (the "Revolver"). The Revolver matures on March 1, 2014, but we may, at our option and subject to the satisfaction of customary conditions and payment of an extension fee, extend the maturity date to February 27, 2015. We may increase availability under the Revolver to an amount not exceeding ¥56.5 billion (approximately $702.5 million at June 30, 2011) subject to obtaining additional lender commitments. Pricing under the Revolver is consistent with the Global Facility pricing. The Revolver contains certain customary representations, covenants and defaults that are substantially the same as the corresponding provisions of the Global Facility.

We refer to the Global Facility and the Revolver, collectively, as our "Credit Facilities".

Commitments and availability under our Credit Facilities as of June 30, 2011 were as follows (dollars in millions):

Aggregate — commitments	$ 2,211.8
Less:	
Borrowings outstanding	800.6
Outstanding letters of credit	95.4
Current availability	**$ 1,315.8**

Senior Notes

In June 2011, we completed an exchange offer for $4.6 billion of ProLogis senior notes and exchangeable senior notes, with approximately $4.4 billion, or 95 percent, of the aggregate principal amount being validly tendered for exchange. The senior unsecured notes were exchanged for notes issued by the Operating Partnership that are guaranteed by the REIT. As a result of the exchange offer, we have no separate remaining financial reporting obligations or financial covenants associated with the ProLogis senior notes. All other terms of the newly issued senior notes and exchangeable notes remain substantially the same.

Exchangeable Senior Notes

In connection with the Merger and the exchange offer discussed above, our convertible senior notes became exchangeable senior notes issued by the Operating Partnership that are exchangeable into common stock of the REIT. As a result, the accounting for the exchangeable senior notes has changed and, we are now required to separate the fair value of the derivative instrument (exchange feature) from the debt instrument and account for it separately as a derivative. The fair value of the derivative instrument of $62.5 million at the time of the Merger, was reclassified into *Accounts Payable and Accrued Expenses* from *Debt* in our Consolidated Balance Sheet. At each reporting period, we will adjust the derivative instrument to fair value with the resulting adjustment being recorded in earnings as *Foreign currency exchange and derivative gains (losses), net.* We recognized a non-cash loss of $9.7 million since the Merger.

Secured Mortgage Debt

TMK bonds are a financing vehicle in Japan for special purpose companies known as TMKs. In 2011, we issued a ¥13.0 billion ($161.3 million) TMK bond on March 17, 2011 at 1.34% due March 2018 secured by one property with an undepreciated cost of $261.3 million at June 30, 2011. In addition, we assumed five secured mortgage notes and two additional TMK bonds with the Merger with an outstanding balance of $65.1 million and ¥13.5 billion ($168.2 million), respectively, secured by seven properties with an undepreciated cost of $429.8 million at June 30, 2011.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

Other Debt

As of June 30, 2011, we had two outstanding term loans that we assumed in connection with the Merger, a Japanese Yen term loan with an outstanding balance of ¥12.8 billion ($158.9 million at June 30, 2011) that matures in October 2012 with a weighted average interest rate of 3.4%, and a €157.5 million ($224.2 million at June 30, 2011) senior unsecured term loan with a weighted average interest rate of 3.2% that matures in November 2015.

Long-Term Debt Maturities

Principal payments due on our debt, excluding the Credit Facilities and other debt, for the remainder of 2011 and for each of the years in the five-year period ending December 31, 2016 and thereafter are as follows (in thousands):

	Wholly Owned	Consolidated Investees	Total Consolidated
2011 (1)	$ 52,329	$ 95,346	$ 147,675
2012 (1) (2)	992,466	831,707	1,824,173
2013 (2) (3)	1,015,512	685,723	1,701,235
2014	664,956	1,219,135	1,884,091
2015	1,142,201	19,541	1,161,742
2016	898,896	41,348	940,244
Thereafter	3,570,814	4,780	3,575,594
Total principal due	8,337,174	2,897,580	11,234,754
Premium (discount), net	24,968	57,350	82,318
Net carrying balance	**$ 8,362,142**	**$2,954,930**	**$11,317,072**

(1) We expect to repay the amounts maturing in 2011 and 2012 with borrowings under our Credit Facilities or with proceeds from the disposition of non-strategic real estate properties. The maturities in 2012 in our consolidated but not wholly owned subsidiaries include $405.0 million of unsecured credit facilities and $426.7 million of secured borrowings, which we expect to pay either by issuing new debt, with proceeds from asset sales or equity contributions to the funds.

(2) The maturities in 2012 and 2013 include $593.0 million and $527.9 million, respectively, of aggregate principal amounts of the exchangeable senior notes originally issued in 2007 and 2008, based on the year in which the holders first have the right to require us to repurchase their notes for cash.

(3) The exchangeable senior notes originally issued in November 2007 are included as 2013 maturities since the holders have the right to require us to repurchase their notes for cash in January 2013. The holders of these notes also have the option to exchange their notes in November 2012, which we may settle in cash or common stock, at our option.

Debt Covenants

Our debt agreements contain various covenants, including maintenance of specified financial ratios. We believe the covenants are customary and we were in compliance with all covenants as of June 30, 2011.

9. Stockholders' Equity of the REIT and Partners' Capital of the Operating Partnership

Common Stock

In connection with the Merger, holders of ProLogis common shares received 0.4464 of a newly issued share of AMB common stock, ProLogis became a subsidiary of AMB and AMB changed its name to Prologis, Inc. Because ProLogis was the accounting acquirer (as discussed earlier), the historical ProLogis shares outstanding were adjusted by the Merger exchange ratio and restated to 254.5 million shares at January 1, 2011. As of the Merger date, 169.6 million shares were added to reflect the outstanding shares of common stock of AMB. In addition, in late June we issued 34.5 million shares of common stock generating net proceeds of $1.1 billion. As of June 30, 2011, we had 458.9 million shares of common stock outstanding.

Operating Partnership

For each share of common stock or preferred stock the REIT issues, the Operating Partnership issues a corresponding common or preferred partnership unit, as applicable, to the REIT in exchange for the contribution of the proceeds from the stock issuance. In addition, other third parties own common limited partnership units that make up 0.45% of the common partnership units.

Preferred Stock

Upon completion of the Merger, each outstanding Series C, F and G Cumulative Redeemable Preferred Share of beneficial interest in ProLogis was exchanged for a newly issued share of Cumulative Redeemable Preferred Stock, Series Q, R and S, respectively. We had the following preferred stock issued and outstanding (in thousands, except per share and par value data):

	June 30, 2011	December 31, 2010
Series L Preferred stock at stated liquidation preference of $25 per share; $0.01 par value; 2,000 shares	$ 49,100	$ —
Series M Preferred stock at stated liquidation preference of $25 per share; $0.01 par value; 2,300 shares	57,500	—
Series O Preferred stock at stated liquidation preference of $25 per share; $0.01 par value; 3,000 shares	75,300	—
Series P Preferred stock at stated liquidation preference of $25 per share; $0.01 par value; 2,000 shares	50,300	—
Series Q Preferred stock at stated liquidation preference of $50 per share; $0.01 par value; 2,000 shares	100,000	100,000
Series R Preferred stock at stated liquidation preference of $25 per share; $0.01 par value; 5,000 shares	125,000	125,000
Series S Preferred stock at stated liquidation preference of $25 per share; $0.01 par value; 5,000 shares	125,000	125,000
Total preferred stock	**$ 582,200**	**$ 350,000**

The holders of the preferred stock have preference rights with respect to distributions and liquidation over the common stock and certain rights in the case of arrearage. Holders of the preferred stock are not entitled to vote on any matters, except under certain limited circumstances. At June 30, 2011, there were no dividends in arrears. The series L, M, O, R and S preferred stock are redeemable solely at our option, in whole or in part. The series P and Q preferred stock will be redeemable at our option on and after August 25, 2011, and November 13, 2026, respectively.

10. Merger, Acquisition and Other Integration Expenses

In connection with the Merger, we have incurred and expect to incur additional significant transaction, integration, and transitional costs. These costs include investment banker advisory fees; legal, tax, accounting and valuation fees; termination and severance costs (both cash and stock based compensation awards) for terminated and transitional employees; system conversion costs; and other integration costs. These costs are expensed as incurred, which in some cases will be through the end of 2012. The costs that were obligations of AMB and expensed pre-merger are not included in our Consolidated Financial Statements. At the time of the Merger, we terminated our existing credit facilities and wrote-off the remaining unamortized deferred loan costs associated with such facilities, which is included as a merger expense. In addition, we have included costs associated with the acquisition of a controlling interest in PEPR and the reduction in workforce charges associated with dispositions made in 2011. The following is a breakdown of the costs incurred during the three and six months ended June 30, 2011 (in thousands):

	Three Months Ended June 30, 2011	Six Months Ended June 30, 2011
Professional fees	$ 39,308	$ 41,489
Termination, severance and employee costs	30,530	34,337
Office closure, travel and other costs	22,345	22,345
Write-off of deferred loan costs	10,869	10,869
Total	**$ 103,052**	**$ 109,040**

11. Long-Term Compensation

Under its incentive plans, ProLogis had stock options and full value awards (restricted share units (“RSUs”) and performance share awards (“PSAs”)) outstanding as of the date the Merger was completed. Pursuant to the Merger, each outstanding stock award of ProLogis was converted into 0.4464 of a newly issued award of the REIT. Additionally, the exercise prices of stock options acquired and the grant date fair values of full value awards have been adjusted to reflect the conversion of the underlying award. Stock options, restricted stock and RSUs granted under AMB’s incentive plans were revalued pursuant to the Merger. The portion related to unvested awards will be amortized over the remaining service period.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

Summary of Activity

The activity for the six months ended June 30, 2011, with respect to our stock options, was as follows:

	Options Outstanding		
	Number of Options	Weighted Average Exercise Price	Options Exercisable
Balance at December 31, 2010	1,438,514	$ 66.89	
AMB awards	9,052,566	30.66	
Settled	(124,278)	71.64	
Exercised	(18,678)	18.55	
Forfeited	(58,317)	97.09	
Balance at June 30, 2011	**10,289,807**	**$ 34.87**	**8,278,170**

The activity for the six months ended June 30, 2011, with respect to unvested restricted stock grants, was as follows:

	Number of Shares	Weighted Average Original Value
Balance at December 31, 2010	—	
AMB awards	1,228,944	
Vested	(8,913)	
Forfeited	(1,877)	
Balance at June 30, 2011	**1,218,154**	**$ 34.07**

The activity for the six months ended June 30, 2011, with respect to our full value awards, was as follows:

	Number of Shares	Weighted Average Original Value	Number of Shares Vested
Balance at December 31, 2010	1,863,420		
AMB awards	89,864		
Granted	980,051		
Settled	(149,053)		
Distributed	(526,693)		
Forfeited	(147,109)		
Balance at June 30, 2011	**2,110,480**	**$ 30.84**	**48,735**

In 2011, we granted 674,050 RSUs and 280,525 target PSAs. The PSAs were granted to certain employees of the company, vest over three years and may be earned based on the attainment of certain individual and company goals for 2011. The ultimate number of PSAs that may be earned and issued to each employee can be between from 0 — 200% of their target award.

12. Noncontrolling Interests

Operating Partnership

We report noncontrolling interest related to several entities we consolidate but do not own 100% of the common equity. These entities include three real estate partnerships that have issued limited partnership units to third parties. Depending on the specific partnership agreements, these limited partnership units are exchangeable into shares of our common stock, generally at a rate of one share of common stock to one unit or into cash. The limited partnership units of two entities that were consolidated pre-merger are exchangeable at the Merger exchange ratio and have been reflected as such in our Consolidated Financial Statements.

In the aggregate, for all our consolidated investees in which we own less than 100% of the equity, we have recorded approximately $6.6 billion of investments in real estate properties and $3.0 billion of debt. PEPR (in which we own 92% of the common equity) represents $4.5 billion of the real estate properties and $2.2 billion of the debt. See further discussion in Note 2 related to PEPR.

REIT

The noncontrolling interest of the REIT includes the noncontrolling interests presented in the Operating Partnership, as well as the common limited partnership units in the Operating Partnership that are not owned by the REIT. As of June 30, 2011, the REIT owned 99.55% of the common partnership units of the Operating Partnership.

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The following is a summary of the noncontrolling interest (in thousands):

	June 30, 2011	December 31, 2010
Partnerships with exchangeable units	$ 27,582	$ 11,189
Prologis Institutional Alliance Fund II	317,322	—
PEPR	130,336	—
Prologis-AMS	85,273	—
Other consolidated entities	94,399	3,943
Operating Partnership noncontrolling interest	**654,912**	**15,132**
Limited partners in the Operating Partnership	61,793	—
REIT noncontrolling interest	**$ 716,705**	**$ 15,132**

13. Earnings (Loss) Per Common Share / Unit

We determine basic earnings per share/unit based on the weighted average number of shares of common stock/units outstanding during the period. We compute diluted earnings per share/unit based on the weighted average number of shares of common stock/units outstanding combined with the incremental weighted average effect from all outstanding potentially dilutive instruments.

The following tables set forth the computation of basic and diluted earnings per share/unit (in thousands, except per share/unit amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011 (1)	2010 (1)	2011 (1)	2010 (1)
REIT				
Net loss attributable to common shares	$ (151,471)	$ (23,150)	$ (198,087)	$ (114,279)
Weighted average common shares outstanding — Basic and Diluted	307,756	212,840	281,384	212,441
Net loss per share attributable to common shares — Basic and Diluted	**$ (0.49)**	**$ (0.11)**	**$ (0.70)**	**$ (0.54)**
Operating Partnership				
Net loss attributable to common partnership units	$ (151,471)	$ (23,150)	$ (198,087)	$ (114,279)
Weighted average common partnership units outstanding — Basic and Diluted	308,389	212,840	281,702	212,441
Net loss per unit attributable to common unitholders — Basic and Diluted	**$ (0.49)**	**$ (0.11)**	**$ (0.70)**	**$ (0.54)**

(1) In periods with a net loss, the inclusion of any incremental shares /units is anti-dilutive, and therefore, both basic and diluted shares/units are the same.

14. Financial Instruments and Fair Value Measurements

Derivative Financial Instruments

In the normal course of business, our operations are exposed to global market risks, including the effect of changes in foreign currency exchange rates and interest rates. To manage these risks, we may enter into various derivative contracts. We may use foreign currency contracts, including forwards and options, to manage foreign currency exposure. We may use interest rate swaps or caps to manage the effect of interest rate fluctuations. We do not use derivative financial instruments for trading purposes. The majority of our derivative financial instruments are customized derivative transactions and are not exchange-traded. Management reviews our hedging program, derivative positions, and overall risk management strategy on a regular basis. We only enter into transactions that we believe will be effective at offsetting the underlying risk.

Our use of derivatives does involve the risk that counterparties may default on a derivative contract. We establish exposure limits for each counterparty to minimize this risk and provide counterparty diversification. Substantially all of our derivative exposures are with counterparties that have long-term credit ratings of single-A or better. We enter into master agreements with counterparties that generally allow for netting of certain exposures; therefore, the actual loss we would recognize if all counterparties failed to perform as contracted would be significantly lower. To mitigate pre-settlement risk, minimum credit standards become more stringent as the duration of the derivative financial instrument increases. To minimize the concentration of credit risk, we enter into derivative transactions with a portfolio of financial institutions. Based on these factors, we consider the risk of counterparty default to be minimal.

All derivatives are recognized at fair value in our Consolidated Balance Sheets within the line items *Other Assets* or *Accounts Payable and Accrued Expenses*, as applicable. We do not net our derivative position by counterparty for purposes of balance sheet presentation and disclosure. The accounting for gains and losses that result from changes in the fair values of derivative instruments depends on whether the derivatives are

designated as, and qualify as, hedging instruments. Derivatives can be designated as fair value hedges, cash flow hedges or hedges of net investments in foreign operations.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in *Accumulated Other Comprehensive Income (Loss)* in our Consolidated Balance Sheets. We reclassify changes in the fair value of derivatives into the applicable line item in our Consolidated Statements of Operations in which the hedged items are recorded in the same period that the underlying hedged items affect earnings. Due to the high degree of effectiveness between the hedging instruments and the underlying exposures hedged, fluctuations in the value of the derivative instruments will generally be offset by changes in the fair values or cash flows of the underlying exposures being hedged. The changes in fair values of derivatives that were not designated and/or did not qualify as hedging instruments are immediately recognized in earnings.

For derivatives that will be accounted for as hedging instruments in accordance with the accounting standards, we formally designate and document, at inception, the financial instrument as a hedge of a specific underlying exposure, the risk management objective and the strategy for undertaking the hedge transaction. In addition, we formally assess both at inception and at least quarterly thereafter, whether the derivatives used in hedging transactions are effective at offsetting changes in either the fair values or cash flows of the related underlying exposures. Any ineffective portion of a derivative financial instrument's change in fair value is immediately recognized in earnings. Derivatives not designated as hedges are not speculative and are used to manage our exposure to foreign currency fluctuations but do not meet the strict hedge accounting requirements.

Our interest rate risk management strategy is to limit the impact of future interest rate changes on earnings and cash flows as well as to stabilize interest expense and manage our exposure to interest rate movements. To achieve this objective, we have entered into interest rate swap and cap agreements, which allow us to borrow on a fixed rate basis for longer-term debt issuances. The maximum length of time that we hedge our exposure to future cash flows is typically less than 10 years. We use cash flow hedges to minimize the variability in cash flows of assets or liabilities or forecasted transactions caused by fluctuations in interest rates. We also have entered into interest rate swap agreements which allow us to receive variable-rate amounts from a counterparty in exchange for us making fixed-rate payments over the life of our agreements without the exchange of the underlying notional amount. We have entered into an interest rate cap agreement which allows us to receive variable-rate amounts from a counterparty if interest rates rise above the strike rate on the contract in exchange for an upfront premium. We had 44 interest rate swap contracts, including 34 contracts denominated in euro, 3 contracts denominated in British pound sterling and seven contracts denominated in Japanese yen, and one interest rate cap denominated in U.S. dollars, outstanding at June 30, 2011.

In connection with the Merger and the PEPR acquisition, we are party to interest rate swap contracts and an interest rate cap contract with combined notional amounts of $1.6 billion and $25.7 million outstanding at June 30, 2011, respectively, to fix the variable rate on certain indebtedness. We had $20.6 million and $1.4 million accrued in *Accounts Payable and Accrued Expenses* in our Consolidated Balance Sheets relating to these unsettled derivative contracts at June 30, 2011 and December 31, 2010, respectively.

There was no ineffectiveness recorded during the three and six months ended June 30, 2011 and 2010. The amount reclassified to interest expense for the three and six months ended June 30, 2011 and 2010, is not considered material

We typically designate our interest rate swap and interest rate cap agreements as cash flow hedges as these derivative instruments may be used to manage the interest rate risk on potential future debt issuances or to fix the interest rate on a variable rate debt issuance. The effective portion of the gain or loss on the derivative is reported as a component of *Accumulated Other Comprehensive Income (Loss)* ("AOCI") in our Consolidated Balance Sheets, and reclassified to *Interest Expense* in the Consolidated Statements of Operations over the corresponding period of the hedged item. For the next twelve months from June 30, 2011, we estimate that an additional $4.8 million will be reclassified as interest expense. Losses on the derivative representing hedge ineffectiveness are recognized in *Interest Expense* at the time the ineffectiveness occurred.

The following table summarizes the activity in our derivative instruments (in millions) for the six months ended June 30:

	2011		2010	
	Interest Rate Swaps	**Interest Rate Caps**	**Interest Rate Swaps**	**Interest Rate Caps**
Notional amounts at January 1	$ 268.1	$ —	$ 157.7	$ —
Acquired contracts (1)	1,337.3	25.7	—	
Matured or expired contracts.	(9.6)		(44.6)	
Notional amounts at June 30	**$ 1,595.8**	**$ 25.7**	**$ 113.1**	**$ —**

(1) To the extent these contracts previously qualified for hedge accounting, they were redesignated at the time of the Merger or PEPR acquisition to qualify for hedge accounting post merger and acquisition.

Fair Value Measurements

We have estimated the fair value of our financial instruments using available market information and valuation methodologies we believe to be appropriate for these purposes. Considerable judgment and a high degree of subjectivity are involved in developing these estimates and, accordingly, they are not necessarily indicative of amounts that we would realize upon disposition.

PROLOGIS, INC. AND PROLOGIS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

The fair value hierarchy consists of three broad levels, which are described below:

- Level 1 — Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.
- Level 2 — Observable inputs, other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Fair Value Measurements on a Recurring and Non-recurring Basis

At June 30, 2011 and December 31, 2010, we do not have any significant financial assets or financial liabilities that are measured at fair value on a recurring basis in our consolidated financial statements.

Non-financial assets measured at fair value on a non-recurring basis in our consolidated financial statements consist of real estate assets and investments in and advances to unconsolidated investees that were subject to impairment charges. See Notes 3 and 4 for additional information related to inputs and valuation techniques used to measure these impairments. The real estate assets relate to our assets in South Korea, which are held for sale and were written down to estimated sales value less costs to sell. The investments relate to our investment in a property fund in South Korea that was sold in July and an investment in a U.S. property fund where our carrying value exceeded the fair value. The table below aggregates the fair value of these assets at June 30, 2011 by the levels in the fair value hierarchy (in thousands):

	Level 1	Level 2	Level 3	Total
Real estate assets	$ —	$ —	$51,511	$51,511
Investments in and advances to other unconsolidated investees	$ —	$ —	$44,863	$44,863

As result of the Merger and PEPR acquisition, we fair valued the tangible and intangible assets and liabilities as of the acquisition date using Level 1, Level 2, and Level 3 inputs. See Note 2 for discussion of our fair value assessment and inputs used in the preliminary purchase price allocation for the Merger and PEPR acquisition.

Fair Value of Financial Instruments

At June 30, 2011 and December 31, 2010, the carrying amounts of certain of our financial instruments, including cash and cash equivalents, accounts and notes receivable and accounts payable and accrued expenses were representative of their fair values due to the short-term nature of these instruments and the recent acquisition of these items.

At June 30, 2011 and December 31, 2010, the fair value of our senior notes and exchangeable senior notes, has been estimated based upon quoted market prices for the same (Level 1) or similar (Level 2) issues when current quoted market prices are available, the fair value of our Credit Facilities has been estimated by discounting the future cash flows using rates and borrowing spreads currently available to us (Level 3), and the fair value of our secured mortgage debt and assessment bonds that do not have current quoted market prices available has been estimated by discounting the future cash flows using rates currently available to us for debt with similar terms and maturities (Level 3). The fair value of our derivative financial instruments is determined through widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative (Level 2). The differences in the fair value of our debt from the carrying value in the table below are the result of differences in interest rates and/or borrowing spreads that were available to us at June 30, 2011 and December 31, 2010, as compared with those in effect when the debt was issued or acquired. The senior notes and many of the issues of secured mortgage debt contain pre-payment penalties or yield maintenance provisions that could make the cost of refinancing the debt at lower rates exceed the benefit that would be derived from doing so.

The following table reflects the carrying amounts and estimated fair values of our debt (in thousands):

	June 30, 2011		December 31, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Credit Facilities	$ 802,880	$ 798,783	$ 520,141	$ 526,684
Senior notes	4,803,441	5,120,436	3,195,724	3,403,353
Exchangeable senior notes	1,475,689	1,649,240	1,521,568	1,591,976
Secured mortgage debt	1,681,361	1,764,209	1,223,312	1,294,331
Secured mortgage debt of consolidated investees	1,798,500	1,823,605	26,417	25,753
Other debt of consolidated investees	1,156,430	1,149,940	—	—
Other debt	401,651	400,896	18,867	17,995
Total debt	**$ 12,119,952**	**$ 12,707,109**	**$ 6,506,029**	**$ 6,860,092**

15. Business Segments

Our business strategy currently includes two operating segments, as follows:

- Direct Owned — representing the direct long-term ownership of industrial operating properties. Each operating property is considered to be an individual operating segment having similar economic characteristics that are combined within the reportable segment based upon

geographic location. Also included in this segment is the development of properties for continued direct ownership, including land held for development and properties currently under development and land we own and lease to customers under ground leases. We own real estate in the Americas (Canada, Mexico and the United States), Europe (Austria, Belgium, the Czech Republic, France, Germany, Hungary, Italy, the Netherlands, Poland, Romania, Slovakia, Spain, Sweden and the United Kingdom) and Asia (China, Japan and Singapore)

- Private Capital — representing the long-term management of property funds and industrial joint ventures and the properties they own. We recognize our proportionate share of the earnings or losses from our investments in unconsolidated property funds and certain joint ventures operating in the Americas, Europe and Asia that are accounted for under the equity method. In addition, we recognize fees and incentives earned for services performed on behalf of the unconsolidated investees and certain third parties.

  We report the costs associated with our private capital segment for all periods presented in the line item *Private Capital Expenses* in our Consolidated Statements of Operations. These costs include the direct expenses associated with the asset management of the property funds provided by individuals who are assigned to our private capital segment. In addition, in order to achieve efficiencies and economies of scale, all of our property management functions are provided by a team of professionals who are assigned to our direct owned segment. These individuals perform the property-level management of the properties we own and the properties we manage that are owned by the unconsolidated investees. We allocate the costs of our property management function to the properties we own (reported in *Rental Expenses*) and the properties owned by the unconsolidated investees (included in *Private Capital Expenses*), by using the square feet owned by the respective portfolios. We are further reimbursed by the property funds for certain expenses associated with managing these property funds.

  Each investment in an unconsolidated property fund or joint venture is considered to be an individual operating segment having similar economic characteristics that are combined within the reportable segment based upon geographic location. Our operations in the private capital segment are in the Americas (Brazil, Canada, Mexico and the United States), Europe (Belgium, the Czech Republic, France, Germany, Hungary, Italy, the Netherlands, Poland, Slovakia, Spain, Sweden and the United Kingdom) and Asia (China and Japan).

We present the operations and net gains associated with properties sold to third parties or classified as held for sale as discontinued operations, which results in the restatement of prior year operating results to exclude the items presented as discontinued operations.

Reconciliations are presented below for: (i) each reportable business segment's revenue from external customers to our *Total Revenues*; (ii) each reportable business segment's net operating income from external customers to our *Loss before Income Taxes*; and (iii) each reportable business segment's assets to our *Total Assets*. Our chief operating decision makers rely primarily on net operating income and similar measures to make decisions about allocating resources and assessing segment performance. The applicable components of our *Revenues*, *Loss before Income Taxes* and *Total Assets* are allocated to each reportable business segment's revenues, net operating income and assets. Items that are not directly assignable to a segment, such as certain corporate income and expenses, are reflected as reconciling items. The following reconciliations are presented in thousands:

PROLOGIS, INC. AND PROLOGIS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
Revenues:				
Direct owned (1):				
Americas	$ 201,247	$ 150,811	$ 357,286	$ 301,987
Europe	64,113	20,478	91,683	39,393
Asia	33,548	19,550	56,975	38,165
Total direct owned segment	298,908	190,839	505,944	379,545
Private capital (2):				
Americas	19,740	10,303	37,801	22,988
Europe	23,689	18,272	48,601	39,697
Asia	4,916	559	6,402	971
Total private capital segment	48,345	29,134	92,804	63,656
Total segment revenue	347,253	219,973	598,748	443,201
Reconciling item (3)	(11,352)	(827)	(23,940)	(6,687)
Total revenues	**$ 335,901**	**$ 219,146**	**$ 574,808**	**$ 436,514**
Net operating income:				
Direct owned (4):				
Americas	$ 142,015	$ 107,363	$ 248,443	$ 214,515
Europe	44,233	10,407	59,902	18,241
Asia	25,894	14,331	42,881	27,559
Total direct owned segment	212,142	132,101	351,226	260,315
Private capital (2)(5):				
Americas	12,514	3,688	23,818	9,779
Europe	19,752	15,119	41,143	32,962
Asia	4,484	396	5,696	665
Total private capital segment	36,750	19,203	70,657	43,406
Total segment net operating income	248,892	151,304	421,883	303,721
Reconciling items:				
General and administrative expenses	(51,840)	(38,921)	(91,023)	(80,927)
Merger, acquisition and other integration expenses	(103,052)	—	(109,040)	—
Depreciation and amortization expense	(123,040)	(76,871)	(205,744)	(152,011)
Earnings from other unconsolidated investees, net	46	2,477	1,099	4,590
Interest and other income (expense), net	5,277	(1,737)	2,698	(1,909)
Interest expense	(113,059)	(118,920)	(203,621)	(228,899)
Impairment of other assets	(103,823)	—	(103,823)	—
Net gains on acquisitions and dispositions of investments in real estate	102,529	10,959	106,254	22,766
Foreign currency exchange and derivative losses, net	(10,255)	(7,206)	(8,881)	(3,518)
Gain (loss) on early extinguishment of debt, net	—	975	—	(46,658)
Total reconciling items	(397,217)	(229,244)	(612,081)	(486,566)
Loss before income taxes	**$ (148,325)**	**$ (77,940)**	**$ (190,198)**	**$ (182,845)**

PROLOGIS, INC. AND PROLOGIS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(Unaudited)

	June 30, 2011	December 31, 2010
Assets:		
Direct owned:		
Americas	$ 14,192,651	$ 7,358,374
Europe	7,815,816	2,619,455
Asia	3,091,777	1,889,879
Total direct owned segment	25,100,244	11,867,708
Private Capital:		
Americas	1,996,312	1,035,548
Europe	866,144	1,038,061
Asia	337,756	84,000
Total private capital segment	3,200,212	2,157,609
Total segment assets	28,300,456	14,025,317
Reconciling items:		
Investments in and advances to other unconsolidated investees	93,335	6,987
Notes receivable backed by real estate	247,178	189,550
Assets held for sale	171,765	574,791
Cash and cash equivalents	260,893	37,634
Accounts receivable	60,879	68,388
Total reconciling items	834,050	877,350
Total assets	**$ 29,134,506**	**$ 14,902,667**

(1) Includes rental income from our industrial properties and land subject to ground leases, as well as development management and other income, other than development fees earned for services provided to our unconsolidated investees, which are included in the private capital segment.

(2) Includes management fees, development fees and our share of the earnings or losses recognized under the equity method from our investments in unconsolidated property funds and certain industrial joint ventures, along with dividends and interest earned on investments in preferred stock or debt securities of these unconsolidated investees. See Note 4 for more information on our unconsolidated investees.

(3) Amount represents the earnings or losses recognized under the equity method from unconsolidated investees, which we reflect in revenues of the private capital segment but are not presented as a component of *Revenues* in our Consolidated Statements of Operations.

(4) Includes rental income less rental expenses of our industrial properties and land subject to ground leases, as well as development management and other income less related expenses.

(5) Also includes the direct costs we incur to manage the unconsolidated investees and certain third parties and the properties they own that are presented as *Private Capital Expenses* in our Consolidated Statements of Operations.

16. Supplemental Cash Flow Information

During the six months ended June 30, 2011, we completed the Merger. See Note 2 for information on the assets and liabilities acquired.

During April 2011, we assumed $61.7 million of debt upon the acquisition of the remaining interest in a joint venture that owned one property in Japan.

During the six months ended June 30, 2011 and 2010, we capitalized portions of the total cost of our share-based compensation awards of $3.1 million and $2.7 million, respectively, to the investment basis of our real estate or other assets.

In February 2010, we received $4.6 million of ownership interests in ProLogis North American Industrial Fund as a portion of our proceeds from the contribution of a property to this property fund.

The amount of interest paid in cash, net of amounts capitalized, during the six months ended June 30, 2011 and 2010 was $170.5 million and $169.8 million, respectively.

During the six months ended June 30, 2011 and 2010, cash paid for income taxes, net of refunds, was $9.4 million and $25.7 million, respectively.

17. Commitments and Contingencies

From time to time, we and our unconsolidated investees are party to a variety of legal proceedings arising in the ordinary course of business. We believe that, with respect to any such matters that we are currently a party to, the ultimate disposition of any such matters will not result in a material adverse effect on our business, financial position or results of operations.

Following the announcement of the proposed merger, several lawsuits were filed.

In April 2011, the parties reached agreements in principle to settle their lawsuits. All parties thereafter executed a Stipulation and Release dated as of July 27, 2011. The proposed settlement remains subject to approval by the Maryland Court following notice to a class of all shareholders who held ProLogis common shares at any time between January 30, 2011 and June 3, 2011, the date the Merger was consummated (which shareholders we refer to as the "Class"). Under the terms of the proposed settlement, we agreed to make certain supplemental disclosures in the definitive joint proxy statement/prospectus mailed to shareholders. We further agreed to pay the lawyers who filed the Maryland and Colorado actions attorneys' fees and expenses in a cumulative amount up to $600,000, if and to the extent awarded by the Maryland Court, which amount has been accrued. If approved by the Maryland Court, the settlement will result in the dismissal of all pending merger litigation with prejudice (in both Colorado and Maryland) and in the release by the Class of all claims against us relating to the Merger.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Prologis, Inc.:

We have reviewed the accompanying consolidated balance sheet of Prologis Inc. and subsidiaries (the "Company"), formerly ProLogis and subsidiaries, as of June 30, 2011, the related consolidated statements of operations for the three-month and six-month periods ended June 30, 2011 and 2010, the related consolidated statement of equity for the six-month period ended June 30, 2011, the related consolidated statements of comprehensive income (loss) for the six-month periods ended June 30, 2011 and 2010, and the related consolidated statements of cash flows for the six-month periods ended June 30, 2011 and 2010. These consolidated financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of ProLogis and subsidiaries as of December 31, 2010, and the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for the year then ended (not presented herein); and in our report dated February 25, 2011, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2010, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG LLP

Denver, Colorado
August 8, 2011

Report of Independent Registered Public Accounting Firm

The Partners
Prologis, L.P.:

We have reviewed the accompanying consolidated balance sheet of Prologis, L.P. and subsidiaries (the "Operating Partnership"), formerly ProLogis and subsidiaries, as of June 30, 2011, the related consolidated statements of operations for the three-month and six-month periods ended June 30, 2011 and 2010, the related consolidated statement of equity for the six-month period ended June 30, 2011, the related consolidated statements of comprehensive income (loss) for the six-month periods ended June 30, 2011 and 2010, and the related consolidated statements of cash flows for the six-month periods ended June 30, 2011 and 2010. These consolidated financial statements are the responsibility of the Operating Partnership's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of ProLogis and subsidiaries as of December 31, 2010, and the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for the year then ended (not presented herein); and in our report dated February 25, 2011, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2010, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

KPMG LLP

Denver, Colorado
August 8, 2011

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our Consolidated Financial Statements and the related notes included in Item 1 of this report and our 2010 Annual Report on Form 10-K and the ProLogis Annual Report on Form 10-K.

Certain statements contained in this discussion or elsewhere in this report may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Words and phrases such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "designed to achieve", variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, development activity and sales or contribution volume or profitability on such sales and contributions, economic and market conditions in the geographic areas where we operate and the availability of capital in existing or new property funds — 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. Many of the factors that may affect outcomes and results are beyond our ability to control. For further discussion of these factors see Part II, "Item 1A. Risk Factors" in our 2010 Annual Report on Form 10-K and the ProLogis 2010 Annual Report on Form 10-K. References to "we", "us" and "our" refer to ProLogis and its consolidated subsidiaries prior to the Merger and to Prologis, Inc. and its consolidated subsidiaries following the Merger.

Management's Overview

Prologis, Inc (the "REIT") is a self-administered and self-managed real estate investment trust that owns, operates and develops real estate properties, primarily industrial properties, in the Americas, Europe and Asia (directly and through our consolidated and unconsolidated investees). The REIT is the sole general partner of Prologis L.P. (the "Operating Partnership"). As of June 30, 2011, the REIT owned an approximate 99.55% general partnership interest in the Operating Partnership, and 100% of the preferred units. The remaining approximate 0.45% common limited partnership interests are owned by non-affiliated investors and certain current and former directors and officers of the REIT. As the sole general partner of the Operating Partnership, the REIT has full, exclusive and complete responsibility and discretion in the day-to-day management and control of the Operating Partnership. We operate the REIT and the Operating Partnership as one enterprise. The management of the REIT consists of the same members as the management of the Operating Partnership. These members are officers of the REIT and employees of the Operating Partnership. As general partner with control of the Operating Partnership, the REIT consolidates the Operating Partnership for financial reporting purposes, and the REIT does not have significant assets other than its investment in the Operating Partnership. Therefore, the assets and liabilities of the REIT and the Operating Partnership are the same on their respective financial statements. Our business is primarily driven by requirements for modern, well-located inventory space in global, regional and other distribution locations. Our focus on our customers' needs has enabled us to become a leading global provider of industrial distribution properties.

On June 3, 2011, we completed a merger with AMB Property Corporation ("AMB") in which ProLogis shareholders received 0.4464 shares of AMB common stock for each outstanding common share of beneficial interest in ProLogis (the "Merger"). In the Merger, AMB was the legal acquirer and ProLogis was the accounting acquirer. In addition in May 2011, we acquired a controlling interest in and began consolidating ProLogis European Properties ("PEPR acquisition"). As a result, our second quarter results for 2011 reflect approximately one month of the impact of the Merger and the PEPR acquisition. We have recorded the preliminary purchase price allocations in our June 30, 2011 Consolidated Balance Sheet. See Note 2 to the Consolidated Financial Statements in Item 1. As a result of the Merger and the PEPR acquisition, period to period comparisons may not provide as meaningful of information as if those transactions were reflected in both periods.

Our current business strategy includes two operating segments: Direct Owned and Private Capital. Our Direct Owned segment represents the direct long-term ownership of industrial properties. Our Private Capital segment represents the long-term management of property funds, other unconsolidated investees and the properties they own.

We generate revenues; earnings; net operating income, as defined below; and cash flows through our segments primarily as follows:

- Direct Owned Segment — Our investment strategy in this segment focuses primarily on the ownership and leasing of industrial properties in key distribution markets. Also included in this segment are industrial properties that are currently under development, land available for development and/or disposition and land subject to ground leases.

  We earn rent from our customers, including reimbursements of certain operating costs, generally under long-term operating leases. The revenue from this segment has increased in 2011 from 2010 due to the Merger and PEPR acquisition, as well as the lease up and increased occupancy levels of our operating portfolio, primarily from our developed properties. We anticipate additional increases in occupied square feet to come from leases that have been signed, but where the space will not be occupied until future quarters. Our direct owned operating portfolio was 89.5% and 87.6% leased at June 30, 2011 and December 31, 2010, respectively, and 88.7% and 85.9% occupied at June 30, 2011 and December 31, 2010, respectively.

- Private Capital Segment — We recognize our proportionate share of the earnings or losses from our investments in unconsolidated property funds and certain joint ventures that are accounted for under the equity method. In addition, we recognize fees and incentives earned for services performed on behalf of these and other entities. We provide services to these entities, which may include property management, asset management, leasing, acquisition, financing and development services. We may also earn incentives from our property funds depending on the return provided to the fund partners over a specified period and we are reimbursed by the property funds for certain expenses associated with managing those property funds.

Summary of 2011

Prior to the completion of the Merger, our objectives for 2011 and beyond were to: (i) increase occupancy in our industrial portfolio; (ii) develop new industrial properties on our land; (iii) sell our non-core properties; and (iv) along with development, monetize our investment in land through dispositions to third parties as raw land or subsequent to the development of a building.

During the six months ended June 30, 2011, we completed the following significant activities:

- Issued 34.5 million shares of common stock in a public offering at a price of $33.50 per share, generating approximately $1.1 billion in net proceeds (“2011 Equity Offering”) in late June 2011. We utilized the proceeds to fully repay debt under the bridge facility used to fund a portion of our acquisition of PEPR. The remainder of the proceeds were used to reduce debt under our credit facilities and for general corporate purposes.
- We closed on the Merger on June 3, 2011 and completed the PEPR acquisition in May 2011. See Note 2 to our Consolidated Financial Statements in Item 1 for additional information on these transactions.
- Entered into a new $1.75 billion global senior credit agreement with a syndicate of 20 banks (“Global Facility”) and terminated our existing global line of credit. We also amended a ¥36.5 billion ($454 million) revolving credit agreement with a syndicate of eight banks (“Revolver”), and together “Credit Facilities”. See additional discussion below.
- Increased the leased percentage of our consolidated operating portfolio to 89.5% at June 30, 2011 as compared to 87.6% at December 31, 2010. This increase was due to the Merger and the PEPR Acquisition, as well as the additional leasing of 23.1 million square feet of space in 2011.
- Commenced development on 6 properties aggregating 2.4 million square feet and utilizing land we owned and held for development. Five of these properties are in Europe, four of which were 100% pre-leased and one property is in Asia. In addition, we sold land parcels to third parties generating net proceeds of $32.7 million.
- Generated aggregate proceeds of $594.4 million from the disposition of 38 properties to third parties, including the sale of the majority of our non-core assets for which we signed a definitive agreement in the fourth quarter of 2010, and the sale of two development properties to ProLogis European Properties Fund II (“PEPF II”) and one to a joint venture in Mexico. We used these proceeds to help fund our development activities.

As a result of the Merger, we have established four priorities:

- first, to strengthen our financial position and to build one of the top three balance sheets in the industry;
- second, to align our portfolio with our investment strategy while serving the needs of our customers;
- third, to refine our private capital business and to position it for substantial growth; and
- fourth, to build the most effective and efficient organization in the business, and become the employer of choice among top professionals interested in real estate as a career.

We expect to accomplish these objectives by:

- strengthening our financial position by substantially reducing leverage, improving debt coverage ratios and keeping a staggered debt maturity profile;
- maintaining a large stable pool of wholly owned operating properties in global and regional markets, predominantly focused in the U.S;
- growing our private capital business through the establishment of new private capital funds or through our existing funds with our contribution of suitable properties; and
- generating proceeds and reducing foreign currency exposure through non-strategic property dispositions, contributions to our property funds as discussed above and the issuance of equity as needed (as discussed above, we completed the 2011 Equity Offering in late June).

We have identified more than $90 million of merger cost synergies as compared to the combined expenses of AMB and ProLogis on a pre-merger bases. The merger cost synergies include gross G&A savings, reduced facility fees on our Credit Facilities and lower amortization of non real estate assets. We expect to realize the total amount of these cost synergies by year-end 2012.

Operational Outlook

We believe the global economic recovery is underway and the fundamentals of logistics real estate continue to improve. As such, we expect there to be an increase in demand for industrial real estate globally. We are seeing signs of increased customer interest, leasing velocity and net absorption of industrial space continues to be positive. While U.S. GDP growth came in lower than forecast in the first half of the year, the industrial market has outperformed, with 55 million square feet of net absorption of which 26 million square feet occurred in the second quarter, the strongest second quarter showing in three years. We believe net effective rents are trending upward in several markets, and as a result new development will occur on a select basis.

Looking ahead, we expect demand in the U.S. to continue to improve if the economic recovery continues. We continue to believe that record-low construction, when met by stronger demand, will drive the availability rate back down and that there will be a substantial improvement in net absorption in 2011.

Within Europe and Japan, we believe significant obsolescence and customers' preference to lease, rather than own, facilities will continue to drive increased demand for industrial space. In addition in Japan, we expect to see demand for modern, class-A facilities continue to grow as a result of the significant earthquake last March, which has highlighted the need for safer environments with modern building standards. Demand in emerging markets where we have investments primarily through our property funds, such as Brazil and China remains strong.

In our total operating industrial portfolio, including properties managed by us and owned by our unconsolidated investees that are accounted for under the equity method and including properties that were part of the Merger, we leased 67.8 million square feet of space during the six months ended June 30, 2011. Excluding the properties that were part of the Merger, we leased 119.4 million square feet of space during the year ended December 31, 2010. The effective rental rates on leases signed in our same store portfolio (as defined below) decreased by 6.1% in the second quarter and 8.9% in the first quarter when compared with the rental rates on the previous leases on that same space. The total operating portfolio was 90.7% occupied at June 30, 2011, as compared to 89.9% occupied at March 31, 2011, 90.6% occupied at December 31, 2010 and 89.3% occupied at September 30, 2010. Our existing customers renewed their leases 71.9% of the time during the six months ended June 30, 2011.

New speculative development has fallen to record-low levels worldwide during the past couple of years. We continue to experience a stable level of customer requests for build-to-suit proposals, since we believe much of the overall existing industry vacancy does not meet these customers' distribution space requirements either due to size or functionality. During the six months ended June 30, 2011, in response to this emerging demand, we (including AMB pre-Merger) started development of 18 properties totaling 6.2 million square feet with a total expected investment of $641.1 million. As of June 30, 2011, we had 28 properties in our consolidated development portfolio, including 23 properties that were under development and 49.4% leased. These properties that were under development had a current investment of $561.2 million with an additional estimated $500.8 million of development and leasing costs remaining to be spent.

We plan to continue to take advantage of opportunities to develop new operating properties for long-term investment or to contribute to an unconsolidated property fund, primarily in our global and regional markets. In order to monetize our land holdings, we will also develop new operating properties in regional and other markets. Depending on the requirements of our fund partners and market conditions, we may contribute these properties to our property funds or sell the properties to third parties.

We also expect to develop new operating properties in some of our unconsolidated investees on land that we own and contribute to the property fund or on land that the property fund acquires. We expect this development to occur within our property funds or joint ventures particularly in China, Mexico and Brazil. As of June 30, 2011, the development portfolio of our unconsolidated investees included 10 properties that were 17.8% leased. These properties had a current investment of $68.3 million with an additional estimated $88.6 million of development and leasing costs remaining to be spent.

Results of Operations

Six Months Ended June 30, 2011 and 2010

Summary

The following table illustrates the net operating income for each of our segments, along with the reconciling items to *Loss from Continuing Operations* on our Consolidated Statements of Operations in Item 1 for the six months ended June 30 (dollars in thousands):

	2011	2010
Net operating income — direct owned segment	$ 351,226	$ 260,315
Net operating income — private capital segment	70,657	43,406
Other:		
General and administrative expenses	(91,023)	(80,927)
Merger, acquisition and other integration expenses	(109,040)	—
Depreciation and amortization expense	(205,744)	(152,011)
Earnings from unconsolidated investees, net	1,099	4,590
Interest and other income (expense), net	2,698	(1,909)
Interest expense	(203,621)	(228,899)
Impairment of other assets	(103,823)	—
Net gains on acquisitions and dispositions of investments in real estate	106,254	22,766
Foreign currency exchange and derivative losses, net	(8,881)	(3,518)
Loss on early extinguishment of debt, net	—	(46,658)
Income tax benefit (expense)	(12,798)	32,047
Loss from continuing operations	**$ (202,996)**	**$ (150,798)**

As discussed above, these results are historical ProLogis for the entire period and include the AMB results for approximately one month and the results of our investments in PEPR accounted for on the equity method for approximately two months and on a consolidated basis for approximately one month. See below and Notes 2 and 15 to our Consolidated Financial Statements in Item 1 for additional information regarding the impact of the Merger and the PEPR Acquisition and our segments and a reconciliation of net operating income to *Loss Before Income Taxes.*

Direct Owned Segment

The net operating income of the direct owned segment consists of rental income and rental expenses from industrial properties that we own and consolidate. The size and occupied percentage of our consolidated operating portfolio fluctuates due to the timing of acquisitions, development activity and contributions. Such fluctuations affect the net operating income we recognize in this segment in a particular period. Also included in this segment is land we own and lease to customers under ground leases, development management and other income, offset by acquisition costs and land holding costs. As discussed earlier, we have included the rental income and expenses from the properties acquired as part of the Merger and PEPR acquisition for approximately one month in 2011. The results of properties that were sold to third parties are presented as *Discontinued Operations* in our Consolidated Financial Statements in Item 1 for all periods and therefore does not impact the segment results. The net operating income from the direct owned segment for the six months ended June 30, was as follows (in thousands):

	2011	2010
Rental and other income	$ 505,944	$ 379,545
Rental and other expenses	154,718	119,230
Total net operating income — direct owned segment	**$ 351,226**	**$ 260,315**

Our direct owned operating portfolio was as follows (square feet in thousands):

	Number of Properties	Square Feet	Leased %
June 30, 2011 (1)	1,898	302,315	89.5%
December 31, 2010 (2)	985	168,547	87.6%
June 30, 2010	1,187	192,714	84.8%

(1) June 30, 2011 includes 917 properties with 134.1 million square feet that were acquired through the Merger and PEPR acquisition.

(2) In the fourth quarter of 2010, we sold a portfolio of 182 properties with 23 million square feet to a third party.

The increases in rental income and rental expense in 2011 from 2010 are due primarily to the impact of the Merger and the PEPR acquisition, increased occupancy in our operating portfolio and the completion of new development properties. The results for 2011 include approximately one month of rental income and expenses of the acquired properties of $84.7 million and $19.6 million, respectively.

In our direct owned portfolio, we leased 23.1 million square feet for the six months ended June 30, 2011 compared to 26.9 million square feet for the six months ended June 30, 2010. As of June 30, 2011, our total direct owned industrial operating portfolio was 89.5% leased and 88.7% occupied, as compared with 87.6% leased and 85.9% occupied at December 31, 2010 and 84.8% leased and 82.7% occupied at June 30, 2010. The effective rental rates on leases signed in our same store portfolio (as defined below) decreased by 6.1% in the second quarter and 8.9% in the first quarter, when compared with the rental rates on the previous leases on that same space. Under the terms of our lease agreements, we are able to recover the majority of our rental expenses from customers. Rental expense recoveries, included in both rental income and expenses, were $104.1 million and $83.2 million for the six months ended June 30, 2011 and 2010, respectively.

Private Capital Segment

The net operating income of the private capital segment consists of: (i) earnings or losses recognized under the equity method from our investments in unconsolidated property funds and certain joint ventures; (ii) fees and incentives earned for services performed for our unconsolidated investees and certain third parties; and (iii) dividends and interest earned on investments in preferred stock or debt securities of our unconsolidated investees; offset by (iv) our direct costs of managing these entities and the properties they own.

The net earnings or losses of the unconsolidated investees may include the following income and expense items, in addition to rental income and rental expenses: (i) interest income and interest expense; (ii) depreciation and amortization expenses; (iii) general and administrative expenses; (iv) income tax expense; (v) foreign currency exchange gains and losses; (vi) gains or losses on dispositions of properties or investments; and (vii) impairment charges. The fluctuations in income we recognize in any given period are generally the result of: (i) variances in the income and expense items of the unconsolidated investees; (ii) the size of the portfolio and occupancy levels; (iii) changes in our ownership interest; and (iv) fluctuations in foreign currency exchange rates at which we translate our share of net earnings to U.S. dollars, if applicable. In connection with the Merger, we recorded our investments in unconsolidated investees at fair value and will therefore have increased depreciation expense over what AMB recognized per-Merger.

The direct costs associated with our private capital segment totaled $22.1 million and $20.3 million for the six months ended June 30, 2011 and 2010, respectively, and are included in the line item *Private Capital Expenses* in our Consolidated Statements of Operations. These expenses include the direct expenses associated with the asset management of the property funds provided by individuals who are assigned to our private capital segment. In addition, in order to achieve efficiencies and economies of scale, all of our property management functions are provided by a team of professionals who are assigned to our direct owned segment. These individuals perform the property-level management of the properties we own and the properties we manage that are owned by the unconsolidated investees and certain third parties. We allocate the costs of our property management function to the properties we own (reported in *Rental Expenses*) and the properties owned by the unconsolidated investees (included in *Private Capital Expenses*), by using the square feet owned by the respective portfolios. The increase is due to the increased private capital platform and infrastructure that was part of the Merger, offset with a decline in the portion of our property management expenses that are allocated to this segment due to the consolidation of PEPR.

The net operating income from the private capital segment for the six months ended June 30 was as follows (in thousands):

	2011	2010
Unconsolidated property funds:		
Americas (1)	$ 16,966	$ 7,681
Europe (2)	40,214	32,195
Asia (3)	3,000	455
Other (4)	10,477	3,075
Total net operating income — private capital segment	**$ 70,657**	**$ 43,406**

(1) Represents the income earned by us from our investments in 10 property funds for each of the six months ended June 30, 2011 and 2010, respectively, offset by private capital expenses. In connection with the Merger, we added three investments in unconsolidated property funds in the Americas (with investments in the U.S., Mexico and Brazil). Our ownership interests ranged from 20.0% to 50.0% at June 30, 2011. These property funds on a combined basis, excluding ProLogis North American Properties Funds VI-VIII that were sold at the end of 2010, owned 1,054, 725 and 725 properties that were 92.5%, 92.1% and 91.7% occupied at June 30, 2011, December 31, 2010 and June 30, 2010, respectively.

(2) Represents the income earned by us from our investments in three and two unconsolidated property funds for the six months ended June 30, 2011, and 2010, respectively, offset by private capital expenses. This includes PEPR through the date we began consolidating at the end of May 2011 and one investment in an unconsolidated property fund acquired through the Merger. We acquired an interest in another property fund through the Merger that has not made any real estate investments at this time. On a combined basis, these funds owned 274, 437 and 430 properties that were 93.3%, 93.6% and 93.2% occupied at June 30, 2011, December 31, 2010 and June 30, 2010, respectively. Our ownership interests in the property funds in Europe ranged from 15.0% to 36.9% at June 30, 2011. See further discussion on the PEPR acquisition in Note 2 to our Consolidated Financial Statements in Item 1.

(3) Represents the income earned by us from our investments in three unconsolidated property funds for the six months ended June 30, 2011 and our 20% ownership interest in one property fund in South Korea at June 30, 2010, offset by private capital expenses. With the Merger we acquired an investment in an unconsolidated property fund in each of Japan and China. At June 30, 2011, December 31, 2010 and June 30, 2010, the unconsolidated property funds in Asia owned 38, 12 and 12 properties and were 96.5%, 100%, and 100% occupied, respectively.

(4) Includes property management fees and our share of earnings from industrial joint ventures and other entities not included with the unconsolidated property funds above.

As of June 30, 2011, we had investments in four property funds that we consolidate, including PEPR and three investments acquired through the Merger. As these entities are consolidated, their results are included in our direct owned segment. See Note 4 to our Consolidated Financial Statements in Item 1 for additional information on our unconsolidated investees.

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Other Components of Income

General and Administrative ("G&A") Expenses

G&A expenses for the six months ended June 30 consisted of the following (in thousands):

	2011	2010
Gross G&A expense	$ 148,604	$ 130,733
Reported as rental expense	(10,065)	$ (9,833)
Reported as private capital expense	(22,148)	$ (20,250)
Capitalized amounts	(25,368)	$ (19,723)
Net G&A	**$ 91,023**	**$ 80,927**

The increase in G&A expenses is due primarily to the Merger and the larger infrastructure associated with our larger company.

Merger, Acquisition and Integration Expenses

In connection with the Merger, we have incurred and expect to incur additional significant transaction, integration, and transitional costs. These costs include investment banker advisory fees; legal, tax, accounting and valuation fees; termination and severance costs (both cash and stock based compensation awards) for terminated and transitional employees; system conversion costs; and other integration costs. These costs are expensed as incurred, which in some cases will be through the end of 2012. The costs that were obligations of AMB and expensed pre-merger are not included in our Consolidated Financial Statements. At the time of the Merger, we terminated our existing credit facilities and wrote-off the remaining unamortized deferred loan costs associated with such facilities, which is included as a merger expense. In addition, we have included costs associated with the acquisition of a controlling interest in PEPR and the reduction in workforce charges associated with dispositions made in 2011. The following is a breakdown of the costs incurred during the six months ended June 30 (in thousands):

	2011
Professional fees	$ 41,489
Termination, severance and employee costs	34,337
Office closure, travel and other costs	22,345
Write-off of deferred loan costs	10,869
Total	**$ 109,040**

The majority of the costs incurred during the six months ended June 30, 2011 were incurred during the second quarter when the Merger and the PEPR acquisition were completed.

Depreciation and Amortization

Depreciation and amortization expenses were $205.7 million and $152.0 million for the six months ended June 30, 2011 and 2010, respectively. The increase is due to one month of depreciation and amortization expense on the additional properties acquired in the Merger and PEPR acquisition, as well as the leasing and stabilization of properties that we have developed.

Interest Expense

Interest expense for the six months ended June 30 included the following components (in thousands):

	2011	2010
Gross interest expense	$ 201,759	$ 218,234
Amortization of discount, net	12,908	27,532
Amortization of deferred loan costs	12,761	13,917
Interest expense before capitalization	227,428	259,683
Capitalized amounts	(23,807)	(30,784)
Net interest expense	**$ 203,621**	**$ 228,899**

Gross interest expense decreased in 2011 from 2010 due primarily to lower debt levels outstanding during the periods. Our outstanding debt decreased due to repayments and repurchases with proceeds from asset sales and our November 2010 equity offering. We reduced our outstanding debt from $8.0 billion at December 31, 2009 to $6.5 billion at December 31, 2010.

In connection with the Merger and the PEPR acquisition, we increased our debt to $12.1 billion at June 30, 2011. The six months ended June 30, 2011 include approximately one month of interest expense resulting from the Merger and increased interest expense from the PEPR acquisition (both the interest incurred to fund the $1.0 billion acquisition of the PEPR units, as well as approximately one month of increased interest expense from the consolidation of PEPR).

The decrease in capitalized amounts in 2011 from 2010 was due to less development activity during this period and the stabilization of previously developed properties. Our weighted average effective interest rate (including amortization of deferred loan costs) was 6.05% and 6.44% for the

six month period ended June 30, 2011 and 2010, respectively. Our future interest expense, both gross and the portion capitalized, will vary depending on, among other things, the level of our development activities, which we expect will increase subsequent to the Merger. See Notes 2 and 7 to our Consolidated Financial Statements in Item 1 and Liquidity and Capital Resources for further discussion of our debt and borrowing costs.

Net Gains on Acquisitions and Dispositions of Investments in Real Estate

We recognized net gains on acquisitions and dispositions of investments in real estate in continuing operations of $106.3 million during the six months ended June 30, 2011. This included gains recognized in the second quarter related to the PEPR acquisition ($85.9 million) and the acquisition of our partner's interest in a joint venture in Japan ($13.5 million). The gains represent the adjustment to fair value of our equity investments at the time we gained control and consolidated the entities. See Note 4 to our Consolidated Financial Statements in Item 1 for more information.

Impairment of Other Assets

During the three months ended June 30, 2011, we recorded impairment charges of $103.8 million primarily related to two of our investments in unconsolidated property funds. This included one investment in the U.S.,(Prologis North American Industrial Fund III) where our carrying value exceeded the fair value. The property fund has not had the same appreciation in value in its portfolio that we have experienced in our consolidated portfolio and in several of our other property funds. Based on the duration of time that the value of our investment has been less than carrying value and the lack of recovery as compared to our other real estate investments, we no longer believe the decline to be temporary. Also, included was our investment in a property fund in South Korea that we sold to our fund partner in July 2011.

Other Expenses, Net

During the six months ended June 30, 2011, we recognized a $5.6 million charge related primarily to one of our buildings in Japan that was damaged from the earthquake and related tsunami in March 2011.

Loss on Early Extinguishment of Debt

During the six months ended June 30, 2010, in connection with our initiatives to reduce debt and smooth debt maturities, we purchased portions of several series of senior notes and senior convertible notes outstanding and extinguished some secured mortgage debt prior to maturity, which resulted in the recognition of $46.7 million losses, primarily in the first quarter of 2010. The gains or losses represent the difference between the recorded debt (net of premiums and discounts and including related deferred loan costs) and the consideration we paid to retire the debt, including fees. See Note 8 to our Consolidated Financial Statements in Item 1 for more information regarding our debt repurchases.

Income Tax Expense

During the six months ended June 30, 2011 and 2010, our current income tax expense was $11.8 million and $10.4 million, respectively. We recognize current income tax expense for income taxes incurred by our taxable REIT subsidiaries and in certain foreign jurisdictions, as well as certain state taxes. We also include in current income tax expense the interest associated with our liability for uncertain tax positions. Our current income tax expense fluctuates from period to period based primarily on the timing of our taxable income and changes in tax and interest rates.

In 2011 and 2010, we recognized a net deferred tax expense of $1.0 million and a net deferred tax benefit of $42.4 million, respectively. Deferred income tax expense is generally a function of the period's temporary differences and the utilization of net operating losses generated in prior years that had been previously recognized as deferred income tax assets in certain of our taxable subsidiaries operating in the U.S. or in foreign jurisdictions. The benefit recognized in 2010 related to the conversion of two of our European management companies to taxable entities. This conversion created an asset for tax purposes that will be utilized against future taxable income as it is amortized.

Discontinued Operations

Discontinued operations represent a component of an entity that has either been disposed of or is classified as held for sale if both the operations and cash flows of the component have been or will be eliminated from ongoing operations of the entity as a result of the disposal transaction and the entity will not have any significant continuing involvement in the operations of the component after the disposal transaction. The results of operations of the component of the entity that has been classified as discontinued operations are reported separately in our Consolidated Financial Statements in Item 1.

In 2011, we disposed of land subject to ground leases and 38 non-development properties aggregating 2.8 million square feet to third parties, most of which was included in *Assets Held for Sale* at December 31, 2010. The net gains on disposition of these properties, net of taxes, are reflected in discontinued operations, along with the results of operations of these properties for all periods presented. During all of 2010, we disposed of land subject to ground leases and 205 properties aggregating 25.4 million square feet to third parties.

As of June 30, 2011, we had seven land parcels and eight operating properties that met the criteria to be reflected as held for sale, including the real estate investment balances and the related assets and liabilities.

See Note 7 to our Consolidated Financial Statements in Item 1.

Net Earnings (Loss) Attributable to Noncontrolling Interests

For all periods presented, this amount represents the amount of earnings or loss that is attributable to the third party ownership interest in the consolidated entities for which we do not own 100% of the equity. In the Consolidated Statements of Operations for the Operating Partnership,

this represents only our partners' share of the consolidated property funds and joint ventures. In the Consolidated Statements for the Parent Company, this also includes the limited partnership units in the Operating Partnership not owned by the REIT.

Other Comprehensive Income (Loss) — Foreign Currency Translation (Losses), Net

For our subsidiaries whose functional currency is not the U.S. dollar, we translate their financial statements into U.S. dollars at the time we consolidate those subsidiaries' financial statements. Generally, assets and liabilities are translated at the exchange rate in effect as of the balance sheet date. The resulting translation adjustments, due to the fluctuations in exchange rates from the beginning of the period to the end of the period, are included in *Other Comprehensive Income (Loss).*

During the six months ended June 30, 2011 and 2010, we recorded unrealized gains in *Other Comprehensive Income (Loss)* of $213.9 million and losses of $409.6 million, respectively, related to foreign currency translations of our foreign subsidiaries into U.S. dollars upon consolidation. In 2011, we recorded net unrealized gains due to the strengthening of the euro and pound sterling to the U.S. dollar, from the beginning to the end of the period. In 2010, the unrealized losses are mainly the result of the strengthening of the U.S. dollar to the euro and pound sterling, partially offset by the yen strengthening against the U.S. dollar, from the beginning to the end of the period.

Weighted Average Shares Outstanding

For purposes of computing weighted average shares, the historical weighted average shares outstanding of ProLogis were adjusted by the Merger exchange ratio of 0.4464 for all periods presented. The outstanding common stock of AMB of 169.6 million shares, were included in the calculation as of the date of the Merger.

Three Months Ended June 30, 2011 and 2010

The changes in net earnings attributable to common shares and its components for the three months ended June 30, 2011, as compared to the three months ended June 30, 2010, are similar to the changes for the six months periods ended in the same dates, except as separately discussed above. Both the three and six months ended June 30, 2011 include approximately one month of AMB and PEPR activity.

Portfolio Information

Our total operating portfolio of properties includes industrial properties owned by us and the unconsolidated property funds and joint ventures we manage and account for on the equity method. The operating portfolio reflects the Merger and PEPR acquisition (movement from private capital segment to direct owned segment) and does not include properties under development, properties held for sale or non-industrial properties owned by unconsolidated investees or properties we manage in which we do not have an ownership interest, and was as follows (square feet in thousands):

	June 30, 2011		December 31, 2010		June 30, 2010	
Reportable Business Segment	Number of Properties	Square Feet	Number of Properties	Square Feet	Number of Properties	Square Feet
Direct Owned	1,898	302,315	985	168,547	1,187	192,714
Private Capital	1,366	264,301	1,179	255,367	1,245	269,675
Totals	**3,264**	**566,616**	**2,164**	**423,914**	**2,432**	**462,389**

Same Store Analysis

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, thereby eliminating the effects of changes in the composition of the portfolio on performance measures. We include properties owned by us, and properties owned by the unconsolidated investees (accounted for on the equity method) that are managed by us (referred to as "unconsolidated investees"), including those owned and managed by AMB prior to the Merger in our same store analysis. We have defined the same store portfolio, for the three months ended June 30, 2011, as those properties that were in operation at January 1, 2010, and have been in operation throughout the three-month periods in both 2011 and 2010. We have removed all properties that were disposed of to a third party or were classified as held for sale from the population for both periods. We believe the factors that impact rental income, rental expenses and net operating income in the same store portfolio are generally the same as for the total portfolio. In order to derive an appropriate measure of period-to-period operating performance, we remove the effects of foreign currency exchange rate movements by using the current exchange rate to translate from local currency into U.S. dollars, for both periods. The same store portfolio, for the three months ended June 30, 2011, included 552.4 million of aggregated square feet.

The following is a reconciliation of our consolidated rental income, rental expenses and net operating income (calculated as rental income less rental expenses) for the three months ended June 30, 2011 and 2010, as included in our Consolidated Statements of Operations in Item 1, to the respective amounts in our same store portfolio analysis.

	2011	2010	Percentage Change
Rental Income (1)(2)			
Consolidated:			
Rental income per our Consolidated Statements of Operations	$ 294,670	$ 188,205	
Adjustments to derive same store results:			
Rental income of properties not in the same store portfolio — properties developed and acquired during the period and land subject to ground leases	(14,542)	(8,778)	
Effect of changes in foreign currency exchange rates and other	(634)	4,505	
Unconsolidated investees:			
Rental income of properties managed by us and owned by our unconsolidated investees	325,039	364,848	
Rental income of AMB properties premerger	229,626	267,638	
Same store portfolio — rental income (2)(3)	**$ 834,159**	**$ 816,418**	**2.2%**
Rental Expenses (1)(4)			
Consolidated:			
Rental expenses per our Consolidated Statements of Operations	$ 81,140	$ 54,089	
Adjustments to derive same store results:			
Rental expenses of properties not in the same store portfolio — properties developed and acquired during the period and land subject to ground leases	(5,642)	(5,836)	
Effect of changes in foreign currency exchange rates and other	3,736	10,264	
Unconsolidated investees:			
Rental expenses of properties managed by us and owned by our unconsolidated investees	79,411	86,762	
Rental expenses of AMB properties premerger	60,366	74,390	
Same store portfolio — rental expenses (3)(4)	**$ 219,011**	**$ 219,669**	**(0.3)%**
Net Operating Income (1)			
Consolidated:			
Net operating income per our Consolidated Statements of Operations	$ 213,530	$ 134,116	
Adjustments to derive same store results:			
Net operating income of properties not in the same store portfolio — properties developed and acquired during the period and land subject to ground leases	(8,900)	(2,942)	
Effect of changes in foreign currency exchange rates and other	(4,370)	(5,759)	
Unconsolidated investees:			
Net operating income of properties managed by us and owned by our unconsolidated investees	245,628	278,086	
Net operating income of AMB properties premerger	169,260	193,248	
Same store portfolio — net operating income (3)	**$ 615,148**	**$ 596,749**	**3.1%**

(1) As discussed above, our same store portfolio includes industrial properties from our consolidated portfolio and owned by the unconsolidated investees (accounted for on the equity method) that are managed by us. In addition, we have included the properties owned and managed by AMB as of January 1, 2010 that we still own at June 30, 2011 in the same store portfolio. During the periods presented, certain properties owned by us were contributed to a property fund and are included in the same store portfolio on an aggregate basis. Neither our consolidated results nor that of the unconsolidated investees, when viewed individually, would be comparable on a same store basis due to the changes in composition of the respective portfolios from period to period (for example, the results of a contributed property would be included in our consolidated results through the contribution date and in the results of the unconsolidated investee subsequent to the contribution date).

(2) We exclude the net termination and renegotiation fees from our same store rental income to allow us to evaluate the growth or decline in each property's rental income without regard to items that are not indicative of the property's recurring operating performance. Net termination and renegotiation fees represent the gross fee negotiated to allow a customer to terminate or renegotiate their lease, offset by the write-off of the asset recognized due to the adjustment to straight-line rents over the lease term. The adjustments to remove these items are included as "effect of changes in foreign currency exchange rates and other" in the tables above.

(3) These amounts include rental income, rental expenses and net operating income of both our consolidated industrial properties and those owned by our unconsolidated investees (accounted for on the equity method) and managed by us.

(4) Rental expenses in the same store portfolio include the direct operating expenses of the property such as property taxes, insurance, utilities, etc. In addition, we include an allocation of the property management expenses for our direct-owned properties based on the property management fee that is provided for in the individual management agreements under which our wholly owned management companies provide property management services to each property (generally, the fee is based on a percentage of revenues). On consolidation, the

management fee income earned by the management companies and the management fee expense recognized by the properties 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 the above table.

Environmental Matters

A majority of the properties we own were subjected to environmental reviews either by us or the previous owners. While some of these assessments have led to further investigation and sampling, none of the environmental assessments have revealed an environmental liability that we believe would have a material adverse effect on our business, financial condition or results of operations.

We record a liability for the estimated costs of environmental remediation to be incurred in connection with certain operating properties we acquire, as well as certain land parcels we acquire in connection with the planned development of the land. The liability is established to cover the environmental remediation costs, including cleanup costs, consulting fees for studies and investigations, monitoring costs and legal costs relating to cleanup, litigation defense, and the pursuit of responsible third parties. We purchase various environmental insurance policies to mitigate our exposure to environmental liabilities. We are not aware of any environmental liability that we believe would have a material adverse effect on our business, financial condition or results of operations.

Liquidity and Capital Resources

Overview

We consider our ability to generate cash from operating activities, dispositions of properties and from available financing sources to be adequate to meet our anticipated future development, acquisition, operating, debt service and shareholder distribution requirements.

Near-Term Principal Cash Sources and Uses

In addition to distributions to the common stockholders of the REIT, the limited partnership units of the Operating Partnership and the preferred stockholders, we expect our primary cash needs will consist of the following:

- completion of the development and leasing of the properties in our development portfolio (*a*);
- investments in current or future unconsolidated investees, primarily for the development and/or acquisition of properties depending on market and other conditions (*b*);
- development of new properties for long-term investment;
- repayment of debt, including payments on our credit facilities and repurchases of senior notes and/or exchangeable senior notes;
- scheduled debt principal payments in the remainder of 2011 of $147 million;
- capital expenditures and leasing costs on properties;
- depending on market and other conditions, direct acquisition of operating properties and/or portfolios of operating properties in global or regional markets for direct, long-term investment; and
- merger integration and transition expenses.

(a) As of June 30, 2011, we had 28 properties under development that were 43.4% leased with a current investment of $633.7 million and a total expected investment of $1.1 billion when completed and leased, leaving $502.7 million remaining to be spent.

(b) See Note 4 to the Consolidated Financial Statements in Item 1 for discussion of the capital commitments of the property funds.

We expect to fund our cash needs principally from the following sources, all subject to market conditions:

- available cash balances ($260.9 million at June 30, 2011);
- property operations;
- fees and incentives earned for services performed on behalf of the property funds and distributions received from the property funds;
- proceeds from the disposition of properties, land parcels or other investments to third parties;
- proceeds from the contributions of properties to property funds or other unconsolidated investees;
- borrowing capacity under our Credit Facilities ($1.3 billion available as of June 30, 2011), other facilities or borrowing arrangements;
- proceeds from the issuance of equity securities; and
- proceeds from the issuance of debt securities, including secured mortgage debt.

We may repurchase our outstanding debt securities through cash purchases, in open market purchases, privately negotiated transactions, tender offers or otherwise. Such repurchases will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

Credit Facilities

On June 3, 2011, we entered into the Global Facility, pursuant to which the operating partnership and certain subsidiaries and affiliates may obtain loans and/or procure the issuance of letters of credit in various currencies on a revolving basis in an aggregate amount not exceeding approximately $1.75 billion (subject to currency fluctuations). An accordion feature will allow us to increase the Global Facility to $2.75 billion, subject to obtaining additional lender commitments.

The Global Facility is scheduled to mature on June 3, 2015, but the Operating Partnership may, at its option and subject to the satisfaction of certain conditions and payment of an extension fee, extend the maturity date of the Global Facility to June 3, 2016. Pricing under the Global Facility, including the spread over LIBOR, facility fees and letter of credit fees, varies based upon the public debt ratings of the Operating Partnership. The Global Facility contains customary representations, covenants and defaults (including a cross-acceleration to other recourse indebtedness of more than $50 million).

In addition, on June 3, 2011, we entered into the Revolver. The Revolver matures on March 1, 2014, but we may, at our option and subject to the satisfaction of customary conditions and payment of an extension fee, extend the maturity date to February 27, 2015. We may increase availability under the Revolver to an amount not exceeding ¥56.5 billion (approximately $702.5 million) subject to obtaining additional lender commitments. Pricing under the Revolver is consistent with the Global Facility pricing. The Revolver contains certain customary representations, covenants and defaults that are substantially the same as the corresponding provisions of the Global Facility.

Information related to our Credit Facilities as of June 30, 2011 is as follows (dollars in millions):

Aggregate lender — commitments	$ 2,211.8
Less:	
Borrowings outstanding	800.6
Outstanding letters of credit	95.4
Current availability	**$ 1,315.8**

Debt

In connection with the Merger and PEPR acquisition, we recorded $5.9 billion in additional debt. This debt was recorded at estimated fair value as of the Merger/acquisition dates. Included in the total debt recorded, was $2.2 billion that is an obligation of PEPR that we consolidate but do not own 100% and we do not guarantee the debt. PEPR may repay the debt with borrowings under its credit facilities or other borrowings. The interest expense that is reflected in our Consolidated Financial Statements in Item 1 is based on the effective interest rate recorded as part of the fair value allocated to the debt.

As of June 30, we were in compliance with all of our debt covenants.

See Note 8 to our Consolidated Financial Statements in Item 1 for further discussion of our debt.

Cash Provided by Operating Activities

For the six months ended June 30, 2011 and 2010, operating activities used net cash of $17.2 million and provided net cash of $102.7 million, respectively. In the first six months of 2011 and 2010, cash provided by operating activities was less than the cash distributions paid on common shares and dividends paid on preferred shares by $159.1 million and $53.8 million, respectively. In 2011, the decrease in cash provided by operating activities was largely due to the merger and integration cash expenses of $94.2 million recognized in 2011.

Cash Investing and Cash Financing Activities

For the six months ended June 30, 2011 and 2010, investing activities used net cash of $646.5 million and $126.0 million, respectively. The following are the significant activities for both periods presented:

- We generated cash from dispositions of $610.4 million and $260.0 million during 2011 and 2010, respectively. In 2011, we disposed of land, land subject to ground leases and 41 properties that included the majority of our non-core assets. In 2010, we disposed of land and 12 properties.
- We invested $489.0 million in real estate during 2011 and $290.4 million for the same period in 2010; including costs for current and future development projects, property acquisitions and recurring capital expenditures and tenant improvements on existing operating properties.
- In connection with the Merger, we acquired $234.0 million in cash in 2011.
- During the second quarter 2011, we used $1.0 billion of cash to purchase units in PEPR (see Note 2 to the Consolidated Financial Statements in Item I). The acquisition was funded with borrowings on a new €500 million bridge facility (“PEPR Bridge Facility”) that was put in place for the acquisition and borrowings under our other credit facilities. The borrowings on the bridge facility were repaid with proceeds from the 2011 Equity Offering.

- We received distributions from unconsolidated investees as a return of investment of $57.3 million and $41.6 million during 2011 and 2010, respectively.
- In the first quarter of 2011, we invested $55.0 million in a preferred equity interest in a subsidiary of the buyer of a portfolio of non-core assets.
- In 2011, we received advances, net of repayments, from unconsolidated investees of $11.3 million. In 2010, we invested cash of $151.0 million in unconsolidated investees including investments in connection with a property contribution we made, net of repayment of advances by the investees.

For the six months ended June 30, 2011 and 2010, financing activities provided net cash of $885.4 million and $16.5 million, respectively. The following are the significant activities for both periods presented:

- In June 2011, we completed the 2011 Equity Offering and issued 34.5 million shares of common stock and received net proceeds of approximately $1.1 billion. The proceeds were used to repay the PEPR acquisition bridge facility completely and the remainder were used to repay a portion of the borrowings outstanding under our Credit Facilities.
- In 2011, we incurred $164.5 million in secured mortgage debt and borrowed $721.0 million on the PEPR Bridge Facility. In March 2010, we issued $1.1 billion of senior notes due 2017 and 2020 and $460.0 million of exchangeable senior notes due 2015 and incurred $126.7 million in secured mortgage debt.
- We had net payments on our Credit Facilities of $50.2 million and $275.5 million during 2011 and 2010, respectively. In connection with the Merger, we repaid the outstanding balance under our existing global line of credit and entered into new credit facilities as discussed below.
- In 2011, we used $711.8 million in proceeds from the 2011 Equity Offering to repay the amounts borrowed under the PEPR Bridge Facility. In addition, we made net payments of $185.3 million and $50.4 million on regularly scheduled debt principal and maturity payments during 2011 and 2010, respectively. This includes the repayment of €101.3 million ($146.8 million) of the euro notes that matured in April 2011.
- In 2010, we purchased and extinguished $1.2 billion original principal amount of our senior and exchangeable senior notes and secured mortgage debt for $1.2 billion.
- We paid distributions of $129.0 million and $143.8 million to our common stockholders during 2011 and 2010, respectively. We paid dividends on our preferred shares of $12.7 million during both 2011 and 2010.
- We generated proceeds from the sale and issuance of common stock under our various common share plans of $28.7 million in 2010, primarily from our at-the-market equity issuance program. In connection with the Merger, this program was terminated.

Off-Balance Sheet Arrangements

Unconsolidated Property Fund Debt

We had investments in and advances to the property funds at June 30, 2011 of $3.0 billion. The property funds had total third party debt of $9.3 billion (for the entire entity, not our proportionate share) at June 30, 2011 that matures as follows (in millions):

	2011	2012	2013	2014	2015	Thereafter	Discount	Total (1)
Americas	$ 195.3	$ 683.6	$ 730.7	$ 914.8	$ 372.3	$ 3,118.9	$ 7.5	$ 6,023.1
Europe	10.9	181.9	348.4	667.5	738.1	295.0	15.4	2,257.2
Asia	175.8	254.5	481.0	—	1.8	78.8	(12.4)	979.5
Total unconsolidated property funds	**$ 382.0**	**$ 1,120.0**	**$ 1,560.1**	**$ 1,582.3**	**$ 1,112.2**	**$ 3,492.7**	**$ 10.5**	**$ 9,259.8**

(1) As of June 30, 2011, we had generally not guaranteed any of the third party debt of the property funds. In our role as the manager of the property funds, we work with the property funds to refinance their maturing debt. The remaining 2011 maturities have been substantially addressed. There can be no assurance that the property funds will be able to refinance any maturing indebtedness on terms as favorable as the maturing debt, or at all. If the property funds are unable to refinance the maturing indebtedness with newly issued debt, they may be able to obtain funds by capital contributions from us and our fund partners or by selling assets. Certain of the property funds also have credit facilities, which may be used to obtain funds. Generally, the property funds issue long-term debt and utilize the proceeds to repay borrowings under the credit facilities.

We have notes receivable from certain property funds: (i) a loan that bears interest at 8%, matures in May 2015 is secured by 12 buildings in the property fund with an outstanding balance as of June 30, 2011 of $78.9 million, and (ii) a loan with an outstanding balance of $21.4 million. In addition, we have pledged properties we own directly, valued at approximately $274.4 million, to serve as additional collateral on a loan payable to an affiliate of our fund partner that is due in 2014.

Contractual Obligations

Dividend Requirements

Our dividend policy on our common stock is to distribute a percentage of our cash flow to ensure we will meet the dividend requirements of the Internal Revenue Code of 1986, as amended, relative to maintaining our REIT status, while still allowing us to maximize the cash retained to meet other cash needs such as capital improvements and other investment activities.

Prior to the Merger, ProLogis paid a cash distribution of $0.1125 per common share for the first quarter on February 28, 2011 and for the second quarter on May 25, 2011. Also prior to the Merger, AMB paid a dividend of $0.28 per common share on February 28, 2011 for the first quarter and on May 25, 2011 for the second quarter. Neither AMB dividend has been reflected in the Consolidated Financial Statements in Item 1 since ProLogis is considered the accounting acquirer, as discussed earlier. Our future common stock dividends may vary and will be determined by our Board of Directors ("Board") upon the circumstances prevailing at the time, including our financial condition, operating results and real estate investment trust distribution requirements, and may be adjusted at the discretion of the Board during the year.

At June 30, 2011, we had seven series of preferred stock outstanding. The annual dividend rates on preferred stock are 6.5% per Series L, 6.75% per Series M, 7.0% per Series O, 6.85% per Series P, 8.54% per Series Q, 6.75% per Series R and 6.75% per Series S. The Series Q, R and S were preferred shares of ProLogis prior to the merger and so these distributions have been reflected in the Consolidated Financial Statements in Item 1 through June 30, 2011, along with approximately one month of dividends on the remaining series of preferred stock. The dividends on preferred stock are payable quarterly in arrears.

Other Commitments

On a continuing basis, we are engaged in various stages of negotiations for the acquisition and/or disposition of individual properties or portfolios of properties.

New Accounting Pronouncements

See Note 1 to our Consolidated Financial Statements in Item 1.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to the impact of interest rate changes and foreign-exchange related variability and earnings volatility on our foreign investments. We have used certain derivative financial instruments, primarily foreign currency put option and forward contracts, to reduce our foreign currency market risk, as we deem appropriate. We have also used interest rate swap agreements to reduce our interest rate market risk. We do not use financial instruments for trading or speculative purposes and all financial instruments are entered into in accordance with established policies and procedures.

We monitor our market risk exposures using a sensitivity analysis. Our sensitivity analysis estimates the exposure to market risk sensitive instruments assuming a hypothetical 10% adverse change in interest rates. The results of the sensitivity analysis are summarized below. The sensitivity analysis is of limited predictive value. As a result, our ultimate realized gains or losses with respect to interest rate and foreign currency exchange rate fluctuations will depend on the exposures that arise during a future period, hedging strategies at the time and the prevailing interest and foreign currency exchange rates.

Interest Rate Risk

Our interest rate risk management objective is to limit the impact of future interest rate changes on earnings and cash flows. To achieve this objective, we primarily borrow on a fixed rate basis for longer-term debt issuances. At June 30, 2011, we have ¥54.8 billion ($681.2 million) in TMK bond agreements and a ¥12.5 billion ($155.4 million) term loan with variable interest rates. We have entered into interest rate swap agreements to fix the interest rate on ¥28.9 billion ($359.6 million as of June 30, 2011) of the TMK bonds and the entire term loan for the term of the agreements. At June 30, 2011, we have also entered into interest rate swap agreements to fix the interest rate on €784.2 million ($1.1 billion) of secured debt, of which €753.5 million ($1.1 billion) relates to PEPR, with variable interest rates.

Our primary interest rate risk is created by the variable rate Credit Facilities. During the six months ended June 30, 2011, we had weighted average daily outstanding borrowings of $650.9 million on our variable rate Credit Facilities. Based on the results of the sensitivity analysis, which assumed a 10% adverse change in interest rates, the estimated market risk exposure for the variable rate lines of credit was approximately $1.1 million of cash flow for the six months ended June 30, 2011.

We also have $321.6 million of variable interest rate debt which has a market risk of increased rates. Based on a sensitivity analysis with a 10% adverse change in interest rates our estimated market risk exposure for this issuance is approximately $0.3 million on our cash flow for the six months ended June 30, 2011.

Foreign Currency Risk

Foreign currency risk is the possibility that our financial results could be better or worse than planned because of changes in foreign currency exchange rates.

Our primary exposure to foreign currency exchange rates relates to the translation of the net income of our foreign subsidiaries into U.S. dollars, principally euro, British pound sterling and yen. To mitigate our foreign currency exchange exposure, we borrow in the functional currency of the borrowing entity, when appropriate. We also may use foreign currency put option contracts to manage foreign currency exchange rate risk associated with the projected net operating income of our foreign consolidated subsidiaries and unconsolidated investees. At June 30, 2011, we had no put option contracts outstanding and, therefore, we may experience fluctuations in our earnings as a result of changes in foreign currency exchange rates.

We also have some exposure to movements in exchange rates related to certain intercompany loans we issue from time to time and we may use foreign currency forward contracts to manage these risks. At June 30, 2011, we had no forward contracts outstanding and, therefore, we may experience fluctuations in our earnings from the remeasurement of these intercompany loans due to changes in foreign currency exchange rates.

Item 4. Controls and Procedures

Controls and Procedures (Prologis, Inc.)

Prologis, Inc. carried out an evaluation under the supervision and with the participation of management, including the Co-Chief Executive Officers and Chief Financial Officer, of the effectiveness of the disclosure controls and procedures (as defined in Rule 13a-14(c)) under the Securities and Exchange Act of 1934 (the "Exchange Act") as of June 30, 2011. Based on this evaluation, the Co-Chief Executive Officers and the Chief Financial Officer have concluded that the disclosure controls and procedures are effective to ensure the information required to be disclosed in reports that are filed or submitted under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms.

There have been no changes in the internal controls over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Controls and Procedures (Prologis, L.P.)

Prologis, L.P. carried out an evaluation under the supervision and with the participation of management, including the Co-Chief Executive Officers and Chief Financial Officer, of the effectiveness of the disclosure controls and procedures (as defined in Rule 13a-14(c)) under the Securities and Exchange Act of 1934 (the "Exchange Act") as of June 30, 2011. Based on this evaluation, the Co-Chief Executive Officers and the Chief Financial Officer have concluded that the disclosure controls and procedures are effective to ensure the information required to be disclosed in reports that are filed or submitted under the Exchange Act are recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms.

There have been no changes in the internal controls over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

PART II

Item 1. Legal Proceedings

From time to time, we and our unconsolidated investees are party to a variety of legal proceedings arising in the ordinary course of business. We believe that, with respect to any such matters that we are currently a party to, the ultimate disposition of any such matters will not result in a material adverse effect on our business, financial position or results of operations.

Following the announcement of the merger agreement, several lawsuits were filed against ProLogis, the ProLogis board of trustees, AMB, AMB LP and certain affiliates of the companies. The complaints alleged, among other things, that ProLogis, the ProLogis board of trustees, and certain affiliates of ProLogis breached their fiduciary duties in connection with entering into the merger agreement and that AMB, AMB LP and certain of their affiliates aided and abetted the breaches of those fiduciary duties. The actions were consolidated, and the parties to the consolidated actions reached agreements in principle to settle the lawsuits. The settlement remains subject to approval by the court following notice to a class of all shareholders who held ProLogis common shares at any time between January 30, 2011 and June 3, 2011, the date the Merger was consummated. Under the terms of the proposed settlement, we agreed to make certain supplemental disclosures in the definitive joint proxy statement/prospectus mailed to shareholders. We further agreed to pay the lawyers who filed the actions, attorneys' fees and expenses in a cumulative amount up to $600,000, if and to the extent awarded by the court. If approved by the court, the settlement will result in the dismissal of all pending merger litigation with prejudice and in the release by the class of shareholders of all claims against us relating to the Merger.

We believe that the claims asserted against them in these lawsuits are without merit and, absent court approval of the proposed settlement, intend to defend ourselves vigorously against the claims.

Item 1A. Risk Factors

As of June 30, 2011, no material changes had occurred in our risk factors as discussed in Item 1A of our Form 10-K, and the Form 10-K of ProLogis.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. [Removed and Reserved]

Item 5. Other Information

None.

Item 6. Exhibits

3.1	Articles of Merger of New Pumpkin Inc., a Maryland corporation, with and into Prologis, Inc. (f/k/a AMB Property Corporation), a Maryland corporation, changing the name of "AMB Property Corporation" to "Prologis, Inc.", as filed with the Stated Department of Assessments and Taxation of Maryland on June 2, 2011, and effective June 3, 2011 (incorporated by reference to Exhibit 3.1 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 8, 2011).
3.2	Seventh Amended and Restated Bylaws of Prologis, Inc. (incorporated by reference to Exhibit 3.2 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 8, 2011).
3.3	Articles Supplementary establishing and fixing the rights and preferences of the Series Q Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.4 to Prologis, Inc.'s Form 8-A filed on June 2, 2011).
3.4	Articles Supplementary establishing and fixing the rights and preferences of the Series R Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.5 to Prologis, Inc.'s Form 8-A filed on June 2, 2011).
3.5	Articles Supplementary establishing and fixing the rights and preferences of the Series S Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.6 to Prologis, Inc.'s Form 8-A filed on June 2, 2011).
3.6	Thirteenth Amended and Restated Agreement of Limited Partnership of Prologis, L.P. (incorporated by reference to Exhibit 3.6 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 8, 2011).
3.7	Amended and Restated Certificate of Limited Partnership of AMB Property, L.P. (incorporated by reference to Exhibit 3.7 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 8, 2011).
3.8	Articles of Amendment and Restatement of the Declaration of Trust of the ProLogis, dated as of June 3, 2011 (incorporated by reference to Exhibit 3.1 to Prologis' ("Old ProLogis") Current Report on Form 8-K filed June 7, 2011).
4.1	Form of Certificate for Common Stock for Prologis, Inc. (incorporated by reference to Exhibit 4.1 to Prologis, Inc.'s Registration Statement on Form S-4/A (No. 333-172741) filed on April 12, 2011).
4.2	Form of Certificate for the Series Q Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 4.2 to Prologis, Inc.'s Registration Statement on Form S-4/A (No. 333-172741) filed April 28, 2011).
4.3	Form of Certificate for the Series R Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 4.3 to Prologis, Inc.'s Registration Statement on Form S-4/A (No. 333-172741) filed April 28, 2011).
4.4	Form of Certificate for the Series S Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 4.4 to Prologis, Inc.'s Registration Statement on Form S-4/A (No. 333-172741) filed April 28, 2011).
4.5	Eleventh Supplemental Indenture, by and between Old ProLogis, New Pumpkin Inc. and U.S. Bank National Association, as Trustee (as successor in interest to State Street Bank and Trust Company), dated as of June 2, 2011 (incorporated by reference to Exhibit 4.1 to Old ProLogis' Current Report on Form 8-K filed June 7, 2011).
4.6	Twelfth Supplemental Indenture, by and between Prologis, Inc., Old ProLogis and U.S. Bank National Association, as Trustee (as successor in interest to State Street Bank and Trust Company), dated as of June 3, 2011 (incorporated by reference to Exhibit 4.2 to Old ProLogis' Current Report on Form 8-K filed June 7, 2011).
4.7	Form of Indenture, by and among Prologis, L.P., as issuer, Prologis, Inc., as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.9 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.8	Form of First Supplemental Indenture in respect of the Prologis, L.P. 2.25% Exchangeable Senior Notes due 2037, by and among Prologis, L.P., as issuer, Prologis, Inc., as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.10 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.9	Form of Second Supplemental Indenture in respect of the Prologis, L.P. 1.875% Exchangeable Senior Notes due 2037, by and among Prologis, L.P., as issuer, Prologis, Inc., as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.11 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.10	Form of Third Supplemental Indenture in respect of the Prologis, L.P. 2.625% Exchangeable Senior Notes due 2038, by and among Prologis, L.P., as issuer, Prologis, Inc., as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.12 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.11	Form of Fourth Supplemental Indenture in respect of the Prologis, L.P. 3.25% Exchangeable Senior Notes due 2015, by and among Prologis, L.P., as issuer, Prologis, Inc., as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.13 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.12	Form of Thirteenth Supplemental Indenture, by and between ProLogis and U.S. Bank National Association, as Trustee (as successor in interest to State Street Bank and Trust Company) (incorporated by reference to Exhibit 4.27 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.13	Form of Global Note Representing Prologis, L.P. 5.500% Notes due April 1, 2012 and Related Notational Guarantee (incorporated by reference to Exhibit 4.41 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).

4.14	Form of Global Note Representing Prologis, L.P. 5.500% Notes due March 1, 2013 and Related Notational Guarantee (incorporated by reference to Exhibit 4.42 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
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4.40	Form of Officer's Certificate related to the Prologis, L.P. 6.250% Notes due March 15, 2017 (incorporated by reference to Exhibit 4.68 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
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4.42	Form of Officer's Certificate related to the Prologis, L.P. 6.625% Notes due May 15, 2018 (incorporated by reference to Exhibit 4.70 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.43	Form of Officer's Certificate related to the Prologis, L.P. 7.375% Notes due October 30, 2019 (incorporated by reference to Exhibit 4.71 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.44	Form of Officer's Certificate related to the Prologis, L.P. 6.875% Notes due March 15, 2020 (incorporated by reference to Exhibit 4.72 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
10.1*	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Prologis, Inc.'s and Prologis, L.P's Current Report on Form 8-K filed June 8, 2011).
10.2	Global Senior Credit Agreement dated as of June 3, 2011 among Prologis, Operating Partnership, various subsidiaries and affiliates of Prologis, various lenders, Bank of America, N.A., as Global Administrative Agent, U.S. Funding Agent, U.S. Swing Line Lender and a U.S. L/C Issuer, The Royal Bank of Scotland plc, as Euro Funding Agent, The Royal Bank of Scotland N.V., as Euro Swing Line Lender and a Euro L/C Issuer, and Sumitomo Mitsui Banking Corporation, as Yen Funding Agent and a Yen L/C Issuer (incorporated by reference to Exhibit 10.1 to Old ProLogis' Current Report on Form 8-K filed June 7, 2011).
10.3	Third Amended and Restated Revolving Credit Agreement dated as of June 3, 2011 among AMB Japan Finance Y.K., as initial borrower, Operating Partnership and Prologis, as guarantors, the banks listed on the signature pages thereof, and Sumitomo Mitsui Banking Corporation, as Administrative Agent. (incorporated by reference to Exhibit 10.2 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 9, 2011).
10.4	Guaranty of Payment dated as of June 3, 2011 by Operating Partnership and Prologis for the benefit of Sumitomo Mitsui Banking Corporation, as Administrative Agent for the banks that are from time to time parties to the Third Amended and Restated Revolving Credit Agreement dated as of June 3, 2011 among AMB Japan Finance Y.K., Operating Partnership, Prologis, various lenders and Sumitomo Mitsui Banking Corporation, as Administrative Agent. (incorporated by reference to Exhibit 10.3 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 9, 2011).
10.5	First Amendment and Waiver, dated as of June 3, 2011, to the Credit Agreement dated as of November 29, 2010 among Operating Partnership as borrower, Prologis as guarantor, various banks and HSBC Bank USA, National Association, as Administrative Agent. (incorporated by reference to Exhibit 10.4 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 9, 2011).
10.6	Guaranty Agreement dated as of June 3, 2011 issued by Operating Partnership and Prologis in favor of the Administrative Agent and the Lenders under the Senior Bridge Loan Agreement dated as of April 21, 2011 among PLD International Incorporated, various lenders and J.P. Morgan Europe Limited, as Administrative Agent (incorporated by reference to Exhibit 10.5 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 9, 2011).
10.7	Senior Bridge Loan Agreement dated as of April 21, 2011 among PLD International Incorporated, a Delaware corporation, the various lenders a party thereto and J.P. Morgan Chase Bank, N.A. (London Branch), as administrative agent (incorporated by reference to Exhibit 10.1 to Old Prologis' Current Report on Form 8-K filed April 26, 2011).
10.8*	Second Amended and Restated Employment Agreement, effective as of March 31, 2011, entered into between ProLogis and Ted R. Antenucci (incorporated by reference to Exhibit 10.2 to Old Prologis' Quarterly Report on Form 10-Q filed May 10, 2011).
10.9*†	The AMB Property Corporation 2011 Notional Account Deferred Compensation Plan
10.10*†	Letter Agreement, dated January 30, 2011, by and between Hamid R. Moghadam and AMB Property III, LLC

10.11*†	Letter Agreement, dated January 30, 2011, by and between Guy F. Jaquier and AMB Property, L.P.
10.12*†	Letter Agreement, dated January 30, 2011, by and between Eugene F. Reilly and AMB Property, L.P.
10.13*†	Letter Agreement, dated January 30, 2011, by and between Thomas S. Olinger and AMB Property, L.P.
10.14	Thirteenth Amended and Restated Agreement of Limited Partnership of Prologis, L.P. (incorporated by reference to Exhibit 3.6 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 8, 2011).
12.1	Computation of Ratio of Earnings to Fixed Charges of Prologis, L.P.
12.2	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Share Dividends, of Prologis, Inc.
15.1	KPMG LLP Awareness Letter of Prologis, Inc.
15.2	KPMG LLP Awareness Letter of Prologis, L.P.
31.1	Certification of Co-Chief Executive Officers of Prologis, Inc.
31.2	Certification of Chief Financial Officer of Prologis, Inc.
31.3	Certification of Co-Chief Executive Officers for Prologis, L.P.
31.4	Certification of Chief Financial Officer for Prologis, L.P.
32.1	Certification of Co-Chief Executive Officers and Chief Financial Officer of Prologis, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Co-Chief Executive Officers and Chief Financial Officer for Prologis, L.P., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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* *Management Contract or Compensatory Plan or Arrangement*

† *Filed herewith*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PROLOGIS, INC.

By: /s/ William E. Sullivan
William E. Sullivan
Chief Financial Officer

By: /s/ Lori A. Palazzolo
Lori A. Palazzolo
Senior Vice President and Chief Accounting Officer

Date: August 8, 2011

Index to Exhibits

3.1	Articles of Merger of New Pumpkin Inc., a Maryland corporation, with and into Prologis, Inc. (f/k/a AMB Property Corporation), a Maryland corporation, changing the name of "AMB Property Corporation" to "Prologis, Inc.", as filed with the Stated Department of Assessments and Taxation of Maryland on June 2, 2011, and effective June 3, 2011 (incorporated by reference to Exhibit 3.1 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 8, 2011).
3.2	Seventh Amended and Restated Bylaws of Prologis, Inc. (incorporated by reference to Exhibit 3.2 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 8, 2011).
3.3	Articles Supplementary establishing and fixing the rights and preferences of the Series Q Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.4 to Prologis, Inc.'s Form 8-A filed on June 2, 2011).
3.4	Articles Supplementary establishing and fixing the rights and preferences of the Series R Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.5 to Prologis, Inc.'s Form 8-A filed on June 2, 2011).
3.5	Articles Supplementary establishing and fixing the rights and preferences of the Series S Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 3.6 to Prologis, Inc.'s Form 8-A filed on June 2, 2011).
3.6	Thirteenth Amended and Restated Agreement of Limited Partnership of Prologis, L.P. (incorporated by reference to Exhibit 3.6 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 8, 2011).
3.7	Amended and Restated Certificate of Limited Partnership of AMB Property, L.P. (incorporated by reference to Exhibit 3.7 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 8, 2011).
3.8	Articles of Amendment and Restatement of the Declaration of Trust of the ProLogis, dated as of June 3, 2011 (incorporated by reference to Exhibit 3.1 to Prologis' ("Old ProLogis") Current Report on Form 8-K filed June 7, 2011).
4.1	Form of Certificate for Common Stock for Prologis, Inc. (incorporated by reference to Exhibit 4.1 to Prologis, Inc.'s Registration Statement on Form S-4/A (No. 333-172741) filed on April 12, 2011).
4.2	Form of Certificate for the Series Q Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 4.2 to Prologis, Inc.'s Registration Statement on Form S-4/A (No. 333-172741) filed April 28, 2011).
4.3	Form of Certificate for the Series R Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 4.3 to Prologis, Inc.'s Registration Statement on Form S-4/A (No. 333-172741) filed April 28, 2011).
4.4	Form of Certificate for the Series S Cumulative Redeemable Preferred Stock (incorporated by reference to Exhibit 4.4 to Prologis, Inc.'s Registration Statement on Form S-4/A (No. 333-172741) filed April 28, 2011).
4.5	Eleventh Supplemental Indenture, by and between Old ProLogis, New Pumpkin Inc. and U.S. Bank National Association, as Trustee (as successor in interest to State Street Bank and Trust Company), dated as of June 2, 2011 (incorporated by reference to Exhibit 4.1 to Old ProLogis' Current Report on Form 8-K filed June 7, 2011).
4.6	Twelfth Supplemental Indenture, by and between Prologis, Inc., Old ProLogis and U.S. Bank National Association, as Trustee (as successor in interest to State Street Bank and Trust Company), dated as of June 3, 2011 (incorporated by reference to Exhibit 4.2 to Old ProLogis' Current Report on Form 8-K filed June 7, 2011).
4.7	Form of Indenture, by and among Prologis, L.P., as issuer, Prologis, Inc., as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.9 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.8	Form of First Supplemental Indenture in respect of the Prologis, L.P. 2.25% Exchangeable Senior Notes due 2037, by and among Prologis, L.P., as issuer, Prologis, Inc., as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.10 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.9	Form of Second Supplemental Indenture in respect of the Prologis, L.P. 1.875% Exchangeable Senior Notes due 2037, by and among Prologis, L.P., as issuer, Prologis, Inc., as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.11 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.10	Form of Third Supplemental Indenture in respect of the Prologis, L.P. 2.625% Exchangeable Senior Notes due 2038, by and among Prologis, L.P., as issuer, Prologis, Inc., as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.12 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.11	Form of Fourth Supplemental Indenture in respect of the Prologis, L.P. 3.25% Exchangeable Senior Notes due 2015, by and among Prologis, L.P., as issuer, Prologis, Inc., as guarantor, and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.13 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.12	Form of Thirteenth Supplemental Indenture, by and between ProLogis and U.S. Bank National Association, as Trustee (as successor in interest to State Street Bank and Trust Company) (incorporated by reference to Exhibit 4.27 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
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4.39	Form of Officer's Certificate related to the Prologis, L.P. 5.625% Notes due November 15, 2016 (incorporated by reference to Exhibit 4.67 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.40	Form of Officer's Certificate related to the Prologis, L.P. 6.250% Notes due March 15, 2017 (incorporated by reference to Exhibit 4.68 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.41	Form of Officer's Certificate related to the Prologis, L.P. 7.625% Notes due July 1, 2017 (incorporated by reference to Exhibit 4.69 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.42	Form of Officer's Certificate related to the Prologis, L.P. 6.625% Notes due May 15, 2018 (incorporated by reference to Exhibit 4.70 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.43	Form of Officer's Certificate related to the Prologis, L.P. 7.375% Notes due October 30, 2019 (incorporated by reference to Exhibit 4.71 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
4.44	Form of Officer's Certificate related to the Prologis, L.P. 6.875% Notes due March 15, 2020 (incorporated by reference to Exhibit 4.72 to Prologis, Inc.'s and Prologis, L.P.'s Registration Statement on Form S-4 (No. 333-173891) filed May 3, 2011).
10.1*	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Prologis, Inc.'s and Prologis, L.P's Current Report on Form 8-K filed June 8, 2011).
10.2	Global Senior Credit Agreement dated as of June 3, 2011 among Prologis, Operating Partnership, various subsidiaries and affiliates of Prologis, various lenders, Bank of America, N.A., as Global Administrative Agent, U.S. Funding Agent, U.S. Swing Line Lender and a U.S. L/C Issuer, The Royal Bank of Scotland plc, as Euro Funding Agent, The Royal Bank of Scotland N.V., as Euro Swing Line Lender and a Euro L/C Issuer, and Sumitomo Mitsui Banking Corporation, as Yen Funding Agent and a Yen L/C Issuer (incorporated by reference to Exhibit 10.1 to Old ProLogis' Current Report on Form 8-K filed June 7, 2011).
10.3	Third Amended and Restated Revolving Credit Agreement dated as of June 3, 2011 among AMB Japan Finance Y.K., as initial borrower, Operating Partnership and Prologis, as guarantors, the banks listed on the signature pages thereof, and Sumitomo Mitsui Banking Corporation, as Administrative Agent. (incorporated by reference to Exhibit 10.2 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 9, 2011).
10.4	Guaranty of Payment dated as of June 3, 2011 by Operating Partnership and Prologis for the benefit of Sumitomo Mitsui Banking Corporation, as Administrative Agent for the banks that are from time to time parties to the Third Amended and Restated Revolving Credit Agreement dated as of June 3, 2011 among AMB Japan Finance Y.K., Operating Partnership, Prologis, various lenders and Sumitomo Mitsui Banking Corporation, as Administrative Agent. (incorporated by reference to Exhibit 10.3 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 9, 2011).
10.5	First Amendment and Waiver, dated as of June 3, 2011, to the Credit Agreement dated as of November 29, 2010 among Operating Partnership as borrower, Prologis as guarantor, various banks and HSBC Bank USA, National Association, as Administrative Agent. (incorporated by reference to Exhibit 10.4 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 9, 2011).
10.6	Guaranty Agreement dated as of June 3, 2011 issued by Operating Partnership and Prologis in favor of the Administrative Agent and the Lenders under the Senior Bridge Loan Agreement dated as of April 21, 2011 among PLD International Incorporated, various lenders and J.P. Morgan Europe Limited, as Administrative Agent (incorporated by reference to Exhibit 10.5 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 9, 2011).
10.7	Senior Bridge Loan Agreement dated as of April 21, 2011 among PLD International Incorporated, a Delaware corporation, the various lenders a party thereto and J.P. Morgan Chase Bank, N.A. (London Branch), as administrative agent (incorporated by reference to Exhibit 10.1 to Old Prologis' Current Report on Form 8-K filed April 26, 2011).
10.8*	Second Amended and Restated Employment Agreement, effective as of March 31, 2011, entered into between ProLogis and Ted R. Antenucci (incorporated by reference to Exhibit 10.2 to Old Prologis' Quarterly Report on Form 10-Q filed May 10, 2011).
10.9*†	The AMB Property Corporation 2011 Notional Account Deferred Compensation Plan
10.10*†	Letter Agreement, dated January 30, 2011, by and between Hamid R. Moghadam and AMB Property III, LLC

10.11*†	Letter Agreement, dated January 30, 2011, by and between Guy F. Jaquier and AMB Property, L.P.
10.12*†	Letter Agreement, dated January 30, 2011, by and between Eugene F. Reilly and AMB Property, L.P.
10.13*†	Letter Agreement, dated January 30, 2011, by and between Thomas S. Olinger and AMB Property, L.P.
10.14	Thirteenth Amended and Restated Agreement of Limited Partnership of Prologis, L.P. (incorporated by reference to Exhibit 3.6 to Prologis, Inc.'s and Prologis, L.P.'s Current Report on Form 8-K filed June 8, 2011).
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32.1	Certification of Co-Chief Executive Officers and Chief Financial Officer of Prologis, Inc., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Co-Chief Executive Officers and Chief Financial Officer for Prologis, L.P., pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* *Management Contract or Compensatory Plan or Arrangement*

† *Filed herewith*

Exhibit 10.9

THE AMB PROPERTY CORPORATION 2011
NOTIONAL ACCOUNT DEFERRED COMPENSATION PLAN

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THE AMB PROPERTY CORPORATION 2011

NOTIONAL ACCOUNT DEFERRED COMPENSATION PLAN

Purpose

AMB Property Corporation, a Maryland corporation (the "Company"), hereby establishes the AMB Property Corporation 2011 Notional Account Deferred Compensation Plan (the "Plan") effective as of June 2, 2011. This plan is intended to comply with the provisions of and the Department of Treasury proposed and final rules, regulations and other guidance promulgated under Section 409A of the Code and not result in a penalty tax thereunder. This Plan shall be unfunded for tax purposes and for purposes of Title I of ERISA.

This Plan is for the benefit of a select group of management and highly compensated employees of the Employers as described in Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA.

ARTICLE 1.
DEFINITIONS

As used within this document, the following words and phrases have the meanings described in this Article 1 unless a different meaning is required by the context. Some of the words and phrases used in the Plan are not defined in this Article 1, but for convenience, are defined as they are introduced into the text. Words in the masculine gender shall be deemed to include the feminine gender. Any headings used are included for ease of reference only and are not to be construed so as to alter any of the terms of the Plan.

1.1 "Account Balance" shall mean, with respect to a Participant, a credit on the records of the Employer equal to the excess, if any, of the balance of a Participant's Notional Earnings Account over the Initial Account Credit of such Notional Earnings Account at the time of determination. The Account Balance, and each other specified account balance, shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant, or his or her designated Beneficiary, pursuant to this Plan.

1.2 "Administrator" shall mean the Committee appointed pursuant to Article 9 to administer the Plan, or such other person or persons to whom the Committee has delegated its duties pursuant to Article 9.

1.3 "Annual Installment Method" shall be an annual installment payment over the number of years selected by the Participant in accordance with this Plan, calculated as follows: The Account Balance of the Participant shall be calculated as of the close of business three (3) business days prior to the last business day of the fourth quarter preceding the distribution. The annual installment shall be calculated by multiplying this balance by a fraction, the numerator of which is one, and the denominator of which is the remaining number of yearly payments due the Participant. By way of example, if the Participant elects a ten year Annual Installment Method, the first payment shall be 1/10 of the Account Balance, calculated as described in this definition.

The following year, the payment shall be 1/9 of the Account Balance, calculated as described in this definition.

1.4 "Beneficiary" shall mean one or more persons, trusts, estates or other entities, designated in accordance with Article 7, that are entitled to receive benefits under this Plan upon the death of a Participant.

1.5 "Beneficiary Designation Form" shall mean the form established from time to time by the Administrator that a Participant completes, signs and returns to the Administrator to designate one or more Beneficiaries.

1.6 "Board" shall mean the board of directors of the Company.

1.7 "Change in Control" shall mean any of the following events:

(a) the complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets, or the disposition by the Company of more than fifty percent (50%) of its interest in the Partnership;

(b) any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities. For purposes of this definition, (i) the term "Person" is used as such term is used in Sections 13(d) and 14(d) of the Exchange Act; *provided, however*, that the term shall not include the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and any corporation owned, directly or indirectly, by the shareholders of the Company, in substantially the same proportions as their ownership of stock of the Company, and (ii) the term "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act;

(c) during any period of twelve (12) consecutive months, individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clauses (a), (b) or (d)) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or

(d) the consummation of a merger or consolidation of the Company with any other corporation (or other entity); *provided, that*, a Change in Control shall not be deemed to occur (i) as the result of a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (ii) where more than fifty percent (50%) of the directors of the Company or the surviving entity after such merger

or consolidation were directors of the Company immediately before such merger or consolidation.

Notwithstanding the foregoing, (1) a Change in Control shall be limited to such transactions as constitute a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A(a)(2)(A)(v) of the Code and the proposed and final Department of Treasury rules, regulations and other guidance promulgated thereunder and (2) the consummation of the transactions contemplated under the Merger Agreement shall not constitute a Change in Control.

1.8 "Change in Control Benefits" shall mean the benefits set forth in Section 5.4.

1.9 "Claimant" shall have the meaning set forth in Section 10.1.

1.10 "Code" shall mean the Internal Revenue Code of 1986, as it may be amended from time to time.

1.11 "Committee" shall mean the Compensation Committee of the Board or another committee or subcommittee of the Board appointed to administer the Plan pursuant to Article 9.

1.12 "Company" shall mean AMB Property Corporation, a Maryland corporation, and any successor to all or substantially all of the Company's assets or business.

1.13 "Deduction Limitation" shall mean the following described limitation on a benefit that may otherwise be distributable pursuant to the provisions of this Plan. Except as otherwise provided, this limitation shall be applied to all distributions that are "subject to the Deduction Limitation" under this Plan. If an Employer determines in good faith that there is a reasonable likelihood that any compensation paid to a Participant prior to a Change in Control for a taxable year of the Employer (including a distribution which otherwise would be made pursuant to this Plan) would not be deductible by the Employer solely by reason of the limitation under Code Section 162(m), then to the extent deemed necessary by the Employer to ensure that the entire amount of any distribution to the Participant pursuant to this Plan prior to the Change in Control is deductible, the Employer shall defer all or any portion of a distribution under this Plan. Any amounts deferred pursuant to this limitation shall continue to be credited/debited with additional amounts in accordance with Section 3.3 below, even if such amount is being paid out in installments. The amounts so deferred and amounts credited thereon shall be distributed to the Participant or his or her Beneficiary (in the event of the Participant's death) at the earliest possible date, as determined by the Employer in good faith, on which the deductibility of compensation paid or payable to the Participant for the taxable year of the Employer during which the distribution is made (including such Plan distribution) will not be limited by Section 162(m). Notwithstanding anything to the contrary in this Plan, the Deduction Limitation shall not apply to any distributions made after a Change in Control.

1.14 "Director" shall mean any member of the board of directors of the Company.

1.15 "Disability" shall mean that a Participant (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than

twelve (12) months, or (b) is, by reason of any medically undeterminable physical or mental impairment that can be expected to result in death or can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident or health plan covering employees of such Participant's Employer, or (c) is determined to be totally disabled by the Social Security Administration. The existence of a Disability under clause (a) and (b) shall be determined by the Administrator on the advice of a physician chosen by the Administrator.

1.16 "Disability Benefits" shall mean the benefits set forth in Section 5.5.

1.17 "Election Form" shall mean the form established from time to time by the Administrator that a Participant completes, signs and returns to the Administrator to make an election under the Plan.

1.18 "Employee" shall mean a person who is an officer and employee of any Employer.

1.19 "Employer(s)" shall initially mean the Company, but shall also include any of the Company's subsidiaries (now in existence or hereafter formed or acquired) that have been selected by the Board to participate in the Plan and have adopted the Plan as a sponsor.

1.20 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.21 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

1.22 "First Plan Year" shall mean the period beginning June 2, 2011 and ending December 31, 2011.

1.23 "Fixed Date Payout" shall mean the payout set forth in Section 4.1.

1.24 "Initial Account Credit" shall mean the notational cash credited to a Participant's Notional Earnings Account immediately following the consummation of the Merger. In no event shall a Participant have any right to receive a distribution of his or her Initial Account Credit.

1.25 "Measurement Fund" shall mean the investment fund or funds selected by the Administrator from time to time pursuant to Section 3.3(c).

1.26 "Merger" shall mean the transactions contemplated under the Merger Agreement.

1.27 "Merger Agreement" shall mean that certain Agreement and Plan of Merger, dated as of January 30, 2011 by and among the Company, the Partnership, ProLogis, a Maryland real estate investment trust, New Pumpkin Inc. a Maryland corporation, Upper Pumpkin LLC, a Delaware limited liability company and Pumpkin LLC, a Delaware limited liability company.

1.28 "Non-Employee Director" shall mean a Director who is not an Employee of any Employer.

1.29 "Notional Earnings Account" shall mean, as to each Participant, the bookkeeping account established for each Participant pursuant to Section 3.1.

1.30 "Participant" shall mean an Employee designated to participate in the Plan by the Administrator as set forth on Exhibit A hereto and who (i) signs an Election Form and a Beneficiary Designation Form, (ii) whose signed Election Form and Beneficiary Designation Form are accepted by the Administrator, and (iii) who commences participation in the Plan. A spouse or former spouse of a Participant shall not be treated as a Participant in the Plan or have an account balance under the Plan, even if he or she has an interest in the Participant's benefits under the Plan as a result of applicable law or property settlements resulting from legal separation or divorce.

1.31 "Partnership" shall mean AMB Property, L.P., a Delaware limited partnership, and any successor to all or substantially all of the Partnership's assets or business.

1.32 "Plan" shall mean this AMB Property Corporation 2011 Notional Account Deferred Compensation Plan, which shall be evidenced by this instrument, as amended from time to time.

1.33 "Plan Year" shall mean, after the First Plan Year, a period beginning on January 1 of each calendar year and continuing through December 31 of such calendar year.

1.34 "Pre-Retirement Survivor Benefits" shall mean the benefits set forth in Section 5.2.

1.35 "Quarterly Installment Method" shall be a quarterly installment payment over the number of quarters selected by the Participant in accordance with this Plan, calculated as follows: The Account Balance of the Participant shall be calculated as of the close of business three (3) business days prior to the last business day of the quarter preceding the distribution. The quarterly installment shall be calculated by multiplying this balance by a fraction, the numerator of which is one, and the denominator of which is the remaining number of quarterly payments due the Participant. By way of example, if the Participant elects a twenty (20) quarter Quarterly Installment Method, the first payment shall be 1/20 of the Account Balance, calculated as described in this definition. The following quarter, the payment shall be 1/19 of the Account Balance, calculated as described in this definition.

1.36 "Retirement," "Retire(s)" or "Retired" shall mean a Termination of Employment from the Company and all Employers for any reason on or after the earlier of the attainment of (a) age sixty-five (65) or (b) a combined age and Years of Service equaling at least fifty-five (55) with a minimum of ten (10) Years of Service.

1.37 "Retirement Benefits" shall mean the benefits set forth in Section 5.1.

1.38 "Separation from Service" shall mean, a Participant's separation from service with the Company, Partnership and any Employer as a result of the Participant's death, Disability, Retirement or other event of termination in which the facts and circumstances indicate that the Employer and Participant reasonably anticipated either that no further services would be performed after a certain date or that the level of *bona fide* services the Participant would

perform after such date would permanently decrease to no more than twenty percent (20%) of the average level of *bona fide* services performed over the immediately preceding 36-month period (or the full period in which the Participant provided services to the Employer if the Participant has been providing services for less than thirty-six (36) months), as determined by the Administrator in its sole discretion.

(a) Facts and circumstances which may be considered in determining whether a Separation of Service occurred, include, without limitation, whether the Participant continues to be treated as an employee for other purposes (such as continuation of salary and participation in employee benefit programs), whether similarly situated service providers have been treated consistently, and whether the Participant is eligible to perform services for, and realistically available to perform services for, other employers in the same line of business.

(b) In addition, a Separation from Service <u>shall be presumed</u> to occur in the following instances:

(i) if a Participant's period of leave exceeds six (6) months and the Participant's right to reemployment or service is not provided either by statute or contract, then the Participant is deemed to have experienced a Separation from Service on the first day immediately following such six-month period;

(ii) if a Participant continues to provide services to an Employer, the facts and circumstances indicate that the Employer did not intend the Participant to provide more than insignificant services to the Employer; or

(iii) the Participant ceases to provide services as an Employee at an annual rate that is at least equal to twenty percent (20%) of the services rendered, on average, during the immediately preceding three (3) full calendar years of employment (or, if employed less than three (3) years, such lesser period).

(c) Notwithstanding the foregoing, a Separation from Service shall be presumed not to occur in the following instances:

(i) the mere change in capacity in which the Participant renders service to the Company, the Partnership or any other Employer from an Employee to Director or vice-versa;

(ii) the employment relationship is treated as continuing intact while the Participant is on military leave, sick leave or other *bona fide* leave of absence (such as temporary employment by the government) if the period of such leave does not exceed six (6) months, or if longer, so long as the individual's right to reemployment or service with the Company or an Employer is provided by either statute or contract; *provided* that with respect to a disability leave, the employment relationship will be treated as continuing for a period of up to twenty-nine (29) months, unless terminated earlier by the Participant or Employer, regardless of whether the Participant retains a contractual right to reemployment;

(iii) where an Employee continues to provide services to a prior Employer in a capacity other than as an employee and such Employee is providing services at an annual rate that is fifty percent (50%) or more of the services rendered, on average, during the immediately preceding three (3) full calendar years of employment (or if employed less than three (3) years, such lesser period).

In determining whether a separation of service has occurred, periods during which the Participant is on an unpaid *bona fide* leave of absence are disregarded (including for purposes of determining the relevant 36-month period), and periods during which the Participant is on a paid *bona fide* leave of absence are treated as periods during which the Participant provided services at the level at which the Participant would have been required to perform services to receive the compensation if not on a *bona fide* leave of absence. A leave of absence constitutes a *bona fide* leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Company or Employer.

1.39 "Disability Leave" means leave due to the Participant's inability to perform the duties of his or her position or any substantially similar position by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six (6) months.

1.40 "Termination Benefits" shall mean the benefit set forth in Section 5.3.

1.41 "Termination of Employment" shall mean the severing of employment with all Employers, voluntarily or involuntarily, for any reason other than Disability, death or an authorized leave of absence, which constitutes a Separation from Service with respect to the Company and Employer, as determined by the Administrator in its sole discretion.

1.42 "Trust" shall mean one or more trusts established pursuant to that certain Trust Agreement, effective as of June 2, 2011, between the Company and the trustee named therein, as amended from time to time.

1.43 "Unforeseeable Financial Emergency" shall mean an unanticipated emergency that is caused by an event beyond the control of the Participant that would result in severe financial hardship to the Participant not covered by insurance, liquidation of other assets (to the extent the liquidation itself will not cause severe financial hardship, or cessation of deferrals under this Plan, resulting from (i) a sudden and unexpected illness or accident of the Participant or a dependent (as defined in Section 152(a) of the Code) of the Participant, (ii) a loss of the Participant's property due to casualty, or (iii) such other extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant, all as determined in the sole discretion of the Administrator and which constitutes an "unforeseeable emergency" within the meaning of Section 409A(a)(2)(B)(ii) of the Code. For the avoidance of doubt, an Unforeseeable Financial Emergency shall not include, among other things, sending a child to college or purchasing a home.

1.44 "Years of Service" shall mean each twelve (12) month period during which a Participant is employed by an Employer, whether or not continuous, and including periods

commencing prior to the effective date of this Plan; *provided, however*, that in the case of a Participant whose employment with an Employer has been interrupted by a period of twelve (12) consecutive months or more (a "Break in Service"), his or her Years of Service prior to such Break in Service shall be disregarded for any purpose under the Plan.

ARTICLE 2.
SELECTION, ENROLLMENT, ELIGIBILITY

2.1 Selection by Administrator. Participation in the Plan shall be limited to a select group of management and highly compensated Employees, constituting those persons who (i) were participants in the Company's 2002 and/or 2005 Nonqualified Deferred Compensation Plans immediately prior to the Merger, (ii) received a distribution from one or both of such plans on account of the Merger, (iii) were Employees of any Employer or Non-Employee Directors immediately following the Merger and (iv) enroll in the Plan as described in Section 2.2. The Participants shall be the individuals set forth on Exhibit A hereto.

2.2 Enrollment Requirements. As a condition to participation, each Participant shall complete, execute and return to the Administrator an Election Form and a Beneficiary Designation Form. In addition, the Administrator shall establish from time to time such other enrollment requirements as it determines in its sole discretion are necessary.

2.3 Eligibility Requirements; Commencement of Participation

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(a) Eligibility; Commencement of Participation. Provided a Participant has met all enrollment requirements set forth in this Plan and required by the Administrator, including returning all required documents to the Administrator within the specified time period, that Participant shall commence participation in the Plan on the day on which his or her Election Form first becomes effective or the date on an Initial Account Credit is first credited to his or her Notional Earnings Account .

2.4 Termination of Participation. If the Administrator determines in good faith that a Participant no longer qualifies as a member of a select group of management or highly compensated employees, as membership in such group is determined in accordance with Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, the Administrator shall have the right, in its sole discretion, to terminate the Participant's participation in the Plan.

ARTICLE 3.
INITIAL ACCOUNT CREDITS/CREDITING/TAXES

3.1 Notional Earnings Accounts. Solely for record keeping purposes, the Administrator shall establish a an Notional Earnings Account for each Participant. A Participant's Notional Earnings Account shall be credited with the Participant's Initial Account Credit, and subsequently credited (or charged, as the case may be) with the hypothetical or deemed investment earnings and losses determined pursuant to Section 3.3, and charged with distributions made to or with respect to him or her. The balance of a Participant's Notional Earnings Account at any time may be smaller or larger than the balance of the Notional Earnings Account of any other Participant.

3.2 Vesting. A Participant shall at all times be one hundred percent (100%) vested in his or her Account Balance.

3.3 Earnings Credits or Losses. In accordance with, and subject to, the rules and procedures that are established from time to time by the Administrator, in its sole discretion, amounts shall be credited or debited to a Participant's Notional Earnings Account in accordance with the following rules:

(a) Election of Measurement Funds. A Participant shall elect, on the Election Form, one or more Measurement Fund(s) (as described in Section 3.3(c) below) to be used to determine the additional amounts to be credited to his or her Notional Earnings Account, unless changed in accordance with the next sentence. The Participant may (but is not required to) elect, by submitting an Election Form to the Administrator that is accepted by the Administrator, to add or delete one or more Measurement Fund(s) to be used to determine the additional amounts to be credited to his or her Notional Earnings Account, or to change the portion of his or her Notional Earnings Account allocated to each previously or newly elected Measurement Fund. If an election is made in accordance with the previous sentence, it shall become effective as soon as administratively practicable and shall continue thereafter until changed in accordance with the previous sentence. Changes may be made to allocations at any time during the Plan Year, up to a maximum of six (6) changes per Participant per Plan Year.

(b) Proportionate Allocation. In making any election described in Section 3.3(a) above, the Participant shall specify on the Election Form, in increments of whole percentage points (1%), the percentage of his or her Notional Earnings Account and any earnings thereon to be allocated to a Measurement Fund (as if the Participant was making an investment in that Measurement Fund with that portion of his or her Notional Earnings Account).

(c) Measurement Funds. The Administrator shall from time to time select types of Measurement Funds and specific Measurement Funds for deemed investment designation by Participants for the purpose of crediting additional amounts to his or her Notional Earnings Account. As necessary, the Administrator may, in its sole discretion, discontinue, substitute or add a Measurement Fund. The Administrator shall notify the Participants of the types of Measurement Funds and the specific Measurement Funds selected from time to time.

(d) Crediting or Debiting Method. The performance of each elected Measurement Fund (either positive or negative) will be determined by the Administrator, in its sole discretion, based on the performance of the Measurement Funds themselves. A Participant's Notional Earnings Account shall be credited or debited as frequently as is administratively feasible, but no less often than quarterly, based on the performance of each Measurement Fund selected by the Participant, as determined by the Administrator in its sole discretion.

(e) No Actual Investment. Notwithstanding any other provision of this Plan that may be interpreted to the contrary, the Measurement Funds are to be used for measurement purposes only, and a Participant's election of any such Measurement Fund, the allocation of his or her Notional Earnings Account thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Notional Earnings Account shall not be considered or construed in any manner as an actual investment of his or her Notional Earnings Account in

any such Measurement Fund. In the event that the Company or the Trustee (as that term is defined in the Trust), in its own discretion, decides to invest funds in any or all of the Measurement Funds, no Participant shall have any rights in or to such investments themselves. Without limiting the foregoing, a Participant's Notional Earnings Account shall at all times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Employer or the Trust; the Participant shall at all times remain an unsecured creditor of the Employers.

3.4 Distributions. Any distribution with respect to a Participant's Account Balance shall be charged to the Participant's Notional Earnings Account as of the date such payment is made by the Employer or the trustee of the Trust which may be established for the Plan.

ARTICLE 4.
FIXED DATE PAYOUTS

4.1 Fixed Date Payout. A Participant may irrevocably elect on his or her Election Form to receive a future "Fixed Date Payout" from the Plan of his or her Account Balance. Subject to the Deduction Limitation and the other terms and conditions of this Plan, each Fixed Date Payout elected shall be paid out no earlier than the first day of any Plan Year designated by the Participant (the "Earliest Fixed Date Payout Date"). A Participant who elects a Fixed Date Payout shall elect on his or her Election Form to receive his or her Account Balance in a lump sum or pursuant to a Quarterly or Annual Installment Method over a period of up to ten (10) years, payable in the first (1st) week of January, April, July, and October, as applicable, commencing on the Earliest Fixed Date Payout Date. If a Participant who elects a Fixed Date Payout does not elect to have his or her Account Balance paid in accordance with the Quarterly or Annual Installment Method, then such benefit shall be payable in a lump sum. The lump sum payment shall be made no later than sixty (60) days after the last day of any Plan Year designated by the Participant that is after the Earliest Fixed Date Payout Date. Any payment made shall be subject to the Deduction Limitation.

4.2 Redeferral. A Participant may annually change his or her Fixed Date Payout (as defined in Section 4.1) election to a subsequent fixed date by submitting a new Election Form to the Administrator, *provided, however*, that (a) such change (i) must occur at least twelve (12) months prior to the originally elected fixed date, (ii) shall not be given any effect unless a full calendar year would have passed between the date upon which such Election Form is submitted and the originally elected fixed date and (iii) must provide for at least five full calendar years to pass between the originally elected fixed date and the subsequent fixed date designated in such form occurs and (b) the Election Form is accepted by the Administrator in its sole discretion. The Election Form most recently accepted by the Administrator shall govern the payout of the Participant's benefits under the plan.

4.3 Other Benefits Take Precedence Over Fixed Date. Should an event occur in respect of a Participant who has elected a Fixed Date Payout under Section 4.1 that triggers a payment under Article 5 or 6, such Participant's Account Balance shall not be paid in accordance with Section 4.1 or Section 4.2, but shall be paid in accordance with the other applicable Article.

ARTICLE 5.
DISTRIBUTIONS

5.1 Retirement Benefit.

(a) Retirement Benefit. Subject to Section 5.6, a Participant who Retires, shall receive, as a Retirement Benefit, his or her Account Balance. A Participant, in connection with his or her commencement of participation in the Plan, shall elect on an Election Form to receive the Retirement Benefit in a lump sum or pursuant to a Quarterly or Annual Installment Method over a period of up to ten (10) years, payable in the first (1st) week of January, April, July, and October, as applicable. If a Participant does not make any election with respect to the payment of the Retirement Benefit, then such benefit shall be payable in a lump sum. The lump sum payment shall be made, or installment payments shall commence, no later than the later of (i) December 31 of the calendar year during which the Participant Retires or (ii) the fifteenth (15th) day of the third (3rd) month following the date of such Retirement.

(b) Death Prior to Completion of Retirement Benefit or Termination Benefit Subject to Section 5.6, if a Participant dies after Retirement but before the Retirement Benefit due under this Section 5.1 is paid in full or after a Termination of Employment but before the Termination Benefit under Section 5.3 is paid in full, the Participant's unpaid Retirement Benefit under this Section 5.1 or Termination Benefit under Section 5.3 shall be paid to the Participant's Beneficiary in the same form, at the same times and in the same amounts as such Retirement Benefit or Termination Benefit would have been paid to the Participant had the Participant survived.

5.2 Pre-Retirement Survivor Benefit. Subject to Section 5.6, a Participant's Beneficiary shall receive a Pre-Retirement Survivor Benefit equal to the Participant's Account Balance if the Participant dies before he or she experiences a Termination of Employment or suffers a Disability. The Pre-Retirement Survivor Benefit shall be paid to the Participant's Beneficiary (a) if a Fixed Date Payout has not commenced prior to Participant's death, commencing no later than the later of (i) December 31 of the calendar year during which the Participant died or (ii) the fifteenth (15th) day of the third (3rd) month following the Participant's death, and being paid in a lump sum, if so elected by Participant, or in installment payments, if so elected by Participant, in the same form, at the same times and in the same amounts as that benefit would have been paid to the Participant had the Participant survived, and (b) if a Fixed Date Payout has commenced prior to Participant's death, , in the same form, at the same times and in the same amounts as that benefit would have been paid to the Participant had the Participant survived.

5.3 Termination Benefit. Subject to Section 5.6, a Participant shall receive a Termination Benefit, which shall be equal to the Participant's Account Balance if a Participant experiences a Termination of Employment prior to his or her Retirement, death or Disability. A Participant's Termination Benefit shall be paid in a lump sum. The lump sum payment shall be made no later than the later of (i) December 31 of the calendar year during which the Participant's Termination of Employment occurred or (ii) the fifteenth (15th) day of the third (3rd) month following the Participant's Termination of Employment.

5.4 Change in Control Benefit. Subject to Section 5.6, a Participant shall receive a Change in Control Benefit, which shall be equal to the Participant's Account Balance at the time of a Change in Control. A Participant's Change in Control Benefit due under this Section 5.4 shall be paid in a lump sum. The lump sum payment shall be made upon, or as soon as administratively practicable following, the Change in Control but in no event later than the later of (i) December 31 of the calendar year during which the Change in Control occurs or (ii) the fifteenth (15th) day of third (3rd) month following the date of such Change in Control.

5.5 Disability Benefit. Subject to Section 5.6, the Participant shall receive a Disability Benefit, which shall be equal to the Participant's Account Balance in the event of the Participant's Disability, as determined by the Administrator. Payment of a Participant's Disability Benefit under this Section 5.5 shall be paid in a lump sum. If a Participant's Disability occurs after Retirement or after a Termination of Employment but before the Retirement Benefit under Section 5.1 or the Termination Benefit under Section 5.3 is paid in full, the Participant's unpaid Retirement Benefit under Section 5.1 or Termination Benefit under Section 5.3 shall continue and shall be paid to the Participant in the same form, at the same times and in the same amounts as such Retirement Benefit or such Termination Benefit would have been paid to the Participant had the Participant not incurred the Disability.

5.6 Delayed Distributions for Employee Participants. Notwithstanding any provision of this Plan to the contrary, upon the Termination of Employment or Retirement of a Participant who is an Employee for any reason other than death or Disability, any Account Balance distribution that otherwise would be paid to Participant during the period of time beginning with such Termination of Employment or Retirement and ending six (6) months thereafter shall not be paid during such six-month period but shall be delayed and instead paid in a lump sum as soon as administratively practicable following such six-month delay period. There shall be no such six-month delay period in the event of and any six-month delay period which has already commenced shall terminate immediately upon (i) the Participant's death or Disability or (ii) a Change in Control. For the avoidance of doubt, any Quarterly or Annual Installment Method payments due to Participant after any such delay period shall not be accelerated by application of this Section 5.6 and may only be accelerated to the extent such acceleration is provided for in another Plan provision.

5.7 Cash Distributions. All distributions to Participants under this Plan shall be in the form of cash.

ARTICLE 6.
UNFORESEEABLE FINANCIAL EMERGENCIES

6.1 Withdrawal Payout for Unforeseeable Financial Emergencies. If a Participant experiences an Unforeseeable Financial Emergency, the Participant may petition the Administrator to receive a payout from the Plan. The payout shall not exceed the lesser of the Participant's Account Balance, calculated as if such Participant were receiving a Termination Benefit under Section 5.3, or the amount reasonably needed to satisfy the Unforeseeable Financial Emergency. If, subject to the sole discretion of the Administrator, the petition for a payout is approved, any payout shall be made within sixty (60) days of the date of approval but in no event shall any payout be made following the later of (a) December 31 of the calendar year

during which the Unforeseeable Financial Emergency occurs and (b) the fifteenth (15th) day of the third (3rd) month following the date of such Unforeseeable Financial Emergency. The payment of any amount under this Section 6.1 shall not be subject to the Deduction Limitation.

ARTICLE 7.
BENEFICIARY DESIGNATION

7.1 Beneficiary. Each Participant shall have the right, at any time, to designate his or her Beneficiary(ies) (both primary as well as contingent) to receive any benefits payable under the Plan to a beneficiary upon the death of a Participant. The Beneficiary designated under this Plan may be the same as or different from the Beneficiary designation under any other plan of an Employer in which the Participant participates.

7.2 Beneficiary Designation; Change; Spousal Consent. A Participant shall designate his or her Beneficiary by completing and signing the Beneficiary Designation Form, and returning it to the Administrator or its designated agent. A Participant shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation Form and the Administrator's rules and procedures, as in effect from time to time. Upon the acceptance by the Administrator of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be canceled. The Administrator shall be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Administrator prior to his or her death.

7.3 Acknowledgment. No designation or change in designation of a Beneficiary shall be effective until received and acknowledged in writing by the Administrator or its designated agent.

7.4 No Beneficiary Designation. If a Participant fails to designate a Beneficiary as provided in Sections 7.1, 7.2 and 7.3 above or, if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary shall be deemed to be his or her surviving spouse. If the Participant has no surviving spouse, the benefits remaining under the Plan to be paid to a Beneficiary shall be payable to the executor or personal representative of the Participant's estate.

7.5 Doubt as to Beneficiary. If the Administrator has any doubt as to the proper Beneficiary to receive payments pursuant to this Plan, the Administrator shall have the right, exercisable in its discretion, to cause the Participant's Employer to withhold such payments until this matter is resolved to the Administrator's satisfaction.

7.6 Discharge of Obligations. The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge all Employers and the Administrator from all further obligations under this Plan with respect to the Participant, and that Participant's Election Form shall terminate upon such full payment of benefits.

ARTICLE 8.
TERMINATION, AMENDMENT OR MODIFICATION

8.1 Termination With Respect to Account Balances. The Plan shall not terminate with respect to Account Balances and any Employers, except in a manner that complies with Section 409A of the Code and the proposed and final Department of Treasury rules, regulations and other guidance promulgated thereunder. Upon a termination of the Plan with respect to Account Balances that complies with Section 409A of the Code, each Participant shall be entitled to receive his or her Account Balance in a lump sum payment as soon as practicable following the first date such payment can be made without incurring tax penalties under Section 409A of the Code but in no event following the last date such payment can be made without incurring tax penalties under Section 409A of the Code. During the period of time between the date the Plan is terminated with respect to Account Balances and the date of such payment, Account Balance distributions, including those under a Quarterly or Annual Installment Method, which otherwise would be made pursuant to the Plan shall be made without regard to such termination.

8.2 Amendment. An Employer may, at any time, amend or modify the Plan in whole or in part with respect to that Employer by the action of its board of directors, compensation committee of its board of directors or similar governing body; *provided, however*, that no amendment or modification shall be effective to decrease or restrict the value of a Participant’s Account Balance in existence at the time the amendment or modification is made, calculated as if the Participant had experienced a Termination of Employment as of the effective date of the amendment or modification or, if the amendment or modification occurs after the date upon which the Participant was eligible to Retire, the Participant had Retired as of the effective date of the amendment or modification. The amendment or modification of the Plan shall not affect any Participant or Beneficiary who has become entitled to the payment of benefits under the Plan as of the date of the amendment or modification.

8.3 Effect of Payment. The full payment of the applicable benefit under Article 4 of the Plan or under Articles 5 and 6 of the Plan shall completely discharge all obligations to a Participant and his or her designated Beneficiaries under this Plan and the Participant’s participation in the Plan shall terminate.

ARTICLE 9.
ADMINISTRATION

9.1 Administrator Duties. The Committee appointed pursuant to Section 9.3 shall be the Administrator and shall conduct the general administration of the Plan in accordance with the Plan and shall have all the necessary power and authority to carry out that function. Members of the Administrator may be Participants under this Plan. Any individual serving on the Administrator who is a Participant shall not vote or act on any matter relating solely to himself or herself. Among the Committee’s necessary powers and duties are the following:

(a) Except to the extent provided otherwise by Article 11, to delegate all or part of its function as Administrator to others and to revoke any such delegation.

(b) To determine questions of eligibility of Participants and their entitlement to benefits, subject to the provisions of Articles 9 and 11.

(c) To select and engage attorneys, accountants, actuaries, trustees, appraisers, brokers, consultants, administrators, physicians or other persons to render service or advice with regard to any responsibility the Administrator has under the Plan, or otherwise, to designate such persons to carry out fiduciary responsibilities (other than trustee responsibilities) under the Plan, and (with the Committee, the Employers and their officers, directors, trustees and Employees) to rely upon the advice, opinions or valuations of any such persons, to the extent permitted by law, being fully protected in acting or relying thereon in good faith.

(d) To interpret the Plan for purpose of the administration and application of the Plan, in a manner not inconsistent with the Plan or applicable law and to amend or revoke any such interpretation.

(e) To conduct claims procedures as provided in Article 9.

9.2 Binding Effect of Decisions. The decision or action of the Administrator with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan, Section 409A of the Code and the proposed and final Department of Treasury rules, regulations and other guidance promulgated thereunder shall be final and conclusive and binding upon all persons having any interest in the Plan.

9.3 Committee. The Committee shall consist solely of two or more Non-Employee Directors appointed by and holding office at the pleasure of the Board. Appointment of Committee members shall be effective upon acceptance of appointment. Committee members may resign at any time by delivering written notice to the Board. Vacancies in the Committee may be filled by the Board.

9.4 Indemnification. All Employers shall indemnify and hold harmless any of their officers, Directors, Committee members or Employees who are involved in the administration of the Plan against any and all claims, losses, damages, expenses or liabilities arising out of the good faith performance of their administrative functions.

9.5 Employer Information. To enable the Administrator to perform its functions, each Employer shall supply full and timely information to the Administrator on all matters relating to the compensation of its Participants, the date and circumstances of the Retirement, Disability, death or Termination of Employment of its Participants, and such other pertinent information as the Administrator may reasonably require.

ARTICLE 10.
CLAIMS PROCEDURES

10.1 Presentation of Claim. Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a "Claimant") may deliver to the Administrator a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant, the claim must be made within sixty (60) days after such notice was received by the

Claimant. All other claims must be made within one hundred eighty (180) days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.

10.2 Notification of Decision. The Administrator shall consider a Claimant's claim within a reasonable time, and shall notify the Claimant in writing:

(a) that the Claimant's requested determination has been made, and that the claim has been allowed in full; or

(b) that the Administrator has reached a conclusion contrary, in whole or in part, to the Claimant's requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:

(i) the specific reason(s) for the denial of the claim, or any part of it;

(ii) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;

(iii) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary; and

(iv) appropriate information as to the steps to be taken if the Claimant wishes to submit his or her claim for review pursuant to the claim review procedure set forth in Section 10.3 below, including the time limits applicable to such procedures, and a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse decision upon review.

Any notice pursuant to this Section 10.2 shall be given within a reasonable period of time but no later than ninety (90) days after the claim is filed, unless special circumstances require an extension of time for processing the claim. If such extension is required, written notice shall be furnished to the Claimant within ninety (90) days of the date the claim was filed stating the special circumstances requiring an extension of time and the date by which a decision on the claim can be expected, which shall be no more than one hundred eighty (180) days from the date the claim was filed.

10.3 Review of a Denied Claim. Within sixty (60) days after receiving a notice from the Administrator that a claim has been denied, in whole or in part, a Claimant (or the Claimant's duly authorized representative) may file with the Administrator a written request for a review of the denial of the claim specifying in detail each of Claimant's contentions, the grounds on which each is based, all facts in support of the request, and any other matters which the Claimant deems pertinent. The Claimant (or the Claimant's duly authorized representative):

(a) may review and/or copy free of charge pertinent documents, records and other information relevant to the Claimant's claim;

(b) may submit issues, written comments or other documents, records or other information relating to the claim; and/or

(c) may request a hearing, which the Administrator, in its sole discretion, may grant.

Any such review by the Administrator shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial claim determination.

10.4 Decision on Review. The Administrator shall render its decision on review promptly, and not later than sixty (60) days after the filing of a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Administrator's decision must be rendered within one hundred twenty (120) days after such date. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain:

(a) specific reasons for the decision;

(b) specific reference(s) to the pertinent Plan provisions upon which the decision was based; and

(c) a statement that the Claimant is entitled to receive upon request and free of charge reasonable access to and copies of all documents, records and other information relevant to the Claimant's claim for benefits;

(d) a statement of the Claimant's right to bring an action under Section 502(a) of ERISA; and

(e) such other matters as the Administrator deems relevant.

10.5 Designation. The Administrator may designate any other person of its choosing to make any determination otherwise required under this Article.

10.6 Arbitration. A Claimant whose appeal has been denied under Section 10.4 shall have the right to submit said claim to final and binding arbitration in the state of California pursuant to the rules of the American Arbitration Association. Any such requests for arbitration must be filed by written demand to the American Arbitration Association within sixty (60) days after receipt of the decision regarding the appeal. The costs and expenses of arbitration, including the fees of the arbitrators, shall be borne by the losing party. The prevailing party shall recover as expenses all reasonable attorney's fees incurred by it in connection with the arbitration proceeding or any appeals therefrom.

ARTICLE 11.
TRUST

11.1 Establishment of the Trust. The Company and the Partnership shall establish the Trust, and each Employer shall at least annually transfer over to the Trust such assets as the

Employer determines, in its sole discretion, are necessary to provide, on a present value basis, for its respective future liabilities created with respect to the Account Balances for such Employer's Participants for all periods prior to the transfer, as well as any debits and credits to the Participants' Account Balances for all periods prior to the transfer, taking into consideration the value of the assets in the trust at the time of the transfer.

11.2 Interrelationship of the Plan and the Trust. The provisions of the Plan shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Employers, Participants and the creditors of the Employers to the assets transferred to the Trust. Each Employer shall at all times remain liable to carry out its obligations under the Plan.

11.3 Investment of Trust Assets. The Trustee of the Trust shall be authorized, upon written instructions received from the Administrator or investment manager appointed by the Administrator, to invest and reinvest the assets of the Trust in accordance with the applicable Trust Agreement.

11.4 Distributions From the Trust. Each Employer's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Employer's obligations under this Plan.

ARTICLE 12. MISCELLANEOUS

12.1 Status of Plan. The Plan is intended to be a plan that is not qualified within the meaning of Code Section 401(a) and that "is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1). The Plan shall be administered and interpreted to the extent possible in a manner consistent with that intent.

12.2 Unsecured General Creditor. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of any Employer. For purposes of the payment of benefits under this Plan, any and all of an Employer's assets shall be, and remain, the general, unpledged unrestricted assets of the Employer. An Employer's obligation under the Plan shall be merely that of an unfunded and unsecured, promise to pay money in the future.

12.3 Employer's Liability. An Employer's liability for the payment of benefits shall be defined only by the Plan and the Election Form(s), as entered into between the Employer and a Participant. An Employer shall have no obligation to a Participant under the Plan except as expressly provided in the Plan and his or her Election Form(s).

12.4 Non-Assignability. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable shall, prior to actual

payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

12.5 Tax Withholding.

(a) Distributions. The Participant's Employer(s), or the trustee of the Trust, shall withhold from any payments or credits made to or on behalf of a Participant under this Plan all federal, state and local income, employment and other taxes required to be withheld by the Employer(s), or the trustee of the Trust, in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Employer(s) and the trustee of the Trust.

12.6 Coordination with Other Benefits. The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Participant's Employer. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

12.7 Compliance. A Participant shall have no right to receive payment with respect to the Participant's Account Balance until all legal and contractual obligations of the Employers relating to establishment of the Plan and the making of such payments shall have been complied with in full.

12.8 Not a Contract of Employment. The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between any Employer and the Participant. Such employment is hereby acknowledged to be an "at will" employment relationship that can be terminated at any time for any reason, or no reason, with or without cause, and with or without notice, unless expressly provided in a written employment agreement. Nothing in this Plan shall be deemed to give a Participant the right to be retained in the employment of any Employer, or to interfere with the right of any Employer to discipline or discharge the Participant at any time.

12.9 Furnishing Information. A Participant or his or her Beneficiary will cooperate with the Administrator by furnishing any and all information requested by the Administrator and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Administrator may deem necessary.

12.10 Governing Law. Subject to ERISA, the provisions of this Plan shall be construed and interpreted according to the internal laws of the State of California without regard to its conflicts of laws principles.

12.11 Notice. Any notice or filing required or permitted to be given to the Administrator under this Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below:

Senior Vice President, Human Resources
AMB Property Corporation
Pier 1, Bay 1
San Francisco, California 94111

Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last address of the Participant known to the Company or the Partnership.

12.12 Successors. The provisions of this Plan shall bind and inure to the benefit of the Participant's Employer and its successors and assigns and the Participant and the Participant's designated Beneficiaries.

12.13 Spouse's Interest. The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.

12.14 Validity. In case any provision of this Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but this Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

12.15 Incompetent. If the Administrator determines in its discretion that a benefit under this Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person's property, the Administrator may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Administrator may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant's Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.

12.16 Court Order. The Administrator is authorized to make any payments directed by court order in any action in which the Plan or the Administrator has been named as a party. In addition, if a court determines that a spouse or former spouse of a Participant has an interest in the Participant's benefits under the Plan in connection with a property settlement or otherwise, the Administrator, in its sole discretion, shall have the right, notwithstanding any election made by a Participant, to immediately distribute the spouse's or former spouse's interest in the Participant's benefits under the Plan to that spouse or former spouse.

12.17 Accelerated Distributions, Trust Distributions and Plan Interpretation.

(a) Accelerated Distributions. If, for any reason, all or any portion of a Participant's benefits under this Plan becomes subject to a penalty tax amount under Section 409A and the final Department of Treasury rules, regulations and other guidance promulgated

thereunder, the Administrator may rescind the election subject to such penalty tax and accelerate the payment of such benefits at its discretion, provided that any such distribution will remain subject to penalty tax to the extent required by Section 409A and the final rules and regulations.

(b) Trust Distributions. If the Trust terminates in accordance with the provisions of the Trust and benefits are distributed from the Trust to a Participant in accordance with such provisions, the Participant's benefits under this Plan shall be reduced to the extent of such distributions.

(c) Plan Interpretation. The Plan shall be interpreted, construed, administered and operated in good faith in a manner that satisfies the requirements of Section 409A of the Code and the final and proposed Department of Treasury rules, regulations and other guidance promulgated thereunder. Nothing in this Plan shall be construed as an entitlement to or guarantee of any particular tax treatment to a Participant.

12.18 Insurance. The Employers, on their own behalf or on behalf of the trustee of the Trust, and, in their sole discretion, may apply for and procure insurance on the life of the Participant, in such amounts and in such forms as the Trust may choose. The Employers or the trustee of the Trust, as the case may be, shall be the sole owner and beneficiary of any such insurance. The Participant shall have no interest whatsoever in any such policy or policies, and at the request of the Employers shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company or companies to whom the Employers have applied for insurance.

12.19 Status of Company as a REIT. Notwithstanding any provision of this Plan or any Participant's election to the contrary, the Partnership, the Company and the Administrator shall have the right at any time, and from time to time, to amend this Plan or to take any other action which it or they deem to be necessary or appropriate in order to avoid or cure any impairment of the Company's status as a real estate investment trust under Sections 856 *et seq.* of the Code or to avoid or cure any violation of the Company's Articles of Incorporation.

IN WITNESS WHEREOF, the Company and the Partnership have signed this Plan document as of June 2, 2011.

AMB PROPERTY CORPORATION

/s/ Nancy J. Hemmenway
Nancy J. Hemmenway
Senior Vice President, Human Resources

AMB PROPERTY, L.P.

/s/ Nancy J. Hemmenway
Nancy J. Hemmenway
Senior Vice President, Human Resources

Exhibit 10.10

January 30, 2011

Hamid R. Moghadam
c/o AMB Property Corporation
Pier 1, Bay 1
San Francisco CA 94111

Re: Continuing Employment; Change in Control and Noncompetition Agreement

Dear Mr. Moghadam:

This letter sets forth our agreement with respect to your employment following the consummation of the transactions contemplated by the Agreement and Plan of Merger by and among AMB Property Corporation, AMB Property, L.P., Prologis, Upper Pumpkin LLC, New Pumpkin and Pumpkin LLC, dated as of January 30, 2011 (the "Merger Agreement"), and serves to amend the Change in Control and Noncompetition Agreement between you and AMB Property, L.P, dated as of September 27, 2007, as subsequently assigned to AMB Property III, LLC, pursuant to an Assignment and Assumption Agreement, dated as of January 1, 2008 (the "CIC Agreement"). Capitalized terms used and not defined in this letter shall have the meanings ascribed to them in the CIC Agreement; provided that, in paragraph 1 below, the term "Company" shall mean the "Surviving Corporation," as that term is defined in the Merger Agreement, as successor to the Company.

1. Effective as of the "Topco Effective Time" (as that term is defined in the Merger Agreement), you shall be employed by the Company as its Co-Chief Executive Officer and serve as non-executive Chairman of the Board of Directors of the Company (the "Board"). You shall become the sole Chief Executive Officer of the Company (and shall remain non-executive Chairman of the Board) upon the earlier of: (a) January 1, 2013 and (b) the termination of employment with the Company for any reason of Walter C. Rakowich, or Mr. Rakowich otherwise ceasing to be your Co-Chief Executive Officer, following the Topco Effective Time. You agree to waive your right to resign for Good Reason in accordance with your CIC Agreement on account of your assumption of the position of Co-Chief Executive Officer (rather than sole Chief Executive Officer) of the Company in accordance with the preceding sentence; provided (for purposes of clarity) that you shall have the right to resign for Good Reason in accordance with the CIC Agreement if you do not become the sole Chief Executive Officer of the Company at the time described in the preceding sentence, and you do not waive any other of your rights under the CIC Agreement (including but not limited to the right to resign for Good Reason for reasons other than described in this sentence).

2. The Company and you agree that Section 1 of the CIC Agreement is amended by adding the following sentence to the end of such section, effective only upon, and conditioned upon, the Topco Effective Time:

> Notwithstanding the foregoing, this Agreement shall not terminate until the end of the twenty-fourth (24) calendar month following the Topco Effective Time (as defined in the Agreement and Plan of Merger by and among AMB Property Corporation, AMB Property, L.P., Prologis, Upper Pumpkin LLC, New Pumpkin and Pumpkin LLC, dated as of January 30, 2011 (the "Merger Agreement")); *provided, however,* that if a Change in Control (as defined in Section 2) shall occur following the Topco Effective Time during the term of this Agreement, this Agreement shall not terminate until the end of the twenty-fourth (24) calendar month after the date on which such a Change in Control occurs (the effective date of each such Change in Control constituting a new "Change in Control Date"), at which time it will expire.

3. The Company and you agree that the consummation of the transactions contemplated by the Merger Agreement will constitute a "Change in Control" within the meaning of the CIC Agreement, and effective as of the Topco Effective Time, the definition of "Change in Control" in Section 2 of the CIC Agreement shall be amended to add the following sentence at the end thereof:

Notwithstanding any other provision of this Agreement to the contrary, the Topco Merger (as defined in the Merger Agreement) shall constitute a Change in Control, and the Topco Effective Time (as defined in the Merger Agreement), shall constitute the Change in Control Date applicable to such Change in Control.

4. The Company and you agree that Section 3.5 of the CIC Agreement is amended in its entirety to read as follows, effective only upon, and conditioned upon, the Topco Effective Time:

3.5 Accelerated Vesting of Options and Other Equity-Based Awards. Notwithstanding anything to the contrary set forth in any stock, option or other equity incentive award plan of the Company or in any option, restricted stock or other equity-based award agreement between the Company and the Executive (regardless of whether such agreement is under any such stock, option or other equity incentive award plan), upon the Executive's termination of employment with the Company under circumstances which entitle the Executive to the payments and benefits described in Section 3.3 or upon the Executive's termination of employment due to death or Disability, (A) all options to acquire any equity securities of the Company held by the Executive on the date of such termination, and which also had been held by the Executive at the Topco Effective Time, shall immediately become exercisable and fully vested and (B) all shares of restricted stock, restricted stock units, deferred stock awards and other awards based upon the Company's equity securities held by the Executive on the date of such termination, and which also had been held by the Executive at the Topco Effective Time, shall immediately become fully vested, exercisable or payable, as applicable, and any forfeiture provisions with respect to such awards shall immediately lapse.

You understand and agree that the effect of the foregoing amendment is to replace the paragraph of your CIC Agreement providing for immediate vesting of your equity and equity-based awards upon a Change in Control, with a paragraph providing that the vesting of equity and equity-based awards held by you at the Topco Effective Time will accelerate upon a severance-qualifying termination of employment, or termination due to death or Disability during the two-year period following a Change in Control.

Except as expressly set forth above, all of the terms and conditions of the CIC Agreement shall remain in full force and effect without modification. This amendment is subject to the choice of law, dispute resolution and other terms and conditions of the CIC Agreement as if set forth therein.

Please acknowledge your understanding of and agreement to the provisions of this letter (including the amendment to your CIC Agreement set forth herein) by signing this letter in the space provided below and returning a copy to the undersigned. This letter may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Very truly yours

By: AMB Property III, LLC.,

By: AMB Property, L.P., its managing member,

By: AMB Property Corporation, its general partner

By: /s/ Nancy J. Hemmenway
Nancy J. Hemmenway
Senior Vice President, Human Resources

Agreed to and acknowledged
as of the 30th day of January, 2011:

/s/ Hamid R. Moghadam

AMB Property Corporation®

January 30, 2011

Guy F. Jaquier
c/o AMB Property Corporation
Pier 1, Bay 1
San Francisco CA 94111

Re: Change in Control and Noncompetition Agreement

Dear Mr. Reilly:

Reference is made to the Change in Control and Noncompetition Agreement between you and AMB Property, L.P, dated as of September 27, 2007 (the "CIC Agreement"). This letter sets forth your agreement to amend Sections 1, 2 and 3.5 of the CIC Agreement; provided that such amendments shall be effective only in connection with, and subject to the consummation of, the transactions contemplated by the Agreement and Plan of Merger by and among AMB Property Corporation, AMB Property, L.P., Prologis, Upper Pumpkin LLC, New Pumpkin and Pumpkin LLC, dated as of January 30, 2011 (the "Merger Agreement"). Capitalized terms used and not defined in this letter shall have the meanings ascribed to them in the CIC Agreement.

1. The Company and you agree that Section 1 of the CIC Agreement is amended by adding the following sentence to the end of such section, effective only upon, and conditioned upon, the Topco Effective Time:

> Notwithstanding the foregoing, this Agreement shall not terminate until the end of the twenty-fourth (24) calendar month following the Topco Effective Time (as defined in the Agreement and Plan of Merger by and among AMB Property Corporation, AMB Property, L.P., Prologis, Upper Pumpkin LLC, New Pumpkin and Pumpkin LLC, dated as of January 30, 2011 (the "Merger Agreement")); *provided*, *however*, that if a Change in Control (as defined in Section 2) shall occur following the Topco Effective Time during the term of this Agreement, this Agreement shall not terminate until the end of the twenty-fourth (24) calendar month after the date on which such a Change in Control occurs (the effective date of each such Change in Control constituting a new "Change in Control Date"), at which time it will expire.

2. The Company and you agree that the consummation of the transactions contemplated by the Merger Agreement will constitute a "Change in Control" within the meaning of the CIC Agreement, and effective as of the Topco Effective Time, the definition of "Change in Control" in Section 2 of the CIC Agreement shall be amended to add the following sentence at the end thereof:

> Notwithstanding any other provision of this Agreement to the contrary, the Topco Merger (as defined in the Merger Agreement) shall constitute a Change in Control, and the Topco Effective Time (as defined in the Merger Agreement), shall constitute the Change in Control Date applicable to such Change in Control.

3. The Company and you agree that Section 3.5 of the CIC Agreement is amended in its entirety to read as follows, effective only upon, and conditioned upon, the Topco Effective Time:

> 3.5 Accelerated Vesting of Options and Other Equity-Based Awards. Notwithstanding anything to the contrary set forth in any stock, option or other equity incentive award plan of the

Company or in any option, restricted stock or other equity-based award agreement between the Company and the Executive (regardless of whether such agreement is under any such stock, option or other equity incentive award plan), upon the Executive's termination of employment with the Company under circumstances which entitle the Executive to the payments and benefits described in Section 3.3 or upon the Executive's termination of employment due to death or Disability, (A) all options to acquire any equity securities of the Company held by the Executive on the date of such termination, and which also had been held by the Executive at the Topco Effective Time shall immediately become exercisable and fully vested and (B) all shares of restricted stock, restricted stock units, deferred stock awards and other awards based upon the Company's equity securities held by the Executive on the date of such termination, and which also had been held by the Executive at the Topco Effective Time, shall immediately become fully vested, exercisable or payable, as applicable, and any forfeiture provisions with respect to such awards shall immediately lapse.

You understand and agree that the effect of the foregoing amendment is to replace the paragraph of your CIC Agreement providing for immediate vesting of your equity and equity-based awards upon a Change in Control, with a paragraph providing that the vesting of equity and equity-based awards held by you at the Topco Effective Time will accelerate upon a severance-qualifying termination of employment or termination due to death or Disability during the two-year period following a Change in Control.

Except as expressly set forth above, all of the terms and conditions of the CIC Agreement shall remain in full force and effect without modification. This amendment is subject to the choice of law, dispute resolution and other terms and conditions of the CIC Agreement as if set forth therein.

Please acknowledge your understanding of and agreement to the provisions of this letter (including the amendment to your CIC Agreement set forth herein) by signing this letter in the space provided below and returning a copy to the undersigned. This letter may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Very truly yours,

By: AMB PROPERTY, L.P., a Delaware limited partnership,

By: AMB Property Corporation, its general partner

By: /s/ Nancy J. Hemmenway
Nancy J. Hemmenway
Senior Vice President, Human Resources

Agreed to and acknowledged
as of the 30th day of January, 2011:

/s/ Guy F. Jaquier

Exhibit 10.12

January 30, 2011

Eugene F. Reilly
c/o AMB Property Corporation
Pier 1, Bay 1
San Francisco CA 94111

Re: Change in Control and Noncompetition Agreement

Dear Mr. Reilly:

Reference is made to the Change in Control and Noncompetition Agreement between you and AMB Property, L.P, dated as of September 27, 2007 (the "CIC Agreement"). This letter sets forth your agreement to amend Sections 1, 2 and 3.5 of the CIC Agreement; provided that such amendments shall be effective only in connection with, and subject to the consummation of, the transactions contemplated by the Agreement and Plan of Merger by and among AMB Property Corporation, AMB Property, L.P., Prologis, Upper Pumpkin LLC, New Pumpkin and Pumpkin LLC, dated as of January 30, 2011 (the "Merger Agreement"). Capitalized terms used and not defined in this letter shall have the meanings ascribed to them in the CIC Agreement.

1. The Company and you agree that Section 1 of the CIC Agreement is amended by adding the following sentence to the end of such section, effective only upon, and conditioned upon, the Topco Effective Time:

> Notwithstanding the foregoing, this Agreement shall not terminate until the end of the twenty-fourth (24) calendar month following the Topco Effective Time (as defined in the Agreement and Plan of Merger by and among AMB Property Corporation, AMB Property, L.P., Prologis, Upper Pumpkin LLC, New Pumpkin and Pumpkin LLC, dated as of January 30, 2011 (the "Merger Agreement")); *provided, however,* that if a Change in Control (as defined in Section 2) shall occur following the Topco Effective Time during the term of this Agreement, this Agreement shall not terminate until the end of the twenty-fourth (24) calendar month after the date on which such a Change in Control occurs (the effective date of each such Change in Control constituting a new "Change in Control Date"), at which time it will expire.

2. The Company and you agree that the consummation of the transactions contemplated by the Merger Agreement will constitute a "Change in Control" within the meaning of the CIC Agreement, and effective as of the Topco Effective Time, the definition of "Change in Control" in Section 2 of the CIC Agreement shall be amended to add the following sentence at the end thereof:

> Notwithstanding any other provision of this Agreement to the contrary, the Topco Merger (as defined in the Merger Agreement) shall constitute a Change in Control, and the Topco Effective Time (as defined in the Merger Agreement), shall constitute the Change in Control Date applicable to such Change in Control.

3. The Company and you agree that Section 3.5 of the CIC Agreement is amended in its entirety to read as follows. effective only upon, and conditioned upon, the Topco Effective Time:

> 3.5 Accelerated Vesting of Equity-Based Awards. Notwithstanding anything to the contrary set forth in any stock, option or other equity incentive award plan of the Company or in any option. restricted stock or other equity-based award agreement between the Company and the Executive (regardless of whether such agreement is under any such stock, option or other equity incentive award plan), upon the Executive's termination of employment with the Company under circumstances which entitle the Executive to the payments and benefits described in Section 3.3 or upon the Executive's termination of employment due to death or Disability, (A) all options to acquire any equity securities of the Company held by the Executive on the date of such termination, and which also had been held by the Executive at the Topco Effective Time shall immediately become exercisable and fully vested and (B) all shares of restricted stock, restricted stock units, deferred stock awards and other awards based upon the Company's equity securities held by the Executive on the date of such termination, and which also had been held by the Executive at the Topco Effective Time, shall immediately become fully vested, exercisable or payable, as applicable, and any forfeiture provisions with respect to such awards shall immediately lapse.

You understand and agree that the effect of the foregoing amendment is to replace the paragraph of your CIC Agreement providing for immediate vesting of your equity and equity-based awards upon a Change in Control, with a paragraph providing that the vesting of equity and equity-based awards held by you at the Topco Effective Time will accelerate upon a severance-qualifying termination of employment or termination due to death or Disability during the two-year period following a Change in Control.

Except as expressly set forth above, all of the terms and conditions of the CIC Agreement shall remain in full force and effect without modification. This amendment is subject to the choice of law, dispute resolution and other terms and conditions of the CIC Agreement as if set forth therein.

Please acknowledge your understanding of and agreement to the provisions of this letter (including the amendment to your CIC Agreement set forth herein) by signing this letter in the space provided below and returning a copy to the undersigned. This letter may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Very truly yours,

By: AMB PROPERTY, L.P., a Delaware limited partnership

By: AMB Property Corporation, its general partner

By: /s/ Nancy J. Hemmenway
Senior Vice President, Human Resources

Agreed to and acknowledged
as of the 30th day of January, 2011:

/s/ Eugene F. Reilly

AMB Property Corporation®

January 30, 2011

Thomas S. Olinger
c/o AMB Property Corporation
Pier 1, Bay 1
San Francisco CA 94111

Re: Continuing Employment; Change in Control and Noncompetition Agreement

Dear Mr. Olinger:

This letter sets forth our agreement with respect to your employment following the consummation of the transactions contemplated by the Agreement and Plan of Merger by and among AMB Property Corporation, AMB Property, L.P., Prologis, Upper Pumpkin LLC, New Pumpkin and Pumpkin LLC, dated as of January 30, 2011 (the "Merger Agreement"), and serves to amend the Change in Control and Noncompetition Agreement between you and AMB Property, L.P, dated as of September 27, 2007 (the "CIC Agreement"). Capitalized terms used and not defined in this letter shall have the meanings ascribed to them in the CIC Agreement; provided that, in paragraph 1 below, the term "Company" shall mean the "Surviving Corporation," as that term is defined in the Merger Agreement, as successor to the Company.

1. Effective as of the "Topco Effective Time" (as that term is defined in the Merger Agreement), you shall be employed by the Company as its Chief Integration Officer. You shall become the Chief Financial Officer of the Company upon the earlier of: (a) January 1, 2013 and (b) the termination of employment with the Company for any reason of William E. Sullivan, or Mr. Sullivan otherwise ceasing to be the Company's Chief Financial Officer, following the Topco Effective Time. You agree to waive your right to resign for Good Reason in accordance with your CIC Agreement on account of your assumption of the position of Chief Integration Officer (rather than Chief Financial Officer) of the Company in accordance with the preceding sentence; provided (for purposes of clarity) that you shall have the right to resign for Good Reason in accordance with the CIC Agreement if you do not become the Chief Financial Officer of the Company at the time described in the preceding sentence, and you do not waive any other of your rights under the CIC Agreement (including but not limited to the right to resign for Good Reason for reasons other than described in this sentence).

2. The Company and you agree that Section 1 of the CIC Agreement is amended by adding the following sentence to the end of such section, effective only upon, and conditioned upon, the Topco Effective Time

> Notwithstanding the foregoing, this Agreement shall not terminate until the end of the twenty-fourth (24) calendar month following the Topco Effective Time (as defined in the Agreement and Plan of Merger by and among AMB Property Corporation, AMB Property, L.P., Prologis, Upper Pumpkin LLC, New Pumpkin and Pumpkin LLC, dated as of January 30, 2011 (the "Merger Agreement")); *provided*, *however*, that if a Change in Control (as defined in Section 2) shall occur following the Topco Effective Time during the term of this Agreement, this Agreement shall not terminate until the end of the twenty-fourth (24) calendar month after the date on which such a Change in Control occurs (the effective date of each such Change in Control constituting a new "Change in Control Date"), at which time it will expire.

3. The Company and you agree that the consummation of the transactions contemplated by the Merger Agreement will constitute a "Change in Control" within the meaning of the CIC Agreement, and effective as of the Topco Effective Time, the definition of "Change in Control" in Section 2 of the CIC Agreement shall be amended to add the following sentence at the end thereof:

Pier 1, Bay 1 San Francisco, California 94111 United States Main +1 415 394 9000 Fax +1 415 394 9001

Notwithstanding any other provision of this Agreement to the contrary, the Topco Merger (as defined in the Merger Agreement) shall constitute a Change in Control, and the Topco Effective Time (as defined in the Merger Agreement), shall constitute the Change in Control Date applicable to such Change in Control.

4. The Company and you agree that Section 3.5 of the CIC Agreement is amended in its entirety to read as follows, effective only upon, and conditioned upon, the Topco Effective Time:

3.5 Accelerated Vesting of Options and Other Equity-Based Awards. Notwithstanding anything to the contrary set forth in any stock, option or other equity incentive award plan of the Company or in any option, restricted stock or other equity-based award agreement between the Company and the Executive (regardless of whether such agreement is under any such stock, option or other equity incentive award plan), upon the Executive's termination of employment with the Company under circumstances which entitle the Executive to the payments and benefits described in Section 3.3 or upon the Executive's termination of employment due to death or Disability, (A) all options to acquire any equity securities of the Company held by the Executive on the date of such termination, and which also had been held by the Executive at the Topco Effective Time, shall immediately become exercisable and fully vested and (B) all shares of restricted stock, restricted stock units, deferred stock awards and other awards based upon the Company's equity securities held by the Executive on the date of such termination, and which also had been held by the Executive at the Topco Effective Time, shall immediately become fully vested, exercisable or payable, as applicable, and any forfeiture provisions with respect to such awards shall immediately lapse.

You understand and agree that the effect of the foregoing amendment is to replace the paragraph of your CIC Agreement providing for immediate vesting of your equity and equity-based awards upon a Change in Control, with a paragraph providing that the vesting of equity and equity-based awards held by you at the Topco Effective Time will accelerate upon a severance-qualifying termination of employment, or termination due to death or Disability during the two-year period following a Change in Control.

Except as expressly set forth above, all of the terms and conditions of the CIC Agreement shall remain in full force and effect without modification. This amendment is subject to the choice of law, dispute resolution and other terms and conditions of the CIC Agreement as if set forth therein.

AMB Property Corporation®

Please acknowledge your understanding of and agreement to the provisions of this letter (including the amendment to your CIC Agreement set forth herein) by signing this letter in the space provided below and returning a copy to the undersigned. This letter may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Very truly yours,

By: AMB PROPERTY, L.P., a Delaware limited partnership,

By: AMB Property Corporation, its general partner

By: /s/ Nancy J. Hemmenway
Nancy J. Hemmenway
Senior Vice President, Human Resources

Agreed to and acknowledged
as of the 30th day of January, 2011:

/s/ Thomas S. Olinger

EXHIBIT 12.1

PROLOGIS, Inc.
COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES
(Dollar amounts in thousands)

	Six Months Ended June 30,	Year Ended December 31,				
	2011	**2010**	**2009**	**2008**	**2007**	**2006**
Earnings (loss) from continuing operations	$ (202,996)	$ (1,581,944)	$ (345,911)	$ (359,356)	$ 852,641	$ 608,663
Add (Deduct):						
Fixed charges	232,377	518,399	471,667	557,330	515,472	391,762
Capitalized interest	(23,807)	(53,661)	(94,205)	(168,782)	(123,880)	(95,635)
Earnings from unconsolidated investees, net	(25,040)	(23,678)	(28,059)	55,774	(94,453)	(93,055)
Distributed income from equity investees	24,850	27,404	63,885	50,042	98,134	86,372
Income taxes	12,798	(30,499)	5,975	68,011	66,855	29,786
Earnings (loss), as adjusted	**$ 18,182**	**$ (1,143,979)**	**$ 73,352**	**$ 203,019**	**$ 1,314,769**	**$ 927,893**
Fixed charges:						
Interest expense	$ 203,621	$ 461,166	$ 373,305	$ 385,065	$ 388,746	$ 294,063
Capitalized interest	23,807	53,661	94,205	168,782	123,880	95,635
Portion of rents representative of the interest factor	4,949	3,572	4,157	3,483	2,846	2,064
Total fixed charges	**$ 232,377**	**$ 518,399**	**$ 471,667**	**$ 557,330**	**$ 515,472**	**$ 391,762**
Ratio of earnings (loss), as adjusted, to fixed charges	**(a)**	**(a)**	**(a)**	**(a)**	**2.6**	**2.4**

(a) Our combined fixed charges exceeded our earnings, as adjusted, by $214.2 million for the six months ended June 30, 2011. The loss from continuing operations for 2010, 2009 and 2008 includes impairment charges of $1.1 billion, $495.2 million, and $703.5 million, respectively, that are discussed in our Annual Report on Form 10-K. Due to these impairment charges, our combined fixed charges and preferred share dividends exceed our earnings, as adjusted, by $1.7 billion, $398.3 million and $354.3 million for 2010, 2009 and 2008, respectively.

EXHIBIT 12.2

PROLOGIS, Inc.
COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED SHARE DIVIDENDS
(Dollar amounts in thousands)

	Six Months Ended June 30,	Year Ended December 31,				
	2011	**2010**	**2009**	**2008**	**2007**	**2006**
Earnings (loss) from continuing operations	$ (202,996)	$ (1,581,944)	$ (345,911)	$ (359,356)	$ 852,641	$ 608,663
Add (Deduct):						
Fixed charges	232,377	518,399	471,667	557,330	515,472	391,762
Capitalized interest	(23,807)	(53,661)	(94,205)	(168,782)	(123,880)	(95,635)
Earnings from unconsolidated investees, net	(25,040)	(23,678)	(28,059)	55,774	(94,453)	(93,055)
Distributed income from equity investees	24,850	27,404	63,885	50,042	98,134	86,372
Income taxes	12,798	(30,499)	5,975	68,011	66,855	29,786
Earnings (loss), as adjusted	**$ 18,182**	**$ (1,143,979)**	**$ 73,352**	**$ 203,019**	**$ 1,314,769**	**$ 927,893**
Combined fixed charges and preferred share dividends:						
Interest expense	$ 203,621	$ 461,166	$ 373,305	$ 385,065	$ 388,746	$ 294,063
Capitalized interest	23,807	53,661	94,205	168,782	123,880	95,635
Portion of rents representative of the interest factor	4,949	3,572	4,157	3,483	2,846	2,064
Total fixed charges	232,377	518,399	471,667	557,330	515,472	391,762
Preferred share dividends	14,011	25,424	25,423	25,423	25,423	25,416
Combined fixed charges and preferred share dividends	**$ 246,388**	**$ 543,823**	**$ 497,090**	**$ 582,753**	**$ 540,895**	**$ 417,178**
Ratio of earnings (loss), as adjusted, to combined fixed charges and preferred share dividends	**(a)**	**(a)**	**(a)**	**(a)**	**2.4**	**2.2**

(a) Our combined fixed charges and preferred share dividends exceeded our earnings, as adjusted, by $228.2 million for the six months ended June 30, 2011. The loss from continuing operations for 2010, 2009 and 2008 includes impairment charges of $1.7 billion, $423.7 million, and $379.7 million, respectively, that are discussed in our Annual Report on Form 10-K. Due to these impairment charges, our combined fixed charges and preferred share dividends exceed our earnings, as adjusted, by $1.7 billion, $423.7 million and $379.7 million for 2010, 2009 and 2008, respectively.

EXHIBIT 15.1

The Board of Directors
Prologis, Inc.:

Re: Registration Statement Nos. 333-153379, 333-78699, 333-81475, 333-75951, 333-140861 and 333-161347 on Form S-3; Registration Statement Nos. 333-173891 and 333-172741 on Form S-4; and Registration Statement Nos. 333-42015, 333-78779, 333-90042, 333-100214 and 333-144489 on Form S-8

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated August 8, 2011 related to our review of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act), such report is not considered part of a registration statement prepared or certified by an independent registered public accounting firm, or a report prepared or certified by an independent registered public accounting firm within the meaning of Sections 7 and 11 of the Act.

KPMG LLP

Denver, Colorado
August 8, 2011

EXHIBIT 15.2

The Partners
Prologis, L.P.:

Re: Registration Statement Nos. 333-153379, 333-78699, 333-81475, 333-75951, 333-140861 and 333-161347 on Form S-3; Registration Statement No. 333-173891 on Form S-4; and Registration Statement No. 333-100214 on Form S-8

With respect to the subject registration statements, we acknowledge our awareness of the use therein of our report dated August 8, 2011 related to our review of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act), such report is not considered part of a registration statement prepared or certified by an independent registered public accounting firm, or a report prepared or certified by an independent registered public accounting firm within the meaning of Sections 7 and 11 of the Act.

KPMG LLP

Denver, Colorado
August 8, 2011

EXHIBIT 31.1

CERTIFICATION

We, Hamid R. Moghadam and Walter C. Rakowich, certify that:

1. We have reviewed this quarterly report on Form 10-Q of Prologis, Inc.;

2. Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. We, and the registrant's other certifying officer, are responsible for establishing and maintaining disclosure controls and procedures, (as defined in Exchange Act Rules 13a —15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. We, and the registrant's other certifying officer, have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 8, 2011

/s/ Hamid R. Moghadam
Name: Hamid R. Moghadam
Title: Co-Chief Executive Officer

/s/ Walter C. Rakowich
Name: Walter C. Rakowich
Title: Co-Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, William E. Sullivan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Prologis, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures, (as defined in Exchange Act Rules 13a —15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 8, 2011

/s/ William E. Sullivan
Name: William E. Sullivan
Title: Chief Financial Officer

EXHIBIT 31.3

CERTIFICATION

We, Hamid R. Moghadam and Walter C. Rakowich, certify that:

1. We have reviewed this quarterly report on Form 10-Q of Prologis, L.P.;
2. Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. We, and the registrant's other certifying officer, are responsible for establishing and maintaining disclosure controls and procedures, (as defined in Exchange Act Rules 13a —15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. We, and the registrant's other certifying officer, have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 8, 2011

/s/ Hamid R. Moghadam
Name: Hamid R. Moghadam
Title: Co-Chief Executive Officer

/s/ Walter C. Rakowich
Name: Walter C. Rakowich
Title: Co-Chief Executive Officer

EXHIBIT 31.4

CERTIFICATION

I, William E. Sullivan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Prologis, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures, (as defined in Exchange Act Rules 13a —15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 8, 2011

/s/ William E. Sullivan
Name: William E. Sullivan
Title: Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Prologis, Inc. (“the Company”), hereby certifies, to such officer’s knowledge, that the Company’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011 (the “Report”), which accompanies these certifications, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 8, 2011

/s/ Hamid R. Moghadam
Name: Hamid R. Moghadam
Title: Co-Chief Executive Officer

Dated: August 8, 2011

/s/ Walter C. Rakowich
Name: Walter C. Rakowich
Title: Co-Chief Executive Officer

Dated: August 8, 2011

/s/ William E. Sullivan
Name: William E. Sullivan
Title: Chief Financial Officer

EXHIBIT 32.2

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Prologis, L.P. (“the Company”), hereby certifies, to such officer’s knowledge, that the Company’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011 (the “Report”), which accompanies these certifications, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 8, 2011

/s/ Hamid R. Moghadam
Name: Hamid R. Moghadam
Title: Co-Chief Executive Officer

Dated: August 8, 2011

/s/ Walter C. Rakowich
Name: Walter C. Rakowich
Title: Co-Chief Executive Officer

Dated: August 8, 2011

/s/ William E. Sullivan
Name: William E. Sullivan
Title: Chief Financial Officer