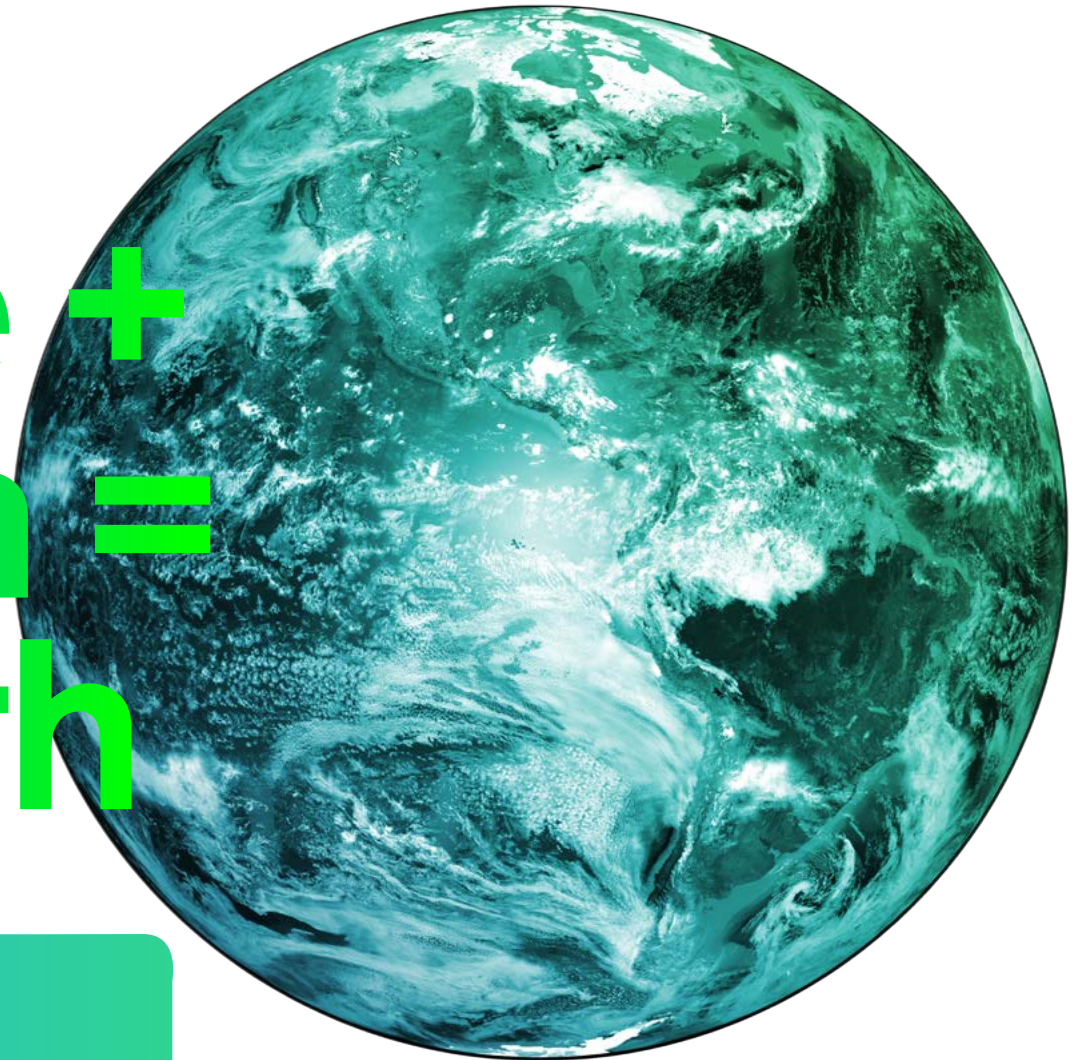


Scale +
depth =
growth



Global leadership in industrial real estate gives Prologis the broad scale and deep expertise to drive profitable growth.



Scale + depth = growth

Global leadership in industrial real estate gives Prologis the broad scale and deep expertise to drive profitable growth.



01 Global reach

We connect customers with consumers across countries comprising 70+ percent of the world's GDP.

02 Premier locations

Our facilities serve the world's most important centers of commerce.

03 Innovative solutions

For 30 years we have pioneered cutting-edge design, delivered value through innovation, and defined best practices for the industry.

04 Local expertise

We match global scale with local strength by putting the right people in the right places.

05 Leadership

Our leadership's commitment to excellence is unwavering.

Global reach

We connect customers with consumers across countries comprising 70+ percent of the world's GDP.



Growth trends

We invest at the confluence of four drivers of global growth: population, consumption, e-commerce and urbanization. Our scale and reach make us the preferred choice for customers and investors alike.



Major markets

We serve some of the world's largest companies in the world's most prosperous trade-linked markets. Our properties enable the borderless flow of goods, positioning us to realize the highest risk-adjusted returns—well ahead of the competition.



Asia
69 buildings
45 MSF
\$6.5B AUM



Europe
660 buildings
167 MSF
\$13.3B AUM



Americas
2,124 buildings
378 MSF
\$33.0B AUM



Premier locations

Our facilities serve the world's most important centers of commerce.



Positioned for growth

Our locations allow us to benefit from increasing urbanization, rising affluence and a scarcity of Class-A logistics facilities.

Advantaged access

Our 2,900 high-quality facilities serve global trade locally. We operate within easy reach of the world's most vibrant centers of commerce where per-capita consumption is high or growing and commercial infrastructure is robust—with major seaports, airports and ground transportation nearby.



Innovative solutions

For 30 years we have pioneered cutting-edge design, delivered value through innovation and defined best practices for the industry.



Sustainable design

This is not your average warehouse. We lead the industry in renewable energy, technology-driven operational platforms, efficient lighting and cooling systems, sustainable water strategies and seismic isolators. We design all of our new developments to comply with sustainable certification standards.



Insightful business practices

Our eleven co-investment ventures allow us to align with investors and partners and to tap public and private capital while mitigating the risk of foreign currency movements. These innovations are not only good for the bottom line. They're sustainable.

Local expertise

We match global scale with local strength by putting the right people in the right places.



Surpassing professionalism

We have a deep organization staffed by the very best professionals in the industry. We know our customers and competitors, work closely with local government officials, understand geographic nuances and deliver innovative solutions.

Speed and flexibility

In-market strength enables us to quickly identify local opportunities and execute profitably. Meanwhile, bigger scale and better systems allow us to flex and serve even the most complex global customers.

Leadership

Our leadership's commitment to excellence is unwavering.



Mindful management

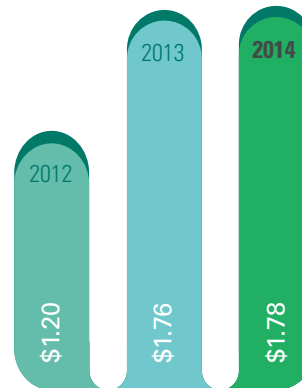
Our actions are guided by a three-part long-term plan that entails capitalizing on recovering rents, extracting value by putting land to work, and leveraging our scale for profitable growth.



In order of appearance from left to right:
 Gary E. Anderson, Diana L. Scott, Michael S. Curless,
 Hamid R. Moghadam, Thomas S. Olinger, Edward S. Nekritz,
 Eugene F. Reilly

FFO (BASIC)

Per share (unit)



Relative to the financial information, please see the 2014 Form 10-K. FFO per share/unit (basic) is a non-GAAP measurement. Please see the 2014 Form 10-K for a discussion of FFO and a reconciliation for FFO to net earnings (loss).

Thoughtful ambition

We combine proven development and operating strategies, financial acumen, and a rigorous capital deployment process to deliver industry leading management of capital, customers and facilities. Simply put, we aim higher and deliver fully.

Shareholders letter

Discussion with
Hamid R. Moghadam

[WATCH VIDEO](#)



Image: Hamid R. Moghadam, Chairman of the Board of Directors and Chief Executive Officer

Dear Fellow Shareholders,

In 2014, our financial results reflected strong performance across our three business lines. Earnings surpassed the top end of our guidance range, with core funds from operations growing from \$1.65 per diluted share to \$1.88 per diluted share, a 14% increase. This performance reflects the strength of our repositioned portfolio, which is focused on the highest-quality assets in the best markets around the world.

ROADMAP FOR SUCCESS

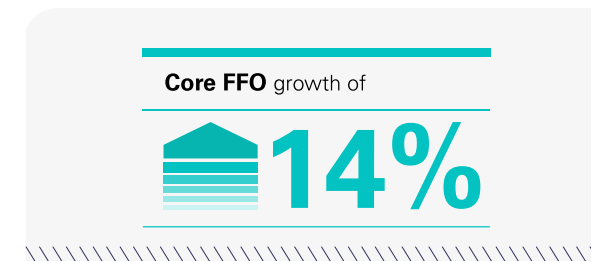
Last year, we introduced a new three-year strategic plan designed to support our long-term earnings growth. In just one year, we made significant progress by harvesting the gap between in place and market rents, putting our development expertise and land bank to work to serve the needs of our customers and leveraging our scale to drive growth and create value.

Here are the results of our progress:

Capitalizing on the Rental Recovery

We identified and captured opportunities for increases in rents and took advantage of a strong, though somewhat uneven, improvement in market fundamentals. The Americas, Asia and certain parts of Europe exceeded our expectations while Southern, Central and Eastern Europe lagged. Overall, our global occupancy increased to 96.1% at year-end. For the year, rent change on rollover was 7.4%, which translated to our share of GAAP same store NOI growth of 3.7%.

Our results in the U.S. underscore the quality of our assets and reflect the outstanding work of our operations team. Our U.S. portfolio ended the year at 96.7% occupancy, outperforming the market by 320 basis points. Demand was broad-based; at year-end occupancy in our Americas portfolio exceeded 98% in roughly half of our markets. This occupancy, combined with double-digit rent



“We put \$430 million of land to work in 2014.”



Image: Prologis Park, Nové Mesto, Slovakia

increases on rollovers, drove our share of GAAP same store NOI growth of approximately 5.3% in the U.S., a level not seen since before the downturn. Although the rate of new building deliveries is increasing, it continues to lag absorption. Net absorption in 2014 was right on forecast at double the rate of deliveries. For 2015, we expect completions of 170 million square feet against absorption of 225 million square feet.

In Europe, our 95% occupancy outperformed the market by 210 basis points—a testament to the skills of our people and the quality of our locations and facilities. As we forecasted last year, cap rate compression was a mixed blessing as it drove strong appreciation for our assets while continuing to be a headwind to rent growth. Looking forward, we expect market occupancies in Europe to rise as supply remains constrained. Space utilization will continue to run at a high level and customers will need more space to support these incremental growth needs, just as they did in the U.S. two years ago. As a result, we expect to see an extended recovery and several years of favorable market conditions in this region.

In Asia, market conditions remained strong and operating results were on plan. We continue to see new space requirements from domestic retailers and e-commerce customers.

Realizing Value from Our Land Bank

Last year, we put our land to work in speculative and build-to-suit projects and monetized \$430 million of land in development starts with an estimated overall profit margin of 20%. Demand for our facilities is driven by population growth, urbanization, macroeconomic changes and reconfiguration of the supply chain. Our approach was two-fold: meet the needs of our biggest global customers in our developed markets and serve customers in emerging markets that lack Class-A facilities.

Development stabilizations totaled more than \$1.1 billion; our share of value creation was \$236 million, or \$0.47 per share. Though we are still early in a cycle of above-average development profits, our well-located land bank has an estimated build-out potential of approximately 180 million square feet or \$10.7 billion at high returns on invested capital.



Image above and below:
Prologis location, Port Reading, New Jersey, US



We also continue to monetize our value-added conversion projects. This is a business that is unique to us. It benefits from our focused investment strategy and the dedication of a team that understands how to identify and unlock the intrinsic value in select infill assets. We believe this business will continue to produce meaningful gains and NAV appreciation as we convert some of our industrial properties to higher and better uses. Through February 2015, we have averaged approximately \$50 million annually in gains from our value-add efforts over the last nine years.

Using Our Scale to Grow Earnings

Our global reach makes it possible for us to deploy capital where we see the highest risk-adjusted returns. In the U.S., where market conditions were strong and values were high, we were a seller of non-strategic holdings. Conversely, in Europe our focus has been on third-party acquisitions—to illustrate, we deployed \$1.2 billion to acquire quality assets in target markets at significant discounts to replacement cost. Timing here was critical as cap rates compressed throughout the year.

We deployed \$3.1 billion of capital at cap rates that were 60 basis points higher than what we achieved on dispositions and contributions. This shift into higher-quality and higher-yielding assets improved earnings and upgraded our portfolio.

Our scale in existing markets allows us to grow with minimal incremental overhead. We have the capacity to take on \$10 billion in overall assets in our existing markets with very small additions to G&A. Our global reach benefits our customers, who appreciate the streamlined approach of working with a single provider. We give our customers the flexibility to reconfigure their supply chains across diverse geographies, regardless of local market conditions.



Image above: Prologis Park, Ichikawa, Japan
 Image below: Prologis Park, Narashino, Japan

EXPANDING STRATEGIC CAPITAL

In our strategic capital business, which comprises public and private co-investment ventures, we continued to have a well-primed investor queue with steady interest across our vehicles. We raised about \$2.5 billion in third-party strategic capital during 2014 and now have approximately \$20 billion in third-party assets under management. We are pleased that each of our funds outperformed its respective benchmark for all time segments since the merger in 2011. This outperformance gives us the opportunity to continue to earn promoted interests based on above-threshold returns in the future.

Raised third-party Strategic Capital of \$2.5 billion

Two landmark ventures in 2014 advanced our strategic capital franchise. First, we formed the Prologis U.S. Logistics Venture with Norway's sovereign wealth fund, Norges Bank Investment Management (NBIM). This is our second venture with NBIM following the formation in 2013 of Prologis European Logistics Partners. Second, we completed a successful Initial Public Offering in Mexico. The FIBRA simplifies our structure and positions us for long-term growth in this important region. Perpetual-life vehicles now account for more than 90% of our strategic capital revenue.

The significance of strategic capital goes well beyond financing our global expansion. Our co-investment ventures are a source of capital for investments and they provide incremental revenues through asset management and incentive fees. This in turn improves our shareholders' return on invested capital and protects our earnings against fluctuations in foreign currency.

“Our success will continue to be built on the pillars of capitalizing on the rental recovery, realizing value from our land bank and using our scale to grow earnings.”



Image above: Prologis Headquarters, San Francisco, California, US

SOLIDIFYING OUR FINANCIAL POSITION

We've worked to further fortify our balance sheet by enhancing liquidity and reducing currency exposure. Capping this significant effort, we completed more than \$7 billion of capital markets activity in 2014. As a result, leverage declined to 36.5%, debt to adjusted EBITDA fell to 6.8 times and liquidity increased to \$3.4 billion.



We also took significant steps to minimize the impact of foreign currency exposure on our NAV and earnings. Specifically, we converted the majority of the net currency composition of our balance sheet to U.S. dollars. As a result, our U.S. dollar net equity exposure stood at 89% at year-end.

Thanks to our improved operational metrics, including same store NOI and occupancy, as well as significant liquidity, we received two credit rating upgrades in 2014. Moody's upgraded Prologis to Baa1 from Baa2 and Standard & Poor's raised our corporate credit rating to BBB+ from BBB, both with a stable outlook. We're proud of this achievement. We're well on our way to building one of the best balance sheets in the real estate industry.

LOOKING AHEAD

We entered 2015 with a platform primed for growth. Our plan is straightforward and focuses on capitalizing on the rental recovery, putting our land bank, talent and capital to work to serve the needs of our customers, and leveraging our scale to drive growth and create value.

With this approach, we can take full advantage of opportunities across the globe. We own the right properties in the right markets and our portfolio has never been better aligned to support our strategy. We have market-leading presence in key cities across four continents; this reach allows us to deploy



Image above: Prologis Park, Douglas Hill, Atlanta, Georgia, U.S. Image below: Prologis Park, Inland Empire, California, US

capital profitably on multiple fronts. We have the financial capacity to carry out our plan, and we have protected our downside with a prudent capital structure and significant liquidity. We remain patient and disciplined.

Our long-range plan is supported by the insights and counsel of our board of directors. At Prologis' 2015 annual meeting of shareholders, D. Michael Steuert will retire from our board after 12 years of dedicated service. He has been a constant resource on our audit committee and we are grateful for his many contributions. In January, we welcomed David P. O'Connor as a new independent board member. David brings 25 years of expertise in real estate investments and capital markets to Prologis and we are pleased to have someone of his exceptional talent join our board.

I would like to recognize the incredible dedication of the talented people throughout our organization. Their passion, professionalism and commitment are a source of great pride, and they are the foundation of our success. I am honored also by the confidence and trust of our customers, investors and partners. We strive constantly to be worthy of that trust as we pursue our goals to deliver growth, performance and value.

Thank you,

A handwritten signature in black ink that reads "Hamid R. Moghadam". The signature is fluid and cursive, with a long horizontal stroke at the end.

Hamid R. Moghadam
Chairman and Chief Executive Officer

Leadership



Image above: Prologis Corporate Headquarters, San Francisco, California, U.S. Image below: In order of appearance from left to right: Gary E. Anderson, Diana L. Scott, Michael S. Curless, Hamid R. Moghadam, Thomas S. Olinger, Edward S. Nekritz, Eugene F. Reilly

Senior Officers

HAMID R. MOGHADAM

Chairman of the Board of Directors and Chief Executive Officer

[Click to read bio](#)

EUGENE F. REILLY

Chief Executive Officer, The Americas

[Click to read bio](#)

GARY E. ANDERSON

Chief Executive Officer, Europe and Asia

[Click to read bio](#)

EDWARD S. NEKRITZ

Chief Legal Officer and General Counsel

[Click to read bio](#)

THOMAS S. OLINGER

Chief Financial Officer

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MICHAEL S. CURLESS

Chief Investment Officer

[Click to read bio](#)

DIANA L. SCOTT

Chief Human Resources Officer

[Click to read bio](#)

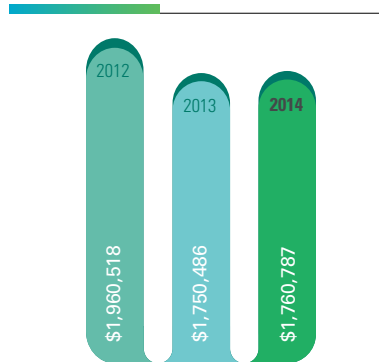
“Results in 2014 were tangible and compelling. Earnings surpassed the top end of our guidance range, with core funds from operations growing 14% year-over-year.”



Image: Prologis Park, Redlands, CA

REVENUE SUMMARY

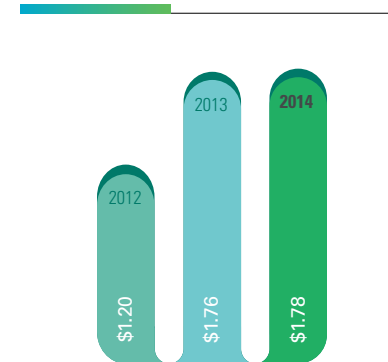
(in thousands)



Relative to the financial information, please see Prologis' Annual Report on Form 10-K for the year ended December 31, 2014 (the "2014 Form 10-K").

FFO (BASIC)

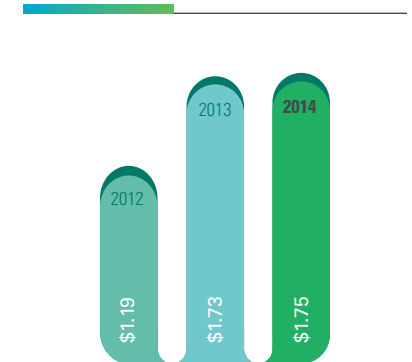
Per share (unit)



Relative to the financial information, please see the 2014 Form 10-K. FFO per share/unit (basic) is a non-GAAP measurement. Please see the 2014 Form 10-K for a discussion of FFO and a reconciliation for FFO to net earnings (loss).

FFO (DILUTED)

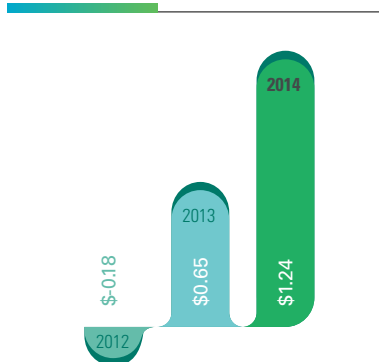
Per share/unit (diluted)



Relative to the financial information, please see the 2014 Form 10-K. FFO per share/unit (diluted) is a non-GAAP measurement. Please see the 2014 Form 10-K for a discussion of FFO and a reconciliation of FFO to net earnings (loss).

EARNINGS

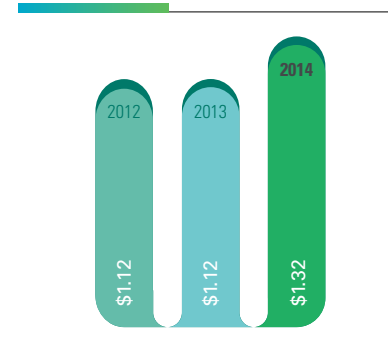
Per share (basic)



Relative to the financial information, please see the 2014 Form 10-K.

DIVIDENDS

(Per common share/unit)



Relative to the financial information, please see the 2014 Form 10-K.

Please see the 2014 Form 10-K and our 4Q14 earnings supplemental for definitions and reconciliations of non-GAAP measurements, such as Core FFO, GAAP same store NOI and adjusted EBITDA. Regarding securities ratings presented, such ratings are not recommendations to buy, sell or hold securities and are subject to revision or withdrawal at any time by the rating organizations.