PROLOGIS ACQUIRES 60 MILLION SQUARE FOOT KTR PORTFOLIO

At the end of May, Prologis closed on the $5.9 billion acquisition of the KTR Capital Partners (KTR) portfolio. The 60 million square foot industrial portfolio, which comprises 322 properties, was acquired by Prologis U.S. Logistics Venture, a joint venture with Norges Bank Investment Management.

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PROLOGIS MAY 2015 INDUSTRIAL BUSINESS INDICATOR REPORT


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FEATURING BROKER TEAM
Industrial Tenant Representation Team
CBRE | Dallas, Texas

The team based in Dallas was formed almost 18 years ago when Seth Kelly and Ryan Keiser joined together to focus on industrial tenant representation. The team has completed more than $148 million in sales and lease transactions covering 8.6 million square feet in the last two decades with Prologis. The team’s focus has resulted in an extremely deep base of experience assisting corporate clients across the U.S. and globally.

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NORTHWEST AND SOUTHWEST BROKER APPRECIATION EVENT

Prologis was thrilled to host another outstanding Broker Appreciation Event for the Northwest and Southwest regions in stunning Ojai, California in May.

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Quick Facts

• 60 MSF portfolio of high-quality operating properties

• 322 properties concentrated in New Jersey, Southern California, Chicago and South Florida

• 3.6 MSF of development in Southern California, Northern California, Dallas, Houston and Reno

• Land in Pennsylvania, Southern California, Northern California and Houston with 6.8 MSF build-out potential

• 95 percent overlap with Prologis target markets

The Prologis Portfolio after KTR

As demonstrated by the 95 percent overlap with our existing U.S. portfolio, the KTR portfolio aligns extremely well with our investment strategy to develop and acquire high-quality industrial real estate in major U.S. markets. As shown below in orange, the KTR portfolio provides an excellent opportunity to expand and leverage our customer relationships and development capability across the United States.

The strong synergy between our respective portfolios allows us to effectively integrate the portfolio into our operating platform.

With the acquisition, Amazon has moved from being our fifth largest global customer to our largest customer, increasing their portfolio with us by more than 50 percent. These Amazon facilities are in Louisville, Miami, New Jersey, Hartford, Chicago and Reno.

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Prologis Welcomes Those Joining Us From KTR!

Lindsay Kindlon
Property Management
Chicago

Brad Stitchberry
Leasing
South Florida

Melissa Lozano
Property Management
South Florida

Jannette Jimenez-Muro
Property Management
South Florida

Amanda Comatov
Property Management
Las Vegas

Renee Carroll
Leasing
Las Vegas

Daniel Bernacki
Maintenance
Las Vegas

Kevin Apel
Leasing
Los Angeles

Daniel Vignola
Construction
New Jersey / New York

John Bancroft
Development
New Jersey / New York

Georgia Ferrer
Property Management
Seattle

We also welcomed many new customers into our portfolio. Our exposure to new customers presents a great opportunity to further develop the strong relationships built by KTR and continue to deliver an unmatched level of customer service.

**Top Ten Customers Post-Acquisition**

<table>
<thead>
<tr>
<th>Customer</th>
<th>Prologis Portfolio</th>
<th>KTR Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>12.3 MSF</td>
<td>9.9 MSF</td>
</tr>
<tr>
<td>DHL</td>
<td>6.7 MSF</td>
<td>7.2 MSF</td>
</tr>
<tr>
<td>KEHE</td>
<td>6.7 MSF</td>
<td>5.4 MSF</td>
</tr>
<tr>
<td>Nippon Express</td>
<td>3 MSF</td>
<td>2.7 MSF</td>
</tr>
<tr>
<td>Walmart</td>
<td>4.8 MSF</td>
<td>3.2 MSF</td>
</tr>
</tbody>
</table>

**Chicago Highlights**

**Total Portfolio with KTR Acquisition**

- 48.1 million square feet
- 654 units in 285 buildings
- 484 acres of land for development

With the closing, our Chicago team was quick to make an impression on the 112 customers represented within the 11.4 million square foot KTR Chicago portfolio. The day after closing, the Prologis team made an in-person visit to every customer as part of an initiative throughout the Central Region.

By reaching out to customers on the first day, we were able to address, quickly and efficiently, a customer emergency that arose that weekend. When a sprinkler broke, flooding a facility, the customer had the correct emergency contact information, and a Prologis maintenance technician was onsite to help until the crisis was resolved.

“Prologis prides itself on maintaining superior customer service across the globe. By focusing on a quick and easy transition, our Chicago team was able to handle an emergency the moment it arose,” said Carter Andrus, Senior Vice President, Market Officer, Chicago. “This is in addition to providing local brokers with the transition information they needed, quickly turning marketing materials and having leasing signage up at all newly acquired properties within a few days of the closing. It is important to Prologis that we don’t miss a beat with customer service or marketing efforts to prevent any delays post-acquisition.”

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Developments and Land
With 10 Class-A developments recently completed or under construction, we are able to provide more availability in several markets.

Eight speculative developments are currently under construction in Southern California, Reno, the San Francisco Bay Area and Texas. These developments will deliver soon and are excellent opportunities for customers that need space in a tight market.

Prologis Redlands Dist. Center, Inland Empire
777,620 SF | Available October 2015
Listing Brokers: Chuck Belden, Phil Lombardo, Tim Pementel, Kyle Kehner and Andrew Starnes with Cushman & Wakefield

Prologis Heritage Business Park, Dallas
201,552 SF | Available August 2015
Listing Broker: Michael Spain with Bradford Commercial Real Estate Services

Prologis Heritage Business Park, Dallas
134,160 SF | Available late June 2015
Listing Broker: Michael Spain and Nick Talley with Bradford Commercial Real Estate Services

Prologis Greens Parkway, Houston
213,218 SF | Available November 2015
Listing Brokers: Kyle Valentine, Jeremy Lumbrraras and Michael Flowers with Stream Realty Partners

Prologis Hayward 22, San Francisco Bay Area
278,720 | Available TBD
Listing Brokers: Jesse Lucas, Craig Hagglund and Drew Fischer with Lee & Associates

Prologis Tahoe-Reno, Reno
566,660 SF | Available August 2015
Listing Brokers: Eric Bennett, Gordon Zack and Dan Buhrmann with CBRE

In addition to speculative and build-to-suit developments, the KTR portfolio includes sizable land parcels that are ideal for BTS opportunities. Highlights include:

Prologis Pinole Point, San Francisco Bay Area
224,154 SF | Available July 2015
Listing Brokers: Greg Lagomarsino and Todd Severson with Colliers International

Prologis Pinole Point, San Francisco Bay Area
247,825 SF | Preleased to Williams & Sonoma
Thank you to Greg Lagomarsino, Todd Severson and Gene Woods with Colliers International for their assistance with this deal.

We encourage you to reach out to our local Prologis market officers or our listing brokers to discuss any potential requirements or build-to-suit opportunities.
KTR PORTFOLIO ACQUISITION (cont. from page 4)

Strengthening our Broker Partnerships

Currently 215 of the acquired properties, totaling nearly 27 million square feet of vacant or potentially available space, are listed with 19 brokerage firms and 169 brokers. Many of the properties are listed with brokers with whom we have close relationships, as well as some brokers who are new to us. We look forward to continued success with each broker.

“The great thing is that the assets we acquired further our lead in these markets and present more opportunities to connect with customers and brokers,” said Elizabeth Kauchak, vice president, market officer, Fremont. “It’s wonderful that many of the KTR assets already have listing agreements in place as we have solid relationships with those brokers. This makes it an easy transition for all markets.”

We welcome any comments or suggestions you have to improve our marketing efforts on these assets as we work with you to increase occupancy in the portfolio.

KTR Listing Brokerage Firms

BROKER APPRECIATION EVENT (cont. from page 1)

Prologis’ annual appreciation event brought together key brokers from the northwest and southwest regions along with regional Prologis leadership to share their thoughts about the industry while enjoying the Ojai resort. At this year’s event, 80 brokers were in attendance. Please join us in thanking these outstanding brokers for their dedication and hard work. Thank you again to all who participated in this year’s event!

David Bales  John Gilliland  Milo Lipson  Casey Mungo  Arie Salomon
Michael Barry  Mike Goldstein  Michael Lloyd  Jeff Nochimson  Ben Seybold
Steve Bellitti  Juan Gutierrez  Darla Longo  Cara Nolan  Matt Taylor
Patrick Bogan  Mike Haenel  Tom Louer  Tim O’Rourke  Tyson Vallenari
Chris Burns  Marc Hertzberg  Evan Lugar  Sean Offers  Doug Viseur
Mike Carrigg  Kevin Higgins  Mark Maguire  Dan Oster  Rusty Smith
Mike Davis  Sam Higgins  Thad Mallory  Jason Ovadia  James Viso
Dan de la Paz  Ed Hofer  Frank Mao  Paul Perkins  Sean Ward
Robin Dodson  Jay Jasaitis  Greg Matter  Rebecca Perlmutter  Wilma Warshak
Garrett Drew  Mark Kegans  Jerry McCormick  David Prior  Andrew Stoddard
Greg Dyer  Randy Keller  Mike McCrary  John Privett  Dave Stromath
Rick Ellison  Stein Koss  Peter McWilliams  Terry Reitz  Will Strong
Bob Ferraro  Greig Lagomarsino  Ed Mendence  Bennett Robinson  Joey Sugar
Jeff Forsberg  Mark Latimer  Matt Moore  Paul Sablock  Greg Tassi

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As corporate users have begun to expand their global supply chain footprints, groups like Seth’s team are becoming an essential service to global companies. “We have seen an increasing trend of customers seeking more from their real estate provider than purely transaction management. They are looking for us to assist site selection from holistic cost perspective – meaning we need to provide insight not only on real estate solutions, but also taxes, labor, economic incentives, and so on. Additionally, they want us to be able to take care of not only their U.S. requirements but also their international requirements. A great example of this is a recent transaction we completed for World Wide Technology with Prologis in Sciphol, Netherlands. Having Prologis as the landlord in the Netherlands was reassuring to CBRE and World Wide Technology because Prologis was a known entity and we had confidence that they would perform,” said Ryan Keiser, Senior Vice President, CBRE.

National customers of the team include Dr. Pepper Snapple Group, Daltile, Dollar General, Serta Simmons Bedding, and World Wide Technology. The team also controls a large share of the big box industrial transactions in DFW, having completed millions of square feet of transactions for clients such as Home Depot, BMW, Electrolux, LG Electronics, and JCPenney.

Recently, this CBRE group worked with Prologis on three major deals in the United States totaling approximately 1.4 million square feet. The first was a 653,000 square foot lease in Lancaster, Texas with NFI, bringing Prologis Park 20/35 to 100 percent occupancy. Additionally, they assisted with a 300,000 square foot build-to-suit facility in Coppell, Texas where Subaru will be the first customer in the new Prologis Park 121 and a 420,000 square foot lease in Fontana, California for Mohawk Industries.

“Ryan, Seth and their team have been long-standing friends of Prologis,” said Jeff Folkmann, Vice President – Market Officer in Dallas. Their team has worked with Prologis locally, nationally and internationally on numerous deals throughout the years. The team’s professionalism, consistency in their approach, knowledge of their customer’s needs, and knowledge of the local market make them a pleasure to work with.”

BROKER SURVEY

Prologis would like to once again thank you for your participation in our recent broker survey conducted by Kingsley & Associates. Your individual responses are extremely helpful as we constantly strive to improve our engagement and relationships with the brokerage community. Several important action items emerged from the 2012 survey which we were pleased to see significant improvement on in the 2015 survey. Likewise, there are several areas in the 2015 survey that we will continue to focus on to further improve. Again, thank you for your time and comments – as always, we look forward to working with you and staying in touch throughout the year and beyond.
Left: The Prologis’ Speaker Series during the SIOR Spring Conference 2015 in Scottsdale highlighted Carlos Gutierrez, former CEO of Kellogg Company, a former secretary of commerce, and the former vice chairman of Citigroup's Institutional Clients Group.

Above: This year’s Cushman & Wakefield Industrial Conference was hosted in the heart of music city, Nashville, TN. While there, Larry Harmsen spoke to attendees about current trends and Prologis in the Americas.