



MEDIA ALERT

Prologis Announces Fourth Quarter and Full Year 2016 Activity in Europe

*Occupancy Increased 90 Basis Points to 96.7 Percent
309,000 Square Metres of New Development Starts; 65 Percent Build-to-Suit
121,500 Square Metres of Acquisitions*

AMSTERDAM (24 January 2017) – Prologis, Inc., the global leader in logistics real estate, today announced fourth quarter and full year 2016 activity in Europe.

Operating Performance

Prologis Europe ended the fourth quarter with 96.7 percent occupancy, an increase of 90 basis points over the course of 2016. The company signed new leases and renewals totalling 718,200 square metres in the fourth quarter and 3.5 million square metres in the full year 2016 – an increase in volume of 54 percent over 2015.

At quarter-end, the company owned or had investments in, on a wholly-owned basis or through co-investment ventures, properties and development projects totalling 17.0 million square metres in Europe.

“2016 was our strongest year yet for leasing, which contributed to our highest-ever occupancy in Europe,” said Ben Bannatyne, president, Prologis Europe. “In spite of political shocks, customers remain focused on the long term and sentiment remains positive. This has fuelled broad-based demand, led by the general retail and automotive sectors.”

Bannatyne added: “With strong operating fundamentals and increasingly attractive yields, we anticipate another period of strong growth in the year ahead.”

Markets with the strongest interest from customers in the fourth quarter were:

- The United Kingdom, Germany and the Netherlands in Northern Europe.
- Lyon, Le Havre, Barcelona and Valencia in Southern Europe.
- Prague, Budapest and Bratislava in Central and Eastern Europe.

Notable new leasing activity in the fourth quarter included:

- 34,300 square metres for Yusen Logistics in the East Midlands, UK.
- 32,500 square metres for Sainsbury’s in Northampton, UK.

Development Starts

Supply of Class-A distribution facilities remains low across all European markets. In the fourth quarter, Prologis Europe started 13 developments in the Czech Republic, Germany, France, Hungary, Italy, Poland, Slovakia, Spain and the UK totalling 309,000 square metres, 65 percent of which was build-to-suit and 35 percent of which was speculative.

Development starts included:

- 56,000 square metre build-to-suit for Tesco near Bratislava in Slovakia.
- 24,000 square metre build-to-suit for Action at Moissy II, France.
- 14,000 square metre build-to-suit for Dwell at Milton Keynes, UK.



Acquisitions and Disposals

In 2016, Prologis acquired €70 million of buildings totalling 121,500 square metres and 18 land plots totalling 1.3 million square metres across Europe. These acquisitions were in line with Prologis' strategy of investing carefully in global markets. During the year, Prologis sold portfolios in the Netherlands, UK, France, Germany, Italy and Sweden for a total of €259 million.

“Logistics remains a resilient and attractive asset class that benefits from high demand, low vacancy and increasing rental growth across Europe,” said Joseph Ghazal, chief investment officer, Prologis Europe. “Speculative development remains disciplined, with big box build-to-suits characterizing the market's total development activity through 2016.”

ABOUT PROLOGIS

Prologis, Inc. is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of December 31, 2016, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 676 million square feet (63 million square meters) in 20 countries. Prologis leases modern distribution facilities to a diverse base of approximately 5,200 customers across two major categories: business-to-business and retail/online fulfillment.

FORWARD-LOOKING STATEMENTS

The statements in this document that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which we operate as well as management's beliefs and assumptions. Such statements involve uncertainties that could significantly impact our financial results. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” and variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, development activity and changes in sales or contribution volume of properties, disposition activity, general conditions in the geographic areas where we operate, our debt, capital structure and financial position, our ability to form new co-investment ventures and the availability of capital in existing or new co-investment ventures — are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in financial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions, dispositions and development of properties, (v) maintenance of real estate investment trust status, tax structuring and income tax rates (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings, (vii) risks related to our investments in our co-investment ventures, including our ability to establish new co-investment ventures and funds, (viii) risks of doing business internationally, including currency risks, (ix) environmental uncertainties, including risks of natural disasters, and (x) those additional factors discussed in reports filed with the Securities and Exchange Commission by us under the heading “Risk Factors.” We undertake no duty to update any forward-looking statements appearing in this document.

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