



Key Industrial topics/questions for 3Q16

- Supply update across markets
- Views on industrial fundamentals in the UK and Europe with Brexit trade negotiations likely to start around March
- Update on impact of weaker GBP
- Commentary on investor appetite for industrial assets
- Trajectory of e-commerce driven demand
- European asset pricing
- U.S. investment market update in light of recent portfolio sales and portfolios on the market

Figure 89: PLD 3Q16 results preview

PLD	3Q15	2Q16	3Q16			2016			
	Actual	Actual	Actual	DBe	Cons	Pre 3Q Guide	Post 3Q Guide	DBe	Cons
Earnings									
Core FFO/sh	\$0.58	\$0.60		\$0.60	\$0.70	\$2.52 - \$2.58		\$2.57	\$2.57
Operating Metrics	Actual	Actual	Actual	DBe		Pre 3Q Guide	Post 3Q Guide	DBe	
Total leasing volume (signed, owned & managed)	42,162	48,509							
New leasing volume (Op + CIP, signed, owned & managed)	15,292	21,827							
Renewal leasing volume (signed, owned & managed)	26,870	26,682							
Occupancy (commenced, owned & managed)	95.4%	95.7%		96.3%		+96.0% to 97.0%		97.3%	
q/q ch	60bp	20bp		64bp					
y/y ch	110bp	90bp		94bp					100bp
Rent spread (signed, cash, PLD share)	3.6%	7.9%		15.0% commenced					15.2% commenced
SS NOI growth y/y (GAAP, PLD share)	6.2%	6.1%				+4.75% to 5.25%			
SS NOI growth y/y (cash, PLD share)	4.5%	5.3%							

Note: consensus estimates are based on Thomson compiled data as of 10/14/16

- Updated FX outlook for 2016 and impact on promote income. Guidance for promote income issued in July factored in stable FX rates
- Update on PLD's supply pressured markets in Houston (2.0% of NOI), Columbus (1.0%), and Poland (1.9%)
- Update on fund inflows and redemptions in Europe. PLD had 2 sterling investors potentially looking to withdraw €45MM but also had €400MM of inflows queued up for its open-ended PTELF fund in July
- Development update with comments on trajectory of margins, starts outlook, and mix of built-to-suit projects
- Rental rate/spread trends with portfolio 13-15% below market as of 2Q (~15% below market in the U.S.)
- Cap rate and vacancy trends in Europe. PLD previously forecasted a 20bps drop in vacancy to 5.8% by year-end (80bps decline vs. 2015). Pre-Brexit cap rate outlook called for 15-30bps of compression this year
- Update on disposition plans and buyer interest across different geographies and asset types

Source: Deutsche Bank, company data, Thomson