



# Corporación Inmobiliaria Vesta S.A.B. de C.V.

JANUARY 2016



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# Company overview



We are a pure-play developer, owner and operator of industrial real estate properties in Mexico



We lease industrial buildings and distribution centers for light manufacturing and logistics



We provide innovative and custom-tailored solutions for a wide range of world-class customers, with a presence in the most dynamic markets in the country, with long-term leases and a secure and profitable growth platform

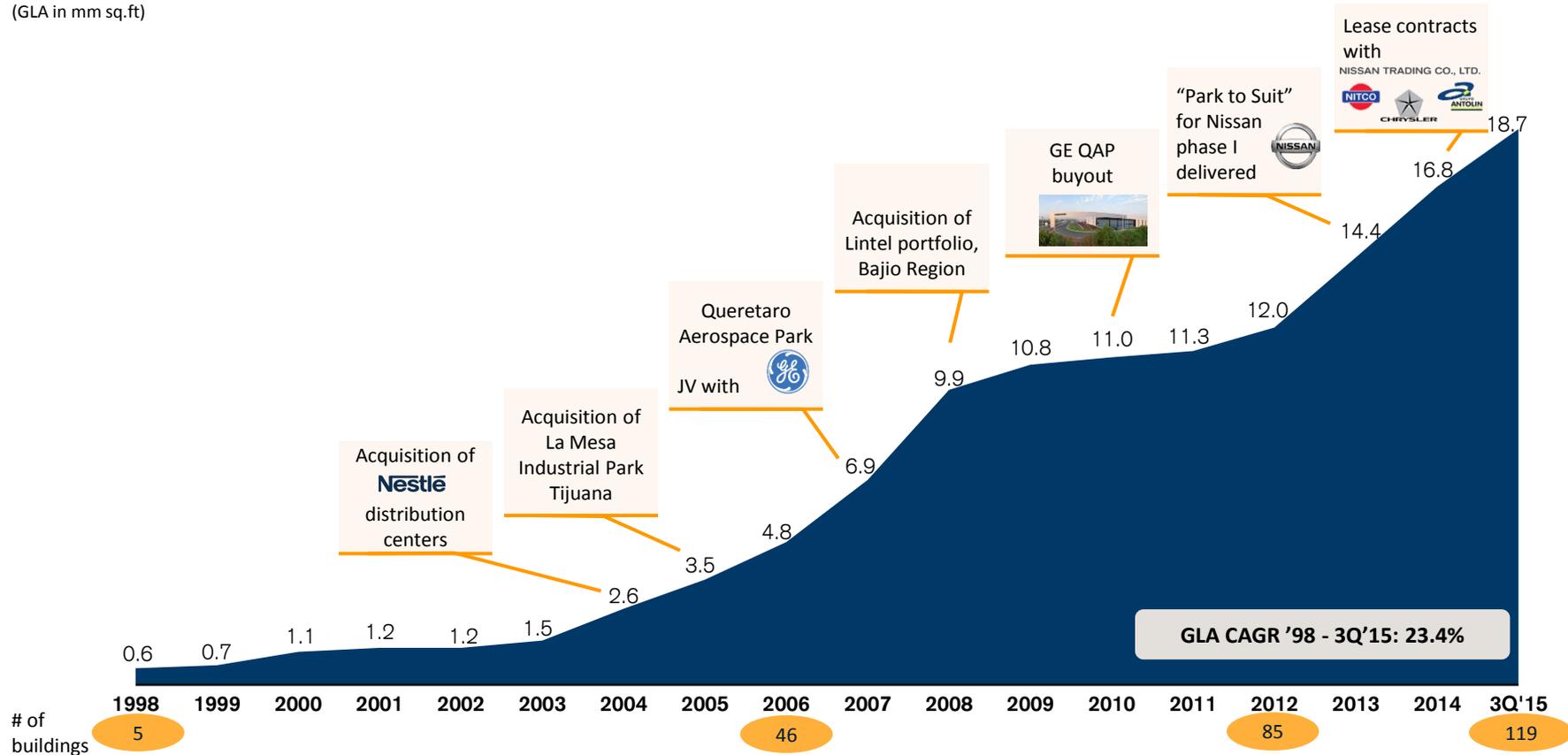


We are a Mexican public company committed to contribute to the competitiveness of our clients and well being of society while minimizing the environmental impact of our developments



In a short period of time, Vesta has become one of Mexico's leading industrial real estate developers and operators with presence in the most dynamic economic clusters in the country

(GLA in mm sq.ft)



(1) Includes secondary component.

## Fully integrated industrial real estate developer and operator



- Offers innovative and customized solutions
- Development approach to capture specific supply chain sectors and generate higher returns
- Internally managed company

**119** Class A industrial properties located in Mexico's key trade corridors and manufacturing centers

- **18.7 million sq.ft.** (1.74 million m<sup>2</sup>) of gross leasable area ("GLA")
- **88.3%** occupancy rate
- **87.1%** renewal rate

**19.3 million sq.ft.** (1.79 million m<sup>2</sup>) of land reserves with potential to develop over 8.7 million sq.ft. of incremental GLA

**114** tenants

- **5.6 yrs** average contract life<sup>(1)</sup>
- **91.5%** of the lease contracts denominated in USD<sup>(2)</sup>
- **81.6%** of the rental income is denominated in USD
- **80.3%** of contracts enjoy corporate guarantees

## Park-to-suit ("PTS")

Custom-designed and built industrial parks that meet the specific needs of supply chains



## Build-to-suit ("BTS")

Buildings designed and built to meet the specific needs of clients



## Inventory buildings

These buildings conform to standard industry specifications and are designed to be adapted for two or more tenants

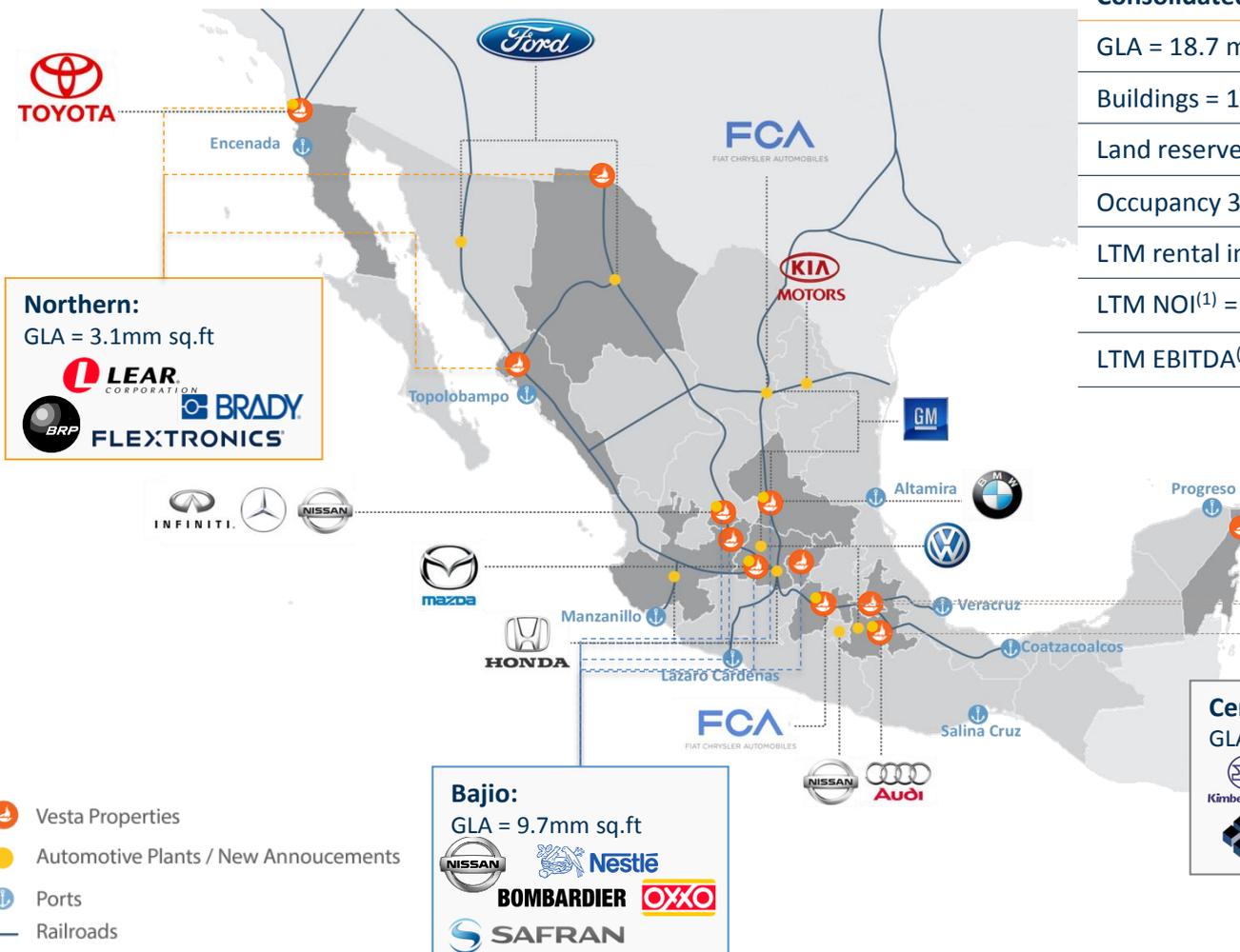


**Pure-play industrial developer and operator with a premium quality portfolio**

Note: Figures as of September 30, 2015.  
 (1) In terms of revenues.  
 (2) Based on number of contracts.

# STRATEGICALLY LOCATED PORTFOLIO IN IMPORTANT TRADE CORRIDORS CONNECTING VARIOUS ECONOMIC CLUSTERS

(As of September 30, 2015)



## Consolidated:

GLA = 18.7 mm sq.ft (1.74 mm m<sup>2</sup>)

Buildings = 119

Land reserves = 19.3m sq.ft (1.79 mm m<sup>2</sup>)

Occupancy 3Q'15 = 88.3%

LTM rental income<sup>(1)</sup> = US\$76.5mm

LTM NOI<sup>(1)</sup> = US\$73.9mm

LTM EBITDA<sup>(1)(2)</sup> = US\$62.7mm

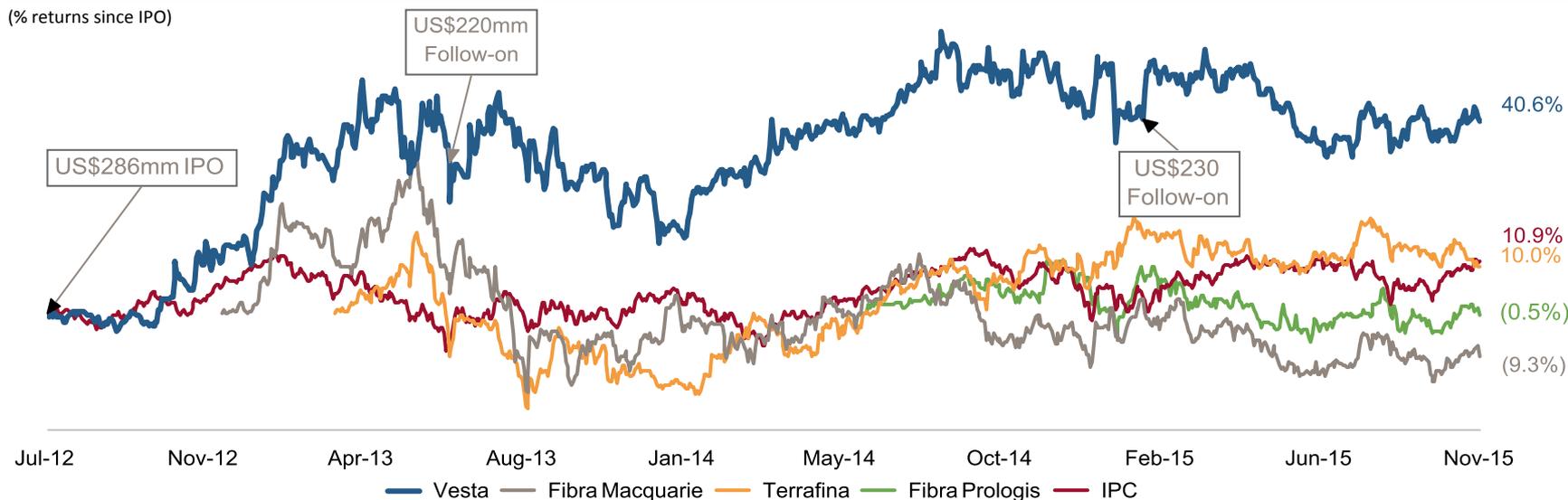
**One of the largest and most modern industrial portfolios in Mexico in terms of GLA**

(1) LTM 3Q'15 financial information was derived by subtracting consolidated statements of profit and other comprehensive income for 9M'14 from the corresponding information for 2014 and then adding the corresponding information for 9M'15.  
 (2) EBITDA is defined as gross profit minus property operating costs (both for the properties that generated income during the year and for those that did not) and minus administration expenses.

# SINCE ITS IPO IN 2012, THE COMPANY HAS FINANCED ITS GROWTH MOSTLY WITH EQUITY



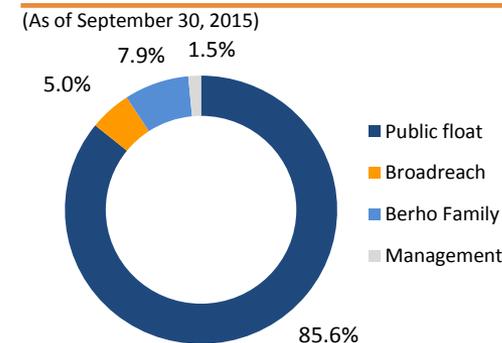
## Strong value creation track record and outperformance in the sector...



## ...recognized by investors through a proven and open access to capital markets

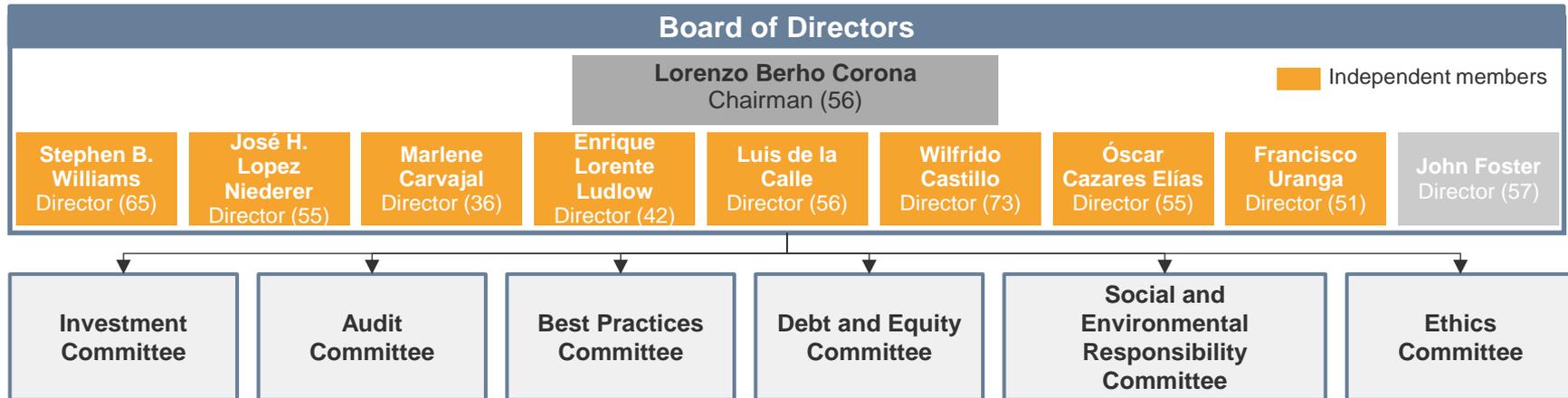


## Shareholder structure



**Vesta has raised over US\$700mm from the public equity markets over the last 3 years**

Source: Bloomberg and FactSet as of November 6, 2015.  
 (1) Transaction includes secondary component of US\$54mm.  
 (2) Transaction includes secondary component of US\$22mm.



## Solid corporate governance standards

- **10 Board members**
  - 80% independent members
- **100% Committees chaired by Board members**
  - 80% Committees are chaired by independent Board members
- **High governance standards required by public market and institutional investors**

**First publicly listed real estate company with a fully internalized management structure**



# Portfolio overview

# DIVERSIFIED PORTFOLIO LOCATED IN THE MOST ACTIVE ECONOMIC REGIONS IN MEXICO

(As of September 30, 2015, % of GLA)



## North:

Surface area ft<sup>2</sup>: **3,064,504**  
 Number of buildings: **29**  
 Number of clients: **29**  
 Land bank ft<sup>2</sup>: 3,001,663



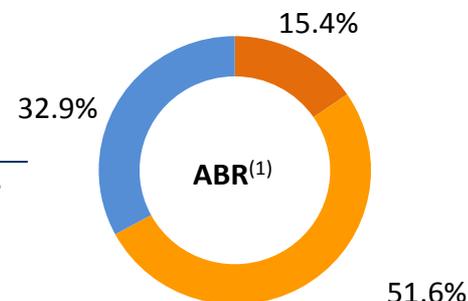
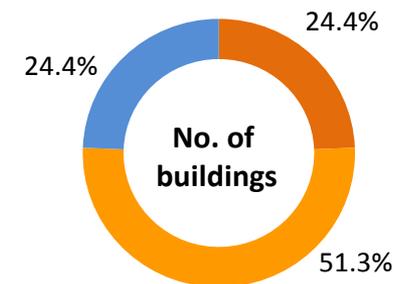
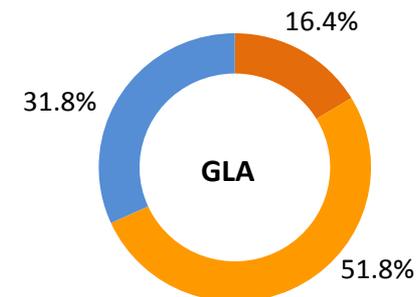
## Bajo:

Surface area ft<sup>2</sup>: **9,713,595**  
 Number of buildings: **61**  
 Number of clients: **56**  
 Land bank ft<sup>2</sup>: 12,256,664



## Central:

Surface area ft<sup>2</sup>: **5,957,144**  
 Number of buildings: **29**  
 Number of clients: **29**  
 Land bank ft<sup>2</sup>: 4,068,832

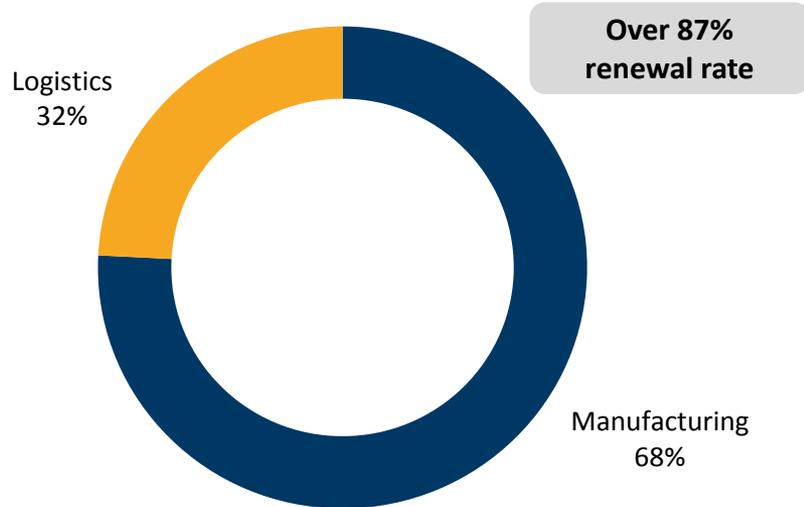


**One of the largest and most modern industrial portfolios in Mexico in terms of GLA**

(1) Annualized base rent.

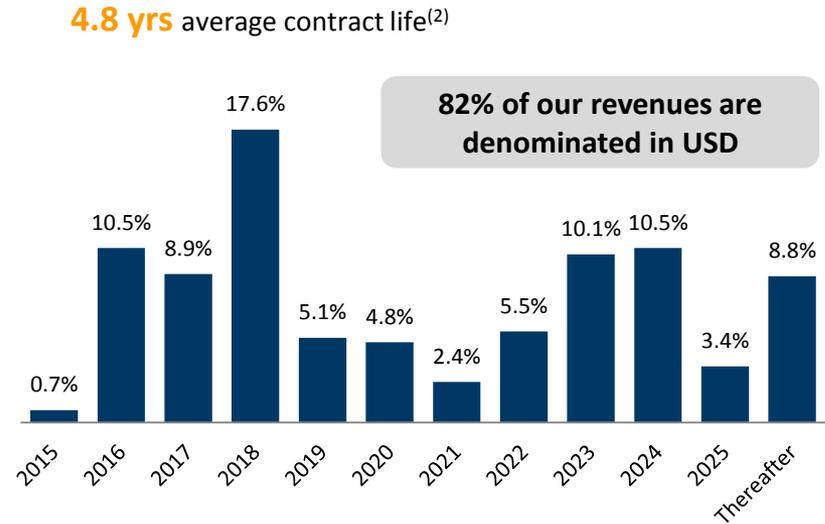
## Balanced portfolio use

(% of GLA, as of September 30, 2015)



## Long-term and staggered lease maturity profile<sup>(1)</sup>

(% of GLA, as of September 30, 2015)



## Well diversified portfolio of tenants

Country										
Tenant										
% of GLA	9.4%	5.0%	3.8%	3.7%	3.3%	2.6%	2.5%	2.0%	2.0%	1.7%
Years with Vesta	12	3	7	2	8	2	6	7 <sup>(3)</sup>	3	3
Credit rating	AA	N/A	N/A	A-	B	BB-	N/A	A	BB-	N/A

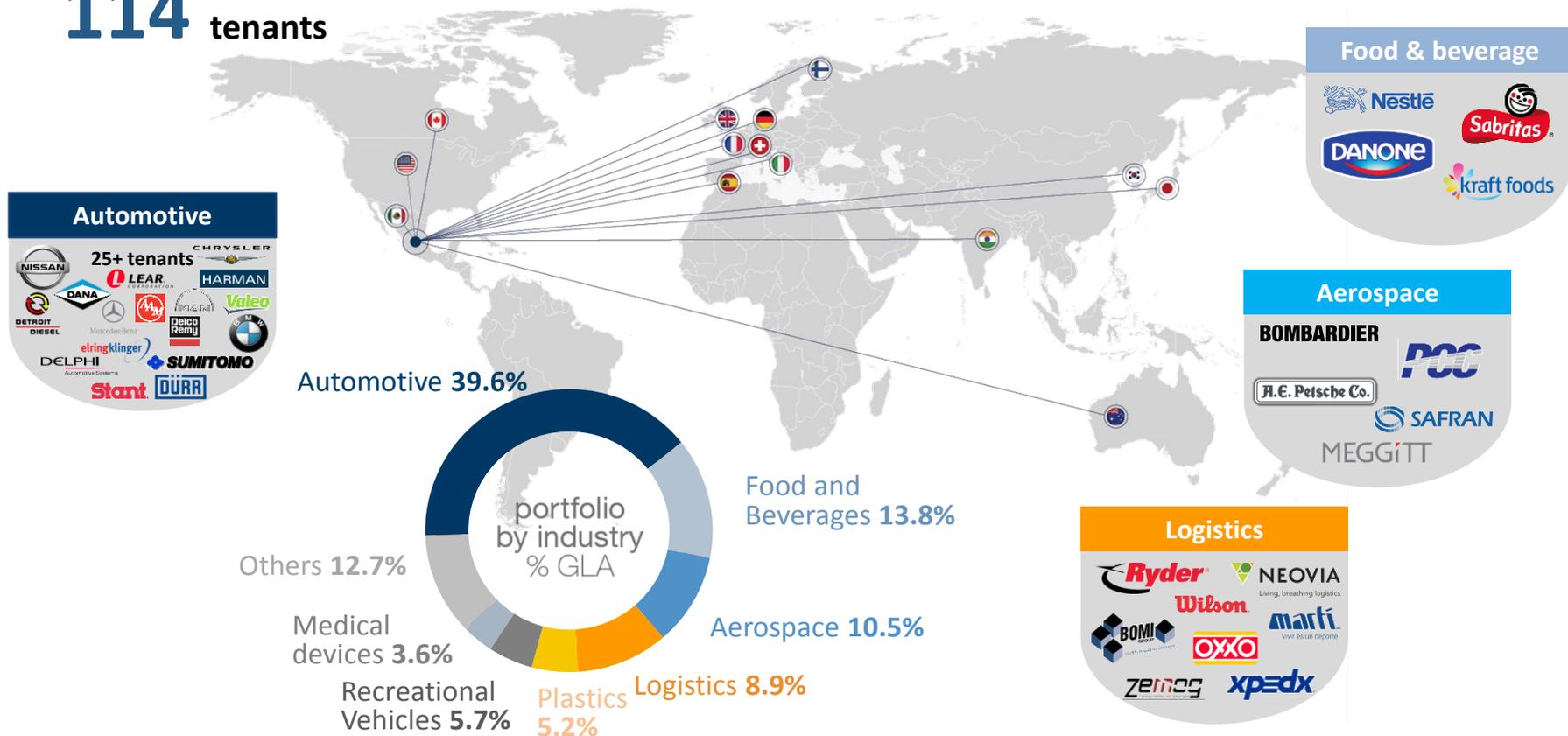
**Industry and geographic diversification provide resiliency to downturns in any given sector as evidenced by our solid performance throughout our history**

(1) Vacancy rate of 11.7% as of 3Q'15, including recently finished buildings.  
 (2) In terms of GLA.  
 (3) Kimberly-Clark has been Vesta's client for 6 years, but Georgia Pacific, acquired by Kimberly-Clark, has been Vesta's client for 17 years.

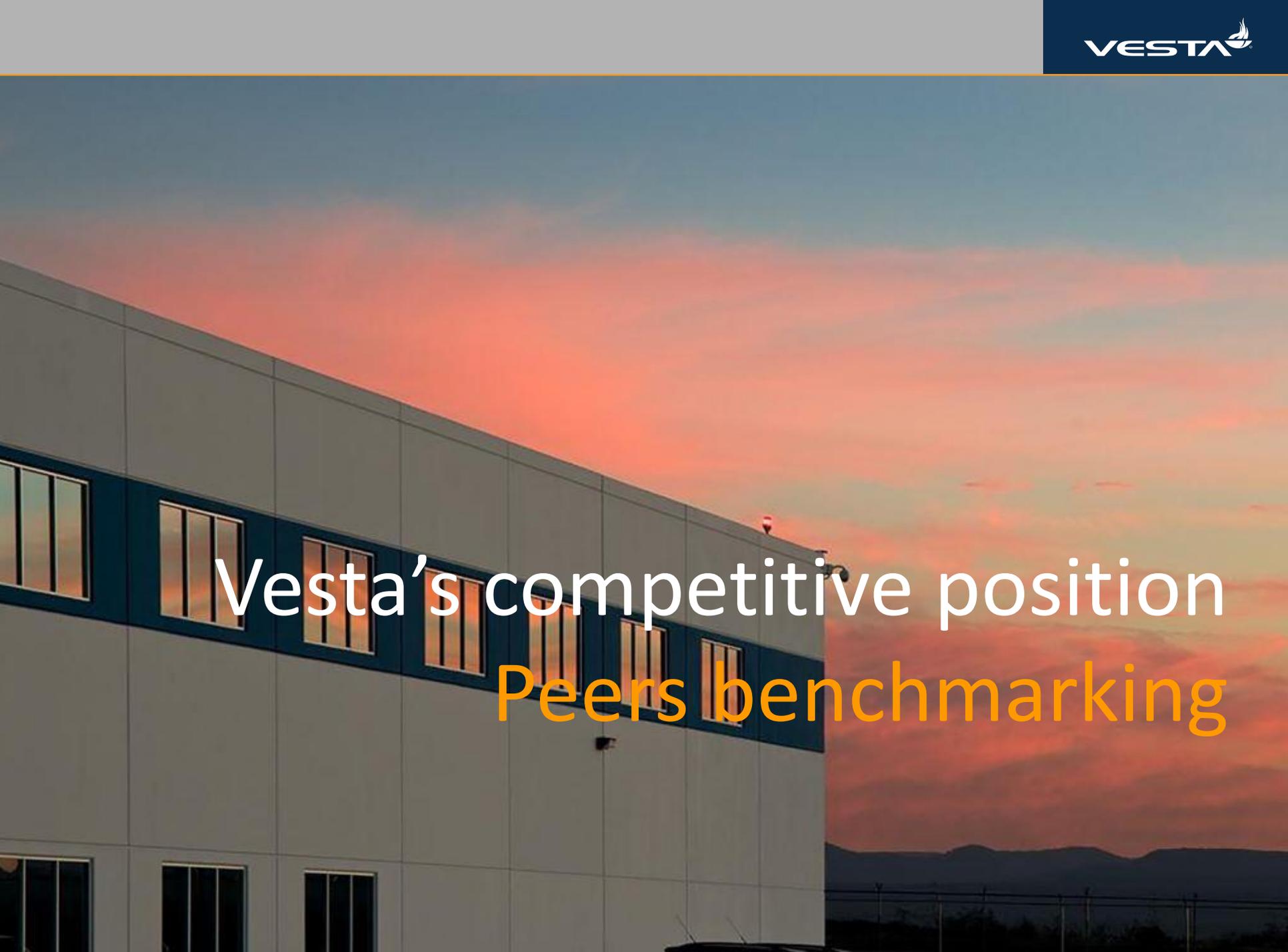
- We put strong emphasis on our tenants' credit profile and enjoy parent guarantees in a significant portion of our leasing contracts
  - 80.3% of contracts enjoy guarantees
  - Most of our leases are double or triple net leases, which means the tenant is responsible for most maintenance and repair expenses

**114** tenants

(As of September 30, 2015, % of GLA)

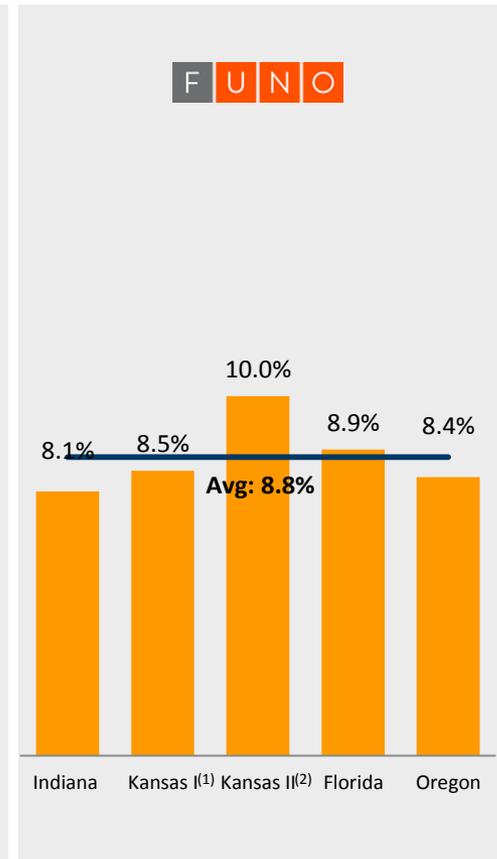
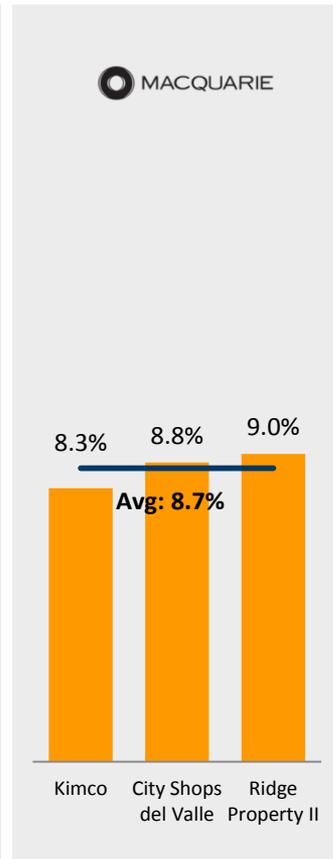
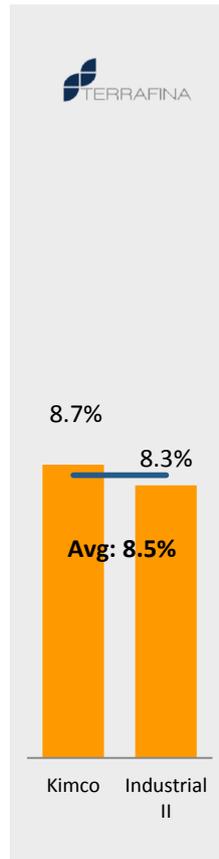
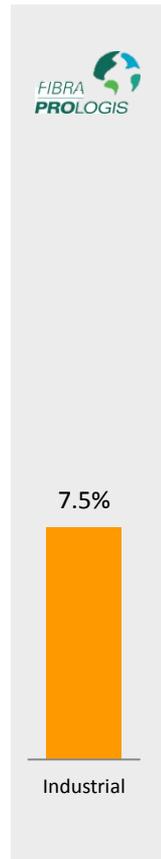
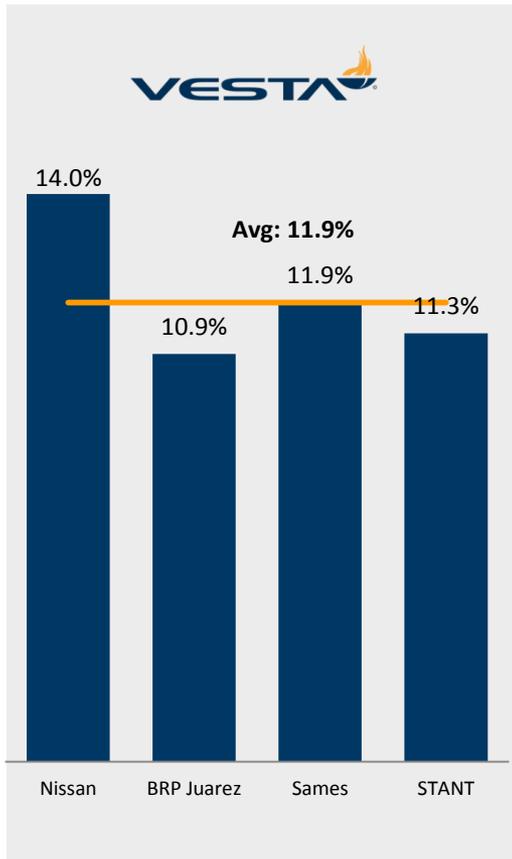


**Broad tenant base diversified by industry and geography with a balanced combination of growth and defensive sectors**

The background of the slide is a photograph of a modern industrial building with a grey facade and a dark blue horizontal band containing several windows. The building is set against a dramatic sunset sky with orange and pink clouds. In the distance, a range of mountains is visible under a darkening sky.

Vesta's competitive position  
Peers benchmarking

# HIGHER RETURNS DRIVEN BY DEVELOPMENT



Acquisition investment (US\$m)

\$110	\$600	\$108	\$113	\$223	\$58	\$205	\$571	\$114	\$43	\$105
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300 to 400 basis points spread in development vs. acquisition cap rate

Note: Weighted average based on GLA; Cap rate is based on publicly announced acquisition price or development cost vs. publicly available projected NOI; Acquisition investment converted at FX of date of transaction announcement, unless reported by the companies in USD.

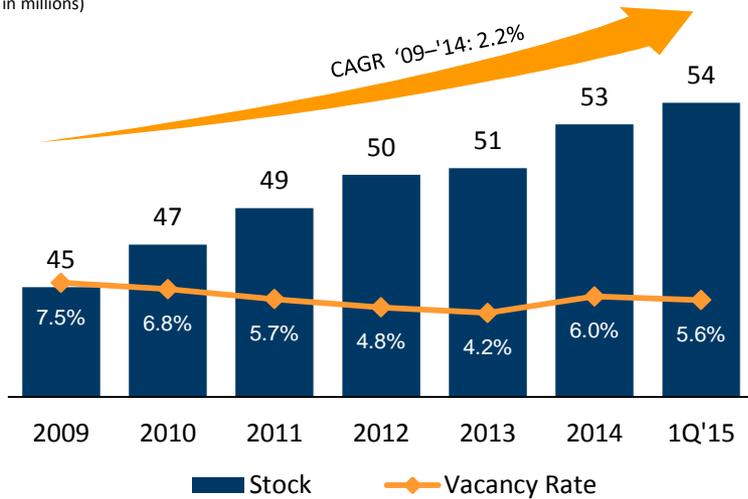
Source: Company filings and press releases.  
 (1) Considers only stabilized projects.  
 (2) Malls in process of stabilization.



# Industry overview

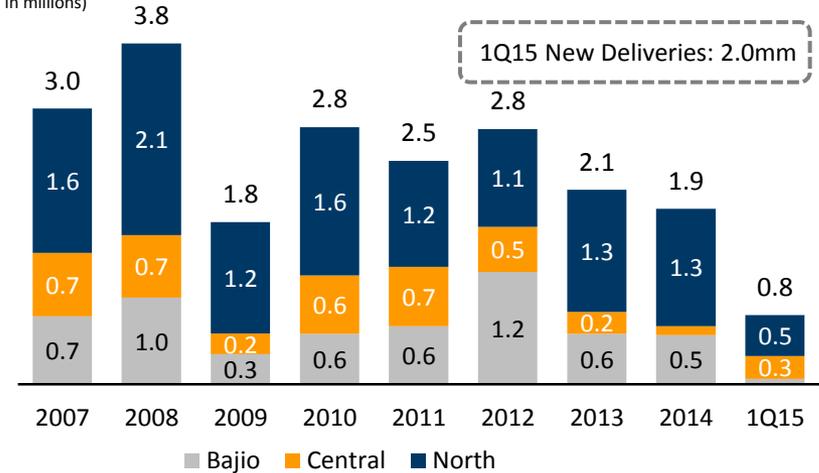
## Industrial Real Estate Inventory

(m<sup>2</sup> in millions)



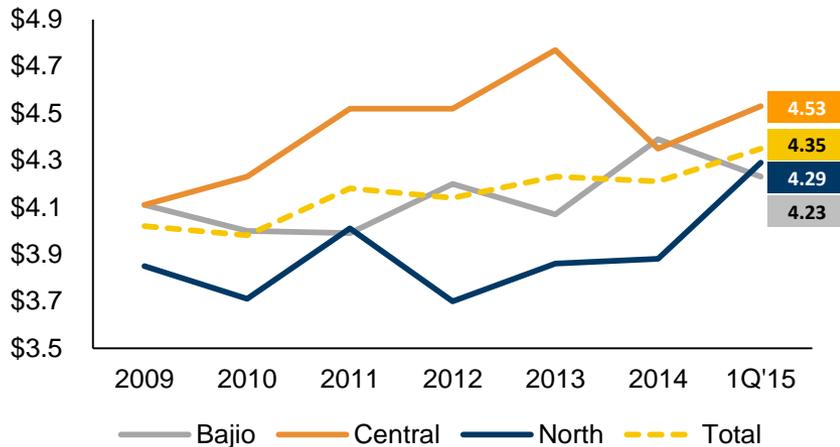
## Industrial market absorption

(m<sup>2</sup> in millions)

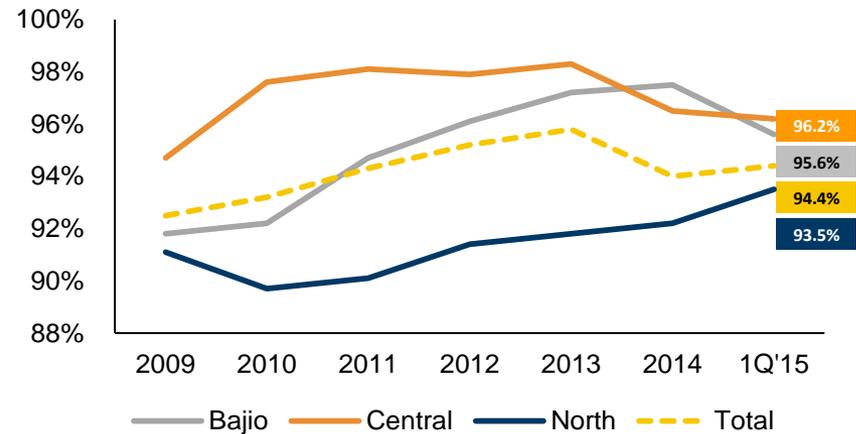


## Average industrial monthly rent

(US\$/m<sup>2</sup>)



## Industrial occupancy rate



# DIVERSIFIED INVENTORY WITH INCREASING DEMAND

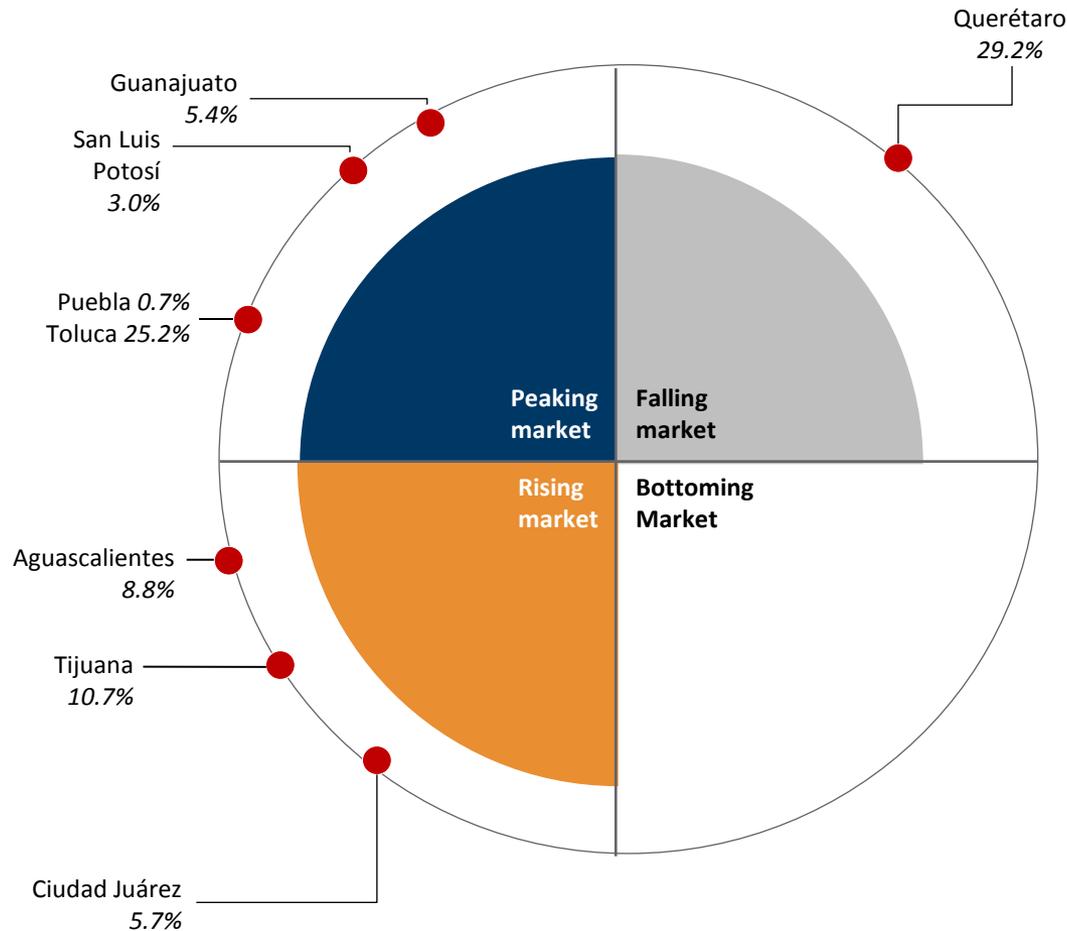


(3Q'15)

	Stock (m <sup>2</sup> )	Available (m <sup>2</sup> )	Net Absorption (m <sup>2</sup> ) YTD	Vacancy (%)	Lease Price (USD/m <sup>2</sup> /month)	Growth (%)	New Deliveries (m <sup>2</sup> ) YTD
Aguascalientes	1,643,432	9,263	1,069,433	0.6%	2.52	64.80%	1,065,604
Guadalajara	3,600,062	72,690	1,385,042	2.0%	4.47	38.40%	1,382,329
Guanajuato	4,111,702	90,747	2,163,904	2.2%	3.71	53.90%	2,216,752
Querétaro	3,518,794	442,665	353,352	12.6%	3.52	31.80%	1,118,902
San Luís Potosí	2,226,093	42,800	165,022	1.9%	4.04	6.30%	139,605
<b>Bajío Markets</b>	<b>15,100,083</b>	<b>658,165</b>	<b>5,136,753</b>	<b>4.4%</b>	<b>3.65</b>	<b>39.20%</b>	<b>5,923,192</b>
Mexico City	6,835,154	293,484	334,048	4.3%	5.49	3.60%	242,665
Puebla	1,691,800	65,493	363,107	3.9%	2.66	26.80%	453,418
Toluca	3,125,554	118,802	144,888	3.9%	4.50	6.60%	207,250
<b>Central Markets</b>	<b>11,652,508</b>	<b>477,779</b>	<b>842,043</b>	<b>4.1%</b>	<b>4.22</b>	<b>7.80%</b>	<b>903,333</b>
Chihuahua	1,597,345	78,248	6,968	4.9%	3.86	1.10%	17,773
Ciudad Juárez	5,952,130	552,003	38,285	9.3%	3.88	2.80%	169,541
Matamoros	1,669,191	181,256	2,323	10.9%	3.77	0.80%	13,109
Mexicali	1,786,667	145,382	83,249	8.1%	4.20	2.10%	38,362
Monterrey	9,744,244	750,307	359,835	7.7%	4.20	3.90%	379,699
Nogales	1,033,141	34,320	24,673	3.3%	3.62	2.10%	21,646
Nuevo Laredo	888,835	97,772	23,914	11.0%	3.00	4.80%	42,953
Reynosa	2,986,764	220,145	78,662	7.4%	4.04	6.20%	186,266
Saltillo - Ramos	2,511,518	86,096	129,782	3.4%	4.20	4.80%	119,596
Tijuana	5,545,515	400,068	42,440	7.2%	4.95	1.50%	85,360
<b>North Markets</b>	<b>33,715,350</b>	<b>2,545,597</b>	<b>790,131</b>	<b>7.6%</b>	<b>3.97</b>	<b>3.20%</b>	<b>1,074,305</b>
<b>TOTAL MEXICO</b>	<b>60,467,941</b>	<b>3,681,541</b>	<b>6,768,927</b>	<b>6.1%</b>	<b>3.95</b>	<b>13.10%</b>	<b>7,900,830</b>

Source: Jones Lang LaSalle Industrial Real Estate Report 3Q'15.  
 Vesta presence.

## Diversification strategy ensures cash flow stability while capturing upside from market dynamics



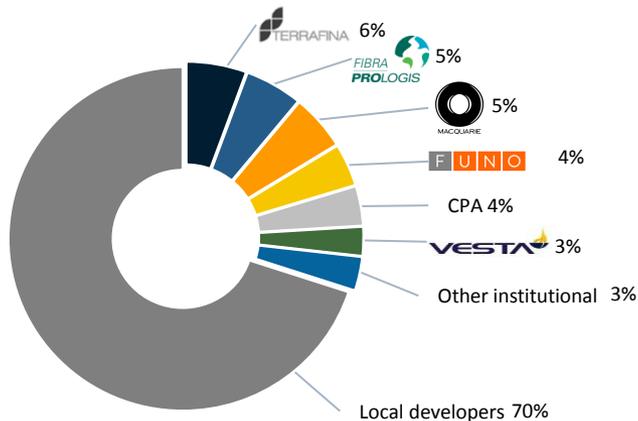
- Vesta’s portfolio is strategically located within markets with long-term growth prospects, including favorable demographic and economic trends
- The portfolio has a balanced mix of properties in mature and rising markets that allow cash flow stability while capturing upside from market dynamics
  - 25.2% of Vesta’s portfolio is located in rising markets
  - 33.6% in mature or peaking markets
  - 29.2% in stabilized markets

Source: JLL Mexico Industrial Report 3Q'15.

Note: Percentages represent the respective city’s properties GLA as a percent of Vesta’s Total GLA. May not add up to 100% since Vesta has properties in markets not covered by JLL.

- The industrial real estate industry in Mexico is highly fragmented, largely consisting of small and medium-sized participants
- Many of the larger scale portfolios have been sold to FIBRAs
- 70% of the industrial market is in the hands of local developers, while 30% is owned by institutional investors
- Mexican listed companies (FIBRAs and C-Corps) represent 23% of the total industrial market
- Vesta has 3% share of the industrial market with leading positions in its key markets

## Industrial Real Estate Market Share



**7<sup>th</sup>** World's largest producer of vehicles in general<sup>(1)</sup>  
(3.39 million vehicles)<sup>(1)</sup>

**7<sup>th</sup>** World's largest producer of light vehicles<sup>(1)</sup>  
(3.22 million vehicles)<sup>(2)</sup>

**4<sup>th</sup>** World's largest Exporter of light vehicles  
(2.64 million vehicles)<sup>(3)</sup>

**6<sup>th</sup>** World's largest producer of heavy vehicles<sup>(1)</sup>  
(168,882 vehicles)<sup>(4)</sup>

**4<sup>th</sup>** World's largest Exporter of heavy vehicles<sup>(4)</sup>  
(124,015 vehicles)

**21 major automakers** have presence in 14 states

Over **300 TIER 1** suppliers of the Auto industry<sup>(5)</sup>

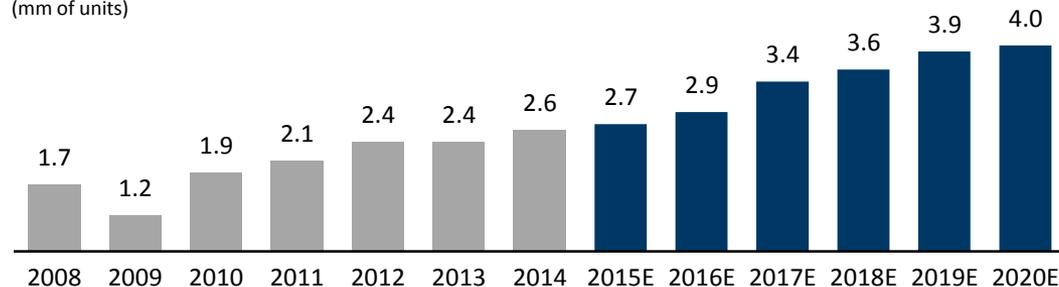


## Participation of the automotive and parts industries:

- **3%** of national GDP<sup>(6)</sup>
- **17%** of manufacturing GDP<sup>(6)</sup>
- **20%** of Foreign Direct Investment
- **32%** of total exports<sup>(3)</sup>

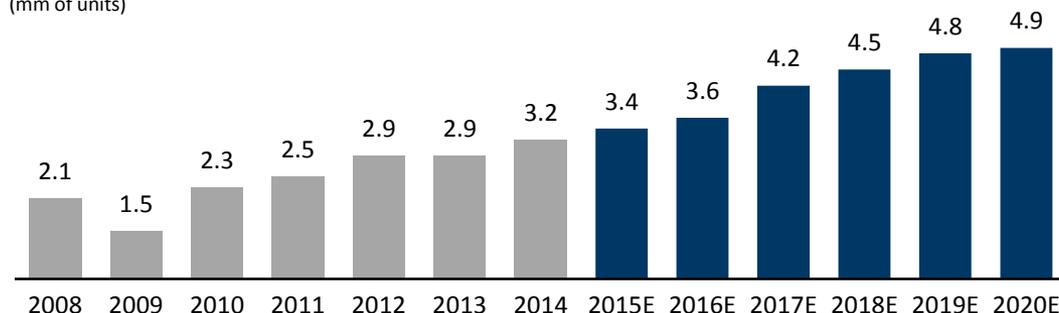
## In 2015 Mexico will become the first supplier of light vehicles to the USA<sup>(7)</sup>

(mm of units)



## Light vehicle production is expected to continue growing<sup>(7)</sup>

(mm of units)



## Mexico is a leading vehicle manufacturer and exporter

(1) OICA.  
(2) AMINA.  
(3) ProMéxico, with information from Global Trade Analysis and AMIA.  
(4) ANPACT.

(5) Secretaría de Economía.  
(6) INEGI.  
(7) AMIA 2008-2014, Global Insight (2015-2020).

# RECOGNIZED QUALITY OF MEXICO'S AUTOMOTIVE MANUFACTURING HAS ENABLED OEMs TO CHOOSE MEXICO AS A UNIQUE MANUFACTURING PLATFORM



**Mexico's positive macroeconomic outlook and attractive industry dynamics serve as foundations for a promising growth potential in the automotive sector**

**+15%** average annual growth rate of exports 2006-2014



**4<sup>th</sup>** destination of manufacturing investments in the aerospace sector, after China, India and the USA

**6<sup>th</sup>** supplier of aeronautical parts to the USA, above Brazil, Italy, Israel, and China

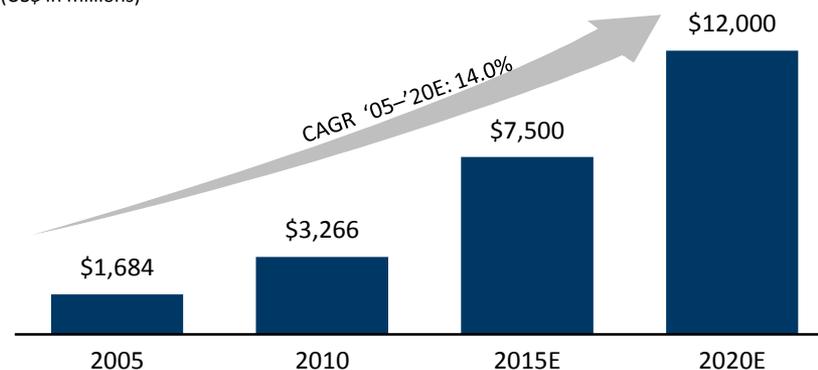


## News from Le Bourget Air Show 2015

- The number of commercial aircrafts in the world will double in the next two decades as passenger and cargo traffic will grow by 5% per year
- Boeing and Airbus estimate a demand of approximately 35 thousand planes worth US\$4.8 trillion over the next 20 years

## Aerospace industry exports

(US\$ in millions)



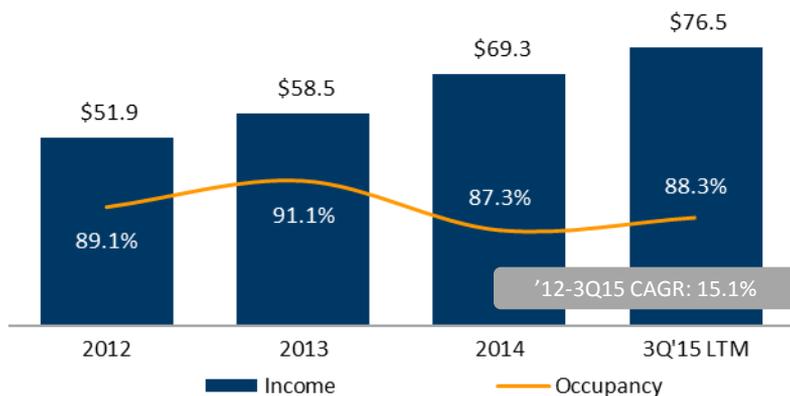
**In less than a decade, Mexico has become one of the largest manufacturers in the aerospace sector worldwide**



# Historical financials

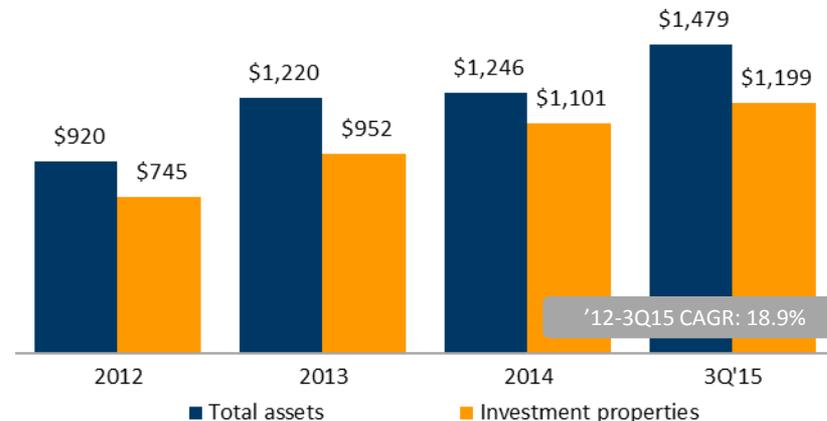
## Highly predictable rental income & stable occupancy rates

(US\$ in millions)



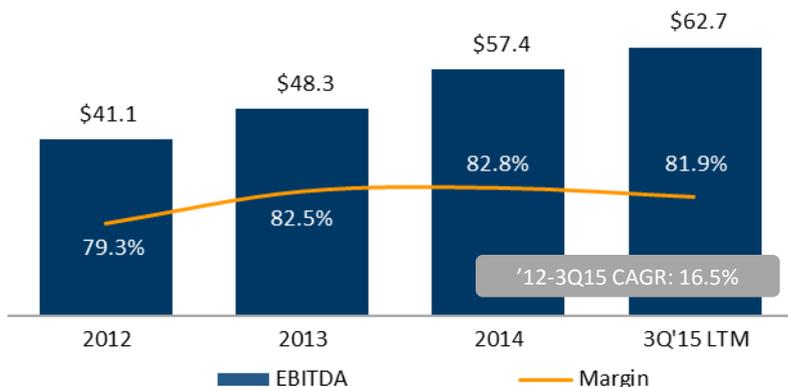
## Consistent growth in total assets & investment properties

(US\$ in millions)



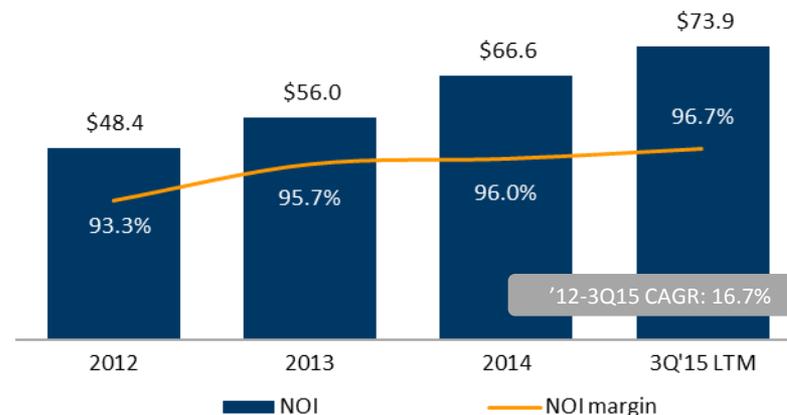
## Strong EBITDA growth with low margin volatility<sup>(2)</sup>

(US\$ in millions)



## High NOI profitability and margin expansion<sup>(1)</sup>

(US\$ in millions)



Source: As of September 30, 2015.  
 Note: LTM 3Q'15 financial information was derived by subtracting consolidated statements of profit and other comprehensive income for 9M'14 from the corresponding information for 2014 and then adding the corresponding information for 9M'15.

'12-3Q15 CAGR calculated as:  $(3Q15 \text{ value} / 2012 \text{ value})^{(4/11)} - 1$

(1) NOI (net operating income) is defined as rental income minus property operating costs incurred in connection with leased investment properties that generated rental income during the relevant period.

(2) EBITDA is defined as gross profit minus property operating costs (both for the properties that generated income during the year and for those that did not) and minus administration expenses.

(US\$ in millions)	2012	2013	2014	3Q'15 LTM <sup>(4)</sup>
<b>Selected income statement items</b>				
Revenues	\$51.9	\$58.5	\$69.3	\$76.5
Property operating costs	(4.1)	(3.5)	(3.6)	(3.5)
Gross profit	47.8	55.1	65.7	72.9
Net Operating Income	48.4	56.0	66.6	73.9
EBITDA	41.1	48.3	57.4	62.7
Interest expense	(25.0)	(23.4)	(22.2)	(23.0)
Profit for the period	40.8	89.4	24.2	(5.0)
Exchange differences on FX translation	0.8	(0.1)	0.5	(24.0)
Total comprehensive income for the year	41.7	89.4	24.7	(29.0)
<b>Selected balance sheet items</b>				
Cash and cash equivalents <sup>(3)</sup>	\$157.3	\$241.3	\$105.7	\$240.3
Investment property	744.8	951.9	1,101.4	1,199.2
Other assets	17.8	26.9	39.0	39.7
Total assets	919.8	1,220.1	1,246.0	1,479.3
Total debt	327.9	318.0	306.7	346.7
Other liabilities	74.7	112.5	141.5	158.2
Shareholders' equity	517.2	789.6	797.7	974.4
Total liabilities and stockholders' equity	919.8	1,220.1	1,246.0	1,479.3
<b>Selected cash flow items</b>				
Cash flow from operations activities	35.8	32.5	32.8	42.3
Cash flow from investment activities	(178.8)	(208.8)	29.8	(224.5)
Cash flow from financing activities	185.6	158.1	(33.6)	238.3
Net increase (decrease) in cash	42.7	(18.2)	29.0	56.1
<b>Credit Statistics</b>				
EBITDA / Net int. Exp	1.9x	2.9x	3.5x	3.6x
EBITDA / Int. Exp	1.6x	2.1x	2.6x	2.7x
Total debt / EBITDA	8.0x	6.6x	5.3x	5.5x
Net debt / EBITDA	4.1x	1.6x	3.5x	1.7x
Gross LTV	35.6%	26.1%	24.6%	23.4%

(1) EBITDA is defined as gross profit minus property operating costs (both for the properties that generated income during the year and for those that did not) and minus administration expenses.

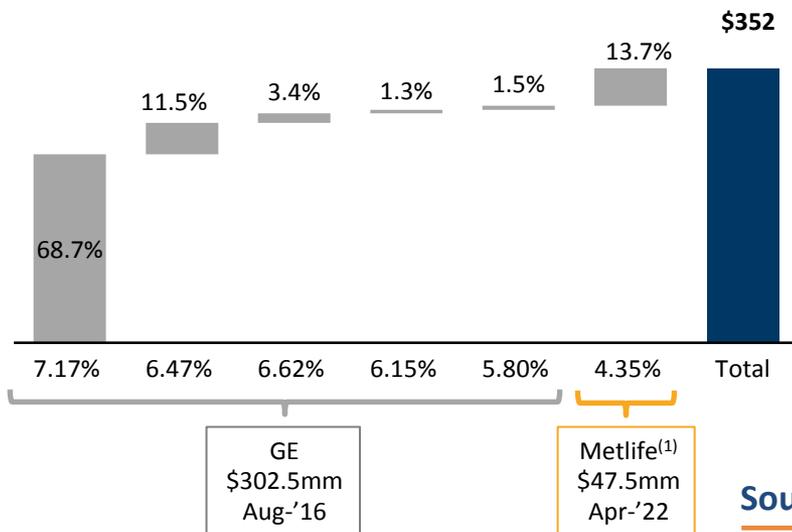
(2) Investment property revaluation gain of US\$95.1mm and US\$30.0mm respectively.

(3) Includes "Cash and cash equivalents" and "Financial assets held for trading".

(4) LTM 3Q'15 financial information was derived by subtracting consolidated statements of profit and other comprehensive income for 9M'14 from the corresponding information for 2014 and then adding the corresponding information for 9M'15.

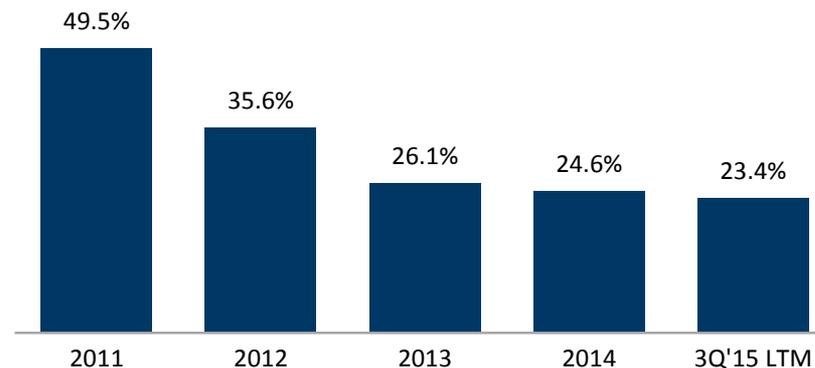
## Outstanding debt

(% of outstanding balance, as of June 30, 2015)

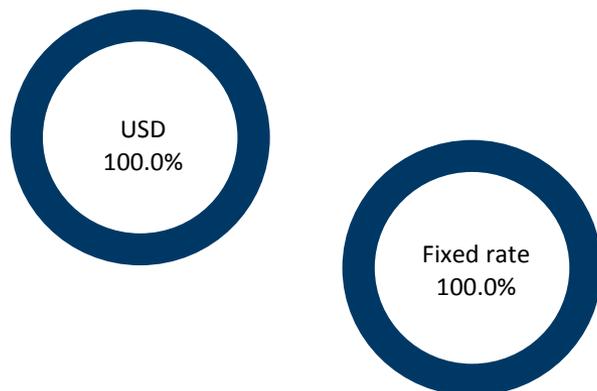


## Prudent leverage ratios

(LTV, %)



## Debt breakdown

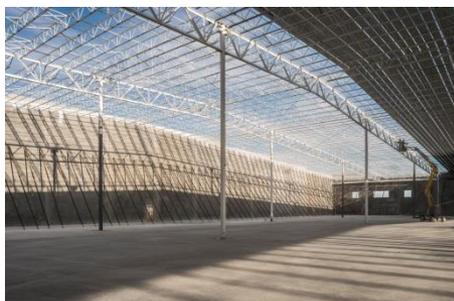


## Sound liquidity position

- Robust cash reserves**
  - \$275.8mm as of 2Q'15
- Idle debt capacity**
  - Current LTV of 23.4% vs 40% maximum leverage internal policy
- Proven access to capital markets**
  - 3 transactions in the Equity Capital Markets, raising US\$660mm in primary proceeds
- Strong cash flow generation and low payout ratio commitments**
- Diversified sources of funding**
  - Internal cash flows
  - Recently signed a new loan with Metlife at significantly better terms

(1) Includes US\$946,109 of issuance costs, total Metlife loan of US\$47.5mm.

Property	State	Initial operation year	Number of buildings	GLA total (m <sup>2</sup> )	GLA total (sq.ft)	Porcentaje of the portfolio (GLA)
Vesta Park Toluca II	State of Mexico	2014	2	45,496	489,717	2.6%
Santa Fe Veracruz	Veracruz	2016	1	11,211	120,674	0.6%
Puerto Interior	Guanajuato	2015	2	40,609	437,112	2.3%
San Miguel de Allende	Guanajuato	2015	1	15,491	166,744	0.9%
J10 Cd. Juarez	Chihuahua	2015	1	19,893	214,128	1.1%
Vesta Park Tijuana III	Baja California	2014	1	28,244	304,016	1.6%
<b>Total</b>			<b>8</b>	<b>160,944</b>	<b>1,732,391</b>	<b>9.2%</b>





Thank You!

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