
FIBRA PROLOGIS

# Second Quarter 2015 Financial Report

# Table of Contents


Prologis Park Independencia, Ciudad Juárez, Mexico

## FIBRA Prologis Announces Second Quarter 2015 Earnings Results

– Establishes Full-Year 2015 Distribution Guidance of US$0.10 per CBFI –
–Operating Portfolio Occupancy Remains Elevated at 96.0 Percent –
– Net Effective Rents on Rollover Increased 9.5 Percent –

MEXICO CITY (July 27, 2015) – FIBRA Prologis (BMV:FIBRAPL 14), the leading owner and operator of Class-A industrial real estate in Mexico, today reported results for the second quarter of 2015.

FIBRA Prologis began trading on the Mexican Stock Exchange on June 4, 2014. As such, there are no comparable financial results from prior quarters. For the operational metrics discussed here, FIBRA Prologis includes the performance of the properties in its portfolio prior to ownership by FIBRA Prologis, when the properties were managed by its sponsor.

Funds from operations ("FFO") in the second quarter were Ps. 69.6 million (approximately US$5.0 million), or Ps. 0.11 per CBFI (approximately US$0.01 per CBFI). Reported FFO includes realized exchange loss of Ps. 371.2 million (approximately US$23.0 million) from the reimbursement of the value-added tax paid in connection with the acquisition of the initial portfolio.

Net earnings in the second quarter were Ps. 588.8 million (approximately US$38.6 million), or Ps. 0.93 per CBFI (approximately US$0.06 per CBFI).

"In our first year, we have consistently outperformed the market with high occupancy levels and growth in rental rates, said Luis Gutierrez CEO, Prologis Mexico. "Market fundamentals are strong and, together with investments in manufacturing and the expansion of e-commerce, are fueling customer requirements for modern, well-located logistics facilities."

**STRONG OPERATING PERFORMANCE**

FIBRA Prologis leased 1.4 million square feet (approximately 134,600 square meters) in the second quarter; 43.5 percent of that total occurred in regional markets. FIBRA Prologis ended the quarter with 96.0 percent occupancy in its operating portfolio, an increase of 170 basis points over the same period in 2014, and has maintained period-end occupancy of more than 95 percent for four consecutive quarters.

Tenant retention in the quarter was 98.0 percent, maintaining record average retentions of more than 90.0 percent during the last year, with tenant renewals totaling 1.3 million square feet (123,200 square meters). Net effective rents on leases signed in the quarter increased 9.5 percent from prior in-place rents, led by regional markets with an increase of 10.2 percent.

In the second quarter, cash same store net operating income ("NOI") increased 4.7 percent compared to the same period in 2014.

**BUILDING ACQUISITIONS**
As previously announced, FIBRA Prologis acquired a fully occupied building of 76,182 square feet (approximately 7,000 square meters) for approximately Ps. 74.5 million (approximately US$4.9 million), including closing costs, in Guadalajara. The stabilized capitalization rate of the acquisition was 7.5 percent.

**IMPROVEMENT IN LIQUIDITY AND FINANCIAL POSITION**
During the second quarter, FIBRA Prologis recast and upsized it former line of credit to US$400.0 million. Pricing on the new unsecured line of credit is US LIBOR plus 225 basis points, which represents a 125 basis point reduction from the prior financing. Pricing on the line of credit is adjustable depending on the loan to value of FIBRA Prologis. The credit facility matures May 18, 2018.

On April 13, 2015, FIBRA Prologis collected the value-added tax receivable of Ps. 2.0 billion (approximately US$131.8 million), including interest income and inflation adjustments, related to the acquisition of the initial portfolio. Proceeds were used to repay the outstanding balance of Ps. 1.5 billion (approximately US$99.5 million) in the previous secured line of credit. Remaining proceeds will be used to fund future acquisitions.

As of June 30, 2015, FIBRA Prologis' liquidity was approximately Ps. 7.0 billion (US$446.5 million), which included Ps. 6.3 billion (US$400.0 million) of available capacity on its new unsecured credit facility and Ps. 727.7 million (US$46.5 million) of unrestricted cash.

Net debt as a percentage of investment properties was 26.0 percent, with fixed charge coverage at 1.20 times and net debt to adjusted EBITDA at 4.17 times. Adjusted EBITDA used in the calculation of fixed coverage charge and net debt to adjusted EBITDA ratios includes realized exchange loss of Ps. 371.2 million (approximately US$23.0 million) from the reimbursement of the value-added tax paid in connection with the acquisition of the initial portfolio.

**GUIDANCE FOR 2015**
FIBRA Prologis maintains its full-year 2015 FFO guidance range of US$0.16 to US$0.17 per CBFI, excluding the realized exchange loss from the reimbursement of the value-added tax paid in connection with the acquisition of the initial portfolio. Distributions for full-year 2015 will be US$0.10 per CBFI. This assumes:

- year-end occupancy between 95.25 percent and 96.25 percent
- cash same store NOI growth between 4.5 percent and 5.5 percent
- capital expenditures as a percentage of NOI between 14.0 percent and 17.0 percent
- asset management fees and professional fees between US$ 17.0 million and US$19.0 million
- building acquisitions between US$130.0 million and US$170.0 million in the fourth quarter

**NEW DISTRIBUTION GUIDANCE**
Beginning in 2016, FIBRA Prologis will establish, at the start of each year, the guidance range on annual distributions, which will represent approximately 95.0 percent of the forecasted annual AFFO. Distributions will be paid evenly on a quarterly basis and are subject to management's determination that sufficient cash is available.

For the full year 2015, FIBRA Prologis will distribute US$0.10 per CBFI. Quarterly distributions for the remaining of 2015 will be US$0.0265 per CBFI.

"A year after our IPO, we are announcing new distribution guidance that will bring certainty to investors regarding quarterly distributions," said Jorge Girault, senior vice president, Finance, Prologis Mexico. "This new guidance reflects our commitment to meeting the needs of the investment community."

**WEBCAST & CONFERENCE CALL INFORMATION**

FIBRA Prologis will host a live webcast/conference call to discuss quarterly results, current market conditions and future outlook on July 28, 2015, at 9 a.m. CT/10 a.m. ET. Interested parties are encouraged to access the webcast by clicking the microphone icon located near the top of the FIBRA Prologis Investor Relations website (www.fibraprologis.com). Interested parties also can participate via conference call by dialing +1 877 256 7020 (toll-free from the United States and Canada) or +1 973 409 9692 from all other countries and entering conference code 67395195.

A telephonic replay will be available July 28–August 28 at +1 855 859 2056 from the U.S. and Canada or at +1 404 537 3406 from all other countries using conference code 67395195. The replay will be posted in the Investor Relations section of the FIBRA Prologis website.

**ABOUT FIBRA PROLOGIS**

FIBRA Prologis is the leading owner and operator of Class-A industrial real estate in Mexico. As of June 30, 2015, FIBRA Prologis comprised 185 logistics and manufacturing facilities in six industrial markets in Mexico totaling 31.6 million square feet (2.9 million square meters) of gross leasable area.

**FORWARD-LOOKING STATEMENTS**

The statements in this release that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which FIBRA Prologis operates, management's beliefs and assumptions made by management. Such statements involve uncertainties that could significantly impact FIBRA Prologis financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," 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, acquisition activity, development activity, disposition activity, general conditions in the geographic areas where we operate, our debt and financial position, 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 ("FIBRA") status and tax structuring, (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings, (vii) risks related to our investments (viii) environmental uncertainties, including risks of natural disasters, and (ix) those additional factors discussed in reports filed with the "Comisión Nacional Bancaria y de Valores" and the Mexican Stock Exchange by FIBRA Prologis under the heading "Risk Factors." FIBRA Prologis undertakes no duty to update any forward-looking statements appearing in this release.

Non-Solicitation - Any securities discussed herein or in the accompanying presentations, if any, have not been registered under the Securities Act of 1933 or the securities laws of any state and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the Securities Act and any applicable state securities laws. Any such announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein or in the presentations, if and as applicable.

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# FIBRA Prologis

Fideicomiso Irrevocable F/1721
Deutsche Bank México, S.A., Institución
de Banca Múltiple, División Fiduciaria

## Interim Condensed Financial Statements as of June 30, 2015, and for the three and six months then ended

## Contents

## Second Quarter 2015 Earnings Report

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# Second Quarter 2015 Management Overview

## Letter from Luis Gutierrez, Chief Executive Officer, Prologis Mexico

June marked the first anniversary of FIBRA Prologis. The quality of our portfolio, focused investment strategy, experienced local teams, and access to the global customer franchise of our sponsor, Prologis, helped us to consistently outperform the market in the last year.

Since the IPO, FIBRA Prologis has increased its occupancy by 170 basis points, closing the second quarter at 96.0 percent, and has maintained occupancy levels of more than 95.0 percent over the last four quarters. During the last year, we consistently increased occupancy with a strong growth in rents, retaining more than 90.0 percent of our existing tenants. This resulted in cash same store NOI growth of 4.7 percent in the second quarter of 2015.

Proprietary access to the Prologis development pipeline is an integral part of our external growth strategy. Prologis currently has 3.1 million square feet of buildings under development, which may be offered to FIBRA Prologis as the buildings stabilize. In the last twelve months, we have deployed US$117.8 million; 93.4 percent of that total reflects acquisitions from our sponsor, which in turn increased the gross leasable area of the portfolio by 5.5 percent.

Further, market fundamentals have been strong. An increase in consumer demand, the reconfiguration of the supply chain, the expansion of e-commerce and the increase in investment for manufacturing sites have fueled customer requirements for modern, well-located facilities. Of note, e-commerce has increased its market share in Mexico. Multinational companies are either opening or expanding their e-commerce operations revealing potential growth in a market that is young and in which e-commerce has low penetration compared to the United States and Brazil. We believe the growth of e-commerce will prompt increased demand for newer, bigger and well-located facilities.

Mexico remains a preferred manufacturing hub for multinational companies, primarily due to its location, free trade agreements, infrastructure, strong supplier base, abundant pool of educated labor and attractive currency. Manufacturing has grown across all sectors, but the main growth is seen in automotive, aerospace, medical devices, electronics and white goods. Recent announcements by the automotive sector to establish new and/or expand current manufacturing sites in Mexico, together with overall growth in manufacturing, should boost demand for industrial facilities.

FIBRA Prologis' best-in-class facilities, access to the development pipeline of our sponsor, Prologis, and a new unsecured line of credit of $400 million, make us one of the best-positioned FIBRAs to meet current and future demand for industrial space.

We offer a vehicle to investors who seek to participate in Mexico's industrial real estate and want limited exposure to currency fluctuations in dollar terms. Trading at a discount to net asset value makes FIBRA Prologis an attractive high-quality investment with significant growth potential. In addition, because 84.7 percent of our revenue stream is in U.S. dollars, and due the fact that we are financed with U.S. dollar-denominated debt, FIBRA Prologis offers a natural currency hedge vehicle that is well-insulated from currency movements.

Before concluding, I am pleased to announce that we have established new distribution guidance. At the start of each year, we will provide a guidance range on full-year distributions, which will represent approximately 95.0 percent of forecasted annual AFFO. Distributions will be paid evenly on a quarterly basis. For full-year 2015, we expect to distribute US$0.10 per CBFI. We believe this new guidance will bring certainty to our investors regarding our quarterly distributions.

In summary, our first year of operation and the second quarter of 2015 have been excellent. These results are supported by our corporate governance, which brings transparency and the highest standard of reporting to our sector. We are confident in our ability to bring ongoing value to our investors as we continue to provide a clear path for our growth potential.

Sincerely,

Luis Gutierrez
Chief Executive Officer

The interim condensed financial statements included in this report were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Please read this in conjunction with the interim condensed financial statements.

**Management Overview**

FIBRA Prologis (BMV: FIBRAPL 14) is the leading owner and operator of Class-A industrial real estate in Mexico. As of June 30, 2015, FIBRA Prologis owned 185 logistics and manufacturing facilities in six strategic markets in Mexico totaling 31.6 million square feet (2.9 million square meters) of gross leasable area ("GLA"). These properties were leased to more than 225 customers, including third-party logistics providers, transportation companies, retailers and manufacturers.

FIBRA Prologis acquired its initial portfolio on June 4, 2014, from several entities owned or managed by Prologis, Inc. ("Prologis") after pricing of the initial public offering ("IPO") on June 3, 2014. FIBRA Prologis is managed externally by Prologis Property México, S.A. de C.V., a subsidiary of our sponsor, Prologis.

Approximately 65.0 percent of our net effective rents are in global logistic markets ("global markets") and approximately 35.0 percent are in regional manufacturing markets ("regional markets"). Global markets include Mexico City, Guadalajara and Monterrey. These markets are highly industrialized and benefit from their proximity to principal highways, airports and rail hubs. Regional markets include Cd. Juarez, Tijuana and Reynosa. These markets are industrial centers for the automotive, electronics, medical and aerospace industries, among others, and benefit from an ample supply of qualified labor as well as proximity to the U.S. border. Disclosed operating results are consistent with how management evaluates the performance of the portfolio.

The second quarter of 2015 is our fourth full reporting quarter and includes results from April 1, 2015, through June 30, 2015. We do not have comparable financial results for any periods before June 4, 2014. However, for the operational metrics included in this report, we used the results of the properties in the portfolio prior to ownership by FIBRA Prologis.

During the quarter ended June 30, 2015, and through the date of this report, the following activity supported our priorities:

- On April 13, 2015, we received the full value-added tax reimbursement of Ps. 2.0 billion (approximately US$ 131.8 million), including interest income and inflation adjustments, related to the acquisition of the initial portfolio.

- On May 12, 2015, we acquired a fully occupied building of 76,182 square feet (approximately 7,000 square meters) for Ps. 74.5 million (approximately US$4.9 million), including closing costs. The building is located in the South Periferico submarket in Guadalajara and was acquired from a local developer.

- On May 20, 2015, we recast and upsized the previous US$ 250.0 million secured line of credit into a US$ 400.0 million unsecured line of credit. The credit facility matures May 18, 2018. Pricing under the facility is currently at US LIBOR plus 225 basis points, which can be adjusted depending on the loan-to-value ratio.

- During the second quarter, we leased 1.4 million square feet (approximately 134,600 square meters). Average turnover costs (tenant improvements and leasing costs) on leases signed in the quarter amounted to Ps. 9.87 per square foot (approximately US$ 0.64 per square foot). As of June 30, 2015, our operating portfolio was 96.0 percent occupied, an increase of 170 basis points over the same period in 2014. Tenant retention during the quarter was 98.0 percent.

- Rental rates on leases signed during the quarter increased 9.5 percent. FIBRA Prologis calculates the change in effective rental rates on leases signed during the quarter compared with the previous rent on the same space. The net effective rent calculation includes contractual rental increases but excludes increases due to inflation because of the uncertainty of the increase. The impact on net operating income ("NOI") of net effective rent change on lease rollovers is typically seen in subsequent quarters as customers move in and leases begin.

Our Plan for Growth

We have a plan to grow revenue, earnings, NOI, adjusted funds from operations ("AFFO") (see definition in the Supplemental Financial Information) and distributions based on the following key elements:

- *Rising Rents*. Market rents are growing across all of our markets at a pace similar to last year. We believe this trend will continue, as demand for high-quality industrial space outpaces supply in most of our markets, which in turn will support increases in net effective rents on lease turnover given that many of our in-place leases began during periods of lower market rent. As we are able to recover the majority of our operating expenses from customers, the increase in rent translates into increased NOI, earnings and cash flow. During the second quarter of 2015, we had positive rent change of 9.5 percent on rollovers when comparing the net effective rent of the new lease to the prior lease for the same space, and this quarter marked the ninth consecutive quarter of positive rental increases.

- *Acquisitions*. Access to an acquisition pipeline will allow us to increase our investments in real estate under an exclusivity agreement with Prologis, entered into in connection with the IPO. Currently, most of the anticipated acquisitions are owned by Prologis and are either operating assets or are under development. Prologis has 3.1 million square feet under development or pre-stabilization; we expect these properties to be offered to FIBRA Prologis as they stabilize. We have an adequate line of credit to fund the acquisition of these properties, if offered.

- *Cost of Debt*. We are committed to decreasing the weighted average interest rate, increasing the weighted average term and improving liquidity while maintaining a strong balance sheet as 85.8 percent of our total debt matures between 2016 and 2017. We are in the process of analyzing a more efficient and flexible debt structure than the existing one, which comprises loans assumed in the acquisition of the initial portfolio.

Liquidity and Capital Resources

*Overview*

We believe our ability to generate cash from operating activities and available financing sources will allow us to meet anticipated future acquisition, operating, debt service and distribution requirements.

*Near-Term Principal Cash Sources and Uses*

As a FIBRA, we are required to distribute at least 95 percent of our taxable income. In addition to distributions to CBFI holders, we expect our primary cash uses will include:

- capital expenditures and leasing costs on properties in our operating portfolio;

- development costs in our current development expansion project that began in December 2014; and

- acquisition of industrial buildings pursuant to our exclusivity agreement with Prologis or acquisitions from third parties.

We expect to fund our cash needs principally from the following sources, all subject to market conditions:

- available unrestricted cash balances of Ps. 727.7 million (approximately US$ 46.5 million) as of June 30, 2015, primarily as a result of proceeds from the collection of the value-added tax refund; and

- borrowing capacity of Ps. 6.3 billion (US$ 400.0 million) under our new unsecured credit facility.

*Debt*

As of June 30, 2015, we had approximately Ps. 8.5 billion (US$ 545.8 million) of debt on par with a weighted average effective interest rate of 3.4 percent (a weighted average coupon rate of 5.6 percent) and a weighted average maturity of two years.

According to the CNBV regulation for the calculation of debt ratios, our loan-to-value and debt service coverage ratios as of June 30, 2015, are 28.0 percent and 1.71 times, respectively.

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# Independent Auditors' Report on Review of Interim Financial Information

To the Technical Committee and Trustors
FIBRA Prologis Fideicomiso Irrevocable F/1721

*Introduction*

We have reviewed the accompanying June 30, 2015 condensed interim financial information of FIBRA Prologis Fideicomiso Irrevocable F/1721 Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciara ("the Trust"), which comprises:

- The interim condensed statements of financial position as of June 30, 2015 and December 31, 2014;
- The interim condensed statements of comprehensive income for the three-months and six-month periods ended June 30, 2015;
- The interim condensed statement of changes in equity for the six-month periods ended June 30, 2014 and 2015;
- The interim condensed statement of cash flows for the three-month and six-month period ended June 30, 2015; and
- Notes to the condensed interim financial information.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

(Continued)

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying June 30, 2015 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG CARDENAS DOSAL, S. C.

C.P.C. Guillermo Ochoa Maciel

Mexico City, July 23, 2015.

**Interim condensed statements of financial position**
As of June 30, 2015 and December 31, 2014
(In thousands of Mexican Pesos)

| | Note | June 30, 2015 | December 31, 2014 |
|---|---|---|---|
| **Assets** | | | |
| Current assets: | | | |
| Cash | | $ 727,731 | $ 267,711 |
| Restricted cash | | - | 14,764 |
| Trade receivables | 7 | 41,502 | 63,668 |
| Value added tax and other receivables | 8 | 112,955 | 2,127,800 |
| Prepaid expenses | 9 | 72,138 | 31,507 |
| | | **954,326** | **2,505,450** |
| Non-current assets: | | | |
| Investment properties | 10 | 29,632,287 | 27,563,010 |
| **Total assets** | | **$ 30,586,613** | **$ 30,068,460** |
| **Liabilities and equity** | | | |
| Current liabilities: | | | |
| Trade payables | | $ 62,003 | $ 17,874 |
| Due to affiliates | 14 | 61,843 | 90,590 |
| Current portion of long term debt | 11 | 154,328 | 132,082 |
| | | **278,174** | **240,546** |
| Non-current liabilities: | | | |
| Long term debt | 11 | 8,739,015 | 9,877,422 |
| Security deposits | | 204,017 | 191,640 |
| | | **8,943,032** | **10,069,062** |
| **Total liabilities** | | **9,221,206** | **10,309,608** |
| **Equity:** | | | |
| CBFI holders capital | 12 | 16,082,758 | 16,437,977 |
| Other equity accounts | | 5,282,649 | 3,320,875 |
| **Total equity** | | **21,365,407** | **19,758,852** |
| **Total liabilities and equity** | | **$ 30,586,613** | **$ 30,068,460** |

The accompanying notes are an integral part of these interim condensed financial statements.

**Interim condensed statements of comprehensive income**
For the three and six months ended June 30, 2015, and for the period from June 4 through June 30, 2014
(In thousands of Mexican Pesos, except per CBFI amounts)

| | Note | For the three months ended June 30, 2015 | For the six months ended June 30, 2015 | For the period from June 4 through June 30, 2014 |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Lease rental income | | $ 574,102 | $ 1,128,628 | $ 126,460 |
| Rental recoveries | | 59,249 | 113,898 | 15,053 |
| Other property income | | 11,119 | 24,952 | 3,107 |
| | | **644,470** | **1,267,478** | **144,620** |
| **Costs and expenses:** | | | | |
| Property operating expenses: | | | | |
| Operating and maintenance | | 39,118 | 73,958 | 9,826 |
| Utilities | | 7,651 | 16,188 | 3,540 |
| Property management fees | 14 | 19,834 | 46,170 | 4,013 |
| Real estate taxes | | 13,620 | 27,240 | 2,991 |
| Non-recoverable operating | | 4,707 | 14,011 | 3,752 |
| | | **84,930** | **177,567** | **24,122** |
| **Gross profit** | | **559,540** | **1,089,911** | **120,498** |
| **Other expense (income):** | | | | |
| Gain on revaluation of investment properties | 10 | (159,463) | (148,140) | - |
| Asset management fees | 14 | 52,700 | 107,776 | 13,141 |
| Professional fees | | 13,113 | 23,780 | - |
| Amortization of debt premium | | (47,415) | (93,153) | (13,463) |
| Interest expense | | 123,496 | 258,147 | 28,840 |
| Amortization of deferred financing cost | | 26,240 | 30,458 | - |
| Interest income from value added tax receivable | | (59,280) | (59,280) | - |
| Exchange loss, net | | 11,506 | 85,104 | 34,409 |
| Other expenses | | 9,882 | 14,975 | 1,788 |
| | | **(29,221)** | **219,667** | **64,715** |
| **Net income** | | **588,761** | **870,244** | **55,783** |
| Other comprehensive income: | | | | |
| Translation effects from functional currency to reporting currency | | (516,737) | (1,091,530) | (70,744) |
| **Total comprehensive income for the period** | | **$ 1,105,498** | **$ 1,961,774** | **$ 126,527** |
| **Earnings per CBFI** | 6 | **$ 0.93** | **$ 1.37** | **$ 0.09** |

The accompanying notes are an integral part of these interim condensed financial statements.

## Interim condensed statement of changes in equity

For the six months ended June 30, 2015, and for the period from June 4 through June 30, 2014
(In thousands of Mexican Pesos)

| | CBFI holders capital | Translation Effects from functional currency to reporting currency | Retained Earnings | Total |
|---|---|---|---|---|
| **Initial contribution, net of issuance cost** | **$ 16,600,135** | **$ -** | **$ -** | **$ 16,600,135** |
| **Comprehensive income:** | | | | |
| Translation effects from functional currency | - | 70,744 | - | **70,744** |
| Net income | - | - | 55,783 | **55,783** |
| **Total comprehensive income** | **-** | **70,744** | **55,783** | **126,527** |
| **Balance as of June 30, 2014** | **$ 16,600,135** | **$ 70,744** | **$ 55,783** | **$ 16,726,662** |
| **Balance as of January 1, 2015** | **$ 16,437,977** | **$ 2,409,874** | **$ 911,001** | **$ 19,758,852** |
| Equity distributions | (355,219) | - | - | **(355,219)** |
| **Comprehensive income:** | | | | |
| Translation effects from functional currency to reporting currency | - | 1,091,530 | - | **1,091,530** |
| Net income | - | - | 870,244 | **870,244** |
| | **-** | **1,091,530** | **870,244** | **1,961,774** |
| **Balance as of June 30, 2015** | **$ 16,082,758** | **$ 3,501,404** | **$ 1,781,245** | **$ 21,365,407** |

The accompanying notes are an integral part of these interim condensed financial statements.

## Interim condensed statement of cash flows

For the six months ended June 30, 2015, and for the period from June 4 through June 30, 2014
(In thousands of Mexican Pesos)

| | | For the six months ended June 30, 2015 | | For the period from June 4 through June 30, 2014 |
|---|---|---|---|---|
| **Operating activities:** | | | | |
| Net income | $ | 870,244 | $ | 55,783 |
| *Adjustments for non-cash items:* | | | | |
| Gain on revaluation of investment properties | | (148,140) | | - |
| Allowance for uncollectible trade receivables | | 7,070 | | - |
| Interest expense | | 253,929 | | 28,840 |
| Amortization of deferred financing cost | | 30,458 | | - |
| Unrealized exchange loss | | 31,899 | | - |
| Amortization of debt premium | | (93,153) | | (13,463) |
| Rent leveling | | (52,876) | | - |
| *Increase (decrease) in working capital:* | | | | |
| Trade receivables | | 15,096 | | 114,096 |
| Trade receivable from affiliates | | - | | (114,269) |
| Value added tax receivable and other receivables | | 2,014,845 | | (1,980,233) |
| Prepaid expenses | | (40,631) | | - |
| Trade payables | | 44,129 | | (72,805) |
| Due to affiliates | | (28,747) | | 17,159 |
| Security deposits | | 12,377 | | (3,805) |
| **Net cash flow provided by (used in) operating activities** | | **2,916,500** | | **(1,968,697)** |
| **Investing activities:** | | | | |
| Funds for acquisition of investment properties | | (74,491) | | (5,032,167) |
| Capital expenditures on investment properties | | (198,408) | | - |
| **Net cash flow used in investing activities** | | **(272,899)** | | **(5,032,167)** |
| **Financing activities:** | | | | |
| Proceeds from initial capital contribution | | - | | 7,796,781 |
| Issuance costs | | - | | (464,590) |
| Equity distribution | | (355,219) | | - |
| Long term debt borrowings | | - | | 194,170 |
| Long term debt payments | | (1,599,088) | | - |
| Interest paid | | (257,519) | | (16,737) |
| **Net cash flow (used in) provided by financing activities** | | **(2,211,826)** | | **7,509,624** |
| **Net increase in cash** | | **431,775** | | **508,760** |
| Effect of foreign currency exchange rate changes on cash | | 13,481 | | - |
| Cash at beginning of the period | | 282,475 | | - |
| **Cash and restricted cash at the end of the period** | **$** | **727,731** | **$** | **508,760** |

The accompanying notes are an integral part of these interim condensed financial statements.

**Notes to interim condensed financial statements**
As of June 30, 2015, and for the three and six months then ended, and as of December 31, 2014
(In thousands of Mexican Pesos, except per CBFI)

## 1. Main activity, structure, and significant events

***Main activity –*** FIBRA Prologis ("FIBRAPL"), is a trust formed according to the Irrevocable Trust Agreement No. F/1721 dated August 13, 2013 ("Date of Inception"). Such agreement was signed between Prologis Property México, S. A. de C. V. as Trustor and Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria as Trustee. FIBRAPL is a Mexican real estate investment trust authorized by Mexican law (Fideicomiso de Inversión en Bienes Raices, or FIBRA, as per its name in Spanish) with its address on Avenida Prolongación Paseo de la Reforma No. 1236, Piso 9, Desarrollo Santa Fe, Cuajimalpa de Morelos, C.P. 05348.

The primary purpose of FIBRAPL is the acquisition or construction of industrial real estate in Mexico generally with the purpose of leasing such real estate to third parties under long-term operating leases.

From the Date of Inception until June 4, 2014, the date FIBRAPL was listed on the Mexican Stock Exchange, FIBRAPL did not have operations, therefore, it is presenting June 4 through June 30, 2014 as comparative information.

***Structure –*** FIBRAPL's parties are:

| | |
|---|---|
| Trustor: | Prologis Property México, S. A. de C. V. |
| First beneficiaries: | Certificate holders. |
| Trustee: | Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria. |
| Common representative: | Monex Casa de Bolsa, S. A. de C. V., Monex Grupo Financiero |
| Manager: | Prologis Property México, S. A. de C. V. |

***Significant events*** – On May 20, 2015, FIBRAPL canceled a secured revolving credit facility it had with Banco Nacional de México, S. A. ("Banamex") as administrative agent in the amount of $250 million U.S. dollars, from which an unamortized deferred financing cost of $21.5 million was written off and is presented as part of deferred financing cost in the statement of comprehensive income. On May 20, 2015, FIBRAPL entered into a new unsecured credit facility in the amount of $400 million U.S. dollars, under conditions described in note 11.

On May 12, 2015 FIBRAPL acquired a property located in Guadalajara, Jalisco with an area of 76,182 square feet in the amount of $74.5 million Mexican pesos ($4.9 million U.S. dollars) including closing costs.

On April 27, 2015, FIBRAPL distributed cash to its CBFI holders, which is considered a return of capital, in the amount of $0.3158 Mexican pesos per CBFI (approximately $0.0205 U.S. dollars per CBFI), equivalent to $200.3 Mexican pesos.

On April 21, 2015, FIBRAPL paid off its loan outstanding on the Credit Facility of $99.5 million U. S. dollars ($1,516 million Mexican pesos) to Banamex.

On April 13, 2015, FIBRAPL obtained a reimbursement of $1,996 million Mexican pesos (approximately $131.8 million U. S. dollars), from the Mexican Tax authorities, comprised of value added tax paid in connection with the acquisition of its initial investment portfolio of $1,937 million Mexican pesos (approximately $127.9 million U. S. dollars) and related interest of $59 million Mexican pesos (approximately $3.9 million U. S. dollars).

On February 20, 2015, FIBRAPL distributed cash to its CBFI holders, which is considered a return of capital, in the amount of $0.2441 Mexican pesos per CBFI (approximately $0.0164 U.S. dollars per CBFI), equivalent to $154.9 Mexican pesos.

## 2. Basis of presentation

***a.*** ***Interim financial reporting -*** The accompanying interim condensed financial statements as of June 30, 2015, and for the three and six months then ended and as of December 31, 2014, have been prepared in accordance with the International Accounting Standard No. 34, interim financial reporting. Therefore, these financial statements do not include all the information required in a complete annual report prepared in accordance with International Financial Reporting Standards (hereinafter IFRS or IAS). The condensed interim financial statements should be read in conjunction with the annual financial statements as of December 31, 2014, and for the period from June 4 through December 31, 2014, prepared in accordance with IFRS.

FIBRAPL management believes that all adjustments that are required for a proper presentation of the financial information are included in these interim condensed financial statements.

b. ***Functional currency and reporting currency –*** The accompanying interim condensed financial statements are presented in thousands of Mexican pesos, the local currency in Mexico, unless otherwise indicated. FIBRAPL's functional currency is the U.S. dollar.

c. ***Critical accounting judgments and estimates -*** The preparation of the interim condensed financial statements requires the use of certain critical accounting estimates and management to exercise its judgment in the process of applying FIBRAPL's accounting policies. The notes to the interim condensed financial statements discuss areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial statements.

Estimates and judgments are continually evaluated and are based on management experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparing the interim condensed financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is possible, on the basis of existing knowledge, that outcomes within the next financial year are different from our assumptions and estimates and could result in an adjustment to the carrying amounts of the assets and liabilities previously reported.

### 3. Summary of significant Accounting Policies

The significant accounting policies applied in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of and disclosed in FIBRAPL's audited financial statements as of December 31, 2014.

### 4. Rental revenues

Most of FIBRAPL´s lease agreements for the properties are for periods from three to ten years. Generally, these leases are based on a minimum rental payment in U.S. dollars, plus maintenance fees and recoverable expenses.

Future minimum lease payments from base rent on leases with lease periods greater than one year, valued at the June 30, 2015 exchange rate in Mexican pesos are as follows:

| | | Amount |
|---|---|---|
| **Rental revenues:** | | |
| 2015 (six months) | $ | 1,099,931 |
| 2016 | | 1,909,722 |
| 2017 | | 1,610,597 |
| 2018 | | 1,190,268 |
| 2019 | | 841,194 |
| Thereafter | | 578,326 |
| | **$** | **7,230,038** |

### 5. Segment reporting

Operating segment information is presented based on how management views the business, which includes information aggregated by market. The results for these operating segments are presented for the three and six months ended June 30, 2015, and for the period from June 4 through June 30, 2014, while assets and liabilities are included as of June 30, 2015 and December 31, 2014. FIBRAPL operates in six geographic markets that represent its reportable operating segments under IFRS 8 as follows: Mexico City, Guadalajara, Monterrey, Tijuana, Reynosa and Juarez.

| | For the three months ended June 30, 2015 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Mexico City | Guadalajara | Monterrey | Tijuana | Reynosa | Juarez | Total |
| **Revenues:** | | | | | | | |
| Lease rental income | $ 200,544 | $ 110,111 | $ 65,671 | $ 73,572 | $ 76,568 | $ 47,636 | **$ 574,102** |
| Rental recoveries | 18,028 | 6,666 | 7,401 | 8,472 | 6,932 | 11,751 | **59,249** |
| Other property income | 6,197 | 1,294 | 1,280 | 1,028 | 469 | 851 | **11,119** |
| | **224,769** | **118,071** | **74,352** | **83,072** | **83,968** | **60,238** | **644,470** |
| **Cost and expenses:** | | | | | | | |
| Property operating expenses | 31,745 | 13,501 | 7,042 | 11,694 | 8,227 | 12,721 | **84,930** |
| **Gross Profit** | **$ 193,024** | **$ 104,570** | **$ 67,310** | **$ 71,378** | **$ 75,741** | **$ 47,517** | **$ 559,540** |

| | For the six months ended June 30, 2015 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Mexico City | Guadalajara | Monterrey | Tijuana | Reynosa | Juarez | **Total** |
| **Revenues:** | | | | | | | |
| Lease rental income | $ 390,205 | $ 215,388 | $ 129,764 | $ 146,203 | $ 153,132 | $ 93,936 | **$ 1,128,628** |
| Rental recoveries | 36,273 | 11,179 | 14,803 | 16,591 | 13,536 | 21,516 | **113,898** |
| Other property income | 7,584 | 8,716 | 2,277 | 2,107 | 2,823 | 1,445 | **24,952** |
| | **434,062** | **235,283** | **146,844** | **164,901** | **169,491** | **116,897** | **1,267,478** |
| **Cost and expenses:** | | | | | | | |
| Property operating expenses | 63,289 | 30,236 | 14,948 | 21,141 | 19,147 | 28,806 | **177,567** |
| **Gross Profit** | **$ 370,773** | **$ 205,047** | **$ 131,896** | **$ 143,760** | **$ 150,344** | **$ 88,091** | **$ 1,089,911** |

| | For the period from June 4 through June 30, 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Mexico City | Guadalajara | Monterrey | Tijuana | Reynosa | Juarez | Total |
| **Revenues:** | | | | | | | |
| Lease rental income | $ 41,001 | $ 24,751 | $ 14,449 | $ 16,142 | $ 19,061 | $ 11,056 | **$ 126,460** |
| Rental recoveries | 6,125 | 2,133 | 1,283 | 2,016 | 1,938 | 1,558 | **15,053** |
| Other property income | 753 | 443 | 561 | 529 | 461 | 360 | **3,107** |
| | **47,879** | **27,327** | **16,293** | **18,687** | **21,460** | **12,974** | **144,620** |
| **Cost and expenses:** | | | | | | | |
| Property operating expenses | 8,445 | 3,830 | 1,512 | 2,904 | 3,630 | 3,801 | **24,122** |
| **Gross Profit** | **$ 39,434** | **$ 23,497** | **$ 14,781** | **$ 15,783** | **$ 17,830** | **$ 9,173** | **$ 120,498** |

| | As of June 30, 2015 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Mexico City | Guadalajara | Monterrey | Tijuana | Reynosa | Juarez | **Total** |
| **Investment properties:** | | | | | | | |
| Land | $ 2,321,734 | $ 1,107,287 | $ 701,978 | $ 681,130 | $ 684,198 | $ 466,975 | **$ 5,963,303** |
| Buildings | 9,177,314 | 4,429,150 | 2,586,168 | 2,724,521 | 2,736,792 | 1,867,902 | **23,521,847** |
| | **11,499,048** | **5,536,437** | **3,288,146** | **3,405,651** | **3,420,990** | **2,334,877** | **29,485,150** |
| Rent leveling | 65,786 | 13,431 | 17,502 | 27,782 | 17,141 | 5,495 | **147,137** |
| **Investment properties** | **$ 11,564,834** | **$ 5,549,869** | **$ 3,305,648** | **$ 3,433,433** | **$ 3,438,131** | **$ 2,340,372** | **$ 29,632,287** |
| **Long term debt** | **$ 3,303,784** | **$ 1,820,090** | **$ 1,421,278** | **$ 574,148** | **$ 1,014,130** | **$ 759,912** | **$ 8,893,343** |

| | As of December 31, 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Mexico City | Guadalajara | Monterrey | Tijuana | Reynosa | Juarez | Total |
| **Investment properties:** | | | | | | | |
| Land | $ 2,152,312 | $ 1,022,300 | $ 609,255 | $ 632,860 | $ 640,522 | $ 437,624 | **$ 5,494,873** |
| Buildings | 8,609,249 | 4,089,202 | 2,437,018 | 2,531,439 | 2,562,087 | 1,750,494 | **21,979,489** |
| | **10,761,561** | **5,111,502** | **3,046,273** | **3,164,299** | **3,202,609** | **2,188,118** | **27,474,362** |
| Rent leveling | 44,552 | 6,074 | 12,380 | 14,623 | 6,795 | 4,224 | **88,648** |
| **Total investment properties** | **$ 10,806,113** | **$ 5,117,576** | **$ 3,058,653** | **$ 3,178,922** | **$ 3,209,404** | **$ 2,192,342** | **$ 27,563,010** |
| **Long term debt** | **$ 3,494,260** | **$ 1,832,861** | **$ 1,424,966** | **$ 976,019** | **$ 1,325,040** | **$ 956,358** | **$ 10,009,504** |

## 6. Earnings per CBFI

The calculation of basic and diluted earnings per CBFI is the same and is as follows:

| | For the three months ended June 30, 2015 | For the six months ended June 30, 2015 | From June 4 to June 30, 2014 |
|---|---|---|---|
| Basic and diluted earnings per CBFI (pesos) | $ 0.93 | $ 1.37 | $ 0.09 |
| Net income | 588,761 | 870,244 | 55,783 |
| **Weighted average number of CBFIs ('000)** | **634,480** | **634,516** | **621,659** |

As of June 30, 2015, FIBRAPL had 634,479,746 CBFIs outstanding.

## 7. Trade receivables

As of June 30, 2015 and December 31, 2014, trade accounts receivables of FIBRAPL were comprised as follows:

| | June 30, 2015 | December 31, 2014 |
|---|---|---|
| Trade accounts receivable | $ 53,201 | $ 73,353 |
| Allowance for uncollectible trade receivables | (11,699) | (9,685) |
| | **$ 41,502** | **$ 63,668** |

## 8. Value Added Tax and other receivables

As of June 30, 2015 and December 31, 2014, receivable balances of FIBRAPL were primarily comprised of recoverable VAT and withholding taxes as follows:

| | June 30, 2015 | December 31, 2014 |
|---|---|---|
| Valued Added Tax | $ 107,744 | $ 2,127,800 |
| Other receivables | 5,211 | - |
| | **$ 112,955** | **$ 2,127,800** |

FIBRAPL submits withholding taxes to the Mexican taxing authorities as a result of interest paid to foreign creditors, such payments are recognized as part of interest expense unless they are expected to be reimbursed to FIBRAPL by the foreign creditor. If FIBRAPL does expect to be reimbursed the amount is recorded as other receivables.

## 9. Prepaid expenses

As of June 30, 2015 and December 31, 2014, prepaid expenses of FIBRAPL were comprised as follows:

| | June 30, 2015 | December 31, 2014 |
|---|---|---|
| Utility deposits | $ 19,515 | $ 28,157 |
| Prepaid development cost | 30,332 | - |
| Other prepaid expenses | 22,291 | 3,350 |
| | **$ 72,138** | **$ 31,507** |

## 10. Investment properties

FIBRAPL obtained a valuation as of June 30, 2015, from independent appraisers in order to determine the fair value of its investment properties which resulted in a gain of $148,140 for the period from January 1 through June 30, 2015.

As of June 30, 2015, investment properties were as follows:

| Market | Fair value as of June 30, 2015 | # of buildings | Lease Area in thousands square feet |
|---|---|---|---|
| Mexico City | 11,564,834 | 45 | 10,538 |
| Guadalajara | 5,549,869 | 26 | 5,945 |
| Monterrey | 3,305,648 | 24 | 3,413 |
| Tijuana | 3,433,433 | 33 | 4,217 |
| Reynosa | 3,438,131 | 29 | 4,385 |
| Juarez | 2,340,372 | 28 | 3,106 |
| **Total** | **$ 29,632,287** | **185** | **31,604** |

As of June 30, 2015 the fair value of investment properties includes excess land in the Mexico City market by $55,436 and a building under development in the Monterrey market by $27,405.

As of December 31, 2014, the fair value of investment properties was $27,563,010; on 184 buildings with a lease area of 31,530 thousand square feet.

As of June 30, 2015 and December 31, 2014, the balance of investment properties includes rent leveling effects of $147,137 and $88,648 respectively.

During the six months ended June 30, 2015, and for the period from June 4 through June 30, 2014, FIBRAPL paid the following:

| | June 30, 2015 | June 4 through June 30, 2014 |
|---|---|---|
| Capital expenditures | $ 78,440 | $ - |
| Leasing commissions | 68,840 | - |
| Tenant improvements | 51,128 | - |
| | **$ 198,408** | **$ -** |

## 11. Long term debt

As of June 30, 2015 and December 31, 2014, FIBRAPL, had long term debt denominated in U.S. dollars of $545.8 million and $649.7 million, respectively, comprised of loans from financial institutions through guaranty trusts as follows:

| | Maturity date | Rate | June 30, 2015 thousands of U. S. Dollars | June 30, 2015 thousands of MX Pesos | December 31, 2014 thousands of U. S. Dollars | December 31, 2014 thousands of MX Pesos |
|---|---|---|---|---|---|---|
| Prudential Insurance Company (The Prudential Loan) 1st. Section | December 15, 2016 | 4.50% | 135,392 | $ 2,120,218 | 137,240 | $ 2,022,204 |
| Prudential Insurance Company (The Prudential Loan) 2nd. Section | December 15, 2016 | 4.65% | 11,494 | 179,989 | 11,648 | 171,625 |
| Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 1st. section | December 15, 2016 | 4.58% | 94,847 | 1,485,295 | 96,121 | 1,416,326 |
| Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 2nd. section | December 15, 2016 | 4.50% | 12,093 | 189,370 | 12,257 | 180,601 |
| Neptuno Real Estate, S. de R. L. de C. V. | October 7, 2017 | 7.90% | 64,149 | 1,004,564 | 64,149 | 945,220 |
| Metropolitan Life Insurance Co. (The Metlife 1 Loan) | September 1, 2017 | 6.90% | 112,500 | 1,761,739 | 112,500 | 1,657,665 |
| Metropolitan Life Insurance Co. (The Metlife 2 Loan) | November 1, 2017 | 6.90% | 37,500 | 587,246 | 37,500 | 552,555 |
| Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 3rd. section | December 15, 2018 | 5.04% | 68,486 | 1,072,483 | 69,353 | 1,021,906 |
| Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 4th. section | December 15, 2018 | 4.78% | 9,327 | 146,059 | 9,449 | 139,230 |
| Banamex (Credit facility - canceled) | June 18, 2018 | LIBOR+ 350bps | - | - | 99,500 | 1,466,113 |
| **Total** | | | **545,788** | **8,546,963** | **649,717** | **9,573,445** |
| Long term debt interest accrued | | | 681 | 10,663 | 681 | 10,034 |
| Debt premium, net | | | 25,621 | 401,225 | 31,773 | 468,175 |
| Deferred financing cost | | | (4,183) | (65,508) | (2,861) | (42,150) |
| **Total debt** | | | **567,907** | **8,893,343** | **679,310** | **10,009,504** |
| Current portion of long term debt | | | 9,855 | 154,328 | 8,964 | 132,082 |
| **Total long term debt** | | | **558,052** | **$ 8,739,015** | **670,346** | **$ 9,877,422** |

During the six months ended June 30, 2015, and the period from June 4, 2014 to June 30, 2014, FIBRAPL paid interest on long term debt of $257,519 and $16,737, respectively and principal of $1,600 million during the six months ended June 30, 2015.

The loans described above are subject to certain affirmative covenants, including, among others, (i) reporting of financial information; and (ii) maintenance of corporate existence, the security interest in the properties subject to the loan and appropriate insurance for such properties. In addition, the loans are subject to certain negative covenants that restrict FIBRAPL's ability to, among other matters and subject to certain exceptions, incur additional indebtedness under or create additional liens on the properties subject to the loans, change its corporate structure, make certain restricted payments, enter into certain transactions with affiliates, amend certain material contracts, enter into derivative transactions for speculative purposes or form any new subsidiary. The loans contain, among others, the following events of default: (i) non-payment; (ii) false representations; (iii) failure to comply with covenants; (iv) inability to generally pay debts as they become due; (v) any bankruptcy or insolvency event; (vi) disposition of the subject properties; or (vii) change of control of the subject properties.

At June 30, 2015, FIBRAPL had a $400 million U.S. dollar (with an option to increase it by $100 million U.S. dollars), unsecured, revolving credit facility ("the Credit Facility") with Citibank N.A., as the administrative agent. The Credit Facility can be used by FIBRAPL for acquisitions, working capital needs and general corporate purposes. The Credit Facility bears interest on borrowings outstanding at the London Interbank Offered Rate ("LIBOR") plus 225 basis points, subject to loan to value grid, and an unused facility fee of 60 bps. This line of credit matures on May 18, 2018, with a one year extension at the borrower's option, with approval of lenders' risk committee. As June 30, 2015, there were no outstanding borrowings under the Credit Facility.

As of June 30, 2015, FIBRAPL was in compliance with all its covenants.

## 12. FIBRAPL certificates

FIBRAPL was formed on August 13, 2013 through an initial contribution from the sponsor to the fiduciary of $1.00 Mexican peso.

Effective June 4, 2014, FIBRAPL was listed on the Mexican Stock Exchange, under the ticker symbol FIBRAPL 14 in connection with its IPO.

On December 1, 2014, FIBRAPL registered the issuance of 3,785,280 new CBFI's, as part of the new investment in 6 properties described in the significant events section in note 1.

As of June 30, 2015 total CBFI's holders' capital includes issuance cost of $508,949.

## 13. Commitments and contingencies

FIBRAPL had no significant commitments or contingencies except as described in these notes as of June 30, 2015.

## 14. Related party information

The detail of transactions of FIBRAPL with its related parties is as follows:

### a. Manager

Prologis Property Mexico, S. A. de C. V. (the "Manager"), in its capacity as the FIBRAPL manager is entitled to receive, according to a management agreement between FIBRAPL and the Manager (the "Management Agreement"), the following fees and commissions:

1. **Asset management fee**: annual fee equivalent to 0.75% of the current appraised value, calculated in accordance with the valuation policies approved by the technical committee under Section 14.1 of the Trust Agreement, based on annual appraisals, plus investment cost for assets that have not been appraised, plus the applicable VAT, paid quarterly. The asset management fee will be prorated with respect to any asset that has been owned less than a full calendar quarter.

2. **Incentive Fee**: annual fee equal to 10% of cumulative total CBFI holder returns in excess of an annual compound expected return of 9%, paid annually in CBFIs, with each payment subject to a six-month lock-up, as established under the Management Agreement. The first incentive period started on June 4, 2014 and ended on June 4, 2015, no incentive fee was owed to the CBFI holders and it is not reflected in the interim condensed financial statements.

3. **Development Fee**: contingent fee equal to 4.0% of total project cost of capital improvements (including replacements and repairs to the properties managed by the Manager, including improvements by the lessor), excluding land or new property development payable upon completion of the project.

4. **Property Management Fee**: fee equal to 3.0% of the revenues generated by of the properties, paid monthly.

5. **Leasing Fee**: fee equal to certain percentages of total rent under signed lease agreements, as follows: (i) 5.0% in connection with years one through five of the respective lease agreements; (ii) 2.5% in connection with years six through ten of the respective lease agreements; and (iii) 1.25% in connection with years eleven and beyond of the respective lease agreements. One half of each leasing fee is payable at signing or renewal and one half is payable at commencement of the applicable lease. The leasing fee will be reduced by any annual amount paid to a third-party listing or procuring broker.

b. As of June 30, 2015 and December 31, 2014, the outstanding balances due to related parties were as follows:

| | June 30, 2015 | December 31, 2014 |
|---|---|---|
| Asset management fees | $ 55,014 | $ 51,159 |
| Property management fee | 6,829 | - |
| Capital expenditures reimbursement | - | 39,431 |
| | **$ 61,843** | **$ 90,590** |

As of June 30, 2015 and December 31, 2014, asset management fees are due to the Manager while capital expenditures reimbursements are due to affiliates of the Manager.

c. Transactions with affiliated companies for the three and six months ended as of June 30, 2015, and for the period from June 4 through June 30, 2014, were as follows:

| | Three months ended June 30,2015 | Six months ended June 30,2015 | From June 4 to June 30, 2014 |
|---|---|---|---|
| Acquisition of properties | $ - | $ - | $ 24,785,399 |
| Equity distribution | $ 91,896 | $ 162,940 | $ - |
| Asset management fee | $ 52,700 | $ 107,776 | $ 13,141 |
| Property management fee | $ 19,834 | $ 46,170 | $ 4,013 |
| Leasing commissions | $ 21,297 | $ 39,024 | $ - |
| Development fee | $ 125 | $ 948 | $ - |

## 15. Financial statements approval

On July 23, 2015, the issuance of these interim financial statements was authorized by Jorge Roberto Girault Facha, CFO of FIBRA Prologis.

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FIBRA PROLOGIS

# Supplemental Financial Information

Second Quarter 2015


Prologis Apodaca Building 1

FIBRA Prologis' functional currency is the U.S. Dollar, therefore, FIBRA Prologis' management has elected to present actual comparative U.S. Dollars that represent the actual amounts included in our U.S. Dollar financial statements within this supplemental package, based on the following policies:

a) Transactions in currencies other than U.S. Dollars (Mexican Pesos) are recognized at the rates of exchange prevailing at the date of the transaction.

b) Equity items are valued at historical exchange rates.

c) At the end of each reporting period, monetary items denominated in Mexican Pesos are retranslated into U.S. Dollars at the rates prevailing at that date.

d) Non-monetary items carried at fair value that are denominated in Mexican Pesos are retranslated at the rates prevailing at the date when the fair value was determined.

e) Exchange differences on monetary items are recognized in profit or loss in the period in which they occur.

Prologis Park Toluca, Mexico City Mexico



(A) Terms used throughout document are defined in the Notes and Definitions.

FIBRA Prologis is the leading owner and operator of Class-A industrial real estate in Mexico. As of June 30, 2015, FIBRA Prologis was comprised of 185 logistics and manufacturing facilities in six industrial markets in Mexico totaling 31.6 million square feet (2.9 million square meters) (A).

## Market Presence


Global Markets
(65% of Net Effective Rent / 96.5% Occ.)

Regional Markets
(35% of Net Effective Rent / 95.0% Occ.)

Regional Office

(A) The 31.6 million square feet includes 0.2 million square feet from a building under development in the Mexico market and a VAA in the Guadalajara market.

*(in thousands, except per CBFI amounts)*

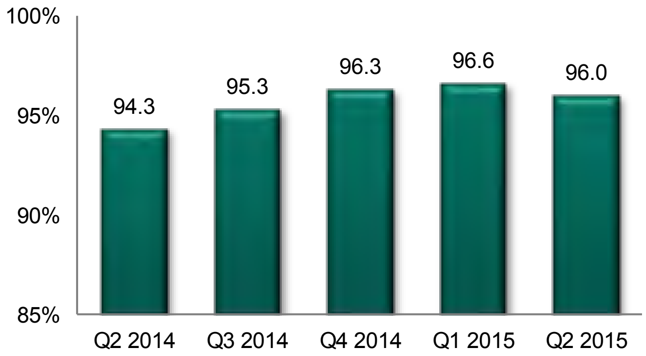
FIBRA Prologis acquired properties on June 4, 2014 from several entities owned or managed by its sponsor, Prologis, Inc. (Prologis), in connection with the initial public offering transaction that closed on June 3, 2014. As such, the quarterly financial information includes the results for three months ended June 30, 2015 and does not include comparable results for the same period in 2014, but instead it includes comparable financial information for the three months ended March 31, 2015 and December 31, 2014.

| | For the three months ended June 30, 2015 | | For the three months ended March 31, 2015 | | For the three months ended December 31, 2014 | |
|---|---|---|---|---|---|---|
| | Ps. | US$ (A) | Ps. | US$ (A) | Ps. | US$ (A) |
| Revenues | 644,470 | 42,020 | 623,008 | 41,903 | 560,228 | 41,487 |
| Gross Profit | 559,540 | 36,597 | 530,371 | 35,749 | 479,299 | 35,708 |
| Net Income | 588,761 | 38,600 | 281,483 | 19,283 | 558,899 | 43,046 |
| FFO, as defined by FIBRA Prologis | 69,562 | 5,049 | 368,050 | 24,904 | 334,516 | 25,398 |
| FFO, as defined by FIBRA Prologis excluding realized exchange loss from VAT (B) | 440,804 | 28,796 | 368,050 | 24,904 | 334,516 | 25,398 |
| AFFO | (77,279) | (4,514) | 200,912 | 13,734 | 154,191 | 11,986 |
| AFFO excluding realized exchange loss from VAT (B) | 293,963 | 19,233 | 200,912 | 13,734 | 154,191 | 11,986 |
| Adjusted EBITDA | 171,883 | 11,690 | 461,181 | 31,068 | 413,350 | 31,008 |
| Adjusted EBITDA excluding realized exchange loss from VAT (B) | 543,125 | 35,437 | 461,181 | 31,068 | 413,350 | 31,008 |
| Earnings per CBFI | 0.93 | 0.06 | 0.44 | 0.03 | 0.88 | 0.07 |
| FFO per CBFI | 0.11 | 0.01 | 0.58 | 0.04 | 0.53 | 0.04 |
| FFO excluding realized exchange loss from VAT per CBFI (B) | 0.69 | 0.04 | 0.58 | 0.04 | 0.53 | 0.04 |

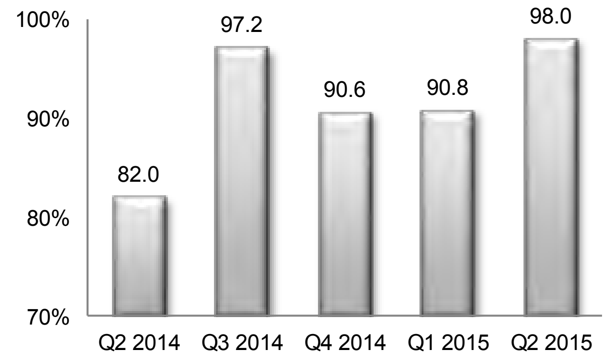
(A) Amounts presented in U.S. Dollars, which is FIBRA Prologis functional currency, represent the actual amounts from our U.S. Dollar financial statements.

(B) Since FIBRA Prologis makes distributions in Mexican Pesos, FIBRA Prologis has excluded the realized exchange loss as this was primarily caused by the VAT reimbursement FIBRA Prologis collected on April 13, 2015 in the amount of $2.0 billion Mexican pesos (approximately $131.8 million U.S. Dollars) due to the U.S. Dollar being the functional currency of FIBRA Prologis.

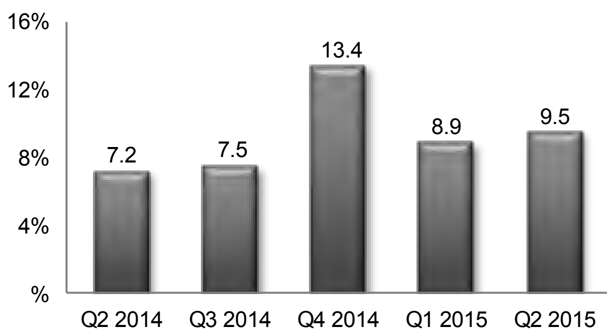
**Period Ending Occupancy - Operating Portfolio**



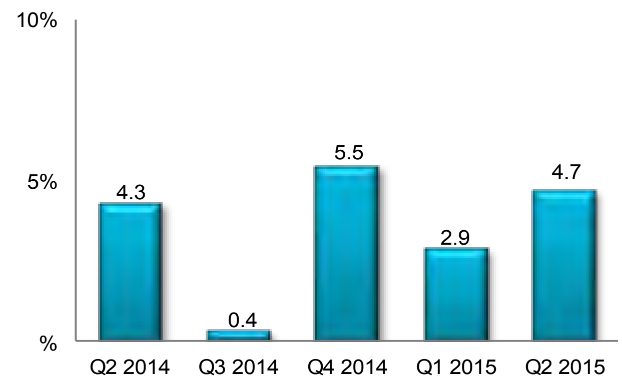

**Weighted Average Customer Retention**




**Net Effective Rent Change**




**Same Store Cash NOI Change (B)**




(A) Historical information prior to June 4, 2014 includes information from periods prior to the ownership of the properties by FIBRA Prologis.
(B) Same store cash NOI change has been calculated based on actual U.S. Dollars.

*(US Dollars in thousands except per CBFI amounts)*

## 2015 Guidance

| | | Low | | High |
|---|---|---|---|---|
| **Full year FFO per CBFI (A)** | $ | 0.16 | $ | 0.17 |
| **Operations** | | | | |
| Year-end occupancy | | 95.25% | | 96.25% |
| Same store cash NOI change | | 4.50% | | 5.50% |
| Annual capex as a percentage of NOI | | 14.00% | | 17.00% |
| **Capital Deployment** | | | | |
| Building acquisitions | $ | 130,000 | $ | 170,000 |
| **Other Assumptions** | | | | |
| Asset management and professional fees | $ | 17,000 | $ | 19,000 |
| Full year 2015 distribution per CBFI (New ) | $ | 0.10 | $ | 0.10 |

(A) Since FIBRA Prologis makes distributions in Mexican Pesos, FIBRA Prologis has excluded the realized exchange loss as this was primarily caused by the VAT reimbursement FIBRA Prologis collected on April 13, 2015 in the amount of $2.0 billion Mexican pesos (approximately $131.8 million U.S. Dollars) due to the U.S. Dollar being the functional currency of FIBRA Prologis.

*(in thousands)*

| | June 30, 2015 | | March 31, 2015 | | December 31, 2014 | |
|---|---|---|---|---|---|---|
| **Assets** | Ps. | US$ | Ps. | US$ | Ps. | US$ |
| Current assets: | | | | | | |
| Cash | 727,731 | 46,471 | 261,125 | 17,131 | 267,711 | 18,169 |
| Restricted cash | - | - | 15,273 | 1,002 | 14,764 | 1,002 |
| Trade receivables | 41,502 | 2,652 | 68,939 | 4,523 | 63,668 | 4,322 |
| Value added tax and other receivables | 112,955 | 7,213 | 2,090,653 | 137,158 | 2,127,800 | 144,406 |
| Prepaid expenses | 72,138 | 4,607 | 106,948 | 7,016 | 31,507 | 2,138 |
| | **954,326** | **60,943** | **2,542,938** | **166,830** | **2,505,450** | **170,037** |
| Non-current assets: | | | | | | |
| Investment properties | 29,632,287 | 1,892,241 | 28,509,032 | 1,870,341 | 27,563,010 | 1,870,606 |
| **Total assets** | **30,586,613** | **1,953,184** | **31,051,970** | **2,037,171** | **30,068,460** | **2,040,643** |
| **Liabilities and equity** | | | | | | |
| Current liabilities: | | | | | | |
| Trade payables | 62,003 | 3,199 | 35,116 | 2,304 | 17,874 | 1,213 |
| Due to affiliates | 61,843 | 4,709 | 76,486 | 5,017 | 90,590 | 6,148 |
| Current portion of long term debt | 154,328 | 9,855 | 138,681 | 9,098 | 132,082 | 8,964 |
| | **278,174** | **17,763** | **250,283** | **16,419** | **240,546** | **16,325** |
| Non-current liabilities: | | | | | | |
| Long term debt | 8,739,015 | 558,051 | 10,139,704 | 665,217 | 9,877,422 | 670,347 |
| Security deposits | 204,017 | 13,028 | 201,737 | 13,235 | 191,640 | 13,006 |
| | **8,943,032** | **571,079** | **10,341,441** | **678,452** | **10,069,062** | **683,353** |
| **Total liabilities** | **9,221,206** | **588,842** | **10,591,724** | **694,871** | **10,309,608** | **699,678** |
| **Equity** | | | | | | |
| CBFI holders capital | 16,082,758 | 1,246,509 | 16,283,095 | 1,259,542 | 16,437,977 | 1,269,899 |
| Other equity accounts | 5,282,649 | 117,833 | 4,177,151 | 82,758 | 3,320,875 | 71,066 |
| **Total equity** | **21,365,407** | **1,364,342** | **20,460,246** | **1,342,300** | **19,758,852** | **1,340,965** |
| **Total liabilities and equity** | **30,586,613** | **1,953,184** | **31,051,970** | **2,037,171** | **30,068,460** | **2,040,643** |

*(in thousands, except per CBFI amounts)*

| | For the three months ended June 30, 2015 | | For the three months ended March 31, 2015 (B) | |
|---|---|---|---|---|
| | Ps. | US$ | Ps. | US$ |
| **Revenues:** | | | | |
| Lease rental income | 574,102 | 37,503 | 554,526 | 37,295 |
| Rental recoveries | 59,249 | 3,913 | 57,528 | 3,871 |
| Other property income | 11,119 | 604 | 10,954 | 737 |
| | **644,470** | **42,020** | **623,008** | **41,903** |
| **Cost and expenses:** | | | | |
| Property operating expenses: | | | | |
| Operating and maintenance | 39,118 | 2,430 | 34,840 | 2,332 |
| Utilities | 7,651 | 501 | 8,537 | 572 |
| Property management fees | 19,834 | 1,286 | 26,336 | 1,735 |
| Real estate taxes | 13,620 | 921 | 13,620 | 921 |
| Non-recoverable operating | 4,707 | 285 | 9,304 | 594 |
| | **84,930** | **5,423** | **92,637** | **6,154** |
| **Gross profit** | **559,540** | **36,597** | **530,371** | **35,749** |
| **Other expense (income):** | | | | |
| (Gain) loss on revaluation of investment properties | (159,463) | (10,540) | 11,323 | 752 |
| Asset management fees | 52,700 | 3,513 | 55,076 | 3,496 |
| Professional fees | 13,113 | 904 | 10,667 | 815 |
| Interest expense | 123,496 | 8,013 | 134,651 | 8,957 |
| Amortization of deferred financing cost | 26,240 | 1,704 | 4,218 | 283 |
| Interest income from value added tax receivable | (59,280) | (3,908) | - | - |
| Realized exchange loss | 371,242 | 23,747 | (1,646) | (107) |
| Unrealized exchange (gain) loss | (359,736) | (23,011) | 75,244 | 4,869 |
| Amortization of debt premium | (47,415) | (3,076) | (45,738) | (3,076) |
| Other expenses | 9,882 | 651 | 5,093 | 477 |
| | **(29,221)** | **(2,003)** | **248,888** | **16,466** |
| **Net Income** | **588,761** | **38,600** | **281,483** | **19,283** |
| **Other comprehensive income:** | | | | |
| Translation effects from functional currency | (516,737) | 3,525 | (574,793) | 596 |
| **Total comprehensive income for the period** | **1,105,498** | **35,075** | **856,276** | **18,687** |
| **Earnings per CBFI (A)** | 0.93 | 0.06 | 0.44 | 0.03 |

(A) See calculation of Earnings per CBFI in Notes and Definitions.

(B) Interim unaudited statements of comprehensive income for the three months ended March 31, 2015 are presented for comparative purposes.

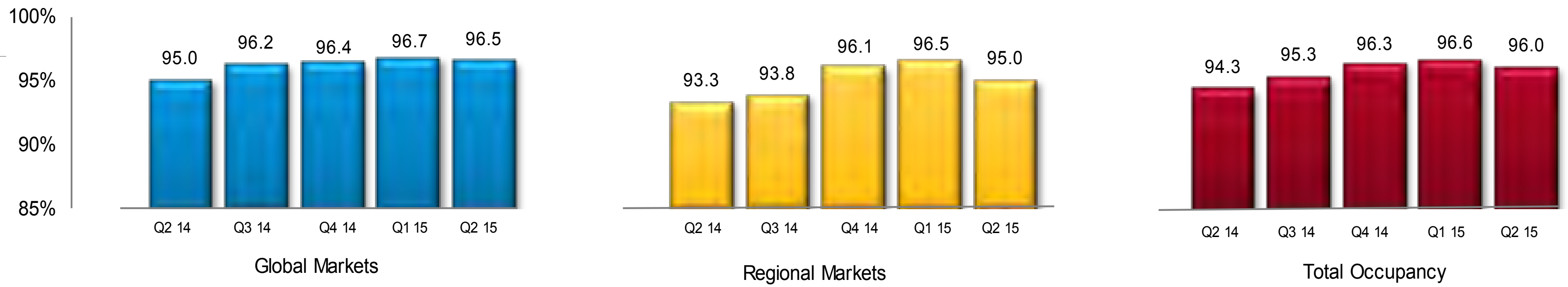
*(in thousands)*

| | For the three months ended June 30, 2015 | | For the three months ended March 31, 2015 | |
|---|---|---|---|---|
| | Ps. | US$ | Ps. | US$ |
| **Reconciliation of net income to FFO** | | | | |
| Net income | 588,761 | 38,600 | 281,483 | 19,283 |
| **NAREIT defined FFO** | **588,761** | **38,600** | **281,483** | **19,283** |
| Adjustments to arrive at FFO, as defined by FIBRA Prologis: | | | | |
| (Gain) loss on revaluation of investment properties | (159,463) | (10,540) | 11,323 | 752 |
| Unrealized exchange (gain) loss | (359,736) | (23,011) | 75,244 | 4,869 |
| **FFO, as defined by FIBRA Prologis** | **69,562** | **5,049** | **368,050** | **24,904** |
| Realized exchange loss from VAT (A) | 371,242 | 23,747 | - | - |
| **FFO, as defined by FIBRA Prologis excluding realized exchange loss from VAT (A)** | **440,804** | **28,796** | **368,050** | **24,904** |
| | | | | |
| **FFO, as defined by FIBRA Prologis** | **69,562** | **5,049** | **368,050** | **24,904** |
| Adjustments to arrive at Adjusted FFO ("AFFO") | | | | |
| Straight-lined rents | (24,716) | (1,618) | (28,160) | (1,870) |
| Property improvements | (40,230) | (2,610) | (38,210) | (2,545) |
| Tenant improvements | (36,398) | (2,376) | (32,442) | (2,163) |
| Leasing commissions | (24,322) | (1,587) | (26,806) | (1,799) |
| Amortization of deferred financing costs | 26,240 | 1,704 | 4,218 | 283 |
| Amortization of debt premium | (47,415) | (3,076) | (45,738) | (3,076) |
| **AFFO** | **(77,279)** | **(4,514)** | **200,912** | **13,734** |
| Realized exchange loss from VAT (A) | 371,242 | 23,747 | - | - |
| **AFFO excluding realized exchange loss from VAT (A)** | **293,963** | **19,233** | **200,912** | **13,734** |

| | For three months ended June 30, 2015 | | For three months ended March 31, 2015 | |
|---|---|---|---|---|
| | Ps. | US$ | Ps. | US$ |
| **Reconciliation of Net Income to Adjusted EBITDA** | | | | |
| Net Income | 588,761 | 38,600 | 281,483 | 19,283 |
| (Gain) loss on revaluation of investment properties | (159,463) | (10,540) | 11,323 | 752 |
| Interest expense | 123,496 | 8,013 | 134,651 | 8,957 |
| Amortization of deferred financing costs | 26,240 | 1,704 | 4,218 | 283 |
| Amortization of debt premium | (47,415) | (3,076) | (45,738) | (3,076) |
| Unrealized exchange (gain) loss | (359,736) | (23,011) | 75,244 | 4,869 |
| **Adjusted EBITDA** | **171,883** | **11,690** | **461,181** | **31,068** |
| Realized exchange loss from VAT (A) | 371,242 | 23,747 | - | - |
| **Adjusted EBITDA excluding realized exchange loss from VAT (A)** | **543,125** | **35,437** | **461,181** | **31,068** |

(A) Since FIBRA Prologis makes distributions in Mexican Pesos, FIBRA Prologis has excluded the realized exchange loss as this was primarily caused by the VAT reimbursement FIBRA Prologis collected on April 13, 2015 in the amount of $2.0 billion Mexican pesos (approximately $131.8 million U.S. Dollars) due to the U.S. Dollar being the functional currency of FIBRA Prologis.

**Period Ending Occupancy - Operating Portfolio (A)**




**Leasing Activity (A)**

| | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 |
|---|---|---|---|---|---|
| Square feet of leases signed: | | | | | |
| Renewals | 1,367,754 | 3,037,676 | 1,426,731 | 3,460,909 | 1,329,529 |
| New leases | 885,227 | 246,638 | 393,820 | 177,891 | 116,542 |
| Total square feet of leases signed | 2,252,981 | 3,284,314 | 1,820,551 | 3,638,800 | 1,446,071 |
| Average term of leases signed (months) | 48 | 36 | 33 | 32 | 30 |
| Net effective rent change | 7.2% | 7.5% | 13.4% | 8.9% | 9.5% |

(A) Historical information prior to June 4, 2014 includes information from periods prior to the ownership of the properties by FIBRA Prologis.

*(square feet and currency in thousands)*

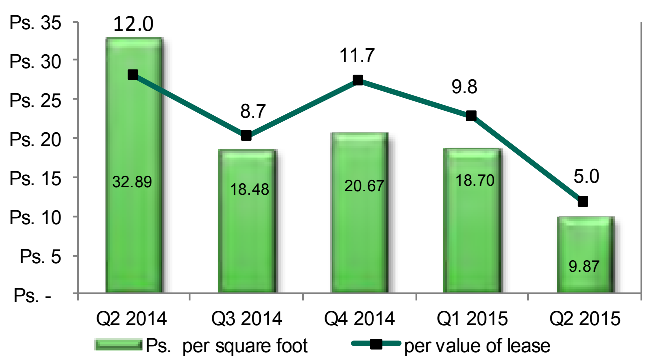
**Capital Expenditures Incurred (A)(B)**

| | Q2 2014 | | Q3 2014 | | Q4 2014 | | Q1 2015 | | Q2 2015 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Ps. | US$ | Ps. | US$ | Ps. | US$ | Ps. | US$ | Ps. | US$ |
| Property improvements | 19,327 | 1,489 | 20,030 | 1,528 | 53,798 | 3,861 | 38,210 | 2,545 | 40,230 | 2,610 |
| Tenant improvements | 42,219 | 3,252 | 40,020 | 3,052 | 40,420 | 2,907 | 32,442 | 2,163 | 36,398 | 2,376 |
| Leasing commissions | 23,503 | 1,810 | 19,203 | 1,464 | 15,233 | 1,125 | 26,806 | 1,799 | 24,322 | 1,587 |
| Total turnover costs | 65,722 | 5,062 | 59,223 | 4,516 | 55,653 | 4,032 | 59,248 | 3,962 | 60,720 | 3,963 |
| Total capital expenditures | 85,049 | 6,551 | 79,253 | 6,044 | 109,451 | 7,892 | 97,458 | 6,507 | 100,950 | 6,573 |

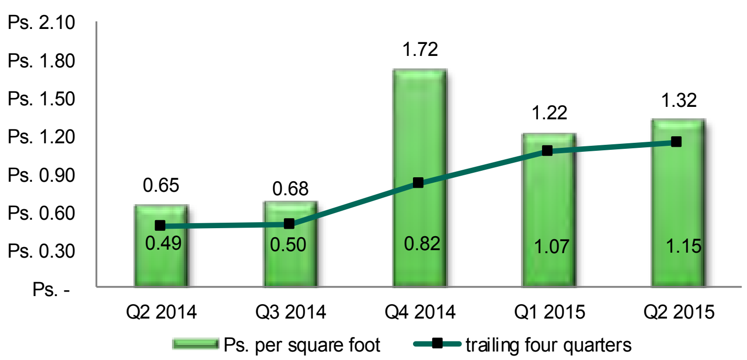
**Same Store Information (A)**

| | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 |
|---|---|---|---|---|---|
| Square feet of population | 29,653 | 29,653 | 29,653 | 29,653 | 29,653 |
| Average occupancy | 93.0% | 94.5% | 95.7% | 95.8% | 96.2% |
| Percentage change: | | | | | |
| Rental income- adjusted cash | 2.3% | (1.1%) | 9.2% | 1.3% | 2.8% |
| Rental expenses- adjusted cash | (5.1%) | (6.1%) | 27.8% | (5.7%) | (5.0%) |
| NOI - Adjusted Cash | 4.3% | 0.4% | 5.5% | 2.9% | 4.7% |
| Average occupancy | 0.9% | 3.8% | 3.0% | 3.2% | 3.2% |

**Turnover Costs Budgeted: per Square Foot (Ps.) and per Value of Lease (%) (A)**




**Property Improvements per Square Foot (A)**




(A) Historical information prior to June 4, 2014 includes information from periods prior to the ownership of the properties by FIBRA Prologis.

(B) The U.S. Dollar amount has been translated at the date of the transaction based in the exchange rate then in effect.

*(square feet and currency in thousands)*

| | | Square Feet | | | | Second Quarter NOI | | Net Effective Rent | | | | | Investment Properties Value | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | # of Buildings | Total | % of Total | Occupied % | Leased % | Ps. | US$ | Annualized Ps. | Annualized US$ | % of Total | Per Sq Ft Ps. | Per Sq Ft US$ | Total Ps. | Total US$ | % of Total |
| **Global Markets** | | | | | | | | | | | | | | | |
| Mexico City | 45 | 10,372 | 32.9 | 95.2 | 95.2 | 193,024 | 12,625 | 785,424 | 50,155 | 35.8 | 81.21 | 5.19 | 11,537,429 | 736,753 | 38.9 |
| Guadalajara | 25 | 5,888 | 18.6 | 98.1 | 98.1 | 103,974 | 6,800 | 420,296 | 26,839 | 19.0 | 73.50 | 4.69 | 5,488,795 | 350,500 | 18.5 |
| Monterrey | 24 | 3,413 | 10.8 | 97.8 | 97.8 | 67,310 | 4,402 | 229,981 | 14,686 | 10.5 | 79.17 | 5.06 | 3,250,212 | 207,548 | 11.0 |
| **Total global markets** | **94** | **19,673** | **62.3** | **96.5** | **96.5** | **364,308** | **23,827** | **1,435,701** | **91,680** | **65.3** | **78.47** | **5.01** | **20,276,436** | **1,294,801** | **68.4** |
| **Regional markets** | | | | | | | | | | | | | | | |
| Reynosa | 29 | 4,385 | 13.9 | 94.8 | 94.8 | 75,741 | 4,954 | 302,079 | 19,290 | 13.8 | 73.23 | 4.68 | 3,438,131 | 219,550 | 11.6 |
| Tijuana | 33 | 4,217 | 13.3 | 99.4 | 99.4 | 71,378 | 4,669 | 274,408 | 17,523 | 12.5 | 66.15 | 4.22 | 3,433,433 | 219,250 | 11.6 |
| Ciudad Juarez | 28 | 3,106 | 9.8 | 89.3 | 89.3 | 47,517 | 3,108 | 183,753 | 11,734 | 8.4 | 66.24 | 4.23 | 2,340,372 | 149,450 | 7.9 |
| **Total regional markets total** | **90** | **11,708** | **37.0** | **95.0** | **95.0** | **194,636** | **12,731** | **760,240** | **48,547** | **34.7** | **68.82** | **4.39** | **9,211,936** | **588,250** | **31.1** |
| **Total operating portfolio** | **184** | **31,381** | **99.3** | **96.0** | **96.0** | **558,944** | **36,558** | **2,195,941** | **140,227** | **100.0** | **74.84** | **4.78** | **29,488,372** | **1,883,051** | **99.5** |
| VAA Guadalajara | 1 | 57 | 0.2 | 50.3 | 50.3 | 596 | 39 | | | | | | 61,074 | 3,900 | 0.2 |
| **Total operating properties** | **185** | **31,438** | **99.5** | **96.0** | **96.0** | **559,540** | **36,597** | | | | | | **29,549,446** | **1,886,951** | **99.7** |
| Excess land (A) | | | | | | | | | | | | | 55,436 | 3,540 | 0.2 |
| Building under development (B) | | 166 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | 27,405 | 1,750 | 0.1 |
| **Total investment properties** | **185** | **31,604** | **100.0** | | | **559,540** | **36,597** | | | | | | **29,632,287** | **1,892,241** | **100.0** |

(A) We have 26.9 acres of land in Monterrey that has an estimated build out of 493,299 square feet.

(B) In December 2014, we started development in Mexico City of a 166,000 square foot building that was 0% leased at the start and has an estimated total expected investment of Ps $166,152 (US$10,610) as of June 30, 2015.

*(square feet and currency in thousands)*

**Lease Expirations - Operating Portfolio**

| Year | Occupied Sq Ft | Net Effective Rent Total Ps. | Net Effective Rent Total US$ | % of Total | Per Sq Ft Ps. | Per Sq Ft US$ |
|---|---|---|---|---|---|---|
| 2015 | 2,133 | 146,467 | 9,353 | 6.7 | 68.66 | 4.38 |
| 2016 | 7,184 | 537,229 | 34,306 | 24.5 | 74.78 | 4.78 |
| 2017 | 4,835 | 338,708 | 21,629 | 15.4 | 70.06 | 4.47 |
| 2018 | 5,204 | 373,504 | 23,851 | 17.0 | 71.77 | 4.58 |
| 2019 | 3,444 | 273,124 | 17,441 | 12.4 | 79.31 | 5.06 |
| Thereafter | 6,543 | 526,909 | 33,647 | 24.0 | 80.53 | 5.14 |
| | 29,343 | 2,195,941 | 140,227 | 100.0 | 74.84 | 4.78 |
| Month to month | 768 | | | | | |
| Total | 30,111 | | | | | |

| Top Customers | % Net Effective Rent | Total Square Feet |
|---|---|---|
| Top Customer | 3.8 | 1,249 |
| Top 5 Customers | 11.9 | 3,432 |
| Top 10 Customers | 19.0 | 5,365 |

| Leasing Statistics - Operatig Portfolio | Annualized Net Effective Rent USD | % of Total | Occupied Sq Ft | % of Total |
|---|---|---|---|---|
| Leases denominated in Ps. | 21,500 | 15.3 | 4,448 | 14.8 |
| Leases denominated in US$. | 118,727 | 84.7 | 25,662 | 85.2 |
| Total | 140,227 | 100.0 | 30,110 | 100.0 |

*(square feet and currency in thousands)*

| | Q2 2015 | | | Pro Forma Annualized |
|---|---|---|---|---|
| | Sq Ft | Acquisition Cost (A) | | NOI |
| | | Ps. | US$ | US$ |
| **Building Acquisitions** | | | | |
| **Global Markets** | | | | |
| Mexico City | - | - | - | - |
| Guadalajara | 76 | 74,491 | 4,917 | 368 |
| Monterrey | - | - | - | - |
| **Total Global Markets** | **76** | **74,491** | **4,917** | **368** |
| **Regional Markets** | | | | |
| Reynosa | - | - | - | - |
| Tijuana | - | - | - | - |
| Ciudad Juarez | - | - | - | - |
| **Total Regional Markets** | **-** | **-** | **-** | **-** |
| **Total Building Acquisitions** | **76** | **74,491** | **4,917** | **368** |
| **Weighted average stabilized cap rate** | | | **7.5%** | |

(A) The U.S. Dollar amount has been translated at the date of the transaction based on the exchange rate then in effect.

*(currency in millions)*

| Maturity | Credit Facility | | Secured Mortgage Debt | | Total | | Wtd Avg. Cash. Interest Rate (A) | Wtd Avg. Effective Interest Rate (B) |
|---|---|---|---|---|---|---|---|---|
| | Ps. | US$ | Ps. | US$ | Ps. | US$ | | |
| 2015 | - | - | 71 | 5 | 71 | 5 | 4.6% | 2.8% |
| 2016 | - | - | 3,953 | 252 | 3,953 | 252 | 4.5% | 2.7% |
| 2017 | - | - | 3,388 | 216 | 3,388 | 216 | 7.2% | 4.3% |
| 2018 | - | - | 1,135 | 72 | 1,135 | 72 | 5.0% | 3.4% |
| **Subtotal- debt par value** | **-** | **-** | **8,547** | **545** | **8,547** | **545** | | |
| Premium | - | - | 401 | 26 | 401 | 26 | | |
| Interest payable and deferred financing cost | - | - | (55) | (4) | (55) | (4) | | |
| **Total debt** | **-** | **-** | **8,893** | **567** | **8,893** | **567** | **5.6%** | **3.4%** |
| Weighted average cash interest rate (A) | | - | | 5.6% | | 5.6% | | |
| Weighted average effective interest rate (B) | | - | | 3.4% | | 3.4% | | |
| Weighted average remaining maturity in years | | - | | 2.0 | | 2.0 | | |

### Fixed vs. Floating Debt


### Liquidity

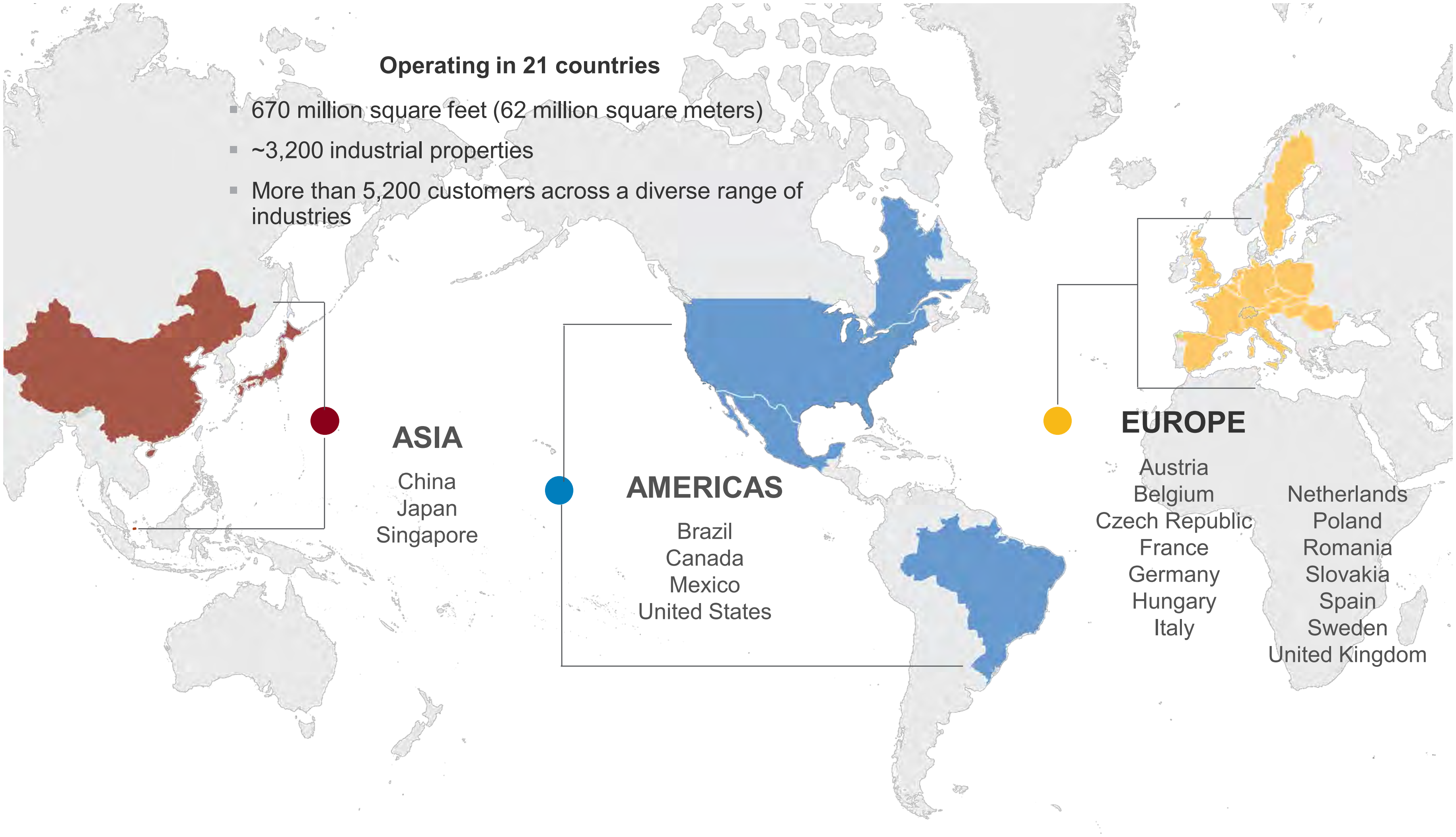
| | Ps. | US$ |
|---|---|---|
| Aggregate lender commitments | 6,264 | 400 |
| Less: | | |
| Borrowings outstanding | - | - |
| Outstanding letters of credit | - | - |
| Current availability | 6,264 | 400 |
| Unrestricted cash | 728 | 46 |
| Total liquidity | 6,992 | 446 |

| Debt Metrics ( C) | 2015 Second Quarter | 2015 First Quarter |
|---|---|---|
| Debt, less cash and VAT, as % of investment properties | **26.0%** | **26.4%** |
| Fixed charge coverage ratio | **1.20x** | **3.36x** |
| Fixed charge coverage ratio, excluding realized exchange loss from VAT reimbursement | **3.65x** | **3.36x** |
| Debt to Adjusted EBITDA | **4.17x** | **3.97x** |
| Debt to Adjusted EBITDA, excluding realized exchange loss from VAT reimbursement | **3.47x** | **3.97x** |

(A) Interest rates are based on the cash rates associated with the respective debt weighted base on amounts outstanding.
(B) Interest rates are based on the effective rate (which includes the amortization of related premiums and discounts) assuming the net premiums (discounts) associated with the respective debt weighted based on amounts outstanding.
(C) These calculations are based on actual U.S. Dollars and are described in the Notes and Definitions section, and are not calculated in accordance with the applicable regulatory rules.

**Operating in 21 countries**

- 670 million square feet (62 million square meters)
- ~3,200 industrial properties
- More than 5,200 customers across a diverse range of industries



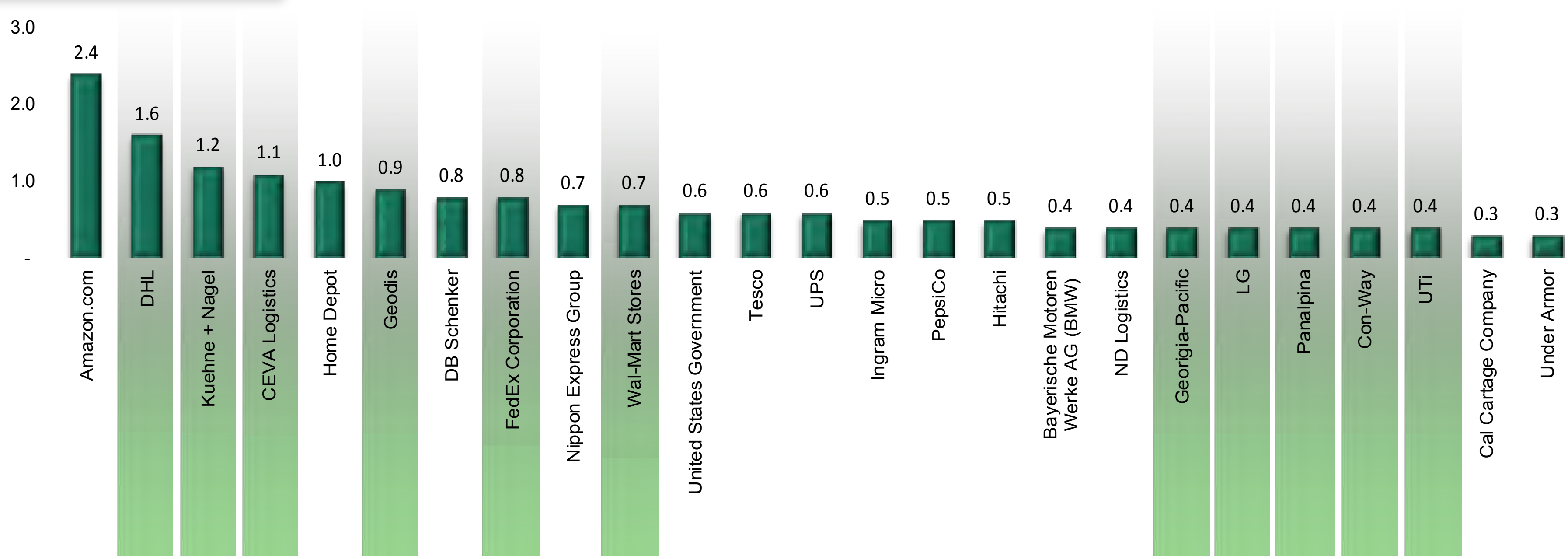

**Platform covers more than 70% of global GDP**

(A) Data as of June 30, 2015.

# Sponsor

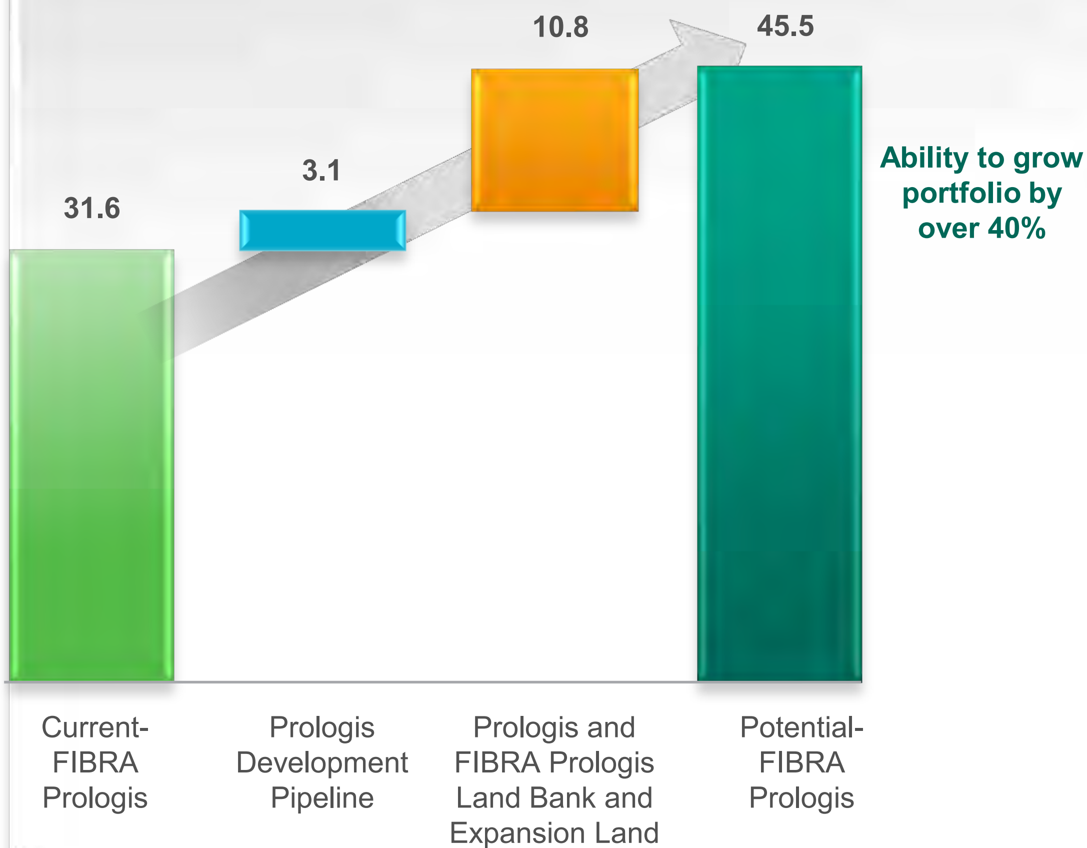
## Prologis Global Customer Relationships (A)

(% Net Effective Rent)




(A) Data as of June 30, 2015. The shading represents customers who are also customers of FIBRA Prologis.

## Potential Gross Leasable Area Growth- FIBRA Prologis (MSF) (A)




## Acquisitions / Land Bank

- Prologis owns ~3.1 million square feet of stabilized and under development properties in Mexico.
  - All properties developed by Prologis are subject to a right of first refusal held by FIBRA Prologis.
- Prologis and FIBRA Prologis own approximately ~603 acres that could support ~10.8 million buildable square feet of industrial space in Mexico.
  - Expansion opportunities located at existing master planned parks.
  - Approximately 77% of total land is located in Global Markets and 23% in Regional Markets (based on developable square feet).
- Prologis has granted FIBRA Prologis exclusivity in relation to third-party acquisitions in Mexico.

(A) Data as of June 30, 2015.


# Notes and Definitions

Please refer to our financial statements as prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and filed with the Mexican National Banking and Securities Commission (Comision Nacional Bancaria y de Valores ("CNBV")) and other public reports for further information about us and our business.

On June 4, 2014, FIBRA Prologis began trading on the Mexican Stock Exchange and also acquired an industrial portfolio of 177 properties.

On July 3, 2014, we acquired a vacant property located in Guadalajara, Jalisco with an area of 57,064 square feet in the amount of $2.9 million U.S. dollars (Ps 37,704).

In December 2014, we invested approximately $1,541 million Mexican pesos ($110 million U. S. dollars) including closing costs, in six new Prologis properties located in Mexico City and Guadalajara, with an aggregate gross leasable area of 1,558,484 square feet.

On May 12, 2015 we acquired a property located in Guadalajara, Jalisco with an area of 76,182 square feet in the amount of $74.5 million Mexican pesos ($4.9 million U.S. dollars).

**Acquisition cost**, as presented for building acquisitions, represents the economic cost and not necessarily what is capitalized. It includes the initial purchase price; the effects of marking assumed debt to market; if applicable, all due diligence and lease intangibles; and estimated acquisition capital expenditures including leasing costs to achieve stabilization.

**Adjusted EBITDA.** We use Adjusted EBITDA to measure both our operating performance and liquidity. We calculate Adjusted EBITDA beginning with net income (loss) and removing the effect of financing cost, income taxes, similar adjustments we make to our FFO measures (see definition below), and other non-cash charges or gains.

We believe Adjusted EBITDA provides investors relevant and useful information because it permits investors to view income from operations on an unleveraged basis before the effects of income tax, non-cash amortization expense, gains or losses from the acquisition or disposition of investments in real estate, unrealized gains or losses from the mark-to-market adjustment to investment properties and revaluation from Pesos into our functional currency of the U.S. dollar, items that affect comparability, and other significant non-cash items. We also include a pro forma adjustment in Adjusted EBITDA to reflect a full period of NOI on the operating properties we acquire, stabilize or dispose of during the quarter assuming the transaction occurred at the beginning of the quarter. By excluding financing cost, Adjusted EBITDA allows investors to measure our operating performance independent of our capital structure and indebtedness and, therefore, allows for a more meaningful comparison of our operating performance to that of other companies, both in the real estate industry and in other industries. Gains and losses on the early extinguishment of debt generally include the costs of repurchasing debt securities. While not infrequent or unusual in nature, these items result from market fluctuations that can have inconsistent effects on our results of operations. The economics underlying these items reflect market and financing conditions in the short-term but can obscure our performance and the value of our long-term investment decisions and strategies.

We believe that Adjusted EBITDA helps investors to analyze our ability to meet interest payment obligations. We believe that investors should consider Adjusted EBITDA in conjunction with net income (the primary measure of our performance) and the other required IFRS measures of our performance and liquidity, to improve their understanding of our operating results and liquidity, and to make more meaningful comparisons of our performance against other companies. By using Adjusted EBITDA, an investor is assessing the earnings generated by our operations but not taking into account the eliminated expenses or gains incurred in connection with such operations. As a result, Adjusted EBITDA has limitations as an analytical tool and should be used in conjunction with our required IFRS presentations. Adjusted EBITDA does not reflect our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements or contractual commitments. Adjusted EBITDA, also does not reflect the cash required to make interest and principal payments on our outstanding debt.

While EBITDA is a relevant and widely used measure of operating performance, it does not represent net income or cash flow from operations as defined by IFRS and it should not be considered as an alternative to those indicators in evaluating operating performance or liquidity. Further, our computation of Adjusted EBITDA may not be comparable to EBITDA reported by other companies. We compensate for the limitations of Adjusted EBITDA by providing investors with financial statements prepared according to IFRS, along with this detailed discussion of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, an IFRS measurement.

**Calculation of Per CBFI Amounts** is as follows *(in thousands, except per share amounts)***:**

| | Three Months Ended June 30, 2015 | | Three Months Ended March 31, 2015 | |
|---|---|---|---|---|
| | Ps. | US$ | Ps. | US$ |
| **Earnings** | | | | |
| Net income | **588,761** | **38,600** | **281,483** | **19,283** |
| Weighted average CBFIs outstanding - Basic and Diluted | 634,480 | 634,480 | 634,564 | 634,564 |
| **Earnings per CBFI- Basic and Diluted** | **0.93** | **0.06** | **0.44** | **0.03** |
| **FFO** | | | | |
| FFO, as defined by FIBRA Prologis | **69,562** | **5,049** | **368,050** | **24,904** |
| Weighted average CBFIs outstanding - Basic and Diluted | 634,480 | 634,480 | 634,564 | 634,564 |
| **FFO per CBFI – Basic and Diluted** | **0.11** | **0.01** | **0.58** | **0.04** |

**Debt Metrics.** See below for the detailed calculations for the respective period (*in thousands*):

| | June 30, 2015 and for three months then ended | | March 31, 2015 and for three months then ended | |
|---|---|---|---|---|
| | Ps. | US$ | Ps. | US$ |
| *Debt, less cash and VAT, as a % of investment properties* | | | | |
| Total debt - at par | 8,546,963 | 545,788 | 9,869,869 | 647,514 |
| Less: cash | (727,731) | (46,471) | (261,125) | (17,131) |
| Less: VAT receivable | (107,744) | (6,880) | (2,090,653) | (137,158) |
| Total debt, net of adjustments | **7,711,488** | **492,437** | **7,518,091** | **493,225** |
| Investment properties | **29,632,287** | **1,892,241** | **28,509,032** | **1,870,341** |
| **Debt, less of cash and VAT, as a % of investment** | **26.0%** | **26.0%** | **26.4%** | **26.4%** |
| *Fixed Charge Coverage ratio:* | | | | |
| Adjusted EBITDA | 171,883 | 11,690 | 461,181 | 31,068 |
| Interest expense | 123,496 | 8,013 | 134,651 | 8,957 |
| Amortization of deferred financing costs | 26,240 | 1,704 | 4,218 | 283 |
| Total fixed charges | 149,736 | 9,717 | 138,869 | 9,240 |
| **Fixed charge coverage ratio** | **1.15x** | **1.20x** | **3.33x** | **3.36x** |
| Adjusted EBITDA excluding realized exchange loss from VAT | 543,125 | 35,437 | 461,181 | 31,068 |
| **Fixed charge coverage ratio excluding realized exchange loss from VAT reimbursement** | **3.63x** | **3.65x** | **3.33x** | **3.36x** |

| | June 30, 2015 and for three months then ended | | March 31, 2015 and for three months then ended | |
|---|---|---|---|---|
| | Ps. | US$ | Ps. | US$ |
| *Debt to Adjusted EBITDA:* | | | | |
| Total debt, net of adjustments | 7,711,488 | 492,437 | 7,518,091 | 493,225 |
| Adjusted EBITDA annualized | 1,801,258 | 118,001 | 1,844,724 | 124,272 |
| **Debt to Adjusted EBITDA ratio** | **4.28x** | **4.17x** | **4.08x** | **3.97x** |
| Adjusted EBITDA annualized excluding realized exchange loss from VAT reimbursement | 2,172,500 | 141,748 | 1,844,724 | 124,272 |
| **Debt to Adjusted EBITDA ratio excluding realized exchange loss from VAT reimbursement** | **3.55x** | **3.47x** | **4.08x** | **3.97x** |

**FFO; FFO, as defined by FIBRA Prologis; AFFO (collectively referred to as "FFO").** FFO is a commonly used measure in the real estate industry. The most directly comparable IFRS measure to FFO is net income. Although the National Association of Real Estate Investment Trusts ("NAREIT") has published a definition of FFO, modifications to the NAREIT calculation of FFO are common among real estate companies, as companies seek to provide financial measures that meaningfully reflect their business.

FFO is not meant to represent a comprehensive system of financial reporting and does not present, nor do we intend it to present, a complete picture of our financial condition and operating performance. We believe net income computed under IFRS remains the primary measure of performance and that FFO is only meaningful when it is used in conjunction with that measure.

Further, we believe our financial statements, prepared in accordance with IFRS, provide the most meaningful picture of our financial condition and our operating performance.

NAREIT's FFO measure adjusts net income computed under U.S. generally accepted accounting principles ("U.S. GAAP") to exclude among other things, gains and losses from the sales of previously depreciated properties. We agree that these NAREIT adjustments are useful to investors as real estate investment trusts ("REITs") were created as a legal form of organization in order to encourage public ownership of real estate as an asset class through investment in firms that were in the business of long-term ownership and management of real estate. The exclusion, in NAREIT's definition of FFO, of gains and losses from the sales of previously depreciated operating real estate assets allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods.

As we are required to present our financial information per IFRS, our "NAREIT defined FFO" uses net income computed under IFRS rather than U.S. GAAP. The significant differences between IFRS and U.S. GAAP include depreciation, which is not included in IFRS, and the mark-to-market adjustment for the valuation of investment properties, which is included in the adjustments to derive at FFO, as defined by FIBRA Prologis (see below).

*Our FFO Measures*

At the same time that NAREIT created and defined its FFO measure for the REIT industry, it also recognized that "management of each of its member companies has the responsibility and authority to publish financial information that it regards as useful to the financial community." We believe holders of CBFIs, potential investors and financial analysts who review our operating results are best served by a defined FFO measure that includes other adjustments to net income computed under IFRS in addition to those included in the NAREIT defined measure of FFO. Our FFO measures are used by management in analyzing our business and the performance of our properties and we believe that it is important that holders of CBFIs, potential investors and financial analysts understand the measures management uses.

We use these FFO measures, to: (i) evaluate our performance and the performance of our properties in comparison to expected results and results of previous periods, relative to resource allocation decisions; (ii) evaluate the performance of our management; (iii) budget and forecast future results to assist in the allocation of resources; (iv) assess our performance as compared to similar real estate companies and the industry in general; and (v) evaluate how a specific potential investment will impact our future results. Because we make decisions with regard to our performance with a long-term outlook, we believe it is appropriate to remove the effects of short-term items that we do not expect to affect the underlying long-term performance of the properties. The long-term performance of our properties is principally driven by rental income. While not infrequent or unusual, these additional items we exclude in calculating *FFO, as defined by FIBRA Prologis*, are subject to significant fluctuations from period to period that cause both positive and negative short-term effects on our results of operations in inconsistent and unpredictable directions that are not relevant to our long-term outlook.
We use our FFO measures as supplemental financial measures of operating performance. We do not use our FFO measures as, nor should they be considered to be, alternatives to net income computed under IFRS, as indicators of our operating performance, as alternatives to cash from operating activities computed under IFRS or as indicators of our ability to fund our cash needs.

*FFO, as defined by FIBRA Prologis*

To arrive at *FFO, as defined by FIBRA Prologis*, we adjust the NAREIT defined FFO measure to exclude:

(i) mark-to-market adjustments for the valuation of investment properties; and
(ii) foreign currency exchange gains and losses from the remeasurement (based on current foreign currency exchange rates) of assets and liabilities denominated in Pesos.

We believe investors are best served if the information that is made available to them allows them to align their analysis and evaluation of our operating results along the same lines that our management uses in planning and executing our business strategy.

*AFFO*

To arrive at AFFO, we adjust *FFO, as defined by FIBRA Prologis* to further exclude (i) straight-line rents; (ii) recurring capital expenditures; and (iii) amortization of debt premiums and discounts and financing cost, net of amounts capitalized.

We believe AFFO provides a meaningful indicator of our ability to fund cash needs, including cash distributions to the holders of our CBFIs.

*Limitations on Use of our FFO Measures*

While we believe our defined FFO measures are important supplemental measures, neither NAREIT's nor our measures of FFO should be used alone because they exclude significant economic components of net income computed under IFRS and are, therefore, limited as analytical tools. Accordingly, these are only a few of the many measures we use when analyzing our business. Some of these limitations are:

- Amortization of real estate assets are economic costs that are excluded from FFO. FFO is limited, as it does not reflect the cash requirements that may be necessary for future replacements of the real estate assets. Further, the amortization of capital expenditures and leasing costs necessary to maintain the operating performance of industrial properties are not reflected in FFO.
- Mark-to-market adjustments to the valuation of investment properties and gains or losses from property acquisitions and dispositions represent changes in value of the properties. By excluding these gains and losses, FFO does not capture realized changes in the value of acquired or disposed properties arising from changes in market conditions.
- The foreign currency exchange gains and losses that are excluded from our defined FFO measures are generally recognized based on movements in foreign currency exchange rates through a specific point in time. The ultimate settlement of our foreign currency-denominated net assets is indefinite as to timing and amount. Our FFO measures are limited in that they do not reflect the current period changes in these net assets that result from periodic foreign currency exchange rate movements.

We compensate for these limitations by using our FFO measures only in conjunction with net income computed under IFRS when making our decisions. This information should be read with our complete consolidated financial statements prepared under IFRS. To assist investors in compensating for these limitations, we reconcile our defined FFO measures to our net income computed under IFRS.

**Fixed Charge Coverage** is defined as Adjusted EBITDA divided by total fixed charges. Fixed charges consist of net interest expense adjusted for amortization of finance costs and debt discount (premium) and capitalized interest. We use fixed charge coverage to measure our liquidity. We believe that fixed charge coverage is relevant and useful to investors because it allows fixed income investors to measure our ability to make interest payments on outstanding debt and make dividends to holders of our CBFIs. Our computation of fixed charge coverage may not be comparable to fixed charge coverage reported by other companies and is not calculated in accordance with applicable regulatory rules.

**Global Markets** include the logistics markets of Mexico City, Guadalajara and Monterrey. These markets are highly industrialized and benefit from proximity to principal highways, airports and rail hubs.

**Net Effective Rent ("NER")** is calculated at the beginning of the lease using the estimated total cash to be received over the term of the lease (including base rent and expense reimbursements) and annualized. The per square foot number is calculated by dividing the annualized net effective rent by the occupied square feet of the lease.

**Net Effective Rent Change** represents the change in net effective rental rates (average rate over the lease term) on new and renewed leases signed during the period as compared with the previous effective rental rates in that same space.

**Net Operating Income ("NOI")** represents rental income less rental expenses.

**Operating Portfolio** includes stabilized industrial properties.

**Regional Markets** include the manufacturing markets of Tijuana, Reynosa and Ciudad Juarez. These markets are industrial centers for the automotive, electronic, medical and aerospace industries, and benefit from the ample supply of qualified labor at attractive costs and proximity to the U.S. border.

**Same Store.** We evaluate the operating performance of the operating properties we own using a "Same Store" analysis because the population of properties in this analysis is consistent from period to period, thereby eliminating the effects of changes in the composition of the portfolio on performance measures. Included in this analysis are all properties that were owned by FIBRA Prologis as of June 30, 2015 and began operations no later than January 1, 2014. We included the properties that were owned and managed by Prologis or its affiliates beginning January 1, 2014 through the date of FIBRA Prologis' initial public offering. We believe the factors that impact rental income, rental expenses and NOI in the Same Store portfolio are generally the same as for the total operating portfolio.

Our Same Store measure is a measure that is commonly used in the real estate industry and is calculated beginning with rental income and rental expenses from the financial statements prepared in accordance with IFRS. It is also common in the real estate industry and expected from the analyst and investor community that these numbers also be adjusted to remove certain non-cash items included in the financial statements prepared in accordance with IFRS to reflect a cash Same Store number, such as straight line rent adjustments. As this is a non-IFRS measure, it has certain limitations as an analytical tool and may vary among real estate companies.

*In thousands of U.S. Dollars:*

| | Three Months Ended June 30, 2015 | Three Months Ended June 30, 2014 | Change (%) |
|---|---|---|---|
| Rental income- adjusted cash: | | | |
| Per the statements of comprehensive income | 42,020 | 11,138 | |
| Rental Revenues from SSS Pool (2Q 14) Previous to FIBRA PL Ownership | - | 25,461 | |
| Properties not included in same store and other adjustments (a) | (2,505) | - | |
| Direct Billables Revenues from Properties incl SS Pool | 1,501 | 1,760 | |
| Straight-lined rent | (1,617) | (16) | |
| **Same Store - Rental income- adjusted cash** | **39,399** | **38,343** | **2.8%** |
| Rental expense-adjusted cash: | | | |
| Per the statements of comprehensive income | 5,423 | 1,858 | |
| Rental Expenses from SS Pool (2Q 14) Previous to FIBRA PL Ownership | - | 4,003 | |
| Properties not included in same store and other adjustments | 319 | - | |
| Direct Billables Expenses from Properties incl SS Pool | 1,501 | 1,760 | |
| Properties included in same store before FIBRAPL | - | - | |
| **Same Store - Rental expense adjusted cash** | **7,243** | **7,621** | **-5.0%** |
| NOI-adjusted cash: | | | |
| Per the statements of comprehensive income | 36,597 | 9,280 | |
| Rental Revenues from SSS Pool (2Q 14) Previous to FIBRA PL Ownership | - | 21,458 | |
| Properties not included in same store | (2,824) | - | |
| Straight-lined rent | (1,617) | (16) | |
| **Same Store - NOI - adjusted cash** | **32,156** | **30,722** | **4.7%** |

*(a)* To calculate Same Store rental income, we exclude the net termination and renegotiation fees to allow us to evaluate the growth or decline in each property's rental income without regard to items that are not indicative of the property's recurring operating performance.

**Same Store Average Occupancy** represents the average occupied percentage of the Same Store portfolio for the period.

**Tenant Retention** is the square footage of all leases rented by existing tenants divided by the square footage of all expiring and rented leases during the reporting period, excluding the square footage of tenants that default or buy-out prior to expiration of their lease, short-term tenants and the square footage of month-to-month leases.

**Turnover Costs** represent the costs incurred in connection with the signing of a lease, including leasing commissions and tenant improvements. Tenant improvements include costs to prepare a space for a new tenant and for a lease renewal with the same tenant. It excludes costs to prepare a space that is being leased for the first time (i.e. in a new development property).

**Value-Added Acquisitions ("VAA")** are properties we acquire for which we believe the discount in pricing attributed to the operating challenges could provide greater returns post-stabilization than the returns of stabilized properties that are not Value-Added Acquisitions. Value Added Acquisitions must have one or more of the following characteristics: (i) existing vacancy in excess of 20%; (ii) short term lease roll-over, typically during the first two years of ownership; (iii) significant capital improvement requirements in excess of 10% of the purchase price and must be invested within the first two years of ownership. These properties are not included in the operating portfolio.