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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 /PRNewswire/ -- 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 its 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 charge coverage 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 CBF, 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 CBF. 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 CBF1. Quarterly distributions for the remaining of 2015 will be US\$0.0265 per CBF1.

"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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