

**PROLOGIS**

**Moderator: Annette Fernandez**  
**July 28, 2015**  
**9:00 a.m. CT**

Operator: This is Conference #: 67395195

Good morning. My name is Ingrid. And I will be your conference operator today. At this time, I would like to welcome everyone to the Second Quarter FIBRA Prologis Earnings Call. All lines have been placed on mute to prevent any background noise.

After the speakers' remarks, there will be a question and answer session. If you would like to ask a question during this time, simply press star, then the number one on your telephone keypad. If you would like to withdraw your question, press the pound key.

Thank you. I would like to turn the call over to Miss Annette Fernandez from investor relations.

Annette Fernandez: Thank you, Ingrid, and good morning, everyone.

Thank you for joining us for our second quarter 2015 Earnings Conference Call. Today, we will hear from Luis Gutierrez, our CEO who will discuss our strategy and market conditions, and from Jorge Girault, our Senior Vice President of Finance who will review results and guidance. Also joining us today is Hector Ibarzabal, our Country Manager.

Before we begin our prepared remarks, I would like to remind everyone that all the information presented in this conference call is proprietary, and all

rights are reserved. The information has been prepared solely for information purposes and is not a solicitation of an offer to buy or sell any securities.

Forward looking statements during this call are subject to a number of risk and uncertainties. Our actual results, performance, prospects or opportunities may be formed materially from those expressed in or implied for by default by the forward looking statements.

These forward looking statements are current as of the date of this call. These forward looking – we take no obligation to publicly update or revise any forward looking statements after the completion of this call where as a result of new information, future events, all of us accept as required by law.

Additionally, during this call, we may refer to certain non-accounting financial measures. As is our practice, we had prepared supplementary materials that we may refer in during this call as well. If you have not already done so, I will encourage you to visit our website at [fibraprologis.com](http://fibraprologis.com) and download these materials. With that, it's my pleasure to hand the call over to Luis.

Luis Gutierrez: Thanks, Annette, and good morning to everyone.

This report marks the first anniversary of FIBRA Prologis IPO. We delivered strong results in the second quarter and for the full year since our formation.

I'd like to take a moment to reflect our main achievements over the last 12 months:

We leased 10.2 million square feet. This volume represents more than 30 percent of our operating portfolio and pushed occupancy from 94.3 percent at IPO to 96 at quarter end.

Our occupancy exceeded the market by 320 basis points.

We achieved net effective rent change of 9.3 percent during the last 12 months.

Our in place rents remain approximately 9 percent below market, which means we continue to have embedded upside as we roll our current in place rents to market. This performance has translated into cash same store NOI of 3.4 percent during the period.

These accomplishments have produced results beyond our expectations. They are a testament to the factors that separate FIBRA Prologis from the pack, including our high-quality portfolio, focused investment strategy, the expertise of our local team and the level of repeat business from our sponsor's global customer base.

We achieved these results despite a weakening peso against the dollar and as a reminder 85 percent of our revenues are U.S. dollar-denominated, our returns are protected from peso fluctuations and we're able to access lower cost denominated debt.

Since the IPO, we have grown our portfolio with strategic, high-quality acquisitions, deploying \$118 million U.S. dollars. These acquisitions were accretive and consistent with our investment strategy.

Looking forward, having the exclusive right to Prologis' development pipeline is a huge competitive advantage for us. Currently, our sponsor has 3.1 million square feet valued at approximately \$200 million dollars under development, which, at stabilization, will be offered to us. If acquired, that additional space would expand our current portfolio by 10 percent.

Prologis also owns land in Mexico with build-out potential of 10.8 million square feet. These assets together have the ability to increase the size of our portfolio by 40 percent over the next five years. We also see opportunities from third party acquisitions. However, we will only do so if those opportunities align with our investment criteria.

Confidence in our forecast and feedback from investors and analysts have prompt us our decision to introduce quarter distribution guidance.

For each of the next three quarters, we will distribute 2.65 U.S. dollar cents per certificate. At today's stock price, this reflects a dividend yield of 6.4 percent. This is also representing a 12 percent increase over the annualized 2014 distribution and approximately 95 percent of our planned AFFO for the year. Going forward, we will provide our respective quarter distribution in connection with all of our guidance assumptions.

Turning to our views on the market:

The leading indicators of our business are improving. We see evidence of this in consumer confidence, which has steadily improved since last summer and still has plenty of run-way as it still tracking 20 percent below its previous peak.

Monthly retail sales growth has increased by 4.5 percent thus far in 2015. This will be the fourth consecutive monthly increase.

The expansion of e-commerce in Mexico it's in its early stages. Multinational companies such as Amazon, DHL and Walmart are either opening or expanding their e-commerce operations, reinforcing confidence in their exponential growth. As an example, Amazon recently announced the opening of its operations in Mexico choosing our sponsor's recently completed fulfillment facility in one of our flagship parks in Mexico City. We are expecting this property to be offered to the FIBRA in the second half of 2015.

FIBRA Prologis is extremely well-positioned to meet the rising demand for high quality, well located facilities designed toward the national standard, which is a requirement for ecommerce. Most of the demand will be concentrated in large population standards of Mexico City, Monterrey and Guadalajara, where we have a dominant market position.

Leading indicators from manufacturing are increasing. Exports are receiving an added the stimulus from lower oil prices and the decline of the peso. Companies across a variety of sectors including medical supplies, electronics, automotive, aerospace and others continue to announce expansions over their Mexico operations.

Industrial real estate fundamentals remain favorable in our six markets. Demand has been strong and market vacancy stands at 7.2 percent. Over the last four quarters, net absorption in our six markets has totaled 13.6 million square feet on a combined basis of 268 million square feet.

Demand for space in Mexico City is particularly strong, with absorption of more than 6 million square feet over the last four quarters, as the metropolitan area continues to benefit from domestic consumption and the ongoing build out of modern supply chain. Land values in Mexico City continue to rise contributing to a positive rent growth environment.

To sum up, we've had an excellent second quarter and first year following the launch of FIBRA Prologis. Our results speak volumes to our focused strategy, the quality of our assets and superior customer service. This new distribution guidance is sustainable creating enhanced visibility and certainty as we adopt the best in class international practice of our sponsor.

We see a healthy environment supporting our growth in our six markets. We believe FIBRA Prologis is one of the most compelling investment opportunities and at a current pricing; there is an approximately 25 percent discount to our appraised net asset value.

With that, I will now turn the call to Jorge, who will walk us through our results for the second quarter and provide an update on guidance.

Jorge Girault: Thank you, Luis, and good morning to all.

We had an outstanding second quarter. Before I begin, I would like to remind you that FIBRA Prologis began trading on the Mexican Stock Exchange on June 4th, 2014. This quarter represents the first anniversary as a FIBRA.

As such, the second quarter financial results present comparative periods that include operational results prior to ownership by FIBRA Prologis. Starting next quarter, we will present full comparative quarterly financial results on a go-forward basis. Lastly, I would like to remind you that the U.S. Dollar is

FIBRA Prologis' functional currency; as such we are presenting it in our financial information.

Taking a closer look at our results:

We have seen stable dollar results, which is a reflection of having 85 percent of our revenues denominated in dollars, despite the Peso volatility experienced recently. NOI for the quarter was \$36.6 million dollars.

FFO was 28.8 million dollars or 4 cents per certificate excluding the realized FX loss derived from the VAT reimbursement and in line with our expectations.

In terms of cap rates, we continue to see modest compression in all of our markets and based on third party appraisals this quarter; we saw our portfolio valuation at approximately \$1.9 billion dollars, a 1.2 percent increase from first quarter.

As Luis mentioned earlier, this results in a significant discount to Net asset value per CBF1, if compared to our current trading price in Pesos terms.

On a cumulative basis, this represents a cap rate compression of 40 bps since IPO. Additionally, we believe there is another 25 bps of compression which has not been picked up in the appraisals since we believe these lag real-time market conditions.

Turning to operations:

Occupancy for this quarter was 96 percent, 170 basis points higher than the same period last year

Net effective rent change for 2Q was 9.5 percent. This quarter represents our 9th consecutive quarter of positive rent change.

Capex, including property improvements and turn over costs, was \$6.5 million dollars, representing 18 percent of NOI for this quarter. On an annual basis total capex will be between 14 and 17 percent of NOI, and in line with our guidance.

Customer retention was 98 percent for this quarter. For the last four quarters our retention rate has been over 90 percent which has been higher than our expectations.

G&A, including asset management and third-party professional fees, amounted to \$4.4 million dollars this quarter, in line with our guidance.

Switching gears to our capital structure:

At quarter end, we had \$545 million dollars of debt at par and no significant maturities until December 2016. Debt covenants are in compliance with all our credit agreements and metrics imposed by the local regulation. Based on net debt, loan to value at quarter end was 26 percent and, following local regulation methodology based on gross debt, our loan to value was 28 percent. We continue to maintain significant liquidity; at quarter end we have \$546 million dollars, including current un-restricted cash, the undrawn unsecured credit facility, and its \$100 million dollar accordion feature.

Since IPO we have been working to further improve our liquidity, cost and the flexibility of our capital structure, preparing FIBRA Prologis for future growth opportunities.

Firmly in line with these goals, we closed one of the first unsecured lines of credits for the Mexican real estate market. As a result, we lowered our all in borrowing cost by 100 basis points, extended our maturities by additional 12 months, and incurred a one-time write-off of financing fees from the original line of credit of approximately \$1.4 million

Our sponsor's global lending relationships were instrumental to reach these results. With this in mind and based on the feedback received from investors

and analysts, today we are introducing more detailed guidance regarding our distribution for the remainder 2015, in line with best international practices.

For the rest of 2015 we will be doing equal installments for each quarter, including this one, of 2.65 cents of a US dollar per CBFI. This said, we are maintaining the rest of our guidance which includes: Year-end operating portfolio occupancy range to be between 95 and a quarter and 96 and a quarter percent. We believe we will be at the high end of this range; cash same store NOI growth to range between 4.5 percent and 5.5 percent for the year. G&A for 2015 to range between \$17 and \$19 million dollars; 2015 FFO to range between \$0.16 and \$0.17 cents per CBFI, excluding the exchange loss impact on the collection of our VAT receivable; acquisitions to be between 130 and 170 million dollars from Prologis and third parties.

Now, adding color to our acquisition guidance. As Luis mentioned our sponsor has approximately \$200 million dollars under development, out of which about \$115 million dollars is already stabilized and located in our global markets. As such, these assets will be presented in the coming months to FIBRA Prologis Independent members of the technical committee for their consideration, and potential approval.

To sum up, we had a great first half of the year and second quarter, reinforcing 2015' momentum from operations and financing perspective. Our results continue to reflect the quality of our portfolio and healthy operating conditions. With substantial liquidity, our growth prospects are excellent, all of which are being well-executed by a strong, local and integrated team.

With that, I will turn it over to the operator for Q&A.

Annette Fernandez: Hi, Ingrid. Can you start the Q&A question please?

Operator: At this time, I would like to remind everyone if you would like to ask a question, please press star, then the number one on your telephone keypad. Please limit yourself to one question at a time. After your question has been asked, your line will be closed. And if you have a follow up question, please



reenter the queue by pressing star, one again. Please hold while we compile the Q&A roster.

Luis Gutierrez: We see some questions on the monitor. Can you please pass them on?

Annette Fernandez: Hi, Ingrid, operator.

Luis Gutierrez: Operator, are you there? We see some questions on the monitor. Can you please pass them on?

Operator: I apologize. We're having technical difficulties. One moment.

Luis Gutierrez: Thank you.

Operator: Please go ahead with your question.

Vanessa Quiroga: Hello. Can you hear me?

Luis Gutierrez: Yes, we can hear you, Vanessa.

Vanessa Quiroga: Luis, we're then OK. Good morning. Thanks.

Luis Gutierrez: Good morning, Vanessa.

Vanessa Quiroga: And my questions start with your – good morning. Thanks.

My question is regarding the guidance for acquisitions. If I'm not mistaken, you are increasing your expectations for investments during the rest of the year. Can you explain what led to this increase? And also if you expect these acquisitions to reflect the higher interest rate environment that we are seeing, could cap rates go higher, more attractive for the FIBRA given the interest rate environment? Thanks.

Luis Gutierrez: Thank you, Vanessa. I'm sorry for the technical difficulties.

We provided guidance at the beginning of the year. And our guidance for acquisitions was \$130 to \$170 million dollar. Our estimation was those \$130 million dollar were coming from the pipeline of our sponsor Prologis. And the remainder to \$170 was going to be done from third party acquisitions. At

the moment, we are confident that we will reach this guidance that we are sustaining in this call of \$130 to \$170 million.

Let me refer to your cap rate question. We believe there is significant liquidity in the market. We have seen three follow-ons recently from our competitors. And that significant liquidity is going to put pressure on property prices in spite of the post potential increase in interest rates.

This is somehow also trending. The high liquidity that we see in the U.S. as we have been seeing U.S. cap rates compress correspondingly, so having said that, we will acquire the Prologis pipeline at market cap rates. As Jorge said, most of these assets will be located in Mexico City.

For us, when we calculate a cap rate, we use a market rent, we deduct 95 percent of a vacancy factor and when we put the investment base, we also include the closing cost, which would add around 4 to 5 percent to the investment basis. These acquisitions are subject to the approval of the FIBRA Prologis technical committee. Thanks for your question.

Vanessa Quiroga: Thank you, Luis. That's clear. Thanks.

Operator: And your next question comes from the line of Javier Galol.

Javier Galol: Hi, guys. Good morning. Thank you for the call.

I have two big questions; the first one is regarding the money you received from the Mexican government, the VAT. Why did you count on the AFFO, I mean, because if my understanding is correct, it has to do with the rentals on the operations on the properties, or something like that. And the second one is can you give us an update on the credit of all the early debt process that you were thinking about of prepaying or not from that as it was quite expensive. Thank you.

Jorge Girault: Thank you, Javier. This is Jorge. Your first question regarding the VAT reimbursement that we'd received from the government – I have to say that based on the FFO and AFFO calculation, we have to include any FX loss or gain incurred during the quarter. So we decided to include it as the definition

states and for operational purpose, so that you can see how the quarter operation now results are, we added a line excluding it so that you can take away that one of FX loss. That is not related to the operation but is that capital event, so that's why we included it and then we've showed this line just showing the operating results of the quarter.

Regarding your second question that has to do with the prepayment of debt, yes, we do have some expensive debt specially the one expiring in 2017. We have about \$100 and about \$200 million dollars of debt that comes during that day. We are analyzing. We are in the process of analyzing those loan pools, Javier. There is some prepayment penalties associated to those loans. So we are in the process of seeing, well, any of the best time to pay that debt or refinancing it and get some reduction of those prepayment penalties.

So I mean it is a process. And we are already looking into it.

Javier Gayol: Thanks, everyone.

Operator: Next question comes from the line of Ivan Enriquez.

Ivan Enriquez: Hola, Luis, Jorge and Annette. Congratulations on the results, and thank you for the call.

My question has to do more with the performance of your certificate price. Besides the interest rate high expectations and the performance of all the FIBRAs, what do you think about the performance of your certificate, I mean, trading below the IPO price? What do you think the market is not recognizing in your portfolio or performance or execution? That will be the first question.

Luis Gutierrez: Thanks, Ivan. You know our stock price went up in the first quarter up to 30 pesos per share and then it came down and it has to do, number one, with an overall sector. I think there is a perception that interest rates are going up. And the short term, you know not only the FIBRAs but the REITs in the U.S. have suffered a decline and there is some shift of investors going to other sectors. So that would be kind of an overall sector.

The other – the second thing is that Mexico was hit by a fluctuation on the peso that started in December of last year. And this was a result of lower oil revenue, and some of the Mexican securities have been affected, as a result, also the FIBRAs. And we believe there is a lag into the recognition that our FIBRA and some of the other industrial FIBRAs have dollar revenues and that the dollar returns will be protected from – you know, from the peso fluctuations. As I said, the revenues 85 percent dollar denominator in our case.

And number three is our dividend yield has been lower than some of our peers, and this is a result of the way we treat the capital expenditures. In our case, we run all the capital expenditures from FFO to AFFO. And we distribute the operating cash flow.

In other cases, these CAPEX are either capitalized and as a result our dividend yield is lower than our peers. I believe the market may be favoring a higher dividend yield, and that is the reason why our stock may be at the lower price. But we believe this sustainable policy and the strong operating results, you know, will start to reap success in the future.

Operator: Again, if you would like to ask a question, please press star then the number one on your telephone keypad. And your next question comes from the line of Mauricio Hernandez.

Francisco Chavez: Hi. This is Francisco Chavez from the BBVA. Thanks for the call and congratulations on the results.

And I – my question is regarding the – your view on the industrial real estate segments. In which regions are you seeing the highest lease spread? And also you can comment on the activity that you are looking at the – in the sector. And in which industries are you seeing the highest demand for industrial space? Thank you.

Hector Ibarzabal: Thank you – thank you very much for your question, Mauricio. This is Hector Ibarzabal. I appreciate the opportunity to talk about the different markets, in which we're participating.

One of the differentiations that FIBRA Prologis offer is that our focus strategy comprised only six markets, three of them we call global markets. And the other three ones in the border are regional markets.

In 26 years that I have been in real estate, I have not seen the activity as I have seen it during 2014 and 2015. Our most important market, which is Mexico City, has had a very important net absorption close to peak of 6.2 million square feet, which is an impressive volume understanding all the activity that we have.

Mexico City is presenting opportunity to keep on having rent growth as scarcity of new supply because of the land constraint is an opportunity that we have. Our sponsor has been active. And we control what we consider through the sponsor the best piece of land to keep on taking advantage of this important market.

In Mexico City, the sectors that are at triggering the activity are related to e-commerce Luis mentioned in his opening remarks. We're having the first operation of Amazon in one of our flagship projects. We do as well activity from Walmart, from DHL and from some other third party logistic suppliers that they are focusing a lot in this opportunity that has an important upside in Mexico.

In Monterrey, we have been witness of several projects. Some of them are related to the energy reform that are looking for built-to-suit opportunities as they are not able to find on the current space something that fits up the current needs. In Monterrey as well, there is important competition where I guess the triple A customers, which are target – they try to be in the best locations and in closed parks. We have the ability to offer this kind of opportunity.

In the last four quarters, Monterrey has experienced an important net absorption as well of 3.7 million square feet. Guadalajara, which is the third global market – 2014 was a difficult year for Guadalajara. There was some re-accommodation of some electronic and some new projects that were starting to be in process. But this 2015, we have seen a change in the trend of

Guadalajara. And we are seeing a positive absorption of 500,000 square feet, which is would figure for the market in Guadalajara.

This FX situation moving to the border I think is giving a competitive advantage to the three markets, in which we are participating. We are leaders in the Reynosa market. There has been some new development in Reynosa y development that our sponsor has launched has been able to be preleased y eventually in the short term, those facilities are going to be turning to the FIBRA following that corporate process.

In Juarez, we do see activity regarding built-to-suite on speculative activity has been an important net absorption this year of 600,000 square feet, which is a good figure for the market. And finally, just to make a comment in Tijuana. Tijuana is a market in which we are very eager to keep on participating, is a market that offers some challenges regarding getting the right plant. But, you know the activity that we are seeing and the opportunities that we're pursuing make us feel confident that we will be able to take advantage of those opportunities.

To sum up, as I started this answer, Mauricio, I'm excited about the way I'm seeing the activity in the different markets, probably concerned of those, some disconnect because, you know, there are some stuff in the country, which is not as good as I would like it to be. But you know on the ground, what I'm seeing is activity, new projects, good pipeline and as a result of this is that we're having the opportunity to show this pretty good occupancy and this good operating metrics that in all the aspects are beyond the expectations that we have at the beginning of the year. Thank you very much.

Operator: If you would like to ask a question, please press star, then the number one on your telephone keypad. We'll pause for a moment to compile the Q&A roster.

Next question comes from the line of Armando Rodriguez.

Armando Rodriguez: Good morning, gentlemen. Thank you for the call. Regarding your tenant renewals in this quarter, my question if these contracts reflect in a higher rent but a shorter leasing expiration profile?

Hector Ibarzabal: Armando, thank you very much for your question. This is Hector again.

What we experience now within second quarter is some punctual projects, in which we are currently working. So you might be seeing a decrease of our walt – weighted average lease term on the operations that we executed, those are not a trend, but they are related up to some customer service that we're providing. As we are opening space for some current customers that are looking for expansion projects, and we need to do some short term lease in order to consolidate a long term lease on a definitive this place.

So I do not see this as a trend. I keep on seeing my renewals on a three year as in most common than I'm seeing on logistic spaces and close to five years in manufacturing spaces.

Armando Rodriguez: OK. Thank you very much.

Operator: Question comes from the line of Alan Macias.

Alan Macias: Hey, good morning. And thank you for the call. Just a quick question on property management fees, I saw that you had a decrease quarter over quarter and just wanted to know what we should expect going forward in property management fees, if this is sustainable, this lower level. Thank you.

Jorge Girault: Thank you, Alan. Thank you for making the question. This is Jorge Girault.

Last quarter we have one event adjustment for the quarter. That's why we – you see a decrease in the property management fee to this quarter. You can take this quarter as a sustainable number as a percentage of our revenues.

Alan Macias: Thank you.

Luis Gutierrez: This is Luis. I would like also to have the opportunity to fully answer Ivan's question. I mentioned that one of the reasons of the share price is the dividend yield. I think the other reason is we have a very strong competitive advantage in our view as we have exclusive access to the Prologis development pipeline.

As it was in the remarks, there is 3.1 million square feet, which is one of the strongest pipelines in the sector and FIBRA Prologis does not have to compete to get those properties. Those properties are adjacent to our parks and complement very well the ownership and there is a lot of repeated business with the added warehouses in the park. So I think, you know, this development pipeline is not fully appreciated in our view.

Operator: Question comes from the line of Francisco Suarez from Scotiabank.

Francisco Suarez: Hi. Good morning, gents and congrats on the results.

I guess the question has been partially answered. It catches my attention, the overall improvement in overall margin, as you have bolstered already sequentially. And this is remarkable in my view.

The question is if those margins are sustainable going forward in your view. And the second question relates with your overall strategy.

In previous quarters, you were – you mentioned they were interested in naturally monetizing some of your assets including the Mexico City area and potentially invest in those proceeds in regions like the – where you see a much more interesting cap compression going on that – on that market that everything's – is actually pointed on that direction. Are you actually changing your overall strategy on doing that in order to get this major grasp on the e-commerce business in Mexico City?

Jorge Girault: Thank you, Francisco. Thank you for those questions. Let me answer your first question regarding the margins, and then I pass it to Luis.

Let me divide it into two. The NOI margin you will see going forward 85 to 86 percent margin. That's what we have been saying. And that's what you will see going forward.

In the EBITDA margin, which I guess adds to your – basically your question, which has increased to above 80 percent, 84 percent, you will see on our run rate going forward more like 75 to 76 percent margin on the EBITDA. The reason why we have this increase is because of the interest that was the



interest revenue that we've received from the VAT receivable from the government. We received about \$3.9 million of interest from that reimbursement, which obviously increase the margin on the EBITDA for this quarter. But going forward, you will see between 75 to 76 percent EBITDA margin.

Francisco Suarez: OK.

Luis Gutierrez: And, Francisco, let me take the growth strategy question. So briefly, let me describe where we see the growth opportunities. As I mentioned, we have the exclusive access of the Prologis pipeline, and so there is going to be an important percentage of our growth, which going to be organic through the access of this pipeline and I would have to say that 50 percent of our growth in that pipeline going forward's going to be Mexico City as we see an important expansion of the e-commerce space and also the need of the space – modern space from logistic operators, which are outsourcing services and gaining, you know, market share in the market. So that I think's probably 50 percent of our pipeline. And then there is going to be good opportunities in our markets to develop, of course, take advantage of expansion of the manufacturing base of our clients of the market.

You also mentioned that we have glanced to disposal of some assets. We believe our cap rates have some room to come down. As I said, there is significant liquidity in the market, and there are a lot of people chasing properties. And that will make them go up in price. As we see the market maximizing values, we will consider the disposition of some our nonstrategic assets.

Francisco Suarez: OK. Got it. Thank you very much. Congrats again.

Luis Gutierrez: Thank you, Francisco.

Operator: Again, if you would like to ask a question, please press star, one on your telephone keypad. And your next question comes from the line of Ivan Enriquez with HSBC.

Ivan Enriquez: Luis, thank you for following up with my question on certificate's price. This time, my question is regarding your acquisition guidance. And I just wanted to put this in context. You're saying that you are – you plan to invest between \$130 and \$170 million dollars throughout the year in 2015. And if I'm correct, you only have spent close to 4 million in that building you bought in Guadalajara. So my guess is that we can expect a strong acquisition activity in the second half of 2015.

With that in mind, and if I'm reading it correctly, you have 46 million in cash, which might not be enough for this. And also considering the relatively low liquidity that you – that your certificate price has, do we have any preference for making a follow-on? Or would you prefer first to increase your debt levels now that you have a loan to value that's been reduced to 26 percent? Thank you.

Luis Gutierrez: Thanks, Ivan. I will start by saying that we will not be issuing any equity at 27 pesos, which is more or less the price of the stock currently. It has a very big discount and net asset value would be very negative to our current investor shareholder base. So I will start answering the question that way. We're not planning to go to the market anytime soon. We have ample liquidity to take advantage and to do these acquisitions.

But let me just answer the first question. As I said, there is 3.1 million square feet of properties that are under development. Fifty two percent of these properties are already stabilized and this will be offered to the FIBRA in the next few months and this will heat the acquisition pipeline if they are proved by the technical committee, investment committee.

And we also are looking on some third party acquisitions that may come our way before year-end. So with that, let me turn over to Jorge so that he can walk us through how we're going to be funding this future pipeline.

Jorge Girault: Ivan, regarding the liquidity, you're right, in cash, we have \$47 million dollars. But remember we have a line of credit, an undrawn line of credit, which is new, for \$400 million dollars. The previous one we paid it, \$99.5 million dollars with the IVA proceeds or the VAT proceeds that we received

from the government. So right now, we have the line that it's new but it's undrawn and we have that VAT plus the cash, plus another 100 million dollar from accordion feature that this line of credit has. So we have ample liquidity in to take care of these acquisitions without going to the markets in any formal fashion.

Luis Gutierrez: OK. So thank you very much. We're very grateful to you guys for the interest you have in FIBRA Prologis. We look forward to talking with you guys as the quarter goes to explain our results in more detail.

We're very excited about the markets, they are very strong, and we're also very excited about our prospects for growth. So thank you very much to all for participating.

Operator: This concludes today's conference call. You may now disconnect.

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