

July 19, 2018



# FIBRA Prologis Announces Second Quarter 2018 Earnings Results

MEXICO CITY, July 19, 2018 /PRNewswire/ -- FIBRA Prologis (BMV:FIBRAPL 14), a leading owner and operator of Class-A industrial real estate in Mexico, today reported results for the second quarter of 2018.

## HIGHLIGHTS FROM THE QUARTER:

- Net effective rents on rollover increased 15.1 percent
- Weighted average customer retention was 87.1 percent
- Same store cash NOI grew 2.5 percent

Net earnings per CBFi in the second quarter was Ps. 1.3285 (US\$0.0709) compared with Ps. 0.6729 (US\$0.0352) for the same period in 2017.

Funds from operations (FFO) per CBFi was Ps. 0.4620 (US\$0.0263) for the second quarter compared with Ps. 0.5800 (US\$0.0303) for the same period in 2017. The current period included an incentive fee paid to FIBRA Prologis' sponsor of Ps. 0.3215 (US\$0.0162) per CBFi. Excluding the incentive fee, FFO per CBFi was Ps. 0.7835 (US\$0.0425).

## PORTFOLIO LOCATION DRIVES OUTPERFORMANCE

"The operating environment for industrial real estate in Mexico remains healthy and is led by the consumption and manufacturing sectors," said Luis Gutierrez, CEO, Prologis Property Mexico. "FIBRA Prologis' focused investment strategy translated into record rent change at lease expiration, and our well-located portfolio is positioned to capture future growth. We expect to build on this momentum as we move in to the second half of the year."

Operating Portfolio	2Q18	2Q17	Notes
Period End Occupancy	95.9%	97.3%	<i>Driven by declines in Guadalajara and Tijuana, partially offset by increases in Monterrey and Reynosa</i>
Leases Commenced	2.3 MSF	1.3 MSF	<i>82% of leasing activity is related to renewals mainly in Mexico City and Reynosa markets</i>
Customer Retention	87.1%	89.0%	
Net Effective Rent Change	15.1%	13.2%	<i>Led by Mexico City at 18.0%</i>
Cash Same Store NOI	2.5%	3.6%	<i>Lower occupancy and expense recoveries partly offset by higher rents</i>
Same Store NOI	3.9%	1.7%	

## SOLID FINANCIAL POSITION

At June 30, 2018, FIBRA Prologis' leverage was 32.8 percent and liquidity was Ps. 6.3 billion (US\$318.7 million), which included Ps. 6.1 billion (US\$305.0 million) of available capacity on its unsecured credit facility and Ps. 271.9 million (US\$13.7 million) of unrestricted cash.

"Our balance sheet is in excellent shape with no near-term maturities and a healthy level of liquidity, which is a result of our risk management strategy," said Jorge Girault, senior vice president, Finance, Prologis Mexico. "In line with this strategy, the option contract we entered into earlier this year effectively removes any impact from the peso weakening beyond 20MXN per USD for the remainder of the year. With the near-term addressed, we are actively working on addressing our medium- and long-term maturities."

## **WEBCAST & CONFERENCE CALL INFORMATION**

FIBRA Prologis will host a live webcast/conference call to discuss quarterly results, current market conditions and future outlook. Here are the event details:

- Friday, July 20, 2018, at 9 a.m. CT/10 a.m. ET
- Live webcast at [www.fibraprologis.com](http://www.fibraprologis.com), in the Investor Relations section, by clicking Events
- Dial in: +1 877 256 7020 or +1 973 409 9692 and enter Passcode 93296072.

A telephonic replay will be available July 20– July 27 at +1 855 859 2056 from the U.S. and Canada or at +1 404 537 3406 from all other countries using conference code 93296072 and security code 31833. The replay will be posted in the Investor Relations section of the FIBRA Prologis website.

## **ABOUT FIBRA PROLOGIS**

FIBRA Prologis is a leading owner and operator of Class-A industrial real estate in Mexico. As of June 30, 2018, FIBRA Prologis was comprised of 196 logistics and manufacturing facilities in six industrial markets in Mexico totaling 34.6 million square feet (3.2 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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