June 28, 2018

FIBRA Prologis Releases 2017 Annual Report

MEXICO CITY, June 25, 2018 /PRNewswire/ --*FIBRA Prologis results demonstrate that their portfolio and operations are designed for resilience and poised to thrive.*

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Select highlights:

Factors that drive financial results all moved in a positive direction:

- Occupancy grew to record levels while rental rates rose. We attribute this to our industry-leading strategy of matching well located properties with a diversified customer base and best-in-class service.
- We refinanced debt to reduce interest expense. To do so, we leveraged our longstanding relationships with lenders and proven ability to deliver stellar operating performance.
- We approached acquisition opportunities with prudence, adding two well-located, stabilized properties to our rent rolls in December 2017, one in the Mexico City submarket of Toluca and a second in Reynosa.

Operating conditions

- For the full year 2017, our six markets in aggregate had net absorption of 17 million

square feet (MSF) versus net completions of 16.7 MSF. Development has been muted over the last several years, even as demand has risen steadily. This dynamic boosted occupancy rates in our markets to 95.7 percent and across our portfolio to 97.3 percent.
- Mexico City, the nation's capital, was one of the top-performing industrial real estate markets in the world last year.

Well-designed portfolio

- FIBRA Prologis' business is strategically aligned to focus on consumption, which is growing rapidly in Mexico.

Looking ahead

- Like last year, NAFTA renegotiations remain unresolved. We continue to believe that a favorable outcome for all countries will be reached, but we are also realistic on timing. A resolution may not come in 2018, which is also a presidential election year in Mexico.
- We expect to do more acquisitions than 2017, with a target between US$100 million and $300 million. Our business is positioned for opportunity, our talented team is dedicated and engaged, and we look forward to enduring success.

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.

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