



+

Building value

ANNUAL REPORT 2014



FIBRA Prologis' investment strategy is straightforward and focused.



LUIS GUTIERREZ
CHIEF EXECUTIVE OFFICER
PROLOGIS MEXICO

Mexico's premier REIT

Dear Fellow Holders:

I am pleased to present our first annual report for FIBRA Prologis, Mexico's premier industrial real estate investment trust. December 31, 2014, marked the end of our first six months as a public company and we delivered outstanding results.

FIBRA Prologis' investment strategy is straightforward and focused. We invest in Class-A distribution centers in Mexico's six largest and most dynamic logistics markets. The FIBRA acquired its initial portfolio of 29.7 million square feet with proceeds from our IPO, seeding the highest-quality industrial portfolio in Mexico with assets from the former Prologis MX Fund LP, Prologis Mexico Fondo Logistico, as well as Prologis' wholly owned Mexico properties.



Our experienced management team has worked together for 25 years.

Several important factors differentiate FIBRA Prologis. The global customer franchise of our sponsor, Prologis, accounts for more than 70% of our annual rental revenues, and the interests of our sponsor, who is our largest shareholder, are fully aligned with our own. Our experienced management team has worked together for 25 years—delivering superior customer service and investment performance; driving repeat business, renewals and occupancy; and establishing a track record of on-the-ground success in a fundamentally local business. Prologis benefits from market-leading corporate governance, earning the #1 ranking among listed U.S.REITs from Green Street Advisors for twelve consecutive years. FIBRA Prologis sets an equally high bar for governance with a majority of independent board members, wholly independent subcommittees, a requirement that independent members of the technical committee approve any transactions that might represent a conflict of interest, and a transparent and aligned fee structure. Our sponsor has been investing in Mexico since 1997. In that time, Prologis has developed approximately 21 million square feet of Class-A facilities to global standards and acquired 10.5 million square feet of additional space. Exclusive access to our sponsor’s development pipeline ensures that FIBRA Prologis will benefit from continuous and enduring growth. Because 84% of our revenues are

84%
of revenues are
dollar-denominated

WHICH PROTECTS OUR
RETURNS FROM PESO
FLUCTUATIONS AND
GIVES US ACCESS
TO LOWER-COST, DOLLAR-
DENOMINATED DEBT.

Differentiated business model



Rents in Mexico City will continue to grow, driven by lack of suitable available land.

dollar denominated, our returns are protected from peso fluctuations and we are able to access lower-cost, dollar-denominated debt.

Our Business Drivers

The primary economic indicators that affect our business strengthened across Mexico during the year, fueled by an improved macroeconomic climate in the United States. The logistics business benefited from growing retail sales and rising consumer confidence while the manufacturing sector saw the positive side of increased exports, mostly to the United States.

This translated into healthy operating conditions—the strongest since the economic crisis. Net absorption in 2014 was 15 million square feet in our six markets, up 25% over the prior year. Even with new supply, demand in our markets is holding vacancy rates in check at 7%. In Mexico City, our largest market, demand for space has returned to peak levels, driven by third-party logistics providers and consumer products companies that need larger spaces in light of supply chain reconfiguration and e-commerce growth. Rents in Mexico will continue to grow, driven by lack of suitable available land.

15M
square feet of
net absorption

UP 25% OVER
PRIOR YEAR.

**Healthy
operating
conditions**



We believe the operating environment will continue to strengthen in 2015.

We continue to see strong manufacturing interest from new companies entering the country and from plant expansions. Importantly, we note the lagging supply in border markets and increased build-to-suit activity in Monterrey; these factors allow us to grow rents in these markets. Lower oil prices and a decline in the peso make goods manufactured in Mexico more competitive, boosting exports to the U.S. and stimulating the Mexican economy.

We believe the operating environment will continue to strengthen in 2015. Mexico's new administration is focused on driving long-term growth and attracting international investment through fiscal policy as well as structural reforms in energy and labor. Accelerating GDP growth and an attractive peso will offset lower oil prices and a strengthening dollar, resulting in rising demand and increased foreign investment. This momentum will drive rent growth in our six markets, leaving in-place rents below market and driving NOI higher.

Accelerating GDP growth



3.2% increase
in initial portfolio
value since IPO.

Occupancy
exceeds
guidance

Fulfilling IPO objectives ahead of expectations

At our IPO, we introduced an ambitious plan for growth.

The quality of our portfolio is reflected in strong results in 2014. Specifically, we ended the year with operating portfolio occupancy of 96.3%, surpassing the upper end of our guidance by 70 basis points and outpacing the market by more than 300 basis points. Increases in net effective rent on turnover were 9.4%. This performance translated into 4.1% cash same store NOI growth in 2014.

From a capital deployment perspective, we put our liquidity and our proprietary acquisition pipeline to work and acquired a 1.6 million square foot portfolio of Class-A facilities in Mexico City and Guadalajara. The acquisition was accretive and consistent with our long-term plans. We also began a 166,000 square foot development expansion, using one of four available sites and taking advantage of our position in Mexico City.

According to independent third-party appraisers, the value of our initial portfolio increased by approximately and 3.2% since IPO.

1.6 M
square feet of
class-A facilities

ACQUIRED IN MEXICO CITY
AND GUADALAJARA.



We continue
to focus on
long-term
stability
and efficiency.

Focused financial strategy

We continue to focus on long-term stability and efficiency. FIBRA Prologis does not have any significant debt maturities until December 2016. At the close of 2014, our loan-to-value ratio was 26%, providing us with additional borrowing capacity.

We have approximately US\$400 million of liquidity. This includes an undrawn line of credit with an accordion feature, as well as unrestricted cash and receivables from our expected VAT (value-added tax) refund. This liquidity supports anticipated growth over the next two years. Regarding debt covenants, we are well within compliance with our credit agreements and all metrics imposed by applicable regulators.

A platform for growth in 2015

Our platform, combined with strong demand in Mexico's six major industrial markets, increased government infrastructure spending, a rebound in residential construction and cheaper manufacturing exports, makes us one of the best-positioned industrial operators in the country. Our team of real estate experts

US
\$400
million

OF AVAILABLE LIQUIDITY.

Mexico's top industrial portfolio



Our sponsor,
Prologis, provides
us with competitive
advantage.

Opportunity from sponsor

has assembled the country's top industrial portfolio with respect to quality, location and management. Our long-range plan is based on:

- Significant rent growth. Demand is outpacing supply. Vacancy rates are below historic lows. Current rents have substantial upside because they sit well below replacement-cost-justified rates. These factors indicate substantial embedded earnings potential from harvesting the gap between in place and market rents. Additionally, most of our leases include provisions for annual rent increases, either fixed or in line with inflation.
- Substantial opportunity stemming from our sponsor. Our sponsor, Prologis, provides us with competitive advantage. FIBRA Prologis has right of first refusal on a 3 million square foot pipeline valued at US\$200 million and 14 million square feet of undeveloped land currently owned by Prologis. Together, these assets represent an opportunity to increase the size of our portfolio by 40% over the next five to six years. We also see opportunities for third-party acquisitions.

40%
increase in the size
of our portfolio

POSSIBLE OVER THE NEXT
FIVE TO SIX YEARS.



We are honored by the confidence of our customers and holders, who have placed great trust in us.

FIBRA Prologis brings unique value to Mexico's FIBRA market. We are committed to strong governance, sustainable growth, consistent profitability and long-term financial stability. We are confident in our ability to create value.

Our people are professionals who match their deep and longstanding knowledge of the market with an unwavering desire to build a better company. Our shared commitment builds on our 25-year track record of excellence in this region.

We are honored by the confidence of our customers and investors, who have placed great trust in us. Our strategy is supported by the insights and counsel of Prologis, our sponsor, and our technical committee. Together, we strive to tell a story of unparalleled success in Mexican real estate.

Thank you for your continued support.

Sincerely,

Luis Gutierrez

Chief Executive Officer, Prologis Mexico

**Strong
governance**



We successfully delivered on our 2014 goals while defining a clear path forward to continued growth.



Chairman's video

Luis Gutierrez, Chief Executive Officer of Prologis Mexico, on FIBRA Prologis successful inaugural year.



Our executive team
has been together
for 25 years,
building a track
record of time-tested
success in real
estate.



FROM LEFT TO RIGHT

LUIS GUTIERREZ
CHIEF EXECUTIVE OFFICER
PROLOGIS MEXICO

JORGE GIRAULT
FINANCIAL VICE PRESIDENT
PROLOGIS MEXICO

HECTOR IBARZABAL
CHIEF OPERATING OFFICER
PROLOGIS MEXICO

Leadership



Success built
upon 25 years
of effective
teamwork.



LUIS GUTIERREZ
CHIEF EXECUTIVE OFFICER
PROLOGIS MEXICO

Leadership

Mr. Gutiérrez has been in the real estate sector since 1989, including President for Latin America for Prologis where he is responsible for all Brazil and Mexico related activities including operations, investments, acquisitions and industrial property development. Mr. Gutiérrez was co-founder of "Fondo Opción" (formerly G. Acción), the first public real estate company in Mexico, where he acted as Chief Executive Officer and is currently a member of the Executive Committee of Consejo de Empresas Globales. He is also a member of the board of directors of Finances and Central de Estacionamientos. He also served as President of the AMPIP (The Mexican Association of Private Industrial Parks) from 2005 to 2006. He is currently the President of the Technical Committee of FIBRA Prologis. Mr. Gutierrez has a Civil Engineering degree from Universidad Iberoamericana and an MBA from IPADE Business School.



Effective
decision-making
based upon 70+
years of combined
experience in
the Mexican real
estate market.



HECTOR IBARZABAL
CHIEF OPERATING OFFICER
PROLOGIS MEXICO

Leadership

Hector Ibarzabal has been in the real estate sector since 1988, including office, industrial, retail, and residential sectors. Mr. Ibarzabal's experience includes real estate structuring, financing and fund raising. As Country Manager and Head of Operations in Mexico for Prologis, Mr. Ibarzabal has substantial experience managing Prologis' activities in Mexico, including development, operations and capital deployment. Previous to Prologis, Mr. Ibarzabal was co-founder of G. Accion, a publicly traded real estate company, where he acted as CFO, COO and President. He is currently a member of the technical committee of Prologis Mexico Fondo Logístico, another Mexican industrial real estate investment vehicle managed by an affiliate of Prologis, a member of the technical committee of FIBRA Shop and a member of the board of directors of Actinver Fondos and SARE. Mr. Ibarzabal has a Civil Engineering degree from Universidad Iberoamericana and an MBA from IPADE Business School.



Superior
customer service
driven by passion,
accountability
and integrity.



JORGE GIRAULT
FINANCIAL VICE PRESIDENT
PROLOGIS MEXICO

Leadership

Jorge Girault, has been in the real estate sector since 1994, including office, industrial, retail and residential sectors. His experience contemplates real estate structuring, financing and fund raising. Mr. Girault has significant experience managing Prologis' equity and debt raising activities, and is an officer of Prologis Mexico Manager, S. de R.L. de C.V., manager of Prologis México Fondo Logístico, another Mexican industrial real estate investment vehicle managed by an affiliate of Prologis. Mr. Girault started his professional carrier at G. Acción, where he acted as Project Manager, Investor Relations VP and CFO. He is currently a member of the technical committee of Prologis Mexico Fondo Logístico and is a part time professor at the Business School of Universidad Iberoamericana. Mr. Girault has an Industrial Engineering degree from Universidad Panamericana and an MBA from Universidad Iberoamericana.



The combination of strategic focus and significant scale positions us to grow with limited incremental investment in overhead.

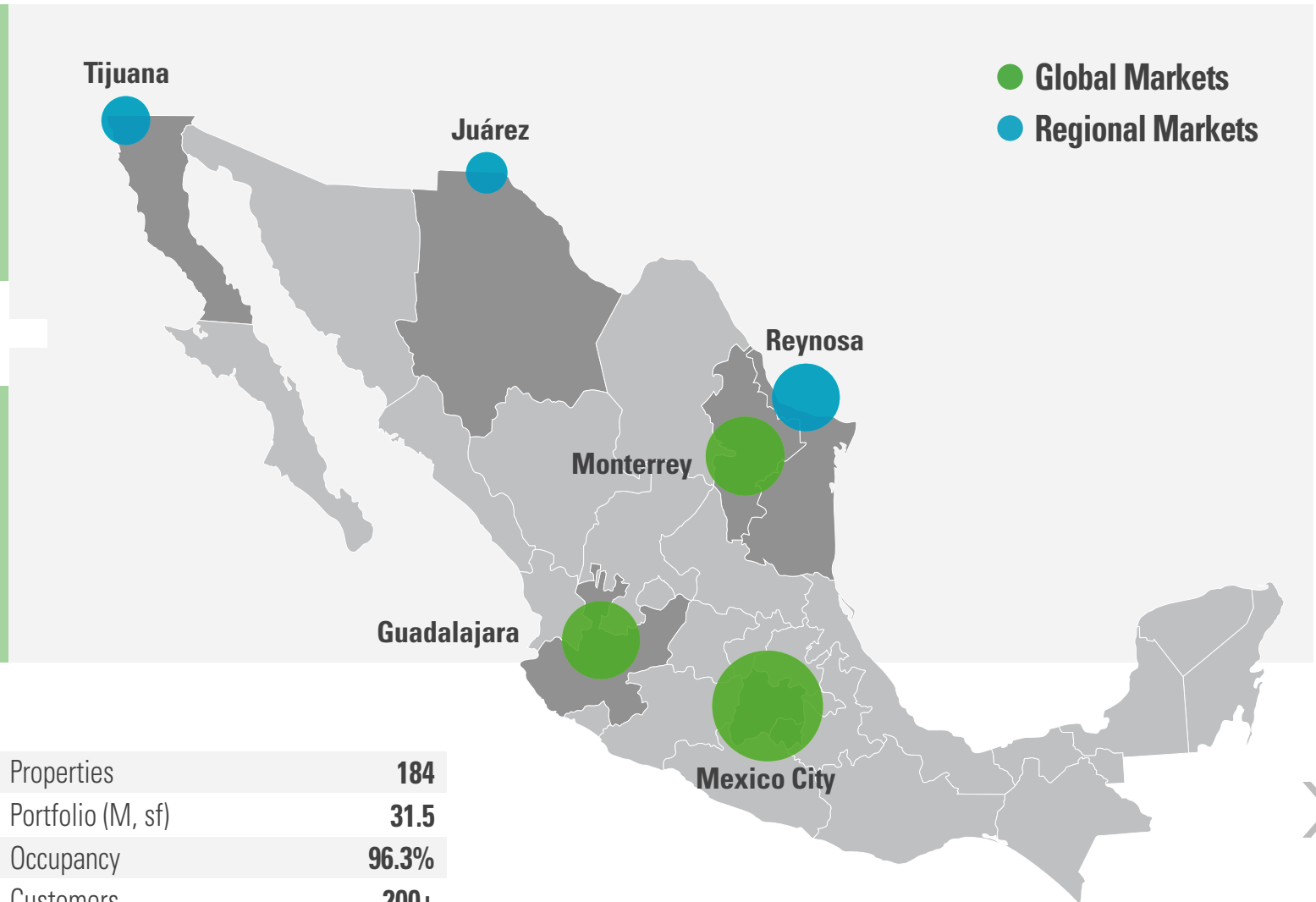


Strategic locations

FIBRA Prologis invests in Class-A distribution centers in Mexico's six most dynamic logistics markets. México City, Guadalajara and Monterrey are Mexico's largest population centers, while Tijuana, Ciudad Juárez and Reynosa are Mexico's premier manufacturing centers.



With the right properties in the right markets, we are poised to benefit from strengthening business indicators across Mexico.



Strategic locations

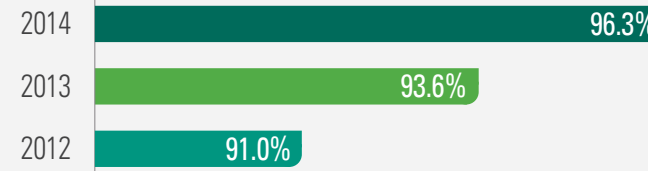
Properties	184
Portfolio (M, sf)	31.5
Occupancy	96.3%
Customers	200+
Average net effective rent per leased sf	US\$4.74
% USD denominated leases	84.4%



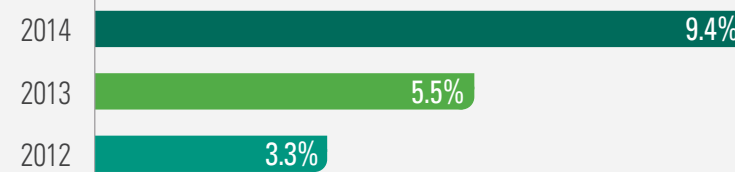
Trends are consistently positive across key indicators including occupancy, net effective rent change and rent retention.

Key indicators

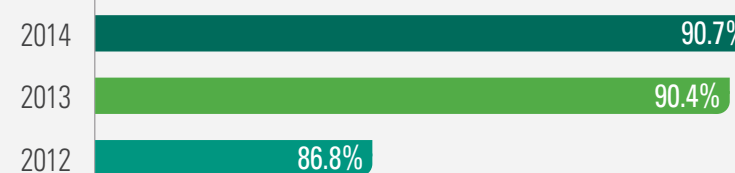
Operating portfolio-period end occupancy



Net effective rent change



Tenant retention



*Historical information is based on the previous ownership prior to the creation of FIBRA Prologis.

Our scale in existing markets allows us to grow with little incremental investment in overhead.

Financial highlights

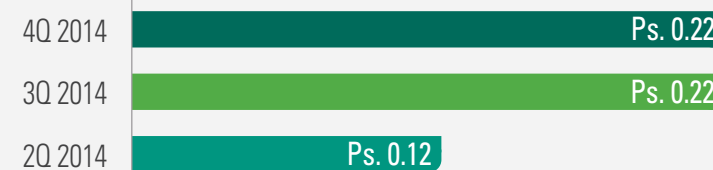
Revenue summary (in thousands of pesos)



FFO per CBFi



Distribution per CBFi



*FIBRA Prologis acquired its initial portfolio on June 4, 2014 from several entities owned or managed by Prologis, after pricing of the initial public offering ("IPO") on June 3, 2014.

FORWARD-LOOKING STATEMENTS

The statements in this report 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.

