PROLOGIS

Moderator: Luis Gutierrez
January 29, 2016
10:00 a.m. CT

Operator: This is Conference #: 9746070

Operator: Good morning. My name is (Kim) and I'll be your conference operator today. At this time, I would like to welcome everyone to the FIBRA Prologis Fourth Quarter and Full-Year 2015 Earnings conference 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. Please limit yourself to one question, then you may rejoin the cue for any follow-up questions.

Thank you.

Annette Fernandez, Investor Relations for FIBRA Prologis, you may begin your conference.

Annette Fernandez: Thank you, Kim, and good morning, everyone. Thank you for joining us for our Fourth Quarter and Full-Year 2015 Earnings conference call.

Today, we will hear from Luis Gutierrez, our CEO, who will discuss our strategy and market conditions, and Jorge Girault, our Senior Vice President of Finance who will reveal results and guidance.

Also, joining us today is Hector Ibarzabal, Managing Director from Mexico. 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 risks and uncertainties. Our actual results, performance, prospect opportunities may be differ materially from those expressed in or implied by the forward-looking statements.

These forward-looking statements are correct as of the date of this call. We take no obligation to publicly update or revise any forward-looking statements after the completion of this call whether as a result of new information, future events or otherwise except as required by law.

Additionally, during this call we may refer to certain non-accounting financial measures. As is our practice, we have prepared supplementary materials that we may reference during the call as well.

If you have not already done so, I will encourage you to visit our Web site at 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, everyone. 2015 marked one of the best years in my real estate career. We delivered a strong operating and financial results that directly reflect exceptional execution by our team, as well as, our well-located portfolio and strong real estate fundamentals.

During the year, we remained focused on our long-term plan for growth, which is based on two key elements: The first element is internal growth and points to the substantial embedded earnings potential from growing occupancies and harvesting the gap between in-place and market rents.

The team delivered on both fronts. We ended the quarter with operating portfolio occupancy at 96.5 percent, which exceeded the top ends of our guidance range and outpaced the market by approximately 300 basis points.

In addition, net effective rents on rollover came in at 10.5 percent for the year. Our high occupancy levels combined with a strong rent change translated into cash same-store NOI growth of 5.6 percent.

This is excluding the impact of the Peso' evaluation and surpassing the upper end of our guidance range.

The second element is external growth. We have the opportunity to acquire new development projects in our targeted markets from our sponsor Prologis and from third parties.

In 2015, we put our liquidity and exclusive acquisition pipeline from Prologis to work and acquired $120 million of high quality class A facilities that were accretive and consistent with our long-term growth strategy.

Acquisition volume came in short of that and due to timing of one transaction moving into 2016 as a result of a delay in obtaining the necessary regulatory permits, we expect this transaction to close in the first half of the year.

As a reminder, we're highly selective with our portfolio and will acquire assets only when opportunity aligns with our investment strategy. Our financial performance reflected this accomplishment which led to effort full growth of 16 percent for the full year on an annualized basis, and double digit in the growth in the fourth quarter.

Another important accomplishment for the year was executing on our commitment to strengthen our balance sheet. Improvements included lowering the overall cost of debt, extending our maturities, and increasing our liquidity, all of which have set us up to capitalize on future growth opportunities.

Let us turn to our views on operating conditions. Despite a choppy economic environment, logistics real estate improved benefitting from the growth in domestic consumption and the pace of exports to the U.S. due to the weakening of the Peso and lower operating costs from companies that have come from structural reforms.

These drivers have resulted in high demand for class A buildings. The overall net absorption in our markets was 17 million square feet outpacing the supply and pushing market vacancy into the low 6 percent range where it remained at an all-time low level.

Mexico City, our largest market, is in a strong position as an uptick in new supply was matched by healthy income and demand. This came from a number of factors including logistic operators who are investing in their supply chains to improve their operating efficiencies.

We also have requirements from international retailers and consumer companies seeking larger spaces, as well as, from the expansion of e-Commerce companies.

Our border markets improved considerably during the year with market vacancies falling below 4 percent in both Juarez and Tijuana. Looking ahead to 2016, we expect market conditions to improve and to further support demand for logistics real estate.

In our view, supply appears to match the incoming pace of demand likely leading vacancies near their current low levels. This should allow for further rent growth of though at a more moderate pace.

To sum up, we had an excellent fourth quarter and year. I am proud of our performance and it builds on our team's 27-year track record of excellence in Mexico. Our platform combined with a steady demand from domestic consumption, the lower cost of exports and robust growth in e-Commerce makes us Mexico's best position logistic real estate operator.

With that, I will now turn the call over to Jorge who will walk us through the numbers and the drivers that are supporting our 2016.

Jorge Girault: Thank you, Luis, and good morning to all. We had a great fourth quarter concluding 2015 with strong operating results that met or exceeded our guidance.

I would like to remind you that the U.S. dollar is FIBRA Prologis functional currency, which is how we present our financial information.

Let me start with our financial performance in the year. Despite further currency devaluation, we have delivered stable dollar results, which are a reflection of having 84 percent of our revenues denominated in dollars. Factoring in our Peso denominated expenses as a natural hedge for our revenues, our net peso exposure is only 4 percent.

F.F.O. per certificate was 16.5 cents for the full year, excluding realized exchange loss, and was in line with our guidance representing 16 percent growth over prior year's annualized results.

Moving to operations, as we have mentioned, we finished the year with record occupancy meeting the upper end of our range. Additionally, we saw strong double-digit rent change on rollover.

We met our expected 2015 same-store cash NOI growth of 4.5 percent and when you exclude the impact of the Peso devaluation, our growth was 5.6 percent which exceeded our upper end of our guidance range.

This increase was led by original markets at 8.3 percent reflecting continued recovery in these markets. CAPEX including property improvements and turnover costs was $20.9 million for the year or 14.4 percent of annual NOI, in the low range of our guidance.

Customer extensions for the year was about 94 percent exceeding our expectations. For lease renewals, 100 percent of our dollar leases were renewed in the same currency, which represented 77 percent of leasing activity for the year.

G&A including asset management and third-party professional fees totaled $17.9 million for the year in line with our guidance. Turning to acquisitions, during the year we acquired $120 million of modern high quality logistic properties that comprised 4 buildings and an intermodal facility.

These acquisitions will increase our annual NOI by approximately 5 percent.

Let me turn to our capital markets activities. We have successfully executed our 2015 debt restructuring plan to strengthen our financial position and enable us to take advantage of future growth and the opportunities that may arise.

Our most relevant accomplishments are first, we increased our liquidity by $150 million through the recap and upsize of our previous line of credit. Our line of credit, which will be used to fund future acquisitions is undrawn and provides us with the liquidity of $541 million.

Second, we restructured $357 million of debt between 2015 and January 2016, which comprised $250 million of unsecured term loan and $107 million of secured debt refinancing.

With this activity, we addressed all of our 2016 debt maturities resulting in an increase in weighted average term from 3 to 4.5 years. We decreased weighted average cost of debt to 5 percent.

We enhanced the capability of our balance sheet and we increased our unencumbered asset pools to 58 percent. Looking to guidance for 2016, which assumes a Peso to dollar rate of 18 to 1, we expect year-end operating portfolio occupancy to range between 95 and a half and 96 and a half percent.

Cash same-store NOI growth ranged between 2 and 3 percent for the year. Annual CAPEX as a percentage of NOI between 14 and 16 percent. G&A ranged between $18 and $20 million.

Acquisitions to be between $100 and $150 million from Prologis and third-parties. We expect our 2016 F.F.O. to be between 16.5 and 18 cents per certificate excluding the impact of realized currency fluctuation.

As a result of all these accomplishments, we will increase our distribution to 11 percent per certificate reflecting 10 percent growth over 2015 and will be issued in equal quarterly installments.

To sum up, we're very pleased with our results in 2015. They reflect our focused strategy, the quality of our portfolio, and solid operating conditions. We entered 2016 confident in our financial position, in our profit for growth, as well as, with the best and most experienced team in the market. With that, I will turn it over to the operator for Q&A.

Operator: At this time, I would like to remind everyone in order to ask a question, press star, then the number one on your telephone keypad. And your first question comes from the line of Dan McGoey with Citigroup. Your line is open.

Dan McGoey: Great. Good morning, gentlemen. Congratulations on the results. I guess two quick questions: First, Amazon in the quarter moved to your single largest tenant. Wondering can you talk a little bit about prospects for continued expansion with them and the demand outlook for – from e-Commerce generally?

And then I guess second question, the acquisitions that you completed in 2015 in the – in the supplemental information you indicated 6.9 percent cap rate. The stocks is obviously trading with an implied cap rate well above that.

Can you talk a little bit about whether any initiatives to try and narrow that discount whether repurchases, maybe one of those initiatives, but how management feels about it generally?

Hector Ibarzabal: Thank you. This is Hector. Good morning, everyone. Thank you. Thank you for your questions. I will address your question regarding Amazon, the prospects, and e-Commerce.

Amazon Worldwide is one of the largest customers that Prologis has and this is the first facility that they have in Mexico, and somehow it was kind of an off-market transaction in which we guaranteed Amazon that we were providing the fair market conditions.

(Inaudible) contact with them and actually as you can imagine that there's some confidentiality here, but we are currently working on several projects for future growth with them.

Besides Amazon in the neighborhood on our (inaudible), we have an important global customer Prologis the same as APL. From this facility, APL manages all the e-Commerce for Wal-Mart.

Just yesterday we had a meeting with the Wal-Mart crew and you know the plan that they have for e-Commerce and for imports are extraordinary and in line to the increase on customer expenditure that we saw on 2015.

We have mentioned some other times e-Commerce has a big potential in Mexico in new design of our facilities is exactly what the e-Commerce logistic providers need while our buildings have all the features that they need to have efficiency in their operations, and to finalize, I've got to say the current (inaudible) plant that we have of prospects for buildings is near to peak.

The pipeline that we have for 2016 in January of this year is more important and bigger than the one that we had previous years.

Luis Gutierrez: Dan, this is Luis, and let me take the second question, and I think this second question is mainly related to the disconnect into the implied cap rates and the market cap rates, and I guess the disconnect between public market valuations and private market valuations.

Of course you know if our shares keep on trading at the current implied cap rates, which is currently about 9 you know those acquisitions would not be accretive. So I guess what I'm trying to tell you is that we are a long-term investor and we're a total return investor.

The acquisitions that we've done complement our parts. They are with global customers and we have a long-term perspective on those. Having said that, of course one of the investments that could be very profitable would be to invest in our – in our own shares, which is your question.

So today, we are not allowed to do that. We are seeking authorization from – you know the (Hacienda) and the CNBV to get approval. Once we get approval for that, this is something that will be under consideration in the future, and we will see what it will be the trading price of the stock to make that decision.

Jorge Girault: We will also – and Dan, this is Jorge – we will also need holder's approval for these. So that's the other part that we need.

Operator: And your next question comes from the line of (Luis Albano) with GBM. Your line is open.

Luis Saldaña: Hi, guys. Good morning, congrats on your results. I have two questions. The first one goes to the pipeline. The guidance you are providing of between the 100 and 150 million, does this consider, I mean, the building or the portfolio that you are pending to acquire you to some paperwork? That's the first question regarding this.

And the second one is are you planning to build up and – or to acquire this pipeline with the undrawn debt facility that you had (inaudible) line? And the third one is do you have, like, a proportion that you think you're going to acquire from your sponsor, Prologis and from third parties? And that would be all. Thanks.

Hector Ibarzabal: Thank you very much for your question. This is – this is Hector. The guidance that we are providing on a position goes from 100 million to 150 million. That's what we're expecting to do in their positions and these are coming either from Prologis and from third parties.

(Inaudible) 25 percent of these acquisitions on the first half of the year, 75 percent of it might be rolling into the second half of the year. Now, we are – we have a very defined strategy on the real state that we acquire. That's why the most of these acquisitions come from Prologis because we have not been able to find a lot on the quality and on the price that (inaudible) acquisitions from third-party would deserve.

Jorge Girault: Luis, this is Jorge and thank you for your question. Regarding how we're going to acquire them, yes, we will use a line of credit – the undrawn line of credit that we have. Remember that we have $400 million in this line, plus $100 million accordion facility, and we recapped these lines in December when we took the term loan that we announced.

So again, this is an undrawn facility and we will use it for acquisitions. Thank you.

Operator: And your next question comes from the line of Alan Macias with Merrill Lynch. Your line is open.

Alan Macias: Hi. Good morning, gentlemen. Thank you for the call. Just a follow-up question on client prospects, if you can provide a bit more color, client prospects are – have you seen anything from the energy sector or any other sector that you see new activity from potential new clients? Thank you.

Hector Ibarzabal: Thank you. Thank you for your question. I guess in each of our prospects has to do with the location of the different markets that we have. To start with Mexico City, the prospects that we're seeing in a lot of cases are third-party logistics.

They are trying and working on consolidation of their operations and they are as well having more business because of the increase on consumption from the Big Apple, which represents Mexico City.

In Guadalajara, we have an important customer, which is IBM, and IBM permanently is working on projects to try to capture some business globally to provide services to the different customers that they have.

In the border, we do see a lot of new additions, expansions from current activities. The border is getting a lot of traction, becoming more competitive because of the newer techs conditions.

We have seen particularly in Monterrey, new customers that are related to the energy reform situation, I guess these customers are on first stages. What we have seen is that they are supplying equipment to the future or planning to supply equipment to the future participants on the energy reform.

On Monterrey, we do see as well an important influence of the new Kia facility, which is about to launch operations. Having said this, I feel very confident because of the right balance that the market is providing.

Luis mentioned in his opening remarks there is a very strong activity on the field that somehow supply is showing a little disconnection with these F.X. volatility that we're seeing on the macro environment.

Luis Gutierrez: Alan, in addition just to add up, I guess, in the border markets, it's not only auto that is driving the demand. We are seeing a lot of companies in the medical devices sector and also in the electronics, which somehow taking advantage of the low labor.

In Juarez, the demand you know in 2015 was very strong.

Operator: And your next question comes from the line of Vanessa Quiroga with Credit Suisse. Your line is open.

Vanessa Quiroga: Thank you. Good morning, team, and congratulations for that good operating results in the portfolio.

My questions are regarding on the M&A topic. Right now with the – with the dollar being so strong, I was wondering if that is for the sellers? Does that make it more or less attractive to sell in the – in the current environment?

And more about the dollar, I was also wanting to get feedback from you, from your tenants, is there being any additional calls requesting to move the contracts to that – to Peso as the Peso continues to weaken? Thanks.

Hector Ibarzabal: Vanessa, thank you very much for your question – for your two questions. On the – on the M&A – on the M&A, we are currently working on several transactions with potential sellers.

Our strategy here is to leverage on our local platform on a relation with brokers and local developers. When the transactions go out to the market, this is very difficult because of the ample liquidity that market has to reach the right price for real estate, and that's why we are focusing our strategy on those market transactions.

We do see this business. It has always been as a dollar-denominated business. So all the transactions in which we are working, they have dollar as currency. On the side of the seller you know the most of them are (inaudible) of an attractive because they're getting more Peso for the investments.

As a background of most of these sellers, they have been carrying these properties for several years. For sure, they invested on the land several years ago and they invested on the construction making Peso investments.

So this represents high profits for them. Of course, it has an actual tax effect on a lot of – a lot of locations. This tax – this tax situation represents our barrier to consolidate these transactions.

The other barrier that we see in M&A is that people like the profit that they are making on selling their investments, but they find challenging you know to replicate or to reinvest those monies because the most of these sellers are individuals that probably are in such a nature under life that you know this transaction might happen on the next generation when they are not around.

Talking about your second question about the Peso dollar, on the border on Monterrey, I could assimilate Monterrey to the border markets. This F.X. situation makes companies more competitive. The most of the activity that we have from these 4 markets: Monterrey, Ramos, Juarez and Tijuana, is focused 100 percent to exports.

So the fact that you know several of the expenses including labor (inaudible) is in Peso, this makes other – their activity more competitive and that's why we see how, for example, Juarez has such a strong absorption of the (inaudible) 100 percent of occupancy.

(Inaudible) are you know – we're working on trying to find or to develop the new part because we're running out of space there. So the border is strong in dollars. What we have seen in Mexico City where we have 34 percent of our customers in Peso is a reaction of particularly in the news deals we are seeing that they are requesting Peso.

This has happened in the past when you have these volatilities you know people – our customers start getting a little – a little bit nervous and they try to cap more certainty in their operations.

Our experience in the past is that when the dollar settles, this goes back – this go back to the dollar – to the dollar nature. Last year, we did not have any retrading of our customers paying dollars.

A hundred percent of the – of the dollar contracts that we have were renewed in the same – in the same currency, and we only had that two or three phone calls asking for some sort of relief, but at the end of the day the contracts ended up being onerous.

Finally, what I do see as an impact, and that's considered you know projections, is that the ability to have a higher rent growth in dollars on the Mexico City market particularly is going to be affected and is going to be smaller than the one that we have in 2014 and 2015.

Operator: And your next question comes from the line of Ivan Enriquez with HSBC. Your line is open.

Ivan Enriquez: Hello, Jorge, Luis, (Hector), (Inaudible) for the (inaudible). Congratulations on the results.

My first question would be in your press release we saw that leasing activity remains strong, but we also saw that new leases (inaudible) leases components (inaudible) up significantly. Actually, the lowest level in the last five quarters.

Would that be a source of concern to you and what explain this situation? The second question would be just to confirm, it seems that you have all the resources that you need to fund your future acquisitions.

So just to confirm that you have a preference for financing this through debt and not from raising equity. And finally, the rationale – what is the rationale for you to – not to be tribute of the FFO that you – that you generate?

You indicated that you still have some AFFO undistributed in 2015. So I just want to understand that because we've also seen in the market that other payers contribute 100 percent of the AFFO. Thank you.

Jorge Girault: Thank you, Ivan and thank you for your comments. This is Jorge. Let me touch first on the – on the debt refinancing. The – on how we acquired the – our acquisitions, we're using this right now because, one, we have the liquidity on the line of credit, and we don't have any cash that is sitting on our balance sheets as you know.

That has been the strategy since the beginning. The second part of that is that of the current trading price, we won't be issuing equity because it will be diluted, and it's not in line with our succession in terms of the value of the real value of the – of our certificate because obviously there is a discount as Dan mentioned at the beginning of the call.

So we will do – we won't be raising equity. That's the reason, Ivan. In terms of the new leases, that means you can see how our retention rate has been above 90 percent. Last year, it was about 94 percent if you take the whole year.

So most of our leases have come – most of our leasing activity has come from our own payments. So we don't lease and obviously we have a higher frequency. If they don't leave and they renew, it's hard to get new leases. We don't have much space for new leases.

So we lease a space as we go. Regarding the distribution on the 95 that we have guided on 95 percent, I mean, the way that we do it is (inaudible) discipline manner, we are distributing as you know the cash net we generate. That's AFFO.

We guided on the beginning on 95 percent to have some cushion if you may on – and reinvesting part of that money in our CAPEX and other matters, but at the end of the day, we are guiding to 95 percent.

As we have (inaudible) with dividends (inaudible) last time as I mentioned this – and we're guiding for this year, if there is – if there is cash flow plus from the activity in the year, that surplus will be compensated or distributed as you may the following year.

So you will see that as we go along and this happens.

Luis Gutierrez: (Ivan), let me just emphasize that FIBRA Prologis won't issue equity at this price. It really doesn't make sense. It would have a very important dilutive effect to its shareholders.

So that is not the plan. The plan would be to do that when the price of the stock would not be dilutive. And we have enough room on the debt to continue growing.

Operator: And your next question comes from the line of Pablo Duarte withActinver. Your line is open.

Pablo Duarte: Hi. Good morning. Thank you very much for the call and congratulations on the results. Well, my question is regarding the write-off of the debt premium as a result of the prepayment of the Prudential and MetLife credit lines.

Could you please give us the details on this? For instance, how much of this will be recognized in the first quarter? Thank you.

Jorge Girault: Thank you, Pablo. This is Jorge. A (inaudible) has been already recognized as you saw in the fourth quarter in our results and the – and the rest will be recorded this quarter and see if we close this week on the secured refinancing that we either secure (inaudible) we need for $107 million.

So the amortization premium that you see of $3 million this quarter at best comes to market you will see a lower number going forward. You will see the effects on the first quarter lead here.

Operator: And your next question comes from the line of Constanza Garcia with UBS. Your line is open.

Constanza Garcia: Hi. Good morning. Thanks for the call. I have a question regarding the AFFO margin. We've seen a negative impact this quarter and I say it's due to an increase in the adjustment from FFO to AFFO. So can you comment on the reason behind this increase and what would be the margins you would be expecting going forward? Thank you.

Jorge Girault: Thank you, Constanza. This is Jorge again. Thank you for your question. Our margin on the FFO as you'll see this quarter was 39 percent, closer to 40 percent. If you see the margin on a quarterly basis or you see our CAPEX on a quarterly basis, you will see some movements natural to the operation of the portfolio this size.

I would – the way that we see it is on an annual basis. That's how we have guided. For example, last year we ended up on – up 14.4 percent of a percentage of our NOI, which is in the low range of our guidance that we gave last year.

This time we're also guiding on CAPEX as a percentage of NOI. There's a more accurate figure if you look at it on an annual basis rather than a quarterly basis because of the movement that you can have due to the operations of the portfolio.

So if you see it on an annual basis, you see a normalized figure and you will see this margin closer to 40 percent.

Operator: And your next question comes from the line of Vanessa Quiroga, Credit Suisse. Your line is open.

Vanessa Quiroga: Yes, thanks for taking my follow-up question. It's about the effective (RAND) composition. I was wondering if the number that you provided change. It already reflects that contrasting Peso translated to dollars.

Is that…

Jorge Girault: (Inaudible) – I'm sorry, (Inaudible). Go ahead.

Vanessa Quiroga: Yes – no. I mean, is that – is that the way that you present it?

Jorge Girault: Yes. This is Jorge, (Inaudible). The answer to your question is yes.

Vanessa Quiroga: OK. OK. And then another single question is guidance. Does the distribution in all the other metrics that you provided, does that – do they include the effects from the acquisitions that you expect to be able to complete?

Jorge Girault: Yes, it does, Vanessa. This is Jorge again. For these purposes, we have a variety of scenarios. So in those scenarios we guide. I mean, we put the range.

Operator: And your next question comes from the line of Francisco Suarez with Scotia Bank. Your line is open.

Francisco Suarez: Thank you. Good morning and congrats on the – on the great execution. The question that I have is on the guidance.

It – your same-store cash NOI guidance of between 2 and 3 percent, can you walk me a little bit on how exactly you arrived to that number because considering that you have lots of the legacy – sort of legacy contracts expiring in the – in the first half of this year, it seems that that number may be a little bit low, but if you can guide me a little bit on how do you arrive to your 2 to 3 percent guidance, that will be very helpful.

My second question relates with your – with your overall the family. I mean, it was great to see that you already were able to improve a lot your overall maturity profile and reduce the funding costs.

My question relates to how much the current yields and the prepayment penalties linked to the maturities in 2006 to '17 may or may not affect your overall plans to refinance those maturities this year. Thank you.

Jorge Girault: Thank you, Francisco. Let me – this is Jorge. Let me start with the second one – second part of your question. Obviously when you have fixed financing and you have a secure financing, if it's prepaid before its maturity or the (inaudible), you have to pay some (inaudible).

The way that we see it as a conceptual manner is that we analyze how much we're going to pay on prepayments and we balance that out with the savings we will get with a new loan and the new flexibility and the new terms of financing that we're getting.

Is that accretive in terms of – if there is citing's on interest at the end of the day on a total manner, then we go ahead and do the refinancing and prepay whatever prepayment (inaudible) they may be.

So as we guided in the term loan, $250 million term loan, that floating rate – that's from a floating rate and right now, it's 245 basis points on that – in that (inaudible).

On the secure term loan that we did, which also – which (inaudible) rest of the (maturity) for 2016 that is a 10-year loan and we fixed the rate of 467, 7-year of interest-only and then 3 years of interest and amortization.

That said, I mean, all those things are put together in order for us to calculate the prepayment on the balance against the new cost of (that) if you may.

Regarding the guidance that we did between 2 and 3 percent, last year we ended up at 96.1 percent of average occupancy and we ended up with a 10.5 percent positive range change.

Hector commented that due to the Peso devaluation in some markets like Mexico City (rench in) in dollar terms (inaudible) smaller and occupancy we think that it – we ended of the year with 96.5 percent with an average of 96.1.

I mean, those are very high numbers, so the – those are very high numbers. We suspect that the next year is going to – might be a little bit lower than that and obviously, we have the bumps from the lease renews.

So the sum of all that gives us a same-store cash NOI increase of around 2 to 3 percent. Those are the factors that are embedded in those numbers.

Luis Gutierrez: Francisco, this is Luis. So you let me complement a little bit. I think the accomplishments on the (inaudible) were great. We are lowering our cost of debt to 5 percent and this savings will be a contributor to our increase in our distribution during 2016.

And then in 2017, we have another high cost debt rolling to market and as we roll that debt to market, we'll have additional savings that could be reflected during the future. We believe our same-store cash is – it's a great number you know achieving 4 and a half percent in the environment of 20 percent. The Mexico (inaudible) valuation was fantastic.

Our same-store cash in Peso 2015 was about 20 percent, and this 2 to 3 percent on the current environment, I think, is above inflation and it's a suitable number.

Operator: And your next question comes from the line of Armando Rodriguez from Signum. Your line is open.

Armando Rodriguez: Good morning, gentlemen. Thank you for the call and congratulations on the results. Well, regarding your lease match on your portfolio, I would like to know if in particular in January these kind of tenants try to make some significant changes on their contracts in order to protect in sales (inaudible) current depreciations. Thank you very much.

Hector Ibarzabal: Thank you. Thank you for your question, (Armando). Effectively on this situation happens in Mexico City (inaudible). I mentioned before we have 34 percent of our – of our leases (inaudible) up 15 percent up for leases, which are Peso-denominated, and most of them are in Mexico City, 34 percent of the leasing in Mexico City are Peso-denominated.

And effectively, a lot of those customers that we have in Mexico, they do generate in Peso. So the mismatch that you refer, it's a fact and it's real. However, 85 percent of our companies have multinational.

They have – they have the dollar as their functional currency and in some cases, they have the ability, for example, in the forward business to generate – to generate dollars as well with the – with the customers.

They understand that the stability that the dollar lease provides medium and long-term you know has some benefits, has some simplicity on their operations.

Having said this, I'm seeing at the beginning of this year a higher than a standard request to receive Peso (inaudible) and we are working with our customers trying to understand what is best long-term because position doesn't need to be taken just for this volatility that we're experiencing that if you ask the experts in currency they assume that some sort of stabilization is going to be happening and starting second quarter.

So we are prepared if we need to increase a bit our Peso share revenues. We have room to do it, but we want to take what is best decision for our customers and for our investors.

Operator: And again, ladies and gentlemen, 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 line of Vanessa Quiroga with Credit Suisse. Your line is open.

Vanessa Quiroga: Thanks. Just about the buyback program. Is there a timing when you expect you will get the approval from the authorities or could you provide some (letos) on the status of that approval?

Jorge Girault: Vanessa, hi again, this is Jorge again. Thank you for your question. Regarding the buyback, I cannot give you timing on the authorities. I mean, they take their time to take this kind of approvals.

We've been talking to them and they understand the environment and what's going on. I can tell you that, but it's taking them time to reach approval. In terms of the holders meeting approval, we will go to (inaudible) this quarter and ask for that approval, and hopefully we will get it, but on the authorities, it's very, very hard for me to state of timing because it doesn't depend on us at all.

Luis Gutierrez: By the way, Vanessa, this is not only a Prologis – FIBRA Prologis situation, this is kind of an industry thing and there is also being addressed in the new association of FIBRA's.

The other thing that I just want to mention that you know in the event that this is approved by the authorities, a decision from us would have to consider all other elements that – in order to do the kind of (priory) like this.

So we'll see you know the approvals and then the other elements to make that decision. So no decision has (been) to do a buyback program (as to the).

Operator: And again, ladies and gentlemen, if you would like to ask a question, please press star, then the number one on your telephone keypad. And there are no further questions at this time. I will now turn the call back over to Luis Gutierrez.

Luis Gutierrez: Thank you very much. Just want to close saying that it was a great 2015. We feel good about our team. We feel good about our markets. We feel good about our business.

I am grateful for you guys that are you – for your interest in FIBRA Prologis and I look forward to see you in the next call. Thank you very much.

If you wish to reach out to us for any additional detailed questions, we are – we are here to answer them. Thank you very much.

Operator: Ladies and gentlemen, this concludes today's conference call, and you may now disconnect.

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