Fourth Quarter 2017

FIBRA Prologis Financial Report

FIBRA PROLOGIS

Content

Prologis Toluca #1, Mexico

Quarterly Financial Statements

Supplemental Financial Information

Fideicomiso Irrevocable 1721 Banco Actinver, S. A.,
Institución de Banca Múltiple, Grupo Financiero Actinver,
División Fiduciaria.
(formerly Fideicomiso Irrevocable F/1721 Deutsche Bank México,
S. A., Institución de Banca Múltiple, División Fiduciaria)

Interim Condensed Financial Statements as of December 31, 2017 and 2016 and for the three periods then ended

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Fourth Quarter 2017 Earnings Report

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.

Fourth Quarter 2017 Management Overview

Letter from Luis Gutierrez, Chief Executive Officer, Prologis Property Mexico

Our strategy of focusing on only the six best markets in Mexico, particularly in Mexico City, with a clear differentiation toward consumption and e-commerce, continues to be highly effective. 2017 proved to be an excellent year for FIBRA Prologis, despite political uncertainty and currency fluctuations. We delivered fantastic operating and financial results that exceeded our expectations. We achieved these results by capitalizing on our three priorities – internal and external growth, as well as interest expense savings.

Internal growth came from higher rents and occupancy gains. Leasing volume totaled 7.8 million square feet, with existing customers driving 80 percent of that volume. As a result, occupancy increased 50 basis points year-over-year to end at 97.3 percent. Our occupancy outpaced the market by 160 basis points, a testament to our well-located facilities and unparalleled customer service. Net effective rents grew in 2017, increasing 11.9% on leases signed at expiration. The average term for leases signed in the year was 46 months.

After the capital markets and currency stabilized, we took advantage of external growth opportunities and acquired $30 million of new Class-A buildings from our sponsor, Prologis. These properties are in the Mexico City submarkets of Toluca and Reynosa and, importantly, both will be accretive to 2018 earnings.

Our third driver of growth comes from interest expense savings following our refinancing initiative. With our work completed in 2017, our unsecured debt is now 76 percent of the total and we have reduced our weighted average debt cost by 100 basis points to 4.0 percent. These savings will directly benefit free cash flow available for distribution to certificate holders.

The operating environment in our six markets remains healthy. While the political dynamic surrounding NAFTA and the upcoming presidential election merits a cautious approach to the year, we believe strong economic growth in the United States, as well as the rest of the world, could provide a tailwind in Mexico.

In 2017, net absorption in our six markets totaled 17.0 million square feet while completions were 16.7 million square feet. Demand was broad based across multiple sectors including, but not limited to, e-commerce, 3PLs, automotive, pharmaceuticals and apparel. The balanced market continued to keep the national vacancy level low at 4.3 percent. Demand remained robust and the scarcity of available, modern product, along with disciplined supply, led to 7.1 percent market rental growth year-over-year.

We expect a strong 2018 with our forecast calling for similar net absorption and completions—a balanced market. With net absorption constrained to incoming supply, we would expect to see a positive impact to NOI growth in our portfolio.

Before concluding, I would like to highlight that we are increasing our full-year 2018 distribution by 5 percent to US$0.1240 per CBFI. This increase is the result of our portfolio outperformance, 2017 acquisitions and interest savings from our refinancing plan. While 2018 begins with similar political challenges experienced in 2017, I am confident that the FIBRA Prologis team will once again deliver solid results.

In summary, operating fundamentals for high-quality, well-located facilities, such as those in our portfolio, remain strong. Our focused strategy has proven to be resilient in an uncertain political environment, and it positions us to benefit from continued growth in consumption and e-commerce.

Finally, we remain focused on delivering sustainable growth to our certificate holders. I look forward to the upcoming year and continuing the positive momentum that FIBRA Prologis generated in 2017.

Thank you for your continued support.

Sincerely,

Luis Gutierrez
Chief Executive Officer

The interim condensed financial statements included in this report were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Please read this in conjunction with the interim condensed financial statements.

Management Overview

FIBRA Prologis (BMV: FIBRAPL 14) is a leading owner and operator of Class-A logistics real estate in Mexico. As of December 31, 2017, FIBRA Prologis owned 196 logistics and manufacturing facilities in six strategic markets in Mexico totaling 34.6 million square feet (3.2 million square meters) of gross leasable area ("GLA"). These properties were leased to 233 customers, including third-party logistics providers, transportation companies, retailers and manufacturers.

Approximately 65.7 percent of our net effective rents are in global logistics markets ("Global Markets") and the remaining 34.3 percent are in regional manufacturing markets ("Regional Markets"). Global Markets include Mexico City, Guadalajara and Monterrey. These markets are highly industrialized and consumption-driven. They benefit from proximity to principal highways, airports and rail hubs, and their presence in highly populated areas offers tangible benefits from the sustained growth of the middle class. Regional Markets include Cd. Juarez, Tijuana and Reynosa—industrial centers for the automotive, electronics, medical and aerospace industries, among others. These markets benefit from a ready and qualified workforce as well as proximity to the U.S. border.

The operating results that follow are consistent with how management evaluates the performance of the portfolio.

Our fourth quarter financial information includes results from October 1, 2017, through December 31, 2017. During the year and the quarter ended December 31, 2017, and through the date of this report, the following activity supported our priorities and strategy:

- Operating results:

Operating Portfolio	2017	2016	4Q 2017	4Q 2016	Notes
Period End Occupancy	97.3%	96.8%	97.3%	96.8%	*Record average occupancy in 2017 of 96.7%*
Leases Signed	7.8 MSF	8.9 MSF	1.8 MSF	1.7 MSF	*67% of leasing activity of the 4Q 2017 in global markets*
Customer Retention	80.1%	87.6%	89.0%	80.3%	
Net Effective Rent Change	11.9%	9.6%	13.5%	8.3%	*2017 positive rent change led by regional markets at 16.6%*
Same Store Cash NOI	2.7%	2.0%	4.8%	1.9%	*2017 increase led by rent change on rollover by 2.0%*
Same Store NOI	1.5%	-0.1%	3.7%	0.0%	
Avg. Turnover Cost per SF leased	US$1.76	US$1.58	US$2.43	US$1.71	*Driven by tenant improvements*

- Capital deployment activities:

US$ in millions	2017	2016	4Q 2017	4Q 2016	Notes
Acquisitions					
Buildings:					
Acquisition cost	US$29.6	US$117.1	US$29.6	US$65.4	*In 2017, we acquired one*
GLA	0.4 MSF	1.6 MSF	0.4 MSF	0.9 MSF	building in Mexico City market
Weighted avg. stabilized cap rate	7.6%	6.9%	7.6%	6.7%	and in Reynosa
Development					
Development Stabilization:					
Total expected investment	US$0.0	US$12.6	US$0.0	US$10.5	
GLA	0.0	203,400	0.0	165,900	
Weighted avg. stabilized yield	0.0%	8.7%	0.0%	8.5%	
Dispositions					
Sale Price	US$0.0	US$1.7	US$0.0	US$0.0	
Building GLA	0.0	46,700	0.0	0.0	
Weighted avg. stabilized cap rate	0.0%	9.0%	0.0%	0.0%	

We use a same store analysis to evaluate the operating performance of our owned operating properties. The population of the properties in this analysis is consistent from period to period, which eliminates the effects of changes in portfolio composition on performance metrics. In our view, the factors that affect rental revenues, rental expenses and NOI in the same store portfolio are generally the same as they are across the total portfolio. Our same store is measured in U.S. dollars and includes the effect of year-over-year movements in the Mexican peso. The increase in SSNOI of 160 basis points year-over-year is driven mainly by re-leasing spreads and contractual rent bumps.

Operational Outlook

During the year, operating conditions in our six markets were favorable; as a result, the national vacancy rate in these markets reached 4.3% in the fourth quarter. This tightening in vacancy and the supply/demand imbalance were a catalyst for strong market rental growth. As a result, we had positive rent change of 11.9 percent on lease turnover in 2017. Overall, in-place rents are around 5.3 percent below market and the average term of leases signed during the quarter was the highest since we began operations as a FIBRA. Also, we continue to track significant and rising demand from e-commerce customers in Mexico City. E-commerce is growing rapidly in Mexico and our facilities are well- prepared to satisfy the specifications that this activity requires.

Acquisitions

Under an exclusivity agreement with Prologis, we have access to a proprietary acquisition pipeline. As of December 31, 2017, Prologis had 4.5 million square feet under development or pre-stabilization of which 79 percent was leased or pre-leased as of the end of the quarter. This exclusive access to the Prologis pipeline is a competitive advantage for FIBRA Prologis because we can acquire high-quality buildings in our existing markets.

Third-party acquisitions are also possible for FIBRA Prologis but are dependent on available product that meets our stringent criteria for quality and location. All potential acquisitions, regardless of source, are evaluated by management, factoring in real estate and capital market conditions, and are subject to approval by FIBRA Prologis' Technical Committee.

Currency Exposure

At quarter end, our U.S. dollar-denominated revenues represented 70.6 percent of annualized net effective rents, resulting in peso exposure for the fourth quarter of approximately 17.8 percent of NOI. Further, only one lease renewal in Guadalajara during the quarter was changed to pesos. In the near term, we expect peso-denominated revenues to range between 25 to 35 percent of annualized net effective rents.

Liquidity and Capital Resources

Overview

We believe our ability to generate cash from operating activities and available financing sources, including our line of credit, as well as our disciplined balance sheet management, will allow us to meet anticipated acquisition, operating, debt service and distribution requirements.

Near-Term Principal Cash Sources and Uses

As a FIBRA, we are required to distribute at least 95 percent of our taxable income. In addition to distributions to CBFI holders, we expect our primary cash uses will include:

- Asset management fee payment.
- Capital expenditures and leasing costs on properties in our operating portfolio.
- Acquisition of industrial buildings as discussed in the Acquisition section.
- Repayment of debt and scheduled principal payments during 2018 of approximately US$73.7 million.

We expect to fund our cash needs principally from the following sources, all of which are subject to market conditions:

- Available unrestricted cash balances of Ps. 371.4 million (approximately US$18.8 million) as of December 31, 2017, the result of cash flow from operating properties.
- Borrowing capacity of Ps. 3.0 billion (US$150.0 million) under our unsecured credit facility.
- Proceeds from the issuance of new debt in connection with the refinancing of our 2018 debt maturity.

Debt

As of December 31, 2017, we had approximately Ps. 15.0 billion (US$759.5 million) of debt at par value with a weighted average effective interest rate of 4.0 percent (a weighted average coupon rate of 4.0 percent) and a weighted average maturity of 4.2 years.

We are committed to continuing to maintain an overall low cost of debt, extend our maturities and increase our liquidity. Subject to market conditions, we plan to refinance our secured debt maturing in 2018 with lower-cost debt.

According to the CNBV regulation for the calculation of debt ratios, our loan-to-value and debt service coverage ratios as of December 31, 2017, were 33.6 percent and 4.3 times, respectively.

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Informe de los Auditores Independientes Sobre la Revisión Intermedia de los Estados Financieros

Al Comité Técnico y a los Fideicomitentes
FIBRA Prologis Fideicomiso Irrevocable 1721

Introducción

Hemos revisado la información financiera condensada intermedia adjunta al 31 de diciembre de 2017 y 2016 de FIBRA Prologis Fideicomiso Irrevocable 1721 Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria (antes Fideicomiso Irrevocable 1721 Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria) ("el Fideicomiso"), los cuales comprenden:

- El estado intermedio condensado de posición financiera al 31 de diciembre de 2017 y 2016;
- Los estados intermedios condensados de resultados integrales por los periodos de tres meses y los años terminados el 31 de diciembre de 2017 y 2016;
- Los estados intermedios condensados de cambios en el capital contable por los años terminados el 31 de diciembre de 2017 y 2016;
- Los estados intermedios condensados de flujos de efectivo por los años terminados el 31 de diciembre de 2017 y 2016; y
- Notas a la información financiera condensada intermedia.

La administración es responsable de la preparación y presentación razonable de la información financiera condensada intermedia de acuerdo con la Norma Internacional de Contabilidad (NIC) 34 "*Reportes Financieros Intermedios*". Nuestra responsabilidad es expresar una conclusión sobre esta información financiera condensada intermedia con base en nuestra revisión.

Alcance de la revisión

Hemos llevado a cabo nuestra revisión de conformidad con la Norma Internacional de Revisión de Proyectos 2410 "*Revisión de Información Financiera Intermedia realizada por el Auditor Independiente de la Entidad*". Una revisión de información financiera intermedia consiste en hacer averiguaciones, principalmente a las personas responsables de los asuntos financieros y contables, así como la aplicación de procedimientos de revisión analítica y otros procedimientos de revisión. Una revisión es sustancialmente menor en alcance que una auditoría efectuada conforme a las Normas Internacionales de Auditoría y en consecuencia no nos permiten obtener la seguridad de que estamos al tanto de todos los asuntos significativos que podrían ser identificados en una auditoría. Consecuentemente, no expresamos una opinión de auditoría.

(Continúa)

Conclusión

Basados en nuestra revisión, nada ha llamado nuestra atención que nos haga creer que la información financiera condensada intermedia adjunta al 31 de diciembre de 2017 y 2016, no está preparada, en todos los aspectos importantes, de conformidad con a la NIC 34, "*Información Financiera Intermedia*".

KPMG CARDENAS DOSAL, S.C.

C.P.C. José Angel Cháirez Garza

Ciudad de México, a 24 de enero de 2018.

Interim condensed statements of financial position

As of December 31, 2017 and 2016

in thousands Mexican Pesos	Note	December 31, 2017	December 31, 2016
Assets			
Current assets:			
Cash		$ 371,364	$ 370,909
Trade receivables	7	44,220	50,457
Value added tax and other receivables	8	73,553	141,348
Prepaid expenses	9	1,600	2,965
		490,737	565,679
Non-current assets:			
Investment properties	10	43,932,382	45,064,110
Interest rate swaps	14	84,319	42,492
Other assets		45,240	43,753
		44,061,941	45,150,355
Total assets		**$ 44,552,678**	**$ 45,716,034**
Liabilities and equity			
Current liabilities:			
Trade payables		$ 112,875	$ 54,904
Due to affiliates	13	98,895	110,111
Current portion of long term debt	11	21,847	4,556,722
		233,617	4,721,737
Non-current liabilities:			
Long term debt	11	14,893,139	10,634,498
Security deposits		291,840	294,174
		15,184,979	10,928,672
Total liabilities		15,418,596	15,650,409
Equity:			
CBFI holders capital	12	13,746,963	14,313,287
Other equity accounts		15,387,119	15,752,338
Total equity		29,134,082	30,065,625
Total liabilities and equity		**$ 44,552,678**	**$ 45,716,034**

The accompanying notes are an integral part of these interim condensed financial statements.

Interim condensed statements of comprehensive income

For the three months and the years ended December 31, 2017 and 2016

in thousands Mexican Pesos, except per CBFI amounts	Note	For the three months ended December 31, 2017		For the three months ended December 31, 2016		For the year ended December 31, 2017		For the year ended December 31, 2016
Revenues:								
Lease rental income		783,301	$	785,284	$	3,125,381	$	2,882,093
Rental recoveries		80,735		86,711		310,430		296,744
Other property income		18,746		19,188		67,567		60,517
		882,782		891,183		3,503,378		3,239,354
Costs and expenses:								
Property operating expenses:								
Operating and maintenance		49,010		46,912		189,221		176,650
Utilities		5,454		11,202		46,742		38,585
Property management fees	13	27,003		26,536		103,715		98,950
Real estate taxes		17,617		14,907		69,327		57,713
Non-recoverable operating		8,185		18,298		51,837		48,052
		107,269		117,855		460,842		419,950
Gross profit		**775,513**		**773,328**		**3,042,536**		**2,819,404**
Other expenses (income):								
(Gain) loss on valuation of investment properties	10	(345,717)		(138,548)		284,352		(6,141)
Gain on disposition of investment properties		-		-		-		(5,197)
Asset management fees	13	78,803		80,607		306,980		294,170
Incentive fee	13	-		-		139,162		-
Professional fees		56,905		12,801		98,085		36,691
Interest expense		161,980		176,843		627,112		627,656
Amortization of debt premium		(5,700)		(37,634)		(71,103)		(145,222)
Amortization of deferred financing cost		11,897		8,002		37,353		29,327
Net (gain) loss on early extinguishment of debt		(3,039)		2,460		(35,941)		57,105
Unused credit facility fee		2,049		9,898		24,685		42,547
Realized loss on exchange rate forwards	14	4,313		-		21,255		-
Exchange loss (gain), net		29,914		(16,226)		24,299		34,981
Other general and administrative expenses		6,259		3,838		18,336		14,948
		(2,336)		102,041		1,474,575		980,865
Net income		**777,849**		**671,287**		**1,567,961**		**1,838,539**
Other comprehensive income:								
Items that are not reclassified subsequently to profit or loss:								
Translation (gain) loss from functional currency to reporting currency		(2,275,154)		(1,702,951)		1,273,795		(4,691,081)
Items that are or may be reclassified subsequently to profit or loss:								
Unrealized gain on interest rate swaps	14	(35,797)		(72,657)		(42,047)		(42,492)
		(2,310,951)		(1,775,608)		1,231,748		(4,733,573)
Total comprehensive income for the period		**3,088,800**	**$**	**2,446,895**	**$**	**336,213**	**$**	**6,572,112**
Earnings per CBFI	6	**1.22**	**$**	**1.06**	**$**	**2.46**	**$**	**2.90**

The accompanying notes are an integral part of these interim condensed financial statements.

Interim condensed statements of changes in equity

For the years ended December 31, 2017 and 2016

in thousands Mexican Pesos	CBFI holders capital	Other equity accounts	Retained earnings	Total
Balance as of January 1, 2016	$ 15,532,302	$ 5,872,146	$ 3,375,368	$ 24,779,816
Return of equity	(1,219,015)	-	-	(1,219,015)
Dividends	-	-	(67,288)	(67,288)
Comprehensive income:				
Translation gain from functional currency to reporting currency	-	4,691,081	-	4,691,081
Unrealized gain on interest rate swap	-	42,492	-	42,492
Net income	-	-	1,838,539	1,838,539
Total comprehensive income	-	4,733,573	1,838,539	6,572,112
Balance as of December 31, 2016	**$ 14,313,287**	**$ 10,605,719**	**$ 5,146,619**	**$ 30,065,625**
Return of equity	(705,486)	-	-	(705,486)
Dividends	-	-	(701,432)	(701,432)
CBFIs issued	139,162	-	-	139,162
Comprehensive income:				
Translation (loss) from functional currency to reporting currency	-	(1,273,795)	-	(1,273,795)
Unrealized gain on interest rate swaps	-	42,047	-	42,047
Net income	-	-	1,567,961	1,567,961
Total comprehensive (loss) income	-	(1,231,748)	1,567,961	336,213
Balance as of December 31, 2017	**$ 13,746,963**	**$ 9,373,971**	**$ 6,013,148**	**$ 29,134,082**

The accompanying notes are an integral part of these interim condensed financial statements.

Interim condensed statements of cash flows

For the year ended December 31, 2017 and 2016

in thousands Mexican Pesos	For the year ended December 31, 2017	2016
Operating activities:		
Net income	$ 1,567,961	$ 1,838,539
Adjustments for:		
Loss (gain) on valuation of investment properties	284,352	(6,141)
Incentive fee	139,162	-
Gain on disposition of investment properties	-	(5,197)
Allowance for uncollectible trade receivables	29,198	27,391
Interest expense	627,112	627,656
Net (gain) loss on early extinguishment of debt	(35,941)	57,105
Amortization of deferred financing cost	37,353	29,327
Realized loss on exchange rate forwards	21,255	-
Unrealized exchange loss	26,544	41,064
Amortization of debt premium	(71,103)	(145,222)
Rent leveling	(45,273)	(65,223)
Change in:		
Trade receivables	(22,961)	(36,034)
Value added tax and other receivables	67,795	35,566
Prepaid expenses	1,365	47,797
Other assets	(1,487)	(9,313)
Trade payables	36,716	(9,225)
Due to affiliates	(11,216)	96,095
Security deposits	(2,334)	60,788
Net cash flow provided by operating activities	2,648,498	2,584,973
Investing activities:		
Funds for acquisition of investment properties	(558,738)	(2,214,825)
Funds for development of investment properties	-	(9,739)
Capital expenditures on investment properties	(421,199)	(394,960)
Proceeds from disposition of investment properties	-	31,360
Net cash flow used in investing activities	(979,937)	(2,588,164)
Financing activities:		
Return of equity	(705,486)	(1,219,015)
Dividends paid	(701,432)	(67,288)
Long term debt borrowings	7,719,363	2,164,884
Long term debt payments	(7,239,119)	(504,047)
Interest paid	(599,860)	(655,860)
Cash used for early extinguishment of debt	(2,684)	(94,561)
Net cash flow used in financing activities	(1,529,218)	(375,887)
Net increase (decrease) in cash	139,343	(379,078)
Effect of foreign currency exchange rate changes on cash	(138,888)	28,780
Cash at beginning of the period	370,909	721,207
Cash at the end of the period	**$ 371,364**	**$ 370,909**
Non-cash transactions:		
CBFIs issued	**$ 139,162**	**$ -**

The accompanying notes are an integral part of these interim condensed financial statements.

Notes to interim condensed financial statements

As of December 31, 2017 and 2016 and for the periods then ended
In thousands of Mexican Pesos, except per CBFI

1. Main activity, structure, and significant events

Main activity – FIBRA Prologis ("FIBRAPL") is a trust formed according to the Irrevocable Trust Agreement No. F/1721 dated August 13, 2013 ("Date of Inception"). Such agreement was signed between Prologis Property México, S. A. de C. V. as Trustor and Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria as Trustee. On December 14, 2017, FIBRAPL completed a trustee substitution from Deutsche Bank México, S. A., Institución de Banca Múltiple to Banco Actinver, S. A., Institución de Banca Múltiple as approved by its Technical Committee and certificate holders in September 2017.

FIBRAPL is a Mexican real estate investment trust authorized by Mexican law (Fideicomiso de Inversión en Bienes Raices, or FIBRA, as per its name in Spanish) with its address on Avenida Prolongación Paseo de la Reforma No. 1236, Piso 9, Desarrollo Santa Fe, Cuajimalpa de Morelos, C. P. 05348. The primary purpose of FIBRAPL is the acquisition or construction of industrial real estate in Mexico generally with the purpose of leasing such real estate to third parties under long-term operating leases.

Structure – FIBRAPL's parties are:

Trustor:	Prologis Property México, S. A. de C. V.
First beneficiaries:	Certificate holders.
Trustee:	Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria (Effective December 14, 2017) Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria (From August 13, 2013 to December 14, 2017)
Common representative:	Monex Casa de Bolsa, S. A. de C. V., Monex Grupo Financiero
Manager:	Prologis Property México, S. A. de C. V.

Significant events

i. Acquisitions:

in millions except lease area	Date	Market	Lease area square feet	Consideration including closing costs Mexican pesos	U. S. dollars
Acquisitions:					
El Puente Industrial	December 15, 2017	Reynosa	290,096	$ 366.4	$ 19.1
Toluca	November 30, 2017	Mexico	143,440	194.2	10.4
Total acquisitions				**$ 560.6**	**$ 29.5**

ii. Long term debt transactions:

in millions	Date	Denomination	Interest rate (*)	Mexican pesos	U. S. dollars
Borrowings:					
Citibank, NA Credit facility (Unsecured)	November 27, 2017	U. S. dollars	LIBOR +250bps	$ 455.1	$ 23.0
Citibank, NA Credit facility (Unsecured)	October 30, 2017	U. S. dollars	LIBOR +250bps	130.9	7.0
Citibank, NA Credit facility (Unsecured)	July 31, 2017	U. S. dollars	LIBOR +250bps	887.2	50.0
Citibank (Unsecured)	July 18, 2017	U. S. dollars	LIBOR +245bps	2,637.9	150.0
Citibank, NA Credit facility (Unsecured)	June 2, 2017	U. S. dollars	LIBOR +250bps	1,947.0	105.0
Citibank, NA Credit facility (Unsecured)	May 2, 2017	U. S. dollars	LIBOR +250bps	303.4	16.0
Citibank, NA Credit facility (Unsecured)	April 6, 2017	U. S. dollars	LIBOR +250bps	1,118.2	60.0
Citibank, NA Credit facility (Unsecured)	February 10, 2017	U. S. dollars	LIBOR +250bps	265.4	13.0
Total borrowings				**$ 7,745.1**	**$ 424.0**

in millions	Date	Denomination	Interest rate (*)	Mexican pesos	U. S. dollars
Payments:					
Citibank, NA Credit facility (Unsecured)	September 18, 2017	U. S. dollars	LIBOR +250bps	$ 176.9	$ 10.0
Metropolitan Life Insurance Co.	August 4, 2017	U. S. dollars	6.9%	670.2	37.5
Citibank, NA Credit facility (Unsecured)	July 18, 2017	U. S. dollars	LIBOR +250bps	2,661.5	150.0
Metropolitan Life Insurance Co.	June 5, 2017	U. S. dollars	6.9%	2,094.8	112.5
Citibank, NA Credit facility (Unsecured)	May 2, 2017	U. S. dollars	LIBOR +250bps	121.4	6.5
Citibank, NA Credit facility (Unsecured)	April 17, 2017	Mexican pesos	TIIE +220bps	50.0	2.7
Blackstone	April 7, 2017	U. S. dollars	7.9%	1,203.1	64.1
Citibank, NA Credit facility (Unsecured)	March 17, 2017	Mexican pesos	TIIE +220bps	125.0	6.5
Citibank, NA Credit facility (Unsecured)	January 15, 2017	Mexican pesos	TIIE +220bps	150.0	6.8
Total payments				**$ 7,252.9**	**$ 396.6**

* *LIBOR (London Interbank Offered Rate)*
* *TIIE (Interbank Balance Interest Rate, from its name in Spanish)*

iii. Distributions:

in millions, except per CBFI	Date	Mexican pesos	U. S. dollars	Mexican pesos per CBFI	U. S. dollars per CBFI
Distributions:					
Dividends	October 24, 2017	366.1	19.1	0.7508	0.0419
Dividends	August 1, 2017	335.3	18.9	0.5800	0.0303
Return of equity	April 26, 2017	343.3	18.3	0.5410	0.0288
Return of equity	February 2, 2017	362.2	17.7	0.5709	0.0275
Total distributions		**$ 1,406.9**	**$ 74.0**		

iv. CBFIs issuance

FIBRAPL is obligated to pay an incentive fee equal to 10% of cumulative total CBFI holder returns in excess of an annual compounded expected return of 9%, which is measured annually. For the period from June 6, 2016 to June 2, 2017, FIBRAPL generated an Incentive Fee of $139.2 million Mexican pesos ($7.5 million U.S. dollars) due to the Manager, based on the performance of the CBFIs. As part of the Ordinary Holders Meeting on June 26, 2017, the Manager was approved to receive the Incentive Fee through issuance of 4,383,025 CBFIs. The CBFIs issued to the Manager are subject to a six-month lock-up period as established under the Management Agreement. The CBFIs were issued on October 10, 2017. See note 12.

2. Basis of presentation

a. ***Interim financial reporting -*** The accompanying interim condensed financial statements as of December 31, 2017 and 2016, and for the three months and years then ended, have been prepared in accordance with the International Accounting Standard No. 34, interim financial reporting. Therefore, these financial statements do not include all the information required in a complete annual report prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS or IAS"). The interim condensed financial statements should be read in conjunction with the annual financial statements as of December 31, 2016, and for the year then ended, prepared in accordance with IFRS.

   FIBRAPL management believes that all adjustments and reclassifications that are required for a proper presentation of the financial information are included in these interim condensed financial statements.

b. ***Functional currency and reporting currency –*** The accompanying interim condensed financial statements are presented in thousands of Mexican pesos, the local currency in Mexico, unless otherwise indicated. FIBRAPL's functional currency is the U.S. dollar.

c. ***Critical accounting judgments and estimates -*** The preparation of the interim condensed financial statements requires the use of certain critical accounting estimates and management to exercise its judgment in the process of applying FIBRAPL's accounting policies. The notes to the interim condensed financial statements discuss areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial statements.

   Estimates and judgments are continually evaluated and are based on management experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparing the interim condensed financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is possible, on the basis of existing knowledge, that outcomes within the next financial year are different from our assumptions and estimates and could result in an adjustment to the carrying amounts of the assets and liabilities previously reported.

d. ***Going concern basis of accounting –*** FIBRAPL financial statements as of December 31, 2017 and 2016 and for the three month periods and years then ended, have been prepared on a going concern basis, which assumes that FIBRAPL will be able to meet the mandatory repayment terms of the banking facilities disclosed in note 11. Management has a reasonable expectation that FIBRAPL has adequate resources to continue as a going concern and has the ability to realize its assets at their recognized values and to extinguish or refinance its liabilities in the normal course of business.

3. Summary of significant accounting policies

The significant accounting policies applied in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of, and disclosed in, FIBRAPL's audited financial statements as of December 31, 2016.

During the year ended December 31, 2017, FIBRAPL updated its accounting policy for derivative financial instruments to address the treatment of derivative financial instruments not designated or that do not qualify for hedge accounting, as follows:

a. *Fair Value Derivative Financial Instruments* – FIBRAPL holds derivative financial instruments to hedge its exchange rate exposure which do not qualify for hedge accounting. Changes in fair value of derivative financial instruments not designated or that do not qualify for hedge accounting are recognized in the results of operations for the year as valuation effects of derivatives and presented in other expenses. Changes in fair value of derivative financial instruments formally designated and qualifying as hedging instruments are recognized in accordance with the corresponding hedge accounting model.

4. Rental revenues

Most of FIBRAPL´s lease agreements associated with the investment properties contain a lease term of three to ten years. Generally, these leases are based on a minimum rental payment in U.S. dollars, plus maintenance fees and recoverable expenses.

Future minimum lease payments from base rent on leases with lease periods greater than one year, valued at the December 31, 2017 exchange rate in Mexican pesos, are as follows:

in thousands Mexican Pesos		Amount
Rental revenues:		
2018	$	3,146,234
2019		2,470,554
2020		1,608,918
2021		1,057,929
2022		688,657
Thereafter		879,809
	$	**9,852,101**

5. Segment reporting

Operating segment information is presented based on how management analyzes the business, which includes information aggregated by market. The results for these operating segments are presented for the three months and years ended December 31, 2017 and 2016, while assets and liabilities are included as of December 31, 2017 and December 31, 2016. FIBRAPL operates in six geographic markets that represent its reportable operating segments under IFRS 8 as follows: Mexico City, Guadalajara, Monterrey, Tijuana, Reynosa and Juarez.

	For the three months ended December 31, 2017						
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 294,850	$ 127,822	$ 90,246	$ 92,283	$ 100,862	$ 77,238	$ 783,301
Rental recoveries	46,865	8,540	4,935	11,320	9,075	-	80,735
Other property income	7,669	8,175	1,426	262	979	235	18,746
	349,384	144,537	96,607	103,865	110,916	77,473	882,782
Cost and expenses:							
Property operating expenses	43,229	14,450	12,222	11,575	13,105	12,688	107,269
Gross Profit	**$ 306,155**	**$ 130,087**	**$ 84,385**	**$ 92,290**	**$ 97,811**	**$ 64,785**	**$ 775,513**

	For the three months ended December 31, 2016						
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 281,988	$ 138,141	$ 94,828	$ 96,181	$ 100,578	$ 73,568	$ 785,284
Rental recoveries	28,158	9,445	9,898	12,332	9,189	17,689	86,711
Other property income	6,650	8,435	1,736	-	2,367	-	19,188
	316,796	156,021	106,462	108,513	112,134	91,257	891,183
Cost and expenses:							
Property operating expenses	42,392	22,765	10,969	10,656	11,865	19,208	117,855
Gross Profit	**$ 274,404**	**$ 133,256**	**$ 95,493**	**$ 97,857**	**$ 100,269**	**$ 72,049**	**$ 773,328**

	For the year ended December 31, 2017						
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 1,164,182	$ 520,322	$ 365,980	$ 371,176	$ 399,470	$ 304,251	$ 3,125,381
Rental recoveries	126,002	35,773	33,466	42,645	33,580	38,964	310,430
Other property income	14,862	40,739	6,110	1,021	4,276	559	67,567
	1,305,046	596,834	405,556	414,842	437,326	343,774	3,503,378
Cost and expenses:							
Property operating expenses	170,451	78,889	53,024	45,247	47,717	65,514	460,842
Gross Profit	**$ 1,134,595**	**$ 517,945**	**$ 352,532**	**$ 369,595**	**$ 389,609**	**$ 278,260**	**$ 3,042,536**

in thousands Mexican Pesos	For the year ended December 31, 2016 Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 1,038,298	$ 499,170	$ 356,824	$ 354,870	$ 375,648	$ 257,283	$ 2,882,093
Rental recoveries	96,331	33,267	34,199	43,290	33,652	56,005	296,744
Other property income	11,982	32,382	7,807	974	6,857	515	60,517
	1,146,611	564,819	398,830	399,134	416,157	313,803	3,239,354
Cost and expenses:							
Property operating expenses	145,146	79,619	41,990	42,775	46,375	64,045	419,950
Gross Profit	**$ 1,001,465**	**$ 485,200**	**$ 356,840**	**$ 356,359**	**$ 369,782**	**$ 249,758**	**$ 2,819,404**

in thousands Mexican Pesos	As of December 31, 2017 Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt	Total
Investment properties:								
Land	$ 3,584,544	$ 1,448,059	$ 1,006,784	$ 930,118	$ 1,022,807	$ 726,983	$ -	$ 8,719,295
Buildings	14,338,173	5,792,237	4,027,139	3,720,473	4,091,227	2,907,933	-	34,877,182
	17,922,717	7,240,296	5,033,923	4,650,591	5,114,034	3,634,916	-	43,596,477
Rent leveling	140,107	33,186	33,536	48,408	44,800	35,868	-	335,905
Investment properties	**$ 18,062,824**	**$ 7,273,482**	**$ 5,067,459**	**$ 4,698,999**	**$ 5,158,834**	**$ 3,670,784**	**$ -**	**$ 43,932,382**
Long term debt	**$ 1,754,827**	**$ 980,797**	**$ 1,450,659**	**$ -**	**$ -**	**$ 113,838**	**$ 10,614,865**	**$ 14,914,986**

in thousands Mexican Pesos	As of December 31, 2016 Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt	Total
Investment properties:								
Land	$ 3,740,487	$ 1,511,474	$ 1,054,821	$ 942,030	$ 952,522	$ 751,698	$ -	$ 8,953,032
Buildings	14,961,955	6,045,897	4,219,283	3,768,120	3,810,088	3,006,790	-	35,812,133
	18,702,442	7,557,371	5,274,104	4,710,150	4,762,610	3,758,488	-	44,765,165
Rent leveling	123,069	27,475	35,804	44,684	40,679	27,234	-	298,945
Investment properties	**$ 18,825,511**	**$ 7,584,846**	**$ 5,309,908**	**$ 4,754,834**	**$ 4,803,289**	**$ 3,785,722**	**$ -**	**$ 45,064,110**
Long term debt	**$ 2,491,169**	**$ 1,062,636**	**$ 1,743,979**	**$ 736,084**	**$ 1,293,050**	**$ 967,128**	**$ 6,897,174**	**$ 15,191,220**

6. Earnings per CBFI

The calculated basic and diluted earnings per CBFI are the same, as follows:

in thousands Mexican Pesos, except per CBFI	For the three months ended December 31,		For the year ended December 31,	
	2017	**2016**	**2017**	**2016**
Basic and diluted earnings per CBFI (pesos)	$ 1.22	$ 1.06	$ 2.46	$ 2.90
Net income	777,849	671,287	1,567,961	1,838,539
Weighted average number of CBFIs ('000)	**638,863**	**634,480**	**636,749**	**634,480**

As of December 31, 2017, FIBRAPL had 638,862,771 CBFIs outstanding. See note 12.

7. Trade receivables

As of December 31, 2017 and December 31, 2016, trade accounts receivable of FIBRAPL were as follows:

in thousands Mexican Pesos	December 31, 2017	December 31, 2016
Trade accounts receivable	$ 66,371	$ 91,914
Allowance for uncollectable trade receivables	(22,151)	(41,457)
	$ 44,220	**$ 50,457**

8. Value Added Tax and other receivables

As of December 31, 2017 and 2016, value added tax and other receivables were as follows:

in thousands Mexican Pesos	December 31, 2017	December 31, 2016
Value Added Tax	$ 23,782	$ 108,241
Other receivables	49,771	33,107
	$ 73,553	**$ 141,348**

FIBRAPL submits withholding taxes to the Mexican tax authorities as a result of interest paid to foreign creditors. Withholding tax payments are recognized as an expense unless they are expected to be reimbursed to FIBRAPL by the foreign creditor. If FIBRAPL does expect to be reimbursed, the amount is recorded as other receivables.

9. Prepaid expenses

As of December 31, 2017 and 2016, prepaid expenses of FIBRAPL were as follows:

in thousands Mexican Pesos	December 31, 2017	December 31, 2016
Insurance	$ 593	$ 688
Other prepaid expenses	1,007	2,277
	$ 1,600	**$ 2,965**

10. Investment properties

FIBRAPL obtained a valuation as of December 31, 2017 from independent appraisers in order to determine the fair value of its investment properties which resulted in a loss (gain) of $284,352 and ($6,141) for the years ended December 31, 2017 and 2016, respectively.

a) As of December 31, 2017, investment properties were as follows:

Market		Fair value as of December 31, 2017 in thousands of Mexican Pesos	# of properties	Lease area in thousands square feet
Mexico City	$	18,062,824	53	13,494
Guadalajara		7,273,482	26	5,838
Monterrey		5,067,459	24	3,868
Tijuana		4,698,999	33	4,214
Reynosa		5,158,834	30	4,712
Juarez		3,670,784	31	3,566
Total	**$**	**43,932,382**	**197**	**35,692**

The table above includes an Intermodal facility in the Mexico City market with a leasable area of 1,092 square feet and a fair value of $299,978.

As of December 31, 2017, the fair value of investment properties includes excess land in the Monterrey market of $47,957.

As of December 31, 2017 and 2016, the balance of investment properties included rent leveling assets of $335,905 and $298,945, respectively.

b) The reconciliation of investment properties for the years ended December 31, 2017 and 2016 are as follows:

in thousands Mexican Pesos	For the year ended December 31,			
		2017		2016
Beginning balance	$	45,064,110	$	35,475,843
Translation effect from functional currency		(1,866,196)		6,878,640
Acquisition of investment properties		545,552		2,171,887
Acquisition costs		15,093		52,620
Capital expenditures, leasing commissions and tenant improvements		421,199		394,960
Development		-		9,739
Dispositions		-		(26,130)
Rent leveling		36,960		100,410
(Loss) gain on valuation of investment properties		(284,352)		6,141
Ending balance of investment properties	**$**	**43,932,366**	**$**	**45,064,110**

c) During the years ended December 31, 2017 and 2016, capital expenditures, leasing commissions and tenant improvements of FIBRAPL were as follows:

in thousands Mexican Pesos	For the year ended December 31, 2017	2016
Capital expenditures	$ 138,058	$ 139,606
Leasing commissions	82,819	91,255
Tenant improvements	200,322	164,099
	$ 421,199	**$ 394,960**

11. Long term debt

As of December 31, 2017 and 2016, FIBRAPL had long term debt comprised of loans from financial institutions denominated in U.S. dollars, except if described otherwise, as follows:

	Denomination	Maturity date	Rate	December 31, 2017 thousands U. S. Dollars	December 31, 2017 thousands Mexican Pesos	December 31, 2016 thousands U. S. Dollars	December 31, 2016 thousands Mexican Pesos
Metropolitan Life Insurance Co. (The Metlife 1 Loan) (Secured)	USD	September 1, 2017	6.90%	-	$ -	112,500	$ 2,319,683
Neptuno Real Estate, S. de R. L. de C. V. "Blackstone" (Secured)	USD	October 7, 2017	7.90%	-	-	64,149	1,322,714
Metropolitan Life Insurance Co. (The Metlife 2 Loan) (Secured)	USD	November 1, 2017	6.90%	-	-	37,500	773,228
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 3rd. Section (Secured)	USD	December 15, 2018	5.04%	63,807	1,259,257	65,749	1,355,705
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 4th. Section (Secured)	USD	December 15, 2018	4.78%	8,671	171,126	8,943	184,399
Citibank (Unsecured)	USD	December 18, 2020	LIBOR+ 245bps	255,000	5,032,527	255,000	5,257,947
Citibank N.A. Credit facility (Unsecured)	USD	July 18, 2022	LIBOR + 250bps	175,000	3,453,695	67,500	1,391,810
Citibank N.A. Credit facility (Unsecured)	MXN	July 18, 2022	TIIE + 220bps	-	-	15,762	325,000
Citibank (Unsecured)	USD	July 18, 2022	LIBOR + 245bps	150,000	2,960,310	-	-
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 1st. Section (Secured)	USD	February 1, 2027	4.67%	53,500	1,055,844	53,500	1,103,138
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 2nd. Section (Secured)	USD	February 1, 2027	4.67%	53,500	1,055,844	53,500	1,103,138
Total				**759,478**	**14,988,603**	**734,103**	**15,136,762**
Long term debt interest accrued				677	13,368	424	8,736
Debt premium, net				1,175	23,188	6,962	143,549
Deferred financing cost				(5,583)	(110,173)	(4,744)	(97,827)
Total debt				**755,747**	**14,914,986**	**736,745**	**15,191,220**
Less: Current portion of long term debt				1,107	21,847	220,992	4,556,722
Total long term debt				**754,640**	**$ 14,893,139**	**515,753**	**$ 10,634,498**

During the year ended December 31, 2017 and 2016, FIBRAPL paid interest on long term debt of $599,860 and $655,860, respectively, and principal of $7,239,119 and $504,047, respectively.

On July 18, 2017, FIBRAPL renegotiated its credit facility with Citibank N.A. As of December 31, 2017, FIBRAPL has an unsecured $325.0 million U.S. dollar revolving credit facility (the "Credit Facility") with Citibank N.A. as the administrative agent; and $25.0 million U.S. dollars of the facility can be borrowed in Mexican pesos. FIBRAPL has an option to increase the Credit Facility by $150.0 million U.S. dollars.

The Credit Facility can be used by FIBRAPL for acquisitions, working capital needs and general corporate purposes. The Credit Facility bears interest on borrowings outstanding at (i) LIBOR plus 250 basis points denominated in U. S. dollars and (ii) TIIE (Interbank Balance Interest Rate from its name in Spanish) plus 220 basis points denominated in Mexican pesos, subject to loan to value grid, and an unused facility fee of 60 basis points. This Credit Facility matures on July 18, 2020, and contains two separate one-year extension options which may be extended at the borrower's option and with approval of the lender's Risk Committee. As of December 31, 2017, FIBRAPL had an outstanding balance of $175.0 million U. S. dollars ($3,454.0 million Mexican pesos) under the Credit Facility.

On July 18, 2017, FIBRA borrowed $150.0 million U.S. dollars ($2,960.0 million Mexican pesos) on a new unsecured term loan with Citibank, which matures on July 18, 2020, and carries an interest rate of LIBOR plus 245 basis points. The terms of the note contain two separate one-year extension options which may be extended at the borrower's option and with approval of the lenders' Risk Committee. The borrowings were used to pay down the existing credit facility.

The loans described above are subject to certain affirmative covenants, including, among others, (i) reporting of financial information; and (ii) maintenance of corporate existence, the security interest in the properties subject to the loan and appropriate insurance for such properties. In addition, the loans are subject to certain negative covenants that restrict FIBRAPL's ability to, among other matters and subject to certain exceptions, incur additional indebtedness under or create additional liens on the properties subject to the loans, change its corporate structure, make certain restricted payments, enter into certain transactions with affiliates, amend certain material contracts, enter into derivative transactions for speculative purposes or form any new subsidiary.

The loans contain, among others, the following events of default: (i) non-payment; (ii) false representations; (iii) failure to comply with covenants; (iv) inability to generally pay debts as they become due; (v) any bankruptcy or insolvency event; (vi) disposition of the subject properties; or (vii) change of control of the subject properties.

As of December 31, 2017, FIBRAPL was in compliance with all of its covenants.

12. FIBRAPL certificates

FIBRAPL was formed on August 13, 2013, through an initial contribution from the sponsor to the fiduciary of $1.00 Mexican peso.

Effective June 4, 2014, FIBRAPL was listed on the Mexican Stock Exchange under the ticker symbol FIBRAPL 14 in connection with its "IPO" (Initial Public Offering).

On December 1, 2014, FIBRAPL registered the issuance of 3,785,280 new CBFI's as part of the new investment in 6 properties.

On October 10, 2017, FIBRAPL issued 4,383,025 CBFIs based on the annual incentive fee that was approved in the ordinary holders meeting on June 26, 2017.

As of December 31, 2017, total CBFIs outstanding were 638,862,771.

13. Related party information

The detail of transactions of FIBRAPL with its related parties is as follows:

a. **Manager**

Prologis Property Mexico, S. A. de C. V. (the "Manager"), in its capacity as the FIBRAPL Manager, is entitled to receive, according to a management agreement between FIBRAPL and the Manager, (the "Management Agreement"), the following fees and commissions:

1. **Asset Management Fee**: annual fee equivalent to 0.75% of the current appraised value, calculated in accordance with the valuation policies approved by the Technical Committee under Section 14.1 of the Trust Agreement, based on annual appraisals, plus investment cost for assets that have not been appraised, plus the applicable VAT, paid quarterly. The asset management fee will be prorated with respect to any asset that has been owned less than a full calendar quarter.

2. **Incentive Fee**: annual fee equal to 10% of cumulative total CBFI holder returns in excess of an annual compound expected return of 9%, paid annually in CBFIs, with each payment subject to a six-month lock-up, as established under the Management Agreement. The return measurement related to the incentive fee is based on a cumulative period. As of December 31, 2017, FIBRAPL recorded an incentive fee expense in the amount of $139.2 million Mexican pesos ($7.5 million U.S. dollars) for the year started on June 4, 2016 to June 3, 2017 (IPO anniversary). As of December 31, 2017, given the historical volatility and uncertainty of future CBFI performance, FIBRAPL has not recorded an Incentive Fee expense or liability for the next possible Incentive Fee ending in June 2018.

3. **Development Fee**: contingent fee equal to 4.0% of total project cost of capital improvements (including replacements and repairs to the properties managed by the Manager, including improvements by the lessor), excluding land or new property development payable upon completion of the project.

4. **Property Management Fee**: fee equal to 3.0% of the revenues generated by the properties, paid monthly.

5. **Leasing Fee:** fee equal to certain percentages of total rent under signed lease agreements as follows: (i) 5.0% in connection with years one through five of the respective lease agreements; (ii) 2.5% in connection with years six through ten of the respective lease agreements; and (iii) 1.25% in connection with years eleven and beyond of the respective lease agreements. For renewals of existing leases, percentages will be 2.5%, 1.25% and 0.62% for the periods mentioned in bullet points (i), (ii) and (iii), respectively. One half of each leasing fee is payable at signing or renewal and one half is payable at commencement of the applicable lease. The leasing fee will be paid in full to the Manager, unless a third-party listing broker provides the procuring or leasing, expansion or renewal service, in which case the Manager shall not be entitled to a leasing fee.

b. **Other Affiliates**

On August 23, 2016, the Technical Committee of FIBRAPL approved the reimbursement of maintenance costs incurred on its properties by Prologis affiliates beginning June 1, 2016. Such costs include mainly payroll expenses for maintenance employees plus a markup of 1.5%. Prior to June 1, 2016, FIBRAPL had been paying an unaffiliated third party for such services.

c. **Due to Affiliates**

As of December 31, 2017 and 2016, the outstanding balances due to related parties were as follows:

in thousands Mexican Pesos	as of December 31,			
		2017		2016
Asset management fees	$	80,445	$	81,465
Property management fees		18,450		27,673
Maintenance cost		-		51
Development fees		-		922
	$	**98,895**	**$**	**110,111**

As of December 31, 2017 and 2016, asset management fees, property management fees and development fees are due to the Manager while maintenance costs are due to affiliates of the Manager.

d. **Transactions with affiliates**

Transactions with affiliated companies for the year ended December 31, 2017 and 2016, were as follows:

in thousands Mexican Pesos	For the three months ended December 31,				For the year ended December 31,			
		2017		2016		2017		2016
Acquisition of properties	$	545,552	$	1,219,824	$	545,552	$	2,171,887
Return of equity	$	-	$	148,592	$	323,644	$	545,937
Dividends	$	169,322	$	-	$	323,144	$	30,865
Asset management fee	$	78,803	$	80,607	$	306,980	$	294,170
Property management fee	$	27,003	$	26,536	$	103,715	$	98,950
Leasing commissions	$	4,410	$	11,675	$	25,490	$	36,951
Development fee	$	3,679	$	2,656	$	10,958	$	13,510
Maintenance costs	$	2,394	$	1,589	$	9,528	$	3,383
Incentive Fee*	$	-	$	-	$	139,162	$	-

**Settled with the issuance of CBFIs. See note 12*

14. Hedging activities

Interest Rate Swaps

On October 13, 2017, FIBRAPL entered into two interest rate swap contracts with Bank of Nova Scotia and HSBC Bank in USA, whereby, FIBRAPL pays a fixed rate of interest of 1.752%, and receives a variable rate based on one month LIBOR. The swaps mature on October 18, 2020 and they hedge the exposure to the variable interest rate payments on the $150.0 million U.S. dollar (each swap maintains a $75.0 million U.S. dollar notional amount) variable rate unsecured term loan with Citibank. See note 11.

On January 21, 2016, FIBRAPL entered into interest rate swap contracts with the Bank of Nova Scotia and HSBC Bank USA, whereby FIBRAPL pays a fixed rate of interest of 1.064% and 1.066%, respectively, and receives a variable rate based on one month LIBOR. The swaps hedge the exposure to the variable interest rate payments on the Credit Facility. See note 11.

The interest rate swaps meet the criteria for hedge accounting and therefore have been designated as cash flow hedging instruments. Accordingly, the fair value of the swaps as of December 31, 2017, of $84.3 million Mexican pesos has been recognized in other comprehensive income as unrealized gain on interest rate swaps.

Below is a summary of the terms and fair value of the interest rate swap agreements. The loans and interest rate swaps have the same critical terms.

Counterparty	Effective date	Maturity date	Notional amount*	Fair Value as of December 31,	
				2017	**2016**
Bank of Nova Scotia	June 23, 2016	July 23, 2019	100	$ 25,209	$ 17,101
HSBC Bank USA	June 23, 2016	July 23, 2019	150	37,632	25,391
Bank of Nova Scotia	October 18, 2017	October 18, 2020	75	10,723	-
HSBC Bank USA	October 18, 2017	October 18, 2020	75	10,755	-
				$ 84,319	**$ 42,492**

** (amount in million U.S. dollars)*

In order to determine fair value, FIBRAPL calculates both current and potential future exposure, reflecting the bilateral credit risk present in many derivatives. The approach incorporates all of the relevant factors that can impact fair value calculations, including interest rate and foreign exchange forward curves and the market expectations of volatility around these curves, credit enhancements between counterparties (including collateral posting, mandatory cash settlements, and mutual puts), the term structure of credit spreads and the conditional cumulative probability of default for both counterparties.

Exchange rate forwards

FIBRAPL's exchange rate forwards do not qualify for hedge accounting. Therefore, the change in fair value related to the contracts is recognized in the results of operations for the year within unrealized (gain) loss on exchange rate forwards.

On February 7, 2017, FIBRAPL entered into foreign currency rate forwards with HSBC Bank USA, National Association to fix a forward rate over its quarterly Mexican peso transactions.

As of December 31, 2017, FIBRAPL settled this contract and obtained a realized loss on exchange rate forward.

15. Commitments and contingencies

FIBRAPL had no significant commitments or contingencies except as described in these notes as of December 31, 2017.

16. Financial statements approval

On January 24, 2018, the issuance of these interim condensed financial statements was authorized by Jorge Roberto Girault Facha, CFO of the Manager.

* * * * * * * * * *

Fourth Quarter 2017

FIBRA Prologis Supplemental Financial Information

Unaudited

FIBRA PROLOGIS

U.S. Dollar Presentation

Apodaca 6, Monterrey México

FIBRA Prologis' functional currency is the U.S. Dollar; therefore, FIBRA Prologis' management has elected to present actual comparative U.S. Dollars that represent the actual amounts included in our U.S. Dollar financial statements within this supplemental package, based on the following policies:

a) Transactions in currencies other than U.S. Dollars (Mexican Pesos) are recognized at the rates of exchange prevailing at the date of the transaction.

b) Equity items are valued at historical exchange rates.

c) At the end of each reporting period, monetary items denominated in Mexican Pesos are retranslated into U.S. Dollars at the rates prevailing at that date.

d) Non-monetary items carried at fair value that are denominated in Mexican Pesos are retranslated at the rates prevailing at the date when the fair value was determined.

e) Exchange differences on monetary items are recognized in profit or loss in the period in which they occur.

Table of Contents

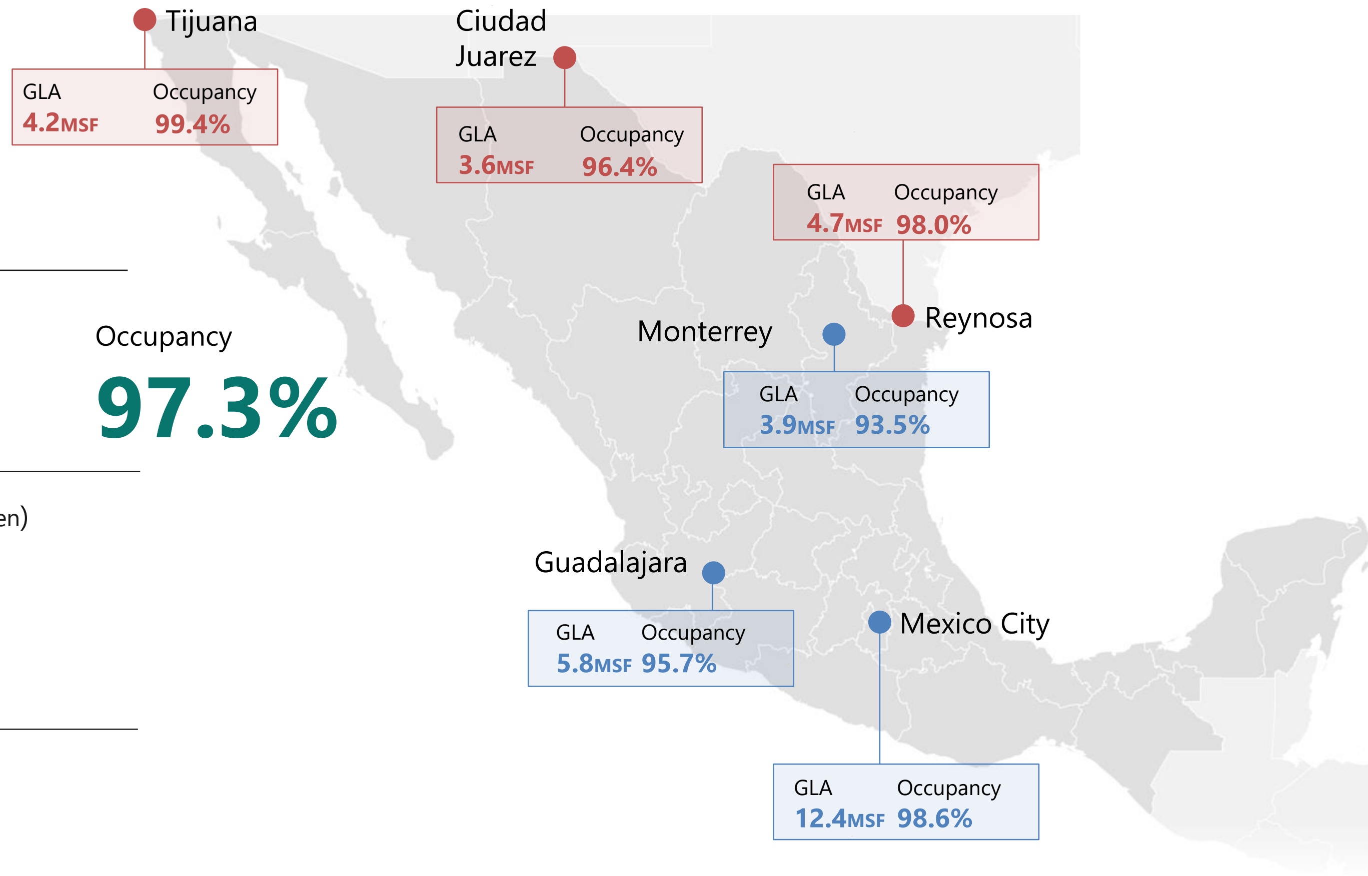
Prologis Toluca #1, México

Cover: **Tres Rios 1**, México

(A) Terms used throughout document are defined in the Notes and Definitions

FIBRA Prologis is a leading owner and operator of Class-A industrial real estate in Mexico. As of December 31, 2017, 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 GLA.

Market Presence



Total Markets

GLA	% Net Effective Rent
34.6MSF	100.0%

Occupancy

97.3%

Regional Markets (manufacturing-driven)
Ciudad Juarez, Reynosa, Tijuana

GLA	% Net Effective Rent	Occupancy
12.5MSF	34.3%	98.0%

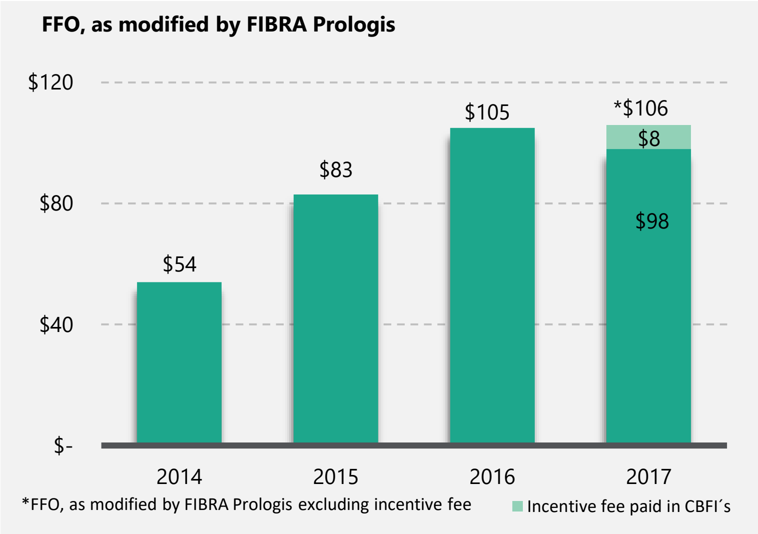
Global Markets (consumption-driven)
Guadalajara, Mexico City, Monterrey

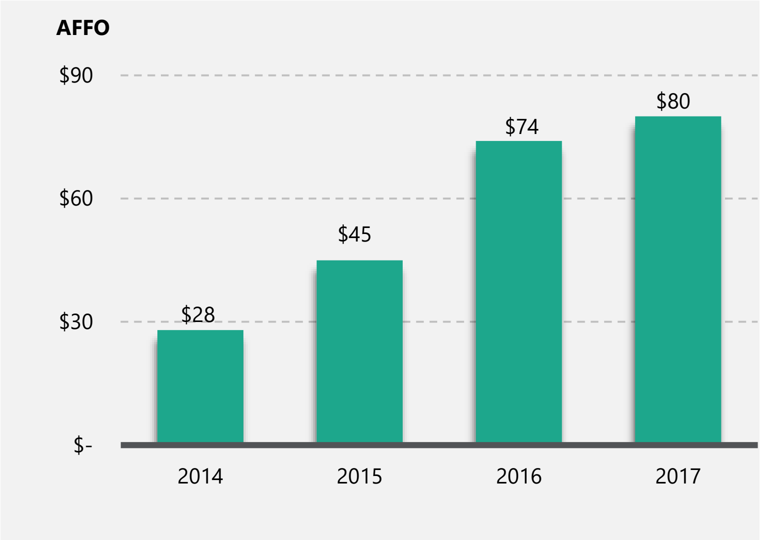
GLA	% Net Effective Rent	Occupancy
22.1MSF	65.7%	96.9%

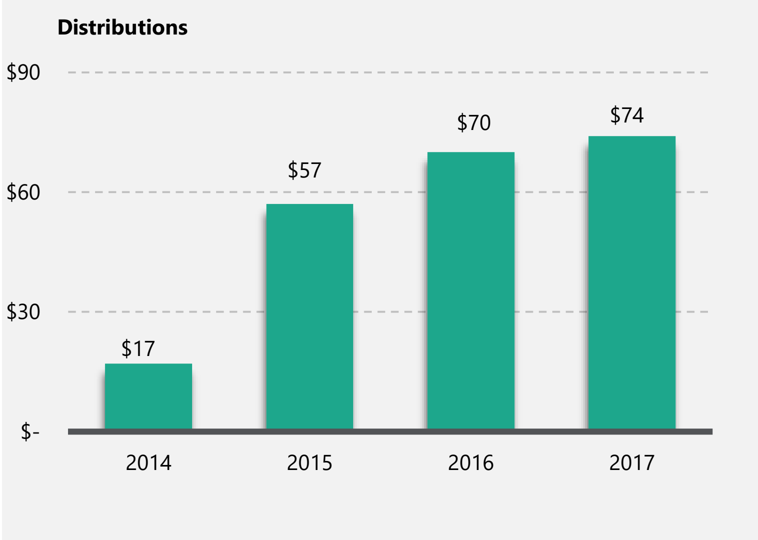
Highlights

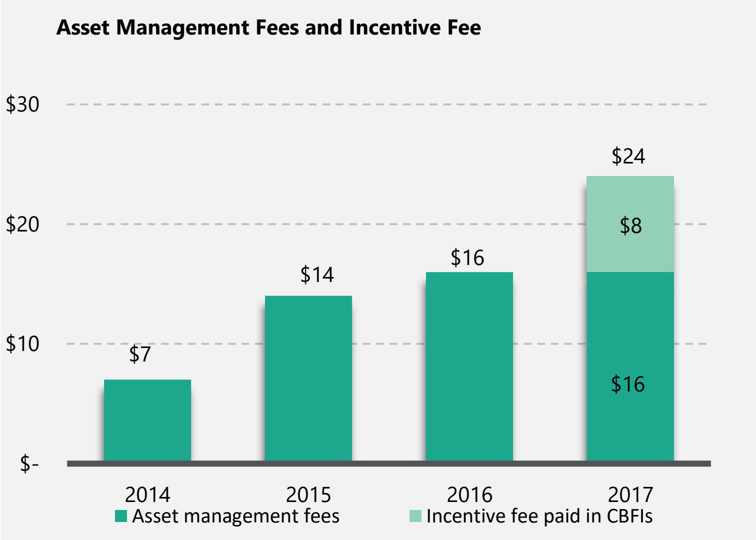
Company Profile

(in millions of US$)







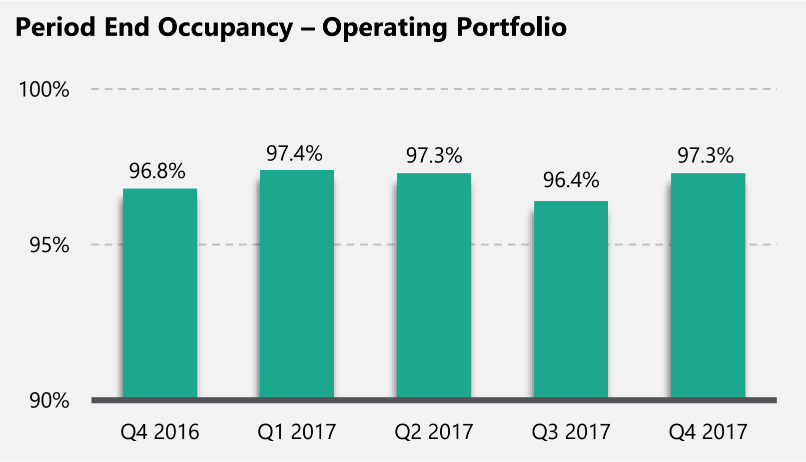


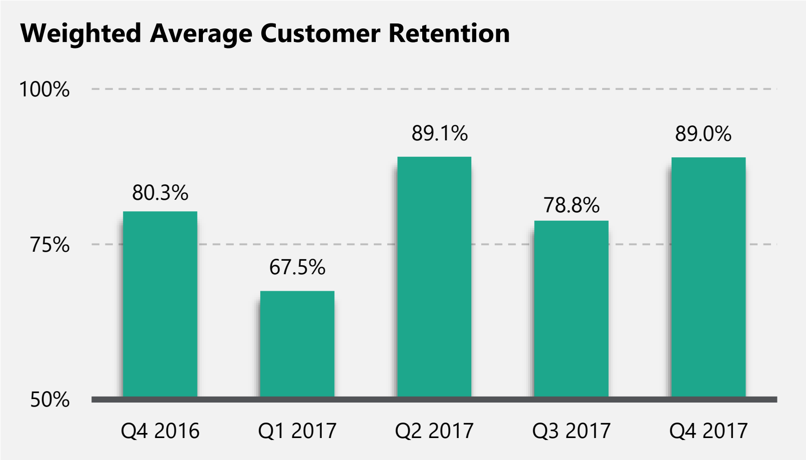
Highlights
Company Performance

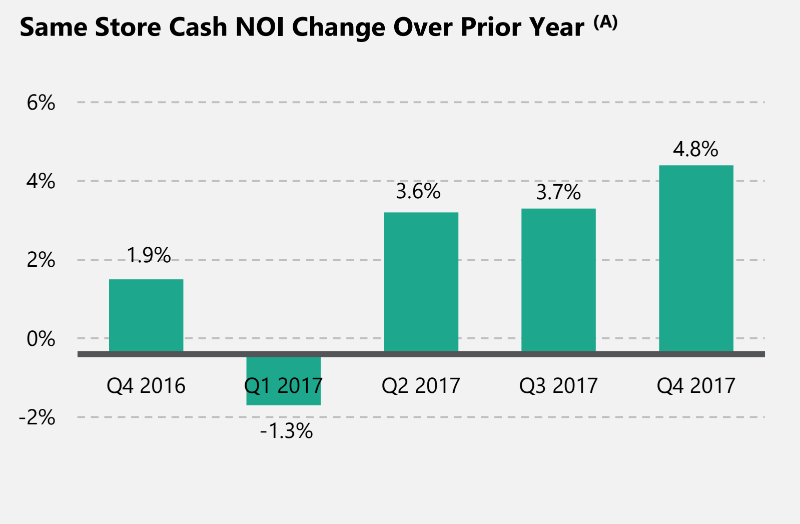
Included below are quarterly comparative highlights in Mexican Pesos and U.S. Dollars as a summary of our company performance.

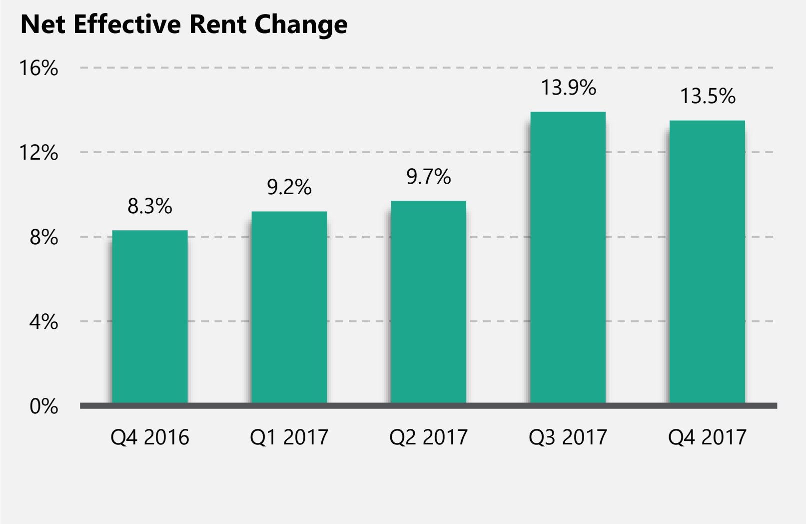
in thousands, except per CBFI amounts	For the three months ended									
	December 31, 2017		September 30, 2017		June 30, 2017		March 31, 2017		December 31, 2016	
	Ps.	US$ (A)	Ps.	US$ (A)	Ps.	US$ (A)	Ps.	US$ (A)	Ps.	US$ (A)
Revenues	882,782	47,354	832,378	46,648	880,011	46,653	908,207	44,419	891,183	45,428
Gross Profit	775,513	41,815	713,061	40,084	759,023	40,155	794,939	38,606	773,328	39,422
Net Income (loss)	777,849	42,734	450,355	25,419	427,124	22,337	(87,367)	(5,150)	671,287	34,128
FFO, as modified by FIBRA Prologis	460,557	26,006	479,632	27,031	368,132	19,204	543,158	25,906	526,973	26,853
FFO, as modified by FIBRA Prologis excluding incentive fee	460,557	26,006	479,632	27,031	507,294	26,678	543,158	25,906	526,973	26,853
AFFO	307,463	18,453	388,182	21,874	375,588	19,586	419,156	19,781	343,349	17,612
Adjusted EBITDA	641,940	35,586	622,249	35,012	651,708	34,419	703,948	33,987	691,934	35,185
Earnings (loss) per CBFI	1.2176	0.0669	0.7049	0.0398	0.6729	0.0352	(0.1377)	(0.0081)	1.0580	0.0538
FFO per CBFI	0.7209	0.0407	0.7508	0.0423	0.5800	0.0303	0.8561	0.0408	0.8306	0.0423
FFO per CBFI excluding incentive fee	0.7209	0.0407	0.7508	0.0423	0.7992	0.0420	0.8561	0.0408	0.8306	0.0423

(A) Amounts presented in U.S. Dollars, which is FIBRA Prologis´ functional currency, represent the actual amounts from our U.S. Dollar financial statements.









(A) Same store cash NOI change has been calculated based on actual U.S. Dollars

Highlights
Guidance and Actuals

US Dollars in thousands except per CBFI amounts

2017 Guidance	Low	High	Actuals
Full year FFO per CBFI (A)	**$ 0.1475**	**$ 0.1550**	**$ 0.1541**
Operations			
Year-end occupancy	96.0%	96.5%	97.3%
Same store cash NOI change	1.75%	2.50%	2.81%
Annual capex as a percentage of NOI	13.0%	15.0%	13.7%
Capital Deployment			
Building acquisitions	$ 30,000	$ 30,000	$ 29,705
Other Assumptions			
G&A(B) (Asset management and professional fees)	$ 18,500	$ 20,500	$ 21,681
Full year 2017 distribution per CBFI (US Dollars)	$ 0.1180	$ 0.1180	$ 0.1180

(A) FFO guidance excludes the impact of peso movements as U.S. Dollar is the functional currency of FIBRA Prologis.
(B) G&A excludes promote
Note: Guidance based on $20.00 pesos per $1.00 U.S Dollar.

Highlights

Guidance

US Dollars in thousands except per CBFI amounts

2018 Guidance	Low	High
Full year FFO per CBFI [A]	**$ 0.1550**	**$ 0.1650**
Operations		
Year-end occupancy	96.0%	97.0%
Same store cash NOI change	4.00%	5.00%
Annual capex as a percentage of NOI	13.0%	14.0%
Capital Deployment		
Building acquisitions	$ 100,000	$ 300,000
Building dispositions	$ -	$ 200,000
Other Assumptions		
G&A[B] (Asset management and professional fees)	$ 19,500	$ 21,500
Full year 2018 distribution per CBFI (US Dollars)	$ 0.1240	$ 0.1240

(A) FFO guidance excludes the impact of peso movements as U.S. Dollar is the functional currency of FIBRA Prologis as well as incentive fee.
(B) G&A excludes incentive fee
Note: Guidance based on $20.00 pesos per $1.00 U.S Dollar.

FIBRA PROLOGIS

Financial Information

Interim Condensed Statements of Financial Position

in thousands	December 31, 2017		December 31, 2016	
Assets:	**Ps.**	**US$**	**Ps.**	**US$**
Current assets:				
Cash	371,364	18,817	370,909	17,989
Trade receivables	44,220	2,241	50,457	2,446
Value added tax and other receivables	73,553	3,727	141,348	4,733
Prepaid expenses	1,600	81	2,965	2,266
	490,737	**24,866**	**565,679**	**27,434**
Non-current assets:				
Investment properties	43,932,382	2,226,070	45,064,110	2,185,521
Interest rate swaps	84,319	4,272	42,492	2,061
Other assets	45,240	2,293	43,753	2,122
	44,061,941	**2,232,635**	**45,150,355**	**2,189,704**
Total assets	**44,552,678**	**2,257,501**	**45,716,034**	**2,217,138**
Liabilities and Equity:				
Current liabilities:				
Trade payables	112,875	5,721	54,904	2,662
Due to affiliates	98,895	5,011	110,111	5,340
Current portion of long term debt	21,847	1,107	4,556,722	220,992
	233,617	**11,839**	**4,721,737**	**228,994**
Non-current liabilities:				
Long term debt	14,893,139	754,640	10,634,498	515,753
Security deposits	291,840	14,788	294,174	14,267
	15,184,979	**769,428**	**10,928,672**	**530,020**
Total liabilities	**15,418,596**	**781,267**	**15,650,409**	**759,014**
Equity:				
CBFI holders capital	13,746,963	1,114,530	14,313,287	1,148,554
Other equity accounts	15,387,119	361,704	15,752,338	309,570
Total equity	**29,134,082**	**1,476,234**	**30,065,625**	**1,458,124**
Total liabilities and equity	**44,552,678**	**2,257,501**	**45,716,034**	**2,217,138**

Financial information

Interim Condensed Statements of Comprehensive Income

in thousands, except per CBFI amounts	For the three months ended December 31,				For the year ended December 31,			
	2017		2016		2017		2016	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Revenues:								
Lease rental income	783,301	42,020	785,284	40,050	3,125,381	165,092	2,882,093	156,170
Rental recoveries	80,735	4,333	86,711	4,423	310,430	16,409	296,744	16,045
Other property income	18,746	1,001	19,188	955	67,567	3,573	60,517	3,228
	882,782	**47,354**	**891,183**	**45,428**	**3,503,378**	**185,074**	**3,239,354**	**175,443**
Cost and expenses:								
Property operating expenses:								
Operating and maintenance	49,010	2,617	46,912	2,452	189,221	10,031	176,650	9,660
Utilities	5,454	295	11,202	577	46,742	2,482	38,585	2,080
Property management fees	27,003	1,432	26,536	1,328	103,715	5,534	98,950	5,244
Real estate taxes	17,617	845	14,907	835	69,327	3,319	57,713	3,239
Non-recoverable operating	8,185	350	18,298	814	51,837	3,048	48,052	2,277
	107,269	**5,539**	**117,855**	**6,006**	**460,842**	**24,414**	**419,950**	**22,500**
Gross profit	**775,513**	**41,815**	**773,328**	**39,422**	**3,042,536**	**160,660**	**2,819,404**	**152,943**
Other expense (income):								
(Gain) loss on valuation of investment properties	(345,717)	(18,243)	(138,548)	(6,981)	284,352	12,873	(6,141)	311
Gain on disposition of investment properties	-	-	-	-	-	-	(5,197)	(298)
Asset management fees	78,803	4,116	80,607	4,045	306,980	16,293	294,170	15,577
Incentive fee	-	-	-	-	139,162	7,474	-	-
Professional fees	56,905	2,221	12,801	654	98,085	4,399	36,691	1,954
Interest expense	161,980	8,559	176,843	8,927	627,112	33,215	627,656	33,461
Amortization of debt premium	(5,700)	(299)	(37,634)	(1,900)	(71,103)	(3,709)	(145,222)	(7,768)
Amortization of deferred financing cost	11,897	623	8,002	402	37,353	1,983	29,327	1,562
Net (gain) loss on early extinguishment of debt	(3,039)	(146)	2,460	139	(35,941)	(1,914)	57,105	3,124
Unused credit facility fee	2,049	108	9,898	507	24,685	1,305	42,547	2,289
Unrealized loss on exchange rate forwards	-	-	-	-	8,563	447	-	-
Realized loss on exchange rate forwards	4,313	219	-	-	12,692	682	-	-
Unrealized exchange loss (gain), net	31,464	1,661	(8,226)	(433)	26,544	1,401	41,064	2,200
Realized exchange (gain) loss, net	(1,550)	(81)	(8,000)	(267)	(2,245)	(118)	(6,083)	(165)
Other general and administrative expenses	6,259	343	3,838	201	18,336	989	14,948	844
	(2,336)	**(919)**	**102,041**	**5,294**	**1,474,575**	**75,320**	**980,865**	**53,091**
Net income	**777,849**	**42,734**	**671,287**	**34,128**	**1,567,961**	**85,340**	**1,838,539**	**99,852**
Other comprehensive income:								
Items that are not reclassified subsequently to profit or loss:								
Translation gain (loss) from functional currency to reporting currency	(2,275,154)	8,453	(1,702,951)	3,264	1,273,795	1,858	(4,691,081)	4,554
Items that are or may be reclassified subsequently to profit or loss:								
Unrealized gain on interest rate swaps	(35,797)	(1,889)	(72,657)	(3,615)	(42,047)	(2,212)	(42,492)	(2,061)
	(2,310,951)	**6,564**	**(1,775,608)**	**(351)**	**1,231,748**	**(354)**	**(4,733,573)**	**2,493**
Total comprehensive income for the period	**3,088,800**	**36,170**	**2,446,895**	**34,479**	**336,213**	**85,694**	**6,572,112**	**97,359**
Earnings per CBFI (A)	**1.2176**	**0.0669**	**1.0580**	**0.0538**	**2.4624**	**0.1340**	**2.8977**	**0.1574**

FIBRA PROLOGIS

(A) See calculation of Earnings per CBFI in Notes and Definitions.

Financial information

Reconciliations of Net Income to FFO, AFFO and EBITDA

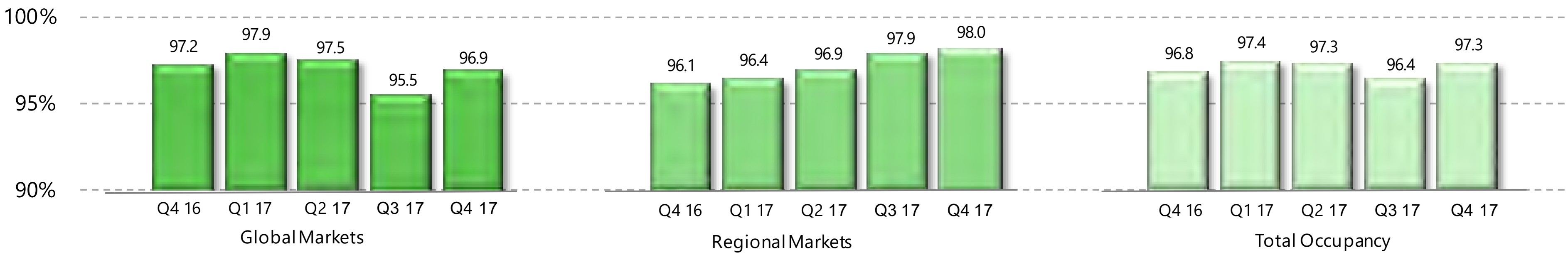
in thousands	For the three months ended December 31, 2017 Ps.	2017 US$	2016 Ps.	2016 US$	For the year ended December 31, 2017 Ps.	2017 US$	2016 Ps.	2016 US$
Reconciliation of Net Income to FFO								
Net income	777,849	42,734	671,287	34,128	1,567,961	85,340	1,838,539	99,852
Gain on disposition of investment properties	-	-	-	-	-	-	(5,197)	(298)
NAREIT defined FFO	**777,849**	**42,734**	**671,287**	**34,128**	**1,567,961**	**85,340**	**1,833,342**	**99,554**
Adjustments to arrive at FFO, as defined by FIBRA Prologis:								
(Gain) loss on revaluation of investment properties	(345,717)	(18,243)	(138,548)	(6,981)	284,352	12,873	(6,141)	311
Unrealized loss on exchange rate forwards	-	-	-	-	8,563	447	-	-
Unrealized exchange loss (gain), net	31,464	1,661	(8,226)	(433)	26,544	1,401	41,064	2,200
Net (gain) loss on early extinguishment of debt	(3,039)	(146)	2,460	139	(35,941)	(1,914)	57,105	3,124
FFO, as modified by FIBRA Prologis	**460,557**	**26,006**	**526,973**	**26,853**	**1,851,479**	**98,147**	**1,925,370**	**105,189**
Incentive fee paid in CBFIs	-	-	-	-	139,162	7,474	-	-
FFO, as modified by FIBRA Prologis excluding incentive fee	**460,557**	**26,006**	**526,973**	**26,853**	**1,990,641**	**105,621**	**1,925,370**	**105,189**
FFO, as modified by FIBRA Prologis	460,557	26,006	526,973	26,853	1,851,479	98,147	1,925,370	105,189
Adjustments to arrive at Adjusted FFO ("AFFO")								
Straight-lined rents	(12,546)	(655)	(21,613)	(1,080)	(45,273)	(2,231)	(65,223)	(3,483)
Property improvements	(42,480)	(2,265)	(44,186)	(2,197)	(138,058)	(7,492)	(139,606)	(7,418)
Tenant improvements	(78,547)	(3,625)	(64,882)	(3,242)	(200,322)	(10,091)	(164,099)	(8,643)
Leasing commissions	(25,718)	(1,332)	(23,311)	(1,224)	(82,819)	(4,387)	(91,255)	(4,946)
Amortization of deferred financing costs	11,897	623	8,002	402	37,353	1,983	29,327	1,562
Amortization of debt premium	(5,700)	(299)	(37,634)	(1,900)	(71,103)	(3,709)	(145,222)	(7,768)
Incentive fee paid in CBFIs	-	-	-	-	139,162	7,474	-	-
AFFO	**307,463**	**18,453**	**343,349**	**17,612**	**1,490,419**	**79,694**	**1,349,292**	**74,493**

in thousands	For the three months ended December 31, 2017 Ps.	2017 US$	2016 Ps.	2016 US$	For the year ended December 31, 2017 Ps.	2017 US$	2016 Ps.	2016 US$
Reconciliation of Net Income to Adjusted EBITDA								
Net income	777,849	42,734	671,287	34,128	1,567,961	85,340	1,838,539	99,852
(Gain) loss on revaluation of investment properties	(345,717)	(18,243)	(138,548)	(6,981)	284,352	12,873	(6,141)	311
Gain on disposition of investment properties	-	-	-	-	-	-	(5,197)	(298)
Interest expense	161,980	8,559	176,843	8,927	627,112	33,215	627,656	33,461
Amortization of deferred financing costs	11,897	623	8,002	402	37,353	1,983	29,327	1,562
Amortization of debt premium	(5,700)	(299)	(37,634)	(1,900)	(71,103)	(3,709)	(145,222)	(7,768)
Net (gain) loss on early extinguishment of debt	(3,039)	(146)	2,460	139	(35,941)	(1,914)	57,105	3,124
Unused credit facility fee	2,049	108	9,898	507	24,685	1,305	42,547	2,289
Unrealized loss on exchange rate forward	-	-	-	-	8,563	447	-	-
Unrealized exchange loss (gain), net	31,464	1,661	(8,226)	(433)	26,544	1,401	41,064	2,200
Pro forma adjustments	11,157	589	7,852	396	33,070	1,748	24,480	1,315
Incentive fee paid in CBFIs	-	-	-	-	139,162	7,474	-	-
Adjusted EBITDA	**641,940**	**35,586**	**691,934**	**35,185**	**2,641,758**	**140,163**	**2,504,158**	**136,048**

FIBRA PROLOGIS

Operations Overview
Operating Metrics

Period Ending Occupancy - Operating Portfolio



square feet in thousands

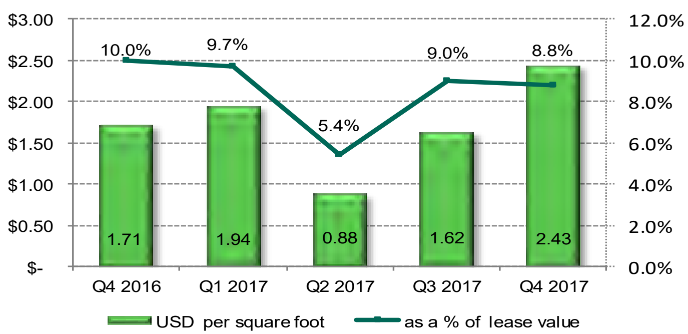
Leasing Activity	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Square feet of leases signed:					
Renewals	1,286	1,253	1,392	1,986	1,271
New leases	434	868	72	436	511
Total square feet of leases signed	**1,720**	**2,121**	**1,464**	**2,422**	**1,782**
Average term of leases signed (months)	38	48	32	42	61
Operating Portfolio:					
Trailing four quarters - leases signed	8,933	8,263	7,628	7,726	7,789
Trailing four quarters - % of average portfolio	27.1%	25.0%	22.6%	22.7%	22.8%
Net effective rent change	**8.3%**	**9.2%**	**9.7%**	**13.9%**	**13.5%**

Operations Overview
Operating Metrics

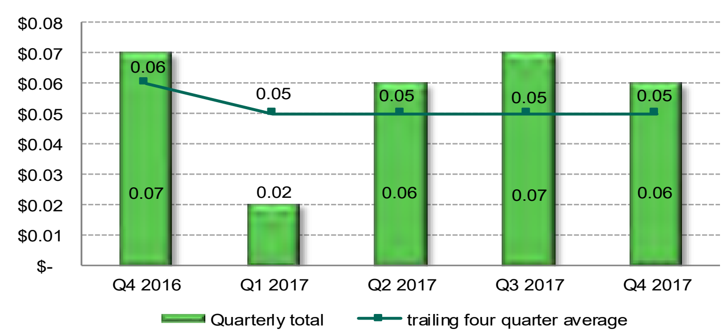
Capital Expenditures Incurred [A] in thousands	Q4 2016		Q1 2017		Q2 2017		Q3 2017		Q4 2017	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Property improvements	44,186	2,197	14,288	721	39,882	2,179	41,408	2,327	42,480	2,265
Tenant improvements	64,882	3,242	37,679	1,837	48,048	2,596	36,048	2,033	78,547	3,625
Leasing commissions	23,311	1,224	20,892	1,049	21,183	1,152	15,026	854	25,718	1,332
Total turnover costs	88,193	4,466	58,571	2,886	69,231	3,748	51,074	2,887	104,265	4,957
Total capital expenditures	**132,379**	**6,663**	**72,859**	**3,607**	**109,113**	**5,927**	**92,482**	**5,214**	**146,745**	**7,222**
Trailing four quarters - % of gross NOI	13.7%		12.8%		13.6%		13.6%		13.7%	

Same Store Information	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Square feet of population	30,815	32,411	32,411	32,411	32,411
Average occupancy	96.8%	96.4%	97.3%	96.4%	97.0%
Percentage change:					
Rental income- adjusted cash	1.0%	1.3%	4.0%	4.0%	5.2%
Rental expenses- adjusted cash	(3.3%)	16.9%	6.2%	5.5%	7.0%
NOI - Adjusted Cash	**1.9%**	**(1.3%)**	**3.6%**	**3.7%**	**4.8%**
NOI	0.0%	(3.0%)	1.7%	3.6%	3.7%
Average occupancy	0.4%	0.3%	1.5%	0.8%	0.6%

Turnover Costs on Leases Signed



Property Improvements per Square Foot (USD)



(A) The U.S. Dollar amount has been translated at the date of the transaction based on the exchange rate then in effect.

Operations Overview
Investment Properties

square feet and currency in thousands	# of Buildings	Square Feet: Total	Square Feet: % of Total	Occupied %	Leased %	Fourth Quarter NOI: Ps.	Fourth Quarter NOI: US$	Net Effective Rent: Annualized Ps.	Net Effective Rent: Annualized US$	Net Effective Rent: % of Total	Net Effective Rent: Per Sq Ft Ps.	Net Effective Rent: Per Sq Ft US$	Investment Properties Value: Total Ps.	Investment Properties Value: Total US$	Investment Properties Value: % of Total
Global Markets															
Mexico City	52	12,402	35.8	98.6	99.0	300,072	16,180	1,303,819	66,065	38.5	107	5.40	17,762,846	900,050	40.4
Guadalajara	26	5,838	16.9	95.7	95.7	130,087	7,014	548,309	27,783	16.2	98	4.97	7,273,482	368,550	16.6
Monterrey	24	3,868	11.2	93.5	93.5	84,385	4,550	373,532	18,927	11.0	103	5.24	5,019,502	254,340	11.4
Total global markets	**102**	**22,108**	**63.9**	**96.9**	**97.2**	**514,544**	**27,744**	**2,225,660**	**112,775**	**65.7**	**104**	**5.26**	**30,055,830**	**1,522,940**	**68.4**
Regional markets															
Reynosa	30	4,712	13.6	98.0	98.0	97,811	5,274	456,381	23,125	13.5	99	5.01	5,158,834	261,400	11.7
Tijuana	33	4,214	12.2	99.4	99.4	92,290	4,976	385,196	19,518	11.4	92	4.66	4,698,999	238,100	10.7
Ciudad Juarez	31	3,566	10.3	96.4	96.4	64,785	3,493	317,128	16,069	9.4	92	4.67	3,670,784	186,000	8.4
Total regional markets	**94**	**12,492**	**36.1**	**98.0**	**98.0**	**254,886**	**13,743**	**1,158,705**	**58,712**	**34.3**	**95**	**4.80**	**13,528,617**	**685,500**	**30.8**
Total operating portfolio	**196**	**34,600**	**100.0**	**97.3**	**97.5**	**769,430**	**41,487**	**3,384,365**	**171,487**	**100.0**	**101**	**5.09**	**43,584,447**	**2,208,440**	**99.2**
Intermodal facility [(A)]						6,083	328						299,978	15,200	0.7
Excess land [(B)]													47,957	2,430	0.1
Total investment properties		**34,600**	**100.0**			**775,513**	**41,815**						**43,932,382**	**2,226,070**	**100.0**

(A) 100% occupied as of December 31, 2017.

(B) We have 15 acres of land in Monterrey that has an estimated build out of 284,123 square feet.

FIBRA PROLOGIS

Operations Overview
Customer Information

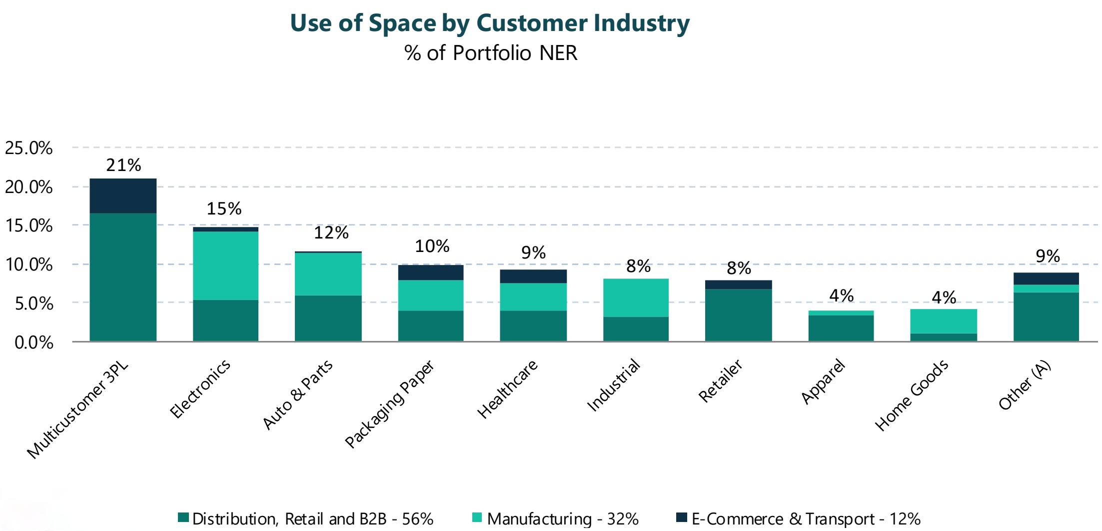
square feet in thousands

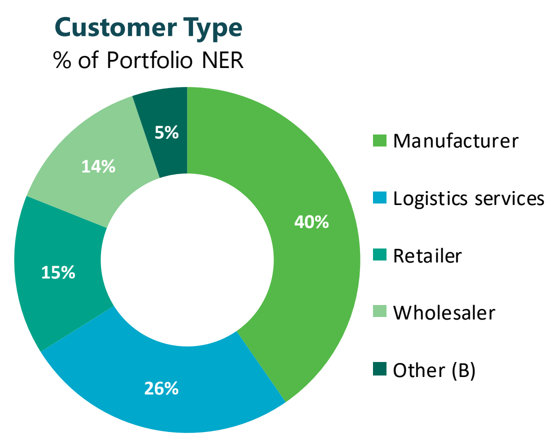
Top 10 Customers as % of Net Effective Rent	% of Net Effective Rent	Total Square Feet
1 IBM de México, S. de R.L	3.1%	1,249
2 DHL	2.7%	926
3 Geodis	2.4%	716
4 LG, Inc.	2.0%	694
5 Johnson Controls Inc.	1.8%	519
6 APL (Neptune Orient Lines)	1.7%	551
7 Uline	1.5%	501
8 Ryder System Inc.	1.4%	407
9 Panalpina	1.4%	368
10 General Electric Company, Inc.	1.3%	417
Top 10 Customers	**19.3%**	**6,348**

square feet and currency in thousands

Lease Expirations - Operating Portfolio		Net Effective Rent						
Year	Occupied Sq Ft	Total		% of Total	Per Sq Ft		% Currency	
		Ps.	US$		Ps.	US$	%Ps.	%US$
2018	7,759	752,629	38,136	22%	95.43	4.84	24%	76%
2019	7,071	725,769	36,775	21%	102.65	5.20	38%	62%
2020	7,829	764,786	38,752	23%	97.68	4.95	18%	82%
2021	3,653	397,372	20,135	12%	108.79	5.51	46%	54%
2022	2,807	286,005	14,492	8%	101.89	5.16	40%	60%
Thereafter	4,371	457,802	23,197	14%	104.73	5.31	24%	76%
	33,490	**3,384,363**	**171,487**	**100%**	**100.5**	**5.09**	**29%**	**71%**
Month to month	178							
Total	**33,668**							

Lease Currency - Operating portfolio	Annualized Net Effective Rent USD	% of Total	Occupied Sq Ft	% of Total
Leases denominated in Ps.	50,484	29.4	9,650	28.7
Leases denominated in US$	121,003	70.6	24,018	71.3
Total	**171,487**	**100.0**	**33,668**	**100.00**





(A) Other includes: transportation, food/ beverages, consumer products, construction, data center/ office
(B) Other includes: transport and freight, services

Capital Deployment

Acquisitions

square feet and currency in thousands	Q4 2017			FY 2017		
	Sq Ft	Acquisition Cost (A)		Sq Ft	Acquisition Cost (A)	
		Ps.	US$		Ps.	US$
Building Acquisitions						
Global Markets						
Mexico City	143	194,199	10,449	143	194,199	10,449
Guadalajara	-	-	-	-	-	-
Monterrey	-	-	-	-	-	-
Total Global Markets	**143**	**194,199**	**10,449**	**143**	**194,199**	**10,449**
Regional Markets						
Reynosa	290	366,446	19,146	290	366,446	19,146
Tijuana	-	-	-	-	-	-
Ciudad Juarez	-	-	-	-	-	-
Total Regional Markets	**290**	**366,446**	**19,146**	**290**	**366,446**	**19,146**
Total Building Acquisitions	**433**	**560,645**	**29,595**	**433**	**560,645**	**29,595**
Weighted average stabilized cap rate			**7.6%**			**7.6%**

(A) The U.S. Dollar amount has been translated at the date of the transaction based on the exchange rate in the sales agreement.

Capitalization
Debt Summary and Metrics

currency in millions

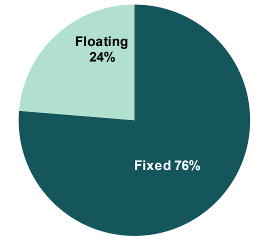
Maturity	Unsecured Credit Facility Ps.	Unsecured Credit Facility US$	Unsecured Senior Ps.	Unsecured Senior US$	Secured Mortgage Debt Ps.	Secured Mortgage Debt US$	Total Ps.	Total US$	Wtd Avg. Cash. Interest Rate [A]	Wtd Avg. Effective Interest Rate [B]
2018	-	-	-	-	1,430	72	1,430	72	5.0%	3.3%
2019	-	-	-	-	-	-	-	-	0.0%	0.0%
2020	-	-	5,033	255	-	-	5,033	255	3.5%	3.8%
2021	-	-	-	-	-	-	-	-	0.0%	0.0%
2022	3,454	175	2,960	150	-	-	6,414	325	4.0%	4.2%
Thereafter	-	-	-	-	2,112	107	2,112	107	4.7%	4.7%
Subtotal- debt par value	**3,454**	**175**	**7,993**	**405**	**3,542**	**179**	**14,989**	**759**		
Premium	-	-	-	-	23	1	23	1		
Interest payable and deferred financing cost	-	-	-	-	(97)	(5)	(97)	(5)		
Total debt	**3,454**	**175**	**7,993**	**405**	**3,468**	**175**	**14,915**	**755**	**4.0%**	**4.0%**
Weighted average cash interest rate [A]		3.8%		3.8%		4.8%		4.0%		
Weighted average effective interest rate [B]		3.8%		4.1%		4.2%		4.0%		
Weighted average remaining maturity in years		4.5		3.6		5.2		4.2		

currency in millions

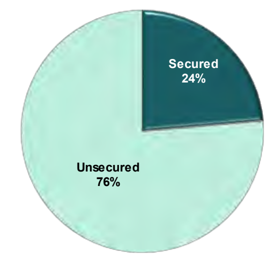
Liquidity	Ps.	US$
Aggregate lender commitments	6,414	325
Less:		
Borrowings outstanding	3,454	175
Outstanding letters of credit	-	-
Current availability	2,960	150
Unrestricted cash	371	19
Total liquidity	**3,331**	**169**

Debt Metrics [C]	2017 Fourth Quarter	2017 Thirt Quarter
Debt, less cash and VAT, as % of investment properties	**33.2%**	**32.8%**
Fixed charge coverage ratio	**4.16x**	**4.73x**
Debt to Adjusted EBITDA	**5.19x**	**5.08x**

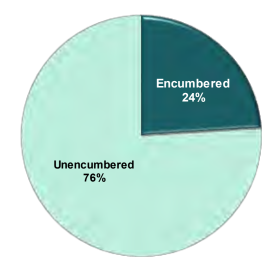
Fixed vs. Floating Debt [D]



Secured vs. Unsecured Debt



Encumbered vs. Unencumbered Assets Pool [E]



(A) Interest rates are based on the cash rates associated with the respective weighted average debt amounts outstanding.
(B) Interest rate is based on the effective rate, which includes the amortization of related premiums and discounts and finance costs. The net premiums (discounts) and finance costs associated with the respective debt were included in the maturities by year.
(C) These calculations are based on actual U.S. Dollars as described in the Notes and Definitions section, and are not calculated in accordance with the applicable regulatory rules.
(D) Includes the interest rate swap contract.
(E) Based on fair market value as of December 31, 2017.

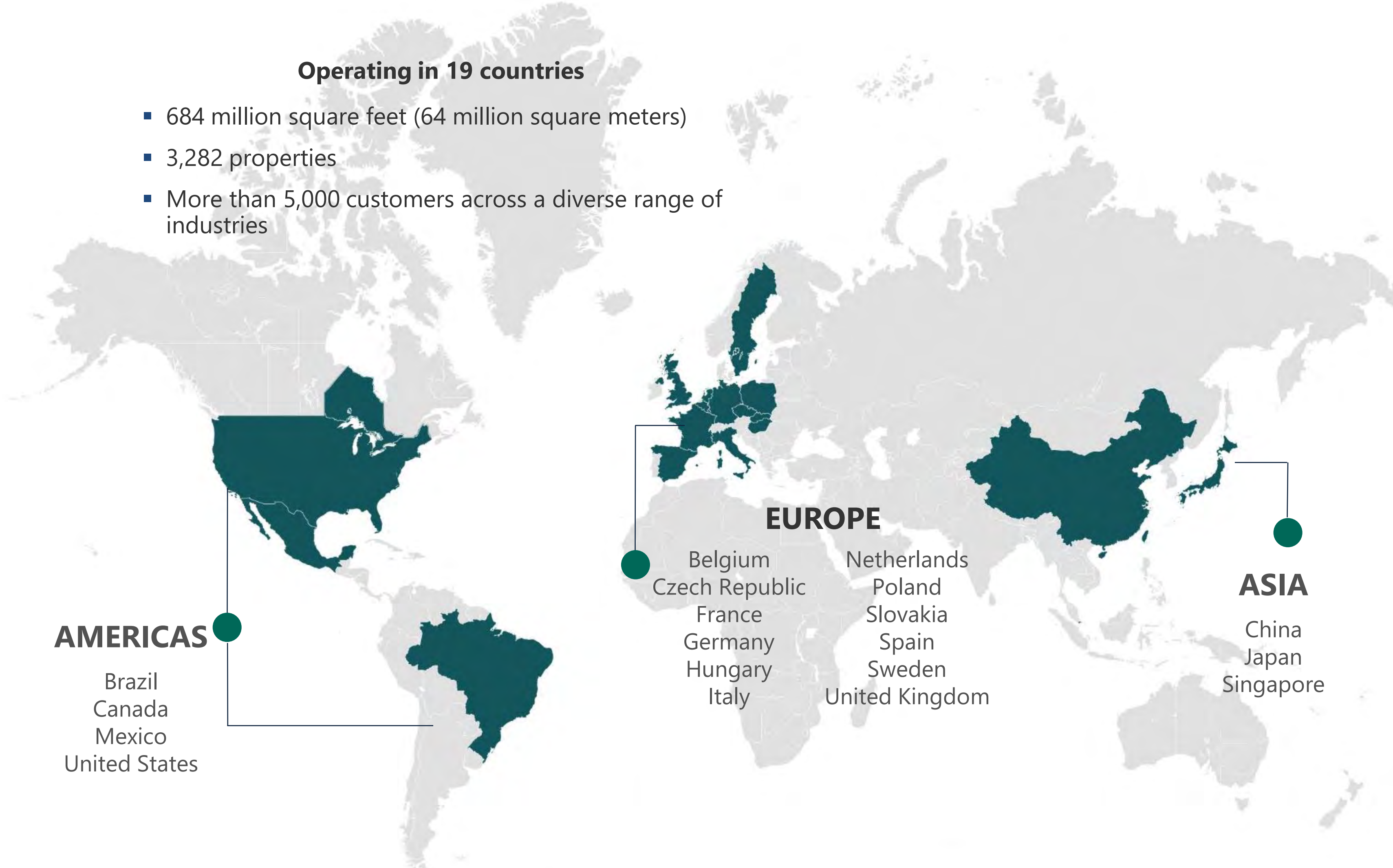
FIBRA PROLOGIS

Sponsor

Prologis Unmatched Global Platform (A)

Operating in 19 countries

- 684 million square feet (64 million square meters)
- 3,282 properties
- More than 5,000 customers across a diverse range of industries



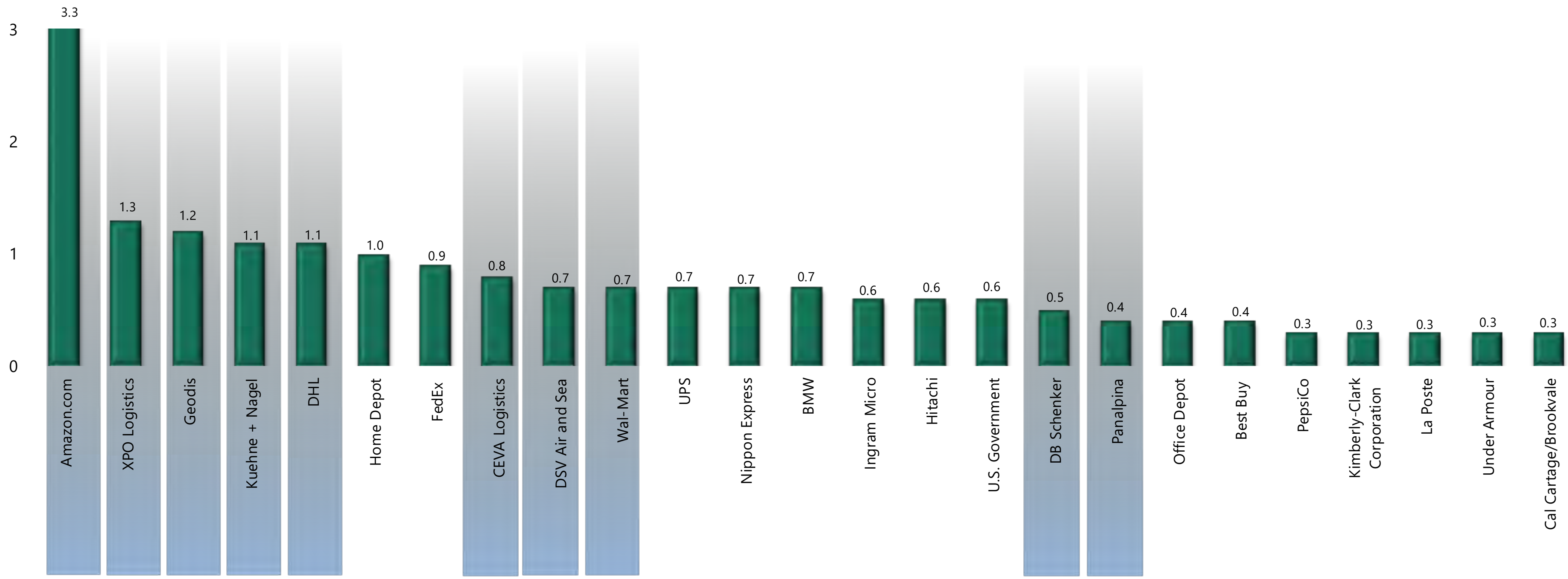
Platform covers more than 70% of global GDP

(A) Data as of December 31, 2017.

Sponsor

Prologis Global Customer Relationships [(A)]

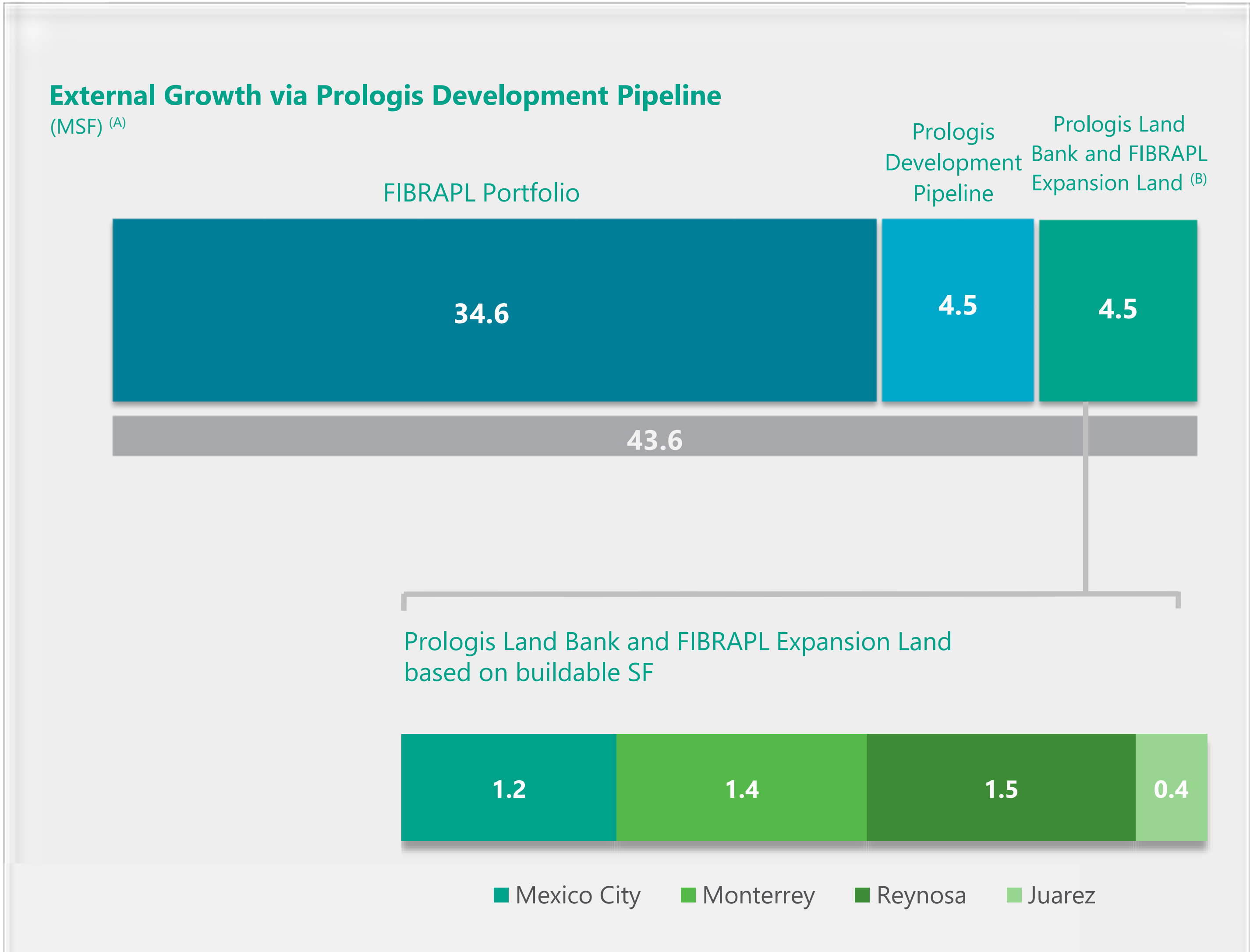
(% Net Effective Rent)



(A) Data as of December 31, 2017. The shading represents customers who are also customers of FIBRA Prologis.

Sponsor

Identified External Growth Pipeline



- 26% growth potential in the next 3 to 4 years
- Proprietary access to Prologis development pipeline at market values
- Exclusive right to third-party acquisitions sourced by Prologis
- Prologis Development Pipeline:

	GLA (MSF)	% Leased
Mexico City	2.9	80%
Guadalajara	0.5	89%
Monterrey	0.9	89%
Ciudad Juarez	0.2	0%
Total	**4.5**	**79%**

(A) Million square feet as of December 31, 2017.
(B) Based on buildable square feet

Notes and Definitions

Tres Rios #9, Mexico

Please refer to our financial statements as prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and filed with the Mexican National Banking and Securities Commission (Comision Nacional Bancaria y de Valores ("CNBV")) and other public reports for further information about us and our business.

Acquisition costs, as presented for building acquisitions, represents economic cost. This amount includes the building purchase price plus 1) transaction closing costs, 2) due diligence costs, 3) immediate capital expenditures (including two years of property improvements and all leasing commissions and tenant improvements required to stabilize the property), 4) the effects of marking assumed debt to market and 5) the net present value of free rent, if applicable.

Adjusted EBITDA. We use Adjusted EBITDA, a non-IFRS financial measure, as a measure of our operating performance. The most directly comparable IFRS measure to Adjusted EBITDA is net income (loss). We calculate Adjusted EBITDA beginning with net income (loss) and removing the effect of financing cost, income taxes, similar adjustments we make to our FFO measure (see definition below), such as incentive fee paid in CBFIs. We also include a pro forma adjustment to reflect a full period of NOI on the operating properties we acquire or stabilize during the quarter and remove NOI on properties we dispose of during the quarter, to assume all transaction occurred at the beginning of the quarter.

We believe Adjusted EBITDA provides investors relevant and useful information because it permits investors to view our operating performance, analyze our ability to meet interest payment obligations and make CBFI distributions on an unleveraged basis before the effects of income tax, non-cash amortization expense, gains and losses on the disposition of investments in real estate, unrealized gains or losses from the mark-to-market adjustment to investment properties and revaluation from Pesos into our functional currency of the U.S. dollar, and other items (outlined above) that affect comparability in both the real estate industry and other industries. While not infrequent or unusual in nature, these items result from market fluctuations that can have inconsistent effects on our results of operations. The economics underlying these items reflect market and financing conditions in the short-term but can obscure our performance and the value of our long-term investment decisions and strategies.

While we believe Adjusted EBITDA is an important measure, it should not be used alone because it excludes significant components of our net income (loss), such as our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements, contractual commitments or interest and principal payments on our outstanding debt and is therefore limited as an analytical tool.

Our computation of Adjusted EBITDA may not be comparable to EBITDA reported by other companies. We compensate for the limitations of Adjusted EBITDA by providing investors with financial statements prepared according to IFRS, along with this detailed discussion of Adjusted EBITDA and a reconciliation to Adjusted EBITDA from net income (loss), an IFRS measurement.

Calculation Per CBFI Amounts is as follows:

in thousands, except per share amounts	For the three months ended December 31,				For the year ended December 31,			
	2017		2016		2017		2016	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Earnings								
Net income	777,849	42,734	671,287	34,128	1,567,961	85,340	1,838,539	99,852
Weighted average CBFIs outstanding - Basic and Diluted	638,863	638,863	634,480	634,480	636,749	636,749	634,480	634,480
(Loss) earnings per CBFI- Basic and Diluted	1.2176	0.0669	1.0580	0.0538	2.4624	0.1340	2.8977	0.1574
FFO								
FFO, as modified by FIBRA Prologis	460,557	26,006	526,973	26,853	1,851,479	98,147	1,925,370	105,189
Weighted average CBFIs outstanding - Basic and Diluted	638,863	638,863	634,480	634,480	636,749	636,749	634,480	634,480
FFO per CBFI – Basic and Diluted	0.7209	0.0407	0.8306	0.0423	2.9077	0.1541	3.0346	0.1658
FFO, as modified by FIBRA Prologis excluding incentive fee	460,557	26,006	526,973	26,853	1,990,641	105,621	1,925,370	105,189
Weighted average CBFIs outstanding - Basic and Diluted	638,863	638,863	634,480	634,480	636,749	636,749	634,480	634,480
FFO per CBFI excluding incentive Fee	0.7209	0.0407	0.8306	0.0423	3.1263	0.1659	3.0346	0.1658

Debt Metrics. See below for the detailed calculations for the respective period:

In thousands	For the three months ended December 31, 2017		September 30, 2017	
	Ps.	US$	Ps.	US$
Debt, less cash and VAT, as a % of investment properties				
Total debt - at par	14,988,603	759,478	13,285,220	730,042
Less: cash	(371,364)	(18,817)	(348,395)	(19,146)
Less: VAT receivable	(23,782)	(1,205)	0	0
Total debt, net of adjustments	14,593,457	739,456	12,936,825	710,896
Investment properties	43,932,382	2,226,070	39,500,726	2,167,020
Debt, less of cash and VAT, as a % of investment	33.2%	33.2%	32.8%	32.8%
Fixed Charge Coverage ratio:				
Adjusted EBITDA	641,940	35,586	622,249	35,012
Fixed charges - interest expense	161,980	8,559	132,139	7,396
Fixed charge coverage ratio	3.96x	4.16x	4.71x	4.73x
Debt to Adjusted EBITDA:				
Total debt, net of adjustments	14,593,457	739,456	12,936,825	710,896
Adjusted EBITDA annualized	2,567,759	142,343	2,488,996	140,048
Debt to Adjusted EBITDA ratio	5.68x	5.19x	5.20x	5.08x

FFO; FFO, as modified by FIBRA Prologis; AFFO (collectively referred to as "FFO"). FFO is a non-IFRS financial measure that is commonly used in the real estate industry. The most directly comparable IFRS measure to FFO is net income.

The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as earnings computed under U.S. generally accepted accounting principles ("U.S. GAAP") to exclude historical cost depreciation and gains and losses from the sales of previously depreciated properties. As we are required to present our financial information per IFRS, our "NAREIT defined FFO" uses net income computed under IFRS rather than U.S. GAAP. The significant differences between IFRS and U.S. GAAP include depreciation, which is not included in IFRS and therefore we exclude gains and losses from the sale of real estate even though it was not depreciated and the mark-to-market adjustment for the valuation of investment properties, which is included in the adjustments to derive FFO, as modified by FIBRA Prologis (see below).

Our FFO Measures

Our FFO measures begin with NAREIT's definition and we make certain adjustments to reflect our business and the way that management plans and executes our business strategy. While not infrequent or unusual, the additional items we adjust for in calculating *FFO, as modified by FIBRA Prologis* and AFFo, as defined below, are subject to significant fluctuations from period to period. Although these items may have a material impact on our operations and are reflected in our financial statements, the removal of the effects of these items allows us to better understand the core operating performance of our properties over the long team. These items have both positive and negative short-term effects on our results of operations in inconsistent and unpredictable directions that are not relevant to our long-term outlook.

These FFO measures are used by management as supplemental financial measures of operating performance and we believe that it is important that holders of CBFIs, potential investors and financial analysts understand the measures management uses. We do not use our FFO measures as, nor should they be considered to be, alternatives to net income computed under IFRS, as indicators of our operating performance, as alternatives to cash from operating activities computed under IFRS or as indicators of our ability to fund our cash needs.

FFO, as modified by FIBRA Prologis

To arrive at *FFO, as modified by FIBRA Prologis*, we adjust the NAREIT defined FFO measure to exclude:
(i) mark-to-market adjustments for the valuation of investment properties;
(ii) foreign currency exchange gains and losses from the remeasurement (based on current foreign currency exchange rates) of assets and liabilities denominated in Pesos;
(iii) income tax expense related to the sale of real estate;
(iv) gains or losses from the early extinguishment of debt; and
(v) Unrealized loss on exchange rate forwards
(vi) expenses related to natural disasters.

We use *FFO, as modified by FIBRA Prologis* to: (i) assess our operating performance as compared to similar real estate companies and the industry in general, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods, relative to resource allocation decisions; (iii) evaluate the performance of our management; (iv) budget and forecast future results to assist in the allocation of resources; (v) provide guidance to the financial markets to understand our expected operating performance; and (v) evaluate how a specific potential investment will impact our future results.

AFFO

To arrive at AFFO, we adjust *FFO, as modified by FIBRA Prologis* to further exclude (i) straight-line rents; (ii) recurring capital expenditures; (iii) amortization of debt premiums (including write-off of premiums) and discounts and financing cost, net of amounts capitalized; and (iv) incentive fees paid in CBFIs.

We use AFFO to (i) assess our operating performance as compared to similar real estate companies and the industry in general, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods, relative to resource allocation decisions, (iii) evaluate the performance of our management, (iv) budget and forecast future results to assist in the allocation of resources, and (v) evaluate how a specific potential investment will impact our future results.

We analyze our operating performance primarily by the rental revenue of our real estate, net of operating, administrative and financing expenses. This income stream is not directly impacted by fluctuations in the market value of our investments in real estate or debt securities. Although these items discussed above have had a material impact on our operations and are reflected in our financial statements, the removal of the effects of these items allows us to better understand the core operating performance of our properties over the long term.

We use FFO, as modified by FIBRA Prologis and AFFO to: (i) evaluate our performance and the performance of our properties in comparison to expected results and results of previous periods, relative to resource allocation decisions; (ii) evaluate the performance of our management; (iii) budget and forecast future results to assist in the allocation of resources; (iv) provide guidance to the financial markets to understand our expected operating performance; (v) assess our operating performance as compared to similar real estate companies and the industry in general; and (vi) evaluate how a specific potential investment will impact our future results. Because we make decisions with regard to our performance with a long-term outlook, we believe it is appropriate to remove the effects of items that we do not expect to affect the underlying long-term performance of the properties we own. As noted above, we believe the long-term performance of our properties is principally driven by rental revenue. We believe investors are best served if the information that is made available to them allows them to align their analysis and evaluation of our operating results along the same lines that our management uses in planning and executing our business strategy.

Limitations on the use of our FFO measures
While we believe our FFO measures are important supplemental measures, neither NAREIT's nor our measures of FFO should be used alone because they exclude significant economic components of net earnings computed under IFRS and are, therefore, limited as an analytical tool. Accordingly, these are only a few of the many measures we use when analyzing our business. Some of these limitations are:

- Amortization of real estate assets are economic costs that are excluded from FFO. FFO is limited, as it does not reflect the cash requirements that may be necessary for future replacements of the real estate assets. Furthermore, the amortization of capital expenditures and leasing costs necessary to maintain the operating performance of industrial properties are not reflected in FFO.

- Mark-to-market adjustments to the valuation of investment properties and gains or losses from property acquisitions and dispositions represent changes in value of the properties. By excluding these gains and losses, FFO does not capture realized changes in the value of acquired or disposed properties arising from changes in market conditions.
- The foreign currency exchange gains and losses that are excluded from our modified FFO measures are generally recognized based on movements in foreign currency exchange rates through a specific point in time. The ultimate settlement of our foreign currency-denominated net assets is indefinite as to timing and amount. Our FFO measures are limited in that they do not reflect the current period changes in these net assets that result from periodic foreign currency exchange rate movements.
- The current income tax expenses that are excluded from our modified FFO measures represent the taxes that are payable.
- The gains and losses on extinguishment of debt that we exclude from our defined FFO measures may provide a benefit or cost to us as we may be settling our debt at less or more than our future obligation.
- The natural disaster expenses that we exclude from our defined FFO measures are costs that we have incurred.

We compensate for these limitations by using our FFO measures only in conjunction with net income computed under IFRS when making our decisions. This information should be read with our complete consolidated financial statements prepared under IFRS. To assist investors in compensating for these limitations, we reconcile our FFO measures to our net income computed under IFRS.

Fixed Charge Coverage is a non-IFRS financial measure we define as Adjusted EBITDA divided by total fixed charges. Fixed charges consist of net interest expense adjusted for amortization of finance costs and debt discount (premium) and capitalized interest. We use fixed charge coverage to measure our liquidity. We believe that fixed charge coverage is relevant and useful to investors because it allows fixed income investors to measure our ability to make interest payments on outstanding debt and make dividends to holders of our CBFIs. Our computation of fixed charge coverage may not be comparable to fixed charge coverage reported by other companies and is not calculated in accordance with applicable regulatory rules.

Incentive Fee an annual fee payable under the management agreement to Manager when cumulative total CBFI holder returns exceed an agreed upon annual expected return, payable in CBFIs.

Market Classification

- **Global Markets** include the logistics markets of Mexico City, Guadalajara and Monterrey. These markets feature large population centers with high per-capita consumption and are located near major seaports, airports, and ground transportation systems.
- **Regional Markets** include the manufacturing markets of Tijuana, Reynosa and Ciudad Juarez. These markets benefit from large population centers but typically are not as tied to the global supply chain, but rather serve local consumption and are often less supply constrained.

Net Effective Rent ("NER") is calculated at the beginning of the lease using estimated total cash (including base rent and expense reimbursements) to be received over the term and annualized. The per square foot number is calculated by dividing the annualized net effective rent by the occupied square feet of the lease.

Net Effective Rent Change represents the change in NER on new and renewed leases signed during the period as compared with the previous NER in that same space.

Net Operating Income ("NOI") is a non-IFRS financial measure used to evaluate our operating performance and represents rental income less rental expenses.

Operating Portfolio includes stabilized industrial properties.

Property Improvements are the addition of permanent structural improvements or the restoration of a building's or property's components that will either enhance the property's overall value or increase its useful life. Property improvements are generally independent of any particular lease as part of general upkeep over time (but may be incurred concurrent with a lease commitment).

Retention is the square footage of all leases rented by existing tenants divided by the square footage of all expiring and rented leases during the reporting period, excluding the square footage of tenants that default or buy-out prior to expiration of their lease, short-term tenants and the square footage of month-to-month leases.

Same Store. We evaluate the operating performance of the operating properties we own using a "Same Store" analysis because the population of properties in this analysis is consistent from period to period, which eliminates the effects of changes in the composition of the portfolio. We have defined the same store portfolio, for the three months ended December 31, 2017, as those properties that were owned by FIBRA Prologis as of January 1, 2016 and have been in operations throughout the same three-month periods in both 2016 and 2017. We removed all properties that were disposed of to a third party from the population for both periods. We believe the factors that affect rental income, rental expenses and NOI in the Same Store portfolio are generally the same as for the total operating portfolio.

Our Same Store measure is a non-IFRS financial measure that is commonly used in the real estate industry and is calculated beginning with rental income and rental expenses from the financial statements prepared in accordance with IFRS. It is also common in the real estate industry and expected from the analyst and investor community that these numbers also be adjusted to remove certain non-cash items included in the financial statements prepared in accordance with IFRS to reflect a cash Same Store number, such as straight line rent adjustments. As this is a non-IFRS measure, it has certain limitations as an analytical tool and may vary among real estate companies.

As a result, we provide a reconciliation from our financial statements prepared in accordance with IFRS to Same Store NOI with explanations of how these metrics are calculated.

The following is a reconciliation of our rental income, rental expense and NOI, as included in the Statements of Comprehensive Income, to the respective amounts in our Same Store portfolio analysis:

in thousands of U.S. Dollars	For the three months ended December 31, 2017	2016	Change (%)
Rental income			
Per the statements of comprehensive income	47,354	45,428	
Properties not included in same store and other adjustments (a)	(3,300)	(2,364)	
Direct Billables Revenues from Properties incl same store pool	2,112	1,291	
Straight-lined rent	(655)	(1,080)	
Same Store - Rental income- adjusted cash	**45,511**	**43,275**	**5.2%**
Rental expense			
Per the statements of comprehensive income	5,539	6,006	
Properties not included in same store and other adjustments	(81)	(221)	
Direct Billables Expenses from Properties incl same store pool	2,112	1,291	
Same Store - Rental expense adjusted cash	**7,570**	**7,076**	**7.0%**
NOI			
Per the statements of comprehensive income	41,815	39,422	
Properties not included in same store	(3,219)	(2,143)	
Straight-lined rent	(655)	(1,080)	
Same Store - NOI - adjusted cash	**37,941**	**36,199**	**4.8%**
Straight-lined rent from properties included in same store	550	881	
Same Store NOI	**38,491**	**37,111**	**3.7%**

a) To calculate Same Store rental income, we exclude the net termination and renegotiation fees to allow us to evaluate the growth or decline in each property's rental income without regard to one-time items that are not indicative of the property's recurring operating performance.

Same Store Average Occupancy represents the average occupied percentage of the Same Store portfolio for the period.

Stabilization is defined when a property that was developed has been completed for one year or is 90% occupied. Upon stabilization, a property is moved into our Operating Portfolio.

Stabilized NOI is equal to the estimated twelve months of potential gross rental revenue (base rent, including above or below market rents plus operating expense reimbursements) multiplied by 95% to adjust income to a stabilized vacancy factor of 5%, minus estimated operating expenses.

Tenant Improvements are the costs to prepare a property for lease to a new tenant or release to an existing tenant. Tenant improvements are reasonably expected to provide benefit beyond the lease term of the pending lease for future tenants, and are generally deemed to be consistent with comparable buildings in the market place.

Total Expected Investment ("TEI") represents total estimated cost of development or expansion, including land, development and leasing costs. TEI is based on current projections and is subject to change.

Turnover Costs represent the obligations incurred in connection with the signing of a lease, including leasing commissions and tenant improvements. Tenant improvements include costs to prepare a space for a new tenant and for a lease renewal with the current tenant. It excludes costs to prepare a space that is being leased for the first time (i.e. in a new development property).

Weighted Average Stabilized Capitalized ("Cap") Rate is calculated as Stabilized NOI divided by the Acquisition Cost.