Corporación Inmobiliaria Vesta, S. A.B. de C. V. and Subsidiaries

Unaudited Condensed Consolidated Interim Statements of Financial Position

As of March 31, 2013 and December 31, 2012
(In US dollars)

Assets	**Note**	**31/03/2013 (Unaudited)**	**31/12/2012**
Current assets:			
Cash and cash equivalents	4	$ 38,917,076	$ 36,947,094
Financial assets held for trading	5	103,115,894	120,345,021
Recoverable taxes	6	14,014,032	10,412,489
Operating lease receivables – Net	7	4,311,711	4,285,002
Prepaid expenses		373,060	-
Total current assets		160,731,773	171,989,606
Non-current assets:			
Investment property	8	782,718,711	744,761,666
Office furniture – Net		326,196	297,840
Guarantee deposits made		2,775,148	2,773,832
Total non-current assets		785,820,055	747,833,338
Total assets		$ 946,551,828	$ 919,822,944
Liabilities and stockholders' equity			
Current liabilities:			
Current portion of long-term debt	9	$ 8,729,415	$ 9,834,497
Accrued interest		2,554,321	3,371,482
Accounts payable		358,729	1,037,044
Income tax payable		265,237	2,429,104
Accrued expenses		347,577	300,518
Dividends payable		10,468,173	-
Total current liabilities		22,723,452	16,972,645
Non-current liabilities:			
Long-term debt	9	315,796,409	318,027,750
Guarantee deposits received		5,177,955	5,077,934
Deferred income taxes	13	63,232,414	62,516,445
Total non-current liabilities		384,206,778	385,622,129
Total liabilities		406,930,230	402,594,774
Litigation and other contingencies	15		
Stockholders' equity:			
Capital stock	10	286,868,218	286,868,218
Additional paid-in capital		101,900,964	101,900,964
Retained earnings		151,832,955	125,299,684
Foreign currency translation		(980,539)	3,159,304
Total stockholders' equity		539,621,598	517,228,170
Total liabilities and stockholders' equity		$ 946,551,828	$ 919,822,944

See accompanying notes to unaudited condensed consolidated interim financial statements.

Corporación Inmobiliaria Vesta, S. A. de C. V. and Subsidiaries

Unaudited Condensed Consolidated Interim Statements of profit or loss and other comprehensive income

For the three months ended March 31, 2013 and 2012
(In US dollars)

	Note	Three months ended 31/03/2013	Three months ended 31/03/2012
Revenues:			
Rental income		$ 13,916,061	$ 13,269,748
Property operating cost	12.1	(1,665,262)	(1,902,755)
Gross profit		12,250,799	11,366,993
Administration expenses	12.2	(1,339,456)	(398,878)
Depreciation		(12,046)	(12,656)
Other Income and Expenses:			
Interest Income		1,499,652	7,118
Other gains (losses)		1,387	(2,399)
Interest expense		(5,884,420)	(6,082,775)
Exchange gain		8,882,534	3,688,369
Gain on revaluation of investment property	8	22,465,407	8,246,700
Total other income		26,964,560	5,857,013
Profit before income taxes		37,863,857	16,812,472
Income tax expense	13	(862,413)	(623,779)
Profit for the period		37,001,444	16,188,693
Other comprehensive loss – items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating other functional currency operations		(4,139,843)	(3,830,833)
Total comprehensive for the period		$ 32,861,601	$ 12,357,860
Basic and diluted earnings per share		$ 0.09	$ 0.07

See accompanying notes to unaudited condensed consolidated interim financial statements.

Corporación Inmobiliaria Vesta, S. A. de C. V. and Subsidiaries

Unaudited Condensed Consolidated Interim Statements of Changes in Stockholders' Equity

For the three months ended March 31, 2013 and 2012
(In US dollars)

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Foreign Currency Translation	Total Stockholders' Equity
Balances as of January 1, 2012	$ 167,975,675	$ -	$ 94,251,285	$ 2,337,137	$ 264,564,097
Comprehensive income	-	-	16,188,693	(3,830,833)	12,357,860
Balances as of March 31, 2012	$ 167,975,675	$ -	$ 110,439,978	$ (1,493,696)	$ 276,921,957
Balances as of January 1, 2013	$ 286,868,218	$ 101,900,964	$ 125,299,684	$ 3,159,304	$ 517,228,170
Dividends declared	-	-	(10,468,173)	-	(10,468,173)
Comprehensive income	-	-	37,001,444	(4,139,843)	32,861,601
Balances as of March 31, 2013	$ 286,868,218	$ 101,900,964	$ 151,832,955	$ (980,539)	$ 539,621,598

See accompanying notes to unaudited condensed consolidated interim financial statements.

Corporación Inmobiliaria Vesta, S. A. de C. V. and Subsidiaries

Unaudited Condensed Consolidated Interim Statements of Cash Flows

For the three months ended March 31, 2013 and 2012
(In US dollars)

	Three months ended 31/03/2013	Three months ended 31/03/2012
Cash flows from operating activities:		
Profit before income taxes	$ 37,863,857	$ 16,812,472
Adjustments:		
Depreciation	12,046	12,656
Gain on revaluation of investment property	(22,465,407)	(8,246,700)
Effect of foreign exchange rates	(8,003,888)	(3,688,369)
Interest income	(1,499,652)	(7,118)
Interest expense	5,884,420	6,082,775
Working capital adjustments:		
(Increase) decrease in:		
Operating lease receivables – Net	(26,709)	2,006,850
Recoverable taxes	(3,601,543)	198,884
Prepaid expenses	(373,060)	-
Guarantee deposits made	(1,316)	(2,029)
Increase (decrease) in:		
Due to related parties	-	(1,279,335)
Accounts payable	(678,315)	557,365
Guarantee deposits received	100,021	21,451
Accrued expenses	47,059	48,558
Income taxes paid	(2,310,311)	-
Net cash generated by operating activities	4,947,202	12,517,460
Cash flows from investing activities:		
Acquisition of investment property	(15,491,638)	(4,295,412)
Financial assets held for trading	23,424,656	-
Acquisition of office furniture	(28,507)	-
Interest received	1,166,000	7,118
Net cash used in investing activities	9,070,511	(4,288,294)
Cash flows from financing activities:		
Proceeds from borrowings	-	2,668,171
Repayments of borrowings	(3,336,423)	(2,741,545)
Interest paid	(6,701,581)	(6,879,646)
Dividends paid	-	(1,078,886)
Net cash used in financing activities	(10,038,004)	(8,031,906)
Effects of exchange rates changes on cash	(2,009,727)	(190,781)
Net increase in cash and cash equivalents	1,969,982	6,479
Cash and cash equivalents at the beginning of period	36,947,094	4,848,250
Cash and cash equivalents at the end of period	$ 38,917,076	$ 4,854,729

See accompanying notes to unaudited condensed consolidated interim financial statements.

1. General information and significant events

Corporación Inmobiliaria Vesta, S. A.B. de C. V. ("Vesta") is a corporation incorporated in Mexico. The address of its registered office and principal place of business is Bosques de Ciruelos 304, 7^{th} floor, Mexico City.

Vesta and subsidiaries (collectively, the "Company") are engaged in the development, acquisition and operation of industrial buildings and distribution facilities that are rented to corporations in eleven states throughout Mexico. The Company does not have employees and receives all its administrative services from a related party.

On July 25, 2012, the Company issued equity through an initial public offering of shares in the Mexican stock market becoming a Listed Corporation (Sociedad Anonima Bursatil), under the Securities and Exchange Act in México so it denomination became Corporación Inmobiliaria Vesta, Sociedad Anónima Bursátil de Capital Variable, (S. A. B. de C. V.).

On August 1, 2012, , the Company's newly incorporated subsidiary, Vesta Management S.C., hired all of the former employees and executives of Desarrolladora Vesta, S. de R.L. de C.V., a related party, that until such date provided management services to Vesta. This subsidiary will incur employee benefits, other employee related expenses and employee retirement and postemployment obligations that were formerly paid to Desarrolladora Vesta by the Company.

2. Significant accounting policies

2.1 *Basis of preparation*

The accompanying unaudited condensed consolidated interim financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, on a historical cost basis, except for investment properties and financial instruments, both of which are measured at fair value, as permitted by International Financial Reporting Standards ("IFRS"). Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2.2 *Interim financial condensed statements*

The accompanying condensed consolidated interim financial statements as of March 31, 2013 and for the three months ended March 31, 2013 and 2012 have not been audited. In the opinion of Company management, all adjustments (consisting mainly of ordinary, recurring adjustments) necessary for a fair presentation of the accompanying condensed consolidated interim financial statements are included. The results of the periods are not necessarily indicative of the results for the full year. These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company and their respective notes for the year ended December 31, 2012.

The accounting policies and methods of computation are consistent with the audited consolidated financial statements for the year ended December 31, 2012, except for what it is mentioned in note 3.

2.3 *Basis of consolidation*

The condensed consolidated interim financial statements include the financial statements of Vesta and entities (including special purpose entities) controlled by Vesta (its subsidiaries). The Company has control over an entity when it is exposed, or has rights, to variable returns from its involvement with such entity and it has the ability to affect those returns through its power over the entity.

	Ownership percentage		**Activity**
Subsidiary / entity	**31/12/12**	**31/12/11**	
QVC, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
QVC II, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
WTN Desarrollos Inmobiliarios de México, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
Vesta Baja California, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
Vesta Bajio, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
Vesta Queretaro, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
Proyectos Aeroespaciales, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
CIV Infraestructura, S. de R.L. de C.V. ("CIV Infraestructura")	99.99%	99.99%	Holds investment properties
Vesta Management, S.C. (1)	99.99%	-	Provides administrative services to the Company
Vesta DSP, S. de R. L. de C.V.	99.99%	-	Holds investment properties

All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

(1) Vesta Management, S.C. was incorporated as a subsidiary of the Company as of August 1, 2012.

(2) Vesta DSP, S. de R. L. de C. V. was incorporated as a subsidiary of the Company as of January 1, 2013.

3. Application of new and revised International Financial Reporting Standards (IFRSs)

3.1. Amendments to IFRSs affecting presentation and disclosure only

a. *Amendments to IAS 1 Presentation of Items of Other Comprehensive Income* – The Company has applied the amendments which introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed the 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed the 'statement of profit or loss'. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively.

   IAS 1 - The Company has applied the amendments to IAS 1 as part of the Annual Improvements to IFRSs 2009-2011 Cycle in advance of the effective date.

   IAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to IAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

b. *IAS 19 Employee Benefits* - The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

c. *New and revised Standards on consolidation, joint arrangements, associates and disclosures* - In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

   Key requirements of these five Standards are described below.

   IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation – Special Purpose Entities will be withdrawn upon the effective date of IFRS 10. Under IFRS 10, there is only one basis for consolidation, that is, control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's return. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 Interests in Joint Ventures. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers will be withdrawn upon the effective date of IFRS 11. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportional consolidation.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

In June 2012, the amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the application of these IFRSs for the first time.

d. *IFRS 13 Fair Value Measurement* - IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

e. *Amendments to IFRS 7 and IAS 32 Offsetting Financial Assets and Financial Liabilities and the related disclosures* – The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

f. *Annual Improvements to IFRSs 2009 – 2011 Cycle issued in May 2012* – The Annual Improvements to IFRSs 2009 – 2011 Cycle include a number of amendments to various IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to IFRSs include:

- amendments to IAS 16 Property, Plant and Equipment; and
- amendments to IAS 32 Financial Instruments: Presentation.

Amendments to IAS 16 - The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise. The directors do not anticipate that the amendments to IAS 16 will have a significant effect on the Group's consolidated financial statements.

Amendments to IAS 32 - The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 Income Taxes. The directors anticipate that the amendments to IAS 32 will have no effect on the Group's consolidated financial statements as the Group has already adopted this treatment.

3.2. New and revised IFRSs issued but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7 Mandatory Effective Date of IFRS 9 and Transition Disclosures[3]

Amendments to IFRS 10, IFRS 11 Consolidated Financial Statements, Joint Arrangements and and IFRS 12 Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities[2]

1 Effective for annual periods beginning on or after 1 January 2013.
2 Effective for annual periods beginning on or after 1 January 2014.
3 Effective for annual periods beginning on or after 1 January 2015.

At the date of these consolidated financial statements, the Company has not fully assessed the effects of adopting these new standards on its financial information but management believes that their adoption will not have a material impact on its financial position or the results of its operations.

4. Cash and cash equivalents

For purposes of the unaudited condensed consolidated interim statements of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the unaudited condensed consolidated interim statements of cash flows can be reconciled to the related items in the unaudited condensed consolidated statements of financial position as follows:

	31/03/2013 (Unaudited)	31/12/2012
Cash and bank balances	$ 14,126,418	$ 3,972,805
Cash equivalents	20,551,862	26,208,428
Restricted cash	4,238,796	6,765,861
	$ 38,917,076	$ 36,947,094

Restricted cash represents balances held by the Company that are only available for use under certain conditions pursuant to the loan agreements entered into by the Company. Such conditions include payment of monthly debt service and compliance with certain covenants set forth in the loan agreement.

5. Financial assets held for trading

The portfolio of financial assets that the Company has classified as held for trading relates to investments used by the Company to manage it cash surplus. Such financial assets were acquired in active markets and are the principally comprised of investment funds with no maturity date and which mainly invest in AAA debt instruments, such as government bonds.

6. Recoverable taxes

	31/03/2013 (Unaudited)	31/12/2012
Recoverable value-added tax (“VAT”)	$ 11,169,563	$ 8,233,933
Recoverable taxes other than VAT	2,844,469	2,178,556
	$ 14,014,032	$ 10,412,489

7. Operating lease receivables

7.1 The aging profile of operating lease receivables as of the dates indicated below are as follows:

	31/03/2013 (Unaudited)	31/12/2012
0-30 days	$ 4,042,895	$ 3,960,900
30-60 days	259,752	263,738
60-90 days	7,231	58,549
Over 90 days	1,833	1,815
Total	$ 4,311,711	$ 4,285,002

7.2 Client concentration risk

As of March 31, 2013, one of the Company's client accounts for 71% or $3,056,225 of the total operating lease receivable balance. The same client accounted for $2,901,894 or 67% of the total balance of the operating lease receivables as of December 31, 2012, under the lease agreement entered with such customer lease payments are invoiced every six months in arrears in June and December and they are payable in the first half of the following month after issuing the invoice.

8. Investment property

The Company uses external appraisers in order to determine the fair value for all of its investment properties. The independent appraisers, which hold recognized and relevant professional qualifications and have vast experience in the types of investment properties, owned by the Company, use valuation techniques such as the discounted cash flows approach, replacement cost approach and income cap rate approach. The techniques used include assumptions, the majority of which are not directly observable in the market, to estimate the fair value of the Company's investment properties such as discount rates, capitalization rates and occupancy rates.

The values determined by the external appraisers are recognized as the fair value of the Company's investment properties at the end of each reporting period. On an annual basis, the appraisers use a discounted cash flow approach to determine the fair value of land and buildings and a replacement cost approach to determine the fair value of land reserves.

As of March 31, 2013 and 2012, the Company obtained an updated valuation for its investment properties from the external appraiser. Using the appraisal obtained as of December 31, 2012 y 2011, respectively, underlying data and significant assumptions included therein were analyzed and updated for significant changes that occurred during the three months ended March 31, 2013 and 2012.

Gains or losses arising from changes in the fair values are included in the consolidated statements of comprehensive income in the period in which they arise.

The table below sets forth the aggregate values of the Company's investment properties for the dates indicated:

	31/03/2013 (Unaudited)	31/12/2012
Buildings and land	$ 749,000,000	$ 712,000,000
Land reserves	48,100,000	50,220,000
	797,100,000	762,220,000

Add (deduct):		
Construction in-progress (cost to complete construction in-progress)	(14,381,289)	(17,458,334)
Balance at end of period	$ 782,718,711	$ 744,761,666

The reconciliation of investment property is as follows:

	31/03/2013 (Unaudited)	**31/12/2012**
Balance at beginning of period	$ 744,761,666	$ 658,900,000
Additions	15,491,638	64,026,374
Gain on revaluation of investment property	22,465,407	21,835,292
Balance at end of period	$ 782,718,711	$ 744,761,666

The gain on revaluation of investment property is driven by changes in: 1) discount rates used to calculate the fair value, 2) occupancy rates, 3) new operating leases entered into by the Company as well as changes in the market-related assumptions used to determine the fair value of the land reserves and land under development.

As of March 31, 2013 and December 31, 2012, the Company's investment properties have a gross leasable area of 12,051,927 square feet (1,119,661 square meters) and 12,047,896 square feet (1,119,286 square meters), respectively and they were 90.11% and 89.1%, respectively, occupied by tenants. As of March 31, 2013 and December 31, 2012, investment properties with a gross leasable area of 1,351,416 square feet (or 125,550 square meters) and 864,698 square feet (or 80,333 square meters), respectively equivalent to 11.21% and 6.53%, respectively, of the Company's total leasable area were under construction.

Most of the Company's investment properties have been pledged as collateral to secure its long-term debt.

9. Long-term debt

Long-term debt is represented by the following notes payable to GE Real Estate de México, S. de R. L. de C. V. (“GERE”):

Issue date	Original amount	Annual interest rate	Monthly amortization	Maturity	31/03/2013 Unaudited	31/12/2012
September 2003	7,637,927	6.60%	$ 23,016	August 2016	$ 5,427,353	$ 5,496,401
April 2005	2,000,000	7.58%	6,603	August 2016	1,516,136	1,535,945
August 2005	6,300,000	6.19%	20,838	August 2016	4,828,188	4,890,702
August 2005	14,500,000	6.57%	46,762	August 2016	11,143588	11,283,874
November 2005	32,000,000	7.03%	254,787*	August 2016	22,591,535	23,589,935
March 2006	15,000,000	7.19%	46,353	August 2016	11,760,676	11,899,735
July 2006	50,000,000	8.63%	-	August 2016	50,000,000	50,000,000
July 2006	12,000,000	7.66%	30,427	August 2016	11,420,428	11,511,709
September 2006	10,800,000	6.57%	19,440	August 2016	9,606,330	9,664,650
October 2006	8,300,000	6.75%	14,940	August 2016	7,382,642	7,427,462
November 2006	12,200,000	8.65%	34,013	August 2016	8,910,021	9,012,060
November 2006	28,091,497	7.05%	24,325	August 2016	12,157,287	12,230,262
May 2007	6,540,004	6.58%	11,772	August 2016	5,868,660	5,903,976
September 2007	8,204,039	6.72%	14,767	August 2016	7,400,315	7,444,616
April 2008	32,811,066	6.10%	64,531	August 2016	30,667,589	30,861,183
April 2008	867,704	7.25%	3,282	August 2016	1,559,668	1,569,514
April 2008	7,339,899	7.25%	171,138*	August 2016	12,622,993	12,782,938
August 2008	3,372,467	4.60%	10,431	August 2016	4,957,383	4,988,675
August 2008	6,286,453	7.25%	12,397	August 2016	5,891,731	5,928,923
April 2009	19,912,680	6.10%	42,599	August 2016	17,393,580	17,521,377
December 2009	30,000,000	8.65%	110,261	August 2016	26,279,600	26,610,383
July 2011	19,768,365	6.60%	79,480	August 2016	18,260,245	18,498,688
July 2011	27,960,333	7.58%	84,546	August 2016	26,349,321	26,602,959
July 2011	5,000,000	6.15%	11,627	August 2016	4,786,699	4,821,580
August 2011 (1)	5,918,171	5.80%	14,153	August 2016	5,743,856	5,784,700
					324,525,824	327,862,247
Less: Current portion					(8,729,415)	(9,834,497)
					$ 315,796,409	$ 318,027,750

* These notes payable have semi-annual payments.

Most of the Company's investment properties and rental payments derived from the lease agreements relating to such investment properties have been pledged as collateral to secure the loans under the Company's credit agreement with GERE. Additionally, without the written consent of GERE, the Company may not directly or indirectly, sell, convey, mortgage, pledge or assign all or part of the rights it has on the whole or any part of its existing properties.

The GERE credit agreement requires the Company to maintain certain financial ratios (such as Cash-on-Cash and debt service coverage ratios) and to comply with certain affirmative and negative covenants. The Company was in compliance with covenants under the GERE credit agreement as of March 31, 2013 and December 31, 2012.

The credit agreement also entitles GERE to withhold certain amounts deposited by the Company in a separate fund as guarantee deposits for the debt service and maintenance of the Company's investment properties. Such amounts are presented as guarantee deposits assets in the statement of financial position.

Scheduled maturities and periodic amortization of long-term debt as of March 31, 2013 are as follows:

As of March 31, 2014	$ 8,729,415
As of March 31, 2015	8,324,839
As of March 31, 2016	8,776,048
As of August 1, 2016	298,695,522
	$ 324,525,824

10. Capital stock

10.1 Capital stock as of March 31, 2013 and December 31, 2012 is as follows:

	Number of shares	Amount
Fixed capital		
Series A	5,000	$ 3,696
Variable capital		
Series B	392,873,351	286,864,522
Total	392,878,351	$ 286,868,218

Stockholders' equity, except restated paid-in capital and tax retained earnings will be subject to income tax payable by the Company at the rate in effect upon distribution. Any tax paid on such distribution may be credited against annual and estimated income taxes of the year in which the tax on dividends is paid and the following two fiscal years.

Pursuant to a resolution of the general extraordinary stockholders meeting on July 17, 2012, variable capital stock was increased in 7,762,761 shares equivalent to $581,702.

On July 25, 2012, the Company listed its shares in the Mexican Stock Exchange through an initial public offering. At the same time, the Company issued a total of 139,355,000 shares equivalent to $190,279,885 (net to the of direct issuance costs of $6,566,057).

On August 21, 2012, the Company issued thorough an overallotment through the underwriters a total of 21,506,034 shares equivalent to $29,931,920.

Pursuant to a resolution at the general extraordinary stock holders meeting held on September 25, 2012 $101,900,964 of the aforementioned capital increase was reclassified to additional paid – in capital.

10.2 Dividend payments

Pursuant to a resolution of the general ordinary stockholders meeting on March 19, 2013 the Company declared a dividend of $10,468,173 in cash dividends to be paid on April 1, 2013.

11. Earnings per share

The amounts used to determine earnings per share are as follows:

	Three months ended as of March 31, 2013		
	Earnings	Weighted-average number of shares	Dollars per share
Consolidated profit for the period	$ 37,001,444	392,878,351	$ 0.09

	Three months ended as of March 31, 2012		
	Earnings	Weighted-average number of shares	Dollars per share
Consolidated profit for the period	$ 16,188,693	224,254,556	$ 0.07

12. Property operating costs and administration expenses

12.1 Property operating costs consist of the following:

12.1.1 Direct property operating costs from investment properties that generated rental income during the year:

	Three months ended 31/03/2013	Three months ended 31/03/2012
Real estate tax	$ 947,695	$ 887,963
Insurance	68,190	251,825
Maintenance	100,055	61,601
Other property related expenses	299,747	267,280
Property management fee	-	260,265
	$ 1,415,687	$ 1,728,934

12.1.2 Direct property operating costs from investment property that did not generate rental income during the year:

	Three months ended 31/03/2013	Three months ended 31/03/2012
Real estate tax	$ 166,734	$ 107,073
Insurance	8,697	32,338
Maintenance	12,762	7,910
Other property related expenses	61,382	26,500
	249,575	173,821
Total property operating costs	$ 1,665,262	$ 1,902,755

12.2 Administration expenses consist of the following:

	Three months ended 31/03/2013	Three months ended 31/03/2012
Marketing expenses	$ 4,133	$ 7,727
Auditing and legal expenses	114,724	76,467
Employee direct benefits and office expenses	1,118,690	-
Asset management fees	-	312,067
Other	1,783	2,617
Indirect expenses of capital stock issuance	100,126	-
	$ 1,339,456	$ 398,878

13. Income taxes

The Company is subject to income tax (“ISR”) and the business flat tax (“IETU”).

ISR - Through the Law of Federal Income for 2013, modified the rate of income tax applicable to companies, for which for years had established a transition that affected fiscal years 2013 and 2014. The rates were 30% for 2012 and 2011, and will be 30% for 2013, 29% for 2014 and 28% for 2015 and subsequent years.

IETU - Revenues, as well as deductions and certain tax credits, are determined based on cash flows of each fiscal year. In 2013 and 2012, the IETU rate was 17.5%. The Asset Tax (IMPAC) Law was repealed upon enactment of the IETU Law; however, under certain circumstances, IMPAC paid in the ten years prior to the year in which ISR is paid for the first time may be recovered, according to the terms of the law.

Income tax incurred will be the higher of ISR and IETU.

Based on its financial projections, the Company determined that it will essentially pay ISR. Therefore, it only recognizes deferred ISR.

The effective ISR rates are 2% and 4% for the three months ended March 31, 2013 and 2012, respectively. The difference between the statutory rate and the effective rate is due to inflation effects, the effect of exchange rates on the tax basis of investment properties and tax losses as well as other permanent differences.

13.1 Income taxes are as follows:

		31/03/2013		31/03/2012
ISR expense:				
Expired ISR credit on dividends	$	146,444		-
Deferred		715,969		623,779
Total income taxes	$	862,413	$	623,779

13.2 The main items originating the deferred ISR liability are:

		31/03/2013 (Unaudited)		31/12/2012
Deferred ISR asset (liability):				
Investment property	$	(72,271,165)	$	(74,464,893)
Effect of tax loss carry forwards		9,038,752		11,830,926
Other provisions		-		117,522
Deferred income taxes – Net	$	(63,232,414)	$	(62,516,445)

To determine deferred ISR, the Company applied the applicable tax rates to temporary differences based on their estimated reversal dates.

13.3 The income tax expense for the Three-month and three-month periods ended March 31, 2013 and 2012 relates entirely to deferred income tax, as the Company is amortizing its cumulative tax loss carryforwards.

13.4 The benefits of restated tax loss carryforwards for which the deferred ISR asset has been recognized can be recovered subject to certain conditions. Restated amounts as of March 31, 2013 and expiration dates are:

Year of Expiration	Tax Loss Carry forwards
2022	$ 32,281,257

14. Transactions with related parties

Transactions with related parties carried out in the ordinary course of business, were as follows:

	Three months ended 31/03/2013 (Unaudited)	Three months ended 31/03/2012 (Unaudited)
Desarrolladora Vesta, S. de R.L. de C.V. (affiliated company):		
Property management fees	$ -	$ 260,265
Brokerage fees	-	316,250
Servicios de Construcción Vesta, S. de R.L. de C.V. (affiliated company):		
Development commission	$ -	$ 48,957
Construction services	-	2,446,788

15. Litigation and other contingencies

In the ordinary course of business, the Company is party to various legal proceedings. The Company is not involved in any litigation or arbitration proceeding for which the Company believes it is not adequately insured or indemnified, or which, if determined adversely, would have a material adverse effect on the Company or its financial position, results of operations or cash flows. To the Company's knowledge, no such proceedings are threatened.

* * * * * *