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

Condensed Consolidated Interim Statements of Financial Position

As of March 31, 2016 and December 31, 2015
(In US dollars)

Assets	Notes	31/03/2016 (Unaudited)	31/12/2015
Current assets:			
Cash and cash equivalents	4	$ 20,711,287	$ 27,745,055
Financial assets held for trading	5	184,927,827	203,563,025
Recoverable taxes	6	20,215,652	20,822,580
Operating lease receivables	7	3,535,176	4,148,109
Prepaid expenses		1,862,271	505,450
Guarantee deposits made		2,750,579	2,750,579
Total current assets		234,002,792	259,534,798
Non-current assets:			
Investment property	8	1,249,490,787	1,214,930,005
Office furniture – Net		1,764,625	1,842,468
Guarantee deposits made and restricted cash		1,247,686	1,210,131
Total non-current assets		1,252,503,098	1,217,982,604
Total assets		$ 1,486,505,890	$ 1,477,517,402

Liabilities and stockholders' equity

Current liabilities:			
Current portion of long-term debt	9	$ 295,559,182	$ 298,069,960
Accrued interest		2,467,115	3,202,040
Accounts payable and client advances		1,486,485	1,409,555
Taxes payable, mainly income taxes		231,056	314,896
Accrued expenses		1,087,820	1,698,410
Total current liabilities		300,831,658	304,694,861
Non-current liabilities:			
Long-term debt	9	46,857,997	46,689,049
Guarantee deposits received		7,614,060	7,205,978
Deferred income taxes	13.2	147,783,457	144,140,530
Total non-current liabilities		202,255,514	198,035,557
Total liabilities		503,087,172	502,730,418
Litigation and other contingencies	15		
Stockholders' equity:			
Capital stock	10	455,741,735	455,741,735
Additional paid-in capital		349,557,056	349,557,056
Retained earnings		196,858,160	185,494,148
Share-based payments reserve		1,766,617	1,391,080
Foreign currency translation		(20,504,850)	(17,397,035)
Total stockholders' equity		983,418,718	974,786,984
Total liabilities and stockholders' equity		$ 1,486,505,890	$ 1,477,517,402

See accompanying notes to condensed consolidated interim financial statements.

Corporación Inmobiliaria Vesta, S. A. B. 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, 2016 and 2015
(In US dollars)

	Notes	31/03/2016	31/03/2015
Revenues:			
Rental income		$ 21,060,512	$ 19,644,146
Property operating costs:			
Related to properties that generate rental income	12.1	(647,954)	(617,863)
Related to properties that did not generate rental income	12.1	(243,778)	(232,241)
Gross profit		20,168,780	18,794,042
Administration expenses	12.2	(2,665,496)	(2,469,560)
Depreciation		(71,246)	(2,304)
Other Income and Expenses:			
Interest income		1,574,287	1,372,268
Other income		91,291	60,601
Transaction costs on debt issuance		(239,307)	-
Interest expense		(5,805,854)	(5,514,734)
Exchange loss		(3,596,753)	(11,470,314)
Gain on revaluation of investment property		6,857,539	300,360
Total other income and expenses		(1,118,797)	(15,251,819)
Profit before income taxes		16,313,241	1,070,359
Income tax expense	13.1	(4,949,229)	(4,040,134)
Profit (loss) for the period		11,364,012	(2,969,775)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences on translating other functional currency operations		(3,107,815)	(8,324,216)
Total comprehensive income (loss) for the year		$ 8,256,197	$ (11,293,991)
Basic and diluted earnings (loss) per share	11	$ 0.018	$ (0.005)

See accompanying notes to condensed consolidated interim financial statements.

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

Unaudited Condensed Consolidated Interim Statements of Changes in Stockholders' Equity

For the three months ended March 31, 2016 and 2015
(In US dollars)

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Share-based payments reserve	Foreign Currency Translation	Total Stockholders' Equity
Balances as of January 1, 2015	370,368,712	211,869,157	211,640,460	323,764	3,533,771	797,735,864
Equity issuance	85,749,137	138,310,418	-	-	-	224,059,555
Share-based payments	-	-	-	328,607	-	328,607
Dividends declared	-	-	(22,321,140)	-	-	(22,321,140)
Comprehensive income	-	-	(2,969,775)	-	(8,324,216)	(11,293,991)
Balances as of March 31, 2015	$ 456,117,849	$ 350,179,575	$ 186,349,545	$ 652,371	$ (4,790,445)	$ 988,508,895
Balances as of January 1, 2016	$ 455,741,735	$ 349,557,056	$ 185,494,148	$ 1,391,080	$ (17,397,035)	$ 974,786,984
Share-based payments	-	-	-	375,537	-	375,537
Comprehensive income	-	-	11,364,012	-	(3,107,815)	8,256,197
Balances as of March 31, 2016	$ 455,741,735	$ 349,557,056	$ 196,858,160	$ 1,766,617	$ (20,504,850)	$ 983,418,718

See accompanying notes to condensed consolidated interim financial statements.

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

Unaudited Condensed Consolidated Interim Statements of Cash Flows

For the three months ended March 31, 2016 and 2015
(In US dollars)

	Three months ended 31/03/2016	Three months ended 31/03/2015
Cash flows from operating activities:		
Profit before income taxes	$ 16,313,241	$ 1,070,359
Adjustments:		
Depreciation	71,246	2,304
(Gain) on revaluation of investment property	(6,857,539)	(300,360)
Effect of foreign exchange rates	3,581,233	3,146,098
Loss son furniture disposal	855,716	-
Interest income	(1,574,287)	(1,372,268)
Interest expense	5,974,802	5,514,734
Expense recognized in respect of share-based payments	375,537	328,607
Working capital adjustments:		
(Increase) decrease in:		
Operating lease receivables – Net	612,933	2,885,843
Recoverable taxes	(467,318)	(5,797,828)
Prepaid expenses	(1,356,821)	(914,321)
Guarantee deposits made	697,757	(370,372)
Increase (decrease) in:		
Accounts payable	76,930	411,818
Guarantee deposits received	408,082	581,944
Accrued expenses	(610,590)	63,205
Income taxes paid	(315,896)	(697,866)
Net cash generated by operating activities	17,785,026	4,551,897
Cash flows from investing activities:		
Purchases of investment property	(31,180,779)	(30,789,575)
Acquisition of office furniture	(849,119)	-
Financial assets held for trading	15,053,965	(197,749,682)
Proceeds from sale of investment property		(194,855)
Interest received	1,574,287	1,372,268
Net cash used in investing activities	(15,401,646)	(227,361,844)
Cash flows from financing activities:		
Proceeds from equity issuance	-	221,513,650
Interest paid	(6,540,779)	(6,258,143)
Repayments of borrowings	(2,510,778)	(2,333,835)
Borrowings	-	46,553,891
Net cash generated by financing activities	(9,051,557)	259,475,563
Effects of exchange rates changes on cash	369,721	(3,761,766)
Net increase in cash and cash equivalents	(6,298,456)	32,903,850
Cash and cash equivalents at the beginning of year	27,745,055	10,674,770
Cash and cash equivalents at the end of year	$ 21,446,599	$ 43,578,620

See accompanying notes to condensed consolidated interim financial statements.

Notes to Unaudited Condensed Consolidated Interim Financial Statements unaudited

For the three months ended March 31, 2016 and 2015
(In US dollars)

1. General information

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 Paseo de los Tamarindos 90, 28th floor, Mexico City.

Vesta and subsidiaries (collectively, the "Entity") are engaged in the development, acquisition and operation of industrial buildings and distribution facilities that are rented to corporations in eleven states throughout Mexico.

On January 28, 2015, the Entity issued a total of 124,274,111 shares, including the overallotment option, through a follow-on public offering of shares in the Mexican Stock Exchange and through a private offering of shares in international markets under the Rule 144A of the United States of America and Regulations S under the Securities Act of 1933. The offering price was 27 Mexican pesos per share and the net proceeds of this offering which amounted to $224,059,555 were received on February 4, 2015.

As of March 31, 2016 and December 31, 2015, the Entity's current liabilities exceeded its current assets by $66,828,866 and $45,160,063, respectively, as a result of reclassification of its debt held with Blackstone (see Note 9) to current liabilities which matures in August 2016. The Entity's management is confident in obtaining the necessary financing resources to meet its debt payments obligations. The Entity is currently engaged in negotiations with several financial institutions with which it has standing relationships, to obtain the necessary funding to repay its debt and expects to finalize them before the maturity of its debt.

2. Significant accounting policies

2.1 Basis of preparation

The Entity unaudited consolidated interim financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

i. Historical cost

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, *Share-based Payments*.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Interim financial condensed statements

The accompanying condensed consolidated interim financial statements as of March 31, 2016 and for the three months ended March 31, 2016 and 2015 have not been audited. In the opinion of Entity 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 condensed consolidated interim financial statements of the Entity and their respective notes for the year ended December 31, 2015.

The accounting policies and methods of computation are consistent with the audited consolidated financial statements for the year ended December 31, 2015, except for what it is mentioned in note 3.

2.3 Basis of consolidation

The condensed consolidated interim financial statements incorporate the financial statements of Vesta and entities (including structured entities) controlled by Vesta and its subsidiaries. Control is achieved when the Entity:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Entity obtains control over the subsidiary and ceases when the Entity loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Entity gains control until the date when the Entity ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Entity's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Entity are eliminated in full on consolidation.

	Ownership percentage		
Subsidiary/entity	**31/03/2016**	**31/12/2015**	Activity
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.	99.99%	99.99%	Holds investment properties
Vesta DSP, S. de R. L. de C.V.	99.99%	99.99%	Holds investment properties
Vesta Management, S. de R.L. de C.V.	99.99%	99.99%	Provides administrative services to the Entity
Servicio de Administración y Mantenimiento Vesta S. de R.L. de C.V.	99.99%	99.99%	Provides administrative services to the Entity

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

3.1 New and revised IFRSs in issue but not yet effective

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

IFRS 9	Financial Instruments[2]
IFRS 15	Revenue from Contracts with Customers[2]
Amendments IFRS 16	Leases[3]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
3.Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

4. Cash and cash equivalents

For purposes of the consolidated statement 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 consolidated statement of cash flows can be reconciled to the related items in the consolidated statements of financial position as follows:

		31/03/2016 (Unaudited)		31/12/2015
Cash and bank balances	$	14,575,686	$	21,632,285
Restricted cash		6,135,601		6,112,770
	$	20,711,287		27,745,055
Non-current restricted cash		735,312		697,310
Total	$	21,446,599	$	28,442,365

Restricted cash represents balances held by the Entity that are only available for use under certain conditions pursuant to the loan agreements entered into by the Entity. Such conditions include payment of monthly debt service and compliance with certain covenants set forth in the loan agreement. These restrictions are classified according to their restriction period: less than 12 months and over one year, considering the period of time in which such restrictions are fulfilled. Non-current restricted cash was classified within guarantee deposits made in the accompanying consolidated statements of financial positon.

5. Financial assets held for trading

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

6. Recoverable taxes

		31/03/2016 (Unaudited)		31/12/2015
Recoverable value-added tax (“VAT”)	$	11,583,754	$	9,216,603
Recoverable income taxes		8,542,755		11,541,336
Other receivables		89,143		64,641
	$	20,215,652	$	20,822,580

7. Operating lease receivables

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

		31/03/2016 (Unaudited)		31/12/2015
0-30 days	$	2,024,532	$	2,955,085
30-60 days		357,502		424,763
60-90 days		137,546		332,338
Over 90 days		1,015,596		435,923
Total	$	3,535,176	$	4,148,109

Pursuant to the lease agreements, rental payments should be received within 30 days following their due date; thereafter the payment is considered past due. As shown in the table above, 57% and 71% of all operating lease receivables are current as of March 31, 2016 and December 31, 2015, respectively.

All rental payments past due are monitored by the Entity; for receivables outstanding from 30 to 90 days efforts are made to collect payment from the respective client. Operating lease receivables outstanding for more than 30 days but less than 60 days represent 10% and 10% of all operating lease receivables as of March 31, 2016 and December 31, 2015, respectively. Operating lease receivables outstanding for more than 60 and less than 90 days represent 4% and 8% of all operating lease receivable as of March 31, 2016 and December 31, 2015. Accounts receivable outstanding greater than 90 days represent 29% and 11% of all operating lease receivable as of March 31, 2016 and December 31, 2015.

7.2 Movement in the allowance for doubtful accounts receivable

The Entity individually reviews each of its operating lease receivables and according to the aging report determines the need to create an allowance for the recoverability of such receivables. During 2016 there were no increases to the allowance for doubtful accounts; however, during the three months ended March 31, 2016 impaired accounts receivable for $16,569 were written-off.

7.3 Client concentration risk

As of March 31, 2016 and December 31, 2015, one of the Entity's client accounts for 29% or $1,039,611 and 20% or $830,135, respectively, of the operating lease receivables balance. The same client accounted for 14% and 17% of the total rental income of Entity for the three month periods ended March 31, 2016 and 2015, respectively. As of March 31, 2016 and December 31, 2015, two of the entity's clients accounted for $766,271and $774,955 and 22% and 18%, respectively of the operating lease receivable balance; however, neither of these clients accounted for more than 10% of the total rental income of the Entity for the three month periods ended March 31, 2016 and 2015.

7.4 Leasing agreements

Operating leases relate to non-cancellable lease agreements over the investment properties owned by the Entity, which generally have terms ranging between 5 to15 years, with options to extend the term up to a total term of 20 years. Rents are customarily payable on a monthly basis, and are adjusted annually according to applicable inflation indices (US and Mexican inflation indices). Security deposits are typically equal to one or two months' rent. Obtaining property insurance (third party liability) and operating maintenance are obligations of the tenants. All lease agreements include a rescission clause that entitles the Entity to collect all unpaid rents during the remaining term of the lease agreement in the event that the client defaults in its rental payments, vacates the properties, terminates the lease agreement or enters into bankruptcy or insolvency proceedings. All lease agreements are classified as operating leases and do not include purchase options, except for two lease agreements which contain a purchase option at market conditions at the end of the lease term.

7.5 Non-cancellable operating lease receivables

Future minimum lease payments receivable under non-cancellable operating lease agreements are as follows:

	31/03/2016	31/12/2015
Not later than 1 year	$ 82,948,531	$ 85,322,145
Later than 1 year and not later than 3 years	137,219,994	145,954,674
Later than 3 year and not later than 5 years	142,848,162	147,512,967
Later than 5 years	116,980,653	140,891,280
	$ 479,997,340	$ 519,681,066

8. Investment property

The Entity uses external appraisers in order to determine the fair value for all of its investment properties. The independent appraisers, who hold recognized and relevant professional qualifications and have vast experience in the types of investment properties, owned by the Entity, 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 Entity's investment property such as discount rates, long-term NOI, inflation rates, absorption periods and market rents.

The values, determined by the external appraisers annually, are recognized as the fair value of the Entity's investment property at the end of each reporting period. The appraisers use a discounted cash flow approach to determine the fair value of land and buildings (using the expected net operating income ("NOI") of the investment property) and a market approach to determine the fair value of land reserves. Gains or losses arising from changes in the fair values are included in the consolidated statements of profit and other comprehensive income in the period in which they arise.

The Entity's investment properties are located in México and they are classified as Level 3 in the IFRS fair value hierarchy. The following table provides information about how the fair values of the investment properties are determined (in particular, the valuation technique(s) and inputs used).

Property	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Value/range	Relationship of unobservable inputs to fair value
Buildings and land	Level 3	Discounted cash flows	Discount rate	9.50%	The higher the discount rate, the lower the fair value.
			Long-term NOI	Based on contractual rent and then on market related rents	The higher the NOI, the higher the fair value.
			Inflation rates	Mexico: 3.2% U.S.: 2.0%	The higher the inflation rate, the higher the fair value.
			Absorption period	From 3 to 9 months	The shorter the absorption period, the higher the fair value.
			Market related rents	Depending on the park/state	The higher the market rent the higher the fair value
			Exchange rate	16.50 Mexican pesos per $1	The higher the exchange rate the lower the fair value
Land reserves	Level 3	Market value	Price per acre	Weighted average price per acre $125,146	The higher the price, the higher the fair value.

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

	31/03/2016 (Unaudited)	31/12/2015
Buildings and land	$ 1,233,433,983	$ 1,198,208,983
Advances for acquisition of land	2,484,526	2,770,159
Land reserves	56,201,000	58,602,000
	1,292,119,509	1,259,581,142
Less: Cost to complete construction in-progress	(42,628,722)	(44,651,137)
Balance at end of year	$ 1,249,490,787	$ 1,214,930,005

The reconciliation of investment property is as follows:

	31/03/2016 (Unaudited)	31/12/2015
Balance at beginning of year	$ 1,214,930,005	$ 1,101,352,822
Additions	31,180,780	103,125,702
Foreign currency translation effect	(3,477,537)	(20,992,577)
Gain on revaluation of investment property	6,857,539	31,444,058
Balance at end of year	$ 1,249,490,787	$ 1,214,930,005

A total of $500,996 additions to investment property related to a land reserve and new buildings which was acquired from a third party, were not paid as of December 31, 2015; these additions were not paid during the three months ended March 31, 2016. A total of $14,049,930 additions to investment property related to a land reserves that were acquired during 2014 were paid during the three months ended March 31, 2015.

During 2007, the Entity entered into an agreement to build the Querétaro Aerospace Park, which consists of a trust created by the Government of the State of Querétaro, as grantor (*fideicomitente)*, Aeropuerto Intercontinental de Querétaro, S. A. de C. V., as a participant for the purposes of granting its consent, Bombardier Aerospace México, S.A. de C.V., as beneficiary (*fideicomisario*), and BBVA Bancomer, S.A., as trustee (*fiduciario*), to which the Entity, through its subsidiary, Proyectos Aeroespaciales, adhered as grantee and beneficiary. The Government of the State of Queretaro contributed certain rights to the trust, including rights to use the land and the infrastructure built by the state of Queretaro, allowing Proyectos Aeroespaciales to build and lease buildings for a total period equivalent to the term of the concession granted to the Aerospace Park; the remaining term is approximately 43 years as of December 31, 2015.

Proyectos Aeroespaciales is the only designated real estate developer and was granted the right to use the land and infrastructure to develop industrial facilities thereon, lease such industrial facilities to companies in the aerospace and related industries and to collect the rents derived from the lease of the industrial facilities, for a period of time equivalent to the remaining term of the airport concession (approximately 43 years as of December 31, 2015). With respect to such rights, all construction, addition and improvements made by Proyectos Aeroespaciales to the contributed land (including without limitation, the industrial facilities) will revert in favor of the Government of the State of Queretaro at the end of the term of the trust, for zero consideration.

During 2013, the Company entered into an agreement with Nissan Mexicana, S.A. de C.V. ("Nissan") to build and lease to Nissan the Douki Seisan Park ("DSP Park") located in Aguascalientes, Mexico. The land where the DSP Park is located is owned by Nissan. On July 5, 2012, Nissan created a trust (trust No. F/1704 with Deutsche Bank México, S.A. as trustee) to which the Company (through one of its subsidiaries, Vesta DSP, S. de R.L. de C.V), is beneficiary and was granted the use of the land for a period of 40 years. The infrastructure and all the related improvements were built by and are managed by the Company.

As of March, 2016 and December 31, 2015, the Entity's investment properties have a gross leasable area (unaudited) of 20,626,460 square feet (or 1,916,261 square meters) and 20,052,909 square feet (or 1,862,981 square meters), respectively and they were 87.9% and 86.7% occupied by tenants, respectively. As of March 31, 2016 and December 31, 2015, investment properties with a gross leasable area of 1,886,983 square feet (or 175,306 square meters) and 1,272,670 square feet (or 118,235 square meters), respectively, were under construction, representing an additional 9.2% and 14.31% of the Entity's total leasable area. Most of the Entity's investment properties have been pledged as collateral to secure its long-term debt.

9. Long-term debt

During August, 2015, BRE Debt México II, S. A. de C. V., SOFOM, E.N.R. ("Blackstone") acquired the long-term debt that the Entity previously owed to GE Real Estate de México, S. de R. L. de C. V. The long-term debt is represented by the following notes payable to Blackstone and to Metropolitan Life Insurance Company ("MetLife"):

Issue date	Original amount	Annual interest rate	Monthly amortization	Maturity	31/03/2016	31/12/2015
September 2003	$ 7,637,927	7.17%	$ 12,656	August 2016	$ 4,952,241	$ 4,990,210
April 2005	2,000,000	7.17%	3,539	August 2016	1,382,457	1,393,073
August 2005	6,300,000	7.17%	11,259	August 2016	4,403,702	4,437,481
August 2005	14,500,000	7.17%	26,039	August 2016	10,169,063	10,247,179
November 2005	32,000,000	7.17%	295,608*	August 2016	20,941,865	21,237,473
March 2006	15,000,000	7.17%	27,322	August 2016	7,685,354	7,767,320
July 2006	50,000,000	7.17%	107,796	August 2016	46,933,558	47,256,946
July 2006	12,000,000	7.17%	25,871	August 2016	10,532,347	10,609,960
September 2006	10,800,000	7.17%	21,511	August 2016	8,897,200	8,961,734
October 2006	8,300,000	7.17%	16,532	August 2016	6,837,663	6,887,259
November 2006	12,200,000	7.17%	19,106	August 2016	7,948,713	8,006,030
November 2006	28,091,497	7.17%	27,212	August 2016	11,261,558	11,343,196
May 2007	6,540,004	7.17%	13,137	August 2016	5,436,084	5,475,496
September 2007	8,204,039	7.17%	16,563	August 2016	6,855,319	6,905,008
April 2008	32,811,066	6.47%	78,995	August 2016	28,034,047	28,271,033
April 2008	867,704	6.47%	4,017	August 2016	1,425,733	1,437,785
April 2008 *	7,339,899	6.62%	195,930*	August 2016	11,522,627	11,718,557
August 2008	3,372,467	6.47%	12,768	August 2016	4,531,707	4,570,012
August 2008	6,286,453	6.47%	15,176	August 2016	5,385,800	5,431,327
April 2009	19,912,680	7.17%	39,292	August 2016	16,049,301	16,167,177
December 2009	30,000,000	7.17%	61,175	August 2016	23,988,055	24,171,582
July 2012	19,768,365	7.17%	42,619	August 2016	16,650,474	16,778,331
July 2012	27,960,333	7.17%	60,280	August 2016	24,211,816	24,392,657
July 2012	5,000,000	6.15%	13,977	August 2016	4,322,279	4,364,210
March 2013	5,918,171	5.80%	15,915	August 2016	5,200,219	5,248,924
					295,559,182	298,069,960
Less: Current portion					(295,559,182)	(298,069,960)
Long-term debt with GERE					-	-
Long-term debt with MetLife	47,500,000	4.35%		April 2022	47,500,000	47,500,000
Less: direct issuance cost					(642,003)	(810,951)
Net long-term debt with MetLife					46,857,997	46,689,049
Total long-term debt					$ 46,857,997	$ 46,689,049

* These notes payable have bi-annual amortization.

On March 9, 2015 the Entity entered into a secured loan with MetLife. The gross proceeds of this loan were $47,500,000. This loan accrues interest at 4.35%. The loan has monthly interest only payments for 42 months and thereafter monthly amortizations of principal and interest until it matures on April 1, 2022. The loan is secured by 6 of the Entity's investment properties.

Most of the Entity'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 Entity's credit agreement with Blackstone. Additionally, without the written consent of Blackstone, the Entity 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 Blackstone credit agreement requires the Entity 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 Entity was in compliance with covenants under the Blackstone credit agreement as of March 31, 2016 and December 31, 2015.

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

Scheduled maturities and periodic amortization of long-term debt are as follows:

As of March 2017	$ -
As of March 2018	-
As of March 2019	317,797
As of March 2020	766,102
Thereafter	46,416,101
Les: direct issuance cost	(642,003)
Total long-term debt	$ 46,857,997

10. Capital stock

10.1 Capital stock as of March 31, 2016 and December 31, 2015 is as follows:

	2016		2015	
	Number of shares	Amount	Number of shares	Amount
Fixed capital				
Series A	5,000	$ 3,696	5,000	$ 3,696
Variable capital				
Series B	631,134,923	455,738,039	631,134,923	455,738,039
Total	631,139,923	$ 455,741,735	631,139,923	$ 455,741,735

Stockholders' equity, except restated paid-in capital and tax retained earnings will be subject to ISR payable by the Entity 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. As of March 31, 2016, there were a total of 586,200 shares in treasury which were repurchased during the year ended December 31, 2015.

10.2 Fully paid ordinary shares

	Number of shares	Amount	Additional paid-in capital
Balance as of December 31, 2016	631,139,923	$ 455,741,735	$ 349,557,056
Balance as of March 31, 2016	631,139,923	$ 455,741,735	$ 349,557,056

10.3 Dividend payments

Pursuant to a resolution of the general ordinary stockholders meeting on March 25, 2015, the Entity declared a dividend of approximately $0.035 per share, for a total dividend of $22,321,140. The dividend was paid on April 30, 2015 in cash.

11. Earnings per share

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

	Three months ended as of March 31, 2016		
	Earnings	Weighted-average number of shares	Dollars per share
Profit for the period	$ 11,364,012	631,139,923	$ 0.018

	Three months ended as of March 31, 2015		
	Earnings	Weighted-average number of shares	Dollars per share
Loss for the period	$ (2,969,775)	595,421,327	$ (0.005)

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 generate rental income during the year:

	Three Months ended 31/03/2016	Three Months ended 31/03/2015
Real estate tax	$ 234,676	$ 252,362
Insurance	77,991	85,452
Maintenance	155,616	85,007
Other property related expenses	179,671	195,042
	647,954	617,863

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

	Three Months ended 31/03/2016	Three Months ended 31/03/2015
Real estate tax	$ 71,079	$ 87,193
Insurance	14,378	11,937
Maintenance	25,062	9,400
Other property related expenses	133,259	123,711
	243,778	232,241
Total property operating costs	$ 891,732	$ 850,104

12.2. Administration expenses consist of the following:

	Three Months ended 31/03/2016	Three Months ended 31/03/2015
Marketing expenses	$ 260,785	$ 226,209
Auditing, legal and consulting expenses	235,265	298,411
Property appraisal and other fees	78,961	78,139
Direct employee benefits and other benefits	1,399,148	1,055,579
Other Administrative expenses	270,694	436,613
Equity trading related costs	44,777	45,027
Other	329	975
	2,289,959	2,140,953
Long-term incentive – Note 14	375,537	328,607
	$ 2,665,496	$ 2,469,560

13. Income taxes

The Entity is subject to ISR. The rate of current income was 30%.

13.1 Income taxes are as follows:

	Three Months ended 31/03/2016	Three Months ended 31/03/2015
ISR expense:		
Current	$ 792,930	$ 3,257,356
Expired ISR credit on dividends	216,279	-
Deferred	3,940,020	782,778
Total income taxes	$ 4,949,229	$ 4,040,134

13.2 The main items originating the deferred ISR liability are:

	31/03/2016 (Unaudited)	31/12/2015
Deferred ISR liability:		
Investment property	$ (162,673,825)	$ (160,640,067)
Effects of tax loss carry forwards	14,604,430	15,635,979
Other provisions and prepaid expenses	285,938	863,558
Deferred income taxes – Net	$ (147,783,457)	$ (144,140,530)

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

13.3 A reconciliation of the changes in the deferred tax liability balance is presented as follows:

	31/03/2016 (Unaudited)	31/12/2015
Deferred tax liability at the beginning of the period	$ (144,140,530)	$ (115,641,120)
– Movement included in profit or loss	(3,940,020)	(35,363,577)
– Movement included in equity	297,093	2,545,905
– Movement included in other comprehensive income	-	4,318,262
Deferred tax liability at the end of the period	$ (147,783,457)	$ (144,140,530)

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, 2016 and expiration dates are:

Year of Expiration	Tax Loss Carryforwards
2022	$ 577,810
2023	9,066,549
2024	8,374,283
2025	29,413,340
2026	1,251,452
	$ 48,683,434

14. Share-based payments

14.1 Details of the share-based plan of the Entity

The Entity has granted shares to its executives and employees under two different plans as follows:

i. Under the Vesta 20-20 Long-term Incentive Plan (the Vesta 20-20 Incentive Plan), as approved by the Board of Directors, the Entity will use a "Relative Total Return" methodology to calculate the total number of shares to be granted, whereby the number of shares granted in each year over six years will be based on the total return performance of the Entity's shares compared to other publicly traded entities in each year. The shares will vest over the three years following the date of grant. Fifteen officers, from both top and middle management, are eligible for the plan.

   The total number of shares to be granted in each of the six years ranges from zero to 1,738,037 shares, at the expected performance level, to a maximum of 2,607,055 shares, if the Entity's shares perform at peak performance, with a total maximum number of shares to be granted during the six year period of 10,428,222 shares. The shares to be used to settle this plan were issued by the Entity during January 2015; no awards will be paid in cash.

   The shares to be granted in each of the six years will be contributed to a trust and delivered in three equal settlement dates to the executives after 24, 36 and 48 months from the grant date, provided that the eligible executives remain in the employment of the Entity.

ii. Under the 2014 Long-term Incentive Plan (the 2014 Incentive Plan), the Entity has a share-based plan for 12 top executives of the Entity. In accordance with the terms of the plan, as approved by the board of directors, based on certain performance metrics, the Entity executed a long-term incentive plan that will be settled by the Entity with its own shares which have been repurchased in the market. Under this plan, eligible executives will receive compensation, based on their performance during 2014, settled in shares and delivered over a three-year period. For this plan shares are kept in treasury and maybe be placed in a trust; they will be delivered to the executives in three equal settlement dates to the executives after 24, 36 and 48 months from the grant date, provided that the eligible executives remain in the employment of the Entity.

14.2 Fair value of share options granted in the year

i. Vesta 20-20 Incentive plan - Based on the performance of the Entity's shares for the year ended December 31, 2015, there were no shares granted during the year under this plan. The related expense was calculated as the grant date fair value of the awards as determined using a Monte Carlo model which took into consideration the probability of the performance of the Entity's shares during the year. As this performance is considered a market vesting condition in accordance with IFRS 2, *Share-based Payments*, the compensation expense, as determined on grant date, is not revised even if no awards are ultimately granted. Therefore this expense has no effect in the cash position of the Entity nor does it dilute its shareholders.

ii. 2014 Incentive Plan - The fair value of the share awards granted under the 2014 Plan, was determined based on a fixed amount of cash determined as per the Entity's plan. It is assumed that executives will receive the awards after vesting date. The expense under this plan affects the cash position of the Entity.

14.3 Compensation expense recognized

The long-term incentive expense for the three months ended March 31, 2016 and 2015 was as follows:

	Three Months ended 31/03/2016	Three Months ended 31/03/2015
Vesta 20-20 Incentive Plan	$ 335,308	$ 259,489
2014 Incentive Plan	40,229	69,118
Total long-term incentive expense	$ 375,537	$ 328,607

Compensation expense related to these plans will continue to be accrued through the end of the service period.

14.4 Share awards outstanding at the end of the year

As of March, 31, 2016 and December 31, 2015, there are 586,200 shares outstanding with a weighted average remaining contractual life of 24 months.

15. Litigation, other contingencies and commitments

Litigation

In the ordinary course of business, the Entity is party to various legal proceedings. The Entity is not involved in any litigation or arbitration proceeding for which the Entity believes it is not adequately insured or indemnified, or which, if determined adversely, would have a material adverse effect on the Entity or its financial position, results of operations or cash flows.

Commitments

As mentioned in Note 8, all rights to construction, improvements and infrastructure built by the Entity in the Queretaro Aerospace Park and in the DSP Park automatically revert back to the government of the State of Queretaro and to Nissan at the end of the concessions, which is approximately in 43 and 37 years, respectively.

As of December 31, 2015, the Entity has entered into commitments to purchase land reserves for approximately $1,997,243.

16. Subsequent events

Pursuant to a resolution of the general ordinary stockholders meeting on April 4, 2016, the Entity declared a dividend of approximately $0.0456 per share, for a total dividend of $28,825,690. According to the related resolution the dividend will be paid before on April 19, 2016.

17. Unaudited condensed consolidated interim financial statements issuance authorization

On April 27, 2016 the issuance of the accompanying unaudited condensed consolidated interim financial statements was authorized by Mr. Juan Sottil, the Entity’s Chief Financial Officer and consequently do not reflect events after this date.

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