2Q

EARNINGS RESULTS
2016

Conference Call

Thursday, July 28, 2016
9:00 a.m. (Mexico City Time)
10:00 a.m. (Eastern Time)

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Mexico City, July 27, 2016 – Corporación Inmobiliaria Vesta S.A.B. de C.V., ("Vesta", or the "Company") (BMV: VESTA), one of the leading pure play industrial real estate developers in Mexico, announced today its results for the second quarter ended June 30, 2016. All figures included herein were prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in US dollars unless otherwise noted.

Highlights

- Vesta has resolved all of its 2016 debt maturities through debt financing agreements, thereby reducing the Company's cost of debt by almost 300 b.p. and increasing its weighted average term to six years. As previously announced in 1Q16, Vesta completed US$ 400 million in new debt financing including a US$ 150 million unsecured five-year term loan, a US$ 100 million unsecured three-year revolving credit facility, and a US$ 150 million letter of intent for a secured 10-year non-recourse loan.
- Leasing activity totaled 1,777,768 ft² (165,160 m²) in 2Q16. Vesta signed leases totaling 1,132,603 ft² (105,222 m²) with multinational companies from a broad range of industries, and renewed 645,165 ft² (59,845 m²) of the Company's property portfolio. As of 2Q16, Vesta has renewed 90% of leases set to expire in 2016 and 43% due in 2017, which represents a quarterly record for the Company.
- Vesta signed a lease agreement with Snecma México, a subsidiary of aircraft engineering company Safran Group, for the development of a sizable build-to-suit (BTS) building in Queretaro Aerospace Park, Queretaro. The building will have an approximate total gross leasable area (GLA) of 337,997 ft2 (31,401 m2) with a 12 year lease term. The monthly rent is expected to be US$ 198,500, representing a cap rate 11.4%.
- Vesta also signed a lease agreement with automotive manufacturer Bilstein, a subsidiary of ThyssenKrupp, for the development of a build-to-suit (BTS) building in San Miguel de Allende, Guanajuato. The building will have an approximate total gross leasable area of 205,526 ft2 (19,094 m2). The term of the lease will be more than 10 years and the rental payments will begin in December, 2016. The monthly rent is expected to be US$ 62,246.
- During the 2Q16 the Company acquired 19.6 hectares of land within Poligono Empresarial San Miguel de Allende for a total cost of US$ 7.1 million and 102 hectares of land reserves located in Querétaro representing a total investment of US$ 12.4 million.

- The Company increased its total gross leasable area (GLA) by 208 thousand ft^2 to 20,835,492 ft² (1,935,680 m²), from 20,628,694 ft² (1,916,468 m²) at the end of the first quarter 2016.

- On a stabilized portfolio basis, the vacancy rate decreased by 80 basis points, year-over-year, to 8.2% in 2Q16. Vesta's same store portfolio increased by 2.4 million ft^2 with a 5.3% vacancy in 2Q16.

- The total vacancy rate was 12.2% in 2Q16 compared to 12.5% in 1Q16.

- In 2Q16, Vesta had 2,593,736 ft² (240,966 m²) in BTS and inventory buildings under construction, which are expected to contribute US$ 14.4 million to rental revenue once the projects have been stabilized. The return on cost for these projects under development is expected to be 10.9%.

				6 months		
Financial Indicators (million)	**2Q16**	**2Q15**	**Chg. %**	**2016**	**2015**	**Chg. %**
Rental Income	22.13	19.28	14.8	43.19	37.93	13.9
NOI	21.47	18.61	15.3	41.88	36.64	14.3
NOI Margin %	*97.0%*	*96.5%*		*96.9%*	*96.6%*	
EBITDA	18.82	16.45	14.4	36.54	32.11	13.8
EBITDA Margin %	*85.0%*	*85.3%*		*84.6%*	*84.6%*	
EBITDA Per Share	*0.0298*	*0.0260*	14.5	*0.0579*	*0.0523*	10.7
Total Comprehensive Income	(10.49)	16.37	na	(2.23)	4.03	(na
FFO	11.35	10.71	6.0	22.03	17.30	27.3
FFO Per Share	*0.0180*	*0.0170*	6.1	*0.0349*	*0.0282*	23.8
EPS	(0.0166)	0.0259	na	(0.0035)	0.0066	na
Shares (average)	631.14	631.60	(0.1)	631.14	613.71	2.8

- Revenues increased 14.8% to US$ 22.13 million, up from US$ 19.28 million in the 2Q15.

- Net Operating Income ("NOI") increased 15.3% to US$ 21.47 million, compared with US$ 18.61 million in the prior year period. The NOI margin increased 50 basis points year-over-year to 97.0% in the second quarter 2016.

- EBITDA increased 14.4% to US$ 18.82 million, versus US$ 16.45 million in the second quarter of 2015. The EBITDA margin was 85.0%.

- Funds from operations ("FFO") increased 6.0% to US$ 11.35 million in 2Q16, from US$ 10.71 million in 2Q15. FFO per share was US$ 0.018 for the second quarter, compared with US$ 0.017 for the same period of 2015.

- Total comprehensive loss for the second quarter was US$ 10.49 million, versus an income of US$ 16.37 million in 2Q15. This was primarily due to a gain associated with the revaluation of investment property in the second quarter of 2015.
- As of June 30, 2016, the value of Vesta's investment property portfolio was US$ 1.31 billion, an increase compared to US$ 1.21 billion on December 31, 2015.

CEO Comments

Vesta 4.0:

Infrastructure for the Global Manufacturing Hub

This year marks the second consecutive year that we have delivered on our aggressive expansion strategy, underpinned by Mexico's emergence as a pre-eminent global industrial manufacturing hub.

Vesta achieved multiple milestones in the second quarter, which were critical to the execution of the Vesta Vision 20/20 strategic plan, as lease agreements established with prestigious global companies supported our strong growth. We are pleased to confirm that we will continue to expand our asset portfolio by 3.4 million square feet, having already delivered over 800 thousand square feet, with a development pipeline under construction of 2.6 million square feet. This will allow us to achieve our full year growth target in the first half of 2016, which is consistent with our long-term plan.

As the world rapidly evolves towards a new way of producing, a paradigm known as the Fourth Industrial Revolution, the ability to anticipate client demand will determine which companies are able to successfully adapt to this dynamic global backdrop. Vesta's proven ability to anticipate has made us an agent of change and transformation, ensuring our Company and country will flourish in this scenario. Therefore, we continue designing manufacturing and warehousing spaces, working closely with authorities to ensure the appropriate infrastructure is available to support leading-edge technology that meets both clients and supply chains' logistical and communications needs.

Our ambitions for growth are also supported by compelling macroeconomic trends: Mexico is expected to be the world's sixth largest vehicle producer by 2020, according to the Mexican Association of Automotive Industry, and our close proximity to the U.S. and more efficient labor cost structure are particularly attractive for manufacturers across all sectors.

During the second quarter, our leasing activity totaled 1.8 million square feet, and the Company renewed leases on approximately 650 thousand square feet of its property portfolio. Significant lease agreements include those signed with Snecma México, a subsidiary of France-based global aircraft engineering company Safran Group, which underscores our strategic commitment to expanding our relationships with existing clients, an area in which we are particularly strong.

This quarter Vesta also signed a lease agreement with automotive manufacturer Bilstein, a subsidiary of German multinational ThyssenKrupp, which encompasses 670 companies worldwide across diverse sectors.

These agreements demonstrate key industry leaders' increasing global recognition of Vesta's position as Mexico's leading industrial real estate developer, boasting some of the most modern facilities in the world. In addition, Vesta completed the acquisition of 102 hectares of land reserves in Querétaro to develop a new industrial park - a strategically important acquisition for the Company in a region with strong demand dynamics.

As we continue to invest for growth, Vesta's stabilized portfolio occupancy rate increased by 80 basis points, year-over-year, to 91.8%. The total portfolio occupancy increased to 87.8%, while our same store portfolio occupancy rate moderated slightly to 94.7% in the second quarter 2016 from the same period of the prior year.

I'd like to note that this July, Vesta celebrates its fourth anniversary as a public Company, and with operational success that illustrates an enviable track record. We have nearly doubled our gross leasable area, to 20.84 million square feet, and have expanded our portfolio to 129 properties.

I am also very pleased to confirm that this week, we finalized our previously announced debt transactions, and our debt with Blackstone Group will be fully repaid. We have therefore secured the necessary resources to ensure our ongoing growth; strengthening our balance sheet with a reduced cost of debt and longer maturity schedule against a backdrop of highly competitive debt pricing conditions in Mexico. These unmatched achievements position us to accomplish our Vesta Vision 20/20 strategic plan and thereby double the Company's footprint.

Our new asset management team's client-centric approach continues to bear fruit, with Vesta renewing 90 percent of its in-place rent leases set to expire in 2016 and 43 percent due in 2017. This represents a quarterly record for the Company.

As we look to the second half, we are confident in our ability to achieve sustainable growth as an innovative Company positioned to capitalize on the growing demand for industrial facilities throughout Mexico. We appreciate your continued support.

Lorenzo Berho

Chief Executive Officer and Chairman, Vesta

Second Quarter Financial

Highlights

Consolidated Statutory Accounts

The accompanying consolidated condensed interim financial statements have been prepared based on International Accounting Standards.

The financial statements presented were prepared using a historical cost basis, except for investment properties and financial instruments at the end of each period. Historical cost is largely based on the fair value of the consideration given in exchange for assets. Second quarter 2016 results are compared to the same period of the previous year and adjusted based on the same rules.

Revenues

				6 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**2Q16**	**2Q15**	**Chg. %**	**2016**	**2015**	**Chg. %**
Revenues						
Rental income	22.13	19.28	14.8	43.19	37.93	13.9
Operating Costs	(0.95)	(0.90)	5.2	(1.84)	(1.75)	5.2
Related to properties that generate rental income	(0.67)	(0.67)	(0.4)	(1.32)	(1.29)	2.2
Related to properties that did not generate rental income	(0.28)	(0.23)	21.6	(0.52)	(0.46)	13.8
Gross profit	21.19	18.38	15.3	41.35	36.18	14.3
Net Operating Income	21.47	18.61	15.3	41.88	36.64	14.3

Vesta's 2Q16 rental revenues increased 14.8% to US$ 22.13 million from US$ 19.28 million in 2Q15. The US$ 2.86 million increase in rental revenues was primarily attributed to: [i] a US$ 3.50 million, or 18.2%, increase from the rental of new space which had been vacant in 2Q15 but was rented in 2Q16; [ii] a US$ 0.41 million, or 2.1%, increase related to inflationary adjustments made in 2Q16 on property already rented; [iii] a US$ 0.15 million, or 0.8%, increase in expenses paid on behalf of clients that have since been reimbursed to the Company, but are not considered rental revenue; and, [iv] a US$ 0.01 million, or 0.1%, increase related to overdue rents.

These factors were partially offset by: [i] a US$ 0.49 million, or 2.5%, decrease in rental income due to the conversion of rental income denominated in pesos to dollars; [ii] a US$ 0.46 million, or 2.4%, decrease related to lease agreements that expired and were not renewed during 2Q16; and, [iii] a US$ 0.27 million, or 1.4%, decrease related to lease agreements which were renewed during 2Q16 at a lower rental rate in order to retain client relationships.

82.5% of Vesta's revenues are denominated in US dollars and indexed to the US Consumer Price Index, up from 80.8% a year earlier. The contracts that are denominated in pesos are adjusted annually based on the Mexican INPC.

Property Operating Costs

Second quarter operating costs as a share of total rental income decreased by 38 basis points year-on-year as rental income on properties increased at a faster rate than increases in operating costs.

2Q16 total operating costs reached US$ 0.95 million, compared with US$ 0.90 million in 2Q15, which represents a US$ 0.05 million, or 5.2%, increase.

During the second quarter of 2016, costs related to investment properties that generated rental revenues amounted to US$ 0.67 million, maintaining the same level as in the same period of 2015.

In addition, direct operating costs from investment properties that did not generate rental revenues amounted to US$ 0.28 million, compared with US$ 0.23 million in the same quarter of 2015. This increase was primarily due to an increase in maintenance costs and other costs (water and electricity).

Net Operating Income

Second quarter Net Operating Income increased by 15.3% to US $21.47 million, while NOI margin increased by 50 basis points to 97.0%.

Administrative Expenses

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	2Q16	2Q15	Chg. %	2016	2015	Chg. %
				6 months		
Administration Expenses	(2.37)	(1.93)	22.7	(4.82)	(4.07)	18.3
Long-term incentive (non cash)	(0.23)	0.16	na	(0.44)	(0.17)	ns
Depreciation	(0.07)	(0.03)	na	(0.15)	(0.06)	na
EBITDA	18.82	16.45	14.4	36.54	32.11	13.8

Administrative expenses for the 2Q16 totaled US$ 2.37 million, compared with US$ 1.93 million in the second quarter of 2015, representing a 22.7% increase.

In the three months ended June 30, 2016, the share-based payment expense amounted to US$ 0.23 million. For more detailed information, please review Note 14 within the Financial Statements.

Depreciation

Depreciation during the second quarter of 2016 was US$ 0.07 million, compared with US$ 0.03 million in the second quarter of 2015. The higher level of deprecation reflects investment in furnishings at the Company's new headquarters.

EBITDA

EBITDA increased 14.4% to US$ 18.82 million in 2Q16 from US$ 16.45 million in the 2Q15, while EBITDA margin decreased 30 basis points to 85.0% from the previous year's first quarter.

Other Income and Expenses

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	2Q16	2Q15	Chg. %	2016	2015	Chg. %
				6 months		
Other Income and Expenses						
Interest income	1.21	1.79	(32.5)	2.78	3.17	(12.2)
Other income (expense)	0.40	0.32	25.0	0.49	0.35	40.0
Transaction cost on debt issuance	(0.24)	0.00	na	(0.48)	0.00	na
Interest expense	(5.81)	(5.86)	(0.8)	(11.61)	(11.38)	2.0
Exchange loss	(14.73)	(6.17)	na	(18.32)	(17.64)	3.9
Gain on revaluation of investment properties	18.00	37.41	(51.9)	24.86	37.71	(34.1)
Total other (expenses) income	(1.17)	27.49	na	(2.28)	12.21	na

Other income and expenses at the end of the second quarter of 2016 resulted in a net expense of US$ 1.17 million, compared to a net income of US$ 27.49 million at the end of the second quarter of 2015.

Interest income decreased to US$ 1.21 million in 2Q16. The Company invested the proceeds of its January 2015 follow-on offering in short-term government instruments. Due to the fact that Company continued to develop industrial property during the quarter, this resulted in a lower cash balance.

Interest expense reduced by US$ 0.05 million, or 0.8%, at the close of 2Q16, compared to the same quarter last year.

The foreign exchange loss in 2Q16 amounted to US$ 14.73 million, compared to a loss of US$ 6.17 million in 2Q15. The foreign exchange loss primarily relates to currency movements on the balance of debt in dollars with WTN (the Company's only subsidiary using the Mexican peso as its functional currency), and the balance in pesos that CIV (Vesta's holding company) has related to IPO proceeds.

The valuation of investment properties undertaken in June, 2016 resulted in a gain of US$ 18.00 million, compared with a US$ 37.41 million gain in the second quarter of 2015. From an accounting perspective, construction progress and real estate market conditions are used to determine valuation.

Profit Before Income Taxes

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	2Q16	2Q15	Chg. %	2016	2015	Chg. %
				6 months		
Profit Before Income Taxes	17.35	44.07	(60.6)	33.67	44.09	(23.6)
Income Tax Expense	(21.28)	(24.06)	(11.5)	(26.23)	(28.10)	(6.7)
Current Tax	(1.41)	0.12	(na	(2.42)	(3.26)	(25.8)
Deferred Tax	(19.87)	(24.18)	(17.8)	(23.81)	(24.84)	(4.1)
Loss (Profit) for the Period	(3.93)	20.01	na	7.44	15.99	(53.5)
Exchange differences on translating other functional currency operations	(6.56)	(3.64)	80.2	(9.67)	(11.96)	(19.2)
Total Comprehensive Loss (Income) for the period	(10.49)	16.37	na	(2.23)	4.03	na

Profit before income taxes amounted to US$ 17.35 million, compared to a profit of US$ 44.07 million recorded in the same quarter last year. The decrease primarily reflects the lower gain in revaluation, due to progress on the construction of new properties.

Income Tax Expense

During the second quarter of 2016, the Company reported an income tax expense of US$ 21.28 million, compared to a US$ 24.06 million expense in the year-ago period.

Due to the 2014 ISR law, Vesta is only subject to ISR tax, which is paid on a monthly basis versus an annual lump sum. These monthly payments are recognized as an expense.

Deferred taxes primarily reflect: [i] the effect of the exchange rate used to convert taxable assets on the Company's balance sheet into Mexican pesos in order to calculate tax (including the monetary value of Vesta's investment properties and the tax loss benefits to amortize) in U.S. dollars at the end of the second quarter of 2016 and 2015; [ii] the impact of an inflationary benefit on the tax base of the Company's fiscal assets, in keeping with income tax laws; and, [iii] the recognition of the fair value of investment properties for accounting purposes, as tax assessed on the assets is based on their historical cost and is then appreciated.

Second Quarter 2016 Loss (Profit)

Due to a higher exchange loss, the Company's loss in the three months ended June 30, 2016 amounted to US$ 3.93 million, compared with a gain of US$ 20.01 million in the second quarter of 2015.

Total Comprehensive Income (Loss) for the Period

Vesta's total comprehensive income reflects the year-on-year impact of the foreign exchange rate variation primarily on WTN capital accounts, which is the Company's only subsidiary using the peso as its functional currency. At the end of the second quarter of 2016, the Company reported a US$ 10.49 million loss in total comprehensive income, compared with a gain of US$ 16.37 million at the end of the second quarter of 2015.

Funds Derived From Operations

				6 months		
FFO Reconciliation (million)	**2Q16**	**2Q15**	**Chg. %**	**2016**	**2015**	**Chg. %**
Total Comprehensive Income for the period	(10.49)	16.37	na	(2.23)	4.03	na
Adjustments						
Exchange differences	6.56	3.64	80.2	9.67	11.96	(19.2)
Gain on revaluation of investment properties	(18.00)	(37.41)	(51.9)	(24.86)	(37.71)	(34.1)
Long-term incentive (non cash)	0.23	(0.16)	na	0.44	0.00	na
Exchange loss	14.73	6.17	na	18.32	17.64	3.9
Depreciation	0.07	0.03	na	0.15	0.06	na
Other income (expense)	(0.40)	(0.32)	25.0	(0.49)	(0.35)	40.0
Interest income	(1.21)	(1.79)	(32.5)	(2.78)	(3.17)	(12.2)
Income Tax Expense	21.28	24.06	(11.5)	26.23	28.10	(6.7)
Current Tax	(1.41)	0.12	na	(2.42)	(3.26)	(25.8)
FFO Attributable	**11.35**	**10.71**	6.0	**22.03**	**17.30**	27.3
FFO per share	0.018	0.017	6.1	0.035	0.028	23.8

Funds from Operations attributable to common stockholders for 2Q16 totaled US$ 11.35 million, or US$ 0.018 per share, compared with US$ 10.71 million, or $0.017 per share, for 2Q15.

Capex

Investing activities were primarily related to payments for works in progress on the construction of new buildings in Bajio, Ciudad Juarez, Tijuana and Central Mexico. Total investments for the quarter amounted to US$ 55.76 million.

Debt

As of June 30, 2016, the overall balance of debt reached US$ 340.42 million, of which US$ 293.53 million, or 86.2%, is related to short term liabilities, while US$ 46.89 million, or 13.8%, represents long-term debt. Total debt is guaranteed by most of the Company's investment properties, as well as the income derived from them. At the close of June 30, 2016, 100% of the debt was denominated in US dollars.

As previously announced in 1Q16, Vesta completed US$ 400 million in new debt financing including a US$ 150 million unsecured five-year term loan, a US$ 100 million unsecured three-year revolving credit facility, and a US$ 150 million letter of intent for a secured 10-year non-recourse loan.

The five-year unsecured facility bears interest at a rate of 90 day Libor + 200 bps with two 50 bps step ups at years three and four. The loan is interest-only for the first three years. The revolving credit facility is for a term of three years and bears interest at Libor + 225 bps. The interest rate may increase if Vesta's leverage ratio rises above a certain level.

The term sheet signed with Met Life is for a 10-year loan, with a 7-year interest only payment period and a fixed interest rate of 4.55%.

Stabilized Portfolio

As of 4Q15, Vesta discloses "operating portfolio" occupancy as an additional measure of occupancy. Vesta currently reports portfolio occupancy and same store occupancy due to the fact that management believes these measures are a useful indicator of the performance of the Company's operating portfolio. The additional measure is intended to reflect market practices and assist in comparing Vesta's performance with the performance of its public industrial peers. Under the "operating portfolio" calculation, the measure will include properties that have reached 80% occupancy or have been completed for more than one year, whichever occurs first.

Region	*2Q15* Existing Portfolio SF	*2Q15* Existing Portfolio %	Growth SF SF	*2Q16* Stabilized Portfolio SF	*2Q16* Stabilized Portfolio %
Central Mexico	5,171,231	31.4%	1,166,809	6,338,040	32.2%
Bajio	8,799,263	53.4%	1,095,698	9,894,962	50.3%
Baja California	1,862,424	11.3%	517,803	2,380,227	12.1%
Juarez	652,683	4.0%	407,000	1,059,683	5.4%
Total	**16,485,602**	**100%**	**3,187,311**	**19,672,912**	**100%**

	2Q15		*2Q16*	
	Occupancy SF	**% Total**	**Occupancy SF**	**% Total**
Central Mexico	5,088,169	98.4%	5,689,189	89.8%
Bajio	7,583,283	86.2%	9,121,358	92.2%
Baja California	1,850,595	99.4%	2,372,972	99.7%
Juarez	475,271	72.8%	882,271	83.3%
Total	**14,997,318**	**91.0%**	**18,065,791**	**91.8%**

Same Store Portfolio

As of 4Q15, Vesta updated its definition of same store occupancy, which management believes to be a useful indicator of the performance of the Company's operating portfolio. Under the updated calculation, this measure will only include properties in the Company's portfolio that have been stabilized for the entirety of the two periods under comparison. The updated definition is intended to reflect market best practices and assist in comparing Vesta's performance with the performance of its public industrial peers. Vesta has provided a reconciliation of the updated definition versus the previous definition below.

	2Q15			*2Q16*	
	Existing Portfolio		**Growth SF**	**Same Store Portfolio**	
Region	**SF**	**%**	**SF**	**SF**	**%**
Central Mexico	4,636,664	32.9%	512,562	5,149,226	31.3%
Bajio	6,927,158	49.2%	1,884,270	8,811,429	53.5%
Baja California	1,862,424	13.2%	(492)	1,861,932	11.3%
Juarez	652,683	4.6%	0	652,683	4.0%
Total	**14,078,930**	**100%**	**2,396,340**	**16,475,270**	**100%**

	2Q15		*2Q16*	
	Occupancy SF	**% Total**	**Occupancy SF**	**% Total**
Central Mexico	4,636,664	100.0%	5,013,709	97.4%
Bajio	6,450,934	93.1%	8,250,858	93.6%
Baja California	1,850,595	99.4%	1,854,677	99.6%
Juarez	475,271	72.8%	475,271	72.8%
Total	**13,413,464**	**95.3%**	**15,594,516**	**94.7%**

Total Portfolio

As of June 30, 2016, the Company's portfolio was comprised of 129 high quality industrial assets, with a total GLA of 20.84 million ft^2 (1.94 million m^2). The majority of Vesta's properties are located in markets with the most significant economic growth in the country, such as the Central and Bajio regions. During 2Q16, 82.5% of the Company's income was denominated in US dollars. Vesta's tenants are mostly multinational companies, and the Company has a balanced industry exposure to sectors such as automotive, aerospace, food and beverage and logistics, among others.

	1Q16		*2Q16*		
	Existing Portfolio		**Growth SF**	**Total Portfolio**	
Region	**SF**	**%**	**SF**	**SF**	**%**
Central Mexico	6,360,044	30.8%	206,799	6,544,839	31.4%
Bajio	10,307,947	50.0%	0	10,333,516	49.6%
Baja California	2,684,657	13.0%	0	2,684,243	12.9%
Juarez	1,273,811	6.2%	0	1,272,895	6.1%
Total	**20,628,694** [1]	**100%**	**206,799**	**20,835,492**	**100%**

[1] Adjusted by changes in the initial size of the portfolio.

Total Vacancy

As of June 30, 2016, Vesta's property portfolio had a vacancy rate of 12.2%.

	1Q16		*2Q16*	
	Vacant SF	**% Total**	**Vacant SF**	**% Total**
Central Mexico	648,851	3.1%	855,650	4.1%
Bajio	1,244,884	6.0%	1,212,157	5.8%
Baja California	295,244	1.4%	159,925	0.8%
Juarez	391,540	1.9%	319,632	1.5%
Total	**2,580,519**	**12.5%**	**2,547,364**	**12.2%**

Projects Under Construction

Vesta is currently developing 2,593,736 ft^2 (240,966 m^2) in BTS and inventory buildings.

Project	GLA (SF)	GLA (m^2)	Investment [1] (USD$ MM)	Type	Progress	Expected Termination Date	Region
TPI phase 1	358,797	33,333	22.43	BTS	59.3%	Oct-16	North Region
TPI phase 2	339,383	31,530	21.48	BTS	25.6%	Feb-17	North Region
El Florido 3	164,740	15,305	8.80	Inventory	56.9%	Nov-16	North Region
SNECMA	337,997	31,401	20.00	BTS	36.3%	Feb-17	Bajio Region
Thyssen	205,526	19,094	8.79	BTS	42.0%	Dec-16	Bajio Region
Tachi-S	57,381	5,331	2.16	BTS	0.0%	Dec-16	Bajio Region
SMA 2	131,329	12,201	5.30	Inventory	54.6%	Oct-16	Bajio Region
SMA 3	205,474	19,089	8.08	Inventory	47.4%	Nov-16	Bajio Region
PIQ 10	87,854	8,162	3.98	Inventory	61.1%	Sep-16	Bajio Region
PIQ 11	191,969	17,835	8.51	Inventory	51.4%	Oct-16	Bajio Region
SLP 5	150,000	13,935	6.35	Inventory	46.9%	Nov-16	Bajio Region
Puebla P1	181,643	16,875	7.90	Inventory	42.9%	Nov-16	Central Region
Puebla P2	181,643	16,875	7.95	Inventory	44.9%	Jan-17	Central Region
Total	**2,593,736**	**240,966**	**131.7**				

(1) Investment includes proportional cost of land and infrastructure.

Land Reserves

As of June 30, 2016, the Company had 19.56 million ft^2 of land reserves.

	March 31, 2016	*June 30, 2016*	
Region	**Gross Land Area (SF)**	**Gross Land Area (SF)**	**% Chg.**
San Luis Potosi	984,221	645,738	(0.34)
Queretaro	912,337	11,891,534	12.03
Tijuana	1,482,663	1,079,172	(0.27)
Cd. Juarez	2,365,623	2,365,637	0.00
Guanajuato	3,931,394	3,444,837	(0.12)
Aguascalientes	7,409,194	7,409,195	0.00
Puebla	2,476,625	1,630,480	(0.34)
Total	**19,562,058**	**28,466,593**	**45.52%**

Summary of Six-Month Results

				6 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**2Q16**	**2Q15**	**Chg. %**	**2016**	**2015**	**Chg. %**
Revenues						
Rental income	22.13	19.28	14.8	43.19	37.93	13.9
Operating Costs	(0.95)	(0.90)	5.2	(1.84)	(1.75)	5.2
Related to properties that generate rental income	(0.67)	(0.67)	(0.4)	(1.32)	(1.29)	2.2
Related to properties that did not generate rental income	(0.28)	(0.23)	21.6	(0.52)	(0.46)	13.8
Gross profit	21.19	18.38	15.3	41.35	36.18	14.3
Net Operating Income	21.47	18.61	15.3	41.88	36.64	14.3
Administration Expenses	(2.37)	(1.93)	22.7	(4.82)	(4.07)	18.3
Long-term incentive (non cash)	(0.23)	0.16	na	(0.44)	(0.17)	na
Depreciation	(0.07)	(0.03)	na	(0.15)	(0.06)	na
EBITDA	18.82	16.45	14.4	36.54	32.11	13.8
Other Income and Expenses						
Interest income	1.21	1.79	(32.5)	2.78	3.17	(12.2)
Other income (expense)	0.40	0.32	25.0	0.49	0.35	40.0
Transaction cost on debt issuance	(0.24)	0.00	na	(0.48)	0.00	na
Interest expense	(5.81)	(5.86)	(0.8)	(11.61)	(11.38)	2.0
Exchange loss	(14.73)	(6.17)	na	(18.32)	(17.64)	3.9
Gain on revaluation of investment properties	18.00	37.41	(51.9)	24.86	37.71	(34.1)
Total other (expenses) income	(1.17)	27.49	na	(2.28)	12.21	na
Profit Before Income Taxes	17.35	44.07	(60.6)	33.67	44.09	(23.6)
Income Tax Expense	(21.28)	(24.06)	(11.5)	(26.23)	(28.10)	(6.7)
Current Tax	(1.41)	0.12	na	(2.42)	(3.26)	(25.8)
Deferred Tax	(19.87)	(24.18)	(17.8)	(23.81)	(24.84)	(4.1)
Loss (Profit) for the Period	(3.93)	20.01	na	7.44	15.99	(53.5)
Exchange differences on translating other functional currency operations	(6.56)	(3.64)	80.2	(9.67)	(11.96)	(19.2)
Total Comprehensive Loss (Income) for the period	(10.49)	16.37	na	(2.23)	4.03	na

Consolidated total rental revenues increased 13.9% to US$ 43.19 million in the six-month period ending June 30, 2016, compared to US$ 37.93 million in the same period last year.

Gross profit for the six-month period increased by 14.3% to US$ 41.35 million in 2016, compared to the same 2015 period. The operating cost increased 5.2%, mainly due to an increase in other costs related to investment properties that did not generate revenues, such as expenses for electricity, water, security, and contributions to the industrial parks in which Vesta has properties.

At the close of June 30, 2016, salaries and human resource-related expenses were reflected in administrative expenses for the six-month period, in addition to other expenses related to the investment properties, valuation services, and other consulting fees.

The six months other operating expense was US$ 2.28 million compared to a gain of US$ 12.21 million in the previous year. The result reflects a higher exchange rate loss of US$ 18.32 million, compared to a loss of US$ 17.64 in the previous year, due to the peso deprecation and lower gain in the revaluation of investment properties, which decreased to US$ 24.86 million compared to US$ 37.71 million in the six months of 2015; the valuation was undertaken as of June 2016, and reflects real estate market conditions at that time.

As a result of these factors, the Company's profit before tax decreased to US$ 33.67 million in the first six months of 2016 from the same period in 2015.

Property taxes at the close of June 30, 2016 totaled US$ 26.23 million compared to US$ 28.10 million at the close of June 30, 2015; the decrease is mainly explained by a decline in deferred and current taxes.

Net loss for the first half of 2016 was US$ 2.23 million compared to a gain of US$ 4.03 million in the same 2015 period, due to the above-mentioned factors.

During the first six months of 2016, Capex amounted to US$ 86.94 million, reflecting the development of investment properties. Resources were primarily used to pay for the progress in construction and acquisition of land for future investment projects.

Appendix: Financial Tables

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	2Q16	2Q15	Chg. %	2016 (6 months)	2015 (6 months)	Chg. %
Revenues						
Rental income	22.13	19.28	14.8	43.19	37.93	13.9
Operating Costs	(0.95)	(0.90)	5.2	(1.84)	(1.75)	5.2
Related to properties that generate rental income	(0.67)	(0.67)	(0.4)	(1.32)	(1.29)	2.2
Related to properties that did not generate rental income	(0.28)	(0.23)	21.6	(0.52)	(0.46)	13.8
Gross profit	21.19	18.38	15.3	41.35	36.18	14.3
Net Operating Income	21.47	18.61	15.3	41.88	36.64	14.3
Administration Expenses	(2.37)	(1.93)	22.7	(4.82)	(4.07)	18.3
Long-term incentive (non cash)	(0.23)	0.16	na	(0.44)	(0.17)	na
Depreciation	(0.07)	(0.03)	na	(0.15)	(0.06)	na
EBITDA	18.82	16.45	14.4	36.54	32.11	13.8
Other Income and Expenses						
Interest income	1.21	1.79	(32.5)	2.78	3.17	(12.2)
Other income (expense)	0.40	0.32	25.0	0.49	0.35	40.0
Transaction cost on debt issuance	(0.24)	0.00	na	(0.48)	0.00	na
Interest expense	(5.81)	(5.86)	(0.8)	(11.61)	(11.38)	2.0
Exchange loss	(14.73)	(6.17)	na	(18.32)	(17.64)	3.9
Gain on revaluation of investment properties	18.00	37.41	(51.9)	24.86	37.71	(34.1)
Total other (expenses) income	(1.17)	27.49	na	(2.28)	12.21	na
Profit Before Income Taxes	17.35	44.07	(60.6)	33.67	44.09	(23.6)
Income Tax Expense	(21.28)	(24.06)	(11.5)	(26.23)	(28.10)	(6.7)
Current Tax	(1.41)	0.12	na	(2.42)	(3.26)	(25.8)
Deferred Tax	(19.87)	(24.18)	(17.8)	(23.81)	(24.84)	(4.1)
Loss (Profit) for the Period	(3.93)	20.01	na	7.44	15.99	(53.5)
Exchange differences on translating other functional currency operations	(6.56)	(3.64)	80.2	(9.67)	(11.96)	(19.2)
Total Comprehensive Loss (Income) for the period	(10.49)	16.37	na	(2.23)	4.03	na
Shares (average)	631.14	631.60	(0.1)	631.14	613.71	2.8
EPS	(0.02)	0.03	na	(0.00)	0.01	na

Consolidated Statements of Financial Position (million)	June 30, 2016	December 31, 2015
ASSETS		
CURRENT		
Cash and cash equivalents	29.71	27.74
Financial assets held for trading	85.05	203.56
Recoverable taxes	22.90	20.82
Operating lease receivable, net	4.94	4.15
Prepaid expenses	1.86	0.51
Guarantee deposits made	4.50	2.75
Total current assets	148.95	259.53
NON-CURRENT		
Investment properties	1,320.62	1,214.93
Office equipment - net	1.69	1.84
Guarantee Deposits made	1.30	1.21
Total non-current assets	1,323.62	1,217.98
TOTAL ASSETS	**1,472.57**	**1,477.51**
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	293.53	298.07
Accrued interest	3.05	3.20
Accounts payable	10.11	1.41
Income tax payable	0.25	0.32
Accrued expenses	1.06	1.69
Total current liabilities	308.00	304.69
NON-CURRENT		
Long-term debt	46.89	46.70
Guarantee deposits received	7.95	7.20
Deferred income taxes	165.56	144.14
Total non-current liabilities	220.40	198.04
TOTAL LIABILITIES	528.40	502.73
STOCKHOLDERS' EQUITY		
Capital stock	455.74	455.74
Additional paid-in capital	349.56	349.56
Retained earnings	164.11	185.49
Equity Settle employee reserve	1.83	1.39
Foreign currency translation	(27.06)	(17.40)
Total shareholders' equity	944.17	974.78
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,472.57**	**1,477.51**

Consolidated Statements of Cash Flows (million)	June 30, 2016	June 30, 2015
Cash flow from operating activities:		
Profit before income taxes	33.67	44.09
Adjustments:		
Depreciation	0.15	0.06
Gain on revaluation of investment properties	(24.86)	(37.71)
Effect of foreign exchange rates	18.32	17.64
Interest income	(2.78)	(3.17)
Interest expense	11.61	11.38
Expense recognized in respect of share-based payments	0.44	0.17
Working capital adjustments		
Operating leases receivables- net	(0.79)	(0.07)
Recoverable taxes	(6.41)	(15.19)
Prepaid expenses	(1.35)	(0.45)
Guarantee deposits made	0.65	(0.47)
Accounts payable	1.44	(0.17)
Guarantee Deposits received	0.74	1.11
Accrued expenses	(0.64)	(0.47)
Income Tax Paid	(0.54)	(1.00)
Net cash generated by operating activities	29.65	15.75
Cash flow from investing activities		
Acquisition of investment property	(86.94)	(63.64)
Acquisition of office furniture	0.00	(0.25)
Financial assets held for trading	100.19	(171.93)
Proceeds on sale of investment property	0.00	0.00
Interest received	2.78	3.17
Net cash used in investing activities	16.04	(232.65)
Cash flow from financing activities		
Capital increase	0.00	224.05
Repurchase of shares	0.00	(0.99)
Interest paid	(11.56)	(11.31)
Repayments of borrowings	(4.54)	(4.19)
Debt issuance	0.00	46.55
Direct debt issuance and restricted cash	(1.75)	0.00
Dividends paid	(28.83)	(22.32)
Net cash used in financing activities	(46.68)	231.79
Effects of exchange rates changes on cash	3.69	0.97
Net Increase in cash and cash equivalents	2.70	15.86
Cash and cash equivalents		
At the beginning of the period	27.75	10.67
At the end of the period	30.45	26.53

Consolidated Statements of Changes in Stockholders' Equity (million)	Capital Stock	Additional Paid-in Capital	Retained Earnings	Equity Settle Employee Reserve	Foreign Currency Translation	Total Stockholders´ Equity
Balances as of January 1, 2015	370.37	211.87	211.64	0.32	3.53	797.74
Equity issuance	85.75	138.31				224.06
Share-based payments				0.17		0.17
Dividends declared			(22.32)			(22.32)
Repurchase of shares	(0.38)	(0.62)				(1.00)
Comprehensive income (loss)			15.99		(11.96)	4.03
Balances as of June 30, 2015	455.74	349.56	205.31	0.49	(8.43)	1002.67
Balances as of January 1, 2016	455.74	349.56	185.49	1.39	(17.40)	974.79
Equity issuance						
Share-based payments				0.44		0.44
Dividends payments			(28.83)			(28.83)
Repurchase of shares						
Comprehensive income			7.44	0.00	(9.67)	(2.23)
Balances as of June 30, 2016	**455.74**	**349.56**	**164.11**	**1.83**	**(27.06)**	**944.17**

Notes and Disclaimer

Interim Consolidated Condensed Financial Statements: The figures presented for the three months period ending as of June 30, 2016 and 2015, presented in this release have not been audited.

Annual Financial Statements: The consolidated financial statements as of December 31, 2015 presented in this release have been audited.

Exchange Rate: The exchange rate used for the figures expressed in US dollars (US$) were:

Date	Exchange Rate
Balance Sheet	
December 31, 2014	17.207
June 30, 2015	18.911
Income Statement	
2Q15 *(average)*	15.309
2Q16 *(average)*	18.052
1H15 *(average)*	18.034
1H16 *(average)*	15.121

Previous period: Unless otherwise stated, the comparison of the operating and financial figures compare the same previous year period.

Percentages may not coincide due to rounding.

Net Operating Income (NOI) is calculated as: rental income minus the operating cost for the investment properties that generated income**.**

EBITDA represents rental revenue minus the operating cost of the investment properties minus the administrative costs, expect for the long term incentive plan. The rental cost and administrative cost does not include depreciation or amortization.

Funds from Operations (FFO) are calculated as: the total comprehensive gain/loss in the period minus the conversion effect of the foreign operations, the income tax, gain (loss) due to the revaluation of the investment properties, foreign exchange gain (loss), other income (expenses), interest income, depreciation of other assets and paid taxes in cash.

Build to Suit (BTS): means a build-to-suit building that is designed and constructed in a tailor-made manner in order to meet client-specific needs.

Inventory buildings: are buildings that are built in accordance with standard industry specifications, for the purpose of having sufficient space available for clients that do not have the time or interest to build a BTS Building.

Analyst Coverage

In compliance with the internal regulation of the BMV, article 4.033.01 Frac. VIII, Vesta is covered by analysts at the following brokers:

- Casa de Bolsa Credit Suisse S.A. de C.V.
- Casa de Bolsa Santander S.A. de C.V.
- HSBC México S.A. de C.V.
- Barclays Bank Mexico, S.A.
- Itaú Corretora de Valores S.A
- J.P. Morgan Casa de Bolsa, S.A. de C.V.
- UBS Casa de Bolsa S.A.
- Scotia Inverlat Casa de Bolsa S.A. de C.V.
- BTG Pactual US Capital LLC
- Grupo Financiero Interacciones S.A. de C.V.
- GBM Grupo Bursátil Mexicano S.A. de C.V.
- Merrill Lynch Mexico, S.A. de C.V.

About Vesta

Vesta is a real estate owner, developer and asset administrator of industrial buildings and distribution centers in Mexico. As of June 30, 2016, Vesta owned 129 properties located in modern industrial parks in 13 states of Mexico totaling a GLA of 20.83 million ft^2 (1.94 million m^2). The Company has multinational clients, which are focused in industries such as aerospace, automotive, food and beverage, logistics, medical devices, and plastics, among others. For additional information visit: www.vesta.com.mx.

Note on Forward-Looking Statements

This report may contain certain forward-looking statements and information relating to the Company that reflects the current views and/or expectations of the Company and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like “believe,” “anticipate,” “expect,” “envisages,” “will likely result,” or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this presentation and in oral statements made by authorized officers of the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.