2Q

2018

EARNINGS RESULTS

Conference Call

Friday, July 27, 2018
9:00 a.m. (Mexico City Time)
10:00 a.m. (Eastern Time)

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Mexico City, July 26, 2018 – Corporación Inmobiliaria Vesta S.A.B. de C.V., ("Vesta", or the "Company") (BMV: VESTA), one of the leading pure play industrial real estate company in Mexico, today announced its results for the second quarter ended June 30, 2018. All figures included herein were prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in US dollars unless otherwise noted.

Highlights

- Second quarter 2018 revenues increased by 22%; from US $26.5 million in 2Q17 to US$ 32.4 million in 2Q18.
- Vesta achieved NOI margins of 96.7% and EBITDA margins of 85.6%, again exceeding the Company's guidance of 95% and 83%, respectively.
- FFO increased by 91.3%; from US$ 10.0 million in 2Q17 to US$ 19.1 million in 2Q18. This was due to a higher dollar-denominated revenue base and currency depreciation during 2Q18.
- FFO per share increased 95.6% in the second quarter 2018; from US$ 0.0163 in 2Q17 to US$ 0.0319 in 2Q18, due to increased cash generation for the quarter and to Vesta's share buy-back program.
- Vesta continued to strengthen its balance sheet during 2Q18, with a US $90 million unsecured term-loan agreement with Prudential Insurance Company of America, including a 7-year non-amortizing tranche of US $45 million with a fixed 5.50% semi-annual interest rate and a 10-year non-amortizing tranche of US $45 million with a fixed 5.85% semi-annual interest rate.
- New buildings delivered during 2Q18 amounted to 1,428,578 ft² of GLA, of which 584,728 ft² came from BTS facilities and 843,850 ft² came from inventory buildings. New BTS facilities went directly to Vesta's stabilized portfolio, while new inventory buildings are currently undergoing their lease-up period, achieving a 96.3% occupancy in our stabilized portfolio, 97.5% in the same store portfolio and 91.9% in the total portfolio.
- Vesta's development portfolio totaled 1.80 million ft² of GLA in 2Q18, with the addition of three new inventory buildings during the quarter. New development buildings are located in Silao, San Miguel de Allende and San Luis Potosí, within the Bajio market, totaling 468,730 ft² with a weighted average expected return on cost of 11.1%.
- Leasing activity during 2Q18 totaled 758,597 ft² including new contracts with new international clients such as DB Schenker as well as repeat business with existing clients such as Valeo, Voestalpine and Nishikawa.
- In recognition of Vesta's evolution into a leading institutional industrial asset management platform and in conjunction with the successful implementation of its previous announced succession plan, we would like to highlight the following organizational enhancements. The Company's former Chief Operating Officer position will be transformed into a newly created Chief Commercial Officer (CCO) position. Elias Laniado Laborín, Vesta's Vice President of New Business for the Northern Region, has been appointed as Vesta's CCO, effective August 1, 2018. In his new role, Elias will be responsible for all activities related to marketing, leasing and investing throughout all regions in which Vesta has a presence. Additionally, Diego Berho, Vice President of Development, who has also served as Interim Chief Development Officer since 1Q17, has been named Vesta's Chief Portfolio Officer (CPO), effective August 1, 2018. In his new role, Diego will be responsible for the oversight of all activities related to asset management and development of the portfolio.

				6 Months		
Financial Indicators (million)	**2Q18**	**2Q17**	**Chg. %**	**2018**	**2017**	**Chg. %**
Rental Income	32.38	26.53	22.0	63.75	52.23	22.0
NOI	31.31	25.57	22.4	61.80	50.35	22.7
NOI Margin %	*96.7%*	*96.4%*		*97.0%*	*96.4%*	
EBITDA	27.73	22.80	21.6	54.62	44.47	22.8
EBITDA Margin %	*85.6%*	*85.9%*		*85.7%*	*85.1%*	
EBITDA Per Share	*0.0465*	*0.0373*	24.8	*0.0916*	*0.0725*	26.3
Total Comprehensive Income	7.29	18.18	(59.9)	43.70	96.16	na
FFO	19.09	9.98	91.3	27.74	18.98	46.2
FFO Per Share	*0.0319*	*0.0163*	95.6	*0.0463*	*0.0310*	49.7
EPS	0.0122	0.0297	na	0.0733	0.1568	na
Shares (average)	598.70	612.12	(2.6)	598.70	613.14	(2.8)

- Revenues increased 22.0%, to US$ 32.38 million in 2Q18, from US$ 26.53 million in 2Q17. During the first six months of the year, revenues increased by 22.0%, to US$ 63.75 million in 2018, from US$ 52.23 million in 2017.
- Net Operating Income ("NOI") increased 22.4% to US$ 31.31 million in 2Q18, compared to US$ 25.57 million in 2Q17. The NOI margin was 96.7% in the second quarter 2018.
- EBITDA increased 21.6% to US$ 27.73 million in 2Q18, versus US$ 22.80 million in the second quarter of 2017. The EBITDA margin was 85.6% in the second quarter of 2018; a 30-basis point decrease due to an increase in administrative expenses from higher salaries related to an increase in employee headcount, as well as to legal expenses associated with Vesta's debt issuance which took place during 2Q18.
- Funds from operations ("FFO") for 2Q18 increased by 91.3%, to US$ 19.09 million, from US$ 9.98 million for the same period of 2017. FFO per share was US$ 0.0319 for the second quarter, compared with US$ 0.0163 for the same period in 2017; an 95.6% increase due to a higher FFO and a reduced share base resulting from the Company's buy-back program.
- Total comprehensive income for the second quarter 2018 was US$ 7.29 million, versus US$ 18.18 million in the second quarter 2017. This decrease was primarily due to higher taxes.
- As of June 30, 2018, the total value of Vesta's investment property portfolio was US$ 1.79 billion; a 5.5% increase compared to US$ 1.70 billion on December 31, 2017.

Celebrating Vesta´s 20th anniversary with a platform of excellence

For 20 years, it has been my honor to lead the company as its General Director. With the support of a team of excellence, we have achieved an extraordinary growth in the value of our assets. We started in 1998 with 8 buildings and 560,000 square feet of GLA, we now have 187 including operational and under development buildings, reaching 30.0 million square feet by year end.

Above all, through out these two decades we have structured an institutional company with strong corporate governance, highly qualified professionals positioned in the most dynamic regions of Mexico, we have developed the most modern industrial and logistic portfolio, underpinned by a solid client base with long lasting relationships and we aim to further increase sustainability impact.

This platform has allowed us to again deliver great results. Growth and balanced strength characterized Vesta's operational performance for the second quarter 2018. Our timely and accretive building deliveries increased our total portfolio by 1.4 million ft² this quarter, at an expected average weighted return on costs of 11.1%. Our past quarters' dynamic and disciplined leasing activity also drove revenue growth to 22% and FFO growth to 91.4% year on year. Early renewals have further strengthened the quality of our future revenues, while additional unsecured debt provides the necessary fire power for our Company to continue seizing non-dilutive growth opportunities.

In the second quarter of 2018, Vesta's total portfolio grew to 28.5 million ft², from 27.0 million ft² in the second quarter of last year. Our good performance this quarter was due to new on-time building deliveries, of which 584,728 ft² were built-to-suit facilities, for current clients such as TPI Composites and Polymer, which fed directly into our stabilized portfolio, while 843,850 ft² were inventory buildings currently undergoing their lease-up period.

Leasing activity amounted to 758,597 ft² during the second quarter 2018, including contracts with new international clients such as DB Schenker, a division of the German rail operator Deutsche Bahn AG, as well as repeat business with clients such as Paris-based Valeo and Voestalpine, the second largest Austrian public company. Early renewals drove down the percentage of 2018 maturing GLA to 2.9%, and 2019 maturing GLA to 6.4%. In the second quarter Vesta achieved a 96.3% occupancy in our stabilized portfolio, 97.5% in the same store portfolio and 91.9% in the total portfolio. We feel comfortable with our portfolio performance taking into account the new inventory buildings delivered impact.

We continue to focus our attention to the Mexican markets that delivered high growth. Particularly in the Bajio and Northern regions. Our 2Q18 development pipeline consists of 1.8 million ft² GLA totaling a US$ 78 million investment, of which US$ 41 million has been disbursed, and a weighted average expected return on costs of approximately 10.9%.

Turning to key financial metrics, second quarter revenues rose 22% year on year to US$32.4 million. This increase resulted in a 96.7% margin, while disciplined administrative expense management drove Vesta's second quarter EBITDA margin to 85.6%. Both therefore exceed our guidance. FFO increased 91.3%; from

US$10.0 million in 2Q17 to US$19.1 million in 2Q18. This was due to a higher dollar-denominated revenue base and currency depreciation during 2Q18. FFO per share increased 95.6% in the second quarter 2018; from US$0.0163 in 2Q17 to US$ 0.0319 in 2Q18, due to an increased cash generation for the quarter.

It’s important to note that we remain focused on strengthening Vesta’s balance sheet. In the second quarter of the year, Vesta obtained additional funding through a US$90 million unsecured term loan agreement with Prudential Insurance Company of America, comprised of a 7-year non-amortizing tranche of US$45 million with a fixed 5.50% semi-annual interest rate and a 10-year non-amortizing tranche of US$45 million with a fixed 5.85% semi-annual interest rate. To date, Vesta’s LTV has reached 36%, with a 7.0-year average debt maturity profile at a 4.7% fixed average interest rate. The transaction ensures we can continue to take opportunistic advantage of important non-dilutive growth opportunities.

Turning to the geopolitical environment, we note that investors’ confidence in Mexico has strengthened, as the capital markets reflected renewed investments in Mexican publicly traded companies after Mexico’s general elections on July 1st. This was a strong affirmation of the considerable strength of Mexico’s democratic institutions. As the investment community has placed continued trust in our country, we too are focused on high-growth Mexican markets, a reflection of our confidence in the sophistication and competitiveness of Mexico´s manufacturing and logistics platform.

In August, I will become full time Executive President of the Board and will continue to be heavily involved in strengthening Vesta´s relationships with our key stakeholders and reviewing our strategic direction. I strongly believe that Lorenzo Dominique Berho has all the elements to continue growing the company while contributing to the progress of Mexico. I will remain in the company with undiminished enthusiasm in this new stage of Vesta.

Thank you for all your support during these years.

Lorenzo Berho
CEO and President of the Board

Second Quarter Financial Summary

Consolidated Statutory Accounts

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

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 2018 results are compared to the same period of the prior year and adjusted based on the same rules.

Revenues

				6 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**2Q18**	**2Q17**	**Chg. %**	**2018**	**2017**	**Chg. %**
Revenues						
Rental income	32.38	26.53	22.0	63.75	52.23	22.0
Operating Costs	(1.37)	(1.11)	23.6	(2.41)	(2.19)	10.2
Related to properties that generate rental income	(1.07)	(0.97)	10.8	(1.94)	(1.88)	3.5
Related to properties that did not generate rental income	(0.30)	(0.15)	108.3	(0.47)	(0.31)	51.2
Gross profit	31.00	25.42	21.9	61.34	50.05	22.6
Net Operating Income	31.31	25.57	22.4	61.80	50.35	22.7

Vesta's 2Q18 rental revenues increased 22.0% to US$ 32.38 million, from US$ 26.53 million in 2Q17. The US$ 5.85 million increase in rental revenues was primarily attributed to: [i] a US$ 0.26 million, or 34.9%, increase in reimbursements from the expenses paid by Vesta on behalf of its clients, but not considered to be rental revenue, due to a higher stabilized portfolio; [ii] a US$ 5.54 million, or 20.9%, increase from the rental of new space which had previously been vacant in 2Q17 but was rented in 2Q18; and [iii] and a US$ 0.97 million, or 3.7%, increase related to inflationary adjustments made in 2Q18 on rented property.

These factors were partially offset by: [i] a US$ 0.72 million, or 2.7%, decrease related to lease agreements that expired and were not renewed during 2Q18; [ii] a US$ 0.10 million, or 0.4%, decrease related to lease agreements which were renewed during 2Q18 at a lower rental rate due to retain certain client relationships; and [iii] a US$ 0.11 million decrease in rental income due to the conversion of peso-denominated rental income into dollars.

86.1% of Vesta's second quarter revenues were denominated in US dollars and are indexed to the US Consumer Price Index ("CPI"), an increase from 86.0% for the second quarter 2017. Those contracts denominated in pesos are adjusted annually based on the equivalent Mexican consumer price index, the "Indice Nacional de Precios al Consumidor" (INPC).

Property Operating Costs

2Q18 total operating costs reached US$ 1.37 million, compared to US$ 1.11 million in 2Q17, which represents a US$ 0.26 million, or 23.6%, increase, reflecting higher expenses from properties that generated rental income.

During the second quarter of 2018, costs related to investment properties generating rental revenues amounted to US$ 1.07 million, compared with US$ 0.97 million for the same period of 2017. This was primarily attributable to an increase in insurance, maintenance and other expenses from properties that generated rental income.

In addition, costs from investment properties which did not generate rental revenues amounted to US$ 0.30 million; a US$ 0.15 million increase as compared to the same period of 2017. This was primarily attributable to higher tax, property insurance, maintenance and other expenses.

Net Operating Income (NOI)

Second quarter Net Operating Income increased by 22.4%, to US$ 31.31 million, while NOI margin increased by 33 basis points to 96.7% due to higher rental revenue.

Administrative Expenses

				6 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**2Q18**	**2Q17**	**Chg. %**	**2018**	**2017**	**Chg. %**
Administration Expenses	(3.76)	(2.94)	27.8	(7.69)	(6.23)	23.4
Long-term incentive (non cash)	(0.48)	(0.32)	49.8	(0.97)	(0.66)	47.9
Depreciation	(0.12)	(0.09)	34.3	(0.23)	(0.17)	31.3
EBITDA	27.73	22.80	21.6	54.62	44.47	22.8

Administrative expenses for the 2Q18 totaled US$ 3.76 million, compared with US$ 2.94 million in the second quarter of 2017; a 27.8% increase. The increase is mainly attributed to higher salaries from an expanding employee base, extraordinary legal expenses related to debt issuance transaction costs, as well as an increase in long-term incentives.

In 2Q18, the share-based payment of the compensation plan expense amounted to US$ 0.48 million. For more detailed information on Vesta's expenses, please review Note 15 within the Financial Statements.

Depreciation

Depreciation during the second quarter of 2018 was US$ 0.12 million, compared with US$ 0.09 million in the second quarter of 2017.

EBITDA

2Q18 EBITDA increased 21.6% to US$ 27.73 million, from US$ 22.80 million in the 2Q17, while EBITDA margin decreased 30 basis points, to 85.6% year-on-year, due to the increased administrative incentives explained above.

Other Income and Expenses

				6 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**2Q18**	**2Q17**	**Chg. %**	**2018**	**2017**	**Chg. %**
Other Income and Expenses						
Interest income	0.02	0.01	1.8	0.03	0.02	na
Other income	(0.04)	0.34	(1.1)	0.47	0.48	(2.6)
Transaction cost on debt issuance	(0.01)	0.00	na	(0.14)	0.00	na
Interest expense	(8.33)	(3.95)	1.1	(15.71)	(7.87)	99.6
Exchange gain (loss)	(4.91)	3.67	(2.3)	(1.02)	10.21	na
Gain on revaluation of investment properties	24.27	(11.10)	(3.2)	31.53	53.15	(40.7)
Total other (expenses) income	11.01	(11.03)	(2.0)	15.16	55.99	na

Total other income at the end of the second quarter of 2018 reached US$ 11.01 million, compared to other expense of US$ 11.03 million at the end of the second quarter of 2016. This difference is mainly attributed to a gain on revaluation of investment properties.

Interest income increased to US$ 0.02 million in 2Q18. This was due to the increase in cash reserves from the debt issuance which took place during the quarter.

Interest expense increased to US$ 8.33 million at the close of 2Q18, compared to US$ 3.95 million for same quarter last year. This year on year increase reflects a higher debt balance related to the Company's new debt issuance.

The foreign exchange loss in 2Q18 decreased to US$ 4.91 million, compared to a gain of US$ 3.67 million in 2Q17. The foreign exchange loss relates primarily to currency movements on Vesta's dollar-denominated balance of debt with WTN, the Company's only subsidiary using the Mexican peso as its functional currency. As the value of the peso decreased in the global markets during 2Q18, those peso-denominated subsidiaries will have lower dollar-denominated income, thus 2Q18 foreign exchange loss increased as compared to 2Q17 due to a higher peso depreciation.

The valuation of investment properties undertaken in June 2018 resulted in a US$ 24.27 million gain, compared with US$ 11.10 million loss in the second quarter of 2017, primarily due to the additional property and a higher stabilized portfolio occupancy rate. From an accounting perspective, construction progress and real estate market conditions are used to determine valuation.

Profit Before Income Taxes

				6 months		
Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	**2Q18**	**2Q17**	**Chg. %**	**2018**	**2017**	**Chg. %**
Profit Before Income Taxes	38.13	11.37	2.4	68.59	99.63	(0.3)
Income Tax Expense	(26.22)	7.64	(4.4)	(20.70)	1.34	na
Current Tax	(0.30)	(8.87)	(1.0)	(11.03)	(17.62)	na
Deferred Tax	(25.92)	16.52	(2.6)	(9.67)	18.96	na
Profit for the Period	11.91	19.01	(0.4)	47.89	100.97	na
Valuation of derivative financial instruments	0.55	0.00	na	2.06	0.00	na
Exchange differences on translating other functional currency operations	(5.18)	(0.83)	5.2	(6.25)	(4.82)	29.9
Total Comprehensive Income for the period	7.29	18.18	(0.6)	43.70	96.16	na

Due to the above factors, profit before income taxes amounted to US$ 38.13 million, compared to a gain of US$ 11.37 million recorded in the same quarter last year.

Income Tax Expense

During the second quarter of 2018, the Company reported an income tax expense of US$ 26.22 million, compared to a US$ 7.64 million gain in the prior year period, due to higher deferred taxes in 2Q18 resulting from a higher gain in revaluation of investment properties.

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) into U.S. dollars at the end of the second quarter of 2018 and 2017; [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 2018 Profit

Due to the explanations provided above, the Company's profit for the second quarter of 2018 amounted to US$ 11.91 million, compared to a US$ 19.01 million profit in the 2Q17.

Total Comprehensive Income (Loss) for the Period

Vesta closed the second quarter 2018 with US$ 7.29 million in total comprehensive income, compared with US$ 18.18 million profit at the end of the second quarter of 2017. This was due to higher income, as well as a gain in the valuation of derivative financial instruments.

Funds Derived from Operations (FFO)

				6 months		
FFO Reconciliation (million)	**2Q18**	**2Q17**	**Chg. %**	**2018**	**2017**	**Chg. %**
Total Comprehensive Income for the period	7.29	18.18	(59.9)	43.70	96.16	na
Adjustments						
Exchange differences	5.18	0.83	na	6.25	4.82	29.9
Gain on revaluation of investment properties	(24.27)	11.10	na	(31.53)	(53.15)	na
Long-term incentive (non cash)	0.48	0.32	49.8	0.97	0.66	47.9
Exchange Gain (Loss)	4.91	(3.67)	na	1.02	(10.21)	na
Depreciation	0.12	0.09	34.3	0.23	0.17	31.3
Other income	0.04	(0.34)	na	(0.47)	(0.48)	(2.6)
Valuation of derivative financial instruments	(0.55)	0.00	na	(2.06)	0.00	na
Interest income	(0.02)	(0.01)	na	(0.03)	(0.02)	na
Income Tax Expense	26.22	(7.64)	na	20.70	(1.34)	na
Current Tax	(0.30)	(8.87)	na	(11.03)	(17.62)	na
FFO Attributable	**19.09**	**9.98**	91.3	**27.74**	**18.98**	46.2
FFO per share	0.0319	0.0163	95.6	0.0463	0.0310	49.7

Funds from Operations (FFO) attributable to common stockholders for 2Q18 totaled US$ 19.09 million, or US$ 0.0319 per share, compared with US$ 9.98 million, or US$ 0.0163 per share, for 2Q17.

Exchange rate effects on current tax in 2Q18 have offset the full year current tax provision, as the Mexican Peso weakened in the global markets on a sequential basis. Note that this tax effect is based on the full year 2018. The current tax associated with the Company's operations resulted in a cost of US $ 0.30 million due to the difference between the tax expense provisioned in 1Q18 and the resulting tax for the full year 2018. The exchange-rate related portion of the current tax represented a US$ 9.87 million benefit while the current operating tax represented a US$ 10.17 million expense.

Current Tax Expense	1Q18	2Q18
Operating Current Tax	(3.06)	(10.17)
Exchange Rate Related Current Tax	(7.68)	9.87
Total Current Tax Expense	**(10.74)**	**(0.30)**
Adjusted FFO	**16.41**	**9.22**
Adjusted FFO per share	0.0274	0.0154

Accumulated Current Tax Expense	3M18	6M18
Operating Current Tax	(3.06)	(13.23)
Exchange Rate Related Current Tax	(7.68)	2.20
Total Current Tax Expense	**(10.74)**	**(11.03)**
Adjusted FFO	**16.41**	**25.63**
Adjusted FFO per share	0.0274	0.0428

Capex

Investing activities were primarily related to payments for works in progress in the construction of new buildings in Bajio, Ciudad Juarez, Tijuana, Aguascalientes, San Miguel de Allende, Silao and San Luis Potosí. Total investments for the quarter amounted to US$ 37.89 million.

Debt

As of June 30, 2018, the overall balance of debt was US$ 699.23 million, all of which is related to long-term liabilities. The secured portion of the debt, 48.4% of the total debt, is guaranteed by some of the Company's investment properties, as well as by the related income derived. As of 2Q18, 100% of Vesta's debt was denominated in U.S. dollars and 100% of its interest rate was fixed.

Stabilized Portfolio

As of 4Q15, Vesta discloses "operating portfolio" occupancy as an additional measure of occupancy. Vesta currently reports both portfolio occupancy and same store occupancy as management believes these metrics are useful indicators of the performance of the Company's operating portfolio. The additional metrics are intended to reflect market practices and assist in comparing Vesta's performance with the performance of its public industrial real estate 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	2Q17 Stabilized Portfolio SF	2Q17 Stabilized Portfolio %	Growth SF SF	2Q18 Stabilized Portfolio SF	2Q18 Stabilized Portfolio %
Central Mexico	6,549,346	28.8%	363,284	6,912,630	25.6%
Bajio	11,361,575	50.0%	1,533,563	12,895,138	47.7%
Baja California	2,851,375	12.5%	1,674,786	4,526,161	16.7%
Juarez	1,972,573	8.7%	730,070	2,702,643	10.0%
Total	**22,734,870**	**100%**	**4,301,703**	**27,036,573**	**100%**

	2Q17 Occupancy SF	2Q17 % Total	2Q18 Occupancy SF	2Q18 % Total
Central Mexico	6,194,123	94.6%	6,393,101	92.5%
Bajio	10,677,958	94.0%	12,523,319	97.1%
Baja California	2,813,617	98.7%	4,435,741	98.0%
Juarez	1,845,338	93.5%	2,695,267	99.7%
Total	**21,531,036**	**94.7%**	**26,047,429**	**96.3%**

Same Store Portfolio

Vesta also updated its definition of "same store occupancy" in the fourth quarter of 2015. Management believes this to be a useful indicator of the performance of the Company's operating portfolio. Based on the updated calculation, this metric will only include properties within the Company's portfolio that have been stabilized for the entirety of the two comparable periods. This amended definition is intended to reflect market best practices and aid in the comparison of Vesta's performance with the performance of its public industrial real estate peers. Vesta has provided a reconciliation of the updated definition versus the prior definition below.

Region	2Q17 Same Store Portfolio SF	2Q17 Same Store Portfolio %	Growth SF SF	2Q18 Same Store Portfolio SF	2Q18 Same Store Portfolio %
Central Mexico	6,337,728	32.2%	211,618	6,549,346	28.8%
Bajio	9,919,880	50.4%	1,441,911	11,361,792	50.0%
Baja California	2,381,562	12.1%	477113	2,858,675	12.6%
Juarez	1,061,080	5.4%	911,493	1,972,573	8.7%
Total	**19,700,250**	**100%**	**3,042,136**	**22,742,386**	**100%**

	2Q17 Occupancy SF	2Q17 % Total	2Q18 Occupancy SF	2Q18 % Total
Central Mexico	6,337,728	100.0%	6,140,785	93.8%
Bajio	9,646,642	97.2%	11,241,870	98.9%

Baja California	2,343,800	98.4%	2,817,606	98.6%
Juarez	933,767	88.0%	1,965,197	99.6%
Total	**19,261,937**	**97.8%**	**22,165,459**	**97.5%**

Total Portfolio

As of June 30, 2018, the Company's portfolio was comprised of 178 high-quality industrial assets, with a total GLA of 28.5 million ft^2 (2.65 million m^2) with 86.1% of the Company's income denominated in U.S. dollars. Most of Vesta's properties are located in markets representing the most significant economic growth in the country, such as the Central and Bajio regions. Vesta's tenants are predominantly multinational companies, and the Company has balanced industry exposure to sectors such as food and beverage, automotive, aerospace, and logistics, among others.

	1Q18		2Q18		
Region	Existing Portfolio		Growth SF	Total Portfolio	
	SF	%	SF	SF	%
Central Mexico	7,122,837	26.3%	0	7,122,837	25.0%
Bajio	13,008,078	48.1%	637,149	13,645,227	47.9%
Baja California	4,526,161	16.7%	263,986	4,790,147	16.8%
Juarez	2,391,224	8.8%	527,443	2,918,667	10.2%
Total	**27,048,301 ***	**100%**	**1,428,578**	**28,476,879**	**100%**

Total Vacancy

As of December 31, 2017, Vesta's property portfolio had a vacancy rate of 8.1%.

	1Q18		2Q18	
	Vacant SF	**% Total**	**Vacant SF**	**% Total**
Central Mexico	524,121	7.4%	676,569	9.5%
Bajio	876,678	6.7%	1,121,908	8.2%
Baja California	97,720	2.2%	354,406	7.4%
Juarez	264,044	11.0%	151,400	5.2%
Total	**1,762,563**	**6.5%**	**2,304,283**	**8.1%**

Projects Under Construction

Vesta is currently developing 1,808,276 ft^2 (167,994 m^2) in inventory and BTS buildings.

Project	GLA (SF)	GLA (m^2)	Investment (1) (thousand USD)	Type	Expected Termination Date	City	Region
BRP Exp	214,829	19,958	9,304	BTS	Nov-18	Juarez	North Region
Lagoeste 2	287,984	26,755	15,263	Inventory	Aug-18	Matamoros	North Region
AGS 2	105,975	9,845	4,752	Inventory	Sep-18	Aguascalientes	Bajio Region
AGS 1	180,827	16,799	7,606	Inventory	Oct-18	Aguascalientes	Bajio Region
PI06	158,656	14,740	6,921	Inventory	Nov-18	Silao	Bajio Region
PI07	158,366	14,713	6,904	Inventory	Feb-19	Silao	Bajio Region
SMA 06	162,924	15,136	6,377	Inventory	Feb-19	San Miguel de Allende	Bajio Region
SMA 07	187,864	17,453	7,387	Inventory	Nov-18	San Miguel de Allende	Bajio Region
VP SLP 01	147,440	13,698	5,919	Inventory	Feb-19	San Luis Potosi	Bajio Region
VP SLP 02	203,411	18,898	8,112	Inventory	Nov-18	San Luis Potosi	Bajio Region
Total	**1,808,276**	**167,994**	**78,544**				

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

Land Reserves

As of June 30, 2018, the Company had 32,077,815 ft^2 (2,989,127 m^2) of land reserves.

	March 31, 2018	*June 30, 2018*	
Region	**Gross Land Area (SF)**	**Gross Land Area (SF)**	**% Chg.**
San Luis Potosi	4,968,818	4,254,328	(0.14)
Queretaro	10,280,901	10,280,901	0.00
Tijuana	1,079,172	1,079,172	0.00
Cd. Juarez	2,045,280	2,045,280	0.00
Guanajuato	3,444,837	2,816,703	(0.18)
Aguascalientes	6,780,851	6,780,851	0.00
Puebla	1,223,360	1,223,360	0.00
SMA	4,324,141	3,597,220	0.00
Total	**34,147,360**	**32,077,815**	**-6.06%**

Summary of Six-Month 2018 Results

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	2Q18	2Q17	Chg. %	*6 months* 2018	2017	Chg. %
Revenues						
Rental income	32.38	26.53	22.0	63.75	52.23	22.0
Operating Costs	(1.37)	(1.11)	23.6	(2.41)	(2.19)	10.2
Related to properties that generate rental income	(1.07)	(0.97)	10.8	(1.94)	(1.88)	3.5
Related to properties that did not generate rental income	(0.30)	(0.15)	108.3	(0.47)	(0.31)	51.2
Gross profit	31.00	25.42	21.9	61.34	50.05	22.6
Net Operating Income	31.31	25.57	22.4	61.80	50.35	22.7
Administration Expenses	(3.76)	(2.94)	27.8	(7.69)	(6.23)	23.4
Long-term incentive (non cash)	(0.48)	(0.32)	49.8	(0.97)	(0.66)	47.9
Depreciation	(0.12)	(0.09)	34.3	(0.23)	(0.17)	31.3
EBITDA	27.73	22.80	21.6	54.62	44.47	22.8
Other Income and Expenses						
Interest income	0.02	0.01	1.8	0.03	0.02	na
Other income	(0.04)	0.34	(1.1)	0.47	0.48	(2.6)
Transaction cost on debt issuance	(0.01)	0.00	na	(0.14)	0.00	na
Interest expense	(8.33)	(3.95)	1.1	(15.71)	(7.87)	99.6
Exchange gain (loss)	(4.91)	3.67	(2.3)	(1.02)	10.21	na
Gain on revaluation of investment properties	24.27	(11.10)	(3.2)	31.53	53.15	(40.7)
Total other (expenses) income	11.01	(11.03)	(2.0)	15.16	55.99	na
Profit Before Income Taxes	38.13	11.37	2.4	68.59	99.63	(0.3)
Income Tax Expense	(26.22)	7.64	(4.4)	(20.70)	1.34	na
Current Tax	(0.30)	(8.87)	(1.0)	(11.03)	(17.62)	na
Deferred Tax	(25.92)	16.52	(2.6)	(9.67)	18.96	na
Profit for the Period	11.91	19.01	(0.4)	47.89	100.97	na
Valuation of derivative financial instruments	0.55	0.00	na	2.06	0.00	na
Exchange differences on translating other functional currency operations	(5.18)	(0.83)	5.2	(6.25)	(4.82)	29.9
Total Comprehensive Income for the period	7.29	18.18	(0.6)	43.70	96.16	na
Shares (average)	598.70	612.12	(0.0)	598.70	613.14	(2.4)
EPS	0.012	0.030	-0.6	0.073	0.157	na

Consolidated total revenues increased 22.0%, to US$ 63.75, for the six-month period ending June 30, 2018, compared to US$ 52.23 million for the same period last year.

Gross profit for the twelve-month period ended June 30, 2018 increased by 22.6% year on year, to US$ 61.34 million. The operating cost increased 3.4%, mainly due to an increase in costs related to investment properties that did not generate revenues, such as taxes, maintenance, insurance, legal and other expenses due to higher occupancy in the portfolio.

At the close of June 30, 2018, salaries and human resource-related expenses were reflected in the Company's administrative expenses for the six-month period.

Total other income for the six months of 2018 was US$ 15.16 million, compared to a US$ 55.99 million profit in the prior year. The result reflects a lower gain in revaluation of investment properties of US$ 31.53, compared to a gain of US$ 53.15 million in 2017, as well as higher transaction cost on debt issuance of US$ 0.14 million and higher interest expense of US$ 15.71 million, in the six months of 2018.

Due to these factors, the Company's profit before tax amounted to US$ 68.59 million in the six months of 2018.

Income taxes at the close of June 30, 2018 resulted in a US$ 20.70 million expense compared to a US$ 1.34 million gain at the close of June 30, 2017. This increased tax expense is primarily due to higher deferred tax expense of $US 9.67 million in the 6-month period of 2018 compared to the $US 18.96 million gain in deferred taxes during the same period of last year.

Total comprehensive income for the six-month period ended June 30, 2018 was US$ 43.70 million, compared to a US$ 96.16 million profit in the same 2017 period, due to the above-mentioned factors.

During the six months of 2018, Capex amounted to US$ 53.69 million, related to the development of investment properties and acquisitions.

Appendix: Financial Tables

Consolidated Interim and Annual Statements of Profit and Other Comprehensive Income (million)	2Q18	2Q17	Chg. %	6 months 2018	6 months 2017	Chg. %
Revenues						
Rental income	32.38	26.53	22.0	63.75	52.23	22.0
Operating Costs	(1.37)	(1.11)	23.6	(2.41)	(2.19)	10.2
Related to properties that generate rental income	(1.07)	(0.97)	10.8	(1.94)	(1.88)	3.5
Related to properties that did not generate rental income	(0.30)	(0.15)	108.3	(0.47)	(0.31)	51.2
Gross profit	31.00	25.42	21.9	61.34	50.05	22.6
Net Operating Income	31.31	25.57	22.4	61.80	50.35	22.7
Administration Expenses	(3.76)	(2.94)	27.8	(7.69)	(6.23)	23.4
Long-term incentive (non cash)	(0.48)	(0.32)	49.8	(0.97)	(0.66)	47.9
Depreciation	(0.12)	(0.09)	34.3	(0.23)	(0.17)	31.3
EBITDA	27.73	22.80	21.6	54.62	44.47	22.8
Other Income and Expenses						
Interest income	0.02	0.01	1.8	0.03	0.02	na
Other income	(0.04)	0.34	(1.1)	0.47	0.48	(2.6)
Transaction cost on debt issuance	(0.01)	0.00	na	(0.14)	0.00	na
Interest expense	(8.33)	(3.95)	1.1	(15.71)	(7.87)	99.6
Exchange gain (loss)	(4.91)	3.67	(2.3)	(1.02)	10.21	na
Gain on revaluation of investment properties	24.27	(11.10)	(3.2)	31.53	53.15	(40.7)
Total other (expenses) income	11.01	(11.03)	(2.0)	15.16	55.99	na
Profit Before Income Taxes	38.13	11.37	2.4	68.59	99.63	(0.3)
Income Tax Expense	(26.22)	7.64	(4.4)	(20.70)	1.34	na
Current Tax	(0.30)	(8.87)	(1.0)	(11.03)	(17.62)	na
Deferred Tax	(25.92)	16.52	(2.6)	(9.67)	18.96	na
Profit for the Period	11.91	19.01	(0.4)	47.89	100.97	na
Valuation of derivative financial instruments	0.55	0.00	na	2.06	0.00	na
Exchange differences on translating other functional currency operations	(5.18)	(0.83)	5.2	(6.25)	(4.82)	29.9
Total Comprehensive Income for the period	7.29	18.18	(0.6)	43.70	96.16	na
Shares (average)	598.70	612.12	(0.0)	598.70	613.14	(2.4)
EPS	0.012	0.030	-0.6	0.073	0.157	na

Consolidated Statements of Financial Position (million)	June 30, 2018	December 31, 2017
ASSETS		
CURRENT		
Cash and cash equivalents	100.60	91.00
Financial assets held for trading	0.69	0.68
Accounts receivable -net	31.92	26.68
Operating lease receivable, net	6.92	5.22
Due from related parties	0.00	0.00
Prepaid expenses	1.37	0.37
Guarantee deposits made	0.00	0.00
Total current assets	**141.51**	**123.95**
NON-CURRENT		
Investment properties	1,794.98	1,701.01
Office equipment - net	2.07	1.87
Derivative financial instruments	3.78	0.83
Guarantee Deposits made	4.31	4.44
Total non-current assets	**1,805.13**	**1,708.14**
TOTAL ASSETS	**1,946.64**	**1,832.09**
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	0.00	0.00
Accrued interest	4.50	3.77
Accounts payable	1.46	4.08
Income tax payable	0.29	0.34
Accrued expenses	1.75	3.82
Total current liabilities	**8.00**	**12.02**
NON-CURRENT		
Long-term debt	699.23	581.99
Guarantee deposits received	12.56	11.54
Deferred income taxes	212.13	204.21
Total non-current liabilities	**923.91**	**797.74**
TOTAL LIABILITIES	**931.91**	**809.76**
STOCKHOLDERS' EQUITY		
Capital stock	438.36	439.84
Additional paid-in capital	325.15	327.27
Retained earnings	288.66	288.67
Share-base payments reserve	3.50	3.30
Foreign currency translation	(43.59)	(37.33)
Valuation of derivative financial instruments	2.64	0.58
Total shareholders' equity	**1,014.73**	**1,022.33**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,946.64**	**1,832.09**

Consolidated Statements of Cash Flows (million)	June 30,2018	June 30,2017
Cash flow from operating activities:		
Profit before income taxes	68.59	99.63
Adjustments:		
Share base compensation	0.97	0.66
Depreciation	0.23	0.17
Gain on revaluation of investment properties	(31.53)	(53.15)
Effect of foreign exchange rates	1.02	(10.21)
Interest income	(0.03)	(0.02)
Interest expense	15.71	7.87
Working capital adjustments		
(Increase) decrease in:		
Operating leases receivables- net	(1.70)	2.01
Recoverable taxes	(14.44)	(8.91)
Prepaid expenses	(1.00)	(1.75)
Guarantee Deposits made	0.00	0.00
(Increase) decrease in:		
Accounts payable	(2.63)	0.08
Guarantee Deposits received	0.00	0.87
Accrued expenses	(2.07)	0.65
Income Tax Paid	(1.89)	(0.64)
Net cash generated by operating activities	31.22	37.27
Cash flow from investing activities		
Purchases of investment property	(71.19)	(44.54)
Acquisition of office furniture	(0.43)	(0.04)
Financial assets held for trading	(0.02)	10.10
Interest received	0.03	0.02
Net cash used in investing activities	(71.61)	(34.46)
Cash flow from financing activities		
Proceeds from debt issuance	116.60	35.00
Guarantee deposits made	0.00	0.08
Guarantee deposits collected	1.02	0.00
Guarantee deposits granted	0.13	0.00
Interest paid	(14.98)	(7.09)
Dividends paid	(47.90)	(39.11)
Repurchase of treasury shares	(4.37)	(13.37)
Payment cost form debt issuance	0.63	0.00
Net cash (used in) generated by financing activities	51.13	(24.49)
Effects of exchange rates changes on cash	(1.15)	(9.47)
Net Increase in cash and cash equivalents	9.60	(31.15)
Cash, restricted cash and cash equivalents at the beginning of period	91.74	51.46
Cash, restricted cash and cash equivalents at the end of period	101.33	20.30

Consolidated Statements of Changes in Stockholders' Equity (million)	Capital Stock	Additional Paid-in Capital	Retained Earnings	Share-based payment reserve	Valuation of derivative financial instruments	Foreign Currency Translation	Total Stockholders´ Equity
Balances as of January 1, 2017	**450.88**	**343.04**	**201.75**	**1.97**	**0.00**	**(38.26)**	**959.38**
Equity issuance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vested shares	0.06	0.09	0.00	(0.15)	0.00	0.00	0.00
Share-based payments	0.00	0.00	0.00	0.66	0.00	0.00	0.66
Dividends declared	0.00	0.00	(39.11)	0.00	0.00	0.00	(39.11)
Repurchase of shares	(5.56)	(7.82)	0.00	0.00	0.00	0.00	(13.37)
Derivative financial instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Comprehensive income (loss)	0.00	0.00	100.97	0.00	0.00	(4.82)	96.16
Balances as of June 31, 2017	**445.38**	**335.31**	**263.61**	**2.48**	**0.00**	**(43.07)**	**1003.71**
Balances as of January 1, 2018	**439.84**	**327.27**	**288.67**	**3.30**	**0.58**	**(37.33)**	**1022.33**
Equity issuance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vested shares	0.30	0.48	0.00	(0.78)	0.00	0.00	0.00
Share-based payments	0.00	0.00	0.00	0.97	0.00	0.00	0.97
Dividends payments	0.00	0.00	(47.90)	0.00	0.00	0.00	(47.90)
Repurchase of shares	(1.78)	(2.60)	0.00	0.00	0.00	0.00	(4.37)
Comprehensive income	0.00	0.00	47.89	0.00	2.06	(6.25)	43.70
Balances as of June 30, 2018	**438.36**	**325.15**	**288.66**	**3.50**	**2.64**	**(43.59)**	**1014.73**

Financial Derivative Instruments

Vesta signed a derivative contract to fix our floating interest rate to a fixed interest rate and in this way minimize the financial risks for the company.

Because it is a derivative for accounting coverage, the IFRS practice of "hedging financial instruments" will apply. Vesta values the derivative at fair value. The fair value is based on the market prices of the derivatives traded in recognized markets.

Fair value is recognized in the balance sheet as an asset or liability, in accordance with the rights or obligations derived from the contracts executed and in accordance with accounting norms. For hedging derivatives, changes in fair value are recorded temporarily in other comprehensive income within stockholders' equity and are subsequently reclassified to results while they are affected by the item being hedged.

Financial Derivative Instruments (million)		June 30, 2018	March 31, 2018
Underlying	***Type of Instrument***	***Mark to Market***	
3M Libor Syndicated Loan	Swap	0.55	1.52

Notes and Disclaimer

Interim Consolidated Condensed Financial Statements: The figures presented within this release for the three-month periods ending June 30, 2018 and 2017 have not been audited.

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

Date	Exchange Rate
Balance Sheet	
June 30, 2017	17.897
June 30, 2018	19.863
Income Statement	
2Q17 *(average)*	18.604
2Q18 *(average)*	19.370
6M17 *(avergae)*	19.487
6M18 *(average)*	19.067

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

Percentages may not sum to total 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 do 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): a building tailor-made in design and construction in order to meet client-specific needs.

Inventory buildings: buildings constructed in accordance with standard industry specifications, for those clients that do not require 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:

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

About Vesta

Vesta is a real estate owner, developer and asset administrator of industrial buildings and distribution centers in Mexico. As of June 30, 2018, Vesta owned 178 properties located in modern industrial parks in 14 states of Mexico totaling a GLA of 28.5 million ft^2 (2.65 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.