

April 20, 2017



# FIBRA Prologis Announces First Quarter 2017 Earnings Results

MEXICO CITY, April 20, 2017 /PRNewswire/ -- FIBRA Prologis (BMV:FIBRAPL 14), a leading owner and operator of Class-A logistics real estate in Mexico, today reported results for the first quarter 2017.

## HIGHLIGHTS FROM THE QUARTER:

- Record period-end occupancy at 97.4 percent
- Net effective rent change on rollover increased 9.2 percent
- Leasing volume totaled 2.1 million square feet, which resolved 35.1 percent of 2017 expirations

Funds from operations (FFO) per CBF1 was Ps. 0.8561 (US\$0.0408) for the first quarter compared with Ps. 0.7389 (US\$ 0.0412) for the same period in 2016.

Net earnings per CBF1 in the first quarter was a loss of Ps. 0.1377 (US\$0.0081) compared with earnings of Ps. 0.5379 (US\$0.0301) for the same period in 2016. Net loss in the quarter includes a non-cash loss of Ps. 0.9662 (US\$0.0475) per CBF1 due to the revaluation of investment properties.

## OPERATING PERFORMANCE

"We started the year with strong momentum with period-end occupancy reaching a new record, strong leasing volume and healthy rent increases," said Luis Gutierrez, CEO, Prologis Property Mexico. "The resiliency of the structural drivers underpinning logistics real estate demand, such as demographics and undersupply of institutional-grade logistic spaces in Mexico, have been more visible over the last twelve months than ever before. E-commerce customers are starting to become a rising contributor of the demand profile going forward."

Operating Portfolio	1Q17	1Q16	Notes
Period End Occupancy	97.4%	96.4%	Record occupancy led by global markets at 97.9%
Leases Signed	2.1MSF	2.8MSF	New leases accounted for 41% of the leasing volume
Customer Retention	67.5%	93.2%	Driven by a known move out in Mexico City
Net Effective Rent Change	9.2%	9.7%	Led by regional markets at 12.4%
Cash Same Store NOI	-1.3%	4.0%	0.6% same store growth in constant U.S. dollars
Same Store NOI	-3.0%	2.2%	

## FINANCIAL POSITION

As of March 31, 2017, FIBRA Prologis' liquidity was Ps. 6.2 billion (US\$331.8 million), which included Ps. 5.9 billion (US\$316.8 million) of available capacity on its unsecured credit facility and Ps. 281.1 million (US\$15.0 million) of unrestricted cash.

Subsequent to quarter end, FIBRA Prologis fully repaid US\$64.1 million secured debt facility with a debt cost of 7.9 percent that was scheduled to mature on October 7, 2017. The secured debt facility was repaid with borrowings under the unsecured credit facility at par, decreasing the overall cost of debt by approximately 40 basis points from 4.9 to 4.5 percent.

"Repaying the secured debt facility was the first milestone in our 2017 refinancing strategy," said Jorge Girault, senior vice president, Finance, Prologis Mexico. "We are actively working to address the near-term financing and resetting the line of credit with a permanent facility. We plan to further increase the flexibility of our balance sheet, risk profile and reduce overall cost of debt."

## GUIDANCE CONFIRMED

(US\$ in million, except per CBF1 amounts) FX = Ps\$22.0 per US\$1.0	Low	High	Notes
FFO per CBF1	US\$0.1550	US\$0.1650	<i>Excludes the impact of foreign exchange movements and promotes</i>
Full Year 2017 Distributions per CBF1	US\$0.1155	US\$0.1155	
Year End Occupancy	95.5%	96.5%	
Same Store NOI (Cash)	0.0%	1.0%	<i>Based in U.S. dollars</i>
Annual Capital Expenditures as % of NOI	14.0%	16.0%	
Asset Management and Professional Fees	US\$18.5	US\$20.5	

## WEBCAST & CONFERENCE CALL INFORMATION

FIBRA Prologis will host a live webcast/conference call to discuss quarterly results, current market conditions and future outlook. Here are the event details:

- Friday, April 21, 2017, at 9 a.m. CT/10 a.m. ET
- Live webcast at [www.fibraprologis.com](http://www.fibraprologis.com) by clicking Events
- Dial in: +1 877 256 7020 or +1 973 409 9692 and enter Passcode 91962563.

A telephonic replay will be available April 21– April 28 at +1 855 859 2056 from the U.S. and Canada or at +1 404 537 3406 from all other countries using conference code 91962563. The replay will be posted in the Investor Relations section of the FIBRA Prologis website.

## ABOUT FIBRA PROLOGIS

FIBRA Prologis is a leading owner and operator of Class-A logistics real estate in Mexico. As of March 31, 2017, FIBRA Prologis was comprised of 194 logistics and manufacturing facilities in six industrial markets in Mexico totaling 34.2 million square feet (3.2 million square meters) of gross leasable area.

## FORWARD-LOOKING STATEMENTS

The statements in this release that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the industry and markets in which FIBRA Prologis operates, management's beliefs and assumptions made by management. Such statements involve uncertainties that could significantly impact FIBRA Prologis financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements, which

generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, acquisition activity, development activity, disposition activity, general conditions in the geographic areas where we operate, our debt and financial position, are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in financial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions, dispositions and development of properties, (v) maintenance of real estate investment trust ("FIBRA") status and tax structuring, (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings, (vii) risks related to our investments (viii) environmental uncertainties, including risks of natural disasters, and (ix) those additional factors discussed in reports filed with the "Comisión Nacional Bancaria y de Valores" and the Mexican Stock Exchange by FIBRA Prologis under the heading "Risk Factors." FIBRA Prologis undertakes no duty to update any forward-looking statements appearing in this release.

Non-Solicitation - Any securities discussed herein or in the accompanying presentations, if any, have not been registered under the Securities Act of 1933 or the securities laws of any state and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the Securities Act and any applicable state securities laws. Any such announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein or in the presentations, if and as applicable.



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