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# FIBRA Prologis Announces Fourth Quarter and Full Year 2016 Earnings Results

MEXICO CITY, Jan. 26, 2017 /PRNewswire/ -- FIBRA Prologis (BMV:FIBRAPL 14), the leading owner and operator of Class-A industrial real estate in Mexico, today reported results for the fourth quarter and full year 2016.

## HIGHLIGHTS FROM THE YEAR:

- Operating portfolio occupancy increased to 96.8 percent
- Net effective rents on rollover increased 9.5 percent
- Same store cash NOI grew 2.0 percent
- Completed US\$117.1 million of asset acquisitions

Net earnings per CBFi in the fourth quarter was Ps. 1.0580 (US\$0.0538) compared with Ps. 1.8128 (US\$0.1085) for the same period in 2015. For the full year 2016, net earnings per CBFi was Ps. 2.8977 (US\$0.1574).

Funds from operations (FFO) per CBFi was Ps. 0.8306 (US\$0.0423) for the fourth quarter compared with Ps. 0.6793 (US\$0.0409) for the same period in 2015. For the full year 2016, FFO per CBFi was Ps. 3.0344 (US\$0.1658).

## STRONG OPERATING PERFORMANCE CONTINUES

"2016 was an excellent performance year and we delivered on our growth objectives," said Luis Gutierrez, CEO, Prologis Property Mexico. "We realized the embedded earnings potential of our portfolio by increasing occupancy and rents, ending the year with an all-time high occupancy rate of 96.8 percent—approximately 130 basis points better than the market. We also tapped external growth opportunities by acquiring new Class-A buildings from our sponsor, Prologis. These acquisitions were accretive to earnings and consistent with our disciplined plan for long-term growth."

Gutierrez added, "As we enter into a period of uncertainty in the economic and geopolitical arena, our team is vigilant to any signs of slowing customer demand. I am confident in the resilience of our strategy and, especially, our experienced team, with their proven track record, knowledge of the market and experience executing across the business cycle."

| Operating Portfolio       | 4Q16    | 4Q15    | Notes                                                              |
|---------------------------|---------|---------|--------------------------------------------------------------------|
| Period End Occupancy      | 96.8%   | 96.5%   | <i>Ended 2016 with record occupancy in global markets at 97.2%</i> |
| Leases Signed             | 1.7 MSF | 1.8 MSF | <i>Significant increase in new leases</i>                          |
| Customer Retention        | 80.3%   | 97.5%   |                                                                    |
| Net Effective Rent Change | 8.3%    | 10.3%   | <i>9.5% for full year 2016</i>                                     |
| Cash Same Store NOI       | 1.9%    | 0.8%    | <i>2.0% for full year 2016</i>                                     |
| Same Store NOI            | 0.0%    | -2.4%   |                                                                    |

## CAPITAL DEPLOYMENT ACTIVITY EXPANDS CLASS-A PORTFOLIO

| US\$ in millions                  | 4Q16     | 2016      | Notes                                             |
|-----------------------------------|----------|-----------|---------------------------------------------------|
| Building Acquisitions             | US\$65.4 | US\$117.1 | <i>In 2016, acquired 6 high-quality buildings</i> |
| Weighted avg. stabilized cap rate | 6.7%     | 6.9%      | <i>from Prologis pipeline</i>                     |
| Development Stabilizations        | US\$10.5 | US\$12.6  | <i>Fully leased stabilized developments</i>       |
| Weighted avg. stabilized yield    | 8.5%     | 8.7%      |                                                   |
| Building Dispositions             | US\$0.0  | US\$1.7   | <i>Vacant building sold to an end user</i>        |
| Weighted avg. stabilized cap rate | N/A      | 9.0%      |                                                   |

## SOLID FINANCIAL POSITION

As of December 31, 2016, FIBRA Prologis' liquidity was Ps. 6.9 billion (US\$334.7 million), which included Ps. 6.5 billion (US\$316.7 million) of available capacity on its unsecured credit facility and Ps. 370.9 million (US\$18.0 million) of unrestricted cash.

## GUIDANCE ESTABLISHED FOR 2017 – FULL-YEAR DISTRIBUTIONS TO INCREASE 5 PERCENT

"Given the current geopolitical environment, we are guiding 2017 toward a conservative view in which we exclude any acquisition activity to prioritize liquidity over capital deployment," said Jorge Girault, senior vice president, Finance, Prologis Property Mexico. "The long-term outlook for Mexico continues to be positive. Mexico's growing middle class, its competitive advantages and the general complexity of North American supply chains imply that it should remain an important partner of U.S."

| (US\$ in million, except per CBFJ amounts)<br>FX = Ps\$22.0 per US\$1.0 | Low        | High       | Notes                                                                 |
|-------------------------------------------------------------------------|------------|------------|-----------------------------------------------------------------------|
| FFO per CBFJ                                                            | US\$0.1550 | US\$0.1650 | <i>Excludes the impact of foreign exchange movements and promotes</i> |
| Full Year 2017 Distributions per CBFJ                                   | 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, January 27, 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 39718062.

A telephonic replay will be available January 27– February 3 at +1 855 859 2056 from the U.S. and Canada or at +1 404 537 3406 from all other countries using conference code 39718062. The replay will be posted in the Investor Relations section of the FIBRA Prologis website.

## **ABOUT FIBRA PROLOGIS**

FIBRA Prologis is the leading owner and operator of Class-A industrial real estate in Mexico. As of December 31, 2016, 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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