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FIBRA Prologis Announces Fourth Quarter and Full Year 2018 Earnings Results

MEXICO CITY, Jan. 24, 2019 /PRNewswire/ -- FIBRA Prologis (BMV:FIBRAPL 14), a leading owner and operator of Class-A industrial real estate in Mexico, today reported results for the fourth quarter and full year 2018.

HIGHLIGHTS FROM THE YEAR:

- Period-end occupancy was 97.4 percent.
- Net effective rents on rollover increased 13.1 percent.
- Weighted average customer retention was 79.3 percent.
- Same store cash NOI grew 2.2 percent.
- Completed asset acquisitions totaled US\$80.4 million.

Net earnings per CBFi was Ps. 1.3768 (US\$0.0686) for the fourth quarter compared with Ps. 1.2176 (US\$0.0669) for the same period in 2017. For the full year 2018, net earnings per CBFi was Ps. 4.6280 (US\$0.2392).

Funds from operations (FFO) per CBFi was Ps. 0.7782 (US\$0.0385) for the fourth quarter compared with Ps. 0.7209 (US\$0.0407) for the same period in 2017. For the full year 2018, FFO per CBFi was Ps. 2.9038 (US\$0.1506).

STRONG OPERATING RESULTS CONTINUE

"2018 was a terrific year for FIBRA Prologis," said Luis Gutierrez, CEO, Prologis Property Mexico. "We delivered excellent organic growth, driving rents over 13 percent higher at expiration while year-end occupancy beat the market by 160 basis points. We also acquired new Class-A buildings from our sponsor, Prologis, that expanded our portfolio and deepened our presence in key markets."

Gutierrez added: "In this current atmosphere of economic and geopolitical uncertainty, our team remains focused on strengthening customer relationships and watching for any changes in demand. I am confident in our investment strategy, irreplaceable portfolio, experienced team and proven track record."

Operating Portfolio	4Q18	4Q17	Notes
Period End Occupancy	97.4%	97.3%	
Leases Commenced	1.8 MSF	2.0 MSF	64% of leasing activity related to Tijuana and Reynosa
Customer Retention	68.0%	90.7%	
Net Effective Rent Change	13.5%	14.0%	Led by Tijuana and Monterrey
Cash Same Store NOI	-2.1%	4.8%	Lower expense recoveries and higher concessions related to longer term partly offset by higher rents
Same Store NOI	-1.9%	3.7%	

SOLID FINANCIAL POSITION

At December 31, 2018, FIBRA Prologis' leverage was 35.2 percent and liquidity was Ps. 4.7 billion (US\$237.0 million), which included Ps. 4.3 billion (US\$220.0 million) of available capacity on its unsecured credit facility and Ps. 339.0 million (US\$17.0 million) of unrestricted cash.

GUIDANCE ESTABLISHED FOR 2019

"While the outlook for our business remains positive, we are favoring liquidity over capital deployment until there is more clarity in the capital markets and the macroeconomic environment," said Jorge Girault, senior vice president, Finance, Prologis Property Mexico. "We are confident in our ability to deliver positive results given the embedded rent upside in our portfolio, our capital recycling program and our strong balance sheet."

(US\$ in million, except per CBFI amounts) FX = Ps\$20.0 per US\$1.00	Low	High	Notes
FFO per CBFI	US\$0.1550	US\$0.1650	<i>Excludes the impact of foreign exchange movements and any potential incentive fee</i>
Full Year 2019 Distributions per CBFI	US\$0.1240	US\$0.1240	
Year End Occupancy	96.0%	97.0%	
Same Store NOI (Cash)	1.0%	3.0%	<i>Based in U.S. dollars</i>
Annual Capital Expenditures as % of NOI	13.0%	14.0%	
Asset Management and Professional Fees	US\$20.0	US\$22.0	
Building Dispositions	US\$50.0	US\$70.0	

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 25, 2018, at 9 a.m. CT/10 a.m. ET
- Live webcast at www.fibraprologis.com, in the Investor Relations section, by clicking Events
- Dial in: +1 877 256 7020 or +1 973 409 9692 and enter Passcode 93296074.

A telephonic replay will be available January 25– February 1 at +1 855 859 2056 from the U.S. and Canada or at +1 404 537 3406 from all other countries using conference code 93296074. 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 industrial real estate in Mexico. As of December 31, 2018, FIBRA Prologis was comprised of 200 logistics and manufacturing facilities in six industrial markets in Mexico totaling 36.0 million square feet (3.3 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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