Third Quarter 2018

FIBRA Prologis

Financial Information

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Altos 5, Guadalajara

FIBRA PROLOGIS

FIBRA PROLOGIS®

Fideicomiso Irrevocable 1721 Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria.
(formerly Fideicomiso Irrevocable F/1721 Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria)

Interim Condensed Financial Statements as of September 30, 2018 and for the three and nine months periods then ended

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Third Quarter 2018 Earnings Report

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.

Third Quarter 2018 Management Overview

Letter from Luis Gutierrez, Chief Executive Officer, Prologis Property Mexico

Our operating and financial results were solid in the third quarter, as FIBRA Prologis' portfolio of well-located, high-quality properties remains in high demand.

Net effective rents on rollover increased 10.6 percent. Of note, this metric has been above 10 percent for six consecutive quarters. Occupancy climbed to 96.5 percent and has exceeded 95 percent since September 2014. The average term for leases commenced was 46 months. Cash same store NOI grew 1.7 percent on higher rents offset partly by the weaker peso and higher concessions related to longer lease terms.

Logistics real estate has outperformed the broader economy in Mexico, and we anticipate that this outperformance will continue through the end of the year. Together, an undersupply of modern stock, a rapidly growing e-commerce sector and a growing middle-class are propelling demand in the consumption sector. In manufacturing, strong supply chain linkages to a robust U.S. economy are proving durable. Additionally, demand from Asian companies is rising, particularly in the electronics and automotive sectors. Further, the recent announcement on the U.S.-Mexico-Canada Agreement (USMCA) has provided clarity on trade relations and we expect this to have a positive impact on the Mexican economy.

The operating environment for logistics real estate remains healthy with a national market vacancy of 4.5 percent. Mexico City market vacancy remains among the lowest in the world while the border markets of Tijuana, Ciudad Juarez and Reynosa were collectively at about 4 percent. As a result, market rent growth is poised to be strongest in Mexico City and the border markets, where we are seeing customers compete for space and locking in longer-term leases. The lack of available space has been a governor on demand and we are now seeing increasing levels of supply in lower-barrier-to-entry markets. This phenomenon is indicative of a healthy market and we have seen no evidence that rental rates have come under pressure.

Challenges continue in Guadalajara and Monterrey. Demand has softened in Guadalajara; however, we did see a sequential improvement in market vacancy to about 5 percent in the third quarter from 6 percent. Monterrey, where demand is solid, is a highly fragmented market and most supply under construction is ill-configured for modern logistics requirements. We expect the resolution of USMCA will further improve leasing sentiment on the ground in these two markets.

In summary, our focused strategy of being in the most dynamic markets positions us to continue to benefit from the growth in consumption, e-commerce and manufacturing. We are disciplined, experienced and, most importantly, fully aligned with our certificate holders. This, along with best-in-class corporate governance, positions FIBRA Prologis as Mexico's premier real estate investment vehicle.

Finally, we remain focused on creating value for our certificate holders by increasing rents, leasing vacant space and prudently deploying capital. We will continue our thoughtful, disciplined approach to our business.

Thank you for your continued support.

Sincerely,

Luis Gutierrez

Chief Executive Officer

The interim condensed financial statements included in this report were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Please read this in conjunction with the interim condensed financial statements.

Management Overview

FIBRA Prologis (BMV: FIBRAPL 14) is a leading owner and operator of Class-A logistics real estate in Mexico. As of September 30, 2018, FIBRA Prologis owned 197 logistics and manufacturing facilities in six strategic markets in Mexico totaling 34.9 million square feet (3.2 million square meters) of gross leasable area ("GLA"). These properties were leased to 230 customers, including third-party logistics providers, transportation companies, retailers and manufacturers.

Approximately 65.7 percent of our net effective rents are in global logistics markets ("Global Markets") and the remaining 34.3 percent are in regional manufacturing markets ("Regional Markets"). Global Markets include Mexico City, Guadalajara and Monterrey. These markets are highly industrialized and consumption-driven. They benefit from proximity to principal highways, airports and rail hubs, and their presence in highly populated areas offers tangible benefits from the sustained growth of the middle class. Regional Markets include Cd. Juarez, Tijuana and Reynosa—industrial centers for the automotive, electronics, medical and aerospace industries, among others. These markets benefit from a ready and qualified workforce as well as proximity to the U.S. border.

The operating results that follow are consistent with how management evaluates the performance of the portfolio.

Our third quarter financial information includes results from July 1, 2018, through September 30, 2018. During the quarter ended September 30, 2018, and through the date of this report, the following activity supported our priorities and strategy:

- Operating results:

Operating Portfolio	3Q 2018	3Q 2017	Notes
Period End Occupancy	96.5%	96.4%	
Leases Commenced	3.0MSF	2.2MSF	*82% of leasing activity is related to renewals mainly in Mexico City and Guadalajara*
Customer Retention	83.2%	77.0%	
Net Effective Rent Change	10.6%	10.9%	*Led by Juarez and Mexico City*
Same Store Cash NOI	1.7%	3.7%	*Weaker peso and higher concessions related to longer term partly offset by higher rents*
Same Store NOI	1.0%	3.6%	
Avg. Turnover Cost per SF leased	US$1.43	US$1.23	*Decrease driven by renewals*

We use a same store analysis to evaluate the operating performance of our owned operating properties. The population of the properties in this analysis is consistent from period to period, which eliminates the effects of changes in portfolio composition on performance metrics. In our view, the factors that affect rental revenues, rental expenses and NOI in the same store portfolio are generally the same as they are across the total portfolio. Our same store is measured in U.S. dollars and includes the effect of year-over-year movements in the Mexican peso. The decrease in SSNOI of 260 basis points year-over-year is mainly due a weaker peso and higher concessions related to longer term leases, partly offset by higher rents.

Operational Outlook

FIBRA Prologis had solid operating and financial results with positive rent change of 10.6 percent on lease turnover and in-place rents at around 5.0 percent below market, as well as a climb in occupancy to 96.5 percent. Both consumption and manufacturing sectors are in great shape, with demand propelled by the rapid growth of e-commerce section, a rising middle-class, and related strong supply chain linkages to a robust U.S. economy.

Logistics real estate has outperformed the broader economy in Mexico and we anticipate that this will continue through the end of the year. The national market vacancy rate currently stands at 4.5 percent. Mexico City market vacancy remains among the lowest in the world while the border markets of Tijuana, Ciudad Juarez and Reynosa were collectively about 4 percent. As a result, market rent growth is poised to be strongest in Mexico City and the border markets where we are seeing customers compete for space and in turn locking in longer-term leases. On the other hand, challenges continue in

Guadalajara and Monterrey as undisciplined supply pipelines continue to create softness in certain submarkets. Monterrey, for example, is a highly fragmented market and most supply under construction there is ill-configured for modern logistics requirements.

Emerging clarity surrounding U.S. trade relations after the recent announcement of the U.S.-Mexico-Canada Agreement (USMCA) has improved customer sentiment, especially in production-oriented markets. In markets where demand has been led by established local operations, new players are now beginning to take an interest. Of note, interest from Asian companies in the electronics and automotive sectors has been active. As positive sentiment spreads along the country, we expect this to have a commensurate impact on the Mexican economy.

Acquisitions

Our exclusivity agreement with Prologis gives us access to a proprietary acquisition pipeline. As of September 30, 2018, Prologis had 4.8 million square feet under development or pre-stabilization, of which 84 percent was leased or pre-leased as of the end of the third quarter. This exclusive access to the Prologis pipeline is a competitive advantage for FIBRA Prologis because we can acquire high-quality buildings in our existing markets.

Third-party acquisitions are also possible for FIBRA Prologis but are dependent on available product that meets our stringent criteria for quality and location. All potential acquisitions, regardless of source, are evaluated by management, factoring in real estate and capital market conditions, and are subject to approval by FIBRA Prologis' Technical Committee.

Currency Exposure

At quarter end, our U.S. dollar-denominated revenues represented 70.5 percent of annualized net effective rents, resulting in peso exposure for the third quarter of approximately 24.5 percent of NOI. Further, only one lease was changed to pesos during the quarter in Guadalajara. In the near term, we expect peso-denominated revenues to range between 25 to 35 percent of annualized net effective rents.

Liquidity and Capital Resources

Overview

We believe our ability to generate cash from operating activities and available financing sources, including our line of credit, as well as our disciplined balance sheet management, will allow us to meet anticipated acquisition, operating, debt service and distribution requirements.

Near-Term Principal Cash Sources and Uses

As a FIBRA, we are required to distribute at least 95 percent of our taxable income. In addition to distributions to CBFI holders, we expect our primary cash uses will include:

- Asset management fee payment.
- Capital expenditures and leasing costs on properties in our operating portfolio.
- Acquisition of industrial buildings as discussed in the Acquisition section.

We expect to fund our cash needs principally from the following sources, all of which are subject to market conditions:

- Available unrestricted cash balances of Ps. 207.4 million (approximately US$11.0 million) as of September 30, 2018, the result of cash flow from operating properties.
- Borrowing capacity of Ps. 5.6 billion (US$296.0 million) under our unsecured credit facility.

Debt

As of September 30, 2018, we had approximately Ps. 14.4 billion (US$766.0 million) of debt at par value with a weighted average effective interest rate of 4.3 percent (a weighted average coupon rate of 4.1 percent) and a weighted average maturity of 4.0 years.

According to the CNBV regulation for the calculation of debt ratios, our loan-to-value and debt service coverage ratios as of September 30, 2018, were 33.0 percent and 9.1 times, respectively.

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Independent Auditors' Report on Review of Interim Financial Information

To the Technical Committee and Trustors
Fideicomiso Irrevocable 1721 Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria

Introduction

We have reviewed the accompanying September 30, 2018 condensed interim financial information of Fideicomiso Irrevocable 1721 Banco Actinver, S. A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria (formerly Fideicomiso Irrevocable 1721 Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria) ("FIBRA Prologis" or "the Trust"), which comprises:

- The condensed statement of financial position as at September 30, 2018;
- The condensed statements of comprehensive income for the three-month and nine-month periods ended September 30, 2018;
- The condensed statements of changes in equity for the nine-month period ended September 30, 2018;
- The condensed statements of cash flows for the nine-month period ended September 30, 2018; and
- Notes to the interim condensed financial information.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standards (IAS) 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

(Continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying September 30, 2018 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

KPMG CARDENAS DOSAL, S. C.

Alberto Vazquez Ortiz

Mexico City, October 18, 2018.

Interim condensed statements of financial position

As of September 30, 2018 and December 31, 2017

in thousands Mexican Pesos	Note	September 30, 2018	December 31, 2017
Assets			
Current assets:			
Cash		$ 207,355	$ 371,364
Trade receivables	7	65,572	44,220
Other receivables and value added tax	8	51,527	73,553
Prepaid expenses	9	25,928	1,600
		350,382	490,737
Non-current assets:			
Investment properties	10	43,153,223	43,932,382
Interest rate swaps	14	153,139	84,319
Exchange rate options	14	101	-
Other assets		45,876	45,240
		43,352,339	44,061,941
Total assets		**$ 43,702,721**	**$ 44,552,678**
Liabilities and equity			
Current liabilities:			
Trade payables		$ 87,022	$ 112,875
Value added tax payable		10,355	-
Due to affiliates	13	9,877	98,895
Current portion of long term debt	11	21,145	21,847
		128,399	233,617
Non-current liabilities:			
Long term debt	11	14,313,050	14,893,139
Security deposits		277,474	291,840
		14,590,524	15,184,979
Total liabilities		14,718,923	15,418,596
Equity:			
CBFI holders' capital	12	13,952,327	13,746,963
Other equity accounts and retained earnings		15,031,471	15,387,119
Total equity		28,983,798	29,134,082
Total liabilities and equity		**$ 43,702,721**	**$ 44,552,678**

The accompanying notes are an integral part of these interim condensed financial statements.

Interim condensed statements of comprehensive income

For the three and nine months ended September 30, 2018 and 2017

in thousands Mexican Pesos, except per CBFI amounts	Note	For the three months ended September 30, 2018	For the three months ended September 30, 2017	For the nine months ended September 30, 2018	For the nine months ended September 30, 2017
Revenues:					
Lease rental income		$ 811,338	$ 743,728	$ 2,425,295	$ 2,342,080
Rental recoveries		87,892	75,149	241,325	229,695
Other property income		8,252	13,501	47,810	48,821
		907,482	832,378	2,714,430	2,620,596
Costs and expenses:					
Property operating expenses:					
Operating and maintenance		49,608	48,005	143,197	140,211
Utilities		15,684	14,326	33,809	41,288
Property management fees	13	27,083	25,172	80,381	76,712
Real estate taxes		17,091	17,236	51,693	51,710
Non-recoverable operating		17,333	14,578	21,478	43,652
		126,799	119,317	330,558	353,573
Gross profit		**780,683**	**713,061**	**2,383,872**	**2,267,023**
Other expenses (income):					
(Gain) loss on valuation of investment properties	10	(111,534)	30,215	(697,223)	630,069
Asset management fees	13	81,276	73,338	241,089	228,177
Incentive fee	13	-	-	205,364	139,162
Professional fees		10,176	12,267	32,656	41,180
Interest expense		159,472	132,139	463,252	465,132
Amortization of debt premium		-	(7,003)	(4,639)	(65,403)
Amortization of deferred financing cost		14,423	10,302	41,100	25,456
Net (gain) on early extinguishment of debt		-	(782)	(4,043)	(32,902)
Unused credit facility fee		8,083	7,179	21,855	22,636
Unrealized loss (gain) on exchange hedge instruments	14	5,169	(6,501)	6,159	8,563
Realized loss on exchange rate hedge instruments	14	-	2,673	8,995	8,379
Net exchange (gain) loss		(7,613)	4,462	(24,163)	(5,615)
Other general and administrative expenses		1,002	4,417	8,834	12,077
		160,454	262,706	299,236	1,476,911
Net income		**620,229**	**450,355**	**2,084,636**	**790,112**
Other comprehensive income:					
Items that are not reclassified subsequently to profit or loss:					
Translation loss (gain) from functional currency to reporting currency		1,621,132	(242,052)	1,429,073	3,548,949
Items that are or may be reclassified subsequently to profit or loss:					
Unrealized (gain) on interest rate swaps	14	(5,753)	(309)	(73,542)	(6,250)
		1,615,379	(242,361)	1,355,531	3,542,699
Total comprehensive (loss) income for the period		**(995,150)**	**$ 692,716**	**$ 729,105**	**$ (2,752,587)**
Earnings per CBFI	**6**	**$ 0.96**	**$ 0.70**	**$ 3.25**	**$ 1.24**

The accompanying notes are an integral part of these interim condensed financial statements.

Interim condensed statements of changes in equity

For the nine months ended September 30, 2018 and 2017

in thousands Mexican Pesos	CBFI holders' capital	Other equity accounts	Retained earnings	Total
Balance as of January 1, 2017	$ 14,313,287	$ 10,605,719	$ 5,146,619	$ 30,065,625
Return of equity	(705,486)	-	-	(705,486)
Dividends	-	-	(335,305)	(335,305)
CBFIs to be issued	139,162	-	-	139,162
Comprehensive loss:				
Translation loss from functional currency to reporting currency	-	(3,548,949)	-	(3,548,949)
Unrealized gain on interest rate swaps	-	6,250	-	6,250
Net income	-	-	790,112	790,112
Total comprehensive loss	-	(3,542,699)	790,112	(2,752,587)
Balance as of September 30, 2017	**$ 13,746,963**	**$ 7,063,020**	**$ 5,601,426**	**$ 26,411,409**
Balance as of January 1, 2018	$ 13,746,963	$ 9,373,971	$ 6,013,148	$ 29,134,082
Dividends	-	-	(1,084,753)	(1,084,753)
CBFIs to be issued	205,364	-	-	205,364
Comprehensive income:				
Translation loss from functional currency to reporting currency	-	(1,429,073)	-	(1,429,073)
Unrealized gain on interest rate swaps	-	73,542	-	73,542
Net income	-	-	2,084,636	2,084,636
Total comprehensive income	-	(1,355,531)	2,084,636	729,105
Balance as of September 30, 2018	**$ 13,952,327**	**$ 8,018,440**	**$ 7,013,031**	**$ 28,983,798**

The accompanying notes are an integral part of these interim condensed financial statements.

Interim condensed statements of cash flows

For the nine months ended September 30, 2018 and 2017

in thousands Mexican Pesos	For the nine months ended September 30, 2018	2017
Operating activities:		
Net income	$ 2,084,636	$ 790,112
Adjustments for:		
(Gain) loss on valuation of investment properties	(697,223)	630,069
Incentive fee	205,364	139,162
Allowance for uncollectible trade receivables	(13,843)	26,559
Interest expense	463,252	465,132
Net gain on early extinguishment of debt	(4,043)	(32,902)
Amortization of deferred financing cost	41,100	25,456
Unrealized loss on exchange rate forwards	-	8,563
Realized loss on exchange rate forwards	8,995	8,379
Unrealized loss on exchange rate options	6,159	-
Net unrealized exchange (gain)	(26,353)	(4,920)
Amortization of debt premium	(4,639)	(65,403)
Rent leveling	(46,139)	(32,727)
Change in:		
Trade receivables	(7,509)	4,835
Account receivable affiliates	-	(37,421)
Value added tax and other receivables	22,026	101,622
Prepaid expenses	(24,328)	(26,268)
Other assets	(636)	2,196
Trade payables	(25,853)	(6,471)
Value added tax payable	10,355	7,733
Due to affiliates	(89,018)	1,195
Security deposits	(14,366)	(32,467)
Exchange rate options	(15,255)	-
Net cash flow provided by operating activities	1,872,682	1,972,434
Investing activities:		
Funds for acquisition of investment properties	(265,798)	-
Capital expenditures on investment properties	(294,961)	(274,454)
Net cash flow used in investing activities	(560,759)	(274,454)
Financing activities:		
Equity Distribution	-	(705,486)
Dividends paid	(1,084,753)	(335,305)
Long term debt borrowings	2,380,584	7,159,131
Long term debt payments	(2,296,767)	(7,228,389)
Interest paid	(476,270)	(458,872)
Cash used for early extinguishment of debt	(12,212)	(54,359)
Net cash flow used in financing activities	(1,489,418)	(1,623,280)
Net (decrease) increase in cash	(177,495)	74,700
Effect of foreign currency exchange rate changes on cash	13,486	(97,214)
Cash at beginning of the period	371,364	370,909
Cash at the end of the period	**$ 207,355**	**$ 348,395**
Non-cash transactions:		
Credit facility borrowings in exchange for term loan paydown	$ 2,584,233	$ -
CBFIs to be issued	205,364	139,162
Cash at the end of the period	**$ 2,789,597**	**$ 139,162**

The accompanying notes are an integral part of these interim condensed financial statements.

Notes to interim condensed financial statements

As of September 30, 2018 and for the three and nine months then ended and December 31, 2017

In thousands of Mexican Pesos, except per CBFI

1. Main activity, structure, and significant events

Main activity – FIBRA Prologis ("FIBRAPL") is a trust formed according to the Irrevocable Trust Agreement No. F/1721 dated August 13, 2013 ("Date of Inception"). Such agreement was signed between Prologis Property México, S. A. de C. V. as Trustor and Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria as Trustee. On December 14, 2017, FIBRAPL completed a trustee substitution from Deutsche Bank México, S. A., Institución de Banca Múltiple to Banco Actinver, S. A., Institución de Banca Múltiple as approved by its Technical Committee and certificate holders in September 2017.

FIBRAPL is a Mexican real estate investment trust authorized by Mexican law (Fideicomiso de Inversión en Bienes Raices, or FIBRA, as per its name in Spanish). As of August 13, 2018 FIBRAPL moved its address to Paseo de los Tamarindos No. 90, Torre 2, Piso 22, Bosques de las Lomas, Cuajimalpa de Morelos, C. P. 05120. The primary purpose of FIBRAPL is the acquisition or construction of industrial real estate in Mexico generally with the purpose of leasing such real estate to third parties under long-term operating leases.

Structure – FIBRAPL's parties are:

Trustor:	Prologis Property México, S. A. de C. V.
First beneficiaries:	Certificate holders.
Trustee:	Banco Actinver, S.A., Institución de Banca Múltiple, Grupo Financiero Actinver, División Fiduciaria (Effective December 14, 2017) Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria (From August 13, 2013 to December 14, 2017)
Common representative:	Monex Casa de Bolsa, S. A. de C. V., Monex Grupo Financiero
Manager:	Prologis Property México, S. A. de C. V.

Significant events

i. Long term debt transactions:

in millions	Date	Denomination	Interest rate (*)	Mexican pesos	U. S. dollars
Borrowings:					
Citibank, NA Credit facility (Unsecured)	July 23, 2018	U. S. dollars	LIBOR +250bps	$ 457.7	$ 24.0
Citibank, NA Credit facility (Unsecured)	April 27, 2018	U. S. dollars	LIBOR +250bps	377.3	20.0
Citibank (Unsecured) #3	March 15, 2018	U. S. dollars	LIBOR +245bps	4,181.7	225.0
Total borrowings				**$ 5,016.7**	**$ 269.0**

** LIBOR (London Interbank Offered Rate)*

in millions	Date	Denomination	Interest rate (*)	Mexican pesos	U. S. dollars
Payments:					
Citibank, NA Credit facility (Unsecured)	September 28, 2018	U. S. dollars	LIBOR +250bps	$ 75.2	$ 4.0
Citibank, NA Credit facility (Unsecured)	September 24, 2018	U. S. dollars	LIBOR +250bps	75.4	4.0
Citibank, NA Credit facility (Unsecured)	August 23, 2018	U. S. dollars	LIBOR +250bps	131.7	7.0
Citibank, NA Credit facility (Unsecured)	June 29, 2018	U. S. dollars	LIBOR +250bps	178.8	9.0
Citibank, NA Credit facility (Unsecured)	May 30, 2018	U. S. dollars	LIBOR +250bps	79.0	4.0
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 3rd. Section (Secured)	March 15, 2018	U. S. dollars	5.04%	1,180.2	63.5
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 4th. Section (Secured)	March 15, 2018	U. S. dollars	4.78%	159.8	8.6
Citibank, NA Credit facility (Unsecured)	March 28, 2018	U. S. dollars	LIBOR +250bps	917.2	50.0
Citibank, NA Credit facility (Unsecured)	March 23, 2018	U. S. dollars	LIBOR +250bps	1,665.7	90.0
Citibank, NA Credit facility (Unsecured)	March 15, 2018	U. S. dollars	LIBOR +250bps	185.9	10.0
Citibank, NA Credit facility (Unsecured)	February 20, 2018	U. S. dollars	LIBOR +250bps	92.7	5.0
Citibank, NA Credit facility (Unsecured)	February 7, 2018	U. S. dollars	LIBOR +250bps	130.9	7.0
Total payments				**$ 4,872.5**	**$ 262.1**

** LIBOR (London Interbank Offered Rate)*

ii. Acquisitions:

				Consideration paid, including closing costs	
in millions except lease area	Date	Market	Lease area square feet	Mexican pesos	U. S. dollars
Acquisitions:					
Arrayanes 3	July 25, 2018	Guadalajara	269,171	**$ 265.8**	**$ 13.9**

iii. Distributions:

in millions, except per CBFI	Date	Mexican pesos	U. S. dollars	Mexican pesos per CBFI	U. S. dollars per CBFI
Distributions:					
Dividends	July 19, 2018	$ 374.0	$ 19.8	0.5854	0.0310
Dividends	May 2, 2018	357.0	19.8	0.5589	0.0310
Dividends	March 16, 2018	353.7	18.9	0.5536	0.0298
Total distributions		**$ 1,084.7**	**$ 58.5**		

iv. CBFIs:

FIBRAPL is obligated to pay an incentive fee equal to 10% of cumulative total CBFI holder returns in excess of an annual compounded expected return of 9%, which is measured annually. For the period from June 2, 2017 to June 4, 2018, FIBRAPL generated an Incentive Fee of $205.4 million Mexican pesos ($10.3 million U.S. dollars), based on the performance of the CBFIs. As part of the Ordinary Holders Meeting on July 5, 2018, the Manager was approved to receive the Incentive Fee through issuance of 5,811,051 CBFIs. The CBFIs issued to the Manager are subject to a six-month lock-up period as established under the Management Agreement. See note 13.

2. Basis of presentation

a. ***Interim financial reporting* -** The accompanying interim condensed financial statements as of September 30, 2018 and 2017 and for the three and nine months then ended have been prepared in accordance with the International Accounting Standard No. 34, interim financial reporting. Therefore, these financial statements do not include all the information required in a complete annual report prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS or IAS"). The interim condensed financial statements should be read in conjunction with the annual financial statements as of December 31, 2017, and for the year then ended, prepared in accordance with IFRS.

   FIBRAPL management believes that all adjustments and reclassifications that are required for a proper presentation of the financial information are included in these interim condensed financial statements.

b. ***Functional currency and reporting currency* –** The accompanying interim condensed financial statements are presented in thousands of Mexican pesos, the local currency in Mexico, unless otherwise indicated. FIBRAPL's functional currency is the U.S. dollar.

c. ***Critical accounting judgments and estimates* -** The preparation of the interim condensed financial statements requires the use of certain critical accounting estimates and management to exercise its judgment in the process of applying FIBRAPL's accounting policies. The notes to the interim condensed financial statements discuss areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial statements.

Estimates and judgments are continually evaluated and are based on management experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparing the interim condensed financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is possible, on the basis of existing knowledge, that outcomes within the next financial year are different from our assumptions and estimates and could result in an adjustment to the carrying amounts of the assets and liabilities previously reported.

d. ***Going concern basis of accounting –*** FIBRAPL interim condensed financial statements as of September 30, 2018 and 2017 and for the three and nine months then ended have been prepared on a going concern basis, which assumes that FIBRAPL will be able to meet the mandatory repayment terms of the banking facilities disclosed in note 11. Management has a reasonable expectation that FIBRAPL has adequate resources to continue as a going concern and has the ability to realize its assets at their recognized values and to extinguish or refinance its liabilities in the normal course of business.

3. Summary of significant accounting policies

The significant accounting policies applied in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of, and disclosed in, FIBRAPL's audited financial statements as of December 31, 2017.

FIBRAPL has completed our assessment of the impact of the adoption of the following new standards:

i. *IFRS 15 Revenue from Contracts with Customers*. The standard addresses revenue recognition and establishes principles for reporting useful information to users of financial statements on the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The application of IFRS 15 on January 1, 2018 has no material impact on the FIBRAPL financial statements.

ii. *IFRS 9 Financial Instruments*. The standard brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. FIBRAPL has elected under IFRS 9 to continue to apply hedge accounting on certain concepts defined in IAS 39, and as a result, all existing hedge relationships that are currently designated in effective hedging relationships will continue to qualify for hedge accounting under IFRS 9. The application of IFRS 9 on January 1, 2018 has no material impact on the FIBRAPL financial statements.

FIBRAPL has completed an initial assessment of the potential impact of the adoption of the following new standard:

i. *IFRS 16 Leases*. The adoption of IFRS 16, Leases, is not expected to have a material impact to FIBRAPL financial statements.

4. Rental revenues

Most of FIBRAPL´s lease agreements associated with the investment properties contain a lease term of three to ten years. Generally, these leases are based on a minimum rental payment in U.S. dollars, plus maintenance fees and recoverable expenses.

Future minimum lease payments from base rent on leases with lease periods greater than one year, valued at the September 30, 2018 exchange rate in Mexican pesos, are as follows:

in thousands Mexican Pesos		Amount
Rental revenues:		
2018 (three months)	$	819,615
2019		2,539,772
2020		1,836,707
2021		1,051,267
2022		641,351
Thereafter		859,942
	$	**7,748,654**

5. Segment reporting

Operating segment information is presented based on how management analyzes the business, which includes information aggregated by market. The results for these operating segments are presented for the three and nine months ended September 30, 2018 and 2017, while assets and liabilities are included as of September 30, 2018 and December 31, 2017. FIBRAPL operates in six geographic markets that represent its reportable operating segments under IFRS 8 as follows: Mexico City, Guadalajara, Monterrey, Tijuana, Reynosa and Juarez.

	For the three months ended September 30, 2018						
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 315,513	$ 122,105	$ 95,831	$ 88,761	$ 113,312	$ 75,816	$ 811,338
Rental recoveries	32,950	8,446	11,315	12,070	10,102	13,009	87,892
Other property income	1,008	6,110	380	435	288	31	8,252
	349,471	136,661	107,526	101,266	123,702	88,856	907,482
Cost and expenses:							
Property operating expenses	54,387	14,095	11,781	13,297	17,058	16,181	126,799
Gross Profit	**$ 295,084**	**$ 122,566**	**$ 95,745**	**$ 87,969**	**$ 106,644**	**$ 72,675**	**$ 780,683**

	For the three months ended September 30, 2017						
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 282,441	$ 120,233	$ 85,626	$ 87,262	$ 95,490	$ 72,676	$ 743,728
Rental recoveries	23,074	8,395	9,858	11,166	8,628	14,028	75,149
Other property income	2,964	7,755	1,336	260	1,128	58	13,501
	308,479	136,383	96,820	98,688	105,246	86,762	832,378
Cost and expenses:							
Property operating expenses	43,734	17,942	16,393	11,051	11,136	19,061	119,317
Gross Profit	**$ 264,745**	**$ 118,441**	**$ 80,427**	**$ 87,637**	**$ 94,110**	**$ 67,701**	**$ 713,061**

	For the nine months ended September 30, 2018						
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 918,377	$ 376,187	$ 278,582	$ 287,288	$ 331,851	$ 233,010	$ 2,425,295
Rental recoveries	90,694	24,584	30,965	31,803	27,702	35,577	241,325
Other property income	20,150	21,244	2,079	1,142	2,963	232	47,810
	1,029,221	422,015	311,626	320,233	362,516	268,819	2,714,430
Cost and expenses:							
Property operating expenses	134,965	43,422	31,125	34,433	41,159	45,454	330,558
Gross Profit	**$ 894,256**	**$ 378,593**	**$ 280,501**	**$ 285,800**	**$ 321,357**	**$ 223,365**	**$ 2,383,872**

in thousands Mexican Pesos	For the nine months ended September 30, 2017						
	Mexico City	**Guadalajara**	**Monterrey**	**Tijuana**	**Reynosa**	**Juarez**	**Total**
Revenues:							
Lease rental income	$ 869,332	$ 392,500	$ 275,734	$ 278,893	$ 298,608	$ 227,013	$ 2,342,080
Rental recoveries	77,214	27,233	28,531	31,325	24,505	40,887	229,695
Other property income	7,193	32,564	4,684	759	3,297	324	48,821
	953,739	452,297	308,949	310,977	326,410	268,224	2,620,596
Cost and expenses:							
Property operating expenses	125,299	64,439	40,802	33,672	34,612	54,749	353,573
Gross Profit	**$ 828,440**	**$ 387,858**	**$ 268,147**	**$ 277,305**	**$ 291,798**	**$ 213,475**	**$ 2,267,023**

in thousands Mexican Pesos	As of September 30, 2018							
	Mexico City	**Guadalajara**	**Monterrey**	**Tijuana**	**Reynosa**	**Juarez**	**Unsecured debt**	**Total**
Investment properties:								
Land	$ 3,538,922	$ 1,433,184	$ 959,369	$ 915,486	$ 996,523	$ 714,607	$ -	$ 8,558,091
Buildings	14,155,687	5,732,734	3,837,476	3,661,943	3,986,092	2,858,428	-	34,232,360
	17,694,609	7,165,918	4,796,845	4,577,429	4,982,615	3,573,035	-	42,790,451
Rent leveling	153,275	34,375	41,978	53,145	41,130	38,869	-	362,772
Investment properties	**$ 17,847,884**	**$ 7,200,293**	**$ 4,838,823**	**$ 4,630,574**	**$ 5,023,745**	**$ 3,611,904**	**$ -**	**$ 43,153,223**
Long term debt	**$ 1,643,469**	**$ 935,189**	**$ 1,383,263**	**$ -**	**$ -**	**$ 108,512**	**$ 10,263,762**	**$ 14,334,195**

in thousands Mexican Pesos	As of December 31, 2017							
	Mexico City	**Guadalajara**	**Monterrey**	**Tijuana**	**Reynosa**	**Juarez**	**Unsecured debt**	**Total**
Investment properties:								
Land	$ 3,584,544	$ 1,448,059	$ 1,006,784	$ 930,118	$ 1,022,807	$ 726,983	$ -	$ 8,719,295
Buildings	14,338,173	5,792,237	4,027,139	3,720,473	4,091,227	2,907,933	-	34,877,182
	17,922,717	7,240,296	5,033,923	4,650,591	5,114,034	3,634,916	-	43,596,477
Rent leveling	140,107	33,186	33,536	48,408	44,800	35,868	-	335,905
Investment properties	**$ 18,062,824**	**$ 7,273,482**	**$ 5,067,459**	**$ 4,698,999**	**$ 5,158,834**	**$ 3,670,784**	**$ -**	**$ 43,932,382**
Long term debt	**$ 1,754,827**	**$ 980,797**	**$ 1,450,659**	**$ -**	**$ -**	**$ 113,838**	**$ 10,614,865**	**$ 14,914,986**

6. Earnings per CBFI

The calculated basic and diluted earnings per CBFI are the same, as follows:

in thousands Mexican Pesos, except per CBFI	For the three months ended September 30,		For the nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
Basic and diluted earnings per CBFI (pesos)	$ 0.96	$ 0.70	$ 3.25	$ 1.24
Net income	620,229	450,355	2,084,636	790,112
Weighted average number of CBFIs ('000)	**644,674**	**638,863**	**641,089**	**636,027**

As of September 30, 2018, FIBRAPL had 638,862,771 CBFIs and 5,811,051 to be issued to the Manager. See note 12.

7. Trade receivables

As of September 30, 2018 and December 31, 2017, trade receivable of FIBRAPL were as follows:

in thousands Mexican Pesos	September 30, 2018	December 31, 2017
Trade receivable	$ 89,338	$ 66,371
Allowance for uncollectable trade receivables	(23,766)	(22,151)
	$ 65,572	**$ 44,220**

8. Value added tax and other receivables

As of September 30, 2018 and December 31, 2017, value added tax and other receivables were as follows:

in thousands Mexican Pesos	September 30, 2018	December 31, 2017
Value added tax	$ -	$ 23,782
Other receivables	51,527	49,771
	$ 51,527	**$ 73,553**

FIBRAPL submits withholding taxes to the Mexican tax authorities as a result of interest paid to foreign creditors. Withholding tax payments are recognized as an expense unless they are expected to be reimbursed to FIBRAPL by the foreign creditor. If FIBRAPL does expect to be reimbursed, the amount is recorded as other receivables.

9. Prepaid expenses

As of September 30, 2018 and December 31, 2017, prepaid expenses of FIBRAPL were as follows:

in thousands Mexican Pesos	September 30, 2018	December 31, 2017
Real estate tax	$ 12,599	$ -
Insurance	8,998	593
Other prepaid expenses	4,331	1,007
	$ 25,928	**$ 1,600**

10. Investment properties

FIBRAPL obtained a valuation from independent appraisers in order to determine the fair value of its investment properties which resulted in a gain of $697,223 and a loss of $630,069 for the nine months ended September 30, 2018 and 2017, respectively.

a) As of September 30, 2018, investment properties were as follows:

Market	Fair value as of September 30, 2018 in thousands of Mexican Pesos	# of properties	Lease area in thousands square feet
Mexico City	$ 17,847,884	53	13,494
Guadalajara	7,200,293	27	6,107
Monterrey	4,838,823	24	3,868
Tijuana	4,630,574	33	4,214
Reynosa	5,023,745	30	4,712
Juarez	3,611,904	31	3,566
Total	**$ 43,153,223**	**198**	**35,961**

The table above includes an Intermodal facility in the Mexico City market with a leasable area of 1,092 square feet and a fair value of $299,111.

As of September 30, 2018, the fair value of investment properties includes excess land in the Monterrey market of $134,694.

As of September 30, 2018 and December 31, 2017, the balance of investment properties included rent leveling assets of $362,772 and $335,905, respectively.

b) The reconciliation of investment properties for the nine months ended September 30, 2018 and for the year ended December 31, 2017 are as follows:

in thousands Mexican Pesos	For the nine months ended September 30, 2018	For the year ended December 31, 2017
Beginning balance	$ 43,932,382	$ 45,064,110
Translation effect from functional currency	(2,064,009)	(1,866,196)
Acquisition of investment properties	258,481	545,552
Acquisition costs	7,318	15,109
Capital expenditures, leasing commissions and tenant improvements	294,961	421,199
Rent leveling	26,867	36,960
Gain (loss) on valuation of investment properties	697,223	(284,352)
Ending balance of investment properties	**$ 43,153,223**	**$ 43,932,382**

c) During the nine months ended September 30, 2018 and 2017, capital expenditures, leasing commissions and tenant improvements of FIBRAPL were as follows:

in thousands Mexican Pesos	For the nine months ended September 30,	
	2018	**2017**
Capital expenditures	$ 119,577	$ 95,578
Leasing commissions	65,385	57,101
Tenant improvements	109,999	121,775
	$ 294,961	**$ 274,454**

11. Long term debt

As of September 30, 2018 and December 31, 2017, FIBRAPL had long term debt comprised of loans from financial institutions denominated in U.S. dollars, except if described otherwise, as follows:

	Denomination	Maturity date	Rate	September 30, 2018 thousands U. S. Dollars	September 30, 2018 thousands Mexican Pesos	December 31, 2017 thousands U. S. Dollars	December 31, 2017 thousands Mexican Pesos
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 3rd. Section (Secured)	USD	December 15, 2018	5.04%	-	$ -	63,807	$ 1,259,257
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 4th. Section (Secured)	USD	December 15, 2018	4.78%	-	-	8,671	171,126
Citibank (Unsecured) #1	USD	December 18, 2020	LIBOR+ 245bps	255,000	4,797,060	255,000	5,032,527
Citibank NA Credit facility (Unsecured)	USD	July 18, 2022	LIBOR + 250bps	29,000	545,548	175,000	3,453,695
Citibank (Unsecured) #2	USD	July 18, 2022	LIBOR + 245bps	150,000	2,821,800	150,000	2,960,310
Citibank (Unsecured) #3	USD	March 15, 2023	LIBOR+ 245bps	225,000	4,232,700	-	-
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 1st. Section (Secured)	USD	February 1, 2027	4.67%	53,500	1,006,442	53,500	1,055,844
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 2nd. Section (Secured)	USD	February 1, 2027	4.67%	53,500	1,006,442	53,500	1,055,844
Total				**766,000**	**14,409,992**	**759,478**	**14,988,603**
Long term debt interest accrued				1,124	21,145	677	13,368
Debt premium, net				-	-	1,175	23,188
Deferred financing cost				(5,154)	(96,942)	(5,583)	(110,173)
Total debt				**761,970**	**14,334,195**	**755,747**	**14,914,986**
Less: Current portion of long term debt				1,124	21,145	1,107	21,847
Total long term debt				**760,846**	**$ 14,313,050**	**754,640**	**$ 14,893,139**

During the nine months ended September 30, 2018 and 2017, FIBRAPL paid interest on long term debt of $476,270 and $458,872, respectively, and principal of $2,296,767 and $7,228,389, respectively.

On March 15, 2018, FIBRA borrowed $225.0 million U.S. dollars ($4,469.2 million Mexican pesos) on a new unsecured term loan with Citibank (Citibank (Unsecured) #3), which matures on March 15, 2022, and carries an interest rate of LIBOR plus 245 basis points. The terms of the note contain one year extension options which may be extended at the borrower's option and with approval of the lenders' Risk Committee. The borrowings were used to pay down the existing credit facility.

On July 18, 2017, FIBRAPL renegotiated its credit facility with Citibank N.A. As of June 30, 2018, FIBRAPL has an unsecured $325.0 million U.S. dollar revolving credit facility (the "Credit Facility") with Citibank N.A. as the administrative agent; and $25.0 million U.S. dollars of the facility can be borrowed in Mexican pesos. FIBRAPL has an option to increase the Credit Facility by $150.0 million U.S. dollars. The Credit Facility can be used by FIBRAPL for acquisitions, working capital needs and general corporate purposes. The Credit Facility bears interest on borrowings outstanding at (i) LIBOR plus 250 basis points denominated in U. S. dollars and (ii) TIIE (Interbank Balance Interest Rate from its name in Spanish) plus 220 basis points denominated in Mexican pesos, subject to loan to value grid, and an unused facility fee of 60 basis points. This Credit Facility matures on July 18, 2020, and contains two separate one-year extension options which may be extended at the borrower's option and with approval of the lender's Risk Committee. As of September 30, 2018, FIBRAPL had an outstanding balance of $29.0 million U. S. dollars ($545.5 million Mexican pesos) under the Credit Facility.

On July 18, 2017, FIBRA borrowed $150.0 million U.S. dollars ($2,979.5 million Mexican pesos) on a new unsecured term loan with Citibank (Citibank (Unsecured) #2), which matures on July 18, 2020, and carries an interest rate of LIBOR plus 245 basis points. The terms of the note contain two separate one-year extension options which may be extended at the borrower's option and with approval of the lenders' Risk Committee. The borrowings were used to pay down the existing credit facility.

The loans described above are subject to certain affirmative covenants, including, among others, (i) reporting of financial information; and (ii) maintenance of corporate existence, the security interest in the properties subject to the loan and appropriate insurance for such properties. In addition, the loans are subject to certain negative covenants that restrict FIBRAPL's ability to, among other matters and subject to certain exceptions, incurred additional indebtedness under or create additional liens on the properties subject to the loans, change its corporate structure, make certain restricted payments, enter into certain transactions with affiliates, amend certain material contracts, enter into derivative transactions for speculative purposes or form any new subsidiary.

The loans contain, among others, the following events of default: (i) non-payment; (ii) false representations; (iii) failure to comply with covenants; (iv) inability to generally pay debts as they become due; (v) any bankruptcy or insolvency event; (vi) disposition of the subject properties; or (vii) change of control of the subject properties.

As of September 30, 2018, FIBRAPL was in compliance with all of its covenants.

12. Equity

FIBRAPL was formed on August 13, 2013, through an initial contribution from the sponsor to the fiduciary of $1.00 Mexican peso.

Effective June 4, 2014, FIBRAPL was listed on the Mexican Stock Exchange under the ticker symbol FIBRAPL 14 in connection with its "IPO" (Initial Public Offering).

On December 1, 2014, FIBRAPL registered the issuance of 3,785,280 new CBFI's as part of the new investment in 6 properties.

On October 10, 2017, FIBRAPL issued 4,383,025 CBFIs based on the annual incentive fee that was approved in the ordinary holders meeting on June 26, 2017.

As of September 30, 2018, total CBFIs outstanding are 638,862,771.

As of September 30, 2018, FIBRAPL recorded 5,811,051 CBFIs to be issued based on the annual incentive fee approved in the ordinary meeting on July 5, 2018. The Certificates will be issued in the following months.

13. Related party information

The detail of transactions of FIBRAPL with its related parties is as follows:

a. **Manager**

Prologis Property Mexico, S. A. de C. V. (the "Manager"), in its capacity as the FIBRAPL Manager, is entitled to receive, according to a management agreement between FIBRAPL and the Manager (the "Management Agreement"), the following fees and commissions:

1. **Asset Management Fee**: annual fee equivalent to 0.75% of the current appraised value, calculated in accordance with the valuation policies approved by the Technical Committee under Section 14.1 of the Trust Agreement, based on annual appraisals, plus investment cost for assets that have not been appraised, plus the applicable VAT, paid quarterly. The asset management fee will be prorated with respect to any asset that has been owned less than a full calendar quarter.

2. **Incentive Fee**: annual fee equal to 10% of cumulative total CBFI holder returns in excess of an annual compound expected return of 9%, paid annually in CBFIs, with each payment subject to a six-month lock-up, as established under the Management Agreement. The return measurement related to the incentive fee is based on a cumulative period. During the three and nine months ended September 30, 2018 and 2017, FIBRAPL recorded an incentive fee expense in the amount of $205.4 million Mexican pesos ($10.3 million U.S. dollars) and $139.2 million Mexican pesos ($7.5 million U.S. dollars), respectively.

3. **Development Fee**: contingent fee equal to 4.0% of total project cost of capital improvements (including replacements and repairs to the properties managed by the Manager, including improvements by the lessor), excluding land or new property development payable upon completion of the project.

4. **Property Management Fee**: fee equal to 3.0% of the revenues generated by the properties, paid monthly.

5. **Leasing Fee:** fee equal to certain percentages of total rent under signed lease agreements as follows: (i) 5.0% in connection with years one through five of the respective lease agreements; (ii) 2.5% in connection with years six through ten of the respective lease agreements; and (iii) 1.25% in connection with years eleven and beyond of the respective lease agreements. For renewals of existing leases, percentages will be 2.5%, 1.25% and 0.62% for the periods mentioned in bullet points (i), (ii) and (iii), respectively. One half of each leasing fee is payable at signing or renewal and one half is payable at commencement of the applicable lease. The leasing fee will be paid in full to the Manager, unless a third-party listing broker provides the procuring or leasing, expansion or renewal service, in which case the Manager shall not be entitled to a leasing fee.

b. **Due to Affiliates**

As of September 30, 2018 and December 31, 2017, the outstanding balances due to related parties were as follows:

in thousands Mexican Pesos	September 30, 2018		December 31, 2017	
Asset management fees	$	-	$	80,445
Property management fees		9,877		18,450
	$	**9,877**	**$**	**98,895**

As of September 30, 2018 and December 31, 2017, asset management fees and property management fees are due to the Manager.

c. **Transactions with affiliates**

Transactions with affiliated companies for the three and nine months ended September 30, 2018 and 2017, were as follows:

in thousands Mexican Pesos	For the three months ended September 30,				For the nine month ended September 30,			
	2018		**2017**		**2018**		**2017**	
Acquisition of properties	$	258,481	$	-	$	258,481	$	-
Return of equity	$	-	$	-	$	-	$	323,644
Dividends	$	172,972	$	153,823	$	501,662	$	153,823
Asset management fee	$	81,276	$	73,338	$	241,089	$	228,177
Property management fee	$	27,083	$	25,172	$	80,381	$	76,712
Leasing commissions	$	15,516	$	6,047	$	28,213	$	21,080
Development fee	$	832	$	3,629	$	5,335	$	7,279
Maintenance costs	$	738	$	2,369	$	4,459	$	7,134
Incentive Fee*	$	-	$	-	$	205,364	$	139,162

**The transaction was executed with the Manager and 5,811,051 ($205.4 million Mexican pesos) in CBFIs are to be issued in the following months.*

14. Hedging activities

Interest Rate Swaps

On March 28, 2018, FIBRAPL entered into two interest rate swap contracts with Bank of Nova Scotia and HSBC Bank in USA, whereby, FIBRAPL pays a fixed rate of interest of 2.486% and receives a variable rate based on one month LIBOR. The swaps mature on March 15, 2021 and they hedge the exposure to the variable interest rate payments on the $225.0 million U.S. dollar (each swap maintains a $112.5 million U.S. dollar notional amount) variable rate unsecured term loan with Citibank (Citibank (Unsecured) #3). See note 11.

On October 13, 2017, FIBRAPL entered into two interest rate swap contracts with Bank of Nova Scotia and HSBC Bank in USA, whereby, FIBRAPL pays a fixed rate of interest of 1.752%, and receives a variable rate based on one month LIBOR. The swaps mature on October 18, 2020 and they hedge the exposure to the variable interest rate payments on the $150.0 million U.S. dollar (each swap maintains a $75.0 million U.S. dollar notional amount) variable rate unsecured term loan with Citibank (Citibank (Unsecured) #2). See note 11.

On January 21, 2016, FIBRAPL entered into interest rate swap contracts with the Bank of Nova Scotia and HSBC Bank USA, whereby, FIBRAPL pays a fixed rate of interest of 1.064% and 1.066%, respectively, and receives a variable rate based on one month LIBOR. The swaps hedge the exposure to the variable interest rate payments on the Credit Facility. See note 11.

The interest rate swaps meet the criteria for hedge accounting and therefore have been designated as cash flow hedging instruments. Accordingly, the fair value of the swaps as of September 30, 2018, of $153.1 million Mexican pesos has been recognized in other comprehensive income as unrealized gain on interest rate swaps.

Below is a summary of the terms and fair value of the interest rate swap agreements. The loans and interest rate swaps have the same critical terms.

Counterparty	Effective date	Maturity date	Notional amount*	September 30, 2018	December 31, 2017
Bank of Nova Scotia	June 23, 2016	July 23, 2019	100	$ 22,565	$ 25,209
HSBC Bank USA	June 23, 2016	July 23, 2019	150	33,786	37,632
Bank of Nova Scotia	October 18, 2017	October 18, 2020	75	30,158	10,723
HSBC Bank USA	October 18, 2017	October 18, 2020	75	30,145	10,755
Bank of Nova Scotia	April 16, 2018	March 15, 2021	112.5	18,235	-
HSBC Bank USA	April 16, 2018	March 15, 2021	112.5	18,250	-
				$ 153,139	**$ 84,319**

** (amount in million U.S. dollars)*

In order to determine fair value, FIBRAPL calculates both current and potential future exposure, reflecting the bilateral credit risk present in many derivatives. The approach incorporates all of the relevant factors that can impact fair value calculations, including interest rate and foreign exchange forward curves and the market expectations of volatility around these curves, credit enhancements between counterparties (including collateral posting, mandatory cash settlements, and mutual puts), the term structure of credit spreads and the conditional cumulative probability of default for both counterparties.

Currency Option Contracts

On February 27, 2018, FIBRAPL entered into foreign currency rate options with HSBC Bank USA, National Association to fix an option rate over its quarterly Mexican peso transactions.

FIBRAPL's exchange rate options do not qualify for hedge accounting. Therefore, the change in fair value related to the contracts is recognized in the results of operations for the year within unrealized gain on exchange hedge instruments.

						Fair value as of September 30, 2018		
Start date	End date	Settlement date	Forward rate	Fair Value	Notional amount in thousands of Mexican pesos	Thousands of Mexican pesos	Thousands of U.S. dollars	Unrealized loss in exchange in thousands of Mexican pesos
October 1, 2018	December 31, 2018	January 3, 2019	20.0000 USD-MXN	Level 2	$ 100,000	$ 101	$ 5	$ 5,169

15. Subsequent Events

On October 11, 2018, FIBRAPL entered into a foreign currency rate forward with HSBC Bank USA, Nacional Association of $11.8 million U.S. dollar ($225.0 million Mexican pesos) to fix a forward rate over its quarterly Mexican peso transactions.

16. Commitments and contingencies

FIBRAPL had no significant commitments or contingencies except as described in these notes as of September 30, 2018.

17. Financial statements approval

On October 18, 2018, the issuance of these interim condensed financial statements was authorized by Jorge Roberto Girault Facha, CFO of the Manager.

* * * * * * * * * *

Third Quarter 2018

FIBRA Prologis Supplemental Financial Information

Unaudited

Altos 5, Guadalajara

FIBRA Prologis' functional currency is the U.S. Dollar; therefore, FIBRA Prologis' management has elected to present actual comparative U.S. Dollars that represent the actual amounts included in our U.S. Dollar financial statements within this supplemental package, based on the following policies:

a) Transactions in currencies other than U.S. Dollars (Mexican Pesos) are recognized at the rates of exchange prevailing at the date of the transaction.
b) Equity items are valued at historical exchange rates.
c) At the end of each reporting period, monetary items denominated in Mexican Pesos are retranslated into U.S. Dollars at the rates prevailing at that date.
d) Non-monetary items carried at fair value that are denominated in Mexican Pesos are retranslated at the rates prevailing at the date when the fair value was determined.
e) Exchange differences on monetary items are recognized in profit or loss in the period in which they occur.

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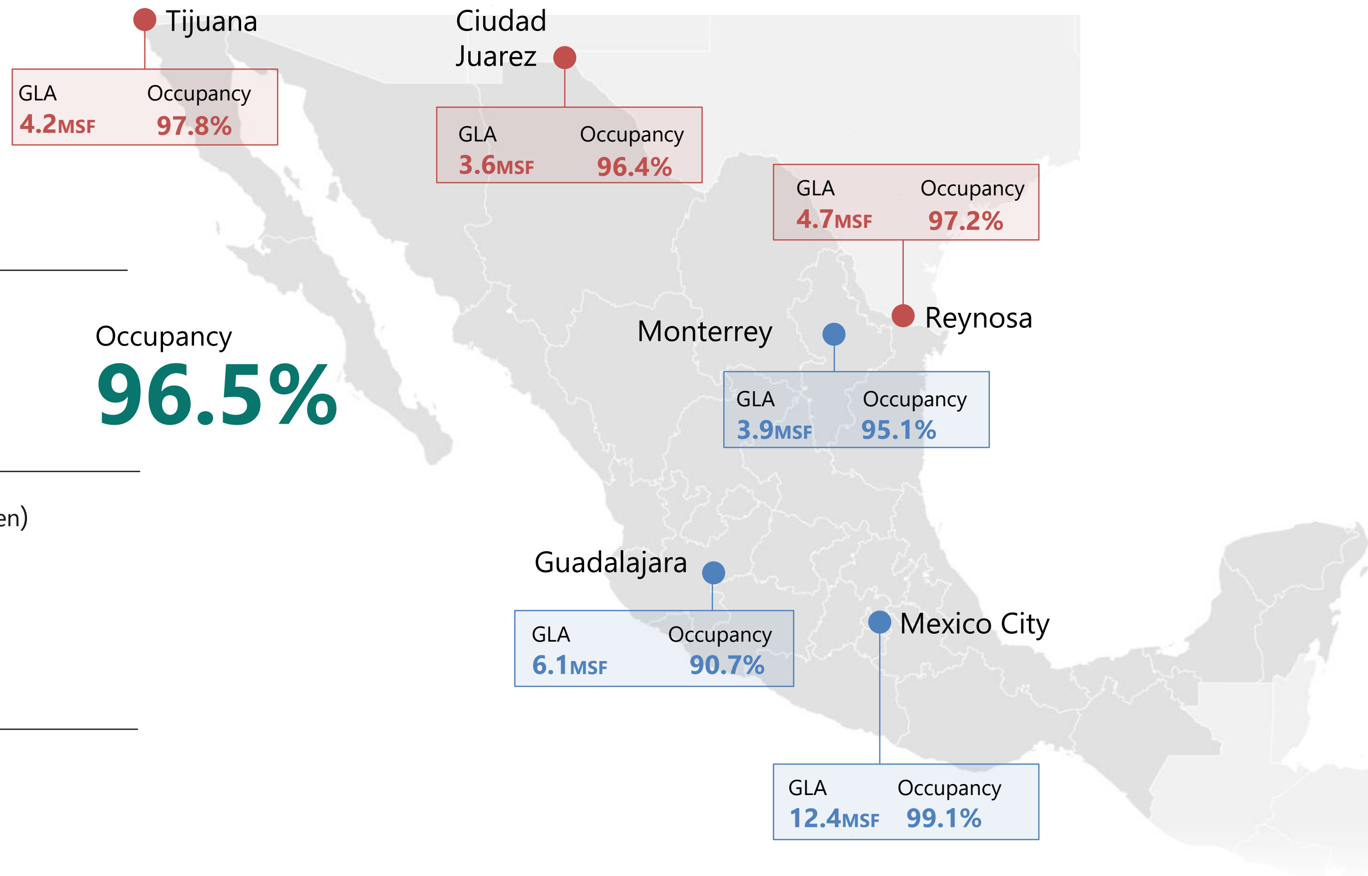
Iztapalapa Distribution Center, Mexico City

Cover: **Agua Fria 4,** Monterrey

(A) Terms used throughout document are defined in the Notes and Definitions

FIBRA Prologis is a leading owner and operator of Class-A industrial real estate in Mexico. As of September 30, 2018, FIBRA Prologis was comprised of 197 logistics and manufacturing facilities in six industrial markets in Mexico totaling 34.9 million square feet (3.2 million square meters) of GLA.

Market Presence



Total Markets

GLA	% Net Effective Rent
34.9 MSF	100%

Occupancy
96.5%

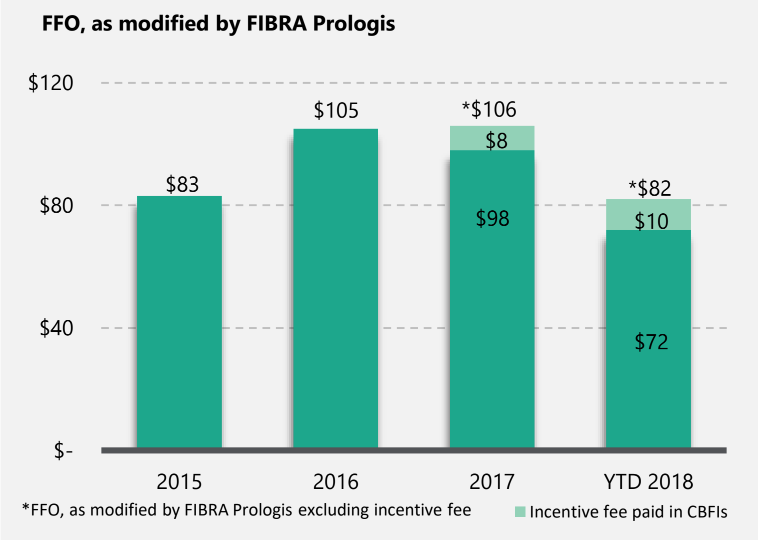
Regional Markets (manufacturing-driven)
Ciudad Juarez, Reynosa, Tijuana

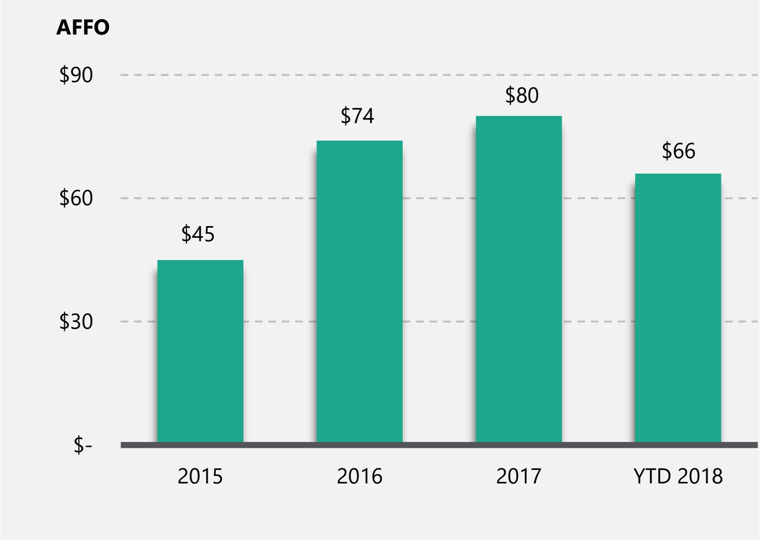
GLA	% Net Effective Rent	Occupancy
12.5 MSF	34.3%	97.2%

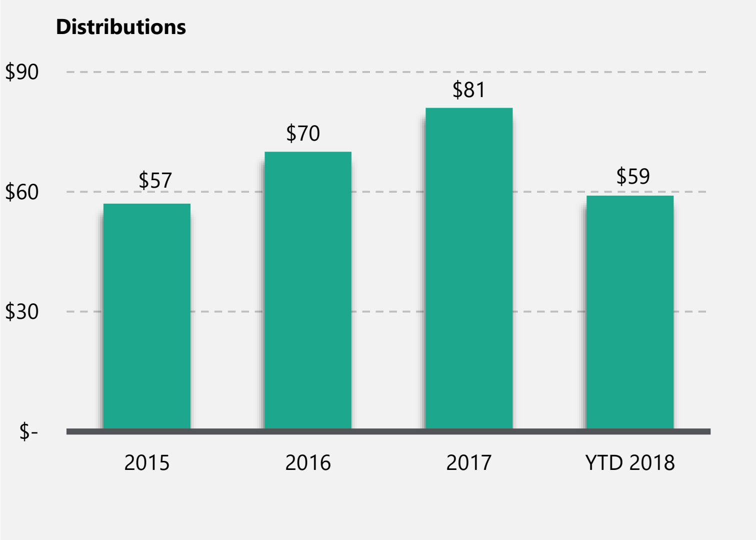
Global Markets (consumption-driven)
Guadalajara, Mexico City, Monterrey

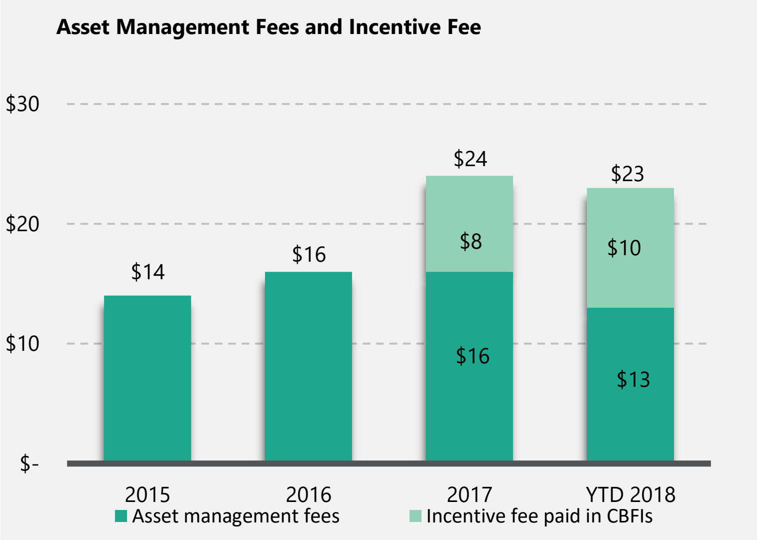
GLA	% Net Effective Rent	Occupancy
22.4 MSF	65.7%	96.1%

(in millions of US$)







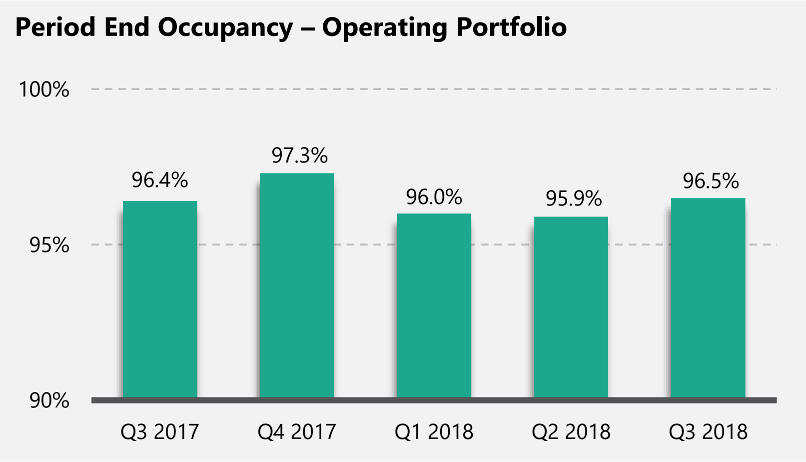


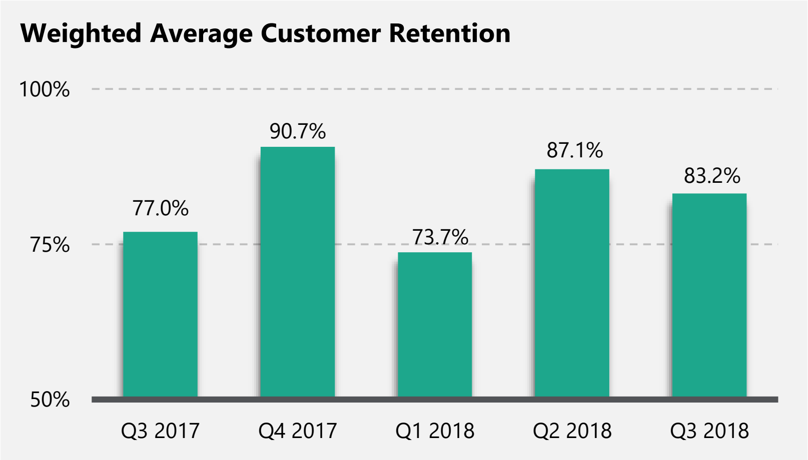
Highlights
Company Performance

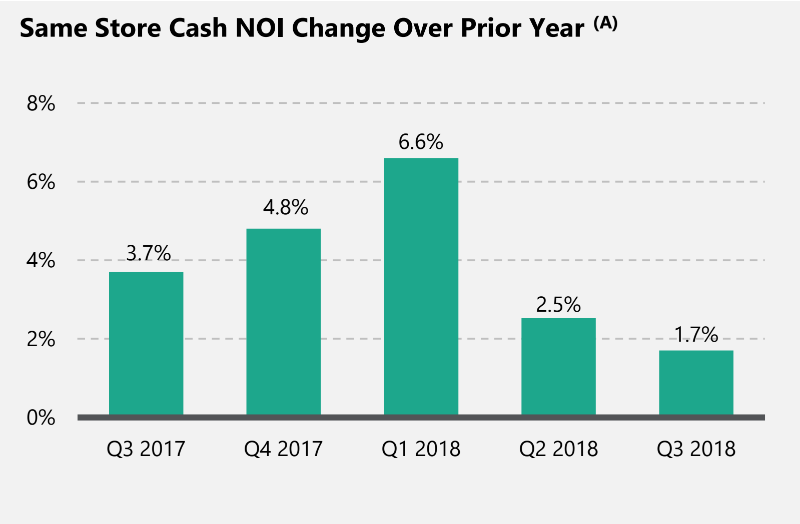
Included below are quarterly comparative highlights in Mexican Pesos and U.S. Dollars as a summary of our company performance.

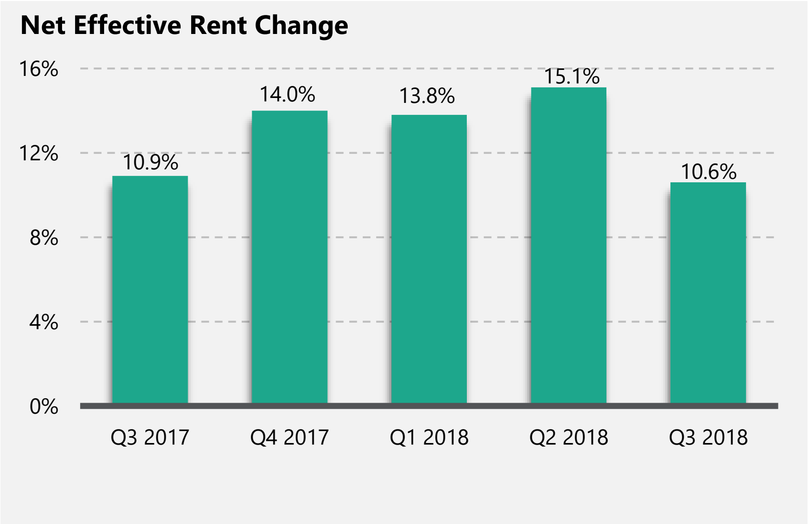
in thousands, except per CBFI amounts	For the three months ended									
	September 30, 2018		June 30, 2018		March 31, 2018		December 31, 2017		September 30, 2017	
	Ps.	US$ (A)	Ps.	US$ (A)	Ps.	US$ (A)	Ps.	US$ (A)	Ps.	US$ (A)
Revenues	907,482	47,338	916,272	48,344	890,676	46,824	882,782	47,354	832,378	46,648
Gross Profit	780,683	40,629	804,634	42,629	798,555	41,843	775,513	41,815	713,061	40,084
Net Income	620,229	32,049	848,731	45,302	615,676	32,025	777,849	42,734	450,355	25,419
FFO, as modified by FIBRA Prologis	503,969	25,901	295,160	16,784	564,047	29,261	460,557	26,006	479,632	27,031
FFO, as modified by FIBRA Prologis excluding incentive fee	503,969	25,901	500,524	27,121	564,047	29,261	460,557	26,006	479,632	27,031
AFFO	428,062	21,867	399,606	21,993	436,233	22,419	307,463	18,453	388,182	21,874
Adjusted EBITDA	685,947	35,584	694,041	37,013	710,120	37,101	641,940	35,586	622,249	35,012
Earnings per CBFI	0.9621	0.0497	1.3285	0.0709	0.9637	0.0501	1.2176	0.0669	0.7049	0.0398
FFO per CBFI	0.7817	0.0402	0.4620	0.0263	0.8829	0.0458	0.7209	0.0407	0.7508	0.0423
FFO per CBFI excluding incentive fee	0.7817	0.0402	0.7835	0.0425	0.8829	0.0458	0.7209	0.0407	0.7508	0.0423

(A) Amounts presented in U.S. Dollars, which is FIBRA Prologis´ functional currency, represent the actual amounts from our U.S. Dollar financial statements.









(A) Same store cash NOI change has been calculated based on actual U.S. Dollars

US Dollars in thousands except per CBFI amounts

2018 Guidance	Low	High
Full year FFO per CBFI (A)	**$ 0.1550**	**$ 0.1650**
Full year FFO per CBFI including incentive fee	**$ 0.1500**	**$ 0.1600**
Operations		
Year-end occupancy	96.0%	97.0%
Same store cash NOI change	3.00%	4.00%
Annual capex as a percentage of NOI	13.0%	14.0%
Capital Deployment		
Building acquisitions	$ 100,000	$ 300,000
Building dispositions	$ -	$ -
Other Assumptions		
G&A (Asset management and professional fees) (B)	$ 19,500	$ 21,500
Full year 2018 distribution per CBFI (US Dollars)	$ 0.1240	$ 0.1240

(A) FFO guidance excludes the impact of peso movements as U.S. Dollar is the functional currency of FIBRA Prologis.
(B) G&A excludes incentive fee
Note: Guidance based on $20.00 pesos per $1.00 U.S Dollar.

FIBRA PROLOGIS

Financial Information

Interim Condensed Statements of Financial Position

in thousands	September 30, 2018		December 31, 2017	
Assets:	**Ps.**	**US$**	**Ps.**	**US$**
Current assets:				
Cash	207,355	11,022	371,364	18,817
Trade receivables	65,572	3,486	44,220	2,241
Value added tax and other receivables	51,527	2,739	73,553	3,727
Prepaid expenses	25,928	1,379	1,600	81
	350,382	**18,626**	**490,737**	**24,866**
Non-current assets:				
Investment properties	43,153,223	2,293,920	43,932,382	2,226,070
Interest rate swaps	153,139	8,140	84,319	4,272
Exchange rate options	101	5	-	-
Other assets	45,876	2,441	45,240	2,293
	43,352,339	**2,304,506**	**44,061,941**	**2,232,635**
Total assets	**43,702,721**	**2,323,132**	**44,552,678**	**2,257,501**
Liabilities and Equity:				
Current liabilities:				
Trade payables	87,022	3,947	112,875	5,721
Value added tax payables	10,355	550	-	-
Due to affiliates	9,877	525	98,895	5,011
Current portion of long term debt	21,145	1,124	21,847	1,107
	128,399	**6,146**	**233,617**	**11,839**
Non-current liabilities:				
Long term debt	14,313,050	760,846	14,893,139	754,640
Security deposits	277,474	14,750	291,840	14,788
	14,590,524	**775,596**	**15,184,979**	**769,428**
Total liabilities	**14,718,923**	**781,742**	**15,418,596**	**781,267**
Equity:				
CBFI holders capital	13,952,327	1,124,867	13,746,963	1,114,530
Other equity accounts	15,031,471	416,523	15,387,119	361,704
Total equity	**28,983,798**	**1,541,390**	**29,134,082**	**1,476,234**
Total liabilities and equity	**43,702,721**	**2,323,132**	**44,552,678**	**2,257,501**

FIBRA PROLOGIS

Financial information

Interim Condensed Statements of Comprehensive Income

in thousands, except per CBFI amounts	For the three months ended September 30, 2018 Ps.	2018 US$	2017 Ps.	2017 US$	For the nine months ended September 30, 2018 Ps.	2018 US$	2017 Ps.	2017 US$
Revenues:								
Lease rental income	811,338	42,370	743,728	41,676	2,425,295	127,395	2,342,080	123,072
Rental recoveries	87,892	4,543	75,149	4,215	241,325	12,623	229,695	12,076
Other property income	8,252	425	13,501	757	47,810	2,488	48,821	2,572
	907,482	**47,338**	**832,378**	**46,648**	**2,714,430**	**142,506**	**2,620,596**	**137,720**
Cost and expenses:								
Property operating expenses:								
Operating and maintenance	49,608	2,602	48,005	2,686	143,197	7,523	140,211	7,414
Utilities	15,684	828	14,326	802	33,809	1,778	41,288	2,187
Property management fees	27,083	1,474	25,172	1,406	80,381	4,253	76,712	4,102
Real estate taxes	17,091	853	17,236	825	51,693	2,659	51,710	2,474
Non-recoverable operating	17,333	952	14,578	845	21,478	1,192	43,652	2,698
	126,799	**6,709**	**119,317**	**6,564**	**330,558**	**17,405**	**353,573**	**18,875**
Gross profit	**780,683**	**40,629**	**713,061**	**40,084**	**2,383,872**	**125,101**	**2,267,023**	**118,845**
Other expenses (income):								
(Gain) loss on valuation of investment properties	(111,534)	(5,881)	30,215	1,695	(697,223)	(36,147)	630,069	31,116
Asset management fees	81,276	4,308	73,338	4,097	241,089	12,605	228,177	12,177
Incentive fee	-	-	-	-	205,364	10,337	139,162	7,474
Professional fees	10,176	563	12,267	688	32,656	1,771	41,180	2,178
Interest expense	159,472	8,479	132,139	7,396	463,252	24,337	465,132	24,656
Amortization of debt premium	-	-	(7,003)	(395)	(4,639)	(248)	(65,403)	(3,410)
Amortization of deferred financing cost	14,423	767	10,302	575	41,100	2,167	25,456	1,360
Net (gain) on early extinguishment of debt	-	-	(782)	(44)	(4,043)	(232)	(32,902)	(1,768)
Unused credit facility fee	8,083	437	7,179	405	21,855	1,159	22,636	1,197
Unrealized loss on exchange rate options	5,169	275	-	-	6,159	340	-	-
Unrealized (gain) loss on exchange rate forwards	-	-	(6,501)	(358)	-	-	8,563	447
Realized loss on exchange rate forwards	-	-	2,673	146	8,995	453	8,379	463
Net Unrealized exchange (gain) loss	(9,895)	(542)	6,345	319	(26,353)	(1,391)	(4,920)	(260)
Net Realized exchange loss (gain)	2,282	120	(1,883)	(98)	2,190	115	(695)	(37)
Other general and administrative expenses	1,002	54	4,417	239	8,834	459	12,077	646
	160,454	**8,580**	**262,706**	**14,665**	**299,236**	**15,725**	**1,476,911**	**76,239**
Net income	**620,229**	**32,049**	**450,355**	**25,419**	**2,084,636**	**109,376**	**790,112**	**42,606**
Other comprehensive income:								
Items that are not reclassified subsequently to profit or loss:								
Translation loss (gain) from functional currency to reporting currency	1,621,132	76	(242,052)	427	1,429,073	(463)	3,548,949	(6,595)
Items that are or may be reclassified subsequently to profit or loss:								
Unrealized (gain) on interest rate swaps	(5,753)	(448)	(309)	(17)	(73,542)	(3,868)	(6,250)	(323)
	1,615,379	**(372)**	**(242,361)**	**410**	**1,355,531**	**(4,331)**	**3,542,699**	**(6,918)**
Total comprehensive (loss) income for the period	**(995,150)**	**32,421**	**692,716**	**25,009**	**729,105**	**113,707**	**(2,752,587)**	**49,524**
Earnings per CBFI (A)	**0.9621**	**0.0497**	**0.7049**	**0.0398**	**3.2517**	**0.1706**	**1.2423**	**0.0670**

(A) See calculation of Earnings per CBFI in Notes and Definitions.

FIBRA PROLOGIS

Financial information

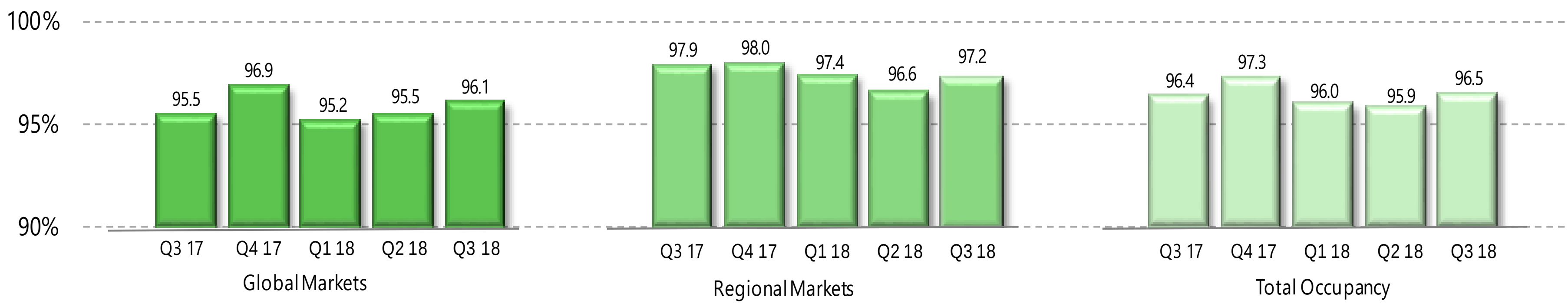
Reconciliations of Net Income to FFO, AFFO and EBITDA

in thousands	For the three months ended September 30,				For the nine months ended September 30,			
	2018		2017		2018		2017	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Reconciliation of Net Income to FFO								
Net income	620,229	32,049	450,355	25,419	2,084,636	109,376	790,112	42,606
NAREIT defined FFO	**620,229**	**32,049**	**450,355**	**25,419**	**2,084,636**	**109,376**	**790,112**	**42,606**
Adjustments to arrive at FFO, as defined by FIBRA Prologis:								
(Gain) loss on revaluation of investment properties	(111,534)	(5,881)	30,215	1,695	(697,223)	(36,147)	630,069	31,116
Unrealized loss on exchange rate options	5,169	275	-	-	6,159	340	-	-
Unrealized (gain) loss on exchange rate forwards	-	-	(6,501)	(358)	-	-	8,563	447
Net Unrealized exchange (gain) loss	(9,895)	(542)	6,345	319	(26,353)	(1,391)	(4,920)	(260)
Net (gain) on early extinguishment of debt	-	-	(782)	(44)	(4,043)	(232)	(32,902)	(1,768)
FFO, as modified by FIBRA Prologis	**503,969**	**25,901**	**479,632**	**27,031**	**1,363,176**	**71,946**	**1,390,922**	**72,141**
Incentive fee paid in CBFIs	-	-	-	-	205,364	10,337	139,162	7,474
FFO, as modified by FIBRA Prologis excluding incentive fee	**503,969**	**25,901**	**479,632**	**27,031**	**1,568,540**	**82,283**	**1,530,084**	**79,615**
FFO, as modified by FIBRA Prologis	503,969	25,901	479,632	27,031	1,363,176	71,946	1,390,922	72,141
Adjustments to arrive at Adjusted FFO ("AFFO")								
Straight-lined rents	4,029	168	(2,267)	(123)	(46,139)	(2,431)	(32,727)	(1,576)
Property improvements	(35,855)	(1,887)	(41,408)	(2,327)	(119,577)	(6,267)	(95,578)	(5,227)
Tenant improvements	(27,213)	(1,434)	(36,048)	(2,033)	(109,999)	(5,768)	(121,775)	(6,466)
Leasing commissions	(31,291)	(1,648)	(15,026)	(854)	(65,385)	(3,458)	(57,101)	(3,055)
Amortization of deferred financing costs	14,423	767	10,302	575	41,100	2,167	25,456	1,360
Amortization of debt premium	-	-	(7,003)	(395)	(4,639)	(248)	(65,403)	(3,410)
Incentive fee paid in CBFIs	-	-	-	-	205,364	10,337	139,162	7,474
AFFO	**428,062**	**21,867**	**388,182**	**21,874**	**1,263,901**	**66,278**	**1,182,956**	**61,241**

in thousands	For the three months ended September 30,				For the nine months ended September 30,			
	2018		2017		2018		2017	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Reconciliation of Net Income to Adjusted EBITDA								
Net income	620,229	32,049	450,355	25,419	2,084,636	109,376	790,112	42,606
(Gain) loss on revaluation of investment properties	(111,534)	(5,881)	30,215	1,695	(697,223)	(36,147)	630,069	31,116
Interest expense	159,472	8,479	132,139	7,396	463,252	24,337	465,132	24,656
Amortization of deferred financing costs	14,423	767	10,302	575	41,100	2,167	25,456	1,360
Amortization of debt premium	-	-	(7,003)	(395)	(4,639)	(248)	(65,403)	(3,410)
Net (gain) on early extinguishment of debt	-	-	(782)	(44)	(4,043)	(232)	(32,902)	(1,768)
Unused credit facility fee	8,083	437	7,179	405	21,855	1,159	22,636	1,197
Unrealized loss on exchange rate options	5,169	275	-	-	6,159	340	-	-
Unrealized (gain) loss on exchange rate forward	-	-	(6,501)	(358)	-	-	8,563	447
Unrealized exchange (gain) loss, net	(9,895)	(542)	6,345	319	(26,353)	(1,391)	(4,920)	(260)
Incentive fee paid in CBFIs	-	-	-	-	205,364	10,337	139,162	7,474
Adjusted EBITDA	**685,947**	**35,584**	**622,249**	**35,012**	**2,090,108**	**109,698**	**1,977,905**	**103,418**

FIBRA PROLOGIS®

Period Ending Occupancy - Operating Portfolio



square feet in thousands

Leasing Activity

	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Square feet of leases commenced:					
Renewals	1,761	1,599	1,423	1,880	2,432
New leases	446	431	182	407	539
Total square feet of leases commenced	**2,207**	**2,030**	**1,605**	**2,287**	**2,971**
Average term of leases commenced (months)	34	54	53	44	46
Operating Portfolio:					
Trailing four quarters - leases commenced	7,551	7,862	7,101	8,129	8,893
Trailing four quarters - % of average portfolio	22.2%	23.0%	20.7%	23.6%	25.7%
Rent change - cash (A)	**2.7%**	**1.2%**	**2.8%**	**3.0%**	**3.7%**
Rent change - net effective (A)	**10.9%**	**14.0%**	**13.8%**	**15.1%**	**10.6%**

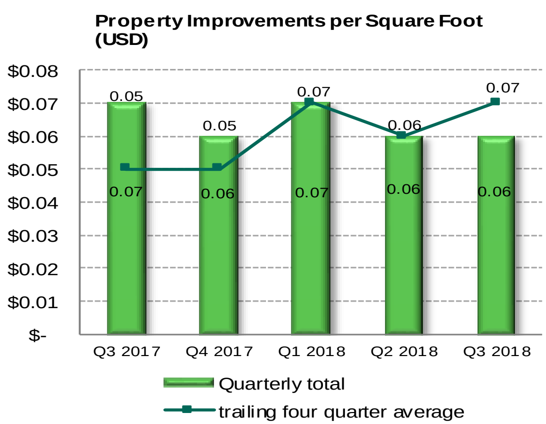
(A) As of January 2018, we established our definitions of these operating metrics to align on consistent methodologies with members of the real estate industry. The changes of the operating metrics were retroactively applied for all prior periods presented. See updated definitions in the Notes and Definition.

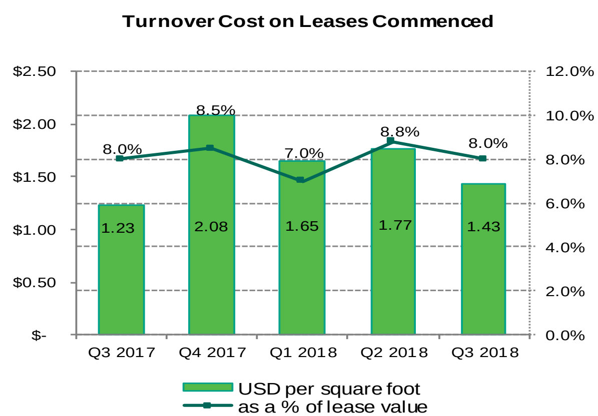
Operations Overview

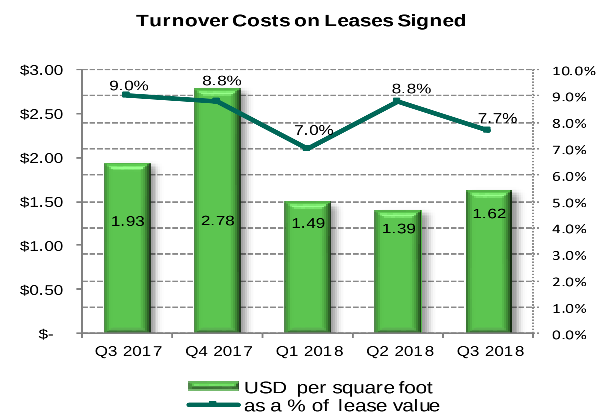
Operating Metrics

Capital Expenditures Incurred [(A)] in thousands	Q3 2017		Q4 2017		Q1 2018		Q2 2018		Q3 2018	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Property improvements	41,408	2,327	42,480	2,265	42,209	2,264	41,513	2,116	35,855	1,887
Tenant improvements	36,048	2,033	78,547	3,625	43,376	2,325	39,410	2,009	27,213	1,434
Leasing commissions	15,026	854	25,718	1,332	24,688	1,319	9,406	490	31,291	1,648
Total turnover costs	51,074	2,887	104,265	4,957	68,064	3,644	48,816	2,499	58,504	3,082
Total capital expenditures	**92,482**	**5,214**	**146,745**	**7,222**	**110,273**	**5,908**	**90,329**	**4,615**	**94,359**	**4,969**
Trailing four quarters - % of gross NOI	13.6%		13.7%		14.8%		13.8%		13.6%	

Same Store Information	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Square feet of population	32,411	32,411	34,167	34,167	34,167
Average occupancy	96.4%	97.0%	96.0%	96.0%	96.2%
Percentage change:					
Rental income- cash	4.0%	5.2%	3.2%	0.3%	2.3%
Rental expenses- cash	5.5%	7.0%	(13.5%)	(10.5%)	5.3%
NOI - Cash	**3.7%**	**4.8%**	**6.6%**	**2.5%**	**1.7%**
NOI - net effective	3.6%	3.7%	7.1%	3.9%	1.0%
Average occupancy	0.8%	0.6%	(0.1%)	(1.7%)	(0.3%)







(A) The U.S. Dollar amount has been translated at the date of the transaction based on the exchange rate then in effect.

Operations Overview
Investment Properties

square feet and currency in thousands	# of Buildings	Square Feet: Total	Square Feet: % of Total	Occupied %	Leased %	Third Quarter NOI: Ps.	Third Quarter NOI: US$	Net Effective Rent: Annualized Ps.	Net Effective Rent: Annualized US$	Net Effective Rent: % of Total	Net Effective Rent: Per Sq Ft Ps.	Net Effective Rent: Per Sq Ft US$	Investment Properties Value: Total Ps.	Investment Properties Value: Total US$	Investment Properties Value: % of Total
Global Markets															
Mexico City	52	12,402	35.6	99.1	99.1	289,992	15,092	1,286,571	68,391	39.1	105	5.56	17,548,773	932,850	40.7
Guadalajara	27	6,107	17.5	90.7	90.7	122,566	6,379	511,103	27,169	15.5	92	4.91	7,200,293	382,750	16.7
Monterrey	24	3,868	11.1	95.1	95.1	95,745	4,983	364,219	19,361	11.1	99	5.26	4,704,129	250,060	10.9
Total global markets	**103**	**22,377**	**64.2**	**96.1**	**96.1**	**508,303**	**26,454**	**2,161,893**	**114,921**	**65.7**	**100**	**5.34**	**29,453,195**	**1,565,660**	**68.3**
Regional markets															
Reynosa	30	4,712	13.5	97.2	97.2	106,644	5,550	444,603	23,634	13.5	97	5.16	5,023,745	267,050	11.6
Tijuana	33	4,214	12.1	97.8	97.8	87,969	4,578	366,966	19,507	11.2	89	4.73	4,630,574	246,150	10.7
Ciudad Juarez	31	3,566	10.2	96.4	96.4	72,675	3,782	316,738	16,837	9.6	92	4.90	3,611,904	192,000	8.4
Total regional markets	**94**	**12,492**	**35.8**	**97.2**	**97.2**	**267,288**	**13,910**	**1,128,307**	**59,978**	**34.3**	**93**	**4.94**	**13,266,223**	**705,200**	**30.7**
Total operating portfolio	**197**	**34,869**	**100.0**	**96.5**	**96.5**	**775,591**	**40,364**	**3,290,200**	**174,899**	**100.0**	**98**	**5.20**	**42,719,418**	**2,270,860**	**99.0**
Intermodal facility (A)						5,092	265						299,111	15,900	0.7
Excess land (B)													134,694	7,160	0.3
Total investment properties		**34,869**	**100.0**			**780,683**	**40,629**						**43,153,223**	**2,293,920**	**100.0**

(A) 100% occupied as of September 30, 2018.
(B) We have 31.78 acres of land in Monterrey that has an estimated build out of 963,218 square feet.

Operations Overview
Customer Information

square feet in thousands

Top 10 Customers as % of Net Effective Rent

	% of Net Effective Rent	Total Square Feet
1 IBM de México, S. de R.L	3.1%	1,249
2 Geodis	2.8%	796
3 DHL	2.7%	918
4 LG, Inc.	2.0%	694
5 Johnson Controls Inc.	1.7%	519
6 APL (Neptune Orient Lines)	1.7%	551
7 Ryder System Inc.	1.6%	475
8 Uline	1.5%	501
9 Kuehne & Nagel	1.4%	469
10 Panalpina	1.4%	369
Top 10 Customers	**19.9%**	**6,541**

square feet and currency in thousands

Lease Expirations - Operating Portfolio

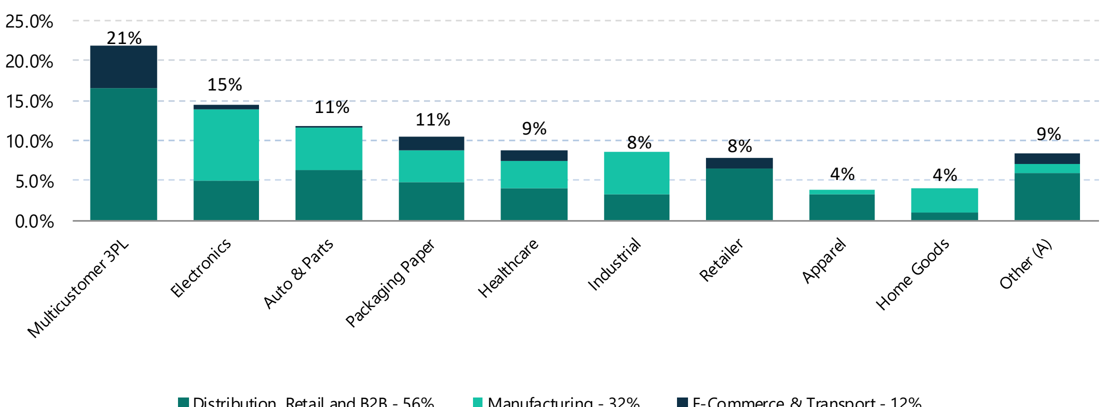
Year	Occupied Sq Ft	Net Effective Rent						
		Total		% of Total	Per Sq Ft		% Currency	
		Ps.	US$		Ps.	US$	%Ps.	%US$
2018	1,274	123,820	6,582	4%	97.15	5.16	0%	100%
2019	7,840	772,628	41,071	23%	98.55	5.24	32%	68%
2020	8,092	765,705	40,703	23%	94.63	5.03	21%	79%
2021	5,723	566,862	30,133	17%	99.06	5.27	47%	53%
2022	3,034	295,085	15,686	9%	97.25	5.17	35%	65%
Month to month	191	15,275	812	0%	80.03	4.25	68%	32%
Thereafter	7,499	750,825	39,912	23%	100.12	5.32	25%	75%
	33,653	**3,290,200**	**174,899**	**100%**	**97.8**	**5.20**	**29%**	**71%**

Lease Currency - Operating portfolio

	Annualized Net Effective Rent USD	% of Total	Occupied Sq Ft	% of Total
Leases denominated in Ps.	51,536	29.5	9,681	28.8
Leases denominated in US$	123,363	70.5	23,972	71.2
Total	**174,899**	**100.0**	**33,653**	**100.00**

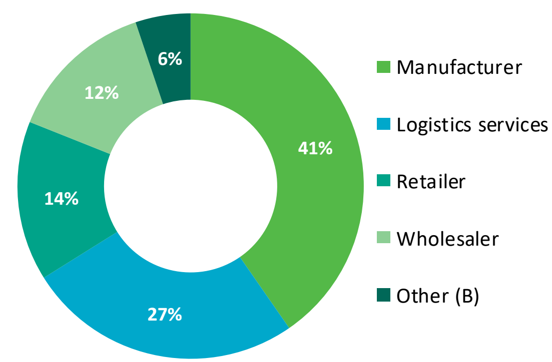
Use of Space by Customer Industry

% of Portfolio NER



Customer Type

% of Portfolio NER



(A) Other includes: transportation, food/ beverages, consumer products, construction, data center/ office
(B) Other includes: transport and freight, services

Capital Deployment
Acquisitions

square feet and currency in thousands	Q3 2018			FY 2018		
	Sq Ft	Acquisition Cost (A)		Sq Ft	Acquisition Cost (A)	
		Ps.	US$		Ps.	US$
Building Acquisitions						
Global Markets						
Mexico City	-	-	-	-	-	-
Guadalajara	269	265,798	13,950	269	265,798	13,950
Monterrey	-	-	-	-	-	-
Total Global Markets	**269**	**265,798**	**13,950**	**269**	**265,798**	**13,950**
Regional Markets						
Reynosa	-	-	-	-	-	-
Tijuana	-	-	-	-	-	-
Ciudad Juarez	-	-	-	-	-	-
Total Regional Markets	**-**	**-**	**-**	**-**	**-**	**-**
Total Building Acquisitions	**269**	**265,798**	**13,950**	**269**	**265,798**	**13,950**
Weighted average stabilized cap rate			**6.8%**			**6.8%**

(A) The U.S. Dollar amount has been translated at the date of the transaction based on the exchange rate in the sales agreement.

FIBRA PROLOGIS

Capitalization
Debt Summary and Metrics

currency in millions

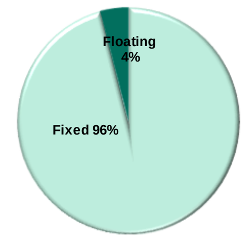
Maturity	Unsecured				Secured		Total		Wtd Avg. Cash. Interest Rate (A)	Wtd Avg. Effective Interest Rate (B)
	Credit Facility		Senior		Mortgage Debt					
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$		
2018	-	-	-	-	-	-	-	-		
2019	-	-	-	-	-	-	-	-		
2020	-	-	4,797	255	-	-	4,797	255	3.5%	3.9%
2021	-	-	-	-	-	-	-	-	0.0%	0.0%
2022	546	29	2,822	150	-	-	3,368	179	4.3%	4.6%
Thereafter	-	-	4,233	225	2,013	107	6,246	332	4.7%	4.7%
Subtotal- debt par value	**546**	**29**	**11,852**	**630**	**2,013**	**107**	**14,410**	**766**		
Interest payable and deferred financing cost	-	-	-	-	(76)	(4)	(76)	(4)		
Total debt	**546**	**29**	**11,852**	**630**	**1,937**	**103**	**14,334**	**762**	**4.1%**	**4.3%**
Weighted average cash interest rate (A)		4.7%		3.9%		4.7%		4.1%		
Weighted average effective interest rate (B)		4.7%		4.2%		4.7%		4.3%		
Weighted average remaining maturity in years		3.8		3.4		7.3		4.0		

currency in millions

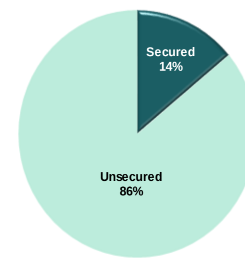
Liquidity	Ps.	US$
Aggregate lender commitments	6,114	325
Less:		
Borrowings outstanding	546	29
Outstanding letters of credit	-	-
Current availability	5,568	296
Unrestricted cash	207	11
Total liquidity	**5,776**	**307**

Debt Metrics (C)	2018 Third Quarter	2018 Second Quarter
Debt, less cash and VAT, as % of investment properties	**32.9%**	**32.8%**
Fixed charge coverage ratio	**4.20x**	**4.26x**
Debt to Adjusted EBITDA	**5.30x**	**5.02x**

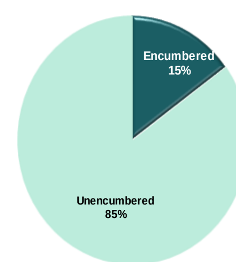
Fixed vs. Floating Debt (D)



Secured vs. Unsecured Debt



Encumbered vs. Unencumbered Assets Pool (E)



(A) Interest rates are based on the cash rates associated with the respective weighted average debt amounts outstanding.
(B) Interest rate is based on the effective rate, which includes the amortization of related premiums and discounts and finance costs. The net premiums (discounts) and finance costs associated with the respective debt were included in the maturities by year.
(C) These calculations are based on actual U.S. Dollars as described in the Notes and Definitions section, and are not calculated in accordance with the applicable regulatory rules.
(D) Includes the interest rate swap contract.
(E) Based on fair market value as of September 30, 2018.

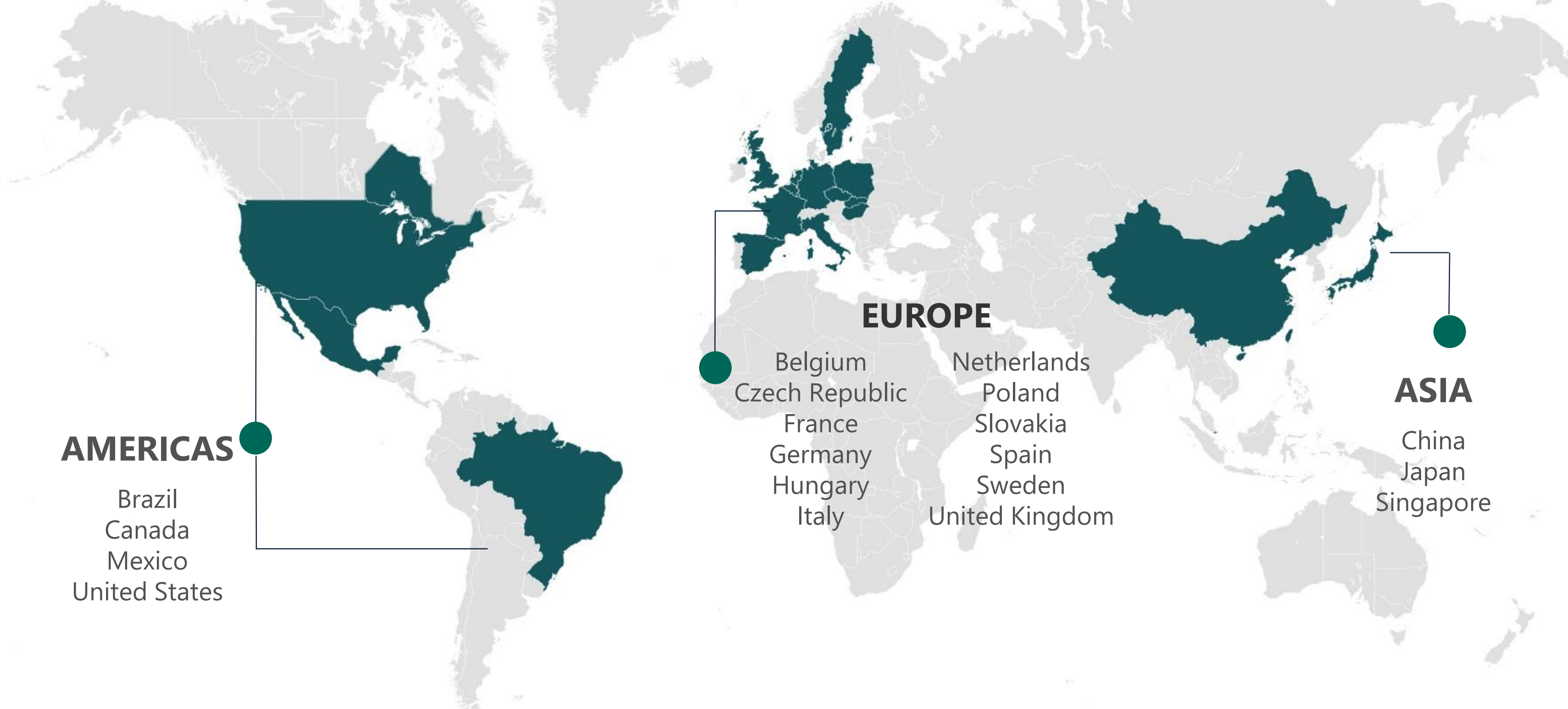
FIBRA PROLOGIS

Sponsor

Prologis Unmatched Global Platform [A]

Operating in 19 countries

- 771 million square feet (72 million square meters)
- 3,742 properties
- Approximately 5,500 customers across a diverse range of industries

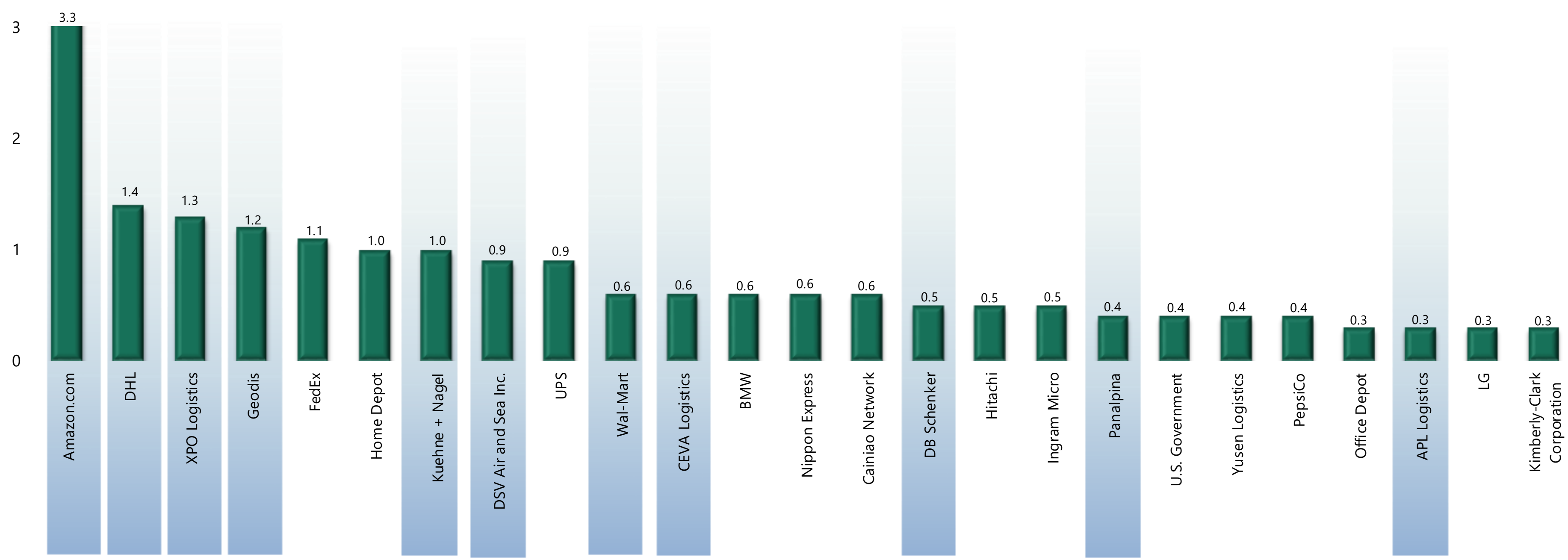


Platform covers more than 70% of global GDP

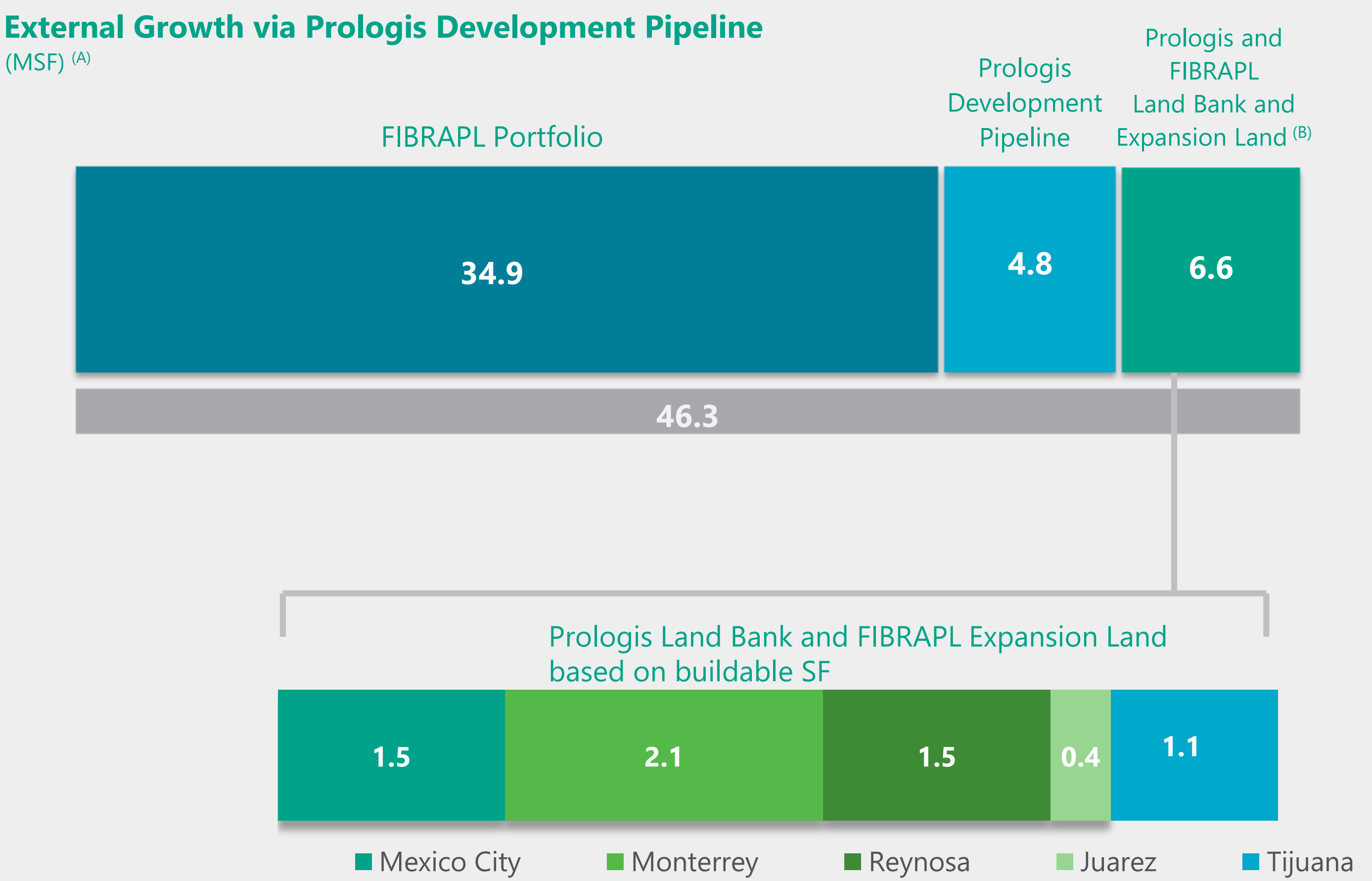
(A) Data as of September 30, 2018.

Prologis Global Customer Relationships (A)

(% Net Effective Rent)



(A) Data as of September 30, 2018. The shading represents customers who are also customers of FIBRA Prologis.



- 33% growth potential in the next 3 to 4 years
- Proprietary access to Prologis development pipeline at market values
- Exclusive right to third-party acquisitions sourced by Prologis
- Prologis Development Pipeline:

	GLA (MSF)	% Leased
Mexico City	3.5	85%
Guadalajara	0.2	77%
Monterrey	0.9	100%
Ciudad Juarez	0.2	0%
Total	**4.8**	**84%**

(A) Million square feet as of September 30, 2018.
(B) Based on buildable square feet

Notes and Definitions

Alamar 3, Tijuana México

Notes and Definitions

Please refer to our financial statements as prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and filed with the Mexican National Banking and Securities Commission (Comision Nacional Bancaria y de Valores ("CNBV")) and other public reports for further information about us and our business.

Acquisition costs, as presented for building acquisitions, represent economic cost. This amount includes the building purchase price plus 1) transaction closing costs, 2) due diligence costs, 3) immediate capital expenditures (including two years of property improvements and all leasing commissions and tenant improvements required to stabilize the property), 4) the effects of marking assumed debt to market and 5) the net present value of free and discounted rent, if applicable.

Adjusted EBITDA. We use Adjusted EBITDA, a non-IFRS financial measure, as a measure of our operating performance. The most directly comparable IFRS measure to Adjusted EBITDA is net income (loss).

We calculate Adjusted EBITDA beginning with net income (loss) and removing the effect of financing cost, income taxes and similar adjustments we make to our FFO measures (see definition below). We also include a pro forma adjustment to reflect a full period of NOI on the operating properties we acquire during the quarter and to remove NOI on properties we dispose of during the quarter, assuming all transactions occurred at the beginning of the quarter.

We believe Adjusted EBITDA provides investors relevant and useful information because it permits investors to view our operating performance, analyze our ability to meet interest payment obligations and make CBFI distributions on an unleveraged basis before the effects of income tax, non-cash amortization expense, gains and losses on the disposition of investments in real estate unrealized gains or losses from mark-to-market adjustments to investment properties and revaluation from Pesos into our functional currency to the U.S. dollar, and other items (outlined above), that affect comparability. While all items are not infrequent or unusual in nature, these items may result from market fluctuations that can have inconsistent effects on our results of operations. The economics underlying these items reflect market and financing conditions in the short-term but can obscure our performance and the value of our long-term investment decisions and strategies.

While we believe Adjusted EBITDA is an important measure, it should not be used alone because it excludes significant components of our net income (loss), such as our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements, contractual commitments or interest and principal payments on our outstanding debt and is therefore limited as an analytical tool.

Our computation of Adjusted EBITDA may not be comparable to EBITDA reported by other companies in both the real estate industry and other industries. We compensate for the limitations of Adjusted EBITDA by providing investors with financial statements prepared according to IFRS, along with this detailed discussion of Adjusted EBITDA and a reconciliation to Adjusted EBITDA from net-income (loss).

Calculation Per CBFI Amounts is as follows:

in thousands, except per share amounts	For the three months ended September 30,				For the nine months ended September 30,			
	2018		2017		2018		2017	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Earnings								
Net income	620,229	32,049	450,355	25,419	2,084,636	109,376	790,112	42,606
Weighted average CBFIs outstanding - Basic and Diluted	644,674	644,674	638,863	638,863	641,089	641,089	636,027	636,027
Earnings (loss) per CBFI- Basic and Diluted	0.9621	0.0497	0.7049	0.0398	3.2517	0.1706	1.2423	0.0670
FFO								
FFO, as modified by FIBRA Prologis	503,969	25,901	479,632	27,031	1,363,176	71,946	1,390,922	72,141
Weighted average CBFIs outstanding - Basic and Diluted	644,674	644,674	638,863	638,863	641,089	641,089	636,027	636,027
FFO per CBFI – Basic and Diluted	0.7817	0.0402	0.7508	0.0423	2.1263	0.1122	2.1869	0.1134
FFO, as modified by FIBRA Prologis excluding incentive fee	503,969	25,901	479,632	27,031	1,568,540	82,283	1,530,084	79,615
Weighted average CBFIs outstanding - Basic and Diluted	644,674	644,674	638,863	638,863	641,089	641,089	636,027	636,027
FFO per CBFI excluding incentive Fee	0.7817	0.0402	0.7508	0.0423	2.4467	0.1283	2.4057	0.1252

Debt Metrics. We evaluate the following debt metrics to monitor the strength and flexibility of our capital structure and evaluate the performance of our management. Investors can utilize these metrics to make a determination about our ability to service or refinance our debt. See below for the detailed calculations for the respective period:

In thousands	For the three months ended			
	September 30, 2018		June 30, 2018	
	Ps.	US$	Ps.	US$
Debt, less cash and VAT, as a % of investment properties				
Total debt - at par	14,409,992	766,000	15,036,520	757,000
Less: cash	(207,355)	(11,022)	(271,947)	(13,691)
Less: VAT receivable	-	-	(1,866)	(94)
Total debt, net of adjustments	14,202,637	754,978	14,762,707	743,215
Investment properties	43,153,223	2,293,920	45,076,186	2,269,320
Debt, less of cash and VAT, as a % of investment prope	32.9%	32.9%	32.8%	32.8%
Fixed Charge Coverage ratio:				
Adjusted EBITDA	685,947	35,584	694,041	37,013
Fixed charges - interest expense	159,472	8,479	169,973	8,680
Fixed charge coverage ratio	4.30x	4.20x	4.08x	4.26x
Debt to Adjusted EBITDA:				
Total debt, net of adjustments	14,202,637	754,978	14,762,707	743,215
Adjusted EBITDA annualized	2,743,788	142,336	2,776,164	148,052
Debt to Adjusted EBITDA ratio	5.18x	5.30x	5.32x	5.02x

Notes and Definitions
(continued)

FFO; FFO, as modified by FIBRA Prologis; AFFO (collectively referred to as "FFO"). FFO is a non-IFRS financial measure that is commonly used in the real estate industry. The most directly comparable IFRS measure to FFO is net income.

The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as earnings computed under U.S. generally accepted accounting principles ("U.S. GAAP") to exclude historical cost depreciation and gains and losses from the sales of previously depreciated properties. As we are required to present our financial information per IFRS, our "NAREIT defined FFO" uses net income computed under IFRS rather than U.S. GAAP. The significant differences between IFRS and U.S. GAAP include depreciation, which is not included in IFRS and therefore we exclude gains and losses from the sale of real estate even though it was not depreciated and the mark-to-market adjustment for the valuation of investment properties, which is included in the adjustments to derive FFO, as modified by FIBRA Prologis (see below).

Our FFO Measures

Our FFO measures begin with NAREIT's definition and we make certain adjustments to reflect our business and the way that management plans and executes our business strategy. While not infrequent or unusual, the additional items we adjust for in calculating *FFO, as modified by FIBRA Prologis* and AFFo, as defined below, are subject to significant fluctuations from period to period. Although these items may have a material impact on our operations and are reflected in our financial statements, the removal of the effects of these items allows us to better understand the core operating performance of our properties over the long team. These items have both positive and negative short-term effects on our results of operations in inconsistent and unpredictable directions that are not relevant to our long-term outlook.

These FFO measures are used by management as supplemental financial measures of operating performance and we believe that it is important that holders of CBFIs, potential investors and financial analysts understand the measures management uses. We do not use our FFO measures as, nor should they be considered to be, alternatives to net income computed under IFRS, as indicators of our operating performance, as alternatives to cash from operating activities computed under IFRS or as indicators of our ability to fund our cash needs.

FFO, as modified by FIBRA Prologis

To arrive at *FFO, as modified by FIBRA Prologis*, we adjust the NAREIT defined FFO measure to exclude:
(i) mark-to-market adjustments for the valuation of investment properties;
(ii) foreign currency exchange gains and losses from the remeasurement (based on current foreign currency exchange rates) of assets and liabilities denominated in Pesos;
(iii) income tax expense related to the sale of real estate;
(iv) gains or losses from the early extinguishment of debt; and
(v) Unrealized loss on exchange rate forwards
(vi) expenses related to natural disasters.

We use *FFO, as modified by FIBRA Prologis* to: (i) assess our operating performance as compared to similar real estate companies and the industry in general, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods, relative to resource allocation decisions; (iii) evaluate the performance of our management; (iv) budget and forecast future results to assist in the allocation of resources; (v) provide guidance to the financial markets to understand our expected operating performance; and (v) evaluate how a specific potential investment will impact our future results.

AFFO

To arrive at AFFO, we adjust *FFO, as modified by FIBRA Prologis* to further exclude (i) straight-line rents; (ii) recurring capital expenditures; (iii) amortization of debt premiums (including write-off of premiums) and discounts and financing cost, net of amounts capitalized; and (iv) incentive fees paid in CBFIs.

We use AFFO to (i) assess our operating performance as compared to similar real estate companies and the industry in general, (ii) evaluate our performance and the performance of our properties in comparison with expected results and results of previous periods, relative to resource allocation decisions, (iii) evaluate the performance of our management, (iv) budget and forecast future results to assist in the allocation of resources, and (v) evaluate how a specific potential investment will impact our future results.

We analyze our operating performance primarily by the rental revenue of our real estate, net of operating, administrative and financing expenses. This income stream is not directly impacted by fluctuations in the market value of our investments in real estate or debt securities. Although these items discussed above have had a material impact on our operations and are reflected in our financial statements, the removal of the effects of these items allows us to better understand the core operating performance of our properties over the long term.

We use FFO, as modified by FIBRA Prologis and AFFO to: (i) evaluate our performance and the performance of our properties in comparison to expected results and results of previous periods, relative to resource allocation decisions; (ii) evaluate the performance of our management; (iii) budget and forecast future results to assist in the allocation of resources; (iv) provide guidance to the financial markets to understand our expected operating performance; (v) assess our operating performance as compared to similar real estate companies and the industry in general; and (vi) evaluate how a specific potential investment will impact our future results. Because we make decisions with regard to our performance with a long-term outlook, we believe it is appropriate to remove the effects of items that we do not expect to affect the underlying long-term performance of the properties we own. As noted above, we believe the long-term performance of our properties is principally driven by rental revenue. We believe investors are best served if the information that is made available to them allows them to align their analysis and evaluation of our operating results along the same lines that our management uses in planning and executing our business strategy.

Limitations on the use of our FFO measures
While we believe our FFO measures are important supplemental measures, neither NAREIT's nor our measures of FFO should be used alone because they exclude significant economic components of net earnings computed under IFRS and are, therefore, limited as an analytical tool. Accordingly, these are only a few of the many measures we use when analyzing our business. Some of these limitations are:

- Amortization of real estate assets are economic costs that are excluded from FFO. FFO is limited, as it does not reflect the cash requirements that may be necessary for future replacements of the real estate assets. Furthermore, the amortization of capital expenditures and leasing costs necessary to maintain the operating performance of industrial properties are not reflected in FFO.

- Mark-to-market adjustments to the valuation of investment properties and gains or losses from property acquisitions and dispositions represent changes in value of the properties. By excluding these gains and losses, FFO does not capture realized changes in the value of acquired or disposed properties arising from changes in market conditions.
- The foreign currency exchange gains and losses that are excluded from our modified FFO measures are generally recognized based on movements in foreign currency exchange rates through a specific point in time. The ultimate settlement of our foreign currency-denominated net assets is indefinite as to timing and amount. Our FFO measures are limited in that they do not reflect the current period changes in these net assets that result from periodic foreign currency exchange rate movements.
- The current income tax expenses that are excluded from our modified FFO measures represent the taxes that are payable.
- The gains and losses on extinguishment of debt that we exclude from our defined FFO measures may provide a benefit or cost to us as we may be settling our debt at less or more than our future obligation.
- The natural disaster expenses that we exclude from our defined FFO measures are costs that we have incurred.

We compensate for these limitations by using our FFO measures only in conjunction with net income computed under IFRS when making our decisions. This information should be read with our complete consolidated financial statements prepared under IFRS. To assist investors in compensating for these limitations, we reconcile our FFO measures to our net income computed under IFRS.

Fixed Charge Coverage is a non-IFRS financial measure we define as Adjusted EBITDA divided by total fixed charges. Fixed charges consist of net interest expense adjusted for amortization of finance costs and debt discount (premium) and capitalized interest. We use fixed charge coverage to measure our liquidity. We believe that fixed charge coverage is relevant and useful to investors because it allows fixed income investors to measure our ability to make interest payments on outstanding debt and make dividends to holders of our CBFIs. Our computation of fixed charge coverage may not be comparable to fixed charge coverage reported by other companies and is not calculated in accordance with applicable regulatory rules.

Incentive Fee an annual fee payable under the management agreement to Manager when cumulative total CBFI holder returns exceed an agreed upon annual expected return, payable in CBFIs.

Market Classification

- **Global Markets** include the logistics markets of Mexico City, Guadalajara and Monterrey. These markets feature large population centers with high per-capita consumption and are located near major seaports, airports, and ground transportation systems.
- **Regional Markets** include the manufacturing markets of Tijuana, Reynosa and Ciudad Juarez. These markets benefit from large population centers but typically are not as tied to the global supply chain, but rather serve local consumption and are often less supply constrained.

Net Effective Rent ("NER") is calculated at the beginning of the lease using estimated total cash (including base rent and expense reimbursements) to be received over the term and annualized. The per square foot number is calculated by dividing the annualized net effective rent by the occupied square feet of the lease.

Net Operating Income ("NOI") is a non-IFRS financial measure used to evaluate our operating performance and represents rental income less rental expenses.

Operating Portfolio includes stabilized industrial properties.

Property Improvements are the addition of permanent structural improvements or the restoration of a building's or property's components that will either enhance the property's overall value or increase its useful life. Property improvements are generally independent of any particular lease as part of general upkeep over time (but may be incurred concurrent with a lease commitment).

Rent Change- Cash represents the percentage change in starting rental rates per the lease agreement, on new and renewed leases, commenced during the periods compared with the previous ending rental rates in that same space. This measure excludes any short-term leases of less than one-year, holdover payments, free rent periods and introductory (teaser rates) defined as 50% or less of the stabilized rate.

Rent Change - Net Effective represents the percentage change in NER on new and renewed leases commenced during the period as compared with the previous NER in that same space. This measure excludes any short-term leases of less than one year and holdover payments.

Retention is the square footage of all leases commenced during the period that are rented by existing tenants divided by the square footage of all expiring and in-place leases during the reporting period. The square footage of tenants that default or buy-out prior to expiration of their lease and short-term leases of less than one year are not included in the calculation.

Same Store. Our same store metrics are non-IFRS financial measures, which are commonly used in the real estate industry and expected from the financial community, on both a net-effective and cash basis. We evaluate the performance of the operating properties we own and manage using a "same store" analysis because the population of properties in this analysis is consistent from period to period, which allows us to analyze our ongoing business operations.

We have defined the same store portfolio, for the three months ended September 30, 2018, as those properties that were owned by FIBRA Prologis as of January 1, 2017 and have been in operations throughout the same three-month periods in both 2017 and 2018. The same store population excludes properties acquired or disposed of to third parties during the period. We believe the factors that affect lease rental income, rental recoveries and property operating expenses and NOI in the same store portfolio are generally the same as for our total operating portfolio.

Notes and Definitions
(continued)

As our same store measures are non-IFRS financial measures, they have certain limitations as analytical tools and may vary among real estate companies. As a result, we provide a reconciliation of lease rental income, rental recoveries and property operating expenses from our financial statements prepared in accordance with IFRS to same store property NOI with explanations of how these metrics are calculated. In addition, we further remove certain non-cash items, such as straight-line rent adjustments, included in the financial statements prepared in accordance with IFRS to reflect a cash same store number. To clearly label these metrics, they are categorized as Same Store NOI – Net Effective and Same Store NOI – Cash.

The following is a reconciliation of our lease rental income, rental recoveries and property operating expenses, as included in the Statements of Comprehensive Income, to the respective amounts in our same store portfolio analysis:

in thousands of U.S. Dollars	For the three months ended September 30, 2018	2017	Change (%)
Rental income			
Per the statements of comprehensive income	47,338	46,537	
Properties not included in same store and other adjustments (a)	(887)	(417)	
Direct Billables Revenues from Properties incl same store pool	2,160	1,664	
Straight-lined rent	150	(116)	
Other Adjustments for Properties in Same Store Pool			
Same Store - Rental income- adjusted cash	**48,761**	**47,669**	**2.3%**
Rental expense			
Per the statements of comprehensive income	6,709	6,567	
Properties not included in same store and other adjustments	(295)	(93)	
Direct Billables Expenses from Properties incl same store pool	2,160	1,664	
Same Store - Rental expense adjusted cash	**8,574**	**8,139**	**5.3%**
NOI			
Per the statements of comprehensive income	40,629	39,970	
Properties not included in same store	(592)	(324)	
Straight-lined rent	150	(116)	
Net Direct Billable Expenses for Properties in Same Store Pool	-	-	
Other Adjustments for Properties in Same Store Pool	-	-	
Same Store - NOI - adjusted cash	**40,187**	**39,530**	**1.7%**
Straight-lined rent from properties included in same store	(150)	116	
Same Store NOI	**40,037**	**39,646**	**1.0%**

a) To calculate Same Store rental income, we exclude the net termination and renegotiation fees to allow us to evaluate the growth or decline in each property's rental income without regard to one-time items that are not indicative of the property's recurring operating performance.

Same Store Average Occupancy represents the average occupied percentage of the Same Store portfolio for the period.

Tenant Improvements are the costs to prepare a property for lease to a new tenant or release to an existing tenant. Tenant improvements are reasonably expected to provide benefit beyond the lease term of the pending lease for future tenants, and are generally deemed to be consistent with comparable buildings in the market place.

Total Expected Investment ("TEI") represents total estimated cost of development or expansion, including land, development and leasing costs. TEI is based on current projections and is subject to change.

Turnover Costs represent the obligations incurred in connection with the signing of a lease, including leasing commissions and tenant improvements. Tenant improvements include costs to prepare a space for a new tenant and for a lease renewal with the current tenant. It excludes costs to prepare a space that is being leased for the first time (i.e. in a new development property and short – term leases of less than one year).

Weighted Average Stabilized Capitalized ("Cap") Rate is calculated as Stabilized NOI divided by the Acquisition Cost.