Fourth Quarter 2016

FIBRA Prologis Financial Report

Content

Prologis Toluca #2, Mexico City

Quarterly Financial Statements

Supplemental Financial Information

Fideicomiso Irrevocable F/1721
Deutsche Bank México, S. A., Institución
de Banca Múltiple, División Fiduciaria

Interim Condensed Financial Statements as of December 31, 2016 and 2015 and for the three periods then ended

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Fourth Quarter 2016 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.

Fourth Quarter 2016 Management Overview

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

2016 was an excellent performance year and we delivered on our growth objectives. Our long-term strategy encompasses both internal and external growth. We realized the embedded earnings potential of our portfolio by increasing occupancy and rents, ending the year with an all-time high occupancy rate of 96.8 percent—approximately 130 basis points better than the market. Our focus on high-quality assets and best-in-class customer service is reflected in a record-breaking 1.3 million square feet of new business with our existing customers during the year, driving a significant increase of new leasing activity in 2016—143 percent over last year. Net effective rents grew in 2016, increasing by 9.6 percent on leases expiring during the year, and SSNOI grew 2.0 percent. These rent and income figures partially offset the headwind of the peso devaluation. Excluding this devaluation, our SSNOI would have been 3.6 percent. Our in-place portfolio rents remain around 4 percent below market, setting the stage for continued growth in 2017.

In 2016, we took advantage of external growth opportunities by acquiring $117 million of new Class-A buildings from our sponsor, Prologis. These acquisitions were accretive to earnings and consistent with our disciplined plan for long-term growth.

Operating conditions in our six markets were the strongest on record in 2016. The structural drivers of logistics real estate—chiefly customer adoption of modern facilities, improving demographics and growth in e-commerce—remain firmly intact, as demonstrated by record net absorption of 24.6 million square feet in 2016. This demand held strong through the end of the year and outpaced construction completions by a significant degree: nearly 8 million square feet. This strength in net absorption was principally led by Greater Mexico City, which absorbed more than 10 million square feet during the year. Underpinning this outsized demand growth was an acceleration of activity in the modern-grade big-box segment from consumption-oriented customers. Looking forward, this pace of outperformance will moderate. That said, historic low vacancies provide a healthy buffer heading into 2017.

We do not yet know the magnitude of change for trade policy between the U.S. and Mexico, as there are no definitive policy proposals to date. However, the peso devaluation that began in late 2014 continued into 2016 and continues to experience elevated volatility. As such, weakness in the peso is contributing to higher inflation and slowing economic growth, which may affect the market in time. It also has affected negotiations of USD-denominated leases in Mexico City, where market rent growth has been effectively flat despite record-low vacancies.

In light of the potential changes, we are staying closer than ever to our customers. We understand their needs and partner with them to help them grow and improve the efficiency of their businesses. While leasing activity will be lower than in 2016, we continue to see demand for modern well-located spaces, especially from consumption-oriented customers. Most of the manufacturer expansion programs approved before the U.S. elections are continuing, and our 2017 customer renewal program is on track.

The long-term outlook for Mexico continues to be positive. The country's growing middle class, its competitive advantages and the general complexity of supply chains imply that Mexico should remain an important partner of global manufacturing going forward. Additionally, our portfolio has a diversified customer base that spans industries and space sizes. Its breadth avoids dependency on any one customer and tempers the risk of any immediate negative impact that may rise from the current geopolitical environment.

Before concluding, I would like to point out that we are increasing our full-year 2017 distribution by 5 percent to US$0.1155 per CBFI. This increase is the result of our 2016 acquisitions and interest savings from the execution of our 2016 debt refinancing plan. Given the current geopolitical environment, we are guiding 2017 toward a conservative view in which we exclude any acquisition activity to prioritize liquidity over capital deployment.

In summary, our operating results in 2016 were outstanding and operating conditions were the strongest on record. As we enter into a period of uncertainty in the economic and geopolitical arena, our team is vigilant to any signs of slowing customer demand. I am confident in the resilience of our strategy and, especially, our experienced team, with their proven track record, knowledge of the market and experience executing across the business cycle.

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 the leading owner and operator of Class-A industrial real estate in Mexico. As of December 31, 2016, FIBRA Prologis owned 194 logistics and manufacturing facilities in six strategic markets in Mexico totaling 34.2 million square feet (3.2 million square meters) of gross leasable area ("GLA"). These properties were leased to 233 customers, including third-party logistics providers, transportation companies, retailers and manufacturers.

Approximately 67.3 percent of our net effective rents are in global logistics markets ("global markets") and the remaining 32.7 percent are in regional manufacturing markets ("regional markets"). Global markets include Mexico City, Guadalajara and Monterrey. These markets are highly industrialized and consumption-driven, benefiting from their proximity to principal highways, airports and rail hubs, as well as being located in highly populated areas that are experiencing the sustained growth of middle class families. Regional markets include Cd. Juarez, Tijuana and Reynosa. These markets are industrial centers for the automotive, electronics, medical and aerospace industries, among others, and benefit from an ample supply of qualified labor as well as proximity to the U.S. border. Our operating results are presented in a manner consistent with how management evaluates the performance of the portfolio.

Fourth quarter financial information includes results from October 1, 2016, through December 31, 2016. During the year and the quarter ended December 31, 2016, and through the date of this report, the following activity supported our priorities:

- In January, we refinanced US$107.0 million, including prepayment cost, of our secured loans maturing in 2016 with a new secured facility. This facility matures in January 2026 and was priced at a 4.67 percent fixed interest rate. Also, we entered into a three-year forward interest rate swap agreement starting on June 23, 2016, to fix the U.S. LIBOR rate to 1.065 percent over US$250.0 million of the unsecured senior term loan that closed in December 2015.

- In March, we increased our syndicated unsecured senior term loan from US$250.0 million to US$255.0 million. The pricing of the additional funding of US$5.0 million will remain floating as it is excluded from the forward interest rate swap agreement.

- Operating results:

Operating Portfolio	2016	2015	4Q 2016	4Q 2015	Notes
Period End Occupancy	96.8%	96.5%	96.8%	96.5%	*Record occupancy led by global markets at 97.2%*
Leases Signed	8.9 MSF	8.8 MSF	1.7 MSF	1.8 MSF	*New leases signed in 2016 increased by 1.1 MSF (143%) for a total of 1.9MSF*
Customer Retention	87.6%	93.9%	80.3%	97.5%	
Net Effective Rent Change	9.6%	10.5%	8.3%	10.3%	*2016 positive rent changed led by regional markets at 12%*
Cash Same Store NOI	2.0%	4.5%	1.9%	0.8%	*2016 increase led by regional markets at 3.8%*
Same Store NOI	-0.1%	N/A	0.0%	-2.4%	*2016 increase of 1.5% in constant dollars*
Avg. Turnover Cost per SF leased	US$1.58	US$1.21	US$1.71	US$0.81	*Driven by a significant increase in new leases*

- Capital deployment activities:

US$ in millions	2016	2015	4Q 2016	4Q 2015	Notes
Acquisitions					
Buildings:					
Acquisition cost	US$117.1	US$101.9	US$65.4	US$96.9	*In 2016, we acquired 6 buildings mainly in global Markets*
GLA	1.6 MSF	1.4 MSF	0.9 MSF	1.3 MSF	
Intermodal facility:					
Acquisition cost	US$0.0	US$14.0	US$0.0	US$14.0	
GLA	0.0 MSF	1.1 MSF	0.0 MSF	1.1 MSF	
Expansion land:					
Acquisition cost	US$0.0	US$4.7	US$0.0	US$4.7	
Potential build out	0.0 MSF	301,600 SF	0.0 MSF	301,600 SF	
Total acquisitions	US$117.1	US$120.6	US$65.4	US$115.6	
Weighted avg. stabilized cap rate	6.9%	6.9%	6.7%	6.8%	
Development					
Development starts:					
Total expected investment	US$0.0	US$2.3	US$0.0	US$0.0	
GLA	0.0	37,500	0.0	0.0	
Weighted avg. stabilized yield	N/A	9.6%	N/A	N/A	
Development Stabilization:					
Total expected investment	US$12.6	US$0.0	US$10.5	US$0.0	*4Q 2016 stabilized building was fully leased on January*
GLA	203,400	0.0	165,900	0.0	

Weighted avg. stabilized yield	8.7%	N/A	8.5%	N/A	*2017*
Dispositions					
Sale Price	US$1.7	US$22.3	US$0.0	US$22.3	*In 2016, we sold an empty*
Building GLA	46,700	340,000	0.0	340,000	*building to an end-user*
Weighted avg. stabilized cap rate	9.0%	8.6%	0.0%	8.6%	

Operational Outlook

During the year ended December 31, 2016, the operating fundamentals in the markets in which we operate continued improving positively affecting both the occupancy and rental rates in our portfolio. Due to geopolitical and macroeconomic uncertainty together with the steep devaluation of the Mexican Peso, we anticipate market rent growth to be subdued in the near term. Demand for modern-grade logistics real estate advanced at an accelerated pace in most of our markets in 2016, driven by secular drivers of demand. We anticipate consumer oriented demand to continue in 2017, and market vacancies to remain low. Overall, in-place rents are around 3.7 percent below market rents due to the fact that many of our leases began during periods of lower market rents. This will support increases in net effective rents on lease turnover. Because we are able to recover the majority of our operating expenses from customers, the increase in rent translates into increased NOI, earnings and cash flow. During 2016, we had positive rent change of 9.6 percent on rollovers when comparing the net effective rent of the new lease to the prior lease for the same space.

Acquisitions

Under an exclusivity agreement with Prologis, we have access to a proprietary acquisition pipeline that allows us to increase our investments in real estate. As of December 31, 2016, Prologis had 2.5 million square feet under development or pre-stabilization from which 66.3 percent was leased or pre-leased at the closing of the year. We expect these properties to be offered to FIBRA Prologis in the future. In light of potential changes in trade policy, we are currently prioritizing flexibility in our balance sheet by maintaining liquidity and low leverage over capital deployment.

Currency Exposure

As of December 31, 2016, our revenues denominated in U.S. dollars represented 75.6 percent of annualized net effective rents, resulting in peso exposure for the fourth quarter of approximately 12.2 percent of NOI. Over half of the leases renewed during the quarter were maintained in the same currency as the previous lease. In the near term, we expect the amount of peso-denominated revenues due to a change in the lease currency at the renewal of U.S.-dollar denominated leases to range between 25 percent to 30 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, throughout our line of credit, will allow us to meet anticipated future 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:

- Capital expenditures and leasing costs on properties in our operating portfolio.
- Acquisition of industrial buildings as discussed in the Acquisition section.
- Repayment of debt and scheduled principal payments during 2017 and 2018 of approximately US$214.0 million and US$75.0 million, respectively.

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. 370.9 million (approximately US$18.0 million) as of December 31, 2016, as a result of cash flow from the operating properties.
- Borrowing capacity of Ps. 6.5 billion (US$316.7 million) under our undrawn unsecured credit facility.
- Proceeds from the refinancing of our 2017 and 2018 debt maturities.

Debt

As of December 31, 2016, we had approximately Ps. 15.1 billion (US$734.1 million) of debt at par value with a weighted average effective interest rate of 4.1 percent (a weighted average coupon rate of 4.9 percent) and a weighted average maturity of 3.4 years.

We are committed to continuing to lower our overall cost of debt, extend our maturities and increase our liquidity. Subject to market conditions, we plan to obtain new debt or refinance our secured debt maturing in 2017 with lower-cost debt. We are actively working on addressing these expirations.

According to the CNBV regulation for the calculation of debt ratios, our loan-to-value and debt service coverage ratios as of December 31, 2016, were 32.9 percent and 1.5 times, respectively.

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Independent Auditors' Report on Review of Interim Financial Information

To the Technical Committee and Trustors
FIBRA Prologis Fideicomiso Irrevocable F/1721

Introduction

We have reviewed the accompanying December 31, 2016 condensed interim financial information of FIBRA Prologis Fideicomiso Irrevocable F/1721 Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciara ("the Trust"), which comprises:

- The interim condensed statement of financial position as of December 31, 2016;
- The interim condensed statements of comprehensive income for the three-month and year ended December 31, 2016;
- The interim condensed statement of changes in equity for the year ended December 31, 2016;
- The interim condensed statement of cash flows for the year ended December 31, 2016; and
- Notes to the condensed interim 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 December 31, 2016 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, “*Interim Financial Reporting*”.

KPMG CARDENAS DOSAL, S. C.

José Angel Cháirez Garza

Mexico City, January 25, 2017.

Interim condensed statements of financial position

As of December 31, 2016 and 2015

in thousands Mexican Pesos	Note	December 31, 2016	December 31, 2015
Assets			
Current assets:			
Cash		$ 370,909	$ 721,207
Trade receivables	7	50,457	41,814
Value added tax and other receivables	8	141,348	176,914
Prepaid expenses	9	46,718	85,202
		609,432	1,025,137
Non-current assets:			
Investment properties	10	45,064,110	35,475,843
Interest rate swaps	14	42,492	-
		45,106,602	35,475,843
Total assets		**$ 45,716,034**	**$ 36,500,980**
Liabilities and equity			
Current liabilities:			
Trade payables		$ 54,904	$ 64,129
Due to affiliates	13	110,111	14,016
Current portion of long term debt	11	4,556,722	1,865,329
		4,721,737	1,943,474
Non-current liabilities:			
Long term debt	11	10,634,498	9,544,304
Security deposits		294,174	233,386
		10,928,672	9,777,690
Total liabilities		15,650,409	11,721,164
Equity:			
CBFI holders capital	12	14,313,287	15,532,302
Other equity accounts		15,752,338	9,247,514
Total equity		30,065,625	24,779,816
Total liabilities and equity		**$ 45,716,034**	**$ 36,500,980**

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

Interim condensed statements of comprehensive income

For the three months and the years ended December 31, 2016 and 2015

in thousands Mexican Pesos, except per CBFI amounts	Note	For the three months ended December 31,		For the year ended December 31,	
		2016	2015	2016	2015
Revenues:					
Lease rental income		$ 785,284	$ 640,014	$ 2,882,093	$ 2,369,856
Rental recoveries		86,711	64,634	296,744	244,901
Other property income		19,188	9,989	60,517	47,072
		891,183	714,637	3,239,354	2,661,829
Costs and expenses:					
Property operating expenses:					
Operating and maintenance		46,912	40,121	176,650	155,064
Utilities		11,202	9,625	38,585	34,449
Property management fees	13	26,536	21,995	98,950	88,802
Real estate taxes		14,907	14,044	57,713	54,997
Non-recoverable operating		18,298	9,535	48,052	28,805
		117,855	95,320	419,950	362,117
Gross profit		**773,328**	**619,317**	**2,819,404**	**2,299,712**
Other expenses (income):					
Gain on valuation of investment properties	10	(138,548)	(716,030)	(6,141)	(902,106)
Gain on disposition of investment properties		-	-	(5,197)	-
Asset management fees	13	80,607	63,283	294,170	232,155
Professional fees		12,801	20,412	36,691	54,608
Amortization of debt premium		(37,634)	(51,076)	(145,222)	(195,702)
Interest expense		176,843	141,679	627,656	529,362
Amortization of deferred financing cost		8,002	5,269	29,327	18,145
Interest income from value added tax receivable		-	-	-	(59,280)
Net loss (gain) on early extinguishment of debt		2,460	(3,639)	57,105	18,697
Exchange (gain) loss, net		(16,226)	6,982	34,981	108,688
Other expenses		13,736	2,275	57,495	30,778
		102,041	(530,845)	980,865	(164,655)
Net income		**671,287**	**1,150,162**	**1,838,539**	**2,464,367**
Other comprehensive income:					
Translation effects from functional currency to reporting currency		(1,702,951)	(406,233)	(4,691,081)	(3,462,272)
Unrealized gain on interest rate swaps	14	(72,657)	-	(42,492)	-
		(1,775,608)	(406,233)	(4,733,573)	(3,462,272)
Total comprehensive income for the period		**$ 2,446,895**	**$ 1,556,395**	**$ 6,572,112**	**$ 5,926,639**
Earnings per CBFI	6	**$ 1.06**	**$ 1.81**	**$ 2.90**	**$ 3.88**

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

Interim condensed statements of changes in equity

For the years ended December 31, 2016 and 2015

in thousands Mexican Pesos	CBFI holders capital	Other equity accounts	Retained earnings	Total
Balance as of January 1, 2015	$ 16,437,977	$ 2,409,874	$ 911,001	$ 19,758,852
Equity distributions	(905,675)	-	-	(905,675)
Comprehensive income:				
Translation effects from functional currency to reporting currency	-	3,462,272	-	3,462,272
Net income	-	-	2,464,367	2,464,367
Total comprehensive income	-	3,462,272	2,464,367	5,926,639
Balance as of December 31, 2015	**$ 15,532,302**	**$ 5,872,146**	**$ 3,375,368**	**$ 24,779,816**
Equity distributions	(1,219,015)	-	-	(1,219,015)
Dividends	-	-	(67,288)	(67,288)
Comprehensive income:				
Translation effects from functional currency to reporting currency	-	4,691,081	-	4,691,081
Unrealized gain on interest rate swaps	-	42,492	-	42,492
Net income	-	-	1,838,539	1,838,539
Total comprehensive income	-	4,733,573	1,838,539	6,572,112
Balance as of December 31, 2016	**$ 14,313,287**	**$ 10,605,719**	**$ 5,146,619**	**$ 30,065,625**

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

Interim condensed statements of cash flows

For the years ended December 31, 2016 and 2015

in thousands Mexican Pesos	For the year ended December 31,	
	2016	2015
Operating activities:		
Net income	$ 1,838,539	$ 2,464,367
Adjustments for:		
Gain on revaluation of investment properties	(6,141)	(902,106)
Gain on disposition of investment properties	(5,197)	-
Allowance for uncollectible trade receivables	27,391	11,196
Interest expense	627,656	529,362
Net loss on early extinguishment of debt	57,105	18,697
Amortization of deferred financing cost	29,327	18,145
Unrealized exchange loss	41,064	152,627
Amortization of debt premium	(145,222)	(195,702)
Rent leveling	(65,223)	(93,230)
Change in:		
Trade receivables	(36,034)	10,658
Value added tax and other receivables	35,566	1,957,713
Prepaid expenses	38,484	(53,695)
Trade payables	(9,225)	46,255
Due to affiliates	96,095	(76,574)
Security deposits	60,788	41,746
Net cash flow provided by operating activities	2,584,973	3,929,459
Investing activities:		
Funds for acquisition of investment properties	(2,214,825)	(1,994,348)
Funds for development of investment properties	(9,739)	(124,651)
Capital expenditures on investment properties	(394,960)	(327,952)
Proceeds from disposition of investment properties	31,360	371,536
Net cash flow used in investing activities	(2,588,164)	(2,075,415)
Financing activities:		
Equity distributions	(1,219,015)	(905,675)
Dividends paid	(67,288)	-
Long term debt borrowings	2,164,884	5,473,158
Long term debt payments	(504,047)	(5,396,808)
Interest paid	(655,860)	(515,365)
Cash paid for early extinguishment of debt	(94,561)	(44,041)
Net cash flow used in financing activities	(375,887)	(1,388,731)
Net (decrease) increase in cash	(379,078)	465,313
Effect of foreign currency exchange rate changes on cash	28,780	(26,581)
Cash at beginning of the period	721,207	282,475
Cash at the end of the period	**$ 370,909**	**$ 721,207**

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

Notes to interim condensed financial statements

As of December 31, 2016 and 2015 and for the periods then ended
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. 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) with its address on Avenida Prolongación Paseo de la Reforma No. 1236, Piso 9, Desarrollo Santa Fe, Cuajimalpa de Morelos, C. P. 05348.

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:	Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria.
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 – On December 14, 2016, FIBRAPL acquired two new properties from affiliates of the Manager located in Ciudad Juarez with a leasable area of 250,400 square feet in the amount of $325.0 million Mexican pesos ($16.0 million U. S. dollars) including closing costs.

On December 13, 2016, FIBRAPL borrowed $10.0 million U. S. dollars ($203.0 million Mexican pesos) from its credit facility with Citibank, N.A., with an interest rate of "LIBOR" (London Interbank Offered Rate) plus 250 basis points, to pay part of the acquisitions described above. See note 11.

On November 3, 2016, FIBRAPL acquired a property from affiliates of the Manager located in Mexico City with a leasable area of 616,800 square feet in the amount of $924.0 million Mexican pesos ($49.3 million U. S. dollars) including closing costs.

On October 31, 2016, FIBRAPL borrowed $44.5 million U. S. dollars ($834.0 million Mexican pesos) from its credit facility with Citibank, N.A., with an interest rate of LIBOR plus 250 basis points, to pay part of the acquisitions described above. See note 11.

On October 28, 2016, FIBRAPL borrowed $325.0 million Mexican pesos ($17.2 million U.S.) on its credit facility with Citibank, N. A., with an interest rate of "TIIE" (Interbank Balance Interest Rate, from its name in Spanish) plus 220 basis points, to fund distributions described below.

On October 26, 2016, FIBRAPL declared cash to its CBFI holders, which was considered a return of capital, in the amount of $0.5105 Mexican pesos per CBFI (approximately $0.0275 U. S. dollars per CBFI), equivalent to $323.9 million Mexican pesos.

On September 23, 2016, FIBRAPL paid $180 million Mexican pesos ($9.2 million U.S. dollars) on the Mexican peso borrowings under its secured revolving credit facility with Citibank N.A.; on August 30, 2016, FIBRAPL paid $7.0 million U.S. dollars ($130.0 million Mexican pesos) on the U.S. dollar borrowings under the credit facility and on August 25, 2016, FIBRAPL paid $150 million Mexican pesos ($8.2 million U.S. dollars) to the same credit facility.

On July 28, 2016, FIBRAPL borrowed $330.0 million Mexican pesos ($17.5 million U.S.) on its credit facility with Citibank, N. A., with an interest rate of TIIE, plus 220 basis points, to fund distributions described below.

On July 28, 2016, FIBRAPL distributed cash to its CBFI holders, which was considered a return of capital, in the amount of $0.4055 Mexican pesos per CBFI (approximately $0.0218 U. S. dollars per CBFI), equivalent to $257.3 million Mexican pesos (13.8 million U.S. dollars) and paid dividends net of taxes derived from capital gains on the sale of real estate of $0.1060 Mexican pesos per CBFI (approximately $0.0057 U.S. dollars per CBFI) equivalent to $67.3 million Mexican pesos ($3.6 million U.S. dollars).

On June 30, 2016, FIBRAPL acquired two new properties from affiliates of the Manager located in Mexico City and Ciudad Juarez with a leasable area of 518,500 square feet in the amount of $667.8 million Mexican pesos ($35.4 million U. S. dollars) including closing costs.

On June 28, 2016, FIBRAPL borrowed $20 million U. S. dollars ($383.0 million Mexican pesos) from its credit facility, with an interest rate of LIBOR plus 250 basis points, to pay part of the acquisitions described above. See note 11.

On June 23, 2016, FIBRAPL acquired a property located in Guadalajara, Jalisco with a leasable area of 231,500 square feet in the amount of $307.6 million Mexican pesos ($16.3 million U. S. dollars) including closing costs.

On May 11, 2016, FIBRAPL sold a property located in Monterrey, Nuevo Leon with an area of 46,651 square feet in the amount of $31.4 million Mexican pesos ($1.7 million U. S. dollars).

On May 11, 2016, FIBRAPL distributed cash to its CBFI holders, which was considered a return of capital, in the amount of $0.4739 Mexican pesos per CBFI (approximately $0.0275 U. S. dollars per CBFI), equivalent to $300.7 million Mexican pesos and remitted $28.8 million Mexican pesos of income taxes from the sale of investment properties on behalf of CBFI holders.

On March 1, 2016, FIBRAPL increased its loan with Citibank, N. A. as administrative agent (the "Citibank Loan"), in the amount of $5.0 million U.S. dollars ($90.5 million Mexican pesos). See note 11.

On February 3, 2016, FIBRAPL distributed cash to its CBFI holders, which was considered a return of capital, in the amount of $0.4859 Mexican pesos per CBFI (approximately $0.0265 U.S. dollars per CBFI), equivalent to $308.3 million Mexican pesos.

On January 26, 2016, FIBRAPL renegotiated the 1st and 2nd sections of Prudential Insurance Company and Metropolitan Life Insurance Co., Loan through a $107 million U.S. dollars new secured facility. This new facility is scheduled to mature in February 2027 and bears interest at 4.67%. As a consequence, FIBRAPL wrote off an unamortized debt premium of $2.0 million U.S. dollars ($36.3 million Mexican pesos), and paid a prepayment penalty and other costs of $5 million U.S. dollars ($81.9 million Mexican pesos), which are being included in "Net loss on early extinguishment of debt" in the statement of comprehensive income. See note 11.

On January 21, 2016, the designation date, FIBRAPL entered into interest rate swaps with the Bank of Nova Scotia and HSBC Bank USA for the Citibank Loan, with notional amounts of $100.0 million U.S. dollars and $150.0 million U.S. dollars for each bank respectively. The effective date of these swaps was June 23, 2016, fixing the average base rate at 1.0635% and 1.066%, respectively. Both interest rate swaps expire on July 23, 2019. See note 14.

2. Basis of presentation

a. ***Interim financial reporting -*** The accompanying interim condensed financial statements as of December 31, 2016 and 2015, for the three months and years 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 condensed interim financial statements should be read in conjunction with the annual financial statements as of December 31, 2015, and for the year then ended, prepared in accordance with IFRS.

FIBRAPL management believes that all adjustments 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.

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, 2015.

The one additional accounting policy adopted by FIBRAPL for the year ended December 31, 2016 is the following hedge accounting policy:

a. ***Derivative Financial Instruments and Hedge Accounting -*** FIBRAPL holds derivative financial instruments to hedge its interest rate exposures and follows hedge accounting. Derivatives are initially recognized at fair value and any directly attributable transaction costs are recognized in the statement of comprehensive income as incurred. Subsequent to initial recognition, derivatives are measured at fair value, any changes therein are generally recognized in the statement of comprehensive income. See note 14.

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 December 31, 2016 exchange rate in Mexican pesos, are as follows:

in thousands Mexican Pesos	Amount
Rental revenues:	
2017	$ 3,093,853
2018	2,593,133
2019	2,000,395
2020	1,166,877
2021	677,533
Thereafter	800,865
	$ 10,332,656

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 months and years ended December 31, 2016 and 2015, while assets and liabilities are included as of December 31, 2016 and 2015. 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 December 31, 2016						
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 281,988	$ 138,141	$ 94,828	$ 96,181	$ 100,578	$ 73,568	$ 785,284
Rental recoveries	28,158	9,445	9,898	12,332	9,189	17,689	86,711
Other property income	6,650	8,435	1,736	-	2,367	-	19,188
	316,796	156,021	106,462	108,513	112,134	91,257	891,183
Cost and expenses:							
Property operating expenses	42,392	22,765	10,969	10,656	11,865	19,208	117,855
Gross Profit	**$ 274,404**	**$ 133,256**	**$ 95,493**	**$ 97,857**	**$ 100,269**	**$ 72,049**	**$ 773,328**

	For the three months ended December 31, 2015						
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 236,945	$ 115,038	$ 68,937	$ 80,756	$ 83,844	$ 54,494	$ 640,014
Rental recoveries	19,980	7,633	7,738	9,328	7,721	12,234	64,634
Other property income	(2,293)	8,175	1,877	224	1,719	287	9,989
	254,632	130,846	78,552	90,308	93,284	67,015	714,637
Cost and expenses:							
Property operating expenses	32,997	14,600	8,599	11,360	12,161	15,603	95,320
Gross Profit	**$ 221,635**	**$ 116,246**	**$ 69,953**	**$ 78,948**	**$ 81,123**	**$ 51,412**	**$ 619,317**

	For the year ended December 31, 2016						
in thousands Mexican Pesos	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 1,038,298	$ 499,170	$ 356,824	$ 354,870	$ 375,648	$ 257,283	$ 2,882,093
Rental recoveries	96,331	33,267	34,199	43,290	33,652	56,005	296,744
Other property income	11,982	32,382	7,807	974	6,857	515	60,517
	1,146,611	564,819	398,830	399,134	416,157	313,803	3,239,354
Cost and expenses:							
Property operating expenses	145,146	79,619	41,990	42,775	46,375	64,045	419,950
Gross Profit	**$ 1,001,465**	**$ 485,200**	**$ 356,840**	**$ 356,359**	**$ 369,782**	**$ 249,758**	**$ 2,819,404**

in thousands Mexican Pesos	For the year ended December 31, 2015						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 835,353	$ 446,744	$ 265,586	$ 305,072	$ 318,066	$ 199,035	$ 2,369,856
Rental recoveries	77,359	26,252	29,484	37,464	28,735	45,607	244,901
Other property income	7,408	22,862	5,854	2,584	6,256	2,108	47,072
	920,120	495,858	300,924	345,120	353,057	246,750	2,661,829
Cost and expenses:							
Property operating expenses	127,808	58,167	31,020	43,576	41,038	60,508	362,117
Gross Profit	**$ 792,312**	**$ 437,691**	**$ 269,904**	**$ 301,544**	**$ 312,019**	**$ 186,242**	**$ 2,299,712**

in thousands Mexican Pesos	As of December 31, 2016							
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt	Total
Investment properties:								
Land	$ 3,740,487	$ 1,511,474	$ 1,054,821	$ 942,030	$ 952,522	$ 751,698	$ -	$ 8,953,032
Buildings	14,961,955	6,045,897	4,219,283	3,768,120	3,810,088	3,006,790	-	35,812,133
	18,702,442	7,557,371	5,274,104	4,710,150	4,762,610	3,758,488	-	44,765,165
Rent leveling	123,069	27,475	35,804	44,684	40,679	27,234	-	298,945
Investment properties	**$ 18,825,511**	**$ 7,584,846**	**$ 5,309,908**	**$ 4,754,834**	**$ 4,803,289**	**$ 3,785,722**	**$ -**	**$ 45,064,110**
Long term debt	**$ 2,491,169**	**$ 1,062,636**	**$ 1,743,979**	**$ 736,084**	**$ 1,293,050**	**$ 967,128**	**$ 6,897,174**	**$ 15,191,220**

in thousands Mexican Pesos	As of December 31, 2015							
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Unsecured debt	Total
Investment properties:								
Land	$ 2,986,617	$ 1,176,805	$ 999,303	$ 775,332	$ 784,150	$ 533,804	$ -	$ 7,256,011
Buildings	11,517,325	4,707,218	3,423,610	3,101,327	3,136,601	2,135,216	-	28,021,297
	14,503,942	5,884,023	4,422,913	3,876,659	3,920,751	2,669,020	-	35,277,308
Rent leveling	87,499	19,312	26,827	32,599	22,319	9,979	-	198,535
Investment properties	**$ 14,591,441**	**$ 5,903,335**	**$ 4,449,740**	**$ 3,909,258**	**$ 3,943,070**	**$ 2,678,999**	**$ -**	**$ 35,475,843**
Long term debt	**$ 2,175,852**	**$ 853,387**	**$ 1,543,715**	**$ 640,084**	**$ 1,117,959**	**$ 836,386**	**$ 4,242,250**	**$ 11,409,633**

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 December 31,		For the year ended December 31,	
	2016	**2015**	**2016**	**2015**
Basic and diluted earnings per CBFI (pesos)	$ 1.06	$ 1.81	$ 2.90	$ 3.88
Net income	671,287	1,150,162	1,838,539	2,464,367
Weighted average number of CBFIs ('000)	**634,480**	**634,480**	**634,480**	**634,480**

As of December 31, 2016, FIBRAPL had 634,479,746 CBFIs outstanding.

7. Trade receivables

As of December 31, 2016 and 2015, trade accounts receivable of FIBRAPL were comprised as follows:

in thousands Mexican Pesos	December 31, 2016	December 31, 2015
Trade accounts receivable	$ 91,914	$ 64,870
Allowance for uncollectable trade receivables	(41,457)	(23,056)
	$ 50,457	**$ 41,814**

8. Value Added Tax and other receivables

As of December 31, 2016 and 2015, value added tax and other receivables were comprised as follows:

in thousands Mexican Pesos	December 31, 2016	December 31, 2015
Value Added Tax	$ 108,241	$ 159,598
Other receivables	33,107	17,316
	$ 141,348	**$ 176,914**

FIBRAPL submits withholding taxes to the Mexican tax authorities as a result of interest paid to foreign creditors; such 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 December 31, 2016 and 2015, prepaid expenses of FIBRAPL were comprised as follows:

in thousands Mexican Pesos	December 31, 2016	December 31, 2015
Utility deposits	$ 43,753	$ 34,440
Insurance	688	579
Debt rate lock fee[1]	-	46,384
Other prepaid expenses	2,277	3,799
	$ 46,718	**$ 85,202**

[1] In December 2015, FIBRAPL paid a fee in connection with its negotiations of the Prudential Insurance Company and Metropolitan Life Insurance Co. loan refinance which is amortized over the term of the secured facility as Deferred financing cost beginning in January 2016.

10. Investment properties

FIBRAPL obtained a valuation as of December 31, 2016, from independent appraisers in order to determine the fair value of its investment properties which resulted in a gain of $6,141 for the year ended December 31, 2016.

a) As of December 31, 2016, investment properties were as follows:

Market	Fair value as of December 31, 2016	# of properties	Lease area in thousands square feet
Mexico City	$ 18,825,511	52	13,351
Guadalajara	7,584,846	26	5,838
Monterrey	5,309,908	24	3,868
Tijuana	4,754,834	33	4,217
Reynosa	4,803,289	29	4,422
Juarez	3,785,722	31	3,566
Total	**$ 45,064,110**	**195**	**35,262**

The table above includes an Intermodal facility in the Mexico City market with a leasable area of 1,092 thousand square feet and a fair value of $309,291.

As of December 31, 2016, the fair value of investment properties includes excess land in the Monterrey market of $50,105.

During November 2016, a property that was under development and located in the Mexico City market with a leasable area of 166 thousand square feet was stabilized and such property was added to the FIBRAPL operating portfolio accordingly. As of December 31, 2016 the fair value of this stabilized property was $204,132.

As of December 31, 2015, the fair value of investment properties was $35,475,843 on 189 buildings with a lease area of 33,693 thousand square feet.

As of December 31, 2016 and 2015, the balance of investment properties included rent leveling assets of $298,945 and $198,535, respectively.

b) The reconciliation of investment properties for the years ended December 31, 2016 and 2015 was as follows:

in thousands Mexican Pesos	For the year ended December 31, 2016	2015
Beginning balance	$ 35,475,843	$ 27,563,010
Translation effect from functional currency	6,878,640	4,812,872
Acquisition of investment properties	2,171,887	1,968,062
Acquisition cost	52,620	38,839
Capital expenditures, leasing commissions and tenant improvements	394,960	327,952
Development	9,739	124,651
Dispositions	(26,130)	(371,536)
Rent leveling	100,410	109,887
Gain on valuation of investment properties	6,141	902,106
Ending balance of investment properties	**$ 45,064,110**	**$ 35,475,843**

c) During the years ended December 31, 2016 and 2015, capital expenditures, leasing commissions and tenant improvements of FIBRAPL were as follows:

in thousands Mexican Pesos	For the year ended December 31, 2016	2015
Capital expenditures	$ 139,606	$ 106,233
Leasing commissions	91,255	78,719
Tenant improvements	164,099	143,000
	$ 394,960	$ 327,952

11. Long term debt

As of December 31, 2016 and 2015, FIBRAPL had long term debt comprised of loans from financial institutions denominated in U.S. dollar, except if described otherwise as follows:

	Denomination	Maturity date	Rate	December 31, 2016 thousands U. S. Dollars	December 31, 2016 thousands Mexican Pesos	December 31, 2015 thousands U. S. Dollars	December 31, 2015 thousands Mexican Pesos
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 1st. Section (Secured)	USD	December 15, 2016	4.58%	-	$ -	93,543	$ 1,622,017
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 2nd. Section (Secured)	USD	December 15, 2016	4.50%	-	-	11,925	206,777
Neptuno Real Estate, S. de R. L. de C. V. "Blackstone" (Secured)	USD	October 7, 2017	7.90%	64,149	1,322,714	64,149	1,112,331
Metropolitan Life Insurance Co. (The Metlife 1 Loan) (Secured)	USD	September 1, 2017	6.90%	112,500	2,319,683	112,500	1,950,728
Metropolitan Life Insurance Co. (The Metlife 2 Loan) (Secured)	USD	November 1, 2017	6.90%	37,500	773,228	37,500	650,243
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 3rd. Section (Secured)	USD	December 15, 2018	5.04%	65,749	1,355,705	67,597	1,172,118
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 4th. Section (Secured)	USD	December 15, 2018	4.78%	8,943	184,399	9,202	159,561
Citibank N.A. Credit facility (Unsecured)	USD	May 21, 2019	LIBOR + 250bps	67,500	1,391,810	-	-
Citibank N.A. Credit facility (Unsecured)	MXN	May 21, 2019	TIIE + 220bps	15,762	325,000	-	-
Citibank (The Citibank Loan) (Unsecured)	USD	December 18, 2020	LIBOR+ 245bps	255,000	5,257,947	250,000	4,334,950
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 1st. Section (Secured)	USD	February 1, 2027	4.67%	53,500	1,103,138	-	-
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 2nd. Section (Secured)	USD	February 1, 2027	4.67%	53,500	1,103,138	-	-
Total				**734,103**	**15,136,762**	**646,416**	**11,208,725**
Long term debt interest accrued				424	8,736	635	11,011
Debt premium, net				6,962	143,549	16,726	290,025
Deferred financing cost				(4,744)	(97,827)	(5,774)	(100,128)
Total debt				**736,745**	**15,191,220**	**658,003**	**11,409,633**
Current portion of long term debt				220,992	4,556,722	107,575	1,865,329
Total long term debt				**515,753**	**$ 10,634,498**	**550,428**	**$ 9,544,304**

During the year ended December 31, 2016 and 2015, FIBRAPL paid interest on long term debt of $655,860 and $515,365, respectively, and principal of $504,047 and $5,396,808, respectively.

At December 31, 2016, FIBRAPL had a $400.0 million U.S. dollar (with an option to increase it by $100.0 million U.S. dollars), unsecured, revolving credit facility (the "Credit Facility") with Citibank N.A. as the administrative agent, from which $50.0 million U.S. dollar can be borrowed in Mexican peso. 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 plus 220 basis points denominated in Mexican pesos, subject to loan to value grid, and an unused facility fee of 60 basis points. This line of credit matures on May 21, 2018, with a one year extension at the borrower's option and with approval of lenders' risk committee. As of December 31, 2016, FIBRAPL had an outstanding balance of $67.5 million U. S. dollars ($1,392 million Mexican pesos) and $325 million Mexican pesos ($15.8 million U.S. dollars) under the 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, incur 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 December 31, 2016, FIBRAPL was in compliance with all its covenants.

12. FIBRAPL certificates

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.

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

As of December 31, 2016 total CBFI's outstanding are 634,479,746.

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 return period between June 4, 2016 and June 4, 2017. Given the historical volatility and uncertainty of future CBFI performance, FIBRAPL has not recorded an Incentive Fee expense or liability as of December 31, 2016.

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. **Other Affiliates**

On August 23, 2016, the technical committee of FIBRAPL approved the reimbursement of maintenance costs incurred on its properties by Prologis affiliates beginning June 1, 2016. Such costs include mainly payroll expenses from maintenance employees plus a markup of 1.5%. Prior to June 1, 2016, FIBRAPL had been paying an unaffiliated third party for such services.

c. As of December 31, 2016 and 2015, the outstanding balance due to related parties were as follows:

in thousands Mexican Pesos	as of December 31,	
	2016	2015
Asset management fees	$ 81,465	$ 7,804
Property management fees	27,673	2,492
Development fees	922	3,720
Maintenance cost	50	-
	$ 110,110	$ 14,016

As of December 31, 2016 and 2015, asset management fees, property management fees and development fees are due to the Manager while maintenance costs are due to affiliates of the Manager.

d. Transactions with affiliated companies for the year ended December 31, 2016 and 2015 were as follows:

in thousands Mexican Pesos	For the three months ended December 31,		For the year ended December 31,	
	2016	2015	2016	2015
Acquisition of properties	$ 1,219,824	$ 1,889,736	$ 2,171,887	$ 1,889,736
Equity distribution	$ 148,592	$ 127,373	$ 545,937	$ 415,435
Dividends	$ -	$ -	$ 30,865	$ -
Asset management fee	$ 80,607	$ 63,283	$ 294,170	$ 232,155
Property management fee	$ 26,536	$ 21,995	$ 98,950	$ 88,802
Leasing commissions	$ 11,675	$ 12,797	$ 36,951	$ 58,041
Development fee	$ 2,656	$ 4,146	$ 13,510	$ 18,187
Maintenance costs	$ 1,589	$ -	$ 3,383	$ -

Development fees disclosed in note 14 to the interim condensed financial statements for the three months and the year ended December 31, 2015 did not include development fees paid by FIBRAPL to affiliated parties in connection with improvements made by the lessor. Accordingly, FIBRAPL included the additional fees for comparative purposes in the table above.

14. Hedging activities

Interest rate Swaps

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 1.0635% 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 variable rate unsecured loan, the Citibank loan. See note 11.
The interest rate swaps meet the criteria of hedge accounting and therefore have been designated as a cash flow hedging instrument. Accordingly, the fair value of the swaps as of December 31, 2016 of $42.5 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*	Fair Value as of December 31, 2016
Bank of Nova Scotia	June 23, 2016	July 23, 2019	100	$ 17,101
HSBC Bank USA	June 23, 2016	July 23, 2019	150	25,391
				$ 42,492

** (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.

15. Commitments and contingencies

FIBRAPL had no significant commitments or contingencies except as described in these notes as of December 31, 2016.

16. Financial statements approval

On January 23, 2017, the issuance of these interim condensed financial statements was authorized by Jorge Roberto Girault Facha, CFO of the Manager.

* * * * * * * * * *

Fourth Quarter 2016

FIBRA Prologis Supplemental Financial Information

Unaudited

Prologis Toluca #2, Mexico City

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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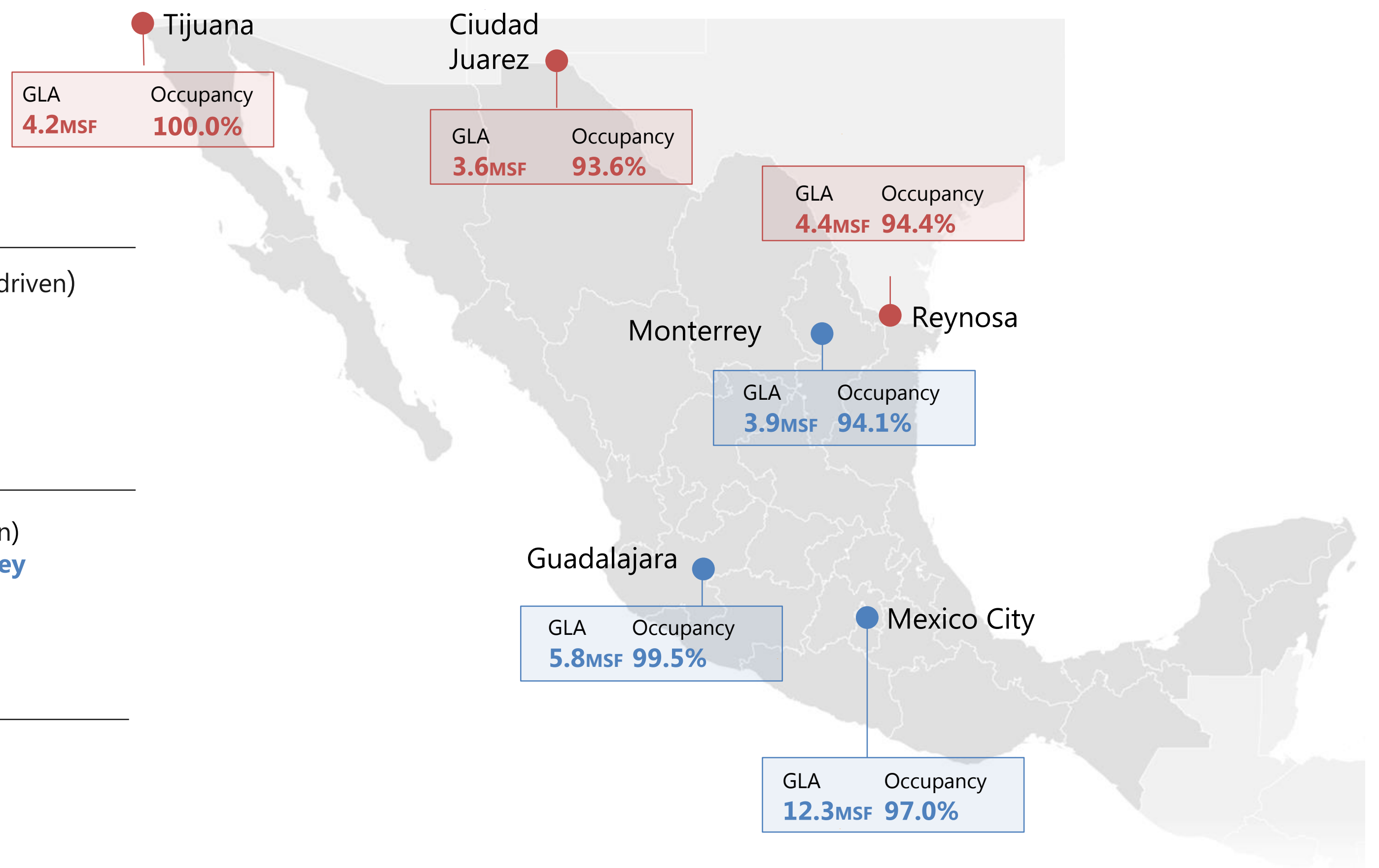
Prologis Reynosa Ind. Ctr. #2, Reynosa

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

FIBRA Prologis is the leading owner and operator of Class-A industrial real estate in Mexico. As of December 31, 2016, FIBRA Prologis was comprised of 194 logistics and manufacturing facilities in six industrial markets in Mexico totaling 34.2 million square feet (3.2 million square meters) of GLA.(A)

Market Presence



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

GLA	Occupancy	% Net Effective Rent
12.2 MSF	**96.1%**	**32.7%**

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

GLA	Occupancy	% Net Effective Rent
22.0 MSF	**97.2%**	**67.3%**

Total Markets

GLA	Occupancy	% Net Effective Rent
34.2MSF	**96.8%**	**100.0%**

(A) The total of 34.2 million square feet as shown by market.

Highlights
Company Performance

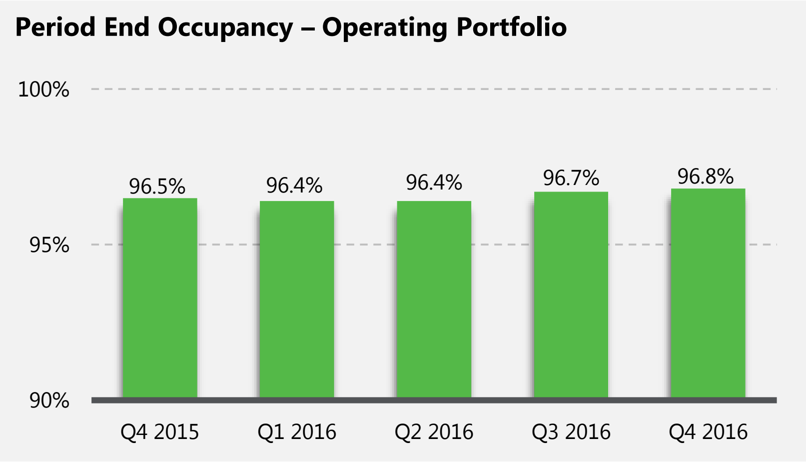
Included below are quarterly comparative highlights in Mexican Pesos and U.S. Dollars as a summary of our company performance.

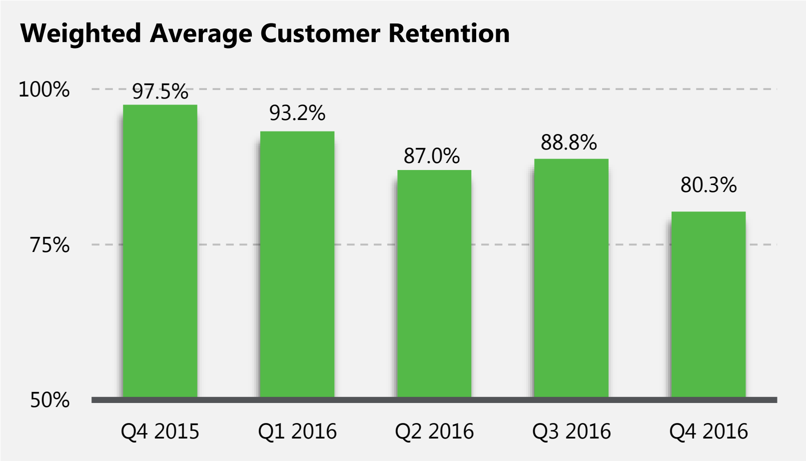
in thousands, except per CBFI amounts

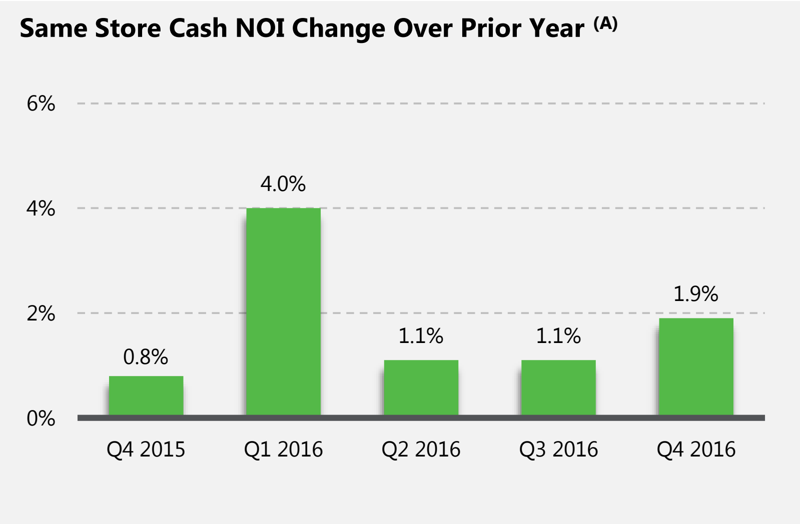
	For the three months ended									
	December 31, 2016		September 30, 2016		June 30, 2016		March 31, 2016		December 31, 2015	
	Ps.	US$ (A)	Ps.	US$ (A)	Ps.	US$ (A)	Ps.	US$ (A)	Ps.	US$ (A)
Revenues	891,183	45,428	817,630	43,840	769,004	43,553	761,537	42,622	714,637	42,886
Gross Profit	773,328	39,422	707,591	37,959	663,451	37,785	675,034	37,777	619,317	36,922
Net Income	671,287	34,128	445,383	24,211	380,595	22,420	341,274	19,093	1,150,162	68,866
FFO, as modified by FIBRA Prologis	526,973	26,853	490,463	26,565	438,993	25,630	468,828	26,141	430,972	25,961
AFFO	343,349	17,612	367,989	20,012	313,658	18,775	324,183	18,094	281,118	16,992
Adjusted EBITDA	691,934	35,185	636,795	34,287	584,113	33,614	591,203	32,962	541,924	32,541
Earnings per CBFI	1.0580	0.0538	0.7020	0.0382	0.5999	0.0353	0.5379	0.0301	1.8128	0.1085
FFO per CBFI	0.8306	0.0423	0.7730	0.0419	0.6919	0.0404	0.7389	0.0412	0.6793	0.0409
AFFO per CBFI	0.5412	0.0278	0.5800	0.0315	0.4944	0.0296	0.5109	0.0285	0.4431	0.0268

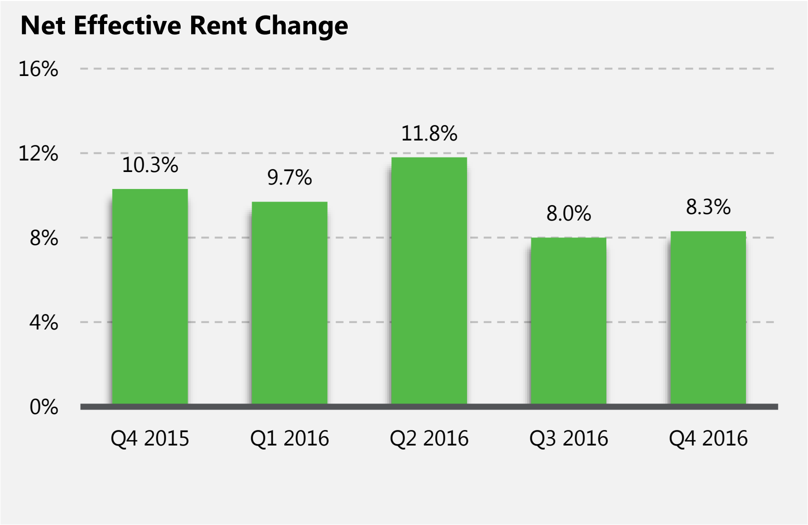
(A) Amounts presented in U.S. Dollars, which is FIBRA Prologis´ functional currency, represent the actual amounts from our U.S. Dollar financial statements.

Highlights
Operating Performance









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

Highlights
Guidance and Actuals

US Dollars in thousands except per CBFI amounts

2016 Guidance	Low	High	Actuals
Full year FFO per CBFI (A)	**$ 0.1650**	**$ 0.1700**	**$ 0.1658**
Operations			
Year-end occupancy	96.5%	97.5%	96.8%
Same store cash NOI change	2.0%	3.0%	2.0%
Annual capex as a percentage of NOI	13.75%	14.75%	13.74%
Capital Deployment			
Building acquisitions	$ 100,000	$ 150,000	$ 117,119
Other Assumptions			
G&A (Asset management, professional fees and others)	$ 18,000	$ 20,000	$ 18,141
Full year 2016 distribution per CBFI	$ 0.1100	$ 0.1100	$ 0.1100

(A) FFO guidance excluded the impact of peso movements as U.S. Dollar is the functional currency of FIBRA Prologis.
Note: Guidance based on $18.00 pesos per $1.00 U.S Dollar

US Dollars in thousands except per CBFI amounts

2017 Guidance	Low	High
Full year FFO per CBFI (A)	**$ 0.1550**	**$ 0.1650**
Operations		
Year-end occupancy	95.5%	96.5%
Same store cash NOI change	0.0%	1.0%
Annual capex as a percentage of NOI	14.0%	16.0%
Other Assumptions		
G&A (Asset management and professional fees)	$ 18,500	$ 20,500
Full year 2017 distribution per CBFI (US Dollars)	$ 0.1155	$ 0.1155

(A) FFO guidance excludes the impact of peso movements as U.S. Dollar is the functional currency of FIBRA Prologis and any promote.
Note: Guidance based on $22.00 pesos per $1.00 U.S Dollar

in thousands	December 31, 2016		December 31, 2015	
Assets:	**Ps.**	**US$**	**Ps.**	**US$**
Current assets:				
Cash	370,909	17,989	721,207	41,594
Trade receivables	50,457	2,446	41,814	2,412
Value added tax and other receivables	141,348	6,855	176,914	10,203
Prepaid expenses	46,718	2,266	85,202	4,913
	609,432	**29,556**	**1,025,137**	**59,122**
Non-current assets:				
Investment properties	45,064,110	2,185,521	35,475,843	2,045,922
Interest rate swaps	42,492	2,061	-	-
	45,106,602	**2,187,582**	**35,475,843**	**2,045,922**
Total assets	**45,716,034**	**2,217,138**	**36,500,980**	**2,105,044**
Liabilities and Equity:				
Current liabilities:				
Trade payables	54,904	2,662	64,129	3,699
Due to affiliates	110,111	5,340	14,016	808
Current portion of long term debt	4,556,722	234,779	1,865,329	107,575
	4,721,737	**242,781**	**1,943,474**	**112,082**
Non-current liabilities:				
Long term debt	10,634,498	501,966	9,544,304	550,428
Security deposits	294,174	14,267	233,386	13,460
	10,928,672	**516,233**	**9,777,690**	**563,888**
Total liabilities	**15,650,409**	**759,014**	**11,721,164**	**675,970**
Equity:				
CBFI holders capital	14,313,287	1,148,554	15,532,302	1,212,738
Other equity accounts	15,752,338	309,570	9,247,514	216,336
Total equity	**30,065,625**	**1,458,124**	**24,779,816**	**1,429,074**
Total liabilities and equity	**45,716,034**	**2,217,138**	**36,500,980**	**2,105,044**

Financial information

Interim Condensed Statements of Comprehensive Income

in thousands, except per CBFI amounts	For the three months ended December 31,				For the year ended December 31,			
	2016		2015		2016		2015	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Revenues:								
Lease rental income	785,284	40,050	640,014	38,393	2,882,093	156,170	2,369,856	150,197
Rental recoveries	86,711	4,423	64,634	3,882	296,744	16,045	244,901	15,505
Other property income	19,188	955	9,989	611	60,517	3,228	47,072	2,970
	891,183	**45,428**	**714,637**	**42,886**	**3,239,354**	**175,443**	**2,661,829**	**168,672**
Cost and expenses:								
Property operating expenses:								
Operating and maintenance	46,912	2,452	40,121	2,578	176,650	9,660	155,064	9,992
Utilities	11,202	577	9,625	574	38,585	2,080	34,449	2,180
Property management fees	26,536	1,328	21,995	1,314	98,950	5,244	88,802	5,564
Real estate taxes	14,907	835	14,044	947	57,713	3,239	54,997	3,716
Non-recoverable operating	18,298	814	9,535	551	48,052	2,277	28,805	1,785
	117,855	**6,006**	**95,320**	**5,964**	**419,950**	**22,500**	**362,117**	**23,237**
Gross profit	**773,328**	**39,422**	**619,317**	**36,922**	**2,819,404**	**152,943**	**2,299,712**	**145,435**
Other expense (income):								
(Gain) loss on revaluation of investment properties	(138,548)	(6,981)	(716,030)	(42,735)	(6,141)	311	(902,106)	(54,834)
Gain on disposition of investment properties	-	-	-	-	(5,197)	(298)	-	-
Asset management fees	80,607	4,045	63,283	3,708	294,170	15,577	232,155	14,265
Professional fees	12,801	654	20,412	1,238	36,691	1,954	54,608	3,665
Amortization of debt premium	(37,634)	(1,900)	(51,076)	(3,060)	(145,222)	(7,768)	(195,702)	(12,288)
Interest expense	176,843	8,927	141,679	8,428	627,656	33,461	529,362	33,125
Amortization of deferred financing cost	8,002	402	5,269	312	29,327	1,562	18,145	1,152
Interest income from value added tax receivable	-	-	-	-	-	-	(59,280)	(3,908)
Net loss (gain) on early extinguishment of debt	2,460	139	(3,639)	(200)	57,105	3,124	18,697	1,225
Realized exchange (gain) loss, net	(8,000)	(267)	6,503	187	(6,083)	(165)	378,015	24,068
Unrealized exchange (gain) loss, net	(8,226)	(433)	479	30	41,064	2,200	(269,327)	(17,217)
Other expenses	13,736	708	2,275	148	57,495	3,133	30,778	1,975
	102,041	**5,294**	**(530,845)**	**(31,944)**	**980,865**	**53,091**	**(164,655)**	**(8,772)**
Net Income	**671,287**	**34,128**	**1,150,162**	**68,866**	**1,838,539**	**99,852**	**2,464,367**	**154,207**
Other comprehensive income:								
Translation effects from functional currency to reporting currency	(1,702,951)	3,264	(406,233)	(829)	(4,691,081)	4,554	(3,462,272)	705
Unrealized gain on interest rate swaps	(72,657)	(3,615)	-	-	(42,492)	(2,061)	-	-
	(1,775,608)	**(351)**	**(406,233)**	**(829)**	**(4,733,573)**	**2,493**	**(3,462,272)**	**705**
Total comprehensive income for the period	**2,446,895**	**34,479**	**1,556,395**	**69,695**	**6,572,112**	**97,359**	**5,926,639**	**153,502**
Earnings per CBFI (A)	**1.0580**	**0.0538**	**1.8128**	**0.1085**	**2.8977**	**0.1574**	**3.8841**	**0.2430**

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

FIBRA PROLOGIS

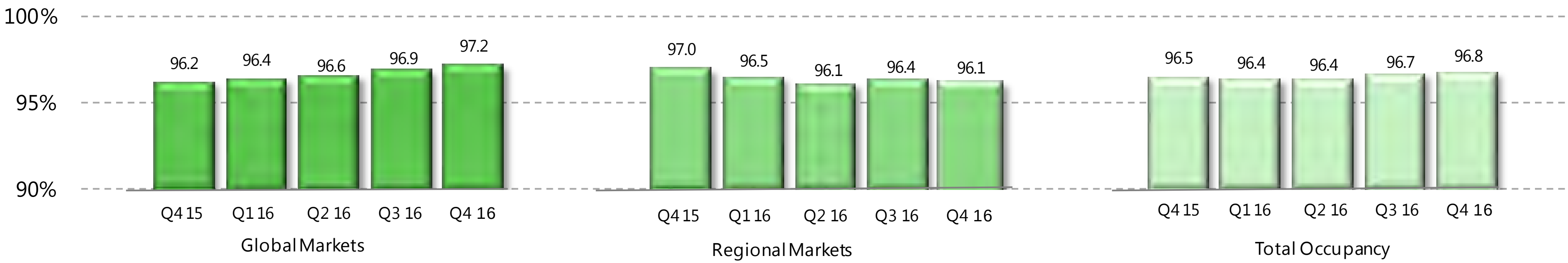
Financial information
Reconciliations of Net Income to FFO, AFFO and EBITDA

in thousands	For the three months ended December 31, 2016 Ps.	2016 US$	2015 Ps.	2015 US$	For the year ended December 31, 2016 Ps.	2016 US$	2015 Ps.	2015 US$
Reconciliation of Net Income to FFO								
Net income	671,287	34,128	1,150,162	68,866	1,838,539	99,852	2,464,367	154,207
Gain on disposition of investment properties	-	-	-	-	(5,197)	(298)	-	-
NAREIT defined FFO	**671,287**	**34,128**	**1,150,162**	**68,866**	**1,833,342**	**99,554**	**2,464,367**	**154,207**
Adjustments to arrive at FFO, as defined by FIBRA Prologis:								
(Gain) loss on revaluation of investment properties	(138,548)	(6,981)	(716,030)	(42,735)	(6,141)	311	(902,106)	(54,834)
Unrealized exchange (gain) loss, net	(8,226)	(433)	479	30	41,064	2,200	(269,327)	(17,217)
Net loss (gain) on early extinguishment of debt	2,460	139	(3,639)	(200)	57,105	3,124	18,697	1,225
FFO, as modified by FIBRA Prologis	**526,973**	**26,853**	**430,972**	**25,961**	**1,925,370**	**105,189**	**1,311,631**	**83,381**
Realized exchange loss from VAT [A]	-	-	-	-	-	-	371,242	23,747
FFO, as modified by FIBRA Prologis excluding realized exchange loss from VAT [A]	**526,973**	**26,853**	**430,972**	**25,961**	**1,925,370**	**105,189**	**1,682,873**	**107,128**
FFO, as modified by FIBRA Prologis	526,973	26,853	430,972	25,961	1,925,370	105,189	1,311,631	83,381
Adjustments to arrive at Adjusted FFO ("AFFO")								
Straight-lined rents	(21,613)	(1,080)	(25,619)	(1,539)	(65,223)	(3,483)	(93,230)	(5,929)
Property improvements	(44,186)	(2,197)	(19,724)	(1,174)	(139,606)	(7,418)	(106,233)	(6,816)
Tenant improvements	(64,882)	(3,242)	(41,080)	(2,460)	(164,099)	(8,643)	(143,000)	(9,009)
Leasing commissions	(23,311)	(1,224)	(17,624)	(1,048)	(91,255)	(4,946)	(78,719)	(5,036)
Amortization of deferred financing costs	8,002	402	5,269	312	29,327	1,562	18,145	1,152
Amortization of debt premium	(37,634)	(1,900)	(51,076)	(3,060)	(145,222)	(7,768)	(195,702)	(12,288)
AFFO	**343,349**	**17,612**	**281,118**	**16,992**	**1,349,292**	**74,493**	**712,892**	**45,455**
Realized exchange loss from VAT [A]	-	-	-	-	-	-	371,242	23,747
AFFO excluding realized exchange loss from VAT [A]	**343,349**	**17,612**	**281,118**	**16,992**	**1,349,292**	**74,493**	**1,084,134**	**69,202**

in thousands	For the three months ended December 31, 2016 Ps.	2016 US$	2015 Ps.	2015 US$	For the year ended December 31, 2016 Ps.	2016 US$	2015 Ps.	2015 US$
Reconciliation of Net Income to Adjusted EBITDA								
Net Income	671,287	34,128	1,150,162	68,866	1,838,539	99,852	2,464,367	154,207
(Gain) loss on revaluation of investment properties	(138,548)	(6,981)	(716,030)	(42,735)	(6,141)	311	(902,106)	(54,834)
Gain on disposition of investment properties	-	-	-	-	(5,197)	(298)	-	-
Interest expense	176,843	8,927	141,679	8,428	627,656	33,461	529,362	33,125
Amortization of deferred financing costs	8,002	402	5,269	312	29,327	1,562	18,145	1,152
Amortization of debt premium	(37,634)	(1,900)	(51,076)	(3,060)	(145,222)	(7,768)	(195,702)	(12,288)
Net loss (gain)on early extinguishment of debt	2,460	139	(3,639)	(200)	57,105	3,124	18,697	1,225
Unused credit facility fee	9,898	507	8,897	531	42,547	2,289	19,203	1,144
Unrealized exchange (gain) loss, net	(8,226)	(433)	479	30	41,064	2,200	(269,327)	(17,217)
Pro forma adjustments	7,852	396	6,183	369	24,480	1,315	6,183	369
Adjusted EBITDA	**691,934**	**35,185**	**541,924**	**32,541**	**2,504,158**	**136,048**	**1,688,822**	**106,883**
Realized exchange loss from VAT [A]	-	-	-	-	-	-	371,242	23,747
Adjusted EBITDA excluding realized exchange loss from VAT [A]	**691,934**	**35,185**	**541,924**	**32,541**	**2,504,158**	**136,048**	**2,060,064**	**130,630**

(A) Since FIBRA Prologis makes distributions in Mexican Pesos, FIBRA Prologis has excluded the realized exchange loss caused by the VAT reimbursement FIBRA Prologis collected on April 13, 2015 in the amount of $2.0 billion Mexican Pesos (approximately $131.8 million U.S. Dollars) due to U.S. Dollars being the functional currency of FIBRA Prologis.

Period Ending Occupancy - Operating Portfolio



square feet in thousands

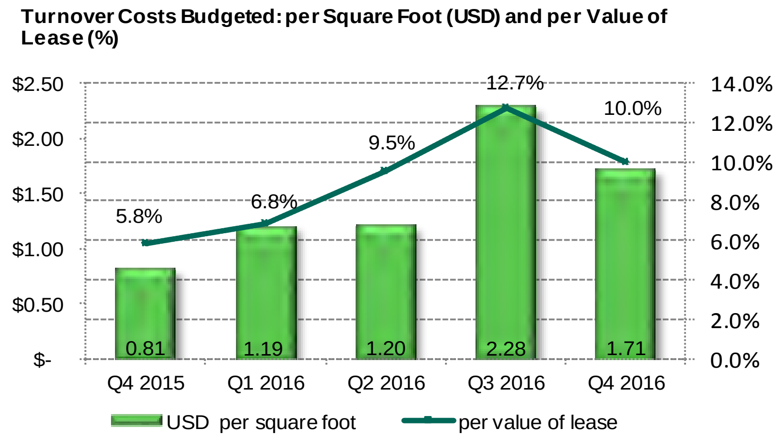
Leasing Activity

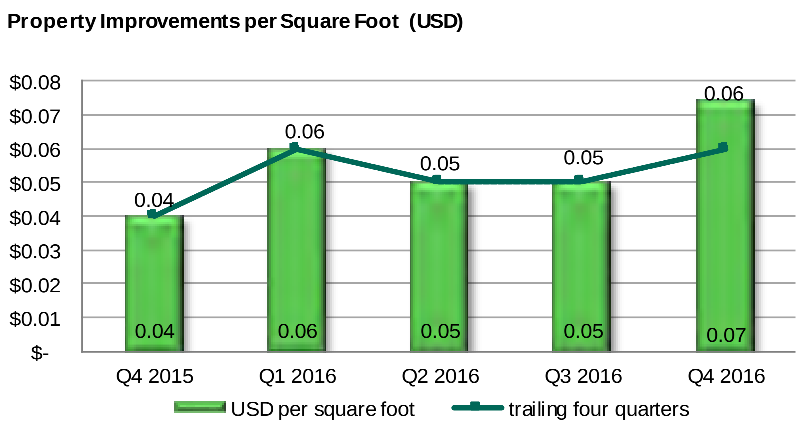
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Square feet of leases signed:					
Renewals	1,726	2,452	1,766	1,521	1,286
New leases	104	339	333	802	434
Total square feet of leases signed	**1,830**	**2,791**	**2,099**	**2,323**	**1,720**
Average term of leases signed (months)	34	40	38	42	38
Operating Portfolio:					
Trailing four quarters - leases signed	9,001	7,914	8,567	9,043	8,933
Trailing four quarters - % of average portfolio	28.8%	25.0%	26.7%	27.8%	27.1%
Net effective rent change	**10.3%**	**9.7%**	**11.8%**	**8.0%**	**8.3%**

Operations Overview
Operating Metrics

Capital Expenditures Incurred [A]	Q4 2015		Q1 2016		Q2 2016		Q3 2016		Q4 2016	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Property improvements	19,724	1,174	33,714	1,902	28,299	1,527	33,407	1,792	44,186	2,197
Tenant improvements	41,080	2,460	30,911	1,708	24,841	1,356	43,465	2,337	64,882	3,242
Leasing commissions	17,624	1,048	24,979	1,383	26,556	1,460	16,409	879	23,311	1,224
Total turnover costs	58,704	3,508	55,890	3,091	51,397	2,816	59,874	3,216	88,193	4,466
Total capital expenditures	**78,428**	**4,682**	**89,604**	**4,993**	**79,696**	**4,343**	**93,281**	**5,008**	**132,379**	**6,663**
Trailing four quarters - % of gross NOI	14.4%		13.1%		11.5%		12.6%		13.7%	

Same Store Information	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Square feet of population	29,407	30,966	30,818	30,815	30,815
Average occupancy	96.5%	96.1%	96.0%	96.1%	96.8%
Percentage change:					
Rental income- adjusted cash	(1.9%)	(0.9%)	0.7%	0.7%	1.0%
Rental expenses- adjusted cash	(12.6%)	(22.2%)	(1.1%)	(1.2%)	(3.3%)
NOI - Adjusted Cash	**0.8%**	**4.0%**	**1.1%**	**1.1%**	**1.9%**
NOI	(2.4%)	2.2%	(0.9%)	(1.6%)	0.0%
Average occupancy	0.7%	0.2%	0.0%	0.2%	0.4%





(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 %	Fourth Quarter NOI: Ps.	Fourth 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	51	12,259	36.0	97.0	97.0	269,382	13,733	1,290,547	62,589	38.4	109	5.27	18,516,220	898,001	41.0
Guadalajara	26	5,838	17.1	99.5	99.5	133,256	6,793	579,838	28,121	17.3	100	4.87	7,584,846	367,850	16.8
Monterrey	24	3,868	11.3	94.1	94.1	95,493	4,868	387,603	18,798	11.6	106	5.16	5,259,803	255,090	11.7
Total global markets	**101**	**21,965**	**64.4**	**97.2**	**97.2**	**498,131**	**25,394**	**2,257,988**	**109,508**	**67.3**	**106**	**5.15**	**31,360,869**	**1,520,941**	**69.5**
Regional markets															
Reynosa	29	4,422	12.9	94.4	94.4	100,269	5,111	408,883	19,830	12.2	101	4.91	4,803,289	232,950	10.7
Tijuana	33	4,217	12.3	100.0	100.0	97,857	4,988	382,387	18,545	11.4	91	4.40	4,754,834	230,600	10.6
Ciudad Juarez	31	3,566	10.4	93.6	93.6	72,049	3,673	304,157	14,751	9.1	93	4.52	3,785,722	183,600	8.4
Total regional markets total	**93**	**12,205**	**35.6**	**96.1**	**96.1**	**270,175**	**13,772**	**1,095,427**	**53,126**	**32.7**	**95**	**4.61**	**13,343,845**	**647,150**	**29.7**
Total operating portfolio	**194**	**34,170**	**100.0**	**96.8**	**96.8**	**768,306**	**39,166**	**3,353,415**	**162,634**	**100.0**	**102**	**4.96**	**44,704,714**	**2,168,091**	**99.2**
Intermodal facility (A)						5,022	256						309,291	15,000	0.7
Excess land (B)													50,105	2,430	0.1
Total investment properties		**34,170**	**100.0**			**773,328**	**39,422**						**45,064,110**	**2,185,521**	**100.0**

(A) 100% Occupied as of December 31, 2016.

(B) We have 11 acres of land in Monterrey that has an estimated build out of 204,123 square feet.

FIBRA PROLOGIS

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	3.3%	1,249
2 DHL	3.1%	1,030
3 Geodis	2.3%	693
4 LG, Inc.	1.8%	572
5 Wal-Mart Stores, Inc.	1.6%	681
6 Uline	1.6%	501
7 Ryder System Inc.	1.5%	407
8 Johnson Controls Inc.	1.4%	394
9 General Electric Company, Inc.	1.3%	417
10 Spring Industries, Inc.	1.3%	402
Top 10 Customers	**19.2%**	**6,346**

square feet and currency in thousands

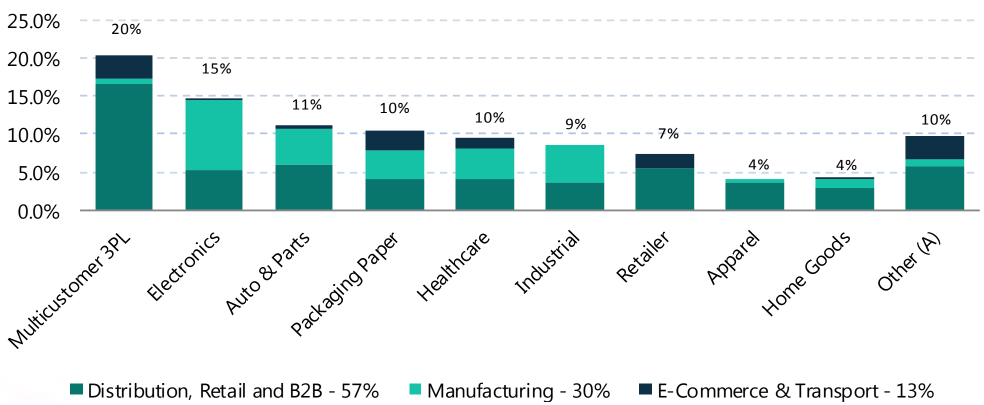
Lease Expirations - Operating Portfolio

Year	Occupied Sq Ft	Net Effective Rent							
		Total		% of Total	Per Sq Ft		% Currency		
		Ps.	US$		Ps.	US$	%Ps.	%US$
2017	6,521	637,902	30,937	19.0	97.82	4.74	21.4	78.6
2018	6,079	570,621	27,674	17.0	93.87	4.55	18.8	81.2
2019	6,665	714,359	34,645	21.3	107.19	5.20	35.1	64.9
2020	6,698	674,832	32,728	20.1	100.75	4.89	13.2	86.8
2021	3,290	373,912	18,134	11.2	113.65	5.51	45.9	54.1
Thereafter	3,546	381,789	18,516	11.4	107.66	5.22	16.7	83.3
	32,799	**3,353,415**	**162,634**	**100.0**	**102.24**	**4.96**	**24.4**	**75.6**
Month to month	273							
Total	**33,072**							

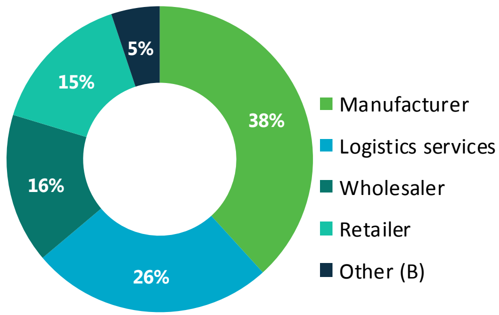
Lease Currency - Operating portfolio

	Annualized Net Effective Rent USD	% of Total	Occupied Sq Ft	% of Total
Leases denominated in Ps.	39,691	24.4	7,909	24.1
Leases denominated in US$	122,943	75.6	24,890	75.9
Total	**162,634**	**100.0**	**32,799**	**100.0**

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	Q4 2016 Sq Ft	Q4 2016 Acquisition Cost (A) Ps.	Q4 2016 Acquisition Cost (A) US$	FY 2016 Sq Ft	FY 2016 Acquisition Cost (A) Ps.	FY 2016 Acquisition Cost (A) US$
Building Acquisitions						
Global Markets						
Mexico City	617	924,046	49,334	925	1,331,076	70,924
Guadalajara	-	-	-	232	307,601	16,316
Monterrey	-	-	-	-	-	-
Total Global Markets	**617**	**924,046**	**49,334**	**1,157**	**1,638,677**	**87,240**
Regional Markets						
Reynosa	-	-	-	-	-	-
Tijuana	-	-	-	-	-	-
Ciudad Juarez	250	325,059	16,047	460	585,830	29,879
Total Regional Markets	**250**	**325,059**	**16,047**	**460**	**585,830**	**29,879**
Total Building Acquisitions	**867**	**1,249,105**	**65,381**	**1,617**	**2,224,507**	**117,119**
Weighted average stabilized cap rate			**6.7%**			**6.9%**

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

Capital Deployment
Dispositions

square feet and currency in thousands	Q4 2016			FY 2016		
	Sq Ft	Sales Price (A)		Sq Ft	Sales Price (A)	
		Ps.	US$		Ps.	US$
Building Dispositions						
Global Markets						
Mexico City	-	-	-	-	-	-
Guadalajara	-	-	-	-	-	-
Monterrey		-	-	47	31,360	1,748
Total Global Markets	**-**	**-**	**-**	**47**	**31,360**	**1,748**
Regional Markets						
Reynosa	-	-	-	-	-	-
Tijuana	-	-	-	-	-	-
Ciudad Juarez	-	-	-	-	-	-
Total Regional Markets	**-**	**-**	**-**	**-**	**-**	**-**
Total Building Dispositions	**-**	**-**	**-**	**47**	**31,360**	**1,748**
Weighted average stabilized cap rate						**9.0%**

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

Capitalization
Debt Summary and Metrics

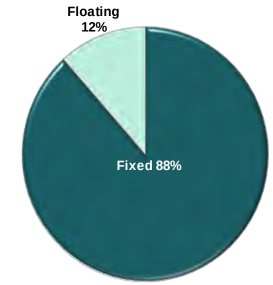
currency in millions

Maturity	Unsecured Credit Facility Ps.	Unsecured Credit Facility US$	Unsecured Senior Ps.	Unsecured Senior US$	Secured Mortgage Debt Ps.	Secured Mortgage Debt US$	Total Ps.	Total US$	Wtd Avg. Cash. Interest Rate (A)	Wtd Avg. Effective Interest Rate (B)
2017	-	-	-	-	4,416	214	4,416	214	7.2%	4.3%
2018	-	-	-	-	1,540	75	1,540	75	5.0%	3.4%
2019	1,717	83	-	-	-	-	1,717	83	4.2%	4.2%
2020	-	-	5,258	255	-	-	5,258	255	3.5%	3.7%
2021	-	-	-	-	-	-	-	-	0.0%	0.0%
Thereafter	-	-	-	-	2,206	107	2,206	107	4.7%	4.7%
Subtotal- debt par value	**1,717**	**83**	**5,258**	**255**	**8,162**	**396**	**15,137**	**734**		
Premium	-	-	-	-	144	7	144	7		
Interest payable and deferred financing cost	-	-	-	-	(90)	(4)	(90)	(4)		
Total debt	**1,717**	**83**	**5,258**	**255**	**8,216**	**398**	**15,191**	**737**	**5.0%**	**4.1%**
Weighted average cash interest rate (A)		4.2%		3.2%		6.1%		4.9%		
Weighted average effective interest rate (B)		4.2%		3.7%		4.3%		4.1%		
Weighted average remaining maturity in years		2.4		4.0		3.2		3.4		

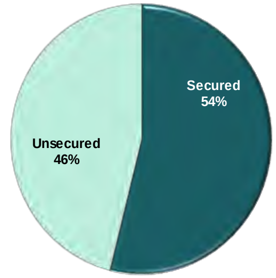
Liquidity	Ps.	US$
Aggregate lender commitments	8,248	400
Less:		
Borrowings outstanding	1,717	83
Outstanding letters of credit	-	-
Current availability	6,531	317
Unrestricted cash	371	18
Total liquidity	**6,902**	**335**

Debt Metrics (C)	2016 Fourth Quarter	2016 Third Quarter
Debt, less cash and VAT, as % of investment properties	**32.5%**	**30.7%**
Fixed charge coverage ratio	**3.94x**	**3.96x**
Debt to Adjusted EBITDA	**5.05x**	**4.72x**

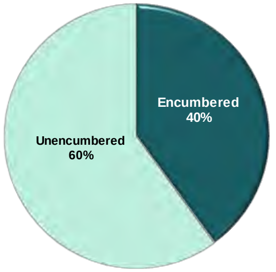
Fixed vs. Floating Debt (E)



Secured vs. Unsecured Debt



Encumbered vs. Unencumbered Assets Pool (D)



(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) Based on fair market value as of December 31, 2016.
(E) Includes the interest rate swap contract.

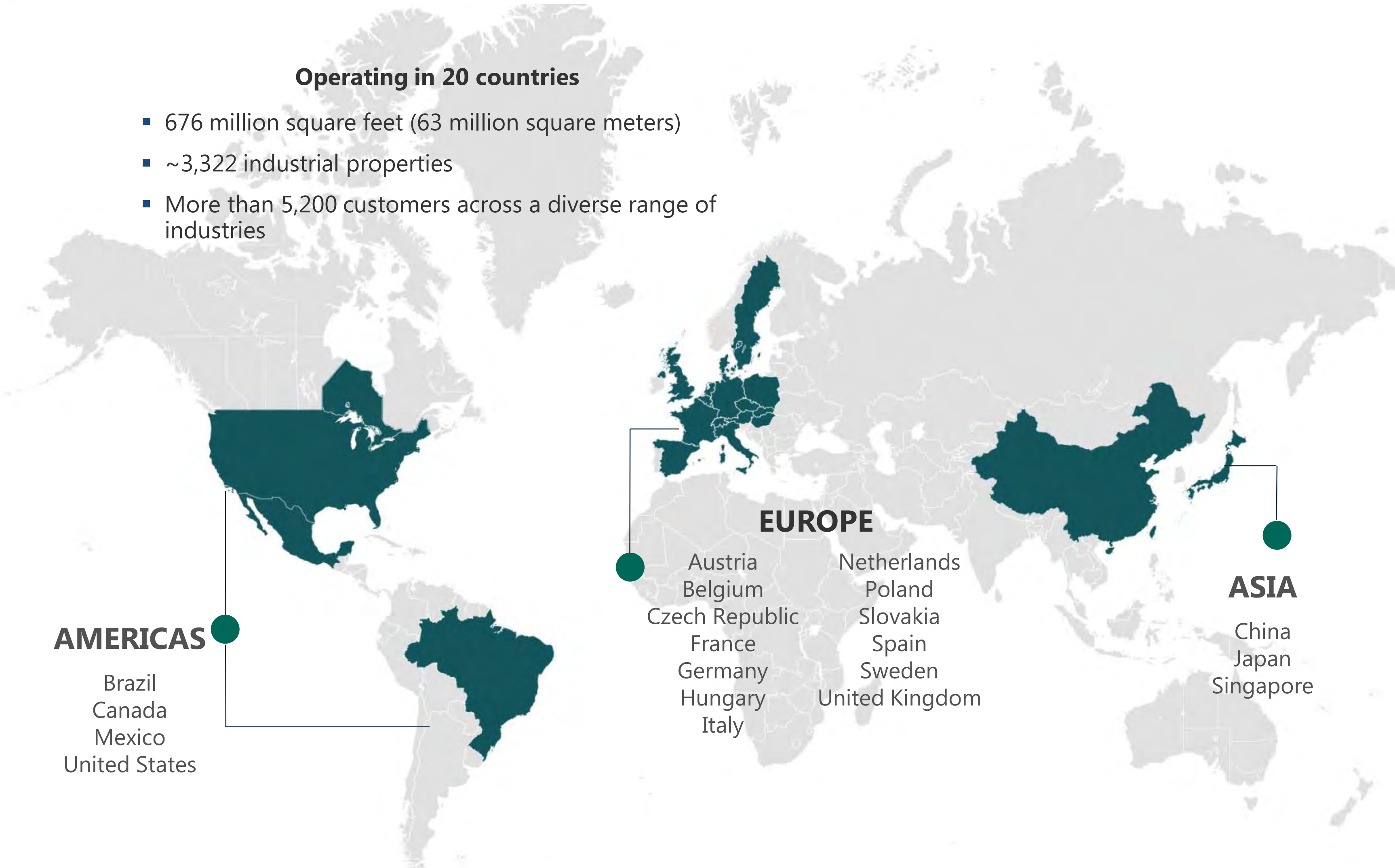
FIBRA PROLOGIS

Sponsor

Prologis Unmatched Global Platform (A)

Operating in 20 countries

- 676 million square feet (63 million square meters)
- ~3,322 industrial properties
- More than 5,200 customers across a diverse range of industries

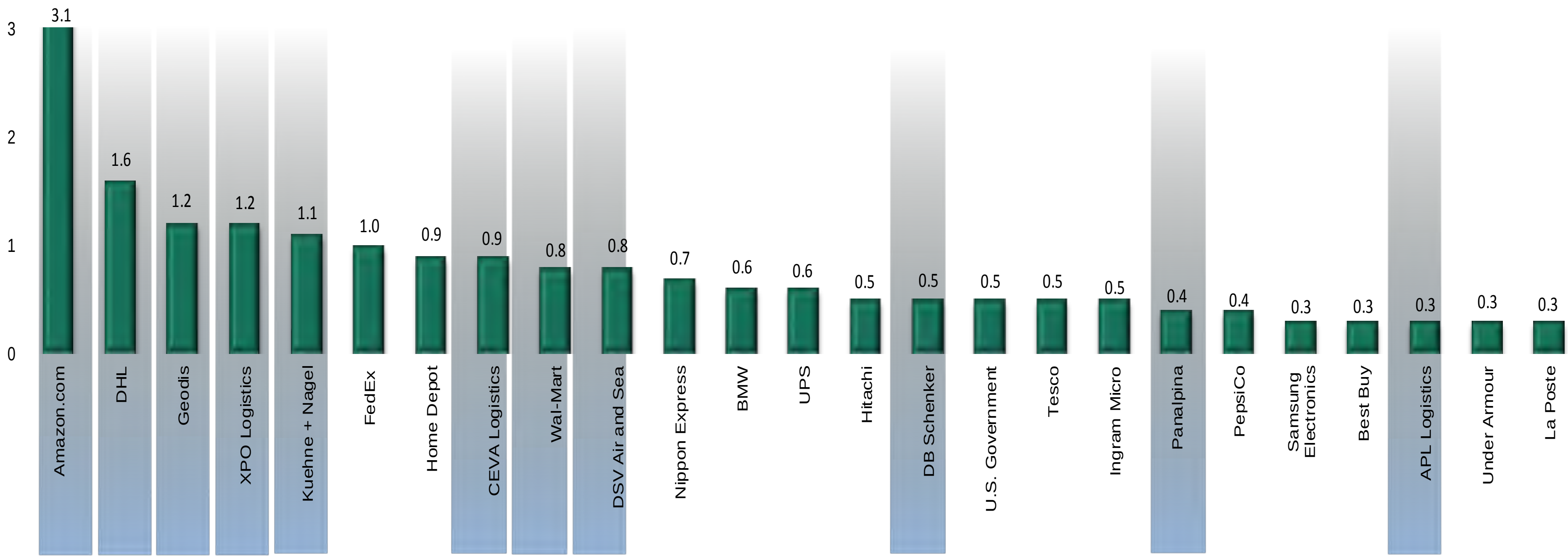


Platform covers more than 70% of global GDP

(A) Data as of December 31, 2016.

Prologis Global Customer Relationships (A)

(% Net Effective Rent)



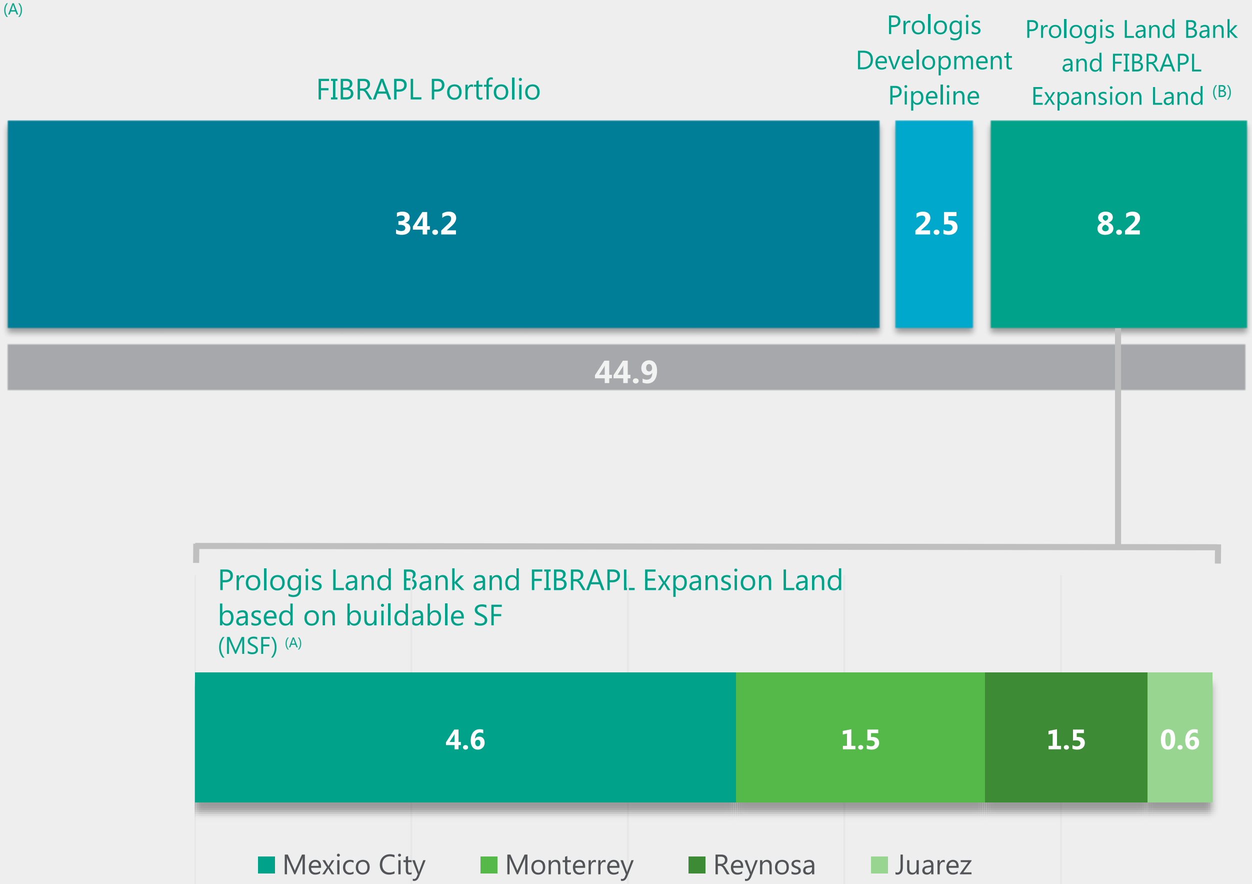
(A) Data as of December 31, 2016. The shading represents customers who are also customers of FIBRA Prologis.

Sponsor

Identified External Growth Pipeline

External Growth via Prologis Development Pipeline

(MSF) (A)



- 31% 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:
- Mexico City 40%,
- Guadalajara 21%,
- Monterrey in 27% and,
- Reynosa 12%

(A) Million square feet as of December 31, 2016
(B) Based on buildable square feet

Notes and Definitions

Photo :Prologis Cedros Tepotzotlán #10, Mexico City

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 cost, as presented for building acquisitions, represents the economic cost and not necessarily what is capitalized. See detail of what is included in acquisition costs in the definition of Stabilized Capitalization Rate.

Adjusted EBITDA. We use Adjusted EBITDA, a non-IFRS financial measure, as a measure of our operating performance. We calculate Adjusted EBITDA beginning with net income (loss) and removing the effect of financing cost, income taxes, similar adjustments we make to our FFO measures (see definition below).

We consider Adjusted EBITDA to provide investors relevant and useful information because it permits investors to view our operating performance on an unleveraged basis before the effects of income tax, non-cash amortization expense, gains or losses from the acquisition or disposition of investments in real estate, unrealized gains or losses from the mark-to-market adjustment to investment properties and revaluation from Pesos into our functional currency of the U.S. dollar, and other items that affect comparability. We also include a pro forma adjustment in Adjusted EBITDA to reflect a full period of NOI on the operating properties we acquire or stabilize and to remove NOI on properties we dispose of during the quarter, assuming the transaction occurred at the beginning of the quarter. By excluding financing cost, Adjusted EBITDA allows investors to measure our operating performance independent of our capital structure and indebtedness and, therefore, allows for a more meaningful comparison of our operating performance to that of other companies, both in the real estate industry and in other industries. Gains and losses on the early extinguishment of debt generally include the costs of repurchasing debt securities. While not infrequent or unusual in nature, these items 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.

We believe that Adjusted EBITDA helps investors to analyze our ability to meet interest payment obligations. We believe that investors should consider Adjusted EBITDA in conjunction with net income (the primary measure of our performance) and the other required IFRS measures of our performance, to improve their understanding of our operating results, and to make more meaningful comparisons of our performance against other companies. By using Adjusted EBITDA, an investor is assessing the earnings generated by our operations but not taking into account the eliminated expenses or gains incurred in connection with such operations. As a result, Adjusted EBITDA has limitations as an analytical tool and should be used in conjunction with our required IFRS presentations. Adjusted EBITDA does not reflect our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements or contractual commitments or interest and principal payments on our outstanding debt.

While EBITDA is a relevant and widely used measure of operating performance, it does not represent net income as defined by IFRS and it should not be considered as an alternative to those indicators in evaluating operating performance or liquidity. Further, our computation of Adjusted EBITDA may not be comparable to EBITDA reported by other companies. 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 of Adjusted EBITDA to net income, an IFRS measurement.

Calculation Per CBFI Amounts is as follows**:**

in thousands, except per share	For the three months ended December 31,				For the year ended December 31,			
	2016		2015		2016		2015	
	Ps.	US$	Ps.	US$	Ps.	US$	Ps.	US$
Earnings								
Net income	671,287	34,128	1,150,162	68,866	1,838,539	99,852	2,464,367	154,207
Weighted average CBFIs outstanding - Basic and Diluted	634,480	634,480	634,480	634,480	634,480	634,480	634,480	634,480
Earnings per CBFI- Basic and Diluted	1.0580	0.0538	1.8128	0.1085	2.8977	0.1574	3.8841	0.2430
FFO								
FFO, as modified by FIBRA Prologis	526,973	26,853	430,972	25,961	1,925,370	105,189	1,289,295	81,956
Weighted average CBFIs outstanding - Basic and Diluted	634,480	634,480	634,480	634,480	634,480	634,480	634,480	634,480
FFO per CBFI – Basic and Diluted	0.8306	0.0423	0.6793	0.0409	3.0346	0.1658	2.0320	0.1292
FFO, as modifed by FIBRA Prologis excluding realized exchange loss from VAT	526,973	26,853	430,972	25,961	1,925,370	105,189	1,229,565	79,742
Weighted average CBFIs outstanding - Basic and Diluted	634,480	634,480	634,480	634,480	634,480	634,480	634,480	634,480
FFO per CBFI – Basic and Diluted	0.8306	0.0423	0.6793	0.0409	3.0346	0.1658	1.9379	0.1257

Debt Metrics. See below for the detailed calculations for the respective period:

In thousands	For the three months ended December 31, 2016		September 30, 2016	
	Ps.	US$	Ps.	US$
Debt, less cash and VAT, as a % of investment properties				
Total debt - at par	15,136,762	734,103	12,894,647	664,378
Less: cash	(370,909)	(17,989)	(259,495)	(13,370)
Less: VAT receivable	(108,241)	(5,249)	(69,060)	(3,558)
Total debt, net of adjustments	14,657,612	710,865	12,566,092	647,450
Investment properties	45,064,110	2,185,521	40,870,051	2,105,770
Debt, less of cash and VAT, as a % of investment	32.5%	32.5%	30.7%	30.7%
Fixed Charge Coverage ratio:				
Adjusted EBITDA	691,934	35,185	636,795	34,287
Interest expense	176,843	8,927	163,938	8,653
Total fixed charges	176,843	8,927	163,938	8,653
Fixed charge coverage ratio	3.91x	3.94x	3.88x	3.96x
Debt to Adjusted EBITDA:				
Total debt, net of adjustments	14,657,612	710,865	12,566,092	647,450
Adjusted EBITDA annualized	2,767,738	140,739	2,547,182	137,148
Debt to Adjusted EBITDA ratio	5.3x	5.05x	4.93x	4.72x

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. Although the National Association of Real Estate Investment Trusts ("NAREIT") has published a definition of FFO, modifications to the NAREIT calculation of FFO are common among real estate companies, as companies seek to provide financial measures that meaningfully reflect their business.

FFO is not meant to represent a comprehensive system of financial reporting and does not present, nor do we intend it to present, a complete picture of our financial condition and operating performance. We believe net income computed under IFRS remains the primary measure of performance and that FFO is only meaningful when it is used in conjunction with that measure.

Further, we believe our financial statements, prepared in accordance with IFRS, provide the most meaningful picture of our financial condition and our operating performance.

NAREIT's FFO measure adjusts net income computed under U.S. generally accepted accounting principles ("U.S. GAAP") to exclude among other things, gains and losses from the sales of previously depreciated properties. We agree that these NAREIT adjustments are useful to investors as real estate investment trusts ("REITs") were created as a legal form of organization in order to encourage public ownership of real estate as an asset class through investment in firms that were in the business of long-term ownership and management of real estate. The exclusion, in NAREIT's definition of FFO, of gains and losses from the sales of previously depreciated operating real estate assets allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods.

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

At the same time that NAREIT created and defined its FFO measure for the REIT industry, it also recognized that "management of each of its member companies has the responsibility and authority to publish financial information that it regards as useful to the financial community." We believe holders of CBFIs, potential investors and financial analysts who review our operating results are best served by a defined FFO measure that includes other adjustments to net income computed under IFRS in addition to those included in the NAREIT defined measure of FFO. Our FFO measures are used by management in analyzing our business and the performance of our properties and we believe that it is important that holders of CBFIs, potential investors and financial analysts understand the measures management uses.

We use these FFO measures, 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) assess our performance as compared to similar real estate companies and the industry in general; and (v) 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 short-term items that we do not expect to affect the underlying long-term performance of the properties. The long-term performance of our properties is principally driven by rental income. While not infrequent or unusual, these additional items we exclude in calculating *FFO, as modifed by FIBRA Prologis*, are subject to significant fluctuations from period to period that cause 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.

We use our FFO measures as supplemental financial measures of operating performance. 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) expenses related to natural disasters.

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.

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 Use of our FFO Measures

While we believe our defined 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 income computed under IFRS and are, therefore, limited as analytical tools. Accordingly, these are only a few of the many measures we use when analyzing our business. Some of these limitations are:

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- 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. Further, 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 defined 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 defined FFO measures represent the taxes that we have paid or may pay.
- 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 defined 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.

Global Markets include the logistics markets of Mexico City, Guadalajara and Monterrey. These markets are highly industrialized and benefit from proximity to principal highways, airports and rail hubs.

Net Effective Rent ("NER") is calculated at the beginning of the lease using the estimated total cash to be received over the term of the lease (including base rent and expense reimbursements) 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 Effective Rent Change represents the change in NER on new and renewed leases signed during the period as compared with the previous NER in that same space.

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.

Regional Markets include the manufacturing markets of Tijuana, Reynosa and Ciudad Juarez. These markets are industrial centers for the automotive, electronic, medical and aerospace industries, and benefit from the ample supply of qualified labor at attractive costs and proximity to the U.S. border.

Same Store. We evaluate the operating performance of the operating properties we own using a "Same Store" analysis because the population of properties in this analysis is consistent from period to period, thereby eliminating the effects of changes in the composition of the portfolio on performance measures. We have defined the same store portfolio, for the three months ended December 31, 2016, as those properties that were owned by FIBRA Prologis as of December 31, 2016, and began operations no later than January 1, 2015. We believe the factors that impact rental income, rental expenses and NOI in the Same Store portfolio are generally the same as for the total operating portfolio.

Our Same Store measure is a non-IFRS financial measure that is commonly used in the real estate industry and is calculated beginning with rental income and rental expenses from the financial statements prepared in accordance with IFRS. It is also common in the real estate industry and expected from the analyst and investor community that these numbers also be adjusted to remove certain non-cash items included in the financial statements prepared in accordance with IFRS to reflect a cash Same Store number, such as straight line rent adjustments. As this is a non-IFRS measure, it has certain limitations as an analytical tool and may vary among real estate companies.

The new following is a reconciliation of our rental income, rental expense and NOI, as included in the Statements of Comprehensive Income, to the respective amounts in our Same Store portfolio analysis:

	For the three months ended December 31,		
in thousands of U.S. Dollars	2016	2015	Change (%)
Rental income			
Per the statements of comprehensive income	45,428	42,886	
Properties not included in same store and other adjustments (a)	(4,484)	(1,866)	
Direct Billables Revenues from Properties incl same store pool	1,291	1,256	
Straight-lined rent	(1,080)	(1,539)	
Same Store - Rental income- adjusted cash	**41,155**	**40,738**	**1.0%**
Rental expense			
Per the statements of comprehensive income	6,006	5,964	
Properties not included in same store and other adjustments	(571)	(264)	
Direct Billables Expenses from Properties incl same store pool	1,291	1,256	
Same Store - Rental expense adjusted cash	**6,726**	**6,956**	**-3.3%**
NOI			
Per the statements of comprehensive income	39,422	36,922	
Properties not included in same store	(3,913)	(1,602)	
Straight-lined rent	(1,080)	(1,539)	
Same Store - NOI - adjusted cash	**34,429**	**33,781**	**1.9%**
Straight-lined rent from properties included in same store	811	1,469	
Same Store NOI	**35,240**	**35,250**	**0.0%**

Notes and Definitions
(continued)

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 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.

Stabilization is defined when a property that was developed has been completed for one year or is 90% occupied. Upon stabilization, a property is moved into our Operating Portfolio.

Stabilized Capitalization Rate equals stabilized NOI divided by the total acquisition cost. Stabilized NOI equals the estimated twelve months of potential gross rental revenue (base rent plus operating expense reimbursements) multiplied by 95% to adjust income to a stabilized vacancy factor of 5%, minus estimated operating expenses. The total acquisition cost comprises the purchase price plus 1) transaction closing costs, 2) all 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 rent, if applicable.

Estimated Stabilized Yield is calculated as NOI assuming stabilized occupancy divided by Acquisition Cost or TEI, as applicable.

Tenant Retention is the square footage of all leases rented by existing tenants divided by the square footage of all expiring and rented leases during the reporting period, excluding the square footage of tenants that default or buy-out prior to expiration of their lease, short-term tenants and the square footage of month-to-month leases.

Turnover Costs represent the costs 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 same tenant. It excludes costs to prepare a space that is being leased for the first time (i.e. in a new development property).

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. Non-U.S. dollar investments are translated to U.S. dollars using the exchange rate at period end or the date of development start for purposes of calculating development starts in any period.