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

Financial Statements as of December 31, 2015 and 2014, for the year ended December 31, 2015, and for the period from June 4 through December 31, 2014

Contents

KPMG Cárdenas Dosal
Manuel Avila Camacho 176
Col. Reforma Social
11650 México, D.F.

Teléfono: + 01 (55) 52 46 83 00
www.kpmg.com.mx

Independent Auditors' Report

To the Technical Committee and Trustors
FIBRA Prologis Fideicomiso Irrevocable F/1721
Deutsche Bank Mexico, S. A., Institución de Banca Múltiple,
División Fiduciaria

We have audited the accompanying financial statements of FIBRA Prologis Fideicomiso Irrevocable F/1721 Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciara (the "Trust"), which comprise the statements of financial position as at December 31, 2015 and 2014, the statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2015 and for the period from June 4 through December 31, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

(Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of FIBRA Prologis Fideicomiso Irrevocable F/1721 Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria as at December 31, 2015 and 2014 and its comprehensive income and its cash flows for the year ended December 31, 2015 and for the period from June 4 through December 31, 2014, in accordance with International Financial Reporting Standards.

KPMG CARDENAS DOSAL, S.C

C.P.C. José Angel Cháirez Garza

Mexico City, February 12, 2016.

Statements of financial position

As of December 31, 2015 and 2014
(In thousands of Mexican Pesos)

	Note		December 31, 2015		December 31, 2014
Assets					
Current assets:					
Cash	3g	$	721,207	$	267,711
Restricted cash			-		14,764
Trade receivables	7		41,814		63,668
Value added tax and other receivables	8		176,914		2,127,800
Prepaid expenses	9		85,202		31,507
			1,025,137		**2,505,450**
Non-current assets:					
Investment properties	10		35,475,843		27,563,010
Total assets		**$**	**36,500,980**	**$**	**30,068,460**
Liabilities and equity					
Current liabilities:					
Trade payables		$	64,129	$	17,874
Due to affiliates	16		14,016		90,590
Current portion of long term debt	11		1,865,329		132,082
			1,943,474		**240,546**
Non-current liabilities:					
Long term debt	11		9,544,304		9,877,422
Security deposits	3m		233,386		191,640
			9,777,690		**10,069,062**
Total liabilities			**11,721,164**		**10,309,608**
Equity:					
CBFI holders capital	12		15,532,302		16,437,977
Other equity accounts			9,247,514		3,320,875
Total equity			**24,779,816**		**19,758,852**
Total liabilities and equity		**$**	**36,500,980**	**$**	**30,068,460**

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

Statements of comprehensive income

For the year ended December 31, 2015 and for the period from June 4 through December 31, 2014
(In thousands of Mexican Pesos, except per CBFI amounts)

	Note		For the year ended December 31, 2015		For the period from June 4 through December 31, 2014
Revenues:					
Lease rental income	3d	$	2,369,856	$	1,095,251
Rental recoveries	3d		244,901		110,780
Other property income	3d		47,072		25,702
			2,661,829		**1,231,733**
Costs and expenses:					
Property operating expenses:					
Operating and maintenance			155,064		82,625
Utilities			34,449		21,221
Property management fees	16		88,802		32,740
Real estate taxes			54,997		27,116
Non-recoverable operating			28,805		18,675
			362,117		**182,377**
Gross profit			**2,299,712**		**1,049,356**
Other expense (income):					
Gain on valuation of investment properties	10		(902,106)		(461,474)
Asset management fees	16		232,155		102,282
Professional fees			54,608		18,315
Amortization of debt premium			(195,702)		(96,796)
Interest expense			529,362		255,678
Amortization of deferred financing cost			18,145		8,860
Net loss on early extinguishment of debt			18,697		-
Interest income from value added tax receivable			(59,280)		-
Exchange loss, net			108,688		298,963
Other expenses			30,778		12,527
			(164,655)		**138,355**
Net income			**2,464,367**		**911,001**
Other comprehensive income:					
Translation effects from functional currency to reporting currency			(3,462,272)		(2,409,874)
Total comprehensive income for the period		**$**	**5,926,639**	**$**	**3,320,875**
Earnings per CBFI	6	**$**	**3.88**	**$**	**1.47**

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

Statements of changes in equity

For the year ended December 31, 2015, and for the period from June 4 through December 31, 2014
(In thousands of Mexican Pesos)

	CBFI holders capital	Translation Effects from functional currency to reporting currency	Retained Earnings	Total
Initial contribution, net of issuance cost	**$ 16,555,876**	**$ -**	**$ -**	**$ 16,555,876**
Additional contribution, net of issuance cost	112,185	-	-	**112,185**
Equity distributions	(230,084)	-	-	**(230,084)**
Comprehensive income:				
Translation effects from functional currency to reporting currency	-	2,409,874	-	**2,409,874**
Net income	-	-	911,001	**911,001**
Total comprehensive income	**-**	**2,409,874**	**911,001**	**3,320,875**
Balance as of December, 2014	**$ 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**

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

Statements of cash flows

For the year ended December 31, 2015, and for the period from June 4 through December 31, 2014
(In thousands of Mexican Pesos)

	For the year ended December 31, 2015	For the period from June 4 through December 31, 2014
Operating activities:		
Net income	$ 2,464,367	$ 911,001
Adjustments for non-cash items:		
Gain on revaluation of investment properties	(902,106)	(461,474)
Allowance for uncollectible trade receivables	11,196	9,685
Interest expense	529,362	255,678
Net loss on early extinguishment of debt	18,697	-
Amortization of deferred financing cost	18,145	-
Unrealized exchange loss	152,627	218,016
Amortization of debt premium	(195,702)	(96,796)
Rent leveling	(93,230)	(76,786)
(Increase) decrease:		
Trade receivables	10,658	115,083
Value added tax receivable and other receivables	1,957,713	(2,127,800)
Prepaid expenses	(53,695)	24,220
Increase (decrease):		
Trade payables	46,255	(63,842)
Due to affiliates	(76,574)	90,590
Security deposits	41,746	31,037
Net cash flow provided by (used in) operating activities	**3,929,459**	**(1,171,388)**
Investing activities:		
Funds for acquisition of investment properties	(1,994,348)	(6,476,993)
Funds for development of investment properties	(124,651)	-
Capital expenditures on investment properties	(327,952)	(189,922)
Proceeds from disposition of investment properties	371,536	-
Net cash flow used in investing activities	**(2,075,415)**	**(6,666,915)**
Financing activities:		
Proceeds from initial capital contribution	-	7,796,781
Issuance costs	-	(508,949)
Equity distribution	(905,675)	(230,084)
Long term debt borrowings	5,473,158	1,580,530
Long term debt payments	(5,396,808)	(269,735)
Interest paid	(515,365)	(235,534)
Cost paid on early extinguishment of debt	(44,041)	-
Net cash flow (used in) provided by financing activities	**(1,388,731)**	**8,133,009**
Net increase in cash	**465,313**	**294,706**
Effect of foreign currency exchange rate changes on cash	(26,581)	(12,231)
Cash at beginning of the period	282,475	-
Cash and restricted cash at the end of the period	**$ 721,207**	**$ 282,475**

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

Notes to financial statements

As of December 31, 2015 and 2014, for the year ended December 31, 2015, and for the period from June 4 through December 31, 2014
(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.

FIBRAPL was formed through an initial contribution from the Trustor of $1.00 Mexican Peso to the Trustee. From date of the inception until June 4, 2014, the date FIBRAPL was listed on the Mexican Stock Exchange, FIBRAPL did not have operations, therefore, is presenting June 4 through December 31, 2014 as comparative information.

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.

The term of FIBRAPL is indefinite in accordance with the Trust Agreement. FIBRAPL does not have employees; accordingly it does not have labor obligations. All administrative services are provided by the manager, Prologis Property México, S. A. de C. V., a wholly owned subsidiary of Prologis, Inc. (“Prologis”).

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.

According to the Mexican Credit Institutions Law, a trust must name a technical committee under the rules set forth in its trust agreement. In this regard, prior to its initial public offering, FIBRAPL named its technical committee (the “Technical Committee”), which, among other things: (i) oversees compliance with guidelines, policies, internal controls and audit practices, reviews and approves auditing and reporting obligations of FIBRAPL, (ii) makes certain decisions relating to governance, particularly in the event of a potential conflict with managers or its affiliates, and (iii) monitors the establishment of internal controls and mechanism to verify that each incurrence of indebtedness by FIBRAPL is compliant with applicable rules and regulations of the Mexican Stock Exchange. The Technical Committee currently has seven members, a majority of whom are independent.

Significant events – On December 22, 2015, FIBRAPL acquired a property from the Manager located in Apodaca, Nuevo Leon with an area of 501,440 square feet in the amount of $637.8 million Mexican pesos ($37.5 million U.S. dollars) including closing costs.

On December 22, 2015, FIBRAPL paid off its loan with Prudential Insurance Company 1st. Section due on December 15, 2016, in the amount of $131.5 million U.S. dollars ($2,248.6 million Mexican pesos) plus accrued interests of $0.61 million U.S. dollars ($10.4 million Mexican pesos). As a consequence, FIBRAPL wrote off an unamortized debt premium of $2.5 million U.S. dollars ($44.1 million Mexican pesos) and paid a prepayment penalty of $2.6 million U.S. dollars ($44.0 million Mexican pesos), which are being included in "Net (gain) loss on early extinguishment of debt" in the statement of comprehensive income. See note 11.

On December 18, 2015, FIBRAPL entered into a new loan with various financial institutions (as described in note 11) and Citibank, N. A. as administrative agent (the "Citibank Loan"), in the amount of $250 million U.S. dollars ($4,275 million Mexican pesos). This loan bears interest at the London Interbank Offered Rate ("LIBOR") plus 245 basis points. The Citibank Loan matures on December 18, 2019. However, FIBRAPL may extend the maturity date to December 18, 2020. In connection with the Citibank Loan, FIBRAPL paid fees and legal expenses in the amount of $2.4 million U.S. dollars ($40.9 million Mexican pesos), which will be amortized over the life of the loan. See note 11.

On December 18, 2015, FIBRAPL paid off the loan outstanding balance under its credit facility with Citibank, N. A. of $180 million Mexican pesos and $62 million U.S. dollars. See note 11.

On December 1, 2015, FIBRAPL sold its property Arbolada located in Guadalajara, Jalisco with an area of 339,326 square feet in the amount of $371.5 million Mexican pesos ($22.3 million U.S. dollars).

In connection with the sale mentioned above, on November 24, 2015, FIBRAPL prepaid its debt with Prudential Insurance Company 2nd. Section due on December 15, 2016, in the amount of $13.4 million U.S. dollars ($221.8 million Mexican pesos), which was being secured by the sold property, plus accrued interests of $0.015 million U.S. dollars ($0.251 million Mexican pesos). FIBRAPL also wrote off a debt premium of $0.22 million U.S. dollars ($3.6 million Mexican pesos), which is being presented as "Net (gain) loss on early extinguishment of debt" in the statement of comprehensive income. See note 11.

On November 4, 2015, FIBRAPL acquired an intermodal property from an affiliate of the Manager located in Mexico City with an area of 1,093,356 square feet in the amount of $230 million Mexican pesos ($14 million U.S. dollars) including closing costs.

On October 26, 2015, FIBRAPL distributed cash to its CBFI holders, which is considered a return of capital, in the amount of $0.4377 Mexican pesos per CBFI (approximately $0.0265 U.S. dollars per CBFI), equivalent to $277.7 million Mexican pesos.

On October 14 and 19, 2015, FIBRAPL acquired three new properties from the Manager located in the Mexico City market with an area of 796,000 square feet in the amount of $1,064 million Mexican pesos ($64.2 million U.S. dollars) including closing costs.

On October 13, 2015, FIBRAPL borrowed $180 million Mexican pesos and $62 million U.S. dollars from its credit facility with Citibank, N. A., with an interest rate of TIIE ("the Interbank Offering Rate in Mexico" or "Interbank Interest Rate Balance") plus 195 basis points (5.520%), and LIBOR plus

225 basis points (2.446%) respectively, for the acquisition of properties described above. See note 11.

On July 29, 2015, FIBRAPL distributed cash to its CBFI holders, which is considered a return of capital, in the amount of $0.4299 Mexican pesos per CBFI (approximately $0.0265 U.S. dollars per CBFI), equivalent to $272.8 million Mexican pesos.

On May 20, 2015, FIBRAPL canceled a secured revolving credit facility it had with Banco Nacional de México, S. A. ("Banamex") as administrative agent in the amount of $250 million U.S. dollars, from which an unamortized deferred financing cost of $22.3 million Mexican pesos ($1.4 million U.S. dollars) was written off and is included in "Net (gain) loss on early extinguishment of debt" in the statement of comprehensive income. On May 20, 2015, FIBRAPL entered into a new unsecured credit facility in the amount of $400 million U.S. dollars, under conditions described in note 11.

On May 12, 2015, FIBRAPL acquired a property located in Guadalajara, Jalisco with an area of 76,182 square feet in the amount of $74.5 million Mexican pesos ($4.9 million U.S. dollars) including closing costs.

On April 27, 2015, FIBRAPL distributed cash to its CBFI holders, which is considered a return of capital, in the amount of $0.3158 Mexican pesos per CBFI (approximately $0.0205 U.S. dollars per CBFI), equivalent to $200.3 million Mexican pesos.

On April 21, 2015, FIBRAPL paid off its loan outstanding on the Credit Facility of $99.5 million U.S. dollars ($1,516 million Mexican pesos) to Banamex.

On April 13, 2015, FIBRAPL obtained a reimbursement of $1,996 million Mexican pesos (approximately $131.8 million U.S. dollars), from the Mexican Tax authorities, comprised of value added tax paid in connection with the acquisition of its initial investment portfolio of $1,937 million Mexican pesos (approximately $127.9 million U.S. dollars) and related interest of $59 million Mexican pesos (approximately $3.9 million U.S. dollars).

On February 20, 2015, FIBRAPL distributed cash to its CBFI holders, which is considered a return of capital, in the amount of $0.2441 Mexican pesos per CBFI (approximately $0.0164 U.S. dollars per CBFI), equivalent to $154.9 million Mexican pesos.

2. Basis of presentation

a. ***Financial reporting -*** The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter IFRS or IAS), as of December 31, 2015.

b. ***Functional currency and reporting currency –*** The accompanying 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 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 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 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 that are different from our assumptions and estimates and could result in an adjustment to the carrying amounts of the assets and liabilities previously reported. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows:

i. Investment property

FIBRAPL accounts for the value of its investment property using the fair value model under IAS 40. The definition of fair value has been defined by the International Valuation Standards Council ("IVSC") as "The amount for which an asset could be exchanged, between knowledgeable, willing parties, in an arms-length transaction". The IVSC considers that the requirements of the fair value model are met by the valuer adopting market value. Fair value is not intended to represent the liquidation value of the property, which would be dependent upon the price negotiated at the time of sale less any associated selling costs. The fair value is largely based on estimates using property valuation techniques and other valuation methods as outlined below. Such estimates are inherently subjective and actual values can only be determined in a sales transaction.

At each valuation date, management reviews the latest independent valuations by verifying major inputs to valuation and discussing with independent appraisers to ensure that all pertinent information has been accurately and fairly reflected.

Valuations are predominantly undertaken on an income capitalization approach using comparable recent market transactions on arm's length terms. In Mexico, Discounted Cash Flow ("DCF") is the primary basis of assessment of value; which is the methodology FIBRAPL adopted. Valuations are based on various assumptions as to tenure, letting, town planning by management, the condition and repair of buildings and sites – including ground and groundwater contamination, as well as the best estimates of applicable Net Operating Income ("NOI"), reversionary rents, leasing periods, purchasers' costs, etc.

ii. Fair value financial liabilities

The fair value of interest bearing debt is estimated by calculating, for each individual loan, the present value of future anticipated cash payments of interest and principal over the remaining term of the loan using an appropriate discount rate. The discount rate represents an estimate of the market interest rate for debt of a similar type and risk to the debt being valued, and with a similar term to maturity. These estimates of market interest rates are made by FIBRAPL management based on market data from mortgage brokers, conversations with lenders and from mortgage industry publications.

iii. Operating lease contracts

FIBRAPL enters into commercial property leases on its investment properties. It has determined, based on evaluation of the terms and conditions of the arrangements, that it retains all significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

iv. Method of acquisition accounting

Significant judgment is required to determine, in an acquisition of shares or assets of a company holding real-estate assets, if it qualifies as a business combination. Management makes this determination based on whether it has acquired an 'integrated set of activities and assets' as defined in IFRS 3, such as employees, service provider agreements and major input and output processes, as well as the number and nature of active lease agreements.

Acquisitions of properties made during the year ended December 31, 2015 and the period from June 4 through December 31, 2014 by FIBRAPL, represented the acquisition of real estate as opposed to the shares of a company, were accounted for as an acquisition of assets and not as a business combination.

3. Summary of significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set forth below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a. New standards, amendments and interpretations that are required for annual periods beginning after January 1, 2015, and are available for early adoption in annual periods beginning on January 1, 2015

The following new standards, amendments and interpretations, effective for annual periods beginning on or after January 1, 2015, have not been early adopted in preparing these financial statements. This is not expected to have a significant effect on the financial statements of FIBRAPL.

Amendments to IAS 1, effective January 1, 2016 aim to improve financial statements disclosures by adopting a narrow-scope perspective, emphasizing the use of materiality in order to present only material information falling under a big picture perspective.

IFRS 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until January 1, 2018 but this application date is subject to review and may be revised upon finalization. FIBRAPL is assessing the new standard's impact and does not anticipate a significant impact on FIBRAPL financial statements.

IFRS 15 Revenues from Contracts with Customers introduces a new revenue recognition five-steps model that specifies that revenue should be recognized when a company transfers control of goods or services to a customer at the amount to which the company expects to be entitled.

IFRS 16 – Leases, issued in January 2016 and effective starting on January 1, 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). A company can choose to apply IFRS 16 before effective date but only if it also applies IFRS 15 Revenue from Contracts with Customers. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases applying IAS 17.

FIBRAPL is currently evaluating the impact of IFRS 16 on its financial statements, however, effects derived from this new accounting standard are expected to be immaterial.

b. Segment reporting

Operating segments are identified based on FIBRAPL reports reviewed by senior management, identified as the chief operating decision maker for the purpose of allocating resources to each segment and to assess its performance. Accordingly, information reported to senior management is focused on the location of the respective properties, comprising six reportable segments as disclosed in Note 5.

c. Foreign currency translation

The financial statements of FIBRAPL are prepared in the currency of the primary economic environment in which it operates (its functional currency). For purposes of these financial statements, the results and financial position are reported in Mexican Pesos, which is the reporting currency of the financial statements, while the functional currency of FIBRAPL is the U.S. dollar.

In preparing the financial information of FIBRAPL, in its functional currency, transactions in currencies other than U.S. dollars are recognized at the rates of exchange prevailing at the date of the transaction. Equity items are valued at historical exchange rates. 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. 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.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

For purposes of presenting these financial statements, the assets and liabilities are translated into Mexican pesos using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the historical rates as of the date of the transaction or at an average rate if the transaction does not relate to a specific date. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

d. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Rental income represents rents charged to customers and is recognized on a straight-line basis taking into account any rent-free periods and other lease incentives, over the lease period to the first break option (“rent levelling”). The rent levelling asset is included in investment property, which is valued as described in footnote 3k.

e. Property related payments

Property related expenses, including taxes and other property payments incurred in relation to investment properties where such expenses are the responsibility of FIBRAPL, are recognized as expense on an accrual basis.

Repairs and maintenance costs are recorded as expenses when incurred. These repairs and maintenance costs consist of those expenses that are non-recoverable from tenants under the relevant lease agreements.

f. Income and other taxes

FIBRAPL is a real estate investment trust for Mexican federal income tax purposes. Under Articles No. 187 and 188 of the Mexican Income Tax Law, FIBRAPL is obligated to distribute an amount equal to at least 95% of its net taxable income to its CBFI holders on an annual basis. If the net taxable income during any fiscal year is greater than the distributions made to CBFI holders during the twelve months, FIBRAPL is required to pay tax at a rate of 30% for such excess. Management expects to distribute 95% of the taxable income of FIBRAPL.

FIBRAPL is a registered entity for Value Added Tax ("VAT") in Mexico. VAT is triggered on a cash flow basis upon the performance of specific activities carried out within Mexico, at the general rate of 16%.

In 2014 FIBRAPL incurred in a tax loss of $1,282,414 that was utilized in 2015 to offset the taxable profit computed. Accordingly, all distributions made for this period were treated as a return of capital as explained in the Significant Events section in Note 1. The balance of non-operating losses as of December 31, 2015 is $1,208,129.

g. Cash

Cash in the statement of financial position is comprised of cash held in bank accounts subject to very low risk of change in value. Bank overdrafts are carried at the principal amount. Interest is recorded as an expense as it accrues. Restricted cash relates to deposits in an escrow trust as a warranty for certain loan costs.

h. Trade and other receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Collectability of receivables is reviewed on an ongoing basis. Amounts that are known to be uncollectible are written off by reducing the carrying amount directly.

i. Value Added Tax Receivable and other receivable

As of December 31, 2015 and 2014, receivable balances are primarily comprised of VAT paid in connection with the purchase of investment properties.

j. Prepaid expenses

Prepaid expenses are recognized at historic cost and subsequently amortized against profit or loss during the period the benefits or services are obtained. As of December 31, 2015 and 2014, prepaid expenses are comprised primarily of a refundable fee in connection with its negotiations of the loan with Prudential Insurance Company of America and Metropolitan Life Insurance Company refinancing (see note 11), prepaid insurance and property taxes attributable to the investment properties.

k. Investment properties

Investment properties are properties held to earn rental income and for capital appreciation by leasing to third parties under long term operating leases. Investment properties are measured initially at cost, including transaction cost. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is disposed.

l. Distributions paid and payable

Provisions for distributions to be paid by FIBRAPL are recognized on the statement of financial position as a liability and a reduction of equity when an obligation to make payment is established and the distributions have been approved by the manager or Technical Committee, as applicable.

m. Security deposits

FIBRAPL obtains reimbursable security deposits from customers based on signed lease agreements as a guarantee of the rent payments for the life of the lease. These deposits are recognized as a non-current financial liability and carried at amortized cost.

n. Long term debt

Debt is initially recognized at fair value, net of transaction costs incurred. The differences between carrying amount and the redemption amount is recognized in the statement of comprehensive income during the term of the loan using the effective interest rate method.

As of December 31, 2015 and 2014, long term debt is presented at amortized cost.

o. Financial instruments

Financial assets and financial liabilities are recognized when FIBRAPL becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial liabilities are recognized initially at fair value and in the case of long term debt, directly attributable transaction costs are deducted. FIBRAPL financial liabilities include accounts payables and long term debt.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

i. Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognized on an effective interest basis for debt instruments.

ii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that FIBRAPL has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to maturity investments are measured at amortized cost using the effective interest method less any impairment.

iii. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organization; or

- The disappearance of an active market for that financial asset because of financial difficulties.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

iv. Derecognition of financial assets

FIBRAPL derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If FIBRAPL neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, FIBRAPL recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If FIBRAPL retains substantially all the risks and rewards of ownership of a transferred financial asset, FIBRAPL continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when FIBRAPL retains an option to repurchase part of a transferred asset), FIBRAPL allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

p. Provisions

Provision for legal claims, warranties and other obligations are recognized when FIBRAPL has a present legal or contractual obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

q. Cash flow

FIBRAPL presents its cash flow statement using the indirect method. Interest received is classified as investing activities while interest paid is classified as financing activities.

r. Statement of comprehensive income

The statement of comprehensive income of FIBRAPL presents its comprehensive results and other comprehensive income in one single financial statement, which groups other comprehensive income in two categories: i) items not to be reclassified to profit or loss and ii) items that can be reclassified to profit or loss if some conditions have been met. For the year ended December 31, 2015 and the period from June 4 through December 31, 2014, FIBRAPL presented as other comprehensive income the translation effects from functional currency to reporting currency.

For the year ended December 31, 2015 and for the period from June 4 through December 31, 2014, FIBRAPL did not have items that could be reclassified to profit or loss.

s. Earnings per CBFI

Basic earnings per CBFI are calculated by dividing FIBRAPL profit attributable to CBFI holders by the weighted average number of CBFIs outstanding during the period. As FIBRAPL has no dilutive events, the diluted earnings per CBFI is calculated the same as the basic.

t. Contributed equity

The CBFIs are classified as equity and recognized at the fair value of the consideration received by FIBRAPL. Transaction costs resulting from the issuance of equity are recognized directly in equity as a reduction to the proceeds from issuance of CBFIs.

4. Rental revenues

Most of FIBRAPL´s lease agreements for the properties are for periods from 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, 2015 exchange rate in Mexican pesos are as follows:

		Amount
Rental revenues:		
2016	$	2,409,279
2017		2,069,073
2018		1,612,734
2019		1,157,874
2020		542,851
Thereafter		507,666
	$	**8,299,477**

5. Segment reporting

Operating segment information is presented based on how management views the business, which includes information aggregated by market. The results for these operating segments are presented for the year ended December 31, 2015, and for the period from June 4 through December 31, 2014, while assets and liabilities are included as of December 31, 2015 and 2014. 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 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**

	For the period from June 4 through December 31, 2014						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Revenues:							
Lease rental income	$ 377,564	$ 203,786	$ 124,234	$ 141,311	$ 154,530	$ 93,826	**$ 1,095,251**
Rental recoveries	35,570	13,753	13,321	15,549	12,684	19,903	**110,780**
Other property income	5,859	10,765	2,732	1,848	3,600	898	**25,702**
	418,993	**228,304**	**140,287**	**158,708**	**170,814**	**114,627**	**1,231,733**
Cost and expenses:							
Property operating expenses	61,022	27,199	16,242	19,315	25,097	33,502	**182,377**
Gross Profit	**$ 357,971**	**$ 201,105**	**$ 124,045**	**$ 139,393**	**$ 145,717**	**$ 81,125**	**$ 1,049,356**

	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**

	As of December 31, 2014						
	Mexico City	Guadalajara	Monterrey	Tijuana	Reynosa	Juarez	Total
Investment properties:							
Land	$ 2,152,312	$ 1,022,300	$ 609,255	$ 632,860	$ 640,522	$ 437,624	**$ 5,494,873**
Buildings	8,609,249	4,089,202	2,437,018	2,531,439	2,562,087	1,750,494	**21,979,489**
	10,761,561	**5,111,502**	**3,046,273**	**3,164,299**	**3,202,609**	**2,188,118**	**27,474,362**
Rent leveling	44,552	6,074	12,380	14,623	6,795	4,224	**88,648**
Total investment properties	**$ 10,806,113**	**$ 5,117,576**	**$ 3,058,653**	**$ 3,178,922**	**$ 3,209,404**	**$ 2,192,342**	**$ 27,563,010**
Long term debt	**$ 3,494,260**	**$ 1,832,861**	**$ 1,424,966**	**$ 976,019**	**$ 1,325,040**	**$ 956,358**	**$ 10,009,504**

6. Earnings per CBFI

The calculation of basic and diluted earnings per CBFI is the same and is as follows:

	For the year ended December 31, 2015	For the period from June 4 through December 31, 2014
Basic and diluted earnings per CBFI (pesos)	$ 3.88	$ 1.47
Net income	2,464,367	911,001
Weighted average number of CBFIs (‘000)	**634,480**	**621,360**

As of December 31, 2015, FIBRAPL had 634,479,746 CBFIs outstanding.

7. Trade receivables

As of December 31, 2015 and 2014, trade accounts receivables of FIBRAPL were comprised as follows:

	December 31, 2015	December 31, 2014
Trade accounts receivable	$ 64,870	$ 73,353
Allowance for uncollectable trade receivables	(23,056)	(9,685)
	$ 41,814	**$ 63,668**

8. Value Added Tax and other receivables

As of December 31, 2015 and 2014, value added tax and other receivables were comprised as follows:

	December 31, 2015	December 31, 2014
Valued Added Tax	$ 159,598	$ 2,127,800
Other receivables	17,316	-
	$ 176,914	**$ 2,127,800**

FIBRAPL submits withholding taxes to the Mexican taxing 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, 2015 and December 31, 2014, prepaid expenses of FIBRAPL were comprised as follows:

	December 31, 2015	December 31, 2014
Utility deposits	$ 34,440	$ 28,157
Insurance	579	-
Debt rate lock fee[1]	46,384	-
Other prepaid expenses	3,799	3,350
	$ 85,202	**$ 31,507**

[1] In December 2015, FIBRAPL paid a refundable fee in connection with its negotiations of the "Pru-Met" loan refinancing.

10. Investment properties

FIBRAPL obtained a valuation as of December 31, 2015, from independent appraisers in order to determine the fair value of its investment properties which resulted in a gain of $902,106 and $461,474 for the year ended December 31, 2015 and for the period from June 4 through December 31, 2014, respectively.

a) As of December 31, 2015, investment properties were as follows:

Market	Fair value as of December 31, 2015	# of buildings	Lease area in thousands square feet
Mexico City	$ 14,591,441	49	12,427
Guadalajara	5,903,335	25	5,606
Monterrey	4,449,740	25	3,915
Tijuana	3,909,258	33	4,217
Reynosa	3,943,070	29	4,422
Juarez	2,678,999	28	3,106
Total	**$ 35,475,843**	**189**	**33,693**

As of December 31, 2015, the fair value of investment properties includes excess land in the Monterrey market of $143,400 and two buildings under development in the Mexico City market and Reynosa market of $107,285 and $25,143 respectively.

As of December 31, 2014, the fair value of investment properties was $27,563,010 on 184 buildings with a lease area of 31,530 thousand square feet.

As of December 31, 2015 and 2014, the balance of investment properties includes rent leveling effects of $198,535 and $88,648 respectively.

b) The reconciliation of investment properties for the year ended December 31, 2015 and for the period from June 4, through December 31, 2014 was as follows:

	For the year ended December 31, 2015	For the period from June 4 through December 31, 2014
Beginning balance	$ 27,563,010	$ -
Translation effect from functional currency to reporting currency	4,812,872	-
Acquisition of investment properties	1,968,062	26,220,776
Acquisition cost	38,839	602,190
Capital expenditures, leasing commissions and tenant improvements	327,952	189,922
Development	124,651	-
Dispositions	(371,536)	-
Rent leveling	109,887	88,648
Gain on valuation of investment properties	902,106	461,474
Final balance of investment properties	**$ 35,475,843**	**$ 27,563,010**

c) During the year ended December 31, 2015, and for the period from June 4 through December 31, 2014, capital expenditures, leasing commission and tenant improvements of FIBRAPL were as follows:

	For the year ended December 31, 2015	For the period from June 4 through December 31, 2014
Capital expenditures	$ 106,233	$ 75,046
Leasing commissions	78,719	34,436
Tenant improvements	143,000	80,440
	$ 327,952	**$ 189,922**

11. Long term debt

As of December 31, 2015 and 2014, FIBRAPL had long term debt denominated in U.S. dollars of $658 million and $679.3 million, respectively, comprised of loans from financial institutions through guaranty trusts as follows:

	Paragraph	Maturity date	Rate	Fair value as of December 31, 2015 in thousands of U. S. Dollars	Fair value as of December 31, 2015 in thousands of MX Pesos	December 31, 2015 thousands of U. S. Dollars	December 31, 2015 thousands of MX Pesos	December 31, 2014 thousands of U. S. Dollars	December 31, 2014 thousands of MX Pesos
Prudential Insurance Company (The Prudential Loan) 1st. Section (Secured)		December 15, 2016	4.50%			-	$ -	137,240	$ 2,022,204
Prudential Insurance Company (The Prudential Loan) 2nd. Section (Secured)		December 15, 2016	4.65%			-	-	11,648	171,625
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 1st. Section (Secured)	d.	December 15, 2016	4.58%	94,598	1,640,310	93,543	1,622,017	96,121	1,416,326
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 2nd. Section (Secured)	d.	December 15, 2016	4.50%	12,050	208,945	11,925	206,777	12,257	180,601
Neptuno Real Estate, S. de R. L. de C. V. (Secured)	a.	October 7, 2017	7.90%	68,611	1,189,701	64,149	1,112,331	64,149	945,220
Metropolitan Life Insurance Co. (The Metlife 1 Loan) (Secured)	b.	September 1, 2017	6.90%	118,171	2,049,062	112,500	1,950,728	112,500	1,657,665
Metropolitan Life Insurance Co. (The Metlife 2 Loan) (Secured)	c.	November 1, 2017	6.90%	39,538	685,581	37,500	650,243	37,500	552,555
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 3rd. Section (Secured)	d.	December 15, 2018	5.04%	69,856	1,211,289	67,597	1,172,118	69,353	1,021,906
Prudential Insurance Company and Metropolitan Life Insurance Co. (The Pru-Met Loan) 4th. Section (Secured)	d.	December 15, 2018	4.78%	9,445	163,774	9,202	159,561	9,449	139,230
Banamex (Credit facility - canceled) (Unsecured)		June 18, 2018	LIBOR+ 350bps	-	-	-	-	99,500	1,466,113
Citibank (Unsecured)	f.	December 18, 2020	LIBOR+ 245bps	250,000	4,334,950	250,000	4,334,950	-	-
Total				**662,269**	**11,483,612**	**646,416**	**11,208,725**	**649,717**	**9,573,445**
Long term debt interest accrued						635	11,011	681	10,034
Debt premium, net						16,726	290,025	31,773	468,175
Deferred financing cost						(5,774)	(100,128)	(2,861)	(42,150)
Total debt						**658,003**	**11,409,633**	**679,310**	**10,009,504**
Current portion of long term debt						107,575	1,865,329	8,964	132,082
Total long term debt						**550,428**	**$ 9,544,304**	**670,346**	**$ 9,877,422**

During the year ended December 31, 2015, and the period from June 4, 2014 through December 31, 2014, FIBRAPL paid interest on long term debt of $515,365 and $235,534, respectively and principal of $5,396,808 and $269,735, respectively.

As of December 31, 2015, FIBRAPL has the following secured and unsecured loans and contractual commitments related to its investment properties:

a. A $64.1 million U.S. dollar loan agreement with Neptuno Real Estate, S. de R.L. de C. V. with a fixed annual interest rate of 7.90% that matures on October 7, 2017.

   This loan is secured by the 24 properties that were financed by the loan, such properties and their cash flows deriving therefrom are subject to a Mexican law guarantee security trust for the benefit of the lender.

b. A $112.5 million U.S. dollar loan agreement with Metropolitan Life Insurance Company (the “Metlife 1 Loan”), with a fixed annual interest rate of 6.90% that matures on September 1, 2017.

   This loan is secured by the 34 properties that were financed by the loan, such properties and their cash flows, are subject to a Mexican law guarantee security trust for the benefit of the lender.

c. A $37.5 million U.S. dollar loan agreement with Metropolitan Life Insurance Company (the "Metlife 2 Loan"), with a fixed annual interest rate of 6.90% that matures on November 1, 2017.

   This loan is secured by the 8 properties that were financed by the loan, such properties and the cash flows, are subject to a Mexican law guarantee security trust for the benefit of the lender.

d. A $182.2 million U.S. dollar credit agreement with Prudential Insurance Company of America and Metropolitan Life Insurance Company, (the "Pru-Met Loan") with a fixed annual interest rate of 4.58% with respect to $93.5 million U.S. dollar of principal and a fixed annual interest rate of 4.50% with respect to $11.9 million U.S. dollar of principal, both maturing on December 15, 2016, and a fixed annual interest rate of 5.04% with respect to $67.6 million U.S. dollar of principal and a fixed annual interest rate of 4.78% with respect to $9.2 million U.S. dollar of principal, both maturing on December 15, 2018.

   This loan is secured by 32 properties, such properties and their cash flows, are subject to a Mexican law guarantee security trust for the benefit of the lenders. The Pru-Met Loan is governed by the laws of the state of New York in the United States.

e. At December 31, 2015, FIBRAPL had a $400 million U.S. dollar (with an option to increase it by $100 million U.S. dollars), unsecured, revolving credit facility ("the Credit Facility") with Citibank N.A., as the administrative agent. 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 the London Interbank Offered Rate ("LIBOR") plus 250 basis points, subject to loan to value grid, and an unused facility fee of 60 basis points. This line of credit matures on May 18, 2018, with a one year extension at the borrower's option, with approval of lenders' risk committee. As of December 31, 2015, there were no outstanding borrowings under the Credit Facility.

f. At December 18, 2015, FIBRAPL obtained a $250 million U.S. dollar unsecured senior term loan facility whit Citibank, N.A. The unsecured term loan facility is scheduled to matures on December 18, 2019. However, FIBRAPL may extend the maturity date to December 18, 2020. Pricing is currently LIBOR plus 245 basis points and can be adjusted depending on the loan to value or credit rating of FIBRA Prologis.

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, 2015, 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.

Total CBFIs holders capital is comprised as follows:

	As of December 31, 2015	As of December 31, 2014
Trust certificates	$ 17,177,010	$ 17,177,010
Issuance cost	(508,949)	(508,949)
Distributions (Note 1)	(1,135,759)	(230,084)
	$ 15,532,302	**$ 16,437,977**

13. Capital and Financial Risk Management

Liquidity Risk

Real estate investments are not as liquid as many other investments and such lack of liquidity may limit the ability to react promptly to any changes in economic, market or other conditions. Consequently, the ability to sell the assets at any time may be limited, and such lack of liquidity may limit the ability to make changes to the FIBRAPL portfolio in a timely manner, which may materially and adversely affect the financial performance. Likewise, in order to maintain FIBRAPL status as a FIBRA under Mexican income tax laws, it may not be able to sell property, even if it would do so otherwise in consideration of market conditions or changes to its strategic plan.

While the business objectives consist primarily of the acquisition of real estate assets and obtaining revenue from their operation, there are times when FIBRAPL management believes that the disposal of certain properties may be appropriate or desirable.

The ability of FIBRAPL to dispose of properties on favorable terms depends on factors that may be beyond its control, including competition from other sellers, demand and the availability of financing. In addition, there may be required capital expenditures to correct defects or make improvements before a property is sold, and FIBRAPL cannot ensure that it will have funds available to make such capital expenditures. Due to such constraints and uncertain market conditions, FIBRAPL cannot guarantee it will be able to sell properties in the future or realize potential appreciation from the sale of such properties.

The following table shows the balances pending as of December 31, 2015 and 2014 of financial liabilities classified according to their due dates. The table includes principal, accrued interest and future interest accruals due. For loans with floating interest rates, spot interest rates at the end of the reporting period were used for future interest accruals.

	Less than 1 year	From 1 to 5 years	More than 5 years	Total
December 31, 2015				
Trade payables	$ 78,145	$ -	$ -	**$ 78,145**
Principal of long term debt	1,865,327	9,343,398	-	**11,208,725**
Interest	542,870	810,119	-	**1,352,989**
Security deposits	-	183,390	49,996	**233,386**
December 31, 2014				
Trade payables	$ 108,464	$ -	$ -	**$ 108,464**
Principal of long term debt	138,202	9,435,243	-	**9,573,445**
Interest	466,804	733,845	-	**1,200,649**
Security deposits	-	109,083	82,557	**191,640**

Quantitative and Qualitative Disclosures about Market Risk

FIBRAPL is exposed to market risks arising from the ordinary course of business involving primarily adverse changes in interest rates and inflation, foreign exchange rate fluctuations and liquidity risks that may affect its financial condition and future results of operations. The following discussion contains forward-looking statements that are subject to risks and uncertainties.

Financial Risk

In the normal course of business, FIBRAPL enters into loan agreements with certain lenders to finance real estate investment transactions. Unfavorable economic conditions could increase its related borrowing costs, limit its access to the capital markets or financing and prevent FIBRAPL from obtaining credit. There is no guarantee that borrowing arrangements or ability to obtain financing will continue to be available, or if available, will be available on terms and conditions that are acceptable.

A decline in the market value of FIBRAPL´s assets may also have particular adverse consequences in instances where it borrowed money based on the market value of certain assets. A decrease in market value of such assets may result in a lender requiring FIBRAPL to post additional collateral or to repay certain loans.

Investment Properties Valuation Sensitivity Analysis

A variation of +/- 0.25% on capitalization rates would increase or decrease the change in investment properties values as follows:

Variation %	Thousands of Mexican Pesos	Change in current value
0.25% increase	$ (1,194,125)	(3.37%)
0.25% decrease	$ 1,307,596	3.69%

Interest Rate Risk

Interest rates are highly sensitive to many factors, including governmental fiscal, monetary and tax policies, domestic and international economic and political considerations and other factors that are beyond FIBRAPL's control. Interest rate risk arises primarily from variable rate interest-bearing financial liabilities. FIBRAPL may in the future enter into credit facilities or otherwise incur indebtedness with variable interest rates. To the extent FIBRAPL borrows on these facilities, or otherwise incurs variable-rate indebtedness in the future, FIBRAPL will be exposed to risk associated with market variations in interest rates. FIBRAPL may in the future utilize hedging instruments to protect against fluctuations in interest rates. As of December 31, 2015 the only variable rate debt that FIBRAPL had was the Citibank unsecured loan.

Foreign Currency Risk

The majority of FIBRAPL ordinary course transactions, including 84.2% and 87.0% of revenues under FIBRAPL lease agreements, and 100% of debt financings as of December 31, 2015 and 2014, respectively were denominated in U.S. dollars. As a result, FIBRAPL does not enter into derivative instruments to offset the effect of currency rate fluctuations because the risk of foreign currency fluctuation is deemed low. Variations in FIBRAPL results of operations related to currency fluctuations are generally attributable to non-cash items and do not have a material effect on operations or liquidity.

The summary quantitative data about the FIBRAPL exposure to currency risk as reported to the management of the FIBPRAPL, denominated in Mexican pesos, is as follows:

Mexican peso	2015	2014
Cash and equivalents of cash	$ 135,666	$ 123,786
Trade receivables	20,560	18,303
Value added tax and other receivables	159,598	2,127,800
Prepaid expenses	3,686	2,660
Trade payables	(14,883)	-
Due to affiliates	-	(28,371)
Security deposits	(9,455)	(3,514)
Net statement of financial position exposure	**$ 295,172**	**$ 2,240,664**

The U.S. dollar to Mexican peso exchange rate as of December 31, 2015 and 2014, average exchange rates of the period are as follows:

	As of December 31, 2015	As of December 31, 2014
U.S. dollar vs. mexican peso exchange rate	17.3398	14.7348
Average exchange rate for the year ended December 31, 2015 and for the period from June 4 through December 31, 2014	15.8650	13.0886

Foreign Currency Sensitivity Analysis

As mentioned above, the functional currency is the U.S. dollar so foreign exchange risk is represented by transactions denominated in Mexican pesos, which are not considered material. Accordingly, no further analysis was conducted.

Inflation

Most of FIBRAPL's leases contain provisions designed to mitigate the adverse impact of inflation. These provisions generally increase annualized base rents during the terms of the leases either at fixed rates or indexed escalations (based on the Mexican Consumer Price Index or other measures). As of December 31, 2015 and 2014, all of the leases in the portfolio had an annual rent increase. In addition, most of the leases are triple net leases, which may reduce the exposure to increases in costs and operating expenses resulting from inflation, assuming the properties remain leased and customers fulfill their obligations to assume responsibility for such expenses. As of December 31, 2015 y 2014 the portfolio was 96.5% and 96.3% leased, respectively.

14. Fair Value of Assets and Liabilities

Some of the accounting policies and disclosures of FIBRAPL require measuring the fair value of assets and financial liabilities.

FIBRAPL has established a control framework in relation to the measurement of fair value. This includes supervision from an internal specialist of all significant fair value measurements, including the fair value by using Level 3 inputs.

FIBRAPL management regularly reviews the significant unobservable inputs and valuation adjustments. If third party information is used, such as broker quotes or pricing services to measure fair values, management evaluates the evidence from third parties to support the conclusion that these valuations satisfy the requirements of IFRS, including the level within the fair value hierarchy (discussed below) within which those valuations should be classified.

When the fair value of an asset or liability is measured, FIBRAPL uses observable market data whenever possible. The fair values are classified into different levels within a fair value hierarchy based on the variables used in the valuation techniques as follows:

- Level 1 (unadjusted) quoted prices in active markets for identical assets or liabilities.
- Level 2: Different data quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices.) or indirectly (i.e. derived from prices.).
- Level 3: Data for the asset or liability that are not based on observable market data (unobservable inputs).

If the variables used to measure the fair value of an asset or liability can be classified into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety on the same level of the fair value hierarchy at the variable lowest level that is meaningful to the overall measurement.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount a reasonable approximation of fair value:

As of December 31, 2015	Carrying amount				Fair value			
	Designated at fair value	Cash and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment properties	$ 35,475,843	$ -	$ -	**$ 35,475,843**	$ -	$ -	$ 35,475,843	**$ 35,475,843**
	$ 35,475,843	**$ -**	**$ -**	**$ 35,475,843**	**$ -**	**$ -**	**$ 35,475,843**	**$ 35,475,843**
Financial assets not measured at fair value								
Cash and cash equivalents	$ -	$ 721,207	$ -	**$ 721,207**	$ -	$ -	$ -	**$ -**
Trade receivables	-	41,814	-	**41,814**	-	-	-	**-**
Value added tax and other receivables	-	176,914	-	**176,914**	-	-	-	**-**
Prepaid expenses	-	85,202	-	**85,202**	-	-	-	**-**
	$ -	**$ 1,025,137**	**$ -**	**$ 1,025,137**	**$ -**	**$ -**	**$ -**	**$ -**
Financial liabilities not measured at fair value								
Trade payables	$ -	$ -	$ 64,129	**$ 64,129**	$ -	$ -	$ -	**$ -**
Due to affiliates	-	-	14,016	**14,016**	-	-	-	**-**
Long term debt	-	-	11,409,633	**11,409,633**	-	11,483,612	-	**11,483,612**
Security deposits	-	-	233,386	**233,386**	-	-	-	**-**
	$ -	**$ -**	**$ 11,721,164**	**$ 11,721,164**	**$ -**	**$ 11,483,612**	**$ -**	**$ 11,483,612**

As of December 31, 2014	Carrying amount				Fair value			
	Designated at fair value	Cash and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment properties	$27,563,010	$ -	$ -	**$27,563,010**	$ -	$ -	$27,563,010	**$27,563,010**
	$27,563,010	**$ -**	**$ -**	**$27,563,010**	**$ -**	**$ -**	**$27,563,010**	**$27,563,010**
Financial assets not measured at fair value								
Cash and cash equivalents	$ -	$ 282,475	$ -	**$ 282,475**	$ -	$ -	$ -	**$ -**
Trade receivables	-	63,668	-	**63,668**	-	-	-	**-**
Value added tax and other receivables	-	2,127,800	-	**2,127,800**	-	-	-	**-**
Prepaid expenses	-	31,507	-	**31,507**	-	-	-	**-**
	$ -	**$ 2,505,450**	**$ -**	**$ 2,505,450**	**$ -**	**$ -**	**$ -**	**$ -**
Financial liabilities not measured at fair value								
Trade payables	$ -	$ -	$ 17,874	**$ 17,874**	$ -	$ -	$ -	**$ -**
Due to affiliates	-	-	90,590	**90,590**	-	-	-	**-**
Long term debt	-	-	10,009,504	**10,009,504**	-	9,960,474	-	**9,960,474**
Security deposits	-	-	191,640	**191,640**	-	-	-	**-**
	$ -	**$ -**	**$10,309,608**	**$10,309,608**	**$ -**	**$ 9,960,474**	**$ -**	**$ 9,960,474**

FIBRAPL recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

15. Commitments and contingencies

FIBRAPL had no significant commitments or contingencies except as described in these notes as of December 31, 2015.

16. 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 first incentive period started on June 4, 2014 and ended on June 4, 2015. No incentive fee was owed to the Manager, for the first incentive period, not as of December 31, 2015 and it is not reflected in the financial statements.

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. 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 reduced by any annual amount paid to a third-party listing or procuring broker.

b. As of December 31, 2015 and 2014, the outstanding balances due to related parties were as follows:

	December 31, 2015		December 31, 2014	
Asset management fees	$	7,804	$	51,159
Property management fees		2,492		-
Development fees		3,720		-
Capital expenditures reimbursement		-		39,431
	$	**14,016**	**$**	**90,590**

As of December 31, 2015 and 2014, asset management fees, property management fees and development fees are due to the Manager while capital expenditures reimbursements are due to affiliates of the Manager.

c. Transactions with affiliated companies for the year ended December 31, 2015, and for the period from June 4 through December 31, 2014, were as follows:

	For the year ended December 31, 2015		For the period from June 4 through December 31, 2014	
Acquisition of properties	$	1,889,736	$	26,976,511
Equity distribution	$	415,435	$	105,540
Asset management fee	$	232,155	$	102,282
Property management fee	$	88,802	$	32,740
Capital expenditures	$	-	$	184,311
Leasing commissions	$	58,041	$	5,670
Development fee	$	3,578	$	-

17. Subsequent events

On February 5, 2016, FIBRAPL distributed cash to its CBFI holders, which is 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 the Pru-Met Loan through a $107 million U.S. dollars new secured facility. This new facility is scheduled to mature in January 2026 and bears interest at 4.67%.

On January 21, 2016, FIBRAPL entered into an interest rate swap with the Bank of Nova Scotia and with HSBC Bank USA for the Citibank Loan, starting on June 23, 2016, fixing the average base rate at 1.0635% and both interest rate swaps expire on July 23, 2019. The overall interest rate for the Citibank Loan will include the effective fixed base rate plus the applicable spread according to loan to value or credit rating, as applicable.

18. Financial statements approval

On February 12, 2016, the issuance of these financial statements was authorized by Jorge Roberto Girault Facha, CFO of FIBRA Prologis.

* * * * * * * * * *