



**Fibra Uno**  
**Quarterly Earnings Release**  
**3Q16**

## Letter from the CEO

Dear investors,

I am very pleased to share with you another strong quarter results for FUNO's operations.

When I see the performance of our company and our results for the quarter, I see key sectors of the Mexican economy such as tourism, car making, financial services and retail continue posting near to double-digit growth rates, and FUNO delivering consistent solid same-stores-rent growth, despite Mexican GDP only growing at around 2.5%. This quarter for example, we are delivering 7.0% same-store-rent growth, a strong increase of 403 basis points above inflation. Regarding our revenues we are delivering an increase of 17.0% compared to the third quarter of 2015 and a very impressive 5.4% compared to the second quarter of 2016. In addition, we are finishing the quarter with an expansion of 91 basis points in overall occupancy, and a stable NOI margin above 80%, showcasing the strength of our business.

Focusing on our business model, we are a FIBRA designed to generate sustainable shareholder value over time, delivering growth through acquisitions, developments, redevelopments, as well as efficient operations and management of our property portfolio. In this regard, this quarter we announced the acquisition of the Turbo Portfolio, in line with our strategy and business model. I would like to share with you why I like this acquisition very much and why I think this is an excellent opportunity for FUNO.

First, overall rent prices in Mexico are still extraordinarily low in the three segments in which we operate. For example, the retail segment shows occupancy costs below 10% on average, average rent for Class A+ office space in Mexico is around \$26.00 USD/sqm/month, and average rent for Class A industrial space in Mexico City's Metropolitan Area is approximately \$5.00 USD/sqm/month or less. I have said this many times: rents remain very cheap in our country; this means that we are buying real estate at attractive value.

Additional to this low rent environment with an enormous growth potential, the Turbo Portfolio has a very attractive combination of sectors, geographies and properties. For example, the portfolio provides us with significant exposure to the Bajío area, a high-growth manufacturing region for several industries. A significant portion of the portfolio is located in Queretaro, the gateway to the Bajío, hub of the aerospace industry, and one of the fastest growing cities in Mexico. It also strengthens our presence in other important cities with positive economic activity and favorable demographics such as Toluca, Merida, Puerto Vallarta and Tuxtla Gutierrez. With this portfolio, FUNO increases its industrial footprint in key markets, enhances its shopping center offering in the country, and expands its office portfolio to other attractive cities with excellent growth prospects. There is a lot of value to be unlocked within this portfolio, and FUNO will capture it.

Also in line with our business model of creating long-term sustainable shareholder value, during the quarter HELIOS' shareholders approved the investment in the Mitikah development. In addition, during the quarter we broke ground on this development, which we expect to transfer to an SPV joint-venture with HELIOS imminently. I want to stress what I have said before, this is the best news for FUNO shareholders since our IPO. HELIOS allows us to access capital in order to grow in a less dilutive manner, while we share development risk and enhance significantly our overall return for our capital invested in these projects.

We remain very bullish on the prospects of our country and of our Company. I continue to see strong consumption trends that translate into demand for real estate services. I believe that there is a strong middle-class in Mexico that has been built over the last decade and that continues to grow, which combined with the demographic bonus of the country, can take advantage of the recently passed structural reforms to generate sustained internal growth. These are very compelling prospects for the economy and for our Company. We continue to work on building a great company, not a big one.

The results FUNO is delivering for this quarter show continuous strong trends for growth, occupancy and margins. We continue to take advantage of the opportunities available to us within a complex and volatile financial market environment. We continue to manage our balance sheet in a prudent manner, while taking advantage of value-enhancing growth opportunities in developments and acquisitions. All of these factors, resulted in a distribution of 0.4894 Pesos per CBF. We have almost completed the investment in new developments totaling over 9 billion pesos for which we are already either paying interest or have CBFs outstanding, but are not yet seeing the cash flow from these developments. Therefore, we expect to see the contribution of these developments flow directly to FUNO's bottom line in the coming quarters.

While considering the challenges that a volatile market environment presents, I am very happy with our results and the sustained positive trends the business continues to show. Most importantly, I am very pleased to see we continue to have very attractive value enhancing growth opportunities, which we plan to take advantage of.

Sincerely,

André El-Mann  
CEO, FUNO

## Relevant Information from the Quarter Financial Indicators

	3Q16	2Q16	1Q16	4Q15	3Q15	Δ% 3Q16vs2Q16	Δ% 3Q16vs3Q15
Total Revenues	3,359.1	3,187.6	3,174.2	3,118.5	2,871.6	5.4%	17.0%
Property revenues <sup>(1)</sup>	3,027.4	2,869.1	2,865.0	2,828.4	2,587.5	5.5%	17.0%
Net Operating Income (NOI)	2,708.7	2,563.4	2,551.7	2,518.9	2,311.7	5.7%	17.2%
NOI Margin <sup>(2)</sup>	80.6%	80.4%	80.4%	80.8%	80.50%	0.3%	0.2%
Funds from Operations (FFO)	1,586.8	1,536.0	1,607.1	1,673.0	1,517.5	3.3%	4.6%
FFO Margin <sup>(3)</sup>	52.4%	53.5%	56.1%	59.1%	58.6%	-2.1%	-10.6%
<b>PER CBF I</b>							
FFO(4)	0.4927	0.4785	0.5023	0.5323	0.4999	3.0%	-1.4%
Distribution(4)	0.4894	0.4801	0.5020	0.5097	0.5005	1.9%	-2.2%
<b>CBFIs</b>							
Total outstanding average during the period <sup>(5)</sup>	3,220.9	3,210.0	3,199.5	3,142.8	3,035.4	0.3%	6.1%
Total outstanding at the end of the period <sup>(5)</sup>	3,220.9	3,220.9	3,202.6	3,197.6	3,040.3	0.0%	5.9%
<b>OPERATIONAL INDICATORS</b>							
Total GLA ('000 m <sup>2</sup> ) <sup>(6)</sup>	7,320.7	7,191.4	7,127.2	7,079.3	6,833.3	1.8%	7.1%
Number of operations <sup>(7)</sup>	516	515	511	509	495	0.2%	4.2%
Average contract term (years)	4.7	4.6	4.5	4.6	4.5	2.8%	4.4%
Total Occupancy	94.7%	93.8%	94.5%	95.0%	94.5%	0.9%	0.2%
GLA under development ('000 sqm)	795.6	834.5	830.8	957.5	957.5		

(1) Includes revenues derived from trust rights of Torre Mayor

(2) Margin over total revenues

(3) Margin over property revenues

(4) FFO/CBFI is calculated with the total outstanding average of CBFIs during the period. Distribution/CBFI is calculated with the total outstanding CBFIs at the moment that the distribution is approved (total number of CBFIs outstanding is 3,242,500,750).

(5) Million CBFIs

(6) Includes total GLA total from Torre Mayor and Torre Diana

(7) Number of properties by segment. Total number of properties: 494

All figures are in million pesos except per CBFI data

# Quarterly MD&A

## Operating Results

The results below show the comparison between the third quarter of 2016 and the second quarter of 2016 as seen below:

### Revenues

FUNO property revenues rose Ps. 158.3 million, representing an increase of 5.5% from 2Q16. This increase is mainly explained by the natural increase in rents, an increase in portfolio occupancy, rents related to Park Tower Vallarta, the depreciation of the currency during the quarter, which resulted in a positive impact over the contracts denominated in US dollars that are directly linked to our operation and the increment above inflation of some renovation contracts and new contracts at higher rent levels.

### Occupancy

FUNO's total occupancy rate at the close of the quarter was 94.7%, 91 bp above occupancy for 2Q16. This increase stems from:

- i. A 0.2% increase in the retail segment,
- ii. A 1.6% increment in the industrial segment, and
- iii. A 0.4% rise in the office segment.

### Maintenance Expenses, Property Taxes and Insurance

Maintenance, property tax and insurance expenses grew 0.9% from 2Q16 amounting to Ps. 3.7 million. This is mainly explained by the natural growth of the portfolio.

### Net Operating Income (NOI)

During 3Q16 NOI increased by Ps. 145.3 million, 5.7% from the previous quarter.

### Interest Expense and Income

The net interest expense rose Ps. 93.6 million during the quarter. This represents an 11.0% increase compared to 2Q16, and is mainly explained by:

- i. Interest expenses for full quarter related to the reopening of the 2026 and 2044 bonds for USD\$ 500 million, which were primarily used replenish cash for future investment which was used to pre-pay the GE/Blackstone and Banamex loans associated to the G30 and Finsa portfolios, which were paid during the quarter, and
- ii. Interest expenses related to the derivative financial instruments contracted in the amount of USD\$ 300 million.

### Funds From Operations (FFO)

FUNO's FFO in 3Q16 increased by Ps. 50.8 million from prior quarter, with a margin over rents of 52.4%. In terms of FFO/CBFI we recorded an increase of 3.0% from the previous quarter. This change, is mainly derived by the increase in NOI by 5.7% which was partly offset by the increase in interest expenses described before.

## **Balance Sheet**

### Rents receivable

Accounts receivable increased by 6.3%, slightly above the increase in revenue, mainly due to the natural increase associated with higher revenues, as well as an increase of contracts with government institutions. In terms of days-receivables for this quarter we stand at 40 compared to 56 during the 2Q16.

### Investment properties

The value of our investment properties increased by Ps. 3,714.6 million during the third quarter of 2016, as a result of:

- i. Revaluation of our assets,
- ii. Acquisition of Park Tower Vallarta, and
- iii. Investments made in existing projects under development.

### Debt

Total debt in 3Q16 amounted to Ps. 62,956.3 million, compared to Ps. 62,070.0 million in the prior quarter. This increment is mainly explained by:

- i. Net effect of the natural amortization of loans,
- ii. Payment of the loan with Blackstone amounting to USD\$ 51.8 million related to Finsa portfolio and Ps.1,336.3 million for the G30 portfolio,
- iii. Payment of the loan with Banamex amounting to Ps.152.1 million and USD\$ 3.3 million related to G30 portfolio,
- iv. Refinancing of the Samara loan from Ps 1,205.3 to Ps 3,000.0 million, and
- v. Depreciation of the currency, from Ps. 18.5550 to Ps. 19.4086 per US dollar.

### Derivative Financial Instruments

- i. During the third quarter we structured a full cross currency swap totaling USD 40 million to cover for the interest rate and exchange rate risk. We continue evaluating the markets to continue executing our hedging and dollar denominated loans prepayment strategy until we reach USD 500 million. As of today, we had structured 4 full cross currency swap hedging USD 200 million; two cross currency swap hedging USD 100 million and prepaid dollar denominated loans by Usd 69.9 million.

### Trustors' Capital

Trustors' capital grew Ps. 778.8 million during the third quarter compared to the previous quarter anterior, mainly due to:

- i. Acquisition of Park Tower Vallarta to be paid with CBFÍ's and cash.

## NOI and FFO Reconciliation

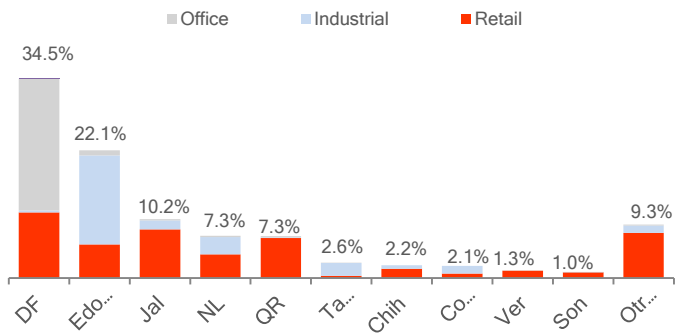
	3Q16	2Q16	1Q16	4Q15	3Q15	Δ% 3Q16 vs 2Q16
Property revenues	3,027.4	2,869.1	2,865.0	2,828.4	2,587.5	5.5%
<b>Total Revenues</b>	<b>3,359.1</b>	<b>3,187.6</b>	<b>3,174.2</b>	<b>3,118.5</b>	<b>2,871.6</b>	<b>5.4%</b>
- Operating Expenses	-216.4	-193.8	-194.9	-179.8	-174.4	11.6%
- Maintenance Expenses	-314.2	-321.6	-319.9	-310.7	-299.9	-2.3%
- Property Taxes	-87.5	-76.6	-76.5	-77.5	-65.4	14.2%
- Insurance	-32.3	-32.1	-31.1	-31.6	-20.2	0.7%
- +/- Non-Recurring Items	-	-	-	-	-	
<b>Net Operating Income (NOI)</b>	<b>2,708.7</b>	<b>2,563.4</b>	<b>2,551.7</b>	<b>2,518.9</b>	<b>2,311.7</b>	<b>5.7%</b>
Margin over Total Revenues	80.6%	80.4%	80.4%	80.8%	80.5%	0.3%
Margin over Rental Revenues	89.5%	89.3%	89.1%	89.1%	89.3%	0.1%
<b>FFO and AFFO Reconciliation</b>						
<b>Consolidated Comprehensive Net Income</b>	<b>1,320.8</b>	<b>2,345.3</b>	<b>2,769.5</b>	<b>2,761.6</b>	<b>236.4</b>	<b>-43.7%</b>
+/- Fair Value Adjustments	-908.7	-2,897.1	-1,274.8	-1,876.3	-959.7	-68.6%
+/- Foreign Exchange Variation, Net	1,197.2	1,694.1	-77.3	388.7	2,094.8	-29.3%
+/- Valuation Effect on Financial Instruments	-194.3	193.4	-	-	-	-200.5%
+ Banking Commissions Amort.	38.2	39.4	20.6	32.1	19.7	-2.8%
+ Provision for the EPC	88.4	116.3	124.3	318.2	77.5	-24.0%
+ Administrative Platform Amort.	48.7	48.7	48.7	48.7	48.7	0.0%
- Participation non-controlling	-3.6	-4.0	-4.0	0.0	0.0	-9.0%
+/- Non-recurring items	-	-	-	-	-	0.0%
<b>FFO</b>	<b>1,586.8</b>	<b>1,536.0</b>	<b>1,607.1</b>	<b>1,673.0</b>	<b>1,517.5</b>	<b>3.3%</b>
- Maintenance CAPEX	-7.0	-7.0	-7.0	-7.0	-7.0	0.0%
<b>AFFO</b>	<b>1,579.8</b>	<b>1,529.0</b>	<b>1,600.1</b>	<b>1,666.0</b>	<b>1,510.5</b>	<b>3.3%</b>
<b>PER CBF<sup>I</sup></b>						
NOI <sup>(1)</sup>	0.8410	0.7986	0.7975	0.8015	0.7616	5.3%
FFO <sup>(1)</sup>	0.4927	0.4785	0.5023	0.5323	0.4999	3.0%
AFFO <sup>(1)</sup>	0.4905	0.4763	0.5001	0.5301	0.4976	3.0%
Distribution <sup>(2)</sup>	0.4894	0.4801	0.5020	0.5097	0.5005	1.9%

(1) Calculated using the average CBFIs in the period (note 4). (2) Calculated using the total outstanding CBFIs at the close of the period (note 3), (3) 22.5% participation of our partners in Torre Latino.

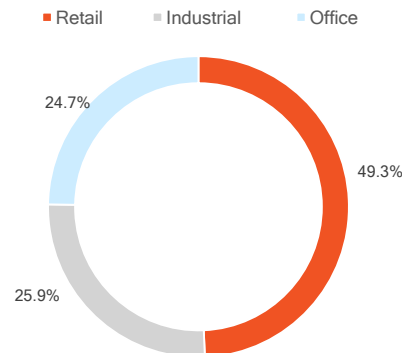
# PORTFOLIO SUMMARY

	3Q16	2Q16	1Q16	4Q15	3Q15	Δ% 3Q16 vs 2Q16
<b>Retail</b>						
Total GLA ('000 m <sup>2</sup> )	2,947.4	2,939.9	2,897.5	2,857.0	2,774.1	0.3%
Operations <sup>(1)</sup>	323	323	322	321	313	0.0%
Average contract term (years)	6.3	6.3	6.4	6.5	6.3	
Total Occupancy	93.8%	93.6%	93.2%	93.2%	92.9%	0.2%
<b>Industrial</b>						
Total GLA ('000 m <sup>2</sup> )	3,566.4	3,458.7	3,418.5	3,400.7	3,356.8	3.1%
Operations <sup>(1)</sup>	105	104	103	102	102	1.0%
Average contract term (years)	3.6	3.2	3.3	3.4	3.3	
Total Occupancy	96.3%	94.7%	96.6%	96.9%	96.4%	1.6%
<b>Office</b>						
Total GLA ('000 m <sup>2</sup> )	806.9	792.9	811.2	821.6	703.4	1.8%
Operations <sup>(1)</sup>	88	88	86	86	80	0.0%
Average contract term (years)	3.8	4.0	3.4	3.4	3.6	
Total Occupancy	90.6%	90.2%	90.3%	92.9%	91.8%	0.4%

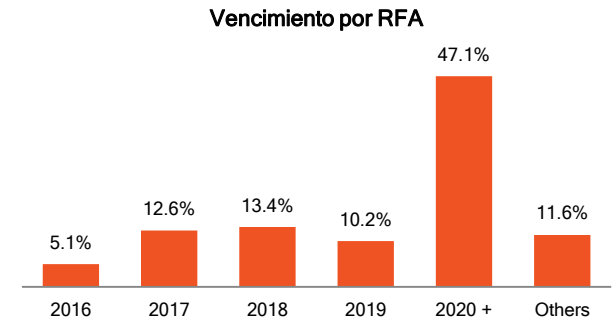
**Revenue by Portfolio<sup>(2)</sup>**  
(% ABR, as of 3Q16)



**Revenue by Sector<sup>(2)</sup>**  
(% ABR, as of 3Q16)



**Lease Expiration Profile**  
(% ABR, as of 3Q16)



(1) Number of operations by segment. The number of properties is 494, (2) It considers revenues for signed contracts, (3) Statutory leases



## Same-Store Rents

During the third quarter of 2016, same-store revenues of constant properties (measured as rent /sqm/month) rose 7.0%, while rental revenues rose 8.8%, of this amount 6.7% is mainly related to contract renewals above inflation, and 2.1% related to the depreciation of the foreign exchange rate of the Mexican Peso against the US Dollar.

Quarterly Revenues			
000's	3T 2016	3T 2015	% Variation
Industrial	738,496	678,560	8.8%
Retail	1,490,093	1,359,238	9.6%
Office	514,068	483,000	6.4%
<b>Total</b>	<b>2,742,657</b>	<b>2,520,799</b>	<b>8.8%</b>

Total GLA			
000's	3T 2016	3T 2015	% Variation
Industrial	3,392	3,357	1.0%
Retail	2,798	2,781	0.6%
Office	594	600	-1.1%
<b>Total</b>	<b>6,784</b>	<b>6,738</b>	<b>0.7%</b>

Occupancy			
	3T 2016	3T 2015	% Variation
Industrial	96.1%	94.8%	1.4%
Retail	93.5%	92.7%	0.8%
Office	90.0%	90.4%	-0.4%
<b>Total</b>	<b>94.5%</b>	<b>93.5%</b>	<b>1.0%</b>

\$/m <sup>2</sup>			
	3T 2016	3T 2015	% Variation
Industrial	75.5	71.1	6.2%
Retail	189.9	175.8	8.0%
Office	320.6	296.7	8.0%
<b>Total</b>	<b>142.6</b>	<b>133.3</b>	<b>7.0%</b>

Summary of Industrial Classification			
000's	3T 2016	3T 2015	% Variation
Monthly revenue	246,165	226,187	8.8%
Quarterly revenue	738,496	678,560	8.8%
Total GLA	3,392	3,357	1.0%
Occupied GLA	3,260	3,182	2.5%
% Occupancy	96.1%	94.8%	1.4%
\$/sqm	75.5	71.1	6.2%

Summary of Retail Classification			
000's	3T 2016	3T 2015	% Variation
Monthly revenue	496,698	453,079	9.6%
Quarterly revenue	1,490,093	1,359,238	9.6%
Total GLA	2,798	2,781	0.6%
Occupied GLA	2,615	2,577	1.5%
% Occupancy	93.5%	92.7%	0.8%
\$/sqm	189.9	175.8	8.0%

Summary of Office Classification			
000's	3T 2016	3T 2015	% Variation
Monthly revenue	171,356	161,000	6.4%
Quarterly revenue	514,068	483,000	6.4%
Total GLA	594	600	-1.1%
Occupied GLA	534	543	-1.5%
% Occupancy	90.0%	90.4%	-0.4%
\$/sqm	320.6	296.7	8.0%

Total			
000's	3T 2016	3T 2015	% Variation
Monthly revenue	914,219	840,266	8.8%
Quarterly revenue	2,742,657	2,520,799	8.8%
Total GLA	6,784	6,738	0.7%
Occupied GLA	6,410	6,301	1.7%
% Occupancy	94.5%	93.5%	1.0%
\$/sqm	142.6	133.3	7.0%

- The industrial segment reported revenues of Ps. 738.5 million, representing an 8.8% increase from the same year-ago quarter. The increase is mainly due to contract renewal above the inflation rate (~6.3%) y and the depreciation of the foreign exchange rate. In terms of revenues/sqm/month, this segment rose 6.2%.
- The retail segment recorded revenues of Ps. 1490.1 million, increasing 9.6% from the same year-ago period. To a greater extent, the growth (~8.3%) is related to contract renewal above the inflation rate, and the rest to the depreciation of the foreign exchange rate. In terms of revenues/sqm/month, this segment grew 8.0%.
- The office segment recorded revenues of Ps. 514.1 million, rising 6.4% from the same year-ago period. Most of the growth (~2.6%) is related to contract renewal above the inflation rate, and the rest to the depreciation of the foreign exchange rate. In terms of revenues/sqm/month, this segment grew 8.0%.

## Occupancy Rate

Portfolio	Properties <sup>(1)</sup>	Total GLA <sup>(2)</sup>	Occupied GLA <sup>(2)</sup>	Occupancy
INITIAL	17	712,766	685,614	96%
GRIS	1	77,351	76,855	99%
BLANCO	1	44,871	44,506	99%
AZUL	23	125,681	123,719	98%
ROJO	219	173,884	167,952	97%
SENDERO VILLAHERMOSA	1	21,775	18,769	86%
VERDE	1	117,786	117,786	100%
MORADO	16	541,647	487,259	90%
TORRE MAYOR	1	83,971	83,971	100%
PACE	2	43,593	43,593	100%
G30	31	1,822,226	1,775,973	97%
INDIVIDUALES INDUSTRIALE	2	42,051	42,051	100%
UNIVERSIDAD AUTÓNOMA DE GDL	1	163,000	163,000	100%
INDIVIDUALES	7	180,720	169,706	94%
VERMONT	34	521,099	477,226	92%
APOLO	45	881,731	839,159	95%
P12	10	91,294	71,455	78%
MAINE	6	152,782	138,894	91%
CALIFORNIA	29	349,095	311,926	89%
ESPACIO AGUASCALIENTES.	1	22,564	19,783	88%
LA VIGA	1	22,538	22,538	100%
R15	3	175,578	164,088	93%
SAN MATEO	1	5,440	5,440	100%
HOTEL CENTRO HISTORICO	1	40,000	39,980	100%
SAMARA	1	133,728	130,300	97%
KANSAS	12	354,133	291,993	82%
MITIKAH	1	4,793	4,285	89%
OREGON	3	34,118	33,021	97%
INDIANA	17	256,161	256,161	100%
ALASKA	6	124,363	123,417	99%
<b>Total</b>	<b>494</b>	<b>7,320,742</b>	<b>6,930,422</b>	<b>94.7%</b>

(1) Number of properties, (2) Excludes the GLA under development and includes total GLA at Torre Mayor and Torre Diana (3) For the report the properties of Parque Empresarial Cancun and El Salto will be recorded within the individual industrial portfolio and the properties of Torre Diamante, Reforma 155, Artificios 40, Puerta del Hierro, Montes Urales, Park Tower Vallarta, Torre Latino and Torre Diana will be recorded within the individual retail portfolio going forward.

## Occupancy per Geography

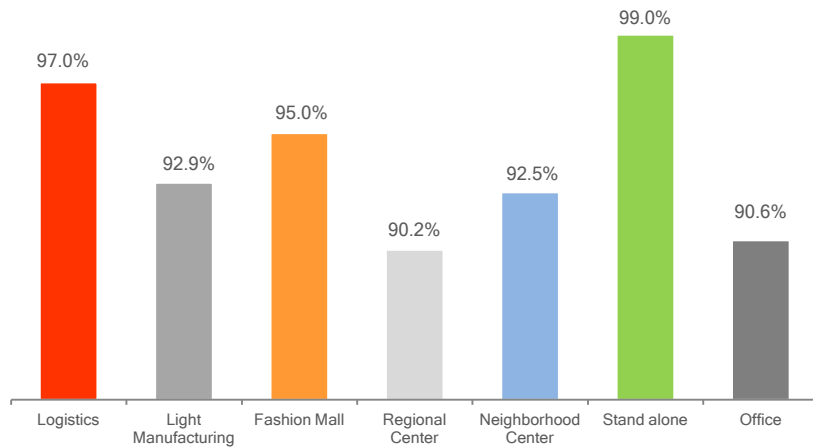
STATE	OCCUPIED GLA <sup>(1)</sup>		
	RETAIL	INDUSTRIAL	OFFICE
AGUASCALIENTES	27,811.3	30,843.2	1,248.0
BAJA CALIFORNIA	9,025.0	-	4,053.6
BAJA CALIFORNIA SUR	22,235.6	-	-
CAMPECHE	951.4	-	-
CHIAPAS	31,422.4	-	-
CHIHUAHUA	105,705.9	82,085.7	-
COAHUILA	43,636.0	119,267.4	-
COLIMA	13,546.0	-	381.0
DISTRITO FEDERAL	500,763.3	44,934.4	622,828.3
DURANGO	1,163.0	23,185.5	-
ESTADO DE MEXICO	458,229.8	2,256,556.7	43,419.6
GUANAJUATO	27,702.4	20,663.8	-
GUERRERO	60,298.2	-	-
HIDALGO	60,894.4	-	-
JALISCO	553,501.8	212,055.6	12,232.5
MICHOACAN	1,061.0	-	-
MORELOS	23,221.0	4,627.0	-
NAYARIT	42,632.5	-	-
NUEVO LEON	203,513.6	296,011.9	20,939.6
OAXACA	33,870.5	-	-
PUEBLA	1,049.9	42,310.8	655.0
QUERETARO	20,865.6	-	-
QUINTANA ROO	215,115.9	18,000.0	8,355.6
SAN LUIS POTOSI	9,279.0	19,704.0	-
SINALOA	12,721.5	-	820.0
SONORA	66,589.2	15,958.5	5,711.0
TABASCO	19,069.3	-	-
TAMAULIPAS	24,610.6	249,457.0	1,437.4
TLAXCALA	35,277.3	-	-
VERACRUZ	93,370.9	-	5,014.0
YUCATAN	44,558.2	-	3,972.6
	<b>2,763,692.4</b>	<b>3,435,661.4</b>	<b>731,068.1</b>

(1) Excludes GLA under development

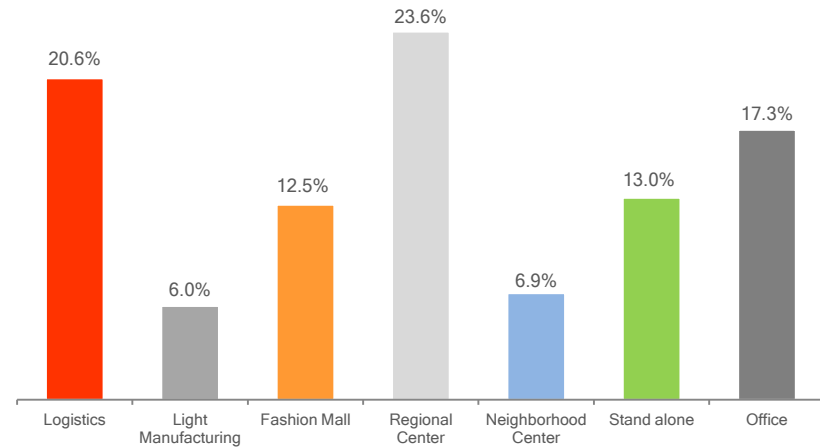
## Summary by Subsegment

Subsegment	Total GLA (000 m <sup>2</sup> )	Occupied GLA (000 m <sup>2</sup> )	Occupancy %	\$ / sqm / Month (Ps.)	NOI 3Q16 (Ps. 000) <sup>(2)</sup>
Logistics	2,937.5	2,850.7	97.0%	69.7	544,097.8
Light manufacturing	619.7	575.8	92.9%	101.2	158,941.9
Fashion mall	446.0	423.5	95.0%	309.0	330,170.0
Regional center	1,325.6	1,195.2	90.2%	183.8	623,178.4
Neighborhood center	350.2	324.1	92.5%	198.2	180,563.2
Stand alone <sup>(1)</sup>	881.4	872.6	99.0%	141.9	341,933.6
Office <sup>(1)</sup>	760.3	688.5	90.6%	345.0	456,943.5
<b>Total general</b>	<b>7,320.7</b>	<b>6,930.4</b>	<b>94.7%</b>	<b>\$ 149.1</b>	<b>\$ 2,635,828.3</b>

**Occupancy per Subsegment  
(%GLA) 3Q16**



**NOI por Subsegment  
(% NOI) 3Q16**



(1) All properties in the Red portfolio Rojo are classified as *Stand Alone*, (2) NOI at a property level.

## Information Supplement

### Operating Properties

Segment	# Properties	GLA	Revenues (000's)	Occupancy	Stabilization Adjustment
					Quarterly Revenue (000's) <sup>(1)</sup>
Retail	307	2,947.4	1,769,520.0	93.8%	1,785,937.4
Industrial	104	3,566.4	763,536.0	96.3%	766,300.6
Office	83	806.9	494,337.0	90.6%	513,137.5
<b>Total</b>	<b>494</b>	<b>7,320.7</b>	<b>3,027,393.0</b>	<b>94.7%</b>	<b>3,065,375.5</b>

### Acquisitions not Included in Current Quarter

Segment	Investment (Ps.mm)	Stabilized NOI (Ps. mm)
Industrial	3,957.2	340.5
Retail	13,298.7	1,267.8
Office	1,304.3	133.3
<b>Total</b>	<b>18,560.2</b>	<b>1,741.6</b>

(1) Estimates consider the full-quarter for all the properties in operation. It also assumes occupancy levels of 95% on the following quarters

## Development Portfolio

Portfolio	Project	Segment	GLA in Development (m <sup>2</sup> )	CapEx to Date	Pending CapEx	Annualized Base Revenue (A)	Estimated Additional Revenue (B)	Estimated Total Annual Revenue (A+B) <sup>(1)</sup>	Delivery Date
G-30	Xochimilco I	Retail	30,430	455.0	-	40.0	6.0	46.0	4Q'16
La Viga	La Viga	Office	102,000	1,396.5	176.5	26.0	199.0	225.0	2Q'17
G-30	Berol	Industrial	100,000	1,321.3	-	-	144.0	144.0	4Q'16
G-30	Gustavo Baz I	Industrial	11,481	964.1	71.9	56.4	11.1	67.4	3Q'16
Apolo	Revolución	Retail	27,810	296.2	51.8	-	28.0	28.0	1Q'17
Individuales	Torre Cuarzo <sup>(3)</sup>	Retail / Office	72,000	2,984.2	387.8	-	362.0	362.0	1Q'17
G-30	Mariano Escobedo <sup>(2)</sup>	Office	12,000	293.0	107.0	-	61.0	61.0	3Q'17
Apolo	Tlalpan	Retail	95,967	1,137.0	192.0	-	114.0	114.0	3Q'17
Individuales	Espacio Tollocan	Retail	17,839	229.0	239.0	-	53.0	53.0	4Q'17
Mitikah	Mitikah	Office	326,089	494.9	8,332.5	-	1,644.0	1,644.0	2Q'24
<b>Total</b>			<b>795,616</b>	<b>9,571.3</b>	<b>9,558.4</b>	<b>122.4</b>	<b>2,622.1</b>	<b>2,744.4</b>	

### Estimated stabilization periods per segment once the property is ready to operate

- Industrial: 12 months
- Retail: 18 months
- Office: 24 months

As a result of the delays, we have temporarily excluded the Delaware project from our development portfolio.

(1) Assumes revenues from properties completely stabilized.





(2) Excludes value of land.

(3) Includes the deferred payment of approximately 46.5 million CBFIs.

The mixed-uses development project of Mitikah includes the Colorado and Buffalo portfolios (and excludes land value).

# Credit Profile

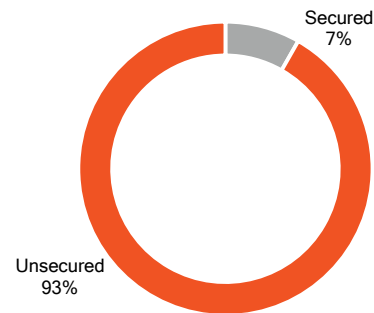
At the close of the quarter ending September 30, 2016, FUNO was in full compliance with its public-debt covenants:

Metric	FUNO	Limit	Status
Loan-to-Value (LTV)	34.3%	Less or equal to 60%	Compliant 
Secured debt limit	2.4%	Less or equal to 40%	Compliant 
Debt service coverage ratio	3.1x	Greater or equal to 1.5x	Compliant 
Unencumbered assets to unencumbered debt	292.9%	Greater or equal to 150%	Compliant 

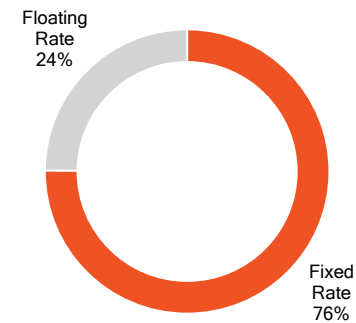
Ps. vs Us.<sup>(1)</sup>



Secured vs Unsecured



Fixed Rate vs Floating Rate<sup>(1)</sup>



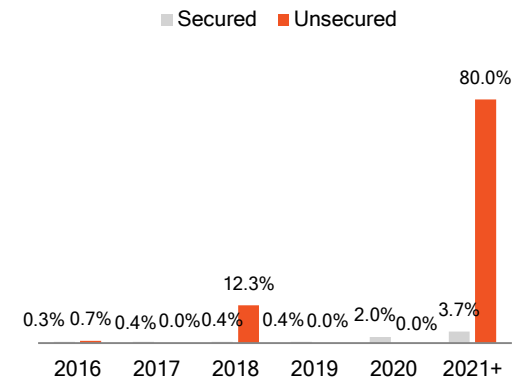
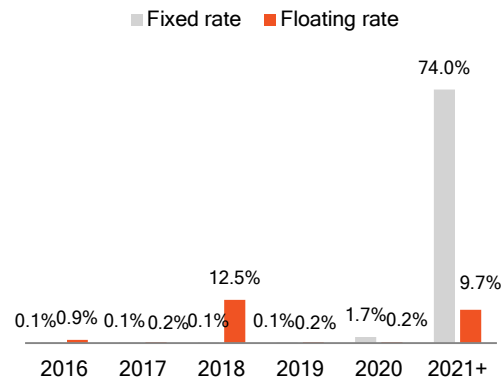
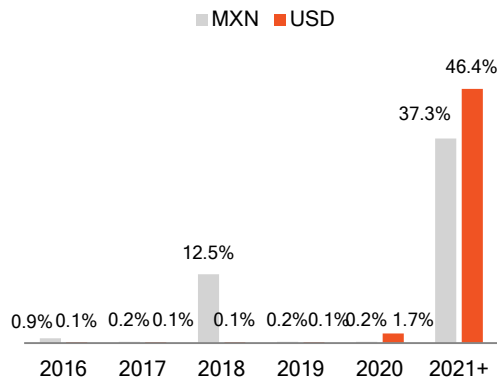
(1) Includes the hedging effect of the interest and foreign exchange rates.



# Compliance with CNBV Regulation

Metric	
Liquid assets <sup>(2)</sup>	9,947.1
Operating income after distributions	8,940.6
Lines of credit	14,957.5
<b>Subtotal</b>	<b>33,845.3</b>
Debt service	6,502.1
CapEx	3,080.6
<b>Subtotal</b>	<b>9,582.7</b>

	FUNO	Limit	Status
Loan-to-Value (LTV)	34.1%	Lesser or equal to 60%	Complaint
Debt coverage service ratio <sup>(1)</sup>	3.5x	Greater or equal to 1.0x	Complaint



(1) Liquid assets + operating income after distributions + lines of credit / Debt service + Capex measured 18 months forward

(2) Includes cash & cash equivalents, refundable VAT and excludes restricted cash and reserve funds of bank loans

(3) The graphs include the hedging effect of the interest and foreign exchange rates

All figures in million pesos

## Quarterly distribution

- In line with FUNO's commitment to constantly create value for its CBFIs holders, the Technical Committee approved a quarterly distribution of Ps. 1,586.8 million corresponding to the period starting July 1, 2016 to September 30, 2016. This is equivalent to Ps. 0.4894 per CBFIs and implies a payout of 100% of the quarterly FFO.
- Under the Mexican Law, FUNO is obliged to pay at least 95% of its taxable income at least once a year.
- Below is the detail of the historic distribution payments:

	2011	2012	2013	2014	2015	2016
1Q	0.0343	0.1960	0.3700	0.4366	0.4921	0.5020
2Q	0.3022	0.3000	0.4100	0.4014	0.4934	0.4801
3Q	0.3779	0.4045	0.4504	0.4976	0.5005	0.4894
4Q	0.3689	0.4216	0.4800	0.4890	0.5097	

# Financial Information

## Balance Sheet

Figures in thousand pesos

Assets	Notes	30/09/2016	31/12/2015
<b>Currents assets:</b>			
Cash and restricted cash	3.	\$ 5,154,590	\$ 5,995,918
Financial investments	4.	2,528,433	2,300,596
Leases receivables from clients, net	5.	1,066,254	751,346
Other accounts receivable		41,587	46,523
Refundable tax, mainly VAT		2,387,303	4,161,762
Pre-paid expenses		556,555	459,660
<b>Total current assets</b>		<b>11,734,722</b>	<b>13,715,805</b>
<b>Non-current assets:</b>			
Investment properties	6.	167,242,895	152,349,934
Acquisitons advance payments		366,000	-
Investments in affiliates	7.	3,068,698	3,113,889
Derivative Financial Instruments	10.	451,325	-
Other assets, net	8.	1,970,768	2,121,525
<b>Total non-current assets</b>		<b>173,099,686</b>	<b>157,585,348</b>
<b>Total assets</b>		<b>\$ 184,834,408</b>	<b>\$ 171,301,153</b>

Liabilities and Equity	Notes	30/09/2016	31/12/2015
<b>Current liabilities:</b>			
Borrowings	9.	\$ 627,980	\$ 10,123,627
Accounts payable and accrued expenses	11.	3,357,806	2,402,158
Deferred revenues		150,531	100,010
Dues to related parties	14.	142,786	104,488
<b>Total current liabilities</b>		<u><b>4,279,103</b></u>	<u><b>12,730,283</b></u>
Long-term debt	9.	61,892,728	44,209,408
Long-term other accounts payable		129,188	38,813
Deposits from tenants		793,068	702,303
Long-term deferred revenues from Leases		184,844	261,968
<b>Total liabilities</b>		<u><b>67,278,931</b></u>	<u><b>57,942,775</b></u>
<b>Trustors' capital</b>			
Trustors' capital	16.	98,041,723	97,742,581
Retained earnings		18,809,083	15,615,797
<b>Total trustors' capital</b>		<u><b>116,850,806</b></u>	<u><b>113,358,378</b></u>
Non-controlling participation		704,671	-
<b>Total shareholders' equity</b>		<u><b>117,555,477</b></u>	<u><b>113,358,378</b></u>
<b>Total liabilities and trustors' capital</b>		<u><u><b>\$ 184,834,408</b></u></u>	<u><u><b>\$ 171,301,153</b></u></u>

# Financial Information

## Income Statement

Figures in thousand pesos

	Notes	30/09/2016	2016 Third quarter	30/06/2016	30/09/2015	2015 Third quarter	30/06/2015
Property income	15.	\$ 8,645,456	\$ 2,987,422	\$ 5,658,034	\$ 6,789,539	\$ 2,550,052	\$ 4,239,487
Maintenance revenues		903,125	312,957	590,168	692,016	264,602	427,414
Dividends revenues from beneficiary rights		115,987	39,971	76,016	105,211	37,408	67,803
Administration fees		56,250	18,750	37,500	19,583	19,583	-
		<u>9,720,818</u>	<u>3,359,100</u>	<u>6,361,718</u>	<u>7,606,349</u>	<u>2,871,645</u>	<u>4,734,704</u>
Management fees		(506,312)	(170,745)	(335,567)	(455,833)	(152,648)	(303,185)
Operating expenses		(605,144)	(216,407)	(388,737)	(498,420)	(184,399)	(314,021)
Maintenance expenses		(955,651)	(314,190)	(641,461)	(754,488)	(299,927)	(454,561)
Property taxes		(240,659)	(87,517)	(153,142)	(181,293)	(65,375)	(115,918)
Insurance		(95,528)	(32,307)	(63,221)	(55,410)	(20,247)	(35,163)
		<u>(2,403,294)</u>	<u>(821,166)</u>	<u>(1,582,128)</u>	<u>(1,945,444)</u>	<u>(722,596)</u>	<u>(1,222,848)</u>
<b>Operating income</b>		<u>7,317,524</u>	<u>2,537,934</u>	<u>4,779,590</u>	<u>5,660,905</u>	<u>2,149,049</u>	<u>3,511,856</u>
Interest expense		(2,743,565)	(1,050,463)	(1,693,102)	(1,951,797)	(685,108)	(1,266,689)
Interest revenue		167,391	102,924	64,467	371,170	43,533	327,637
<b>Income after financial expenses</b>		<u>4,741,350</u>	<u>1,590,395</u>	<u>3,150,955</u>	<u>4,080,278</u>	<u>1,507,474</u>	<u>2,572,804</u>
Foreign exchange loss, Net		(2,813,927)	(1,197,177)	(1,616,750)	(3,489,456)	(2,094,798)	(1,394,658)
Valuation effect on financial instruments		942	194,294	(193,352)	-	-	-
Fair value adjustment to investment properties and affiliates	6 y 7.	5,080,669	908,677	4,171,992	2,837,712	959,684	1,878,028
Administrative platform amortization		(146,238)	(48,746)	(97,492)	(146,238)	(48,746)	(97,492)
Amortization of bank and other financial charges		(98,246)	(38,241)	(60,005)	(49,798)	(19,682)	(30,116)
Executive compensation	12.	(328,988)	(88,362)	(240,626)	(269,640)	(77,522)	(192,118)
<b>Consolidated net income</b>		<u>\$ 6,435,562</u>	<u>\$ 1,320,840</u>	<u>\$ 5,114,722</u>	<u>\$ 2,962,858</u>	<u>\$ 226,410</u>	<u>\$ 2,736,448</u>
<b>Controlling participation</b>		\$ 5,894,406	\$ 1,432,610	\$ 4,461,796	\$ 2,962,858	\$ 226,410	\$ 2,736,448
<b>Non-controlling participation</b>	1c.	541,156	(111,770)	652,926	-	-	-
		<u>\$ 6,435,562</u>	<u>\$ 1,320,840</u>	<u>\$ 5,114,722</u>	<u>\$ 2,962,858</u>	<u>\$ 226,410</u>	<u>\$ 2,736,448</u>

# Financial Information

## Cash Flow

Figures in thousand pesos

	30/09/2016	30/09/2015
Operating activities:		
<b>Consolidated net income</b>	\$ 6,435,562	\$ 2,962,858
Adjustments to non cash flow generated items:		
Fair value adjustment to investment properties	(5,080,669)	(2,837,712)
Unrealized foreign exchange loss (gain)	2,751,915	3,187,736
Administrative platform amortization	340,012	432,739
Executive compensation	328,988	269,640
Interest income	(167,391)	(371,170)
Interest expense	2,743,565	1,951,797
Valuation effect on financial instruments	(942)	-
Total	<u>7,351,040</u>	<u>5,595,888</u>
Changes to working capital:		
(Increase) decrease on:		
Lease receivable	(314,908)	(240,121)
Other accounts payable	4,936	44,841
Refundable tax, mainly VAT	1,774,459	(941,019)
Pre-paid expenses	(96,895)	(201,244)
(Decrease) increase in:		
Trade accounts payable	955,648	373,311
Dues to related parties	38,298	99,097
Long-term other accounts payable	90,375	-
Deferred revenues	(26,603)	108,539
Deposits from tenants	90,765	181,051
Net cash flow from operating activities	<u>9,867,115</u>	<u>5,020,343</u>

Investment activities:		
Advanced payments for the acquisition and development of investment properties	(4,369,800)	(4,541,688)
Acquisition of investment properties	(2,529,171)	(17,115,308)
Acquisitions advance payments	(366,000)	-
Investments in securities	(227,837)	14,945,756
Investments in affiliates	87,180	(412,315)
Interest income	133,437	371,170
Net cash flow from investment activities	<u>(7,272,191)</u>	<u>(6,752,385)</u>
Financing activities:		
Payments and anticipated prepayment of loans	(12,435,355)	(2,083,709)
Loan financing	16,647,497	10,000,000
Distributions to trustors	(4,783,910)	(4,377,755)
Interest paid	(2,864,484)	(1,721,071)
Net cash flow from financing activities	<u>(3,436,252)</u>	<u>1,817,465</u>
Net cash flow:		
Net (decrease) increase in cash and restricted cash	(841,328)	85,423
Cash and restricted cash at the beginning of the period	<u>5,995,918</u>	<u>500,848</u>
<b>Cash and restricted cash at the end of the period</b>	<b><u>\$ 5,154,590</u></b>	<b><u>\$ 586,271</u></b>

**Irrevocable Trust No. F/1401 (Deutsche Bank Mexico,  
S. A. Multiple Banking Institution, Trustee Division) and  
Affiliates**

Interim Condensed consolidated financial statements as of September 30, 2016, and as of December 31, 2015, and for the nine-month and three-month periods that ended on September 30, 2016 and 2015.





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## Irrevocable Trust No. F/1401 (Deutsche Bank Mexico, S. A. Multiple Banking Institution, Trustee Division) and Affiliates

Interim Condensed consolidated financial statements as of September 30, 2016, and as of December 31, 2015, and for the nine-month and three-month periods that ended on September 30, 2016 and 2015.

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Interim Condensed Consolidated Statements of Changes in The Equity of Settlers	4
Interim Condensed Consolidated Cash Flow Statements	5
Notes to the Interim Condensed Consolidated Financial Statements	6

**Interim Consolidated (Condensed) Balance Sheet**  
**As of September 30, 2016 and December 31, 2015**  
**(Figures in thousand pesos)**

Assets	Notes	30/09/2016	31/12/2015
<b>Currents assets:</b>			
Cash and restricted cash	3.	\$ 5,154,590	\$ 5,995,918
Financial investments	4.	2,528,433	2,300,596
Leases receivables from clients, net	5.	1,066,254	751,346
Other accounts receivable		41,587	46,523
Refundable tax, mainly VAT		2,387,303	4,161,762
Pre-paid expenses		556,555	459,660
<b>Total current assets</b>		<b>11,734,722</b>	<b>13,715,805</b>
<b>Non-current assets:</b>			
Investment properties	6.	167,242,895	152,349,934
Acquisitions advance payments		366,000	-
Investments in affiliates	7.	3,068,698	3,113,889
Derivative Financial Instruments	10.	451,325	-
Other assets, net	8.	1,970,768	2,121,525
<b>Total non-current assets</b>		<b>173,099,686</b>	<b>157,585,348</b>
<b>Total assets</b>		<b>\$ 184,834,408</b>	<b>\$ 171,301,153</b>

	Notes	30/09/2016	31/12/2015
<b>Current liabilities:</b>			
Borrowings	9.	\$ 627,980	\$ 10,123,627
Accounts payable and accrued expenses	11.	3,357,806	2,402,158
Deferred revenues		150,531	100,010
Dues to related parties	14.	142,786	104,488
<b>Total current liabilities</b>		<b>4,279,103</b>	<b>12,730,283</b>
Long-term debt	9.	61,892,728	44,209,408
Long-term other accounts payable		129,188	38,813
Deposits from tenants		793,068	702,303
Long-term deferred revenues from Leases		184,844	261,968
<b>Total liabilities</b>		<b>67,278,931</b>	<b>57,942,775</b>
<b>Trustors' capital</b>			
Trustors' capital	16.	98,041,723	97,742,581
Retained earnings		18,809,083	15,615,797
<b>Total trustors' capital</b>		<b>116,850,806</b>	<b>113,358,378</b>
<b>Non-controlling participation</b>		<b>704,671</b>	<b>-</b>
<b>Total shareholders' equity</b>		<b>117,555,477</b>	<b>113,358,378</b>
<b>Total liabilities and trustors' capital</b>		<b>\$ 184,834,408</b>	<b>\$ 171,301,153</b>

The attached notes are part of the interim consolidated condensed financial statements.

**Interim Consolidated (Condensed) Income Statement**  
**For the 9- and 3-month periods ending September 30, 2016 and 2015**  
**(Figures in thousand pesos)**

	Notes	30/09/2016	2016 Third quarter	30/06/2016	30/09/2015	2015 Third quarter	30/06/2015
Property income	15.	\$ 8,645,456	\$ 2,987,422	\$ 5,658,034	\$ 6,789,539	\$ 2,550,052	\$ 4,239,487
Maintenance revenues		903,125	312,957	590,168	692,016	264,602	427,414
Dividends revenues from beneficiary rights		115,987	39,971	76,016	105,211	37,408	67,803
Administration fees		56,250	18,750	37,500	19,583	19,583	-
		<b>9,720,818</b>	<b>3,359,100</b>	<b>6,361,718</b>	<b>7,606,349</b>	<b>2,871,645</b>	<b>4,734,704</b>
Management fees		(506,312)	(170,745)	(335,567)	(455,833)	(152,648)	(303,185)
Operating expenses		(605,144)	(216,407)	(388,737)	(498,420)	(184,399)	(314,021)
Maintenance expenses		(955,651)	(314,190)	(641,461)	(754,488)	(299,927)	(454,561)
Property taxes		(240,659)	(87,517)	(153,142)	(181,293)	(65,375)	(115,918)
Insurance		(95,528)	(32,307)	(63,221)	(55,410)	(20,247)	(35,163)
		<b>(2,403,294)</b>	<b>(821,166)</b>	<b>(1,582,128)</b>	<b>(1,945,444)</b>	<b>(722,596)</b>	<b>(1,222,848)</b>
<b>Operating income</b>		<b>7,317,524</b>	<b>2,537,934</b>	<b>4,779,590</b>	<b>5,660,905</b>	<b>2,149,049</b>	<b>3,511,856</b>
Interest expense		(2,743,565)	(1,050,463)	(1,693,102)	(1,951,797)	(685,108)	(1,266,689)
Interest revenue		167,391	102,924	64,467	371,170	43,533	327,637
<b>Income after financial expenses</b>		<b>4,741,350</b>	<b>1,590,395</b>	<b>3,150,955</b>	<b>4,080,278</b>	<b>1,507,474</b>	<b>2,572,804</b>
Foreign exchange loss, Net		(2,813,927)	(1,197,177)	(1,616,750)	(3,489,456)	(2,094,798)	(1,394,658)
Valuation effect on financial instruments		942	194,294	(193,352)	-	-	-
Fair value adjustment to investment properties and affiliates	6 y 7.	5,080,669	908,677	4,171,992	2,837,712	959,684	1,878,028
Administrative platform amortization		(146,238)	(48,746)	(97,492)	(146,238)	(48,746)	(97,492)
Amortization of bank and other financial charges		(98,246)	(38,241)	(60,005)	(49,798)	(19,682)	(30,116)
Executive compensation	12.	(328,988)	(88,362)	(240,626)	(269,640)	(77,522)	(192,118)
<b>Consolidated net income</b>		<b>\$ 6,435,562</b>	<b>\$ 1,320,840</b>	<b>\$ 5,114,722</b>	<b>\$ 2,962,858</b>	<b>\$ 226,410</b>	<b>\$ 2,736,448</b>
<b>Controlling participation</b>		\$ 5,894,406	\$ 1,432,610	\$ 4,461,796	\$ 2,962,858	\$ 226,410	\$ 2,736,448
<b>Non-controlling participation</b>	1c.	541,156	(111,770)	652,926	-	-	-
		<b>\$ 6,435,562</b>	<b>\$ 1,320,840</b>	<b>\$ 5,114,722</b>	<b>\$ 2,962,858</b>	<b>\$ 226,410</b>	<b>\$ 2,736,448</b>

The attached notes are part of the interim consolidated condensed financial statements.

**Interim Consolidated (Condensed) Statement of Changes in Trustors' Capital**  
**For the 9-month period ending September 30, 2016 and 2015**  
**(Figures in thousand pesos)**

	Notes	Capital	Retained earnings	Total controlling participation	Total non-controlling participation	Total
<b>Balance as of January 1, 2015</b>		<b>\$ 93,500,173</b>	<b>\$ 11,575,298</b>	<b>\$ 105,075,471</b>	<b>\$ -</b>	<b>\$ 105,075,471</b>
Equity contribution	16.	3,149,485	-	3,149,485	-	3,149,485
Distributions to trustors	16 y 17.	(2,920,175)	(1,457,580)	(4,377,755)	-	(4,377,755)
Consolidated net income		-	2,962,858	2,962,858	-	2,962,858
<b>Balances as of September 30, 2015</b>		<b>\$ 93,729,483</b>	<b>\$ 13,080,576</b>	<b>\$ 106,810,059</b>	<b>\$ -</b>	<b>\$ 106,810,059</b>
<b>Balance as of December 31, 2015</b>		<b>\$ 97,742,581</b>	<b>\$ 15,615,797</b>	<b>\$ 113,358,378</b>	<b>\$ -</b>	<b>\$ 113,358,378</b>
Equity contribution	16.	2,381,932	-	2,381,932	163,515	2,545,447
Distributions to trustors	16 y 17.	(2,082,790)	(2,701,120)	(4,783,910)	-	(4,783,910)
Consolidated net income		-	5,894,406	5,894,406	541,156	6,435,562
<b>Balances as of September 30, 2106</b>		<b>\$ 98,041,723</b>	<b>\$ 18,809,083</b>	<b>\$ 116,850,806</b>	<b>\$ 704,671</b>	<b>\$ 117,555,477</b>

The attached notes are part of the interim consolidated condensed financial statements.

**Interim Consolidated (Condensed) Cash Flow Statement**  
**For the 9-month period ending September 30, 2016 and 2015**  
**(Figures in thousand pesos)**

	30/09/2016	30/09/2015
Operating activities:		
<b>Consolidated net income</b>	<b>\$ 6,435,562</b>	<b>\$ 2,962,858</b>
Adjustments to non cash flow generated items:		
Fair value adjustment to investment properties	(5,080,669)	(2,837,712)
Unrealized foreign exchange loss (gain)	2,751,915	3,187,736
Administrative platform amortization	340,012	432,739
Executive compensation	328,988	269,640
Interest income	(167,391)	(371,170)
Interest expense	2,743,565	1,951,797
Valuation effect on financial instruments	(942)	-
Total	<u>7,351,040</u>	<u>5,595,888</u>
Changes to working capital:		
(Increase) decrease on:		
Lease receivable	(314,908)	(240,121)
Other accounts payable	4,936	44,841
Refundable tax, mainly VAT	1,774,459	(941,019)
Pre-paid expenses	(96,895)	(201,244)
(Decrease) increase in:		
Trade accounts payable	955,648	373,311
Dues to related parties	38,298	99,097
Long-term other accounts payable	90,375	-
Deferred revenues	(26,603)	108,539
Deposits from tenants	90,765	181,051
Net cash flow from operating activities	<u>9,867,115</u>	<u>5,020,343</u>
Investment activities:		
Advanced payments for the acquisition and development of investment properties	(4,369,800)	(4,541,688)
Acquisition of investment properties	(2,529,171)	(17,115,308)
Acquisitions advance payments	(366,000)	-
Investments in securities	(227,837)	14,945,756
Investments in affiliates	87,180	(412,315)
Interest income	133,437	371,170
Net cash flow from investment activities	<u>(7,272,191)</u>	<u>(6,752,385)</u>
Financing activities:		
Payments and anticipated prepayment of loans	(12,435,355)	(2,083,709)
Loan financing	16,647,497	10,000,000
Distributions to trustors	(4,783,910)	(4,377,755)
Interest paid	(2,864,484)	(1,721,071)
Net cash flow from financing activities	<u>(3,436,252)</u>	<u>1,817,465</u>
Net cash flow:		
Net (decrease) increase in cash and restricted cash	(841,328)	85,423
Cash and restricted cash at the beginning of the period	<u>5,995,918</u>	<u>500,848</u>
<b>Cash and restricted cash at the end of the period</b>	<b><u>\$ 5,154,590</u></b>	<b><u>\$ 586,271</u></b>

The attached notes are part of the interim consolidated condensed financial statements.

## Notes to the Interim Condensed Consolidated Financial Statements

For the nine-month period that ended on September 30, 2016, and for the year that ended on December 31, 2015

(In thousands of pesos)

### 1. General information, acquisitions and relevant events

#### a) General information

Trust F/1401 of Deutsche Bank México, S. A., (“Fibra UNO”) was established as a real estate trust on January 12, 2011 by Fibra UNO Administración, S. A. de C. V., (the “Settlor”) and Deutsche Bank México, S. A., Multiple Banking Institution, Trustee Division (The “Trustee”). Fibra UNO began its operations in March, 2011, and it was mainly established to purchase and own real estate properties with the purpose of leasing and developing commercial, industrial and mixed use properties, as well as office buildings and lands in the Mexican market.

Fibra UNO, as a real-estate investment trust (“FIBRA”), qualifies to be treated as a transfer entity in Mexico for the purposes of the Income Tax Law. Therefore, all net tax income generated by the operations of Fibra UNO are attributed to the holders of its Real Estate Trust Certificates (“CBFIs”) for tax purposes, and therefore Fibra UNO is not subject to Income Tax in Mexico. To maintain FIBRA’s status, the Mexican Tax Administration Service (“SAT”) has established in Articles 187 and 188 of the Income Tax Law that Fibra UNO must distribute annually at least 95% of its net tax income to the holders of the CBFIs issued by Fibra UNO.

Fibra UNO has entered into the following contracts for the development of its operation:

- i. An advising contract with Fibra UNO Administración, S. A. de C. V. (“Fibra UNO Administration or the Advisor”) (related party) for it to assist Fibra UNO in forming and implementing its financial investments and strategies;
- ii. A management agreement for the properties with F1 Management, S. C. (“F1 Management”), Operadora CVC, S. C. (“CVC Operator”) and F1 Controladora de Activos, S. C. (“F1 Parent Company”) (Affiliate companies) – to manage the daily operations of Fibra UNO;
- iii. A service agreement with F2 Services, S. C. (“F2 Services”) (related party) - to carry out certain invoicing and collection services on behalf of Fibra UNO, subject to supervision and monitoring;
- iv. An agreement for advising, property management and services with Jumbo Administración, S. A. P. I. de C. V. (“Jumbo Administración”) (related party) with similar characteristics as those mentioned in the foregoing, focused on certain properties;
- v. A property management agreement with Finsa Holding, S. A. de C. V. – to manage the daily operation of the portfolio (“Vermont”);
- vi. A property management agreement with Hines Interest, S. A. de C. V. – to manage the daily operation of the portfolio (“Maine”);
- vii. A management agreement with Consultora Centro Histórico, S. A. de C. V. – to manage the daily operation of the building called Hotel Centro Histórico;

- viii. A management agreement with Operadora Galgua, S. A. de C. V. – to manage the daily operation of the property Galerías Guadalajara;
- ix. A service agreement between F1 Administración, S. C. (F1 Administración - Affiliate company) and Banco Invex, S.A., Multiple Banking Institution, Invex Grupo Financiero in its status as Trust F/2353 (Trust F/2353) to manage the daily operation of Trust F/2353, and
- x. A service agreement with MTK Developers, S.A. de C.V. (Indirect Affiliate) for the construction of the Mitikah project.

The tax address of Fibra UNO is calle de Quintana Roo No. 3 Despacho 303 Col. Roma Sur, Ciudad de México.

**b) Purchases**

Portfolio	Acquisition
Tower Vallarta (i)	Investment properties
Torre Cuarzo (ii)	Development
Espacio Tollocan (iii)	Development
Puerta de Hierro (iv)	Investment properties
El Salto Jalisco (v)	Investment properties

- i. On August 19, 2016, Fibra UNO registered the purchase of the property “Tower Vallarta”, which purchase forms a part of the “Turbo” portfolio, and this is the first all-included Resort type hotel of the Fibra UNO portfolio located in Puerto Vallarta, one of the most famous tourist destinations of Mexico, which is rented under a base rent plus variable scheme. The hotel has 46,234 m2 of gross leasable area. It has 444 rooms and operates under the name of Grand Fiesta Americana Puerto Vallarta, a luxurious trademark. The hotel has a series of world class amenities and facilities, including a portion of land for a future expansion. The purchase price of this property was \$1,477.1 million pesos, which was paid with a combination of cash and CBFIs.
- ii. On June 27, 2016, Fibra UNO registered the purchase of the property “Torre Cuarzo”, located in Mexico City. The property shall have a gross leasable area of approximately 72,000 m2. The property is currently in the final stage of development, and is expected to be delivered by the second quarter of 2017. The purchase price was \$2.898 billion, \$864.3 million of which was paid in cash. An equivalent of \$1.124 billion in pesos was paid with 31,519,509 CBFIs, leaving one payment for 14,965,270 CBFIs, the equivalent of \$533.7 million pesos and \$376 million in cash, which are shown in the accounts payable and accumulated expenditures field in the condensed consolidated statement of financial position. The CBFIs shall be provided in the following manner: 31,519,509 CBFIs shall be placed in circulation on April 1, 2017, 7,482,635 on May 31, 2017 and 7,482,635 on September 30, 2017. Fibra UNO hopes to invest \$474 million pesos to complete the construction.
- iii. On June 1, 2016, Trust agreement 2500 was entered into, in which Tiendas de Descuento Monterrey, S.A. de C.V. (“Soriana”) acts as “Settlor A”, Fibra UNO as “Settlor B”, and Actinver as “Trustee”. The trust agreement provides the construction of “Espacio Tollocan”, which includes a Soriana Store and Shopping Center. Soriana provided a terrain with a surface area of 55,378 m2

for this, for which Fibra UNO made a payment of \$229.3 million pesos, and Soriana shall pay Fibra UNO \$110 million pesos for it to build its store for it. Once the construction is finished the joint ownership scheme shall be created in order for Soriana to be the owner of its store, and Fibra UNO the owner of the Shopping Center.

- iv. On Monday, February 29, 2016, Fibra UNO registered the purchase of the property "Puerta de Hierro" located in Guadalajara, Jalisco. The property shall have a gross leasable area of approximately 24,946 m<sup>2</sup>. A sale and lease back transaction was made with this purchase, in which Fibra UNO subsequently rents under a triple net contract over 10 years, with two five-year extensions. The purchase price was \$700 million pesos, paid in cash.
- v. On February 23, 2016, Fibra UNO recorded the purchase of the property "El Salto Jalisco", an industrial plant located in Guadalajara, Jalisco, for which Fibra UNO paid 5,060,501 CBFIs, equivalent to \$180 million pesos. In addition, as a part of the agreement for this purchase, once the contributor concludes the construction and equipping of a second industrial plant of approximately 21,388 m<sup>2</sup>, which forms a part of this project, Fibra UNO shall make the payment of the same for an approximate amount of \$180 million pesos with CBFIs.

**c) Relevant events**

- i. On September 30, 2016, Fibra UNO paid a loan assumed through the purchase of the Vermont Portfolio with "Blackstone" (previously GE Real Estate) for \$1,336.3 million pesos, corresponding to the credit line that accrued interests at a fixed rate of 7.75%.
- ii. On September 23, 2016, Fibra UNO provided a non-secured credit line contract with HSBC México, S.A., Multiple Banking Institution, HSBC Financial Group ("HSBC"), an amount of \$2.086 billion pesos at a plus 2% Interbank Equilibrium Interest Rate, maturing on September 15, 2023. As of September 30, 2016, the total amount provided from the credit line with HSBC amounted to \$3 billion pesos.
- iii. On September 15, 2016, Fibra UNO pre-paid a non-secured credit line contracted with HSBC for \$14.8 million US dollars. This provision accrued interest at a plus 2% Libor rate, and it matured on September 15, 2023.
- iv. On September 1, 2016 and August 31, 2016, Fibra UNO pre-paid loans assumed with Banamex through the purchase of Portfolio G-30 in the following manner: \$3.31 million US dollars corresponding to the credit line that accrued interests at a plus 1.90% Libor rate and \$152.1 million pesos, corresponding to the credit line that accrued interests at a plus 1.90% Interbank Equilibrium Interest Rate, respectively.
- v. On August 31, 2016, Fibra UNO delivered an earnest money deposit to purchase the Portfolio called "Frimax", which is shown in the condensed consolidated statements of financial position in the field "Advance payments" for the purchase of investment properties for \$366 million pesos.



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- vi. On August 1, 2016, Fibra UNO pre-paid a loan assumed with “Blackstone” through the purchase of the Vermont Portfolio for \$51.8 million US dollars, corresponding to the credit line that accrued interests at a plus 3.45% Libor rate.
  - vii. During the month of July, 2016, as a part of the Fibra UNO’s plan to limit the exchange risk derived from the bond issued in US dollars maturing in 2026, Fibra UNO contracted a currency SWAP for \$40 million US dollars, which cover principal and interests.
  - viii. On July 11, 2016, Fibra UNO recovered \$510.7 million pesos as Value Added Tax in cash.
  - ix. On July 1, 2016, Fibra UNO made a reciprocal transaction for purchase and sale of rates (COLLAR) with coverage purposes for an amount of reference of \$1.889 billion pesos, with a floor of 4.5% and a ceiling of 8.75%, maturing on July 2, 2018.
  - x. During the month of June, 2016, in order to limit the exchange risk derived from the bond issued in US dollars, maturing in 2026, Fibra UNO contracted currency SWAPS for \$260 million US dollars, \$100 million US dollars of which cover the principal, and \$160 million US dollars cover principal and interests.
  - xi. On June 29, 2016, Fibra UNO provided a non-secured credit line contract with Actinver for an amount of \$410 million pesos, at a plus 1.80% Interbank Equilibrium Interest Rate, maturing on July 27, 2017.
  - xii. On June 28, 2016, Fibra UNO paid loans assumed with Blackstone through the purchase of the Morado Portfolio in the following manner: \$236.3 million US dollars, corresponding to the credit line that accrued interests at the rate of 3.40%, \$33.9 million US dollars, corresponding to the credit line that accrued interest at a plus 2.70% Libor rate, \$825.7 million pesos corresponding to the credit line that accrued interests at the rate of 6.46%, and \$858.5 million pesos corresponding to the credit line that accrued interests at the rate of 6.46%.
  - xiii. On June 8, 2016, Fibra UNO issued an unsecured debt for \$500 million US dollars in international markets. The issuance was a reopening of its bonds, the first reopening of which corresponds to the bond maturing in 2026, with a rate of 5.25% for \$200 million US dollars, and the second is the reopening of the bond maturing in 2044, with a rate of 6.95% for \$300 million US dollars.
  - xiv. On April 30, 2016, GP Servicios Industriales, S. A. de C. V. ceased to provide management services for the California portfolio, according to the contract signed off with them.
  - xv. On April 12, 2016, Fibra UNO issued an unsecured debt in the local market for an amount of \$4.5 billion pesos in three sections: the first for 457,878,300 Investment Units (UDI’s) equivalent to \$2.5 billion pesos at a rate of 4.6%, maturing on April 1, 2017, and ticker symbol FUNO 16U; the second section for \$800 million pesos, with an plus 65 base points Interbank Equilibrium Interest Rate maturing on April 11, 2019 and a ticker symbol FUNO 16; the last section was a reopening of the bond maturing in 2023, with a rate of 8.4% for \$1.2 billion pesos maturing on December 4, 2023, with ticker symbol FUNO 13-2.

- xvi. On April 8, 2016, Fibra UNO made the prepayment of the unsecured guarantee that it had contracted with Inbursa, S.A., Multiple Banking Institution, Inbursa Financial Group for \$2 billion pesos. The loan accrued interests at a plus 2% Interbank Equilibrium Interest Rate.
- xvii. On February 26, 2016, Fibra UNO made an earnest money deposit for \$100 million pesos for the purchase of Torre Cuarzo located on Paseo de la Reforma, in Mexico City. On the date the transaction was closed, the earnest money deposit was used for the payment of the construction of Torre Cuarzo.
- xviii. On Thursday, February 18, 2016, Fibra UNO recovered \$1.026 billion for the Value Added Tax in cash.
- xix. On Monday, February 8, 2016, Fibra UNO provided a non-secured credit line contract with Actinver for an amount of \$400 million pesos, at a plus 1.80% Interbank Equilibrium Interest Rate, maturing on Sunday, July 17, 2016. This loan was settled on April 18, 2016.
- xx. Starting from January 1, 2016, derived from the second amendment agreement of Trust 1127/2010 (Torre Latino), in which Ecocinemas, S.A. de C.V. (Ecocinemas) as “Settlor A” and Fibra UNO as “Settlor B”, shall have a right to receive 22.53% and 77.47%, respectively, of the net product of the income through lease and the eventual product of the assignment of Torre Latino; Fibra UNO registered in its consolidated financial statements the minority interest corresponding to 22.53% that represents the interest that Ecocinemas has in the equity of Torre Latino. The effect of recognizing said minority interest in the consolidated figures of Fibra UNO is shown as of September 30, 2016, in the Interim Condensed consolidated statements of financial position and in the Interim Condensed consolidated statements of changes in equity for \$704.7 million pesos, and in the Interim Condensed consolidated income statements for \$541.2 million pesos under the field of non-parent company Interest.

## 2. Basis of presentation

### a) Presentation Bases

The Interim Condensed consolidated statements have been prepared according to the NIC 34 “Intermediate financial reports”.

Certain information and disclosures normally included in the yearly financial statements, prepared according to the International Financial Information Standards (“IFRS”), have been condensed or omitted according to the standard of intermediate financial reports. These Interim Condensed consolidated financial statements must be read as a whole with the consolidated financial statements of Fibra UNO and their respective disclosures for the years that ended on December 31, 2015, prepared according to the IFRS. The results of the period do not

necessarily indicate the ones of the year.

**b) Adoption of New Standards**

**a. Amendments to the International Financial Information Standards (“IFRSs” or JAS”), and new interpretations that are obligatory starting from 2015.**

In the year underway, Fibra UNO applied a series of new and modified IFRSs, issued by the International Accounting Standards Board (“IASB”), which are obligatory, and take force starting from the tax years that begin on or after January 1, 2015.

**b. New or Revised Issued IFRS Not Valid as of This Date**

Fibra UNO has not applied the following new or revised IFRS that have been issued, but which have not yet taken force.

IFRS 9	Financial Instruments (2)
IFRS 14	Deferred Regulatory Accounts (1)
IFRS 15	Income from Contracts with Customers (2)
IFRS 16	Leases (3)
Amendments to the IFRS 11	Accounting for Purchases of Shares in Collective Agreements (1)
Amendments to the IAS 1	Initiative of Disclosures (1)
Amendments to the IAS 16 and the IAS 38	Clarification of Acceptable Methods of Depreciation and Amortization (1)
Amendments to the IAS 10 and IAS 28	Sale or payment of goods between an investor and its associate or collective business (1)
Amendments to the IFRS 10, IFRS 12 and IAS 28	Investment Entities: application of the Consolidation Exception (1)
Amendments to the IFRS	Annual improvements to the IFRS 2012-2014 Cycles (1)

- (1) Effective for the annual periods that begin from January 1, 2016, early application being permitted.
- (2) Effective for the annual periods that begin from January 1, 2018, early application being permitted.
- (3) Effective for the annual periods that begin from January 1, 2019, early application being permitted.

The administration of Fibra UNO does not consider that the application of these amendments and the new IFRS that have significant effects on the consolidated financial statements of Fibra UNO.

**c) Seasonality**

The Administration of Fibra UNO does not consider that the business is subject to material seasonal fluctuations.

3. Cash, cash equivalent and restricted cash	30/09/2016	31/12/2015
Cash, cash equivalent and bank deposits	\$ 5,031,359	\$ 5,777,368
Restricted cash:		
Restricted cash and reserve funds for bank loans	123,231	218,550
<b>Total cash and cash equivalents</b>	<b>\$ 5,154,590</b>	<b>\$ 5,995,918</b>
4. Financial Investment	30/09/2016	31/12/2015
Trading investments- government securities	<b>\$ 2,528,433</b>	<b>\$ 2,300,596</b>
5. Lease receivables and others	30/09/2016	31/12/2015
Lease receivables	\$ 1,148,161	\$ 856,497
Allowance for doubtful accounts	(81,907)	(105,151)
	<b>\$ 1,066,254</b>	<b>\$ 751,346</b>
6. Investment properties	30/09/2016	31/12/2015
Reasonable value:		
Investment completed	\$ 151,709,750	\$ 137,830,327
Investment in development	11,992,867	10,774,701
Land reserves	1,136,588	1,341,216
Rights over properties with operating leases	2,403,690	2,403,690
	<b>\$ 167,242,895</b>	<b>\$ 152,349,934</b>

Investment Property	Type	Properties	30/09/2016	31/12/2015
Balance at the beginning of the period			\$ 152,349,934	\$ 113,831,162
Acquisitions:				
Tower Vallarta	Retail	1	1,477,096	-
Torre Cuarzo	Development	1	2,898,091	-
Espacio Tollocan	Development	1	229,295	-
Puerta de Hierro	Retail	1	700,000	-
El Salto Jalisco	Industrial	1	180,000	-
Alaska	Office	6	-	5,246,766
Lamar	Retail	4	-	2,295,000
Artificios No. 40	Office	1	-	52,950
CuautiPark II	Industrial	1	-	783,500
Oregon	Retail	3	-	1,626,000
Indiana	Retail	13	-	3,190,000
Kansas	Retail	12	-	10,452,127
Buffalo	Development	1	-	2,820,418
Utah	Office	1	-	1,010,664
Florida	Office	1	-	640,098
Additional investment properties			4,369,800	5,808,521
Fair value adjustments to investment properties			5,038,679	4,592,728
<b>Balance at the end of the period</b>			<b>\$ 167,242,895</b>	<b>\$ 152,349,934</b>

All investment properties of Fibra UNO are held under absolute ownership.

Once a year the Administration of Fibra UNO relies on valuations conducted by independent experts with classifications and relevant experience in the locations and categories of the investment properties that it holds.

The independent experts consider different valuation techniques under focuses of income, market and costs to estimate the fair value of their investment properties, and it chooses that which it considers most appropriate given the particular circumstances of the property and the availability of the information, seeking to maximize the use of observable data. It first considers if it can use current prices in an active market for a similar property in the same location and considerations, which is subject to leases and other similar contracts. However, in the majority of the cases it uses a discounted cash flow valuation technique given the availability of information.

The discounted cash flow valuation technique requires for the expected period cash flows of a property in operation or in development to be projected. The expected periodic cash flows generally include the income considering occupation and bad debts minus operation expenses. An appropriate discount is applied to these flows, derived from surveys conducted by participants in the market, to determine the present value of the flows associated with the property, which represents its fair value.

During the second quarter of 2016, derived from the start-up of Torre Latino, Fibra UNO registered an amount of \$2,354.6 million pesos to show the property at its fair value. Said amount is shown in the condensed consolidated statement of income in the field of adjustment to the fair value of investment properties.

As of September, of 2016 and 2015, Fibra UNO estimates that the effect of the fluctuation of the fair value in the investment properties is for \$5,038.7 million pesos and \$2,564 million pesos, respectively, and as of December 31, 2015 it was \$4,592.7 million pesos.

7. Advanced payments for future investments	30/09/2016	31/12/2015
Anticipo Frimax	<u>\$ 366,000</u>	<u>\$ -</u>

Fibra UNO records these investments based on the equity accounting method, as established in the IFRS, given the nature of the investment.

8. Other assets, Net	30/09/2016	31/12/2015
Administrative platform (1)	\$ 2,043,674	\$ 2,043,674
Implementation advisory	440,800	440,800
Advisory for the structuring of the real estate	30,000	30,000
Accumulated amortization	(543,706)	(392,949)
	<u>\$ 1,970,768</u>	<u>\$ 2,121,525</u>

9. Loans

Type	Institution	Summary of loans balance as of September 30, 2016					
		Currency	Interest rate	Maturity	Balance MXN	Balance in thousand USD	
Mortgage	Finsa Bancomext US 84.7 millones	USD	4.89%	oct-20	\$ -	74,010	
Mortgage	HSBC Samara	MXN	TIE + 2%	sep-23	3,000,000	-	
Unsecured	Actinver	MXN	TIE + 1.8%	jul-17	410,000	-	
Bond	National (FUNO 13-2)	MXN	8.40%	dic-23	3,120,900	-	
Bond	National (FUNO 13)	MXN	TIE + 0.80%	jun-19	6,850,059	-	
Bond	National (FUNO 15)	MXN	6.99%	jul-25	7,500,000	-	
Bond	National (FUNO 13U)	UDIS	5.09%	nov-28	2,322,104	-	
Bond	National (FUNO 16U)	UDIS	4.60%	abr-27	2,497,630	-	
Bond	National (FUNO 16)	MXN	TIE + 0.65%	abr-19	883,750	-	
Bond	International	USD	5.25%	dic-24	-	600,000	
Bond	International	USD	6.95%	ene-44	-	700,000	
Bond	International	USD	5.25%	ene-26	-	500,000	
					Balance as of September 30, 2016 \$	26,584,443	1,874,010
					Foreign exchange rate as of September 30, 2016		19.4086
					Dollar balance in pesos equivalent \$		36,371,901
					Balance as of September 30, 2016 in pesos equivalent		62,956,344
					Short-term loans		(627,980)
					Long-term loans		62,328,364
					Transaction costs		(584,709)
					Unearned interests at fair value		149,073
							\$ 61,892,728

Type	Institution	Summary of Loans as of December 31, 2015					
		Currency	Interest Rate	Maturity	Balance MXN	Balance in thousand USD	
Mortgage	G-30 Banamex (lzt Ps.) \$173.8 millones FID 547	MXN	TIIE + 1.90%	feb-21	\$ 157,223	-	
Mortgage	G-30 Banamex (lzt Us.) US 4 millones FID 547	USD	Libor + 1.90%	feb-21	-	3,466	
Mortgage	G-30 Blackstone (antes GE) Fid. 721/722 \$1,480 millones	MXN	7.75%	oct-16	1,366,756	-	
Mortgage	Morado Blackstone (antes GE) US 254.2 millones	USD	3.10%	jul-16	-	238,943	
Mortgage	Morado Blackstone (antes GE) US 179 millones	USD	Libor + 2.5875%	jul-16	-	42,703	
Mortgage	Morado Blackstone (antes GE) \$864.8 millones	MXN	6.16%	jul-16	831,632	-	
Mortgage	Morado Blackstone (antes GE) \$898 millones	MXN	6.16%	jul-16	864,468	-	
Mortgage	Finsa Bancomext US 84.7 millones	USD	4.89%	oct-20	-	76,993	
Mortgage	Finsa Blackstone (antes GE) US 58.7	USD	Libor + 3.45%	jul-18	-	53,049	
Mortgage	HSBC Samara	USD	Libor + 2%	sep-21	-	15,301	
Mortgage	HSBC Samara	MXN	TIIE + 2%	sep-21	948,868	-	
Unsecured	Inbursa	MXN	TIIE + 2%	nov-16	2,000,000	-	
Bond	Nacional (FUNO 13-2)	MXN	8.40%	dic-23	2,000,000	-	
Bond	Nacional (FUNO 13)	MXN	TIIE + 0.80%	jun-19	6,850,058	-	
Bond	Nacional (FUNO 15)	MXN	6.99%	jul-25	7,500,000	-	
Bond	Nacional (FUNO 13U)	UDIS	5.09%	dic-28	2,290,766	-	
Bond	Internacional	USD	5.25%	dic-24	-	600,000	
Bond	Internacional	USD	6.95%	ene-44	-	400,000	
Bond	Internacional	USD	5.25%	dic-26	-	300,000	
					Balance as of December 31, 2015 \$	24,809,771	1,730,455
					Foreign exchange rate as of December 31, 2015		17.3398
					Dollar balance in Pesos equivalent \$		30,005,744
					Balance as of December 31, 2015 in Pesos equivalent		54,815,515
					Short-term loans		(10,123,627)
					Long-term loans		44,691,888
					Transaction Costs		(482,480)
						\$	44,209,408

The financial debt establishes certain conditions of obligations and restrictions, which have been met as of the date of issuance of the present financial statements. The most relevant conditions are:

- Fibra UNO is obligated to pay on or prior to the date the property tax and other contributions mature.
- Maintain all its serviceable goods and assets that are necessary for the proper operation of its businesses, except for normal use and wear.
- Maintain the insurances on its insurable assets with renowned insurance companies, for amounts versus risks that are customary in the real estate industry, and for sufficient insured amounts to replace or repair damages.
- Total untaxed assets. It must maintain total untaxed assets that at all times represent no less than 150% (one hundred and fifty percent) of the total amount of principal of the non-secured debt of the issuer and its Affiliates.



- Limitations regarding Secured Debt. It may not, nor shall it allow any of its Affiliates to contract a secured debt if, when immediately giving effect to said secured guarantee and any other contracted secured debt from the date in which the most recent full quarter prior to the contracting of the additional secured debt and the application of the net resources of said secured debt on a pro-forma basis has concluded, the total amount of principal of the outstanding secured debt is greater than 40% (forty percent) of the amount of (without duplicating): (i) the total assets of the Trust as of the date on which the most recent full quarter has concluded, and (ii) the total price of real estate assets purchased and the total amount of resources obtained through placements of values (insofar as said resources have not been used to purchase real estate assets or reduce debt) from the date in which the most recent full quarter has concluded.
- Neither the Trust or any of its Affiliates may contract an additional debt if, when immediately giving effect to said additional debt and any other contracted debt from the date in which the most recent full quarter prior to the contracting of the additional debt and the application of the net resources of the additional debt and said other debt on a pro-forma basis has concluded, the total outstanding debt of the issuer is greater than 60% (sixty percent) of the amount of (without duplicating): (i) the total assets of the issuer as of the date on which the most recent full quarter has concluded, and (ii) the total price of real estate assets purchased and the total amount of resources obtained through placements of values (insofar as said resources have not been used to purchase real estate assets or reduce debt) by the issuer or any Affiliate from the date in which the most recent full quarter has concluded.
- Neither the Trust nor any of its Affiliates may contract additional debt if, when immediately giving effect to said additional debt, the consolidated income ratio available for debt service between the annual amount of debt service for the most recent period of four consecutive quarters prior to the date in which said additional debt is going to be contracted is less than 1.5:1 on a pro-forma basis, after giving effect to the contracting and application of the net resources of said additional debt.

Additionally, our regulation as FIBRA requires the following from us:

- The total amount of the financings (loans of any kind) or other liabilities of the Trust intended to be assumed by and charged to the Trust's Equity at any time may be greater than 50% (fifty percent) of the book value of the Trust's Equity, measured at the close of the last reported quarter. In the event that the liabilities charged to the Trust exceed the previously indicated maximum limit, no additional liabilities may be assumed that are charged to the Trust's Equity until the indicated limit is adjusted, except when it regards refinancing operations to extend the maturity of the indebtedness of the Trust and the Technical Committee documents the evidences of such situation. In any case, the result of said refinancing may not imply an increase in the level of indebtedness recorded before the aforementioned refinancing transaction.
- The Trust must at all times maintain a service coverage rate of the debt of at least 1.0 upon assuming any credit, loan or financing, which must be calculated in accordance with that provided in Annex AA of the Sole Circular of Issuers. In the event that the rate of coverage of service of the debt is less than 1.0, no additional liabilities may be assumed that are charged to the Trust's Equity, except when it

regards refinancing transactions to extend the maturity of the indebtedness of the Trust and the Technical Committee documents the evidences of such situation. In any case, the result of said refinancing may not imply a decrease in the calculation of the service coverage rate recorded before the aforementioned refinancing operation.

The long-term maturations of the portion of this liability as of September 30, 2016, are:

Maturity	30/09/2016
2017-2018	\$ 221,939
2018-2019	7,959,707
2019-2020	229,858
2020-2021	1,226,460
2021-2022	137,143
2022 and beyond	52,553,257
	\$ 62,328,364

## 10. Long Term Derivatives

In order to limit the exchange risk derived from the bond issued in US dollars, maturing in 2026, Fibra UNO contracted currency SWAPS for \$300 million US dollars, \$100 million US dollars of which cover the principal, and \$200 million US dollars cover principal and interests.

In addition, Fibra UNO made a reciprocal transaction of purchase and sale of rates (COLLAR) with coverage purposes for an amount of reference of \$1,889.5 million pesos. Fibra UNO would pay to the counterpart if Interbank Equilibrium Interest Rate worth less than 4.5% and the counterpart would pay to Fibra UNO if Interbank Equilibrium Interest Rate worth more than 8.5%.

As of September 30, 2016, the position of the financial instruments derived from Fibra UNO is integrated by six SWAPS and a collar that are shown in the field of financial instruments derived in the non-current asset for \$451.3 million pesos.

The characteristics of the SWAPS used for the coverage of the aforementioned risks and their fair value as of September 30, 2016, are the following:

No.	Notional thousand USD	Notional thousand MXN	FX	FUNO PAYS	FUNO RECEIVES	Initial date	Final date	Fair value MXN
1	50,000	944,750	18.8950	TIIE + 3.34%	5.25% USD	17/06/2016	30/01/2026	93,083
2	50,000	944,750	18.8950	TIIE - 2.77%	-	17/06/2016	30/01/2026	54,371
3	50,000	958,000	19.1600	TIIE + 3.51%	5.25% USD	28/06/2016	30/01/2026	65,010
4	50,000	958,000	19.1600	TIIE - 2.60%	-	28/06/2016	30/01/2026	32,095
5	60,000	1,113,000	18.5500	TIIE + 3.49%	5.25% USD	30/06/2016	30/01/2026	125,389
6	40,000	739,000	18.4750	TIIE + 3.59%	5.25% USD	08/07/2016	30/01/2026	80,435
	<b>300,000</b>	<b>5,657,500</b>						<b>450,383</b>

The characteristics of the Collar and its fair value as of September 30, 2016, are the following:

No.	Notional thousand MXN	Floor	Ceiling	Initial date	Final date	Fair value MXN
7	1,889,500	4.50%	8.75%	01/07/2016	30/06/2028	<b>942</b>

On July 1, 2016, Fibra UNO designated its SWAPS as Fair Value Hedges, for which as of September 30, 2016, the exchange fluctuation effects caused by the recognition of the fair value of the SWAPS appears net, decreasing the field of exchange loss in the condensed consolidated income statement by \$267.4 million pesos, from \$3,081.3 million pesos to \$2,813.9 million. In addition, as a part of the accounting of fair value Hedges for the SWAPS, the amount of the unearned interests at a fair value for \$149 million pesos was recorded, and they are shown as an increase in the balance of the long term debt as of September 30, 2016 (Note 9).

As of September 30, 2016, the covered primary position by all SWAPS worth \$300 million US dollars, of which \$200 million US dollar cover principal and interests and \$100 million US dollars cover only principal.

As of September 30, 2016, the fair value of the SWAP was determined through an internal model, prospectively and retrospectively testing its effectiveness with the "Dollar Offset" methodology, which was highly effective.

11. Accounts payable and Accumulated Costs	30/09/2016	31/12/2015
Accounts payable for acquisition of investment properties	\$ 2,297,375	\$ 1,373,899
Interest payable	715,735	584,527
Accrued expenses and other payables	218,700	356,787
Suppliers	125,996	86,945
	<b>\$ 3,357,806</b>	<b>\$ 2,402,158</b>

## 12. Payments made in CBFIs

In the yearly holders assembly on April 4, 2014, an executive long term compensation plan based on the granting of 162,950,664 CBFIs payable over 10 years, and granting no more than 10% of the plan per year, except in cases in which 10% had not been granted in the previous year, in which case up to 20% per year may be granted. Fibra UNO records an estimate of the CBFIs that shall eventually be delivered as an expense on a straight line basis during the granting period. At the end of the year Fibra UNO determines the number and amount of the CBFIs that it expects can be awarded. The compensation costs related to this plan as of September 30, 2016 and 2015, were for \$329 million pesos and \$269.6 million pesos, respectively, and as of December 31, 2015, for \$587.8 million pesos. During the second quarter of 2016, 18,261,112 CBFIs were placed in circulation derived from this program, and 8,734,156 CBFIs were placed in circulation during 2015.

### 13. Minimum income from future leases

The value of the minimum income through leasing contracts is the following:

Year	Retail	Industrial	Office	Total
Less than a year	\$ 5,394,840	\$ 2,672,457	\$ 1,476,880	\$ 9,544,177
One to five years	16,765,574	6,760,765	3,342,314	26,868,653
More than five years	9,289,994	1,423,013	1,730,559	12,443,566
	<u>\$ 31,450,408</u>	<u>\$ 10,856,235</u>	<u>\$ 6,549,753</u>	<u>\$ 48,856,396</u>

The shopping centers are located in the main cities and touristic destinations of the Mexican Republic.

The industrial plants are located mainly in Monterrey, Nuevo León, and in the State of Mexico.

The corporate buildings are located mainly in Mexico City.

14. Transactions and balances with related parties	30/09/2016	31/12/2015
Revenues:		
F1 Administración, S.C.		
Comisión por administración (6)	\$ 56,250	\$ 38,333
Expenses:		
Fibra UNO Administración		
Acquisition fees 3% (1)	\$ 138,100	\$ 828,116
Administration fees 0.5% (1)	\$ 431,307	\$ 533,224
Parks Desarrolladora, S. A. de C. V.		
Services rendered (4)	\$ 1,370,733	\$ 1,801,200
Coordinadora de Inmuebles Industriales, S. A. de C. V.		
Services rendered (4)	\$ 337,257	\$ 855,943
G-30 LA Madre, S. A. P. I. de C. V.		
Services rendered (4)	\$ 107,179	\$ 433,513
Jumbo Administración		
Property management services (3)	\$ 281,366	\$ 395,400
F2 Services		
Services rendered (2)	\$ 192,672	\$ 207,607
E- Administración y Construcción, S. A. de C. V.		
Services rendered (4)	\$ 15,901	\$ 89,657
Luxe Administración y Control Inmobiliario, S. A. P. I. de C. V.		
Rendered services (5)	\$ 223	\$ 2,375

- Fibra UNO pays an annual fee equivalent to 0.5% of the Equity plus the value added tax, in exchange for advising services, and 3% over the purchase value of the properties purchased from third parties.
- Fibra UNO pays a monthly fee equivalent to 2% of the rents charged for its properties, plus the value added tax in exchange for administrative services.
- According to that established in the administration contract of the Portfolio, Fibra UNO shall pay Jumbo Administración, S. A. P. I. de C. V., an amount equal to (i) 3% of the collected revenue of the Morado Portfolio, (ii) the total amount of the maintenance fees, publicity and service rates charged to the tenants and users of the properties, according to their respective leasing contract, and (iii) an annual 0.5% of the value of the contribution of the investment property assets, payable per matured quarter.
- Fibra UNO entered into a building contract with Parks Desarrolladora, S.A., Coordinadora de Inmuebles Industriales, S.A. de C.V. y G30 La Madre, S.A.P.I. de C.V., for which the fees shall be paid based on the progress of each construction.
- According to that established in the service agreement, Fibra UNO shall pay Luxe Administración, S. A. P. I. de C. V. the equivalent of 5% of the revenue through leasing for each new leasing agreement of the Morado portfolio (without including renewals or term extensions of the existing leasing

agreements), with the intermediation of the Real Estate Representative, including the transfer rights, capped at five years of validity of the leasing agreement.

6. According to that established in the service agreement between F1 Administración, S.C. (F1 Administración-Affiliate company) and Banco Invex, S.A., Multiple Banking Institution, Invex Financial Group, in its status as Trust F/2353 (Trust F/2353), F1 Administración shall have the right to receive (i) an annual commission equivalent to 1.25%, plus the corresponding VAT, over the Maximum Amount of the Issuance of Trust F/2353 and (ii) subsequent to the Period of Investment and any extension to the same, to 1.25% plus the corresponding VAT over the Total Invested Amount of Trust F/2353.

The aforementioned transactions are documented through contracts with validities starting at 5 years, and are renewable.

<b>Balance with related parties:</b>	<b>30/09/2016</b>	<b>31/12/2015</b>
Payable to:		
Fibra UNO Administración	\$ 105,821	\$ 88,951
Jumbo Administración	19,981	14,555
Parks Desarrolladora, S.C.	12,163	-
Coordinadora de Inmuebles Industriales	3,761	-
Parks Mantenimiento	1,060	982
	<b>\$ 142,786</b>	<b>\$ 104,488</b>

## 15. Additional information

The administration of Fibra UNO analyzes its financial information in order to assign resources and evaluate performance on a consolidated basis according to the use of each one of its investment properties, grouping them as follows:

### Investment property income

<b>Segment</b>	<b>Nine months ending</b>		<b>Three months ending</b>	
	<b>30/09/2016</b>	<b>30/09/2015</b>	<b>30/09/2016</b>	<b>30/09/2015</b>
Industrial	\$ 2,178,803	\$ 1,880,548	\$ 763,536	\$ 653,977
Retail	5,034,264	3,865,099	1,769,520	1,449,865
Office	1,432,389	1,043,892	454,366	446,210
	<b>\$ 8,645,456</b>	<b>\$ 6,789,539</b>	<b>\$ 2,987,422</b>	<b>\$ 2,550,052</b>

## 16. Shareholder's Equity

- i. The Trust's equity consists of contributing one thousand pesos and the amount of the resources derived from issuances of CBFIs
- ii. As of September 30, 2016, and 2015, there are 3,220,900,751 and 3,040,340,391 CBFIs in circulation, respectively, and as of December 31, 2015, there are 3,197,579,138 CBFIs in circulation.

### Distributions

The Technical Committee of Fibra UNO has approved and paid distributions of the corresponding tax income accounts and reimbursement of capital to the holders of the CBFIs in the following manner:

Distribution dates	Total distributed	Fiscal result	Capital reimbursement
August 9, 2016	\$ 1,546,481	\$ 1,324,600	\$ 221,881
May 9, 2016	1,607,651	1,376,520	231,131
February 11, 2016	1,629,778	-	1,629,778
Total as of September 30, 2016	<b>\$ 4,783,910</b>	<b>\$ 2,701,120</b>	<b>\$ 2,082,790</b>
August 7, 2015	\$ 1,499,272	\$ 643,237	\$ 856,035
May 11, 2015	1,470,962	814,343	656,619
February 16, 2015	1,407,521	-	1,407,521
Total as of September 30, 2015	<b>\$ 4,377,755</b>	<b>\$ 1,457,580</b>	<b>\$ 2,920,175</b>

As of September 2016, and 2015, Fibra UNO distributed \$2,082.8 million pesos and \$2,920.2 million peso as capital reimbursement, respectively, \$1,629.8 million pesos and \$1,407.5 million pesos of which correspond to the financial years 2015 and 2014, respectively, and for the year concluding on December 31, 2015, Fibra UNO distributed \$4,209.7 million as capital reimbursement, \$1,407.5 million of which correspond to the financial year 2014.

## 17. Income taxes

In order to cover the requirements of the tax regime of FIBRA, in terms of that provided in the SAT document, according to articles 187 and 188 of the LISR, Fibra UNO must distribute at least 95% of the Taxable Income to the holders of the CBFIs of the Trust each year. There are temporary and permanent differences between the integral income that is shown in the adjoined financial statements and the taxable income that serves as a base for making the distributions to the holders of the CBFIs. Therefore, the Administration carries out a conciliation of both bases to determine the amount to distribute. The most relevant differences correspond to: (i) the adjustment due to valuations of the investment properties, (ii) the inflationary adjustment and (iii) the tax depreciation.

As of September 30, 2016, and 2015, Fibra UNO has made distributions of taxable income for \$2,701.1 million pesos and \$1,457.6 million pesos, respectively, and for the year concluding on December 31, 2015, Fibra UNO distributed \$1,694 million pesos as taxable income, corresponding to said financial year.

## 18. Commitment and contingencies

- a) Neither the Trustee nor its assets are subject to any type of legal action except those derived from their routine operations and activities.
- b) On October 20, 2016, following the authorization of the majority of its independent members, the Technical Committee of Fibra UNO approved distributions as advance payment of taxable income and capital reimbursement for \$1,586,799 pesos. This distribution shall be paid by Fibra UNO at the latest by November 9, 2016.
- c) As a part of the agreement for the purchase of Portfolio G-30, Fibra UNO is obligated to pay the necessary costs for the conclusion of certain works that are currently in process for an approximate amount of \$5.7 billion pesos, of which \$5.068 billion have been invested. The terrains where these properties were developed were provided and paid with CBFIs.
- d) As a part of the agreement for the purchase of Salto Jalisco, once the contributor concludes the construction and equipping of a second industrial plant of approximately 21,388 m<sup>2</sup>, which forms a part of this project, Fibra UNO shall make the payment of the same for an approximate amount of \$180 million pesos with CBFIs.
- e) As a part of Trust agreement 2500, in which the construction of “Espacio Tollocan” was agreed, which includes the construction of a Soriana Store, the latter shall pay an amount of \$110 million pesos to Fibra UNO for it to build its store for it.

## 19. Previous events

- i. On October 4, 2016, Fibra UNO recovered \$476.1 million pesos as Value Added Tax in cash
- ii. On October 14, 2016, Fibra UNO issued 21,599,999 CBFIs. Therefore, on that date the number of CBFIs in circulation is 3,242,500,750.

## 20. Approval of the Financial Statements

The adjoined condensed consolidated financial statements and their notes were authorized for issuance by Mr. Gerardo Vargas Ateca, Vice-president of Finance at Fibra UNO, according to the Technical Committee’s approval on October 20, 2016.



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