



SANTANDER
21ST ANNUAL LATAM CONFERENCE

CANCÚN - JANUARY 2017

Disclaimer

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“Real estate is a cyclical business, and FUNO’s business model is designed to withstand and take advantage of these business cycles. *Our time to shine is now*”

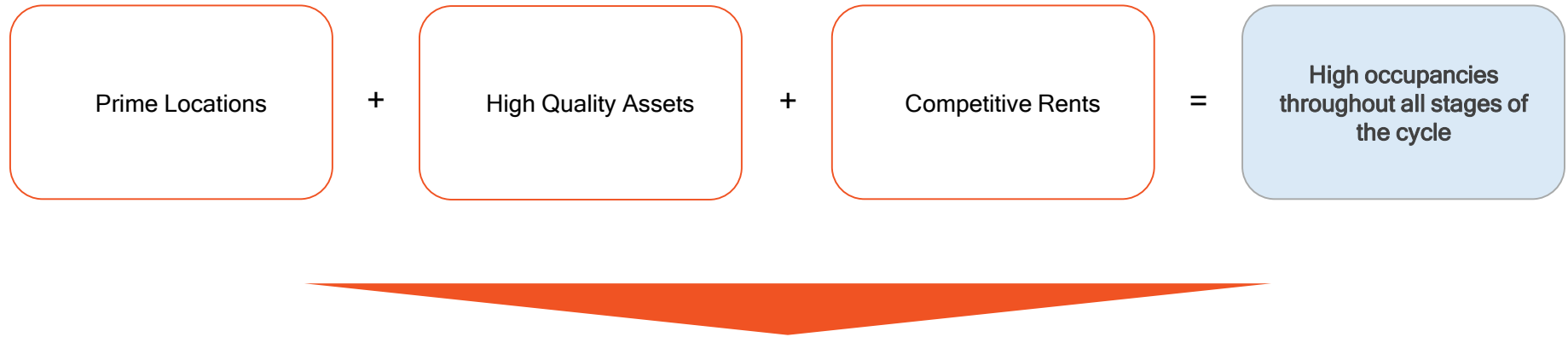
André El-Mann, CEO FUNO

Executive Summary

How is FUNO Built and Why?



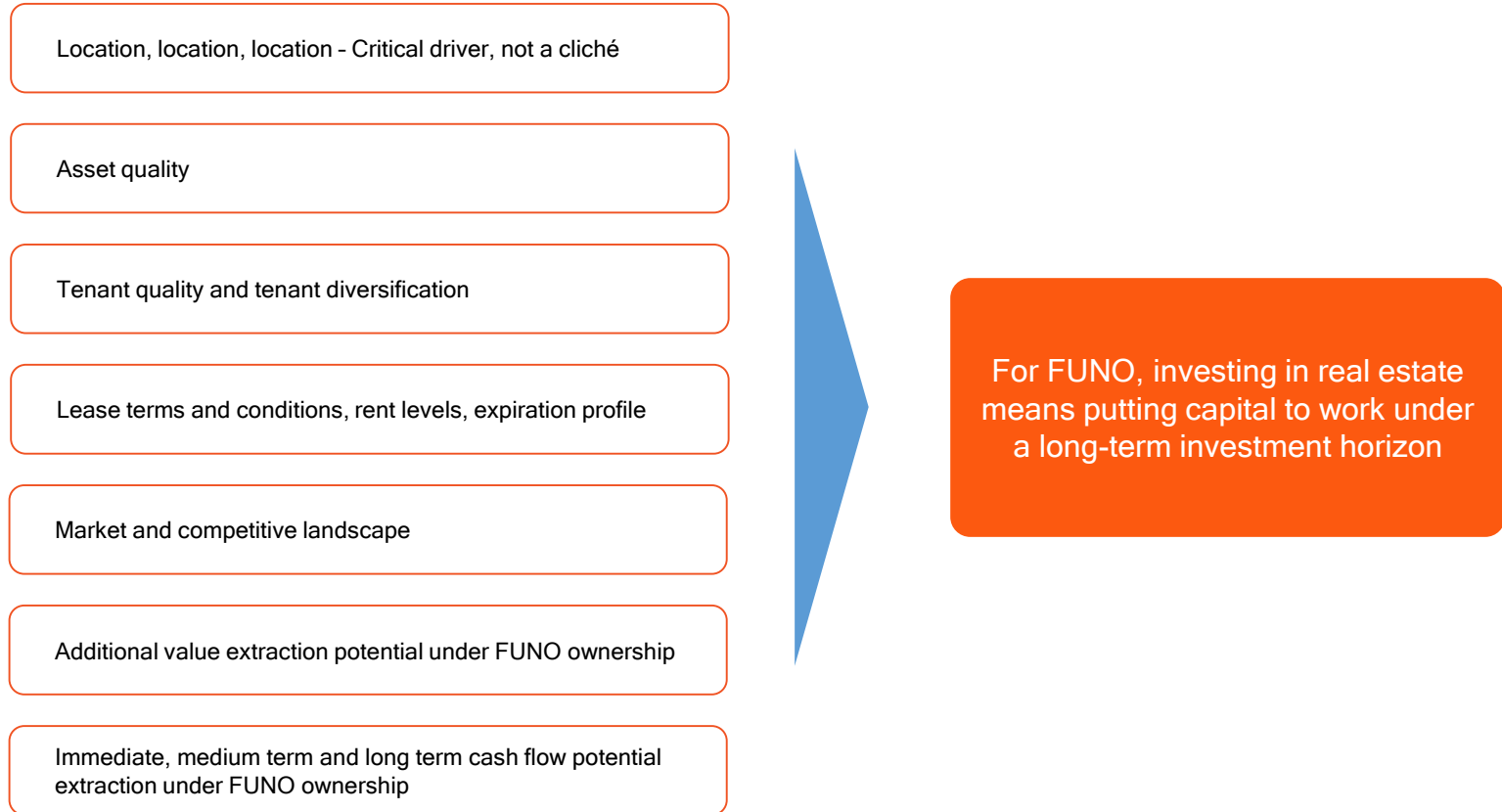
FUNO's Strengths



- ✓ Excellent, long-lasting relationships with tenants and key suppliers
- ✓ Prime locations across high-ranking cities with high-quality real estate assets
- ✓ Fortress balance sheet designed to grow and weather storms

Investment Drivers

FUNO's investment criteria is designed to generate maximize long term value throughout the business cycle



Relationships with Tenants and Suppliers

FUNO has excellent, long-lasting relationships with tenants and key industry suppliers, most of whom are global, multinational, regional and large local players

Master distribution centers and national hubs of world-class tenants



High-quality retailers in shopping centers and fashion malls



High-credit corporates are headquartered in our office buildings



Tenant Driven Approach

The Client Comes First

Prime Locations and High-Quality Assets - Industrial

FUNO strives to own and develop high-quality real estate assets in prime locations across high-ranking cities in Mexico...

Industrial

Newly developed, high-tech Industrial parks located on key logistics and manufacturing corridors



- Logistics: 82.6% of industrial GLA
- Light manufacturing: 17.4% of industrial GLA
- Strong footprint in Mexico City and its Metropolitan Area
- Super-prime locations across the most important logistics corridors and export markets
- Proximity to main highways, roads and connection points to the whole country
- State-of-the-art buildings
- One of the youngest portfolios in the country, average building age: less than 4 years
- FUNO's occupancy: 96.3%
- Segment occupancy: 91.7%



Prime Locations and High-Quality Assets - Retail

... and to have high-quality assets on those locations with below-market rent prices...

Retail

The best options for shopping in different formats and on several cities across the country

- Diversified portfolio across all the subsegments of retail
- Prime locations in primary and secondary cities with high-traffic
- Significant footprint in Mexico City and its Metropolitan Area
- Strong exposure to large retailers and significant components of entertainment options
- The only shopping centers in Chetumal, Celaya, Taxco, Tuxtla Gutiérrez, Downtown Cancun, Cozumel Tepic, Aguascalientes
- The largest fashion mall in Guadalajara, Cancun and Monterrey, Saltillo, Iguala and Chilpancingo
- Several stand-alones with enormous re-conversión potential
- FUNO's occupancy: 93.8%
- Segment occupancy: 91.1%



Prime Locations and High-Quality Assets - Offices

... ensuring high occupancies throughout the cycle and guaranteeing stable cash flows

Office

Iconic and irreplaceable office buildings
on the most important corporate
corridors in Mexico City

FUNO in the Reforma Corridor:

- 7 iconic, irreplaceable buildings on prime locations
- 206,000 sqm of office GLA
- 90.0% occupancy vs 86.3% for this corridor
- 29.3% of market share

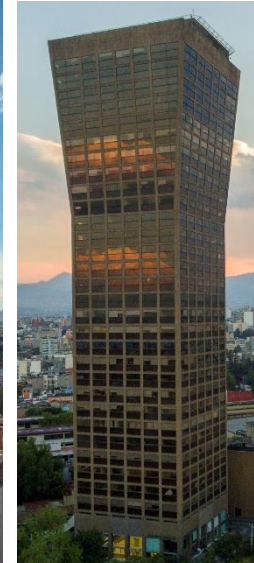
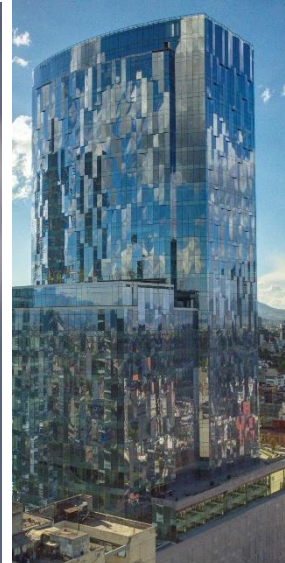
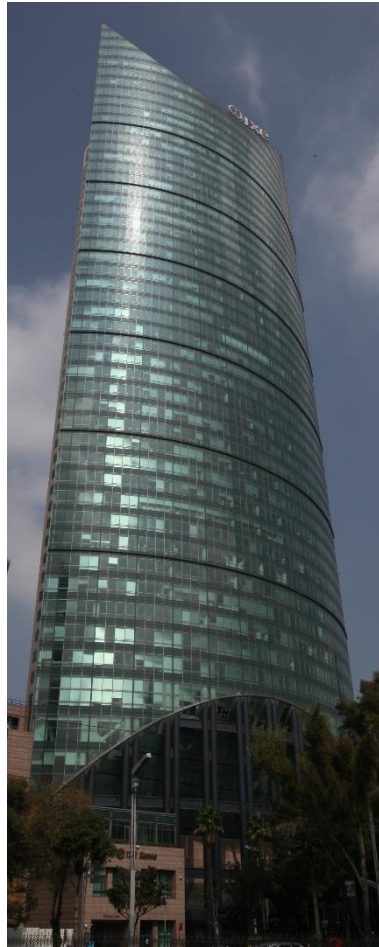
FUNO in the Santa Fe Corridor

- 3 iconic, irreplaceable buildings on prime locations
- More than 128,000 sqm of office GLA
- 11.2% of corridor market share
- 96.3% occupancy rate

FUNO in the Insurgentes Corridor:

- More than 121,000 sqm of office GLA
- 13 buildings across the corridor
- 17.5% market share in the corridor
- Largest avenue in Mexico and FUNO's buildings scattered across several neighborhoods

- FUNO overall occupancy: 90.6%
- Segment occupancy: 89.3%

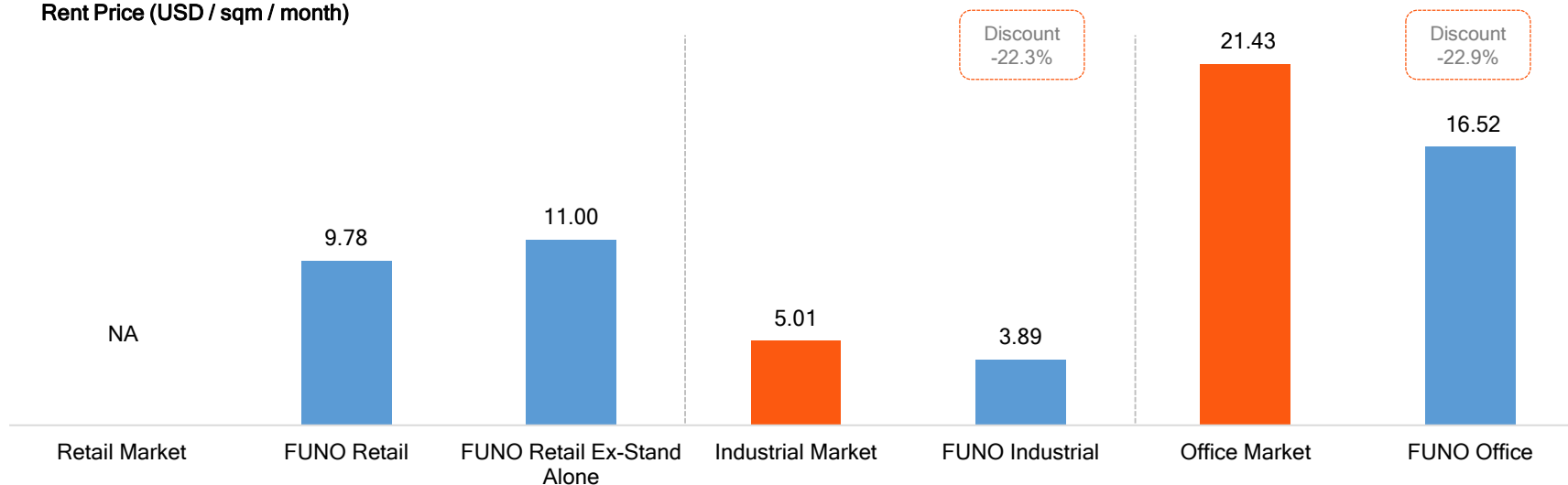


Subsegment Breakdown

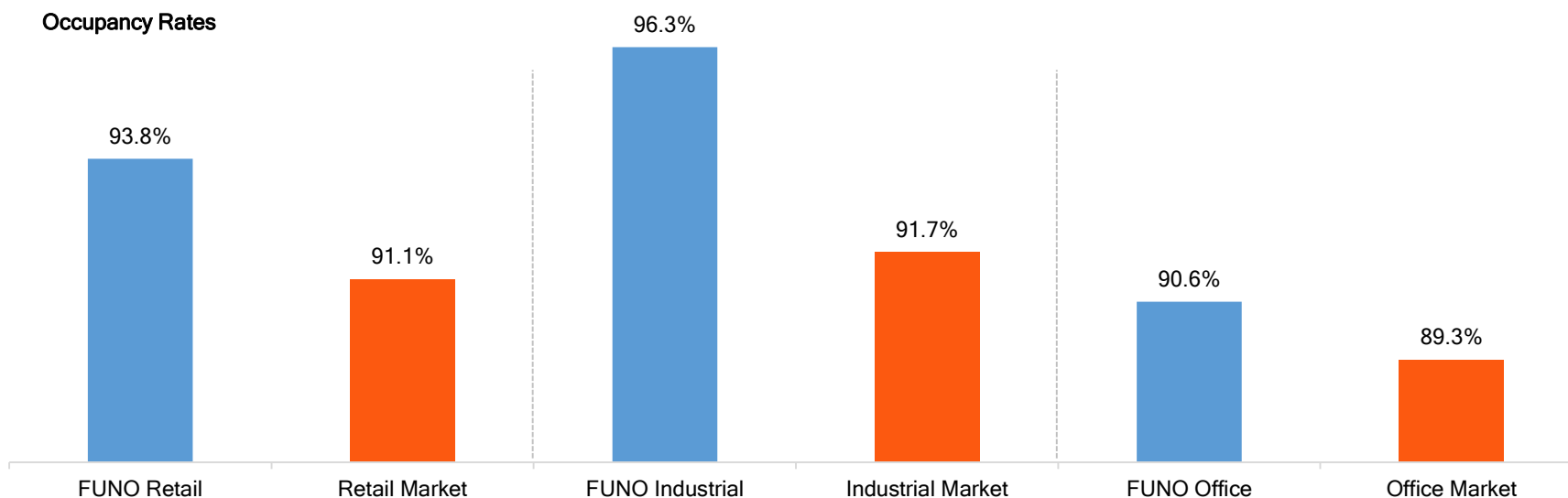
Segment	Subsegment	GLA (000 sqm)	Occupancy	Ps.\$/sqm/month	NOI 3Q16 (Ps. mm)	% of Total GLA	% of Total 3Q16 NOI ²
Industrial	Logistics	2,937.5	97.0%	69.70	544.1	40.1%	20.6%
	Light manufacturing	619.7	92.9%	101.20	158.9	8.5%	6.0%
Retail	Fashion mall	446.0	95.0%	309.00	330.2	6.1%	12.5%
	Regional center	1,325.6	90.2%	183.80	623.2	18.1%	23.6%
	Neighborhood center	350.2	92.5%	198.20	180.6	4.8%	6.9%
	Stand alone ¹	881.4	99.0%	141.90	341.9	12.0%	13.0%
Office	Office ¹	760.3	90.6%	345.00	456.9	10.4%	17.3%
Total		7,320.7	94.7%	149.10	2,635.8		

Competitive Rents and High Occupancy Always

Rent Price (USD / sqm / month)



Occupancy Rates



Sources: Cushman & Wakefield Mexico Industrial 3Q16; Cushman & Wakefield Mexico City Office 3Q16

Rents calculated using 3Q16 SSR and an exchange rate of 19.4086; Retail market occupancy is the combined occupancy of retail FIBRAs and REOCs in Mexico

Fortress Balance Sheet

FUNO's balance sheet is designed to withstand financial turbulence through a conservative approach to debt utilization

- ✓ Low leverage levels ensure that debt service is not a burden in turbulent times
- ✓ High percentage of fixed-rate levels protect cash flows against interest rate hikes
- ✓ Revenues from USD leases and USD debt hedging shield cash flows from FX movements
- ✓ Dual-currency, committed, unused credit facility for up to Us. 410 million + Ps. 7,100 million provides resources for growth when capital markets are closed
- ✓ High percentage of unsecured debt allow additional financing flexibility to seize growth opportunities in times of crisis
- ✓ 11.9 year average debt life, with the first significant maturity coming due in 2024, provide enough time to weather the storm


Illustrating FUNO's Approach to Real Estate Investing

Asset	Acquisition Price	Current Appraisal Value	Appreciation	Total Rents Received	Appreciation / Rents	Appreciation + Rents
Reforma 99 ¹	313.8	668.3	354.5	136.0	2.6x	490.5
Morado	11,600.0	16,428.6	4,828.6	3,400.1	1.4x	8,228.7
Apollo	23,155.0	29,560.0	6,405.0	3,539.9	1.8x	9,944.9
Total	35,068.8	46,656.9	11,588.1	7,076.0	1.6x	18,664.1

Our focus lies on maximizing property appreciation over time while extracting a reasonable cash flow along the way

¹ Reforma 99 is part of the Initial Portfolio
Figures in Ps. Million as of 3Q16

Value Creation with FUNO

	Total Amount (Ps. mm)
Equity raised	67,357
Equity issued to pay for acquisitions	37,130
Debt raised	61,893
	166,380
	vs
Total asset value @ 3Q16 ¹	194,388
Net value created	28,008
	
Total FFO generated since IPO	18,910
Net value created to date	Ps. 8.75 per CBFI

The total net value created is 50% greater than the cash flows generated

¹ Assumes that properties under development revalue at fair value upon starting operations

Opportunity: Significant Discount vs NAV

FUNO has traded historically above Net Asset Value. Currently it is trading at a **33% discount** to historical average Net Asset Value



World-Class Sustainability Strategy

FUNO's scale and footprint comes with an even larger commitment towards sustainability

- ✓ FUNO joined the United Nations' Global Compact
 - ✓ Best international practice (Human Rights, Labor Practices and Environment)



- ✓ Eco-efficient properties and developments
 - ✓ Reduce our overall building energy intensity
 - ✓ Efficient water consumption
 - ✓ Monitoring waste and emissions



- ✓ FUNO reports under the Global Reporting Initiative
 - ✓ Best international practices



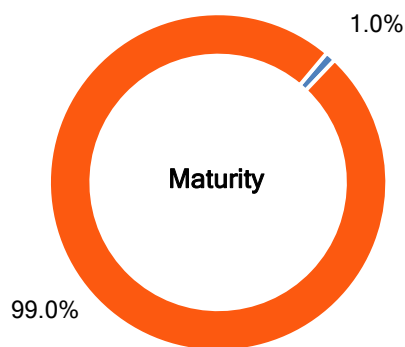
- ✓ Code of Ethics & whistleblowing mechanism
 - ✓ Operated by a third party



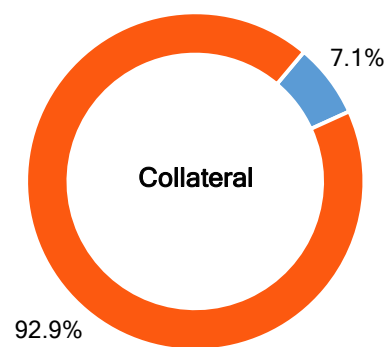
Overall improvement and positive impact on people, communities and cities

Financial & Operational Highlights

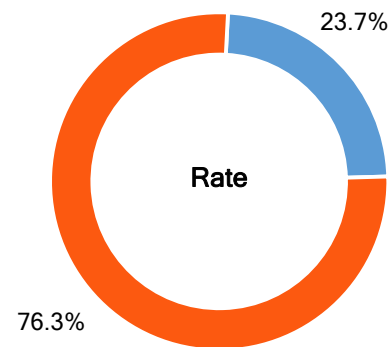
Strong Debt Profile



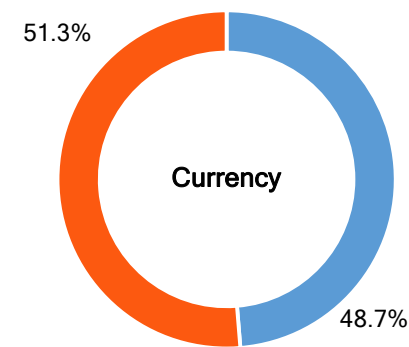
■ Short-Term ■ Long-Term



■ Secured ■ Unsecured

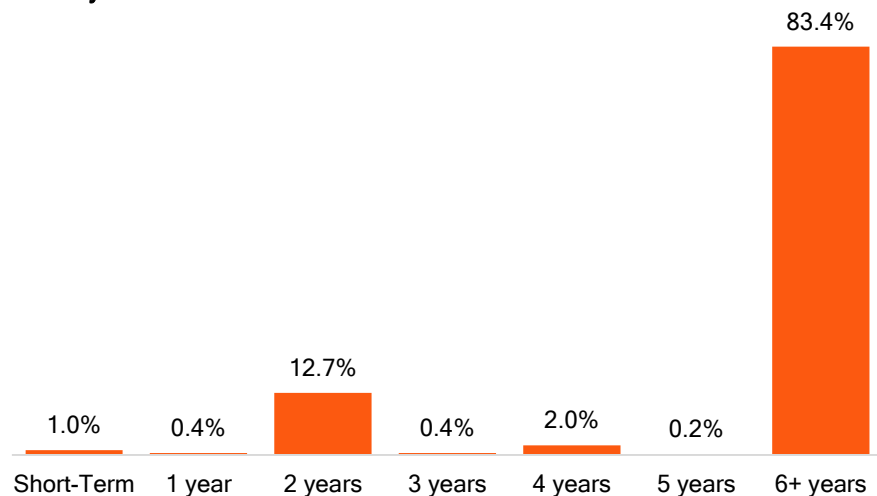


■ Floating ■ Fixed



■ USD ■ MXN

Maturity Profile as of 3Q16



Relevant Credit Metrics

Loan-to-Value

34.3%

Debt Service Coverage Ratio

3.1x

Secured Debt

2.4%

Unencumbered Assets

292.9%

Interest Expense Sensitivity Analysis

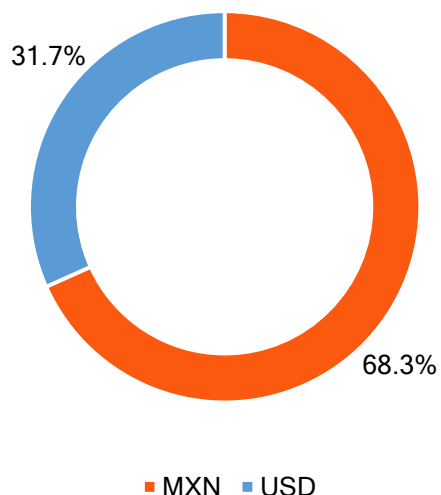
Interest Expense	4Q16 ¹
Debt interest expense	Ps. 992 million
Swaps interest expense	Ps. 40 million
Total net interest expense	Ps. 1,032 million
Interest rate Δ +100 bps	Ps. 34 million
FX rate Δ +Ps. 1.00	Ps. 26 million

¹ 4Q16E; shows accrued interest expense calculation for the quarter using an FX rate of 19.4086 and a 28-day TIIE rate of 5.07825%

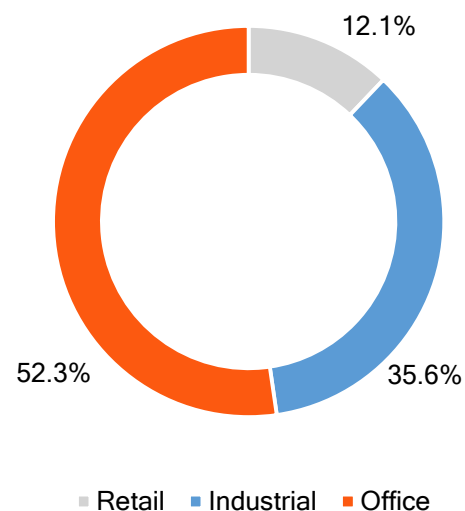
Revenue Sensitivity to Foreign Exchange Rate

Minimum USD revenue to interest expense ratio > **1.5x**

Revenue Breakdown by Currency¹



USD Contribution by Segment¹



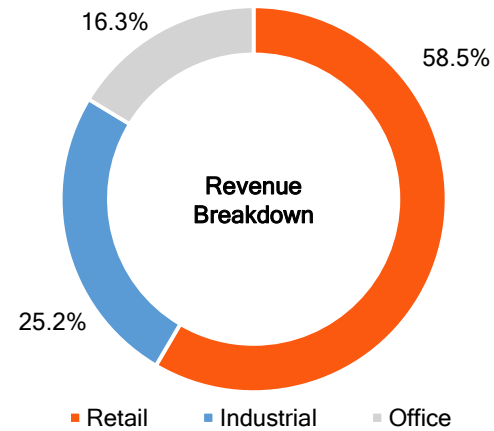
12-month forward average USD revenue to interest expense ratio = **1.9x**²

¹ Calculated using rent roll for 3Q16

² Includes a full (principal + interest) cross-currency swap for Us. 300 million starting on 4Q16

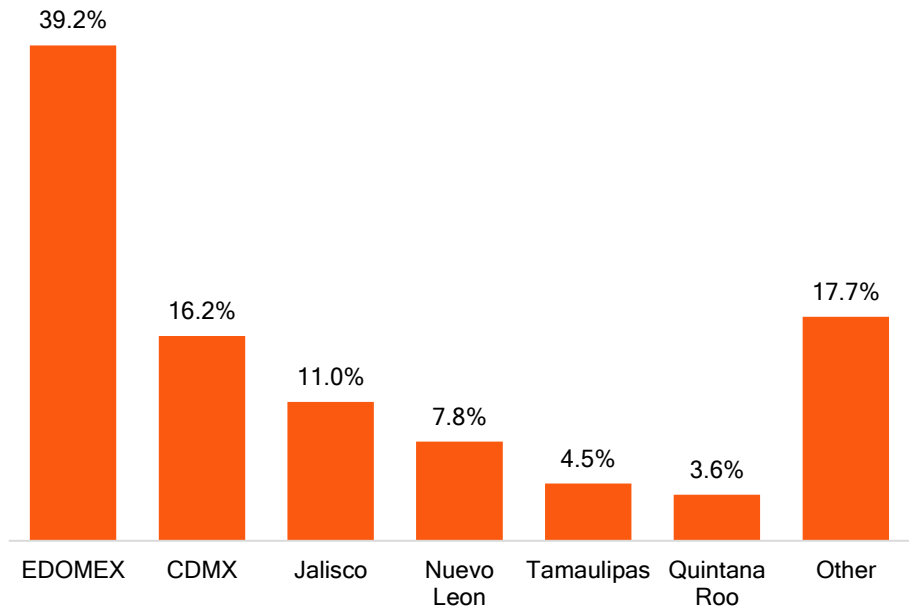
Portfolio Diversification

Leasing contracts	6,651
Properties	516
Average lease term	4.7 years
GLA	7.3 million sqm



Top-10 by Revenue	% of Revenues
Walmart	7.5%
ICEL	3.7%
Santander	2.7%
Cinepolis	2.1%
Copemsa	1.5%
BBVA Bancomer	1.2%
Alsea	0.9%
Zimag	0.8%
Coppel	0.8%
Bimbo	0.6%
Total	21.7%

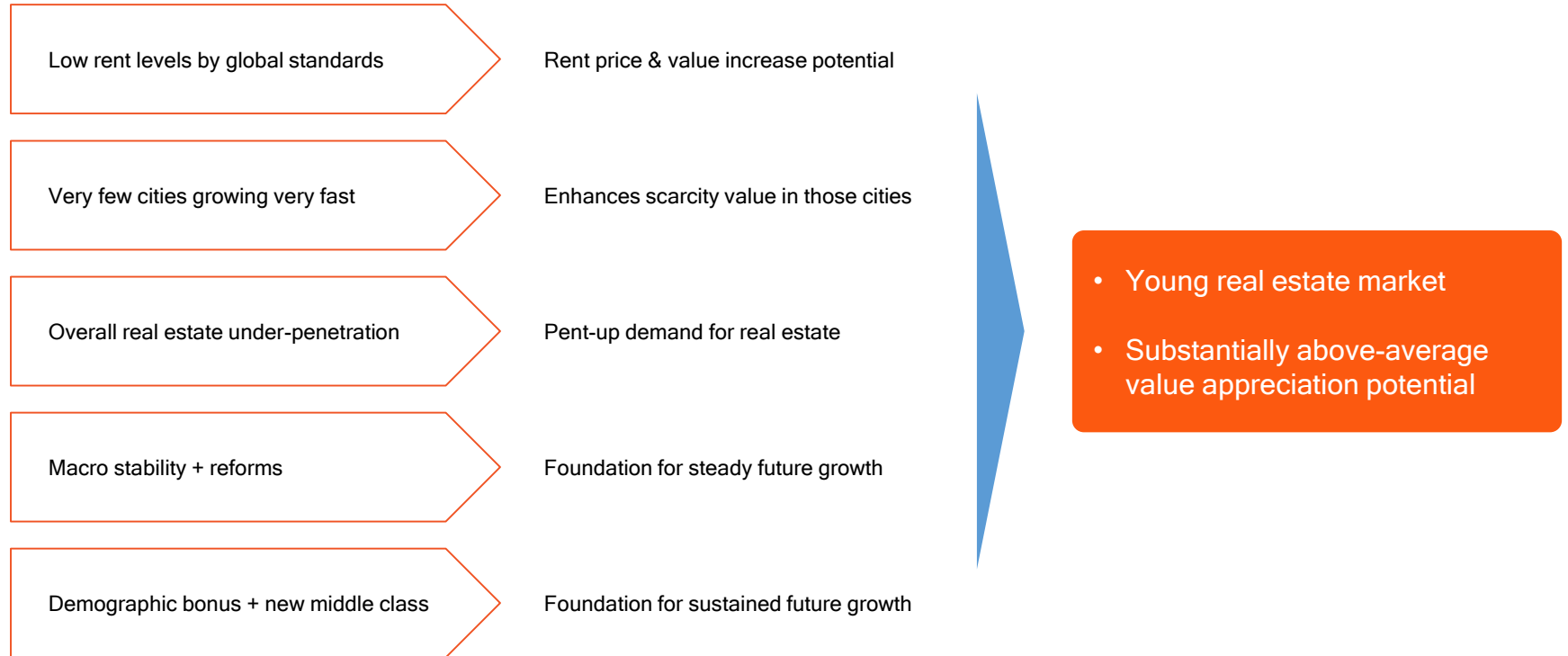
GLA Distribution by Geography



Investment Drivers

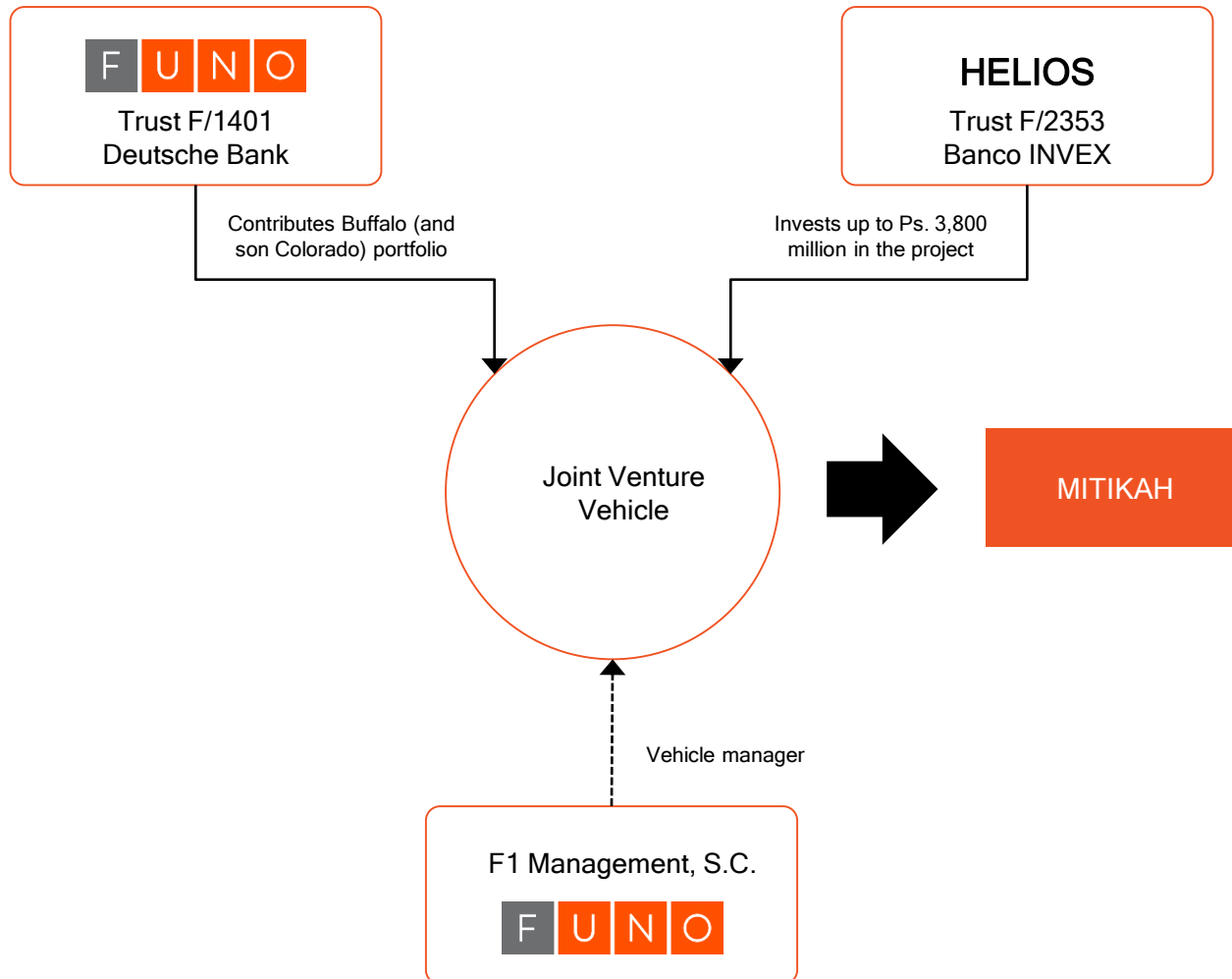
Real Estate Fundamentals have not Changed

Mexico will continue to present us with attractive opportunities



The Latest News on HELIOS and Mitikah

The JV between FUNO and HELIOS was formalized on December 19, 2016



Analyzing the Investment on Mitikah

FUNO will contribute both the Colorado and Buffalo portfolios to the Mitikah Project

	Total Amount (Ps. mm)
Colorado portfolio acquisition price	1,636
+ Buffalo portfolio acquisition price	2,816
<hr/>	
FUNO's original investment	4,452
- NOI generated since acquisitions	697
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= FUNO's net investment	3,755
Value of both portfolios @ contribution to HELIOS	6,000
Value created to date	2,173

Increase of 60% of value over original investment

The Mitikah Project

Key Financial Highlights

Segment	GLA ¹ (sqm)	Stabilized Expected NOI ² (Ps. mm)
Office	207,463	1,224
Retail	129,912	983
Residential	83,739	NA
Total	421,114	2,207

Total Investment Cost

Category	Investment ³ (Ps. mm)
Contributed projects	6,000
Total construction cost	12,886
Capitalized interest expenses	486
Total investment	19,372

1 Gross leasable área and area for sale in the case of the residential component

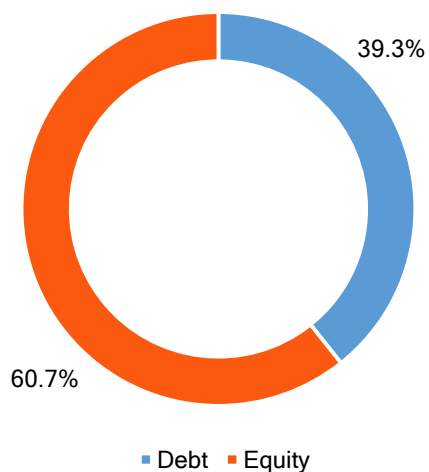
2 Expected stabilized NOI for 2025

3 Assumes a full cash-sweep debt amortization once the properties are operating

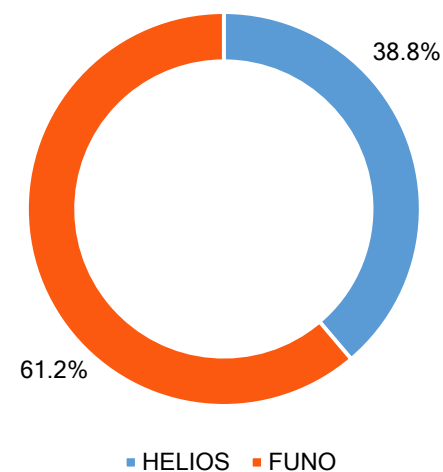
Investing in Mitikah with HELIOS

Project financing	Total Amount (Ps. mm)
Contributed portfolios (Colorado+Buffalo)	6,000
HELIOS' cash	3,800
Leverage ¹	6,342
Re-invested cash flow	3,641
Total investment for Mitikah	19,783

Capital Structure



Initial Ownership²



¹ Assumes a full cash sweep debt amortization once the properties are operating, as well as a reinvestment of all the cash flows from the project during the construction period

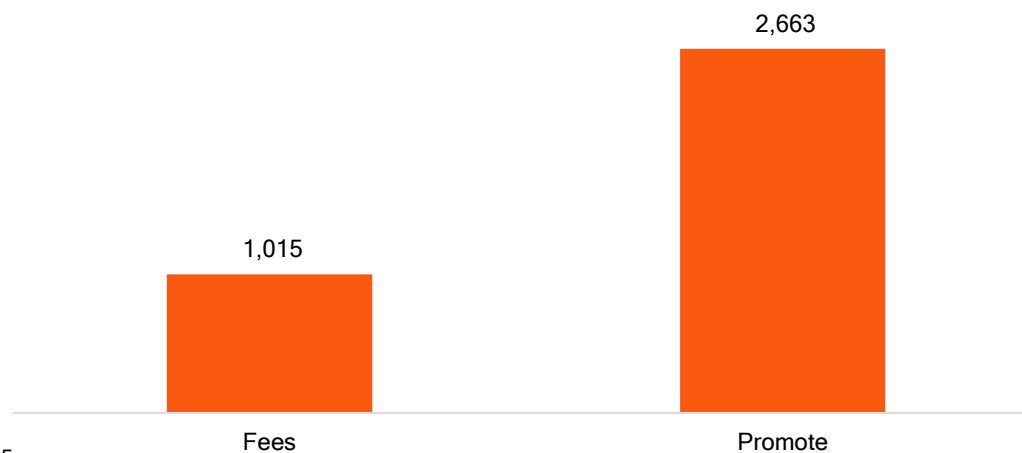
² Does not take into account capitalized fees. Expected FUNO's ending equity stake: 63.6%

The Impact of Fees on FUNO

Fee Structure

Fee	%	Counterparty	Base
Management fee	1.25%	HELIOS	Total fund size
Development fee	3.00%	Mitikah	Total project cost
Promote	20.0%	HELIOS	Above 10.0% hurdle rate

FUNO's Expected Impact of Fees from Mitikah¹



¹ Assumes investment exit in 2025
Figures in Ps. million

Investing in Mitikah with HELIOS

Creating Value with Mitikah

	Total Amount (Ps. mm)
FUNO's net investment	3,755
Total collected cash flows by FUNO	4,083
Mitikah's expected value @ 2025 ¹	17,550
Promote	2,663
Debt outstanding @ 2025 ¹	0
Net value creation	20,541

- ✓ Value creation equivalent to Ps. 2,282 million per year vs a Ps. 3,755 net investment
- ✓ Expected value creation is **9.4x** compared to value created to date on both Colorado and Buffalo portfolio

FUNO is focused on creating sustainable long-term real estate value!!!

¹ Assumes an 8.0% exit cap rate
Figures in Ps. million

Acquisitions Pipeline

Acquisitions Pipeline

✓ 4Q16 - 2Q20

✓ Ps. 36,179 mm

✓ Diversified

✓ NOI Ps. 3,374 mm

Portfolio	Segment	Total Investment (Ps. mm)	GLA (sqm)	NOI (Ps. mm)	Properties
Turbo	<ul style="list-style-type: none"> Retail Industrial Office 	14,300	506,832	1,330	18
Apollo II	<ul style="list-style-type: none"> Retail 	10,800	362,781	1,012	18
Frimax	<ul style="list-style-type: none"> Industrial 	6,271	622,638	540	3
Midtown Jalisco	<ul style="list-style-type: none"> Retail Office 	4,808	105,000	492	1
Total		36,179	1,597,251	3,374	40

