



Investor Presentation for the  
**Emerging Markets Corporate Conference**  
Miami, FL

May, 2015

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# FUNO Investment Highlights

1

**Sound financials and strong credit metrics**

2

**Fortress balance sheet**

3

**Diversified portfolio**

4

**Unparalleled Access to capital markets**

5

**Attractive market and macro fundamentals**

6

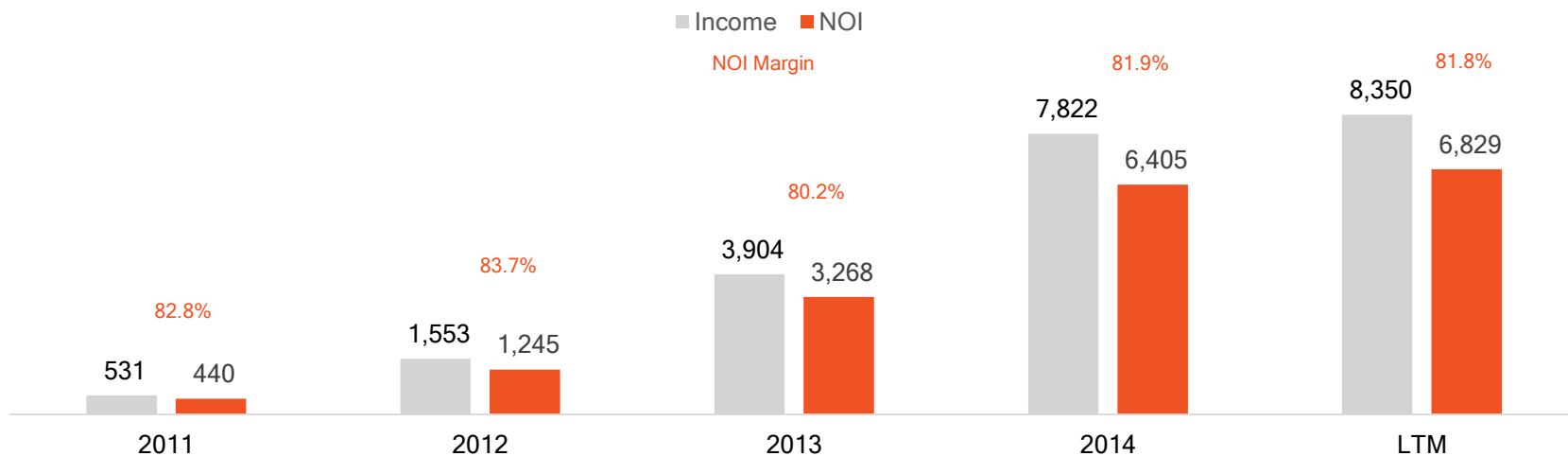
**Above-rating credit metrics**



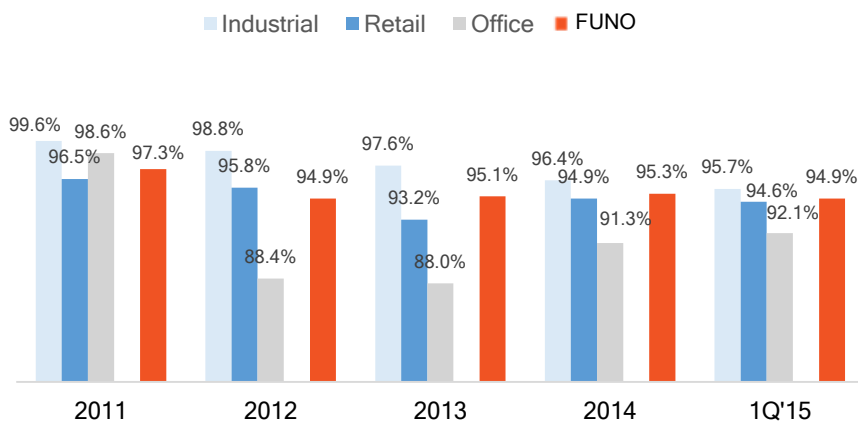
**Sound Financials and Strong Credit  
Metrics**

# Strong Financial Performance

## Income and net operating income ("NOI") <sup>(1)</sup>

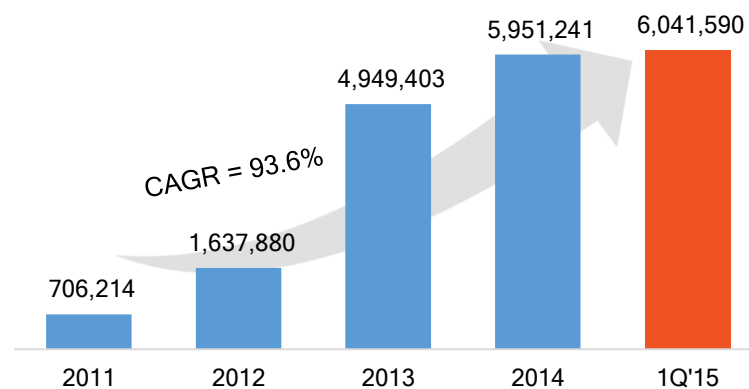


## Historical occupation by segment



## Historic GLA growth

(figures in m<sup>2</sup>)

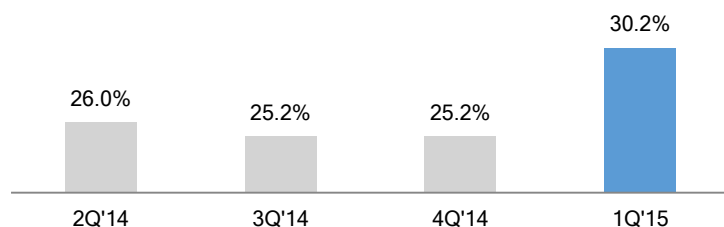


(1) Income and NOI figures in million pesos

# Strong Credit Profile

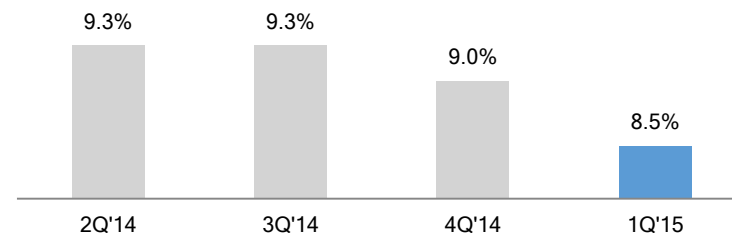
## Loan-to-value ("LTV")<sup>(1)</sup>

Max 60%



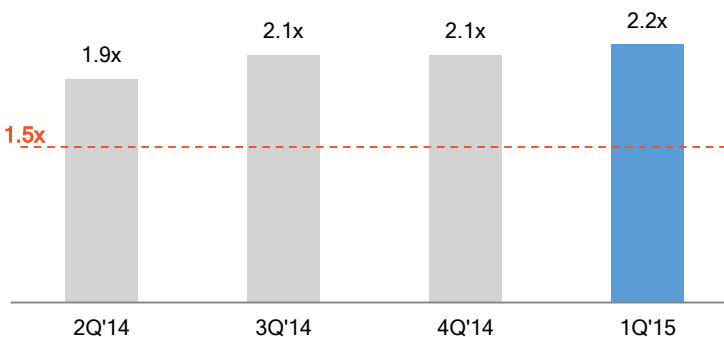
## Secured debt limit<sup>(2)</sup>

Max 40%



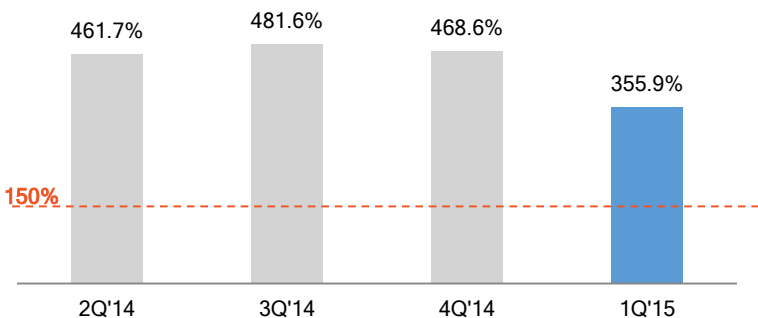
## Debt service coverage ratio ("DSCR")<sup>(3)</sup>

Min 1.5x



## Unencumbered assets coverage<sup>(4)</sup>

Min 150%



**FUNO fully complies with the financial covenants of its US Notes and Local Bonds**

- (1) LTV = Gross debt / Total Assets
- (2) Secured debt limit = Secured debt / Total Assets
- (3) DSCR = EBITDA / Debt Service (measured for last 12 months and excluding debt prepayments)
- (4) Unencumbered assets coverage = Unencumbered Assets / Unsecured Debt

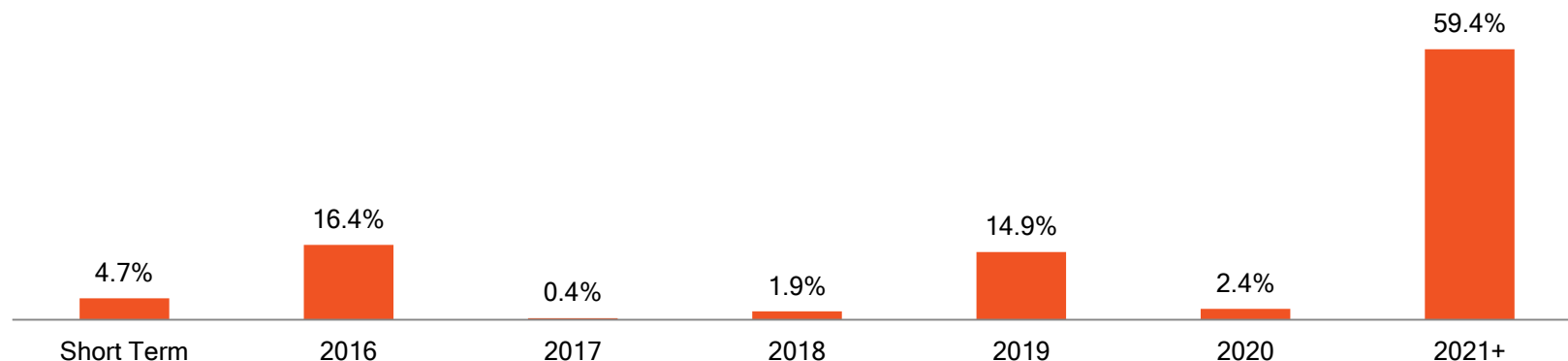


## Fortress Balance Sheet

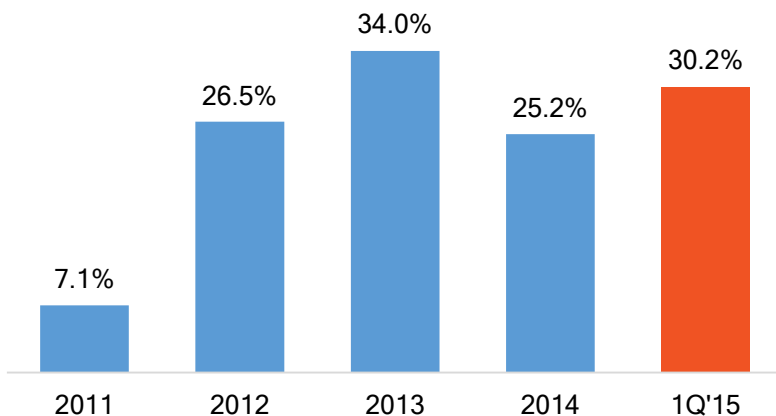
# Sound Financial Position and Conservative Capital Structure

## Debt maturity profile 1Q'15

- As of the 1Q'15 FUNO's debt has an average life of 10.5 years, additionally 76% is fixed rated and 72% is unsecured.

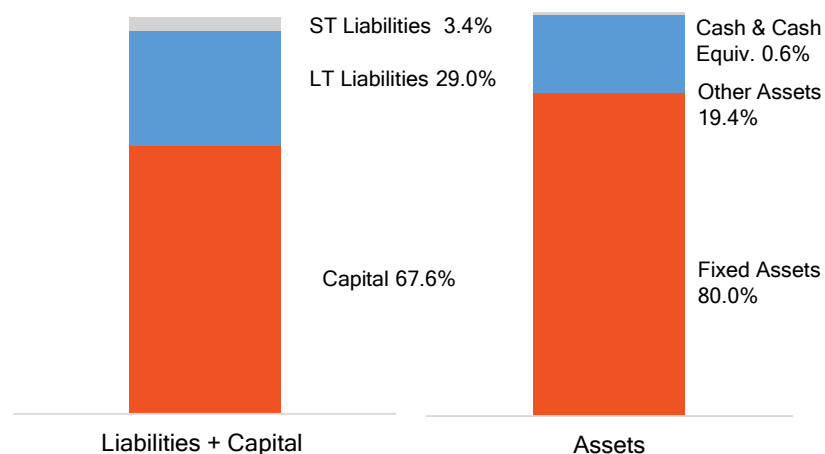


## Historic LTV <sup>(1)</sup>



(1) LTV = Gross debt / Total Assets

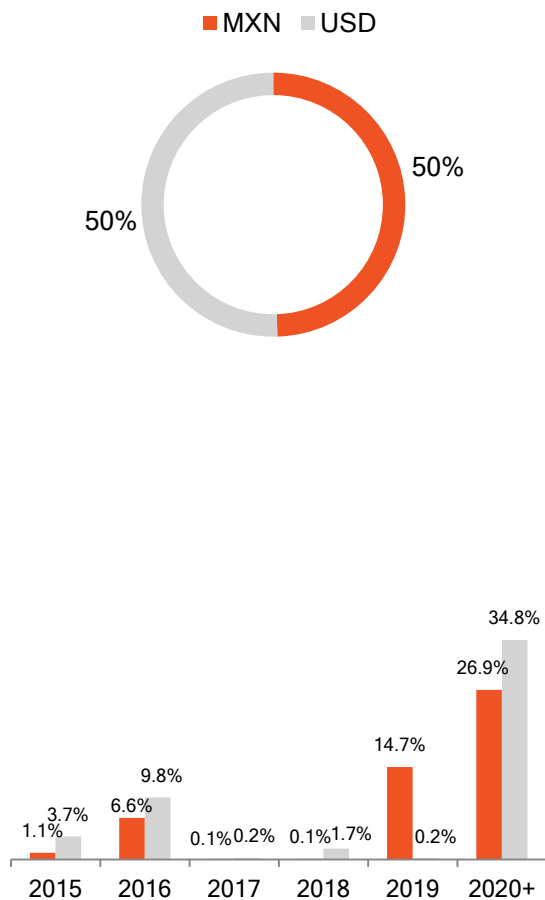
## Conservative capital structure



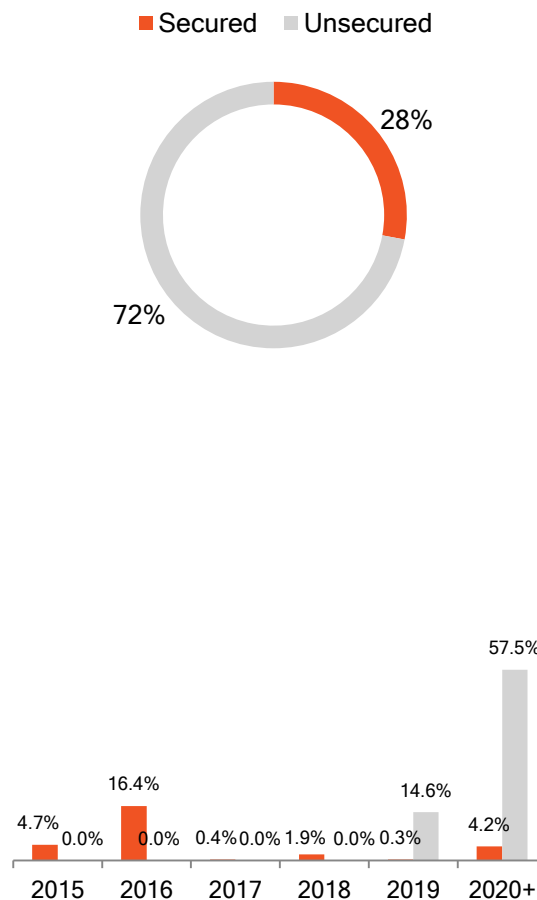


# Current Debt Profile

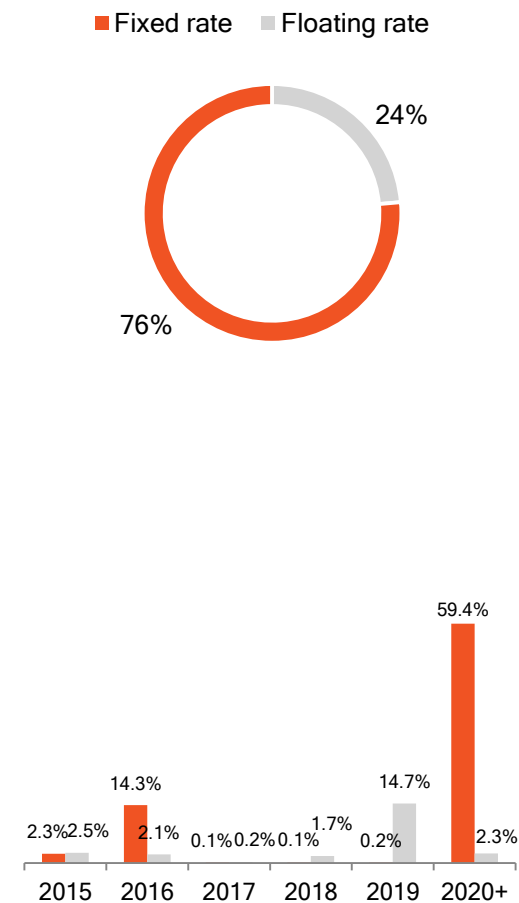
Mexican Pesos vs. US Dollars



Secured vs. Unsecured



Fixed rate vs. Floating rate





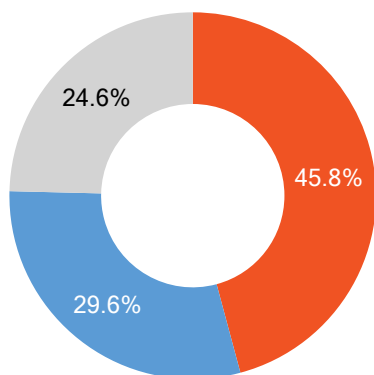
**Diversified Portfolio**

# Broadly Diversified Property Portfolio

Key Metrics	Retail		Industrial		Office		FUNO
	(#)	(%)	(#)	(%)	(#)	(%)	(#)
✓ Operations	278	60.6%	102	22.2%	79	17.2%	459
✓ Leases	3,974	84.9%	357	7.6%	352	7.5%	4,683
✓ GLA (m <sup>2</sup> )	2,148,556	35.6%	3,208,754	53.1%	684,280	11.3%	6,041,590
✓ ABR <sup>(1)</sup>	3,870,243	45.8%	2,498,287	29.6%	2,078,828	24.6%	8,447,358

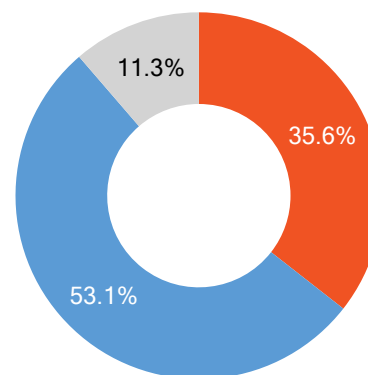
Segment breakdown by ABR <sup>(1)</sup>

■ Retail ■ Industrial ■ Office



Segment breakdown by GLA

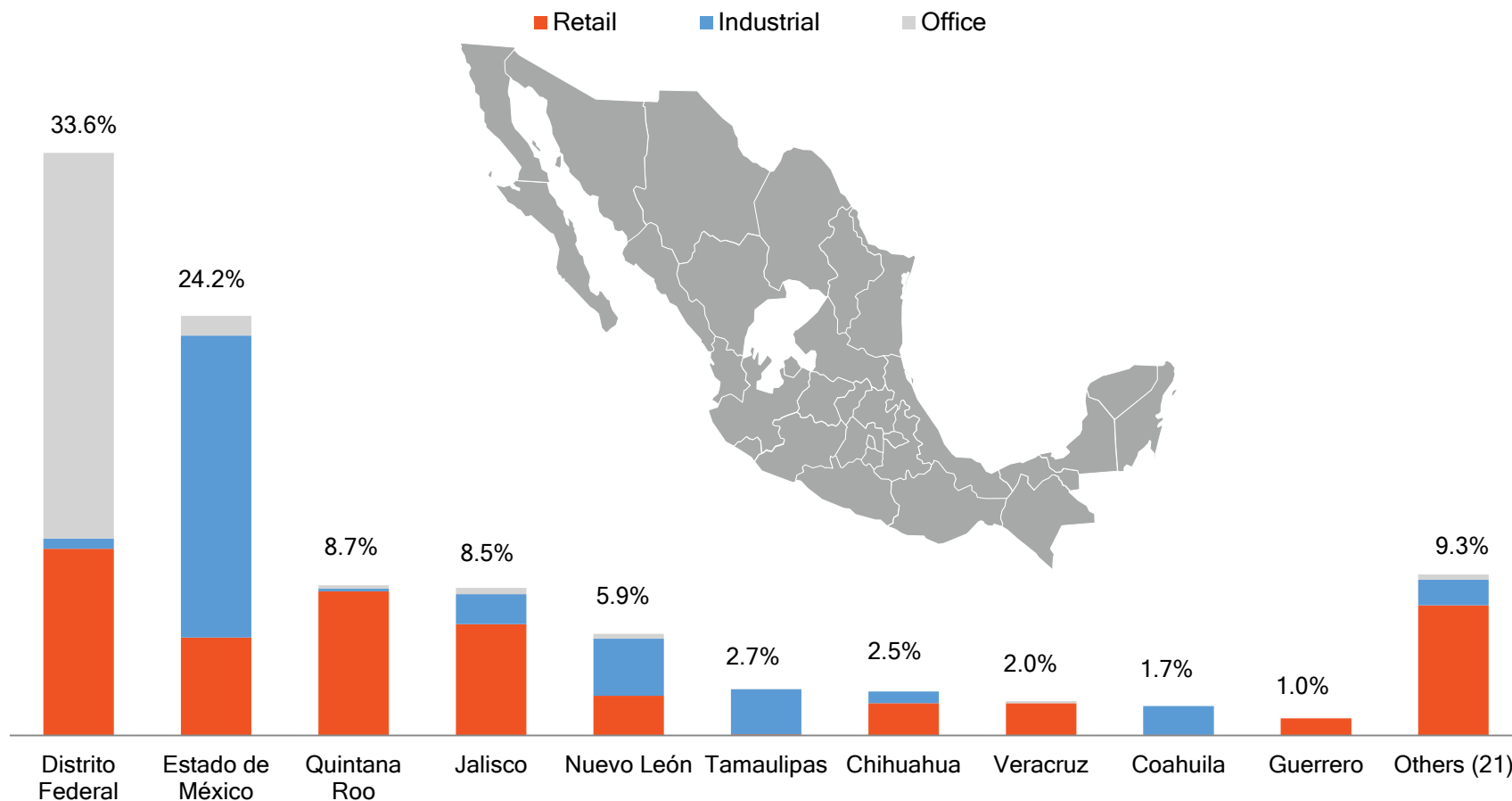
■ Retail ■ Industrial ■ Office



(1) ABR= annualized base rent. Figures in '000 pesos.  
Property portfolio information as of 1Q15

# Geographic Diversification by ABR as of 1Q'15

FUNO has presence in 31 of 32 states in Mexico



# High-Quality Tenants Diversification

FUNO's tenants are world-class companies

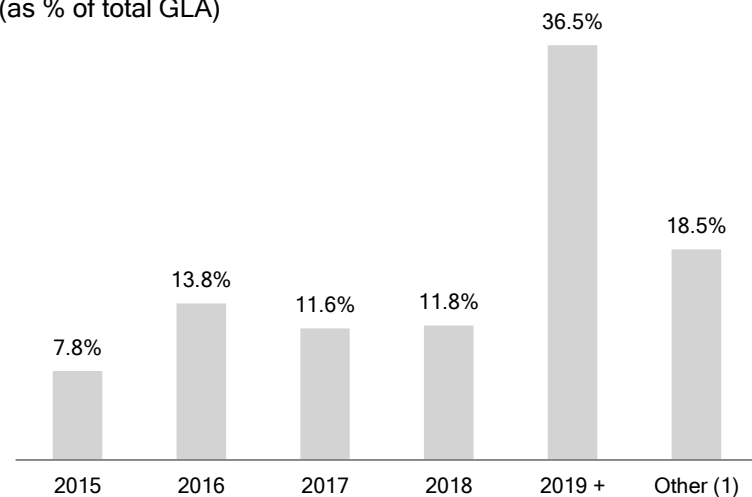


## Top ten tenants

Top ten tenants			
Industry	% GLA	Industry	% ABR
Retail Institution	12.4%	Retail Institution	10.7%
Financial Institution	3.2%	Financial Institution	8.3%
Education	2.8%	Financial Institution	3.8%
Financial Institution	2.3%	Entertainment	2.2%
Consumer goods	2.2%	Hospitality	1.5%
Logistics	2.0%	Parking Operator	1.3%
Retail Institution	1.8%	Restaurants	1.3%
Consumer goods	1.4%	Logistics	1.1%
Entertainment	1.4%	Consumer goods	1.0%
Education	1.3%	Education	0.8%
<b>Total</b>	<b>30.9%</b>	<b>Total</b>	<b>32.0%</b>

## Lease expiration profile

(as % of total GLA)



Top ten tenants and lease expiration profile as of 1Q'15

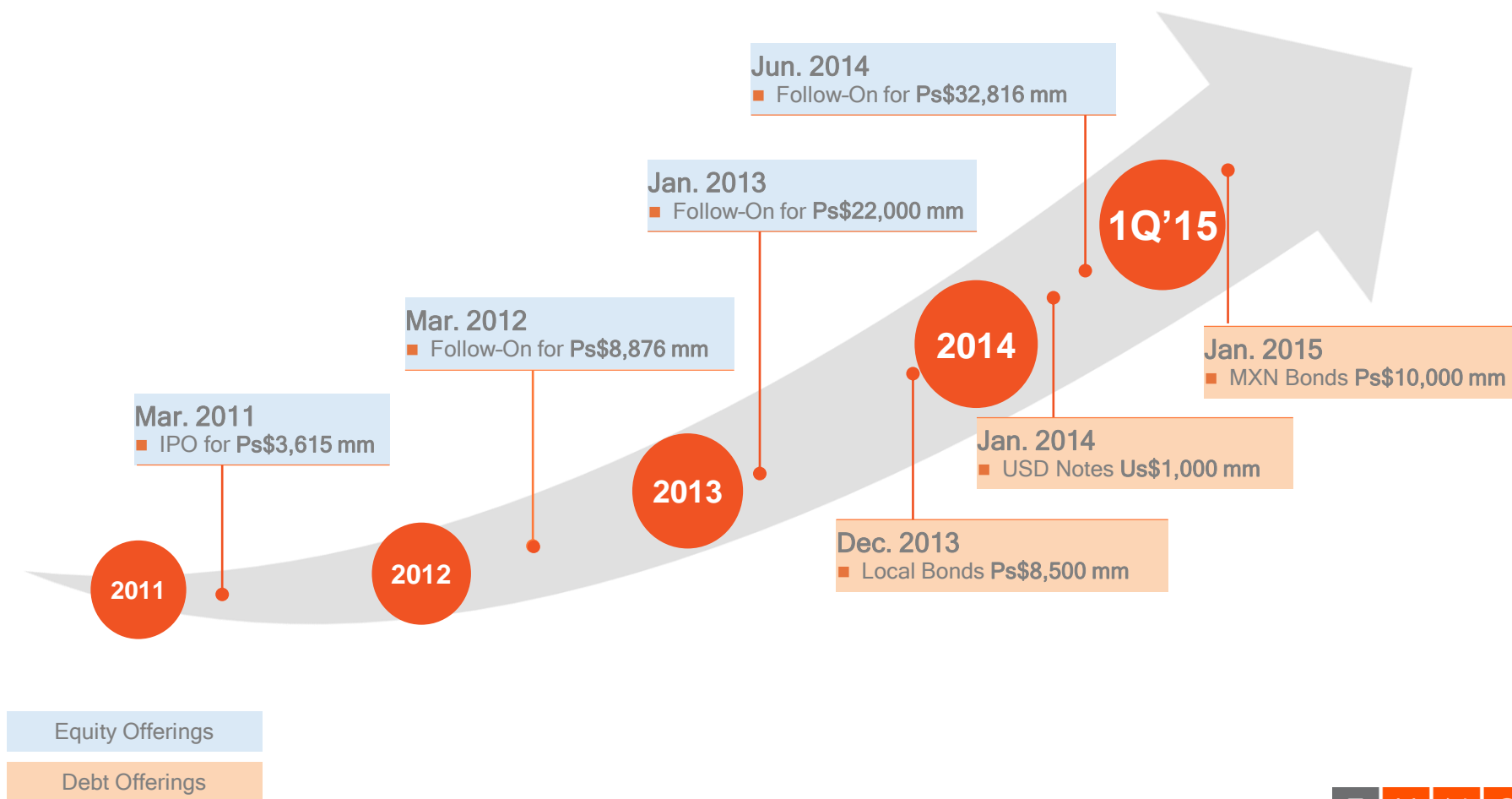
(1) Contracts that have ended but are still paying rent



**Unparalleled Access to Capital Markets**

# Broad Access to Capital Markets

FUNO has obtained more than **Ps. 100 billion** from the public markets





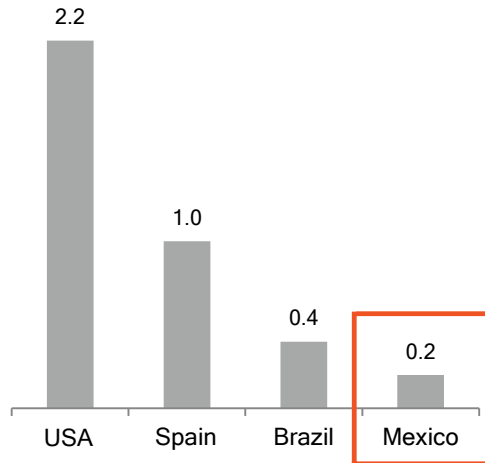
# Attractive Market & Macro Fundamentals



# Supportive Market and Macro Environment

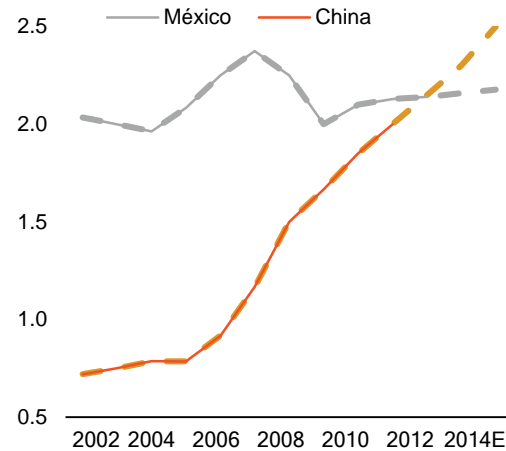
## Low penetration in the retail segment

(sqm per capita)

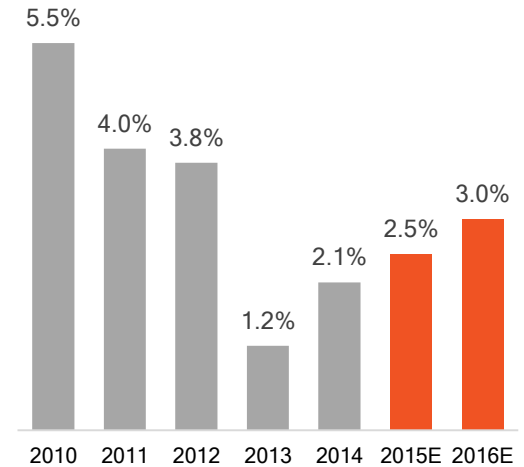


## Attractive labor

(Us\$ / Hr)

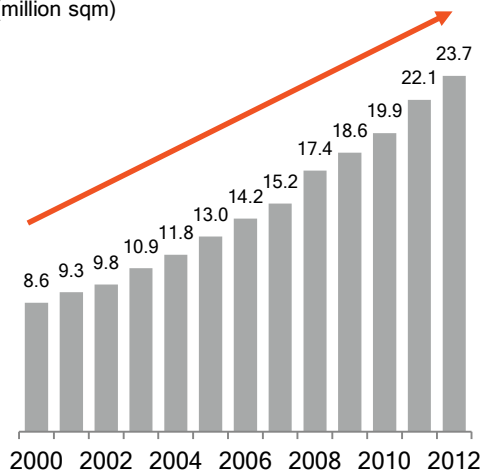


## GDP growth



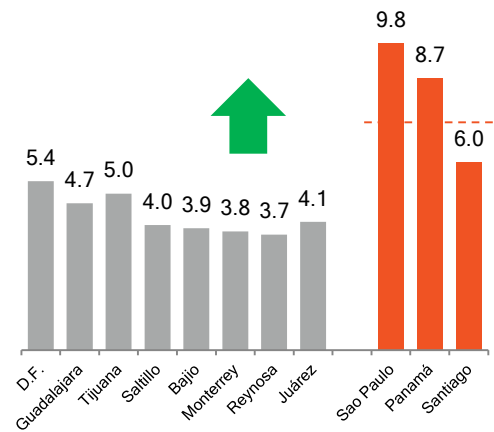
## Retail floor Δ - CAGR: 8.8%

(million sqm)



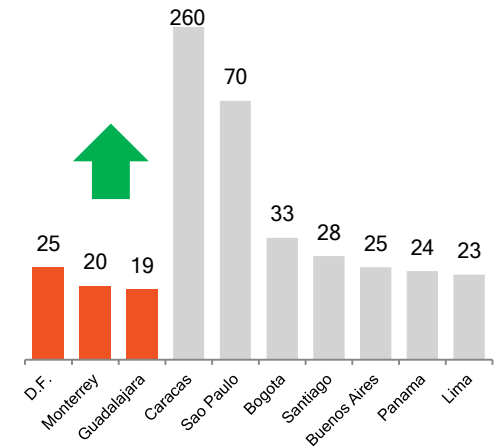
## Average rent for industrial space

(Us.\$ / sqm / month)



## Average A/A+ rent for office space

(Us.\$ / sqm / month)





## Above-Rating Credit Metrics

# FUNO's Rating Assessment

FUNO 3Q13						FUNO 1Q15				
		Sub-Factor		Sub-Factor						
Rating factor	Relevant sub-factor	Weight	Rating	Score	Rating	Score				
1  Liquidity & Funding	▪ Liquidity coverage	8.00%	Ba	Moderate	Baa	Good				
	▪ Debt maturities	6.25%	B	30.2%	A	4.78%				
	▪ FFO payout	4.00%	Baa	77.7%	B	111.1%				
	▪ Unencumbered assets	6.25%	Ba	59.6%	Baa	78.1%				
2  Leverage & Capital Structure	▪ Effective leverage	9.00%	A	18.3%	A	29.9%				
	▪ Net debt/EBITDA	9.00%	Aa	-0.1x	Aa	3.1x				
	▪ Secured leverage	6.25%	Baa	18.3%	A	8.5%				
	▪ Access to capital	6.25%	Ba	Moderate	Baa	Good				
3  Market Positioning & Asset Quality	▪ Franchise / Brand	4.00%	Ba	Moderate	Ba	Moderate				
	▪ Company size	4.00%	Baa	Us\$5.1bn	A	Us\$10.2bn				
	▪ Location/Tenant/Industry	4.00%	Ba	Moderate	Ba	Moderate				
	▪ Development pipeline	5.00%	Ba	13.1%	Baa	7.6%				
	▪ Asset quality	5.00%	Baa	Good	Baa	Good				
4  Cash Flow & Earnings	▪ EBITDA margin	6.00%	Aa	79.8%	Aa	75.2%				
	▪ EBITDA margin volatility	3.00%	Baa	Good	Baa	Good				
	▪ Fixed charge coverage	9.00%	Aa	5.9x	A	3.0x				
	▪ Joint venture exposure	5.00%	Aa	NA	Aa	NA				
Grid Rating / Score			Baa1	8.37	A3	7.25				
Actual Rating			Baa2		Baa2					
Overall Grid Rating Scoring - Investment Grade										
Grid-indicating rating	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3
Factor score	<1.5	1.5 - 2.5	2.5 - 3.5	3.5 - 4.5	4.5 - 5.5	5.5 - 6.5	6.5 - 7.5	7.5 - 8.5	8.5 - 9.5	9.5 - 10.5

# Credit Benchmarking



Peer Mean

	<b>Baa2/-/BBB</b>	Baa1/BBB+ /BBB+	Baa1/BBB+ /BBB+	Baa2/BBB+ /BBB+	Baa2/BBB+ /BBB	Baa2/-/BBB+	Baa2/BBB/-	NA
Ratings Moody's/S&P/Fitch								
Revenues (Us mm)	<b>594</b>	1,140	447	3,534	1,789	2,441	515	1,386
EBITDA (Us mm)	<b>447</b>	1,049	395	2,006	1,468	1,518	373	966
EBITDA Margin	<b>75.3%</b>	92.0%	88.4%	56.8%	82.1%	62.2%	72.5%	75.6%
Debt / Total Assets (LTV)	<b>29.9%</b>	46.9%	32.2%	44.1%	34.7%	44.4%	45.2%	38.4%
Secured Debt / Total Assets	<b>8.5%</b>	22.7%	0.5%	8.3%	10.1%	21.0%	15.8%	11.7%
Total Debt / Market Cap	<b>27.8%</b>	39.5%	23.7%	36.8%	32.3%	29.3%	34.2%	31.4%
Total Debt / EBITDA	<b>7.4x</b>	6.8x	4.5x	6.7x	7.2x	6.8x	6.2x	6.6x
Secured Debt / EBITDA	<b>2.1x</b>	3.3x	0.1x	1.3x	2.1x	3.0x	2.1x	2.0x
Interest Coverage	<b>3.0x</b>	2.8x	3.2x	4.5x	3.4x	3.0x	2.9x	3.2x
GLA (sqm mm)	<b>6.0</b>	10.1	NA	NA	55.2	4.2	NA	16.3



## Other Considerations

# FUNO's LTM Performance

FUNOs has been able to grow its GLA significantly while maintaining margins and improving its fundamentals








## FUNO @ 1Q14 (Pre-Follow-On)

Properties	417
GLA (m²)	5,234,084
Occupancy	95.2%
Revenues	1,698.0
NOI	1,363.0
FFO	762.2
FFO / Share	0.4000

## FUNO @ 1Q15

Properties	459
GLA (m²)	6,041,590
Occupancy	94.9%
Revenues	2,225.5
NOI	1,787.1
FFO	1,240.1
FFO / Share	0.4256

## Δ LTM

 10.1%
 15.4%
 -0.3%
 31.1%
 31.1%
 62.7%
 6.4%

All figures in million pesos except per share data  
Information LTM of 1Q15

# Acquisitions Closed since Follow-On

## Stabilized Acquisitions

Portfolio	Date	Price	Debt	Equity	Cash	VAT	Expected NOI	Implied Cap Rate
Corporativo San Mateo	Jul '14	121.0	-	121.0	-	0.9	10.5	8.7%
Hilton Centro Histórico	Jul '14	1,167.9	402.3	765.6	-	133.0	107.7	9.2%
R-15 Galerías Guadalajara	Jul '14	3,459.0	-	2,720.0	739.0	498.1	284.3	8.2%
R-15 Península Vallarta	Jul '14	260.0	-	202.8	57.2	37.4	21.8	8.4%
Corporativo La Viga	Jul '14	412.2	-	-	412.2	60.3	35.0	8.5%
P4 I & II	Oct '14	280.0	-	-	280.0	23.2	24.3	8.7%
Samara	Dec '14	5,586.0	1,232.0	4,354.0	-	677.8	460.0	8.2%
Florida	Mar '15	640.1	-	-	640.1	71.5	57.2	8.9%
Utah	Mar '15	1,010.7	-	-	1,010.7	104.5	89.3	8.8%
Kansas	May '15	10,452.0	-	-	10,452.0	799.5	832.0	8.0%
Indiana	Pending	3,040.0	-	-	3,040.0	TBD	247.0	8.1%
Oregon	Pending	1,625.0	400.0	1,225.0	-	TBD	138.1	8.5%
P4 III & IV	Pending	288.0	-	-	288.0	TBD	26.9	9.3%
					16,919.2	2,406.4	2,334.1	

## Developments

Portfolio	Date	Price Cash	Additional Investment	Total Investment	VAT	Expected NOI	Implied Cap Rate
La Viga	Jul '14	-	500.0	500.0	-	190.0	38.0%
R-15 La Isla II	Dec '14	409.5	1,990.5	2,400.0	-	240.0	10.0%
Buffalo	May '15	2,820.0	3,863.0	6,683.0	245.7	1,043.0	15.6%
R-15	Pending	8,468.0	-	8,468.0	TBD	678.3	8.0%
		11,697.5			245.7	2,151.3	

# Cash Deployment Commitments of Follow-On

	Deployment Commitment @ Follow-On	Cash Deployed as of May, 2015
Acquisitions	Ps. 23,811 million	Ps. 28,617 million <sup>(1)</sup>
Debt repayments	Ps. 4,920 million	Ps. 5,952 million
Developments	Ps. 3,000 million	Ps. 1,553 million
Timing	12 - 18 months	< 10 months

1 - Includes announced acquisitions pending closing  
All figures in million pesos



# Sources, Uses and Cash since Follow-On

## Cash Sources

<b>Equity follow-on (Jun '14)</b>	31,730
<b>Bond offering (Jan '15)</b>	10,000
<b>Total cash</b>	<b>41,730</b>

## Cash Uses

<b>Acquisitions</b>	28,617
<b>Debt repayments</b>	5,952
<b>Developments<sup>(1)</sup></b>	1,553
<b>Closing costs</b>	1,761
<b>VAT paid</b>	2,652
<b>Cash used</b>	<b>37,305</b>



1 - Includes development of acquisitions and other developments since June, 2014  
All figures in million pesos



**Real Estate Development Vehicle**

## Why a Development Vehicle?

# Rationale and Objective

FUNO is launching a real estate development vehicle to further boost its growth potential and value creation capabilities

## Objective

- Maximize FUNO's development capacity, minimizing shareholder dilution and maintaining prudent leverage levels
- Create an investment vehicle for investors who seek exposure to development risk

1

Boost FUNO's development capabilities

2

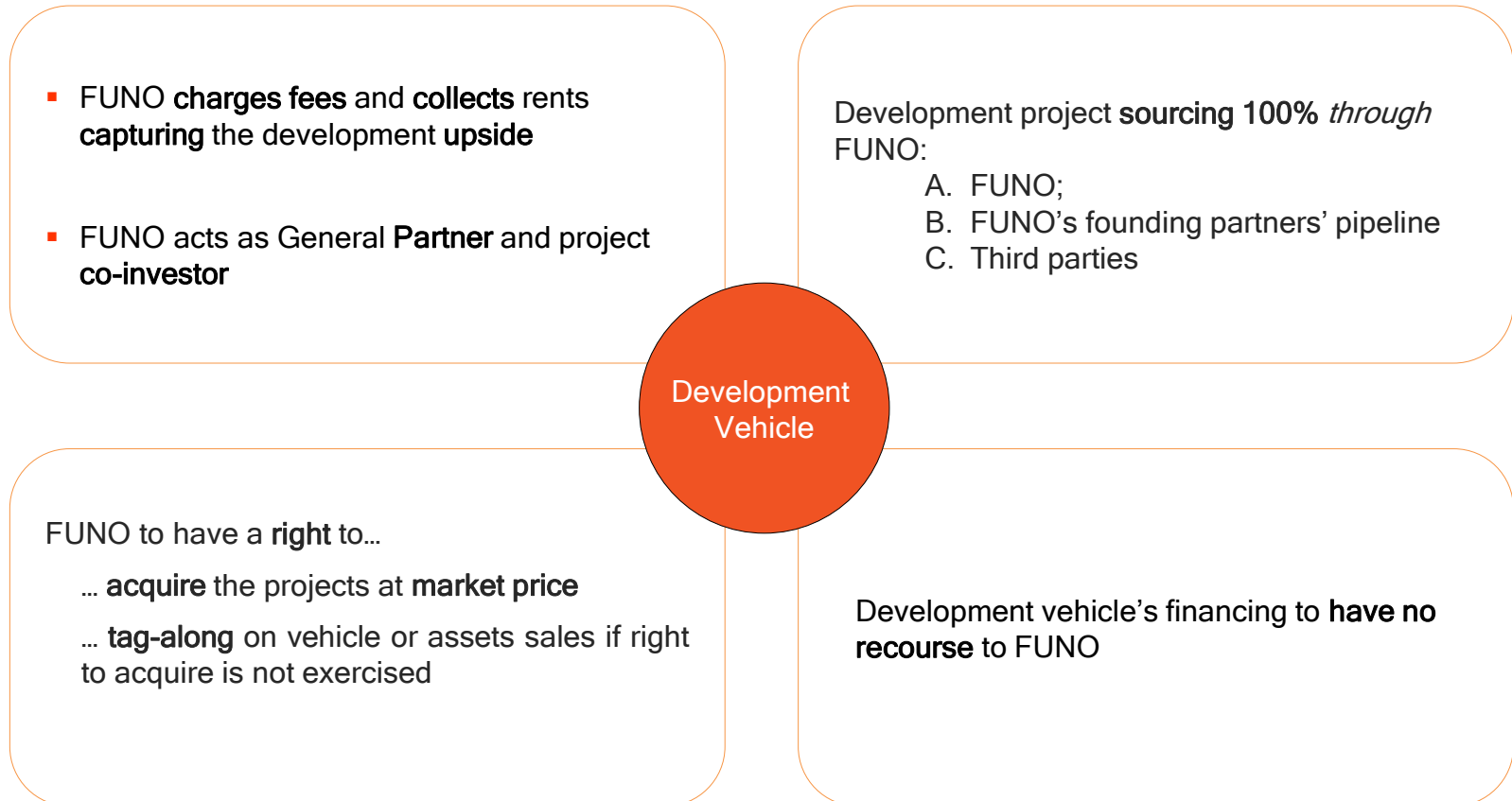
Seize additional large-scale development opportunities

3

Maximize FUNO's ROIC

# Benefits

FUNO enhances its capabilities by...



# Development Vehicle Overview

# Vehicle's Main Features

## Vehicle Ownership

At vehicle level:

- FUNO's wholly-owned subsidiary acts as General Partner

General Partner	0%
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Limited Partners	100%
------------------	------

At project level:

FUNO	~50%
------	------

Vehicle	~50%
---------	------

## FUNO's Role

- **Co-Investor:** FUNO will co-invest at least [30]% of each project
- **Vehicle manager:** FUNO will manage the vehicle through its wholly-owned subsidiary
- **Development manager:** FUNO will manage the projects, leveraging its expertise

## Limited Partners

- Institutional investors; primarily Mexican pension funds
- Unrelated parties to FUNO or its founding sponsors
- Will have a preferred return of [10]%

## FUNO's Fees

- **Vehicle management fee:** paid in kind as equity of development projects
- **Development management fee:** paid in kind as equity of development projects
- **Promote:** [20]% above Limited Partners' preferred return (without catch-up)
- Leasing and property management fees

## Project Sourcing

Project sourcing 100% through FUNO:

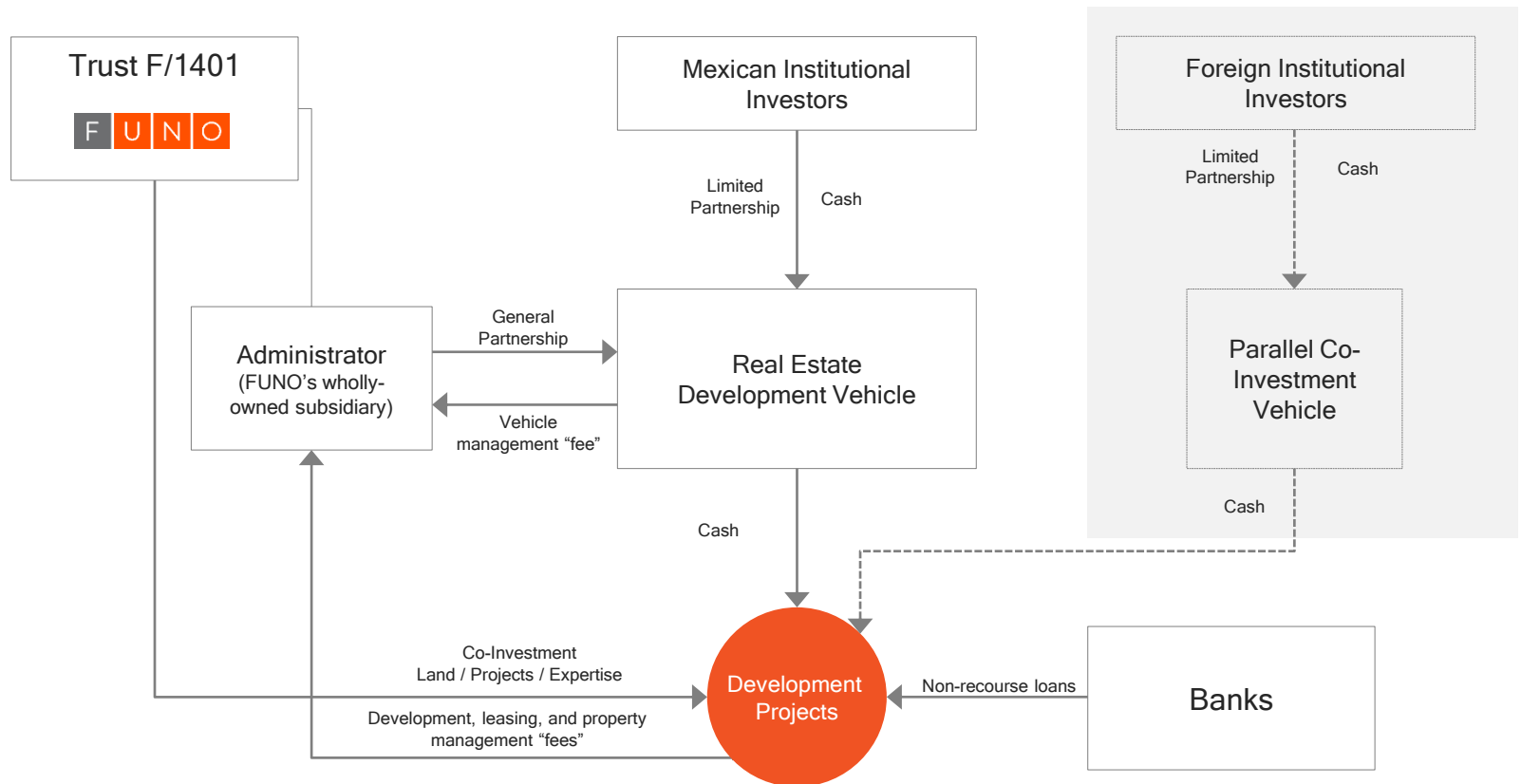
- **Through FUNO**
- By third parties **through FUNO**
- By FUNO's sponsors **through FUNO**

## FUNO's Rights

- Right to acquire the projects at market Price
- Right to tag-along on sale of projects or vehicle if right to acquire is not exercised

# The Vehicle

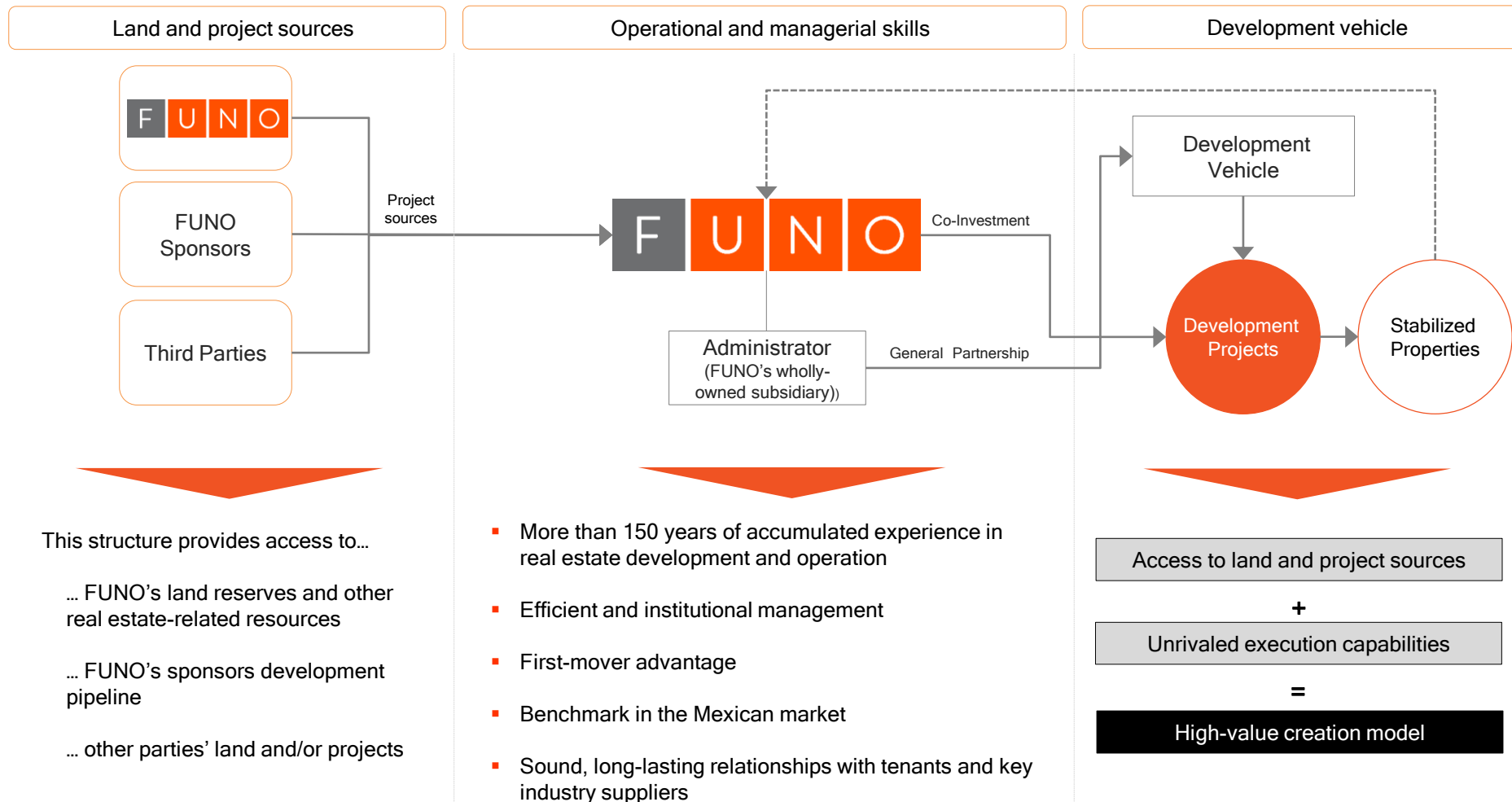
The vehicle is a trust within which FUNO participates as general partner while institutional investors participate as limited partners





# Vehicle Structure

The vehicle's structure is designed to secure land, project sourcing capabilities, and development muscle through a world-class operating platform



# Development Vehicle's Corporate Governance

## FUNO co-investment commitment

- Co-investment on a project basis
- Co-investment in kind and cash
- At least [15]% of total project's investment

## Institutional management

- General CBFH Holders' Meeting (will approve projects greater than 20% of vehicle's size)
- Technical Committee
- Seasoned management team

## Capital calls

- Approved by Technical Committee
- Punitive dilution mechanism
- Proceeds obtained in capital calls must be deployed within [6] months

## Clear exit mechanisms

- Reversion rights to re-acquire contributed assets + buildings
- FUNO has a right of preference at market prices, and tag-along rights
- Market Price defined by third-party appraisals and/or active marketing of real estate brokers
- Approval from Shareholders' Meeting for manager's related-party transactions

## Impact on FUNO

# High Value Added Impact on FUNO

Below we present an analysis to show FUNO's current development structure versus that of the vehicle assuming a development cap rate range of 12% - 14%, and a theoretical investment of 1,000

	Current FUNO's Development Scheme		Development Vehicle	
FUNO's invested capital	1,000		1,000	
Development & vehicle management fees <sup>1</sup>	-		307	
<b>Total FUNO invested capital + fees</b>	<b>1,000</b>		<b>1,307</b>	
Project debt <sup>2</sup>	500		1,300	
Development Vehicle equity	-		1,300	
<b>Total development project investment</b>	<b>1,500</b>		<b>3,907</b>	
<b>Target development cap rate</b>	<b><u>10%</u></b>	<b><u>12%</u></b>	<b><u>10%</u></b>	<b><u>12%</u></b>
Expected Project NOI	150	180	391	469
FUNO's development project ownership	100%		50%	
<b>FUNO's expected development NOI</b>	<b>150</b>	<b>180</b>	<b>196</b>	<b>235</b>
<b>FUNO's development cap rate</b>	<b>-</b>	<b>-</b>	<b>19.6%</b>	<b>23.5%</b>
<b>Development investors' cap rate</b>	<b>15.0%</b>	<b>18.0%</b>	<b>15.1%</b>	<b>18.1%</b>

1 - See fee structure on this presentation; assumes worst case scenario for FUNO

2 - Assumes a 33.33% Loan-to-Cost ratio

3 - 3% of rents + leasing fee equivalent to 4% of NOI

# High-Value Creation Model

1

Boost FUNO's development capabilities

~4.0x project value per  
Us.\$ 1.0 of equity  
invested

2

Seize additional larger-scale development opportunities

FUNO's development capabilities **increase** by approximately **2.6x**

3

Maximize FUNO's ROIC

Estimated development cap rates from **20.4%** to **24.4%**

4

Additional benefits

- Right to acquire the projects at market price
- Right to tag-along on sales of projects if right to acquire is not exercised
- No drag-along on FUNO's investment on projects

# Vehicle's Fees

Fee		Overview	Counterparty	Base
Management Fee	[1.25%]	<p>Management fees will be paid as follows:</p> <ul style="list-style-type: none"> <li>i) [1.25%] over the máximo amount issued during the investment period and on any extensions</li> <li>ii) [1.25%] of total invested amount after investment period and any extensions</li> </ul>	Vehicle	<ul style="list-style-type: none"> <li>i) Maximum issuance amount</li> <li>ii) Total invested amount</li> </ul>
Development Fee	[4.00%]	Manager will charge [4.00%] over total investment cost of each project including land, development costs, but excluding fees	Project	Total project cost
Leasing Fee	[4.00%] [2.00%]	<p>Manager will charge a percentage of leasing income as follows:</p> <ul style="list-style-type: none"> <li>(i) [4.00%] for leases of up to 5 years of term</li> <li>(ii) [2.00%] for the exceeding term above 5 years</li> </ul>	Project	Leasing income
Asset Management Fee	[3.00%]	[3.00%] of gross monthly income of each project	Project	Gross monthly income
Promote	[20%]	[20%] of remainder after paying a preferred return of 10% to institutional investors (no catch-up)	Vehicle	Remainder

# Termsheet

Issuer	Fideicomiso F/[*]
Tursteer	Banco INVEX, S.A., Institución de Banca Múltiple, INVEX Grupo Financiero
Manager	F1 Administración, S.C.
Security type	Certificados Bursátiles Fiduciarios Inmobiliarios de Desarrollo (CBFIDs)
Offering structure	Public offering in Mexico under the capital calls mechanism
Issuance amount	~Ps. [5,000] mm
Offering date	March, [TBD], 2015
Maturity	15 years
Use of proceeds	Real estate development in Mexico
Expected yield	[*]% in Ps./MXN
Structuring agent	<b>BBVA</b> Bancomer
Bookrunners	<b>BBVA</b> Bancomer   CASA DE BOLSA   <b>EVERCORE</b>   CASA DE BOLSA
Advisor	<b>EVERCORE</b>



## Development Portfolio

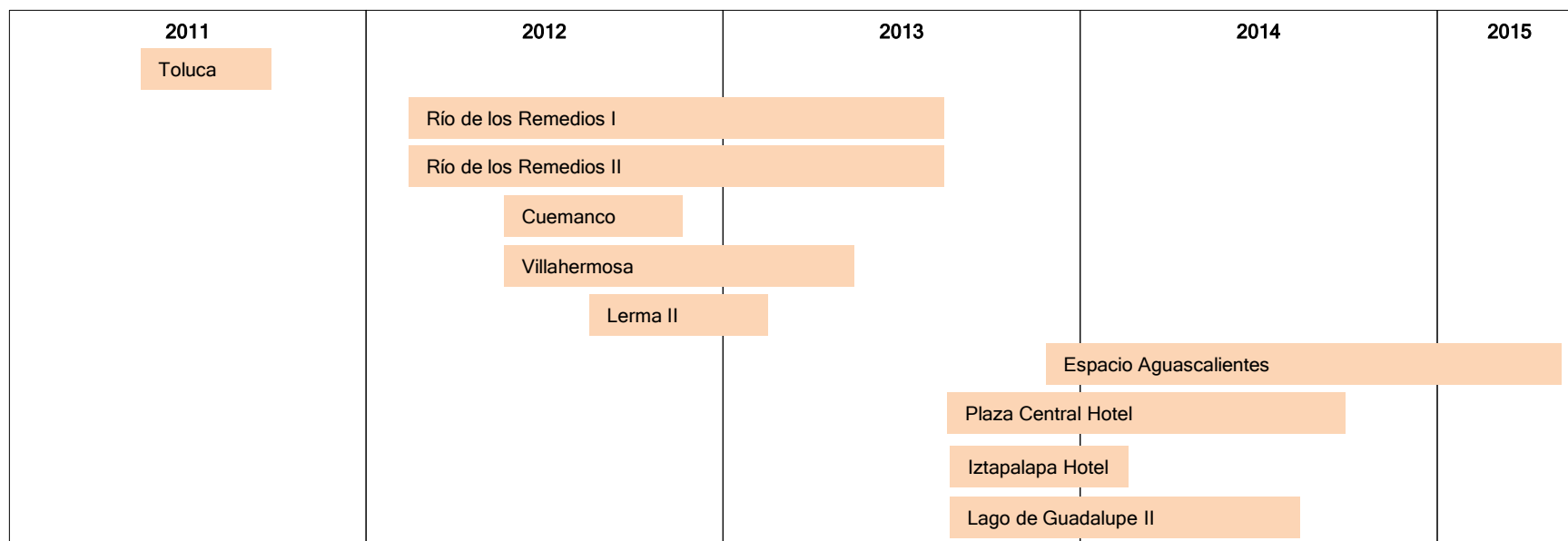


# Development Background

Property	Segment	Occupancy	Total CapEx	Total GLA (m <sup>2</sup> )	Expected Annual Stabilized Revenue	Yield on Cost
Plaza Central Hotel	Retail	100%	165.0	7,500	19.9	12.1%
Toluca	Retail	100%	260.0	15,023	28.0	10.8%
Río de los Remedios I	Industrial	100%	306.1	31,909	36.6	12.0%
Río de los Remedios II	Retail	99.8%	428.9	44,710	45.0	10.5%
Cuemanco	Retail	100%	781.0	44,641	86.3	11.1%
Villahermosa	Retail	89%	552.0	22,341	58.7	10.6%
Lerma II	Industrial	100%	752.0	118,658	83.0	11.0%
Iztapalapa Hotel	Retail	100%	93.0	4,635	9.6	10.4%
Lago de Guadalupe II	Industrial	100%	128.0	20,000	16.8	13.1%
Espacio Aguascalientes	Retail	72%	339.0	24,656	49.4	14.6%

<b>Total CapEx</b>	\$ 3,805
<b>Total GLA (m<sup>2</sup>)</b>	334,072
Industrial	170,567
Retail	163,506
<b>Occupancy @ 1Q15</b>	97.1%
<b>Annual Stabilized Revenue</b>	\$ 433.0
<b>Yield-on-Cost</b>	11.4%

## Historical Development Calendar



All figures in million pesos

# Development Pipeline

FUNO has significant organic growth potential from its integrated development platform

Project	Segment	GLA (m <sup>2</sup> )	CapEx to Date	Pending CapEx	Annualized Expected Revenue <sup>1</sup>	Yield on Cost	Operation
Berol	Industrial	100,000	959.9	338.1	144.0	11.1%	2015
Checa IUSA	Industrial	130,000	500.0	540.0	101.4	9.8%	2015
San Martín Obispo I	Industrial	250,000	738.9	61.1	162.4	20.3%	2015
San Martín Obispo II	Industrial	120,000	503.6	226.4	86.4	11.8%	2015
La Purísima	Industrial	150,000	998.9	141.1	118.0	10.4%	2015
Xochimilco I	Retail	30,000	425.0	25.0	50.4	11.2%	2015
Revolución	Retail	27,810	289.1	59.0	28.2	8.1%	2015-2016
Tlalpan	Retail	95,967	1,136.7	192.0	114.1	8.6%	2015-2016
Delaware	Office	70,000	-	1,400.0	251.2	17.9%	2018
La Viga	Office	67,750	798.0	152.0	199.0	21.0%	2016
Torre Diana	Office	31,500	1,265.7	34.3	130.0	10.0%	2017
Torre Reforma Latino	Office	35,000	1,100.0	16.0	147.4	13.2%	2015
Mariano Escobedo	Office	12,000	175.0	225.0	50.5	12.6%	2015

## Development Pipeline Summary

Total GLA (m <sup>2</sup> )	1,120,027	CapEx to Date	8,891
Industrial	750,000	Pending CapEx	3,410
Retail	153,777	Annualized Revenue <sup>1</sup>	1,583
Office	216,250	Yield on Cost	12.5%

1 - Assumes annualized stabilized revenue and an occupancy of 95%

2 - Excludes land acquisition on investment amount

All figures in million pesos



**Market Prospects**

# Sensitivity Analysis

## Exchange rate and interest rates sensitivity analysis

We conducted a sensitivity analysis in which we built three scenarios and measured the impact we had in our Rental Income and in our Interest Expenses for our 2015 projections

### Scenarios

1

MXN vs USD  
FX rate increase by  
**Ps. 1.00**

2




Floating interest  
rate increase by  
**100 bps**

3



Scenarios  
**1** & **2**  
combined

### Results




1

 Rent revenue Ps. 252 M  
 Interest expense Ps. 76 M  
 Net increase Ps. 176 M

2

Rent revenue Unaltered  
 Interest expense Ps. 65 M  
 Net decrease Ps. 65 M

3

 Rent revenue Ps. 252 M  
 Interest expense Ps. 143 M  
 Net increase Ps. 110 M

FUNO's financial position is resilient to adverse changes in exchange and interest rates.

# Current Office Market Landscape

## Recent office market dynamics

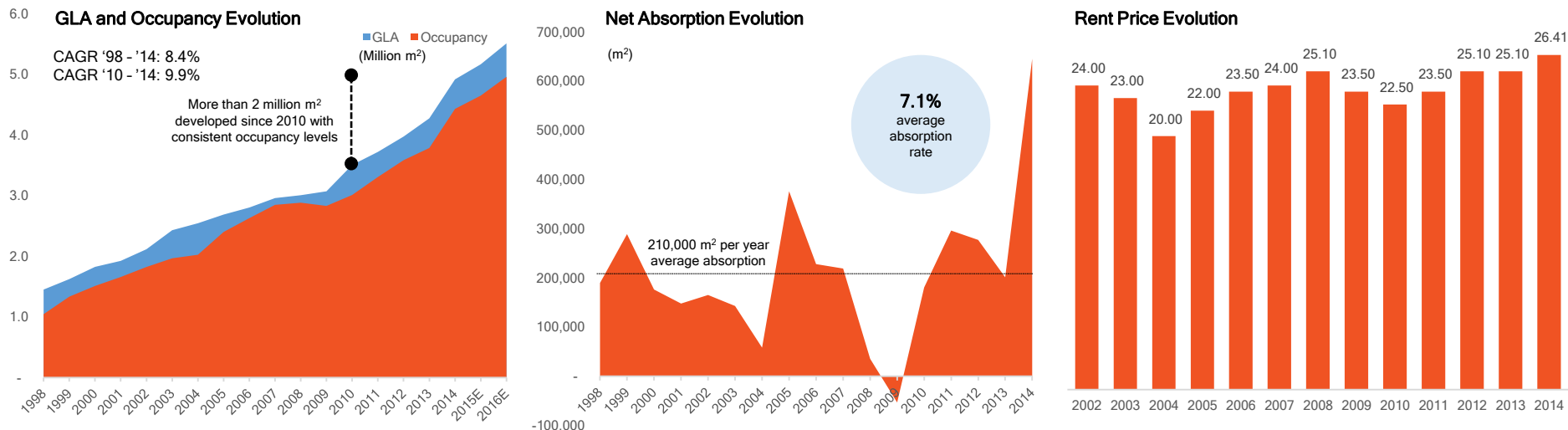
- Roughly 5 million m<sup>2</sup> by 2014-YE
- 89.9% occupancy rate
- 210,000 m<sup>2</sup> average yearly net absorption (1998-2014)
- +645,000 of net absorption in 2014
- 7.1% net absorption rate
- Current average price of Us\$26.41 m<sup>2</sup> per month
- 11 submarkets within Mexico City's metro area
- +2 million m<sup>2</sup> developed since 2010

## Office market prospects

2015	2016
▪ 11 new buildings	▪ 8 new buildings
▪ +258,000 m <sup>2</sup> of new GLA	▪ +345,000 m <sup>2</sup> of new GLA
▪ Price: Us\$27.66 m <sup>2</sup> per month	▪ Price: Us\$31.56 m <sup>2</sup> per month

Demand for office space is covered for 2015 and 2016

## Office market evolution



Source: CBRE MarketView, Coldwell Banker Commercial Blue Brief. Considers A and A+ office buildings

# FUNO in the Office Market

## GLA breakdown

Total GLA	684,280 m <sup>2</sup>
Rojo Portfolio	62,713 m <sup>2</sup>
Total GLA Ex Rojo <sup>(1)</sup>	621,567 m <sup>2</sup>
Mexico City & State of México	587,999 m <sup>2</sup>
Monterrey	32,267 m <sup>2</sup>
Guadalajara	24,387 m <sup>2</sup>
Other	39,627 m <sup>2</sup>

## FUNO's office portfolio details

Buildings	34
Submarkets	8 in Mexico City 3 outside Mexico City
GLA Under Development	216,250 m <sup>2</sup>
Developments	Torre Diana, Torre Latino, Delaware, La Viga & Mariano Escobedo
GLA in Reforma	119,277 m <sup>2</sup>
Occupancy	90%

## FUNO's exposure

- ✓ Less than 10% of total market share
- ✓ Roughly 16% share of expected development for '15 and '16
- ✓ 2 new buildings under development in a highly-demanded submarket
- ✓ Rent prices below average
- ✓ 27% market share in Reforma
- ✓ Higher-than-average occupancy rate
- ✓ Only 19% of total annualized revenues are derived from office properties

**FUNO is a broadly diversified FIBRA**

<sup>(1)</sup> Rojo Portfolio is excluded for analysis purposes because it represents branches and offices of Banco Santander that are leased under a 20-year contract



## Recent Acquisitions

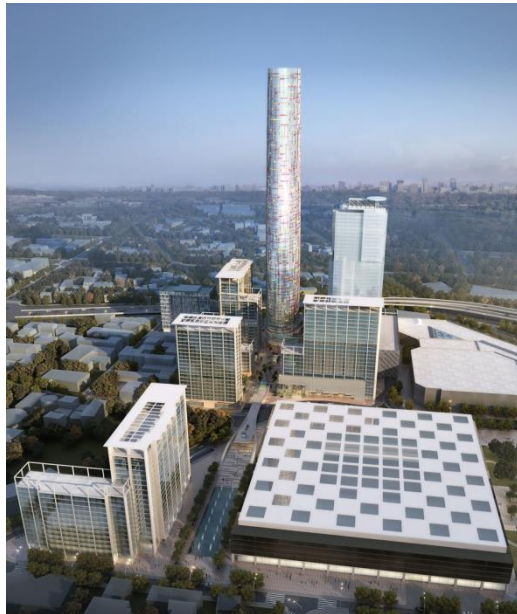
# Acquisition Agreement - Buffalo Portfolio

## Buffalo Portfolio

- On February 24th 2015, FUNO signed an agreement to acquire Mitikah, a mixed-use project in Mexico City
- The Mitikah project's location complements the acquisition of Colorado Portfolio (Centro Bancomer), allowing FUNO to achieve synergies
- This acquisition is subject to approval of the Mexican anti-trust authority (Comision Federal de Competencia Economica or "COFECE")

### Mixed-use project

- Purchase price of Us\$185 mm









# Acquisition Agreement - Kansas Portfolio

## Kansas Portfolio

- On December 1st 2014, FUNO signed the purchase of a portfolio of 19 properties located in seven states throughout Mexico for a total price of Ps\$10,500 million.

## 19 properties

10 stabilized shopping centers	8 power centers 2 fashion malls 8 cities 7 states		GLA	297,064 m <sup>2</sup>
			Occupancy	92%
			Expected NOI	Ps\$742 mm
			Cap Rate	8.52%
5 adjacent land for expansion	In 5 shopping centers for possible immediate expansion		Area	165,081 m <sup>2</sup>
			Expected GLA	85,000 m <sup>2</sup>
			Purchase price	Ps\$557 mm
2 power centers in process of stabilization	2 power centers 2 cities 2 states		GLA	46,286 m <sup>2</sup>
			Expected NOI	Ps\$90 mm
			Purchase price	Ps\$903 mm
7 land for future development	7 cities 6 states		Area	719,814 m <sup>2</sup>
			Purchase price	Ps\$336 mm



# Acquisition Agreement - Utah Portfolio

## Utah Portfolio

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- On January 12th 2015, FUNO signed an agreement to acquire an office property in Mexico City
- The property has a Premium location being placed the Reforma-Lomas corridor
- The acquisition price is USD \$67.9 million that will be paid 100% with cash. The property has no debt

### Office building

- Purchase price of Us\$67.9 mm
  - 100% occupancy
  - NOI of Us\$6 mm
  - GLA of 16,348 m2
- 
- This acquisition is subject to approval of COFECE



# Acquisition Agreement - Florida Portfolio

## Florida Portfolio

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- On January 7th 2015, FUNO signed an agreement to acquire an office property located in the Insurgentes corridor, one of Mexico's most prominent
- FUNO considers that this building is a landmark in the area given its location and design
- The property has no debt and the acquisition will be paid 100% with cash

### Office building

- Purchase price of Ps\$640.1 mm
- 100% occupancy
- NOI of Ps\$57.2 mm
- GLA of 21,755 m<sup>2</sup>

- This acquisition is subject to approval of COFECE





**Pending Acquisitions**

# Acquisition Agreement - Oregon Portfolio

## Oregon Portfolio

- On January 8th 2015, FUNO signed an acquisition agreement to purchase three stabilized and consolidated shopping centers in Mexico City
- The property has Ps\$400 million of debt, and the selling party has the option to pay the debt before settling the transaction. If this option is not exercised, FUNO will pay the debt before closing the acquisition
- This transaction will be paid with CBFIs and could include a cash component (in case that FUNO pays the debt)

### 3 shopping centers

- Purchase price of Ps\$1,305.9 mm
- 99% occupancy
- NOI of Ps\$110.9 mm
- GLA of 32,786 m<sup>2</sup>

- This acquisition is subject to approval of the COFECE





# Acquisition Agreement - Indiana Portfolio

## Indiana Portfolio

- On October 29th 2014, FUNO reached an agreement to acquire 13 branches of ICEL University, of which 11 are located in the metropolitan area of Mexico City, 1 in Cuernavaca, Morelos and 1 in Guadalajara, Jalisco
- As part of this acquisition agreement, ICEL University has agreed to lease all 13 properties for a 10 year term

### 13 Properties

- Purchase price of Ps\$3,040 mm
  - 100% occupancy
  - NOI of Ps\$247.0 mm
  - GLA of 148,000 m<sup>2</sup>
- We expect to generate good synergies with ICEL University as we can offer them space to further grow their network in our vast portfolio of properties throughout Mexico
  - Also, FUNO negotiated the right to further develop the excess land in any of the properties



# Acquisition Agreement - P4 Portfolio

## P4 Portfolio

- On October 1<sup>st</sup> 2014, FUNO reached an agreement to acquire four office buildings located in the Insurgentes corridor, one of Mexico's most prominent

4 properties		
2 fully acquired	+	2 pending conditions <sup>(1)</sup>
<ul style="list-style-type: none"> <li>Purchase price of Ps\$280 mm</li> <li>98% occupancy</li> <li>NOI of Ps\$24.3 mm</li> <li>GLA of 11,675 m<sup>2</sup></li> </ul>		<ul style="list-style-type: none"> <li>Purchase price of Ps\$288 mm</li> <li>98% occupancy</li> <li>NOI of ~Ps\$25.0 mm</li> <li>GLA of ~ 8,311 m<sup>2</sup></li> </ul>
	=	4 properties
		<ul style="list-style-type: none"> <li>Purchase price of Ps\$568 mm</li> <li>98% occupancy</li> <li>NOI of ~Ps\$49.3 mm</li> <li>GLA of ~ 19,986 m<sup>2</sup></li> </ul>



- This acquisition is pending approval by COFECE

(1) Subject to the vendors meeting certain conditions set by FUNO before closing the acquisitions.