

# Fibra Danhos

November 2016



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# Danhos' DNA

- **Premier quality assets** in retail and office segments, mainly in Mexico City's Metropolitan Area. We strive for quality rather than for quantity.
- Developer, not a consolidator, **creating value** in each new project.
- **Visible and low risk growth strategy.**
- **Simple strategy, strong execution.**
- Experienced and recognized **management team. Execution is our commitment.**
- **Strong balance sheet:** well-capitalized public entity, 7.1% leverage. Only Mexican Peso denominated debt with approximately 30% of our revenues in US Dollars.
- **Low exposure to NAFTA revenues**
- **High exposure to domestic consumption**



# Corporate Governance

- **Highest alignment of incentives.** Our Control Trust holds ~40% of the Outstanding CBFIs.
- **Corporate governance** best practices. We were the first Fibra in Mexico to pay our Advisor's fees with CBFIs.
- Over 200 years of combined real estate experience
- **Our fee structure is among the simplest and lowest**

## Advisory and Leasing Administration Fees

### Advisory Fee

- Externally advised but "synthetically internalized"
- First Fibra to pay Advisor's Fees with CBFIs at period's VWAP
- Our Advisor is exclusive to Fibra Danhos
- 0.875% - 1.0% of NAV excluding cash

### Leasing Adm. Fee

- 2.0% of total invoiced revenues
- Deducted from NOI since it is an operating cost
- Historical occupancy levels above 95% for the past 8 years

## Audit, Practices and Nominations Committees

### Audit

- 3 members
- 100% independent
- Appointed by the Technical Committee

### Practices

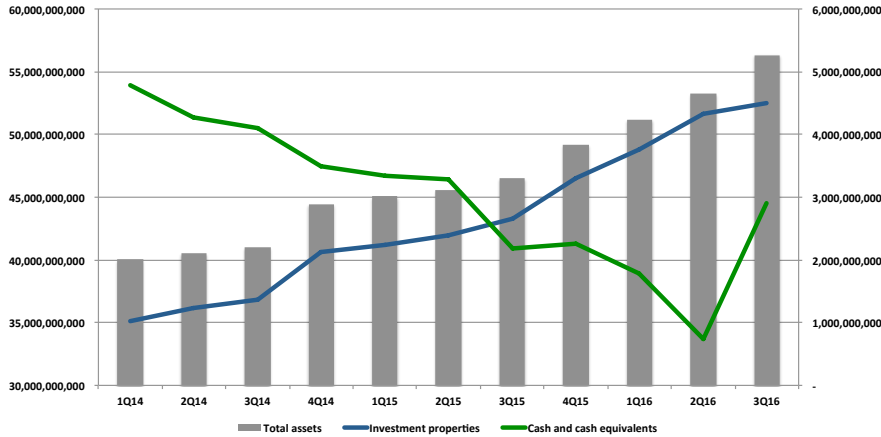
- 3 members
- 100% independent
- Appointed by the Technical Committee
- 100% decision making regarding transactions with related parties

### Nominations

- 5 members
- 60% independent
- Holders Assembly

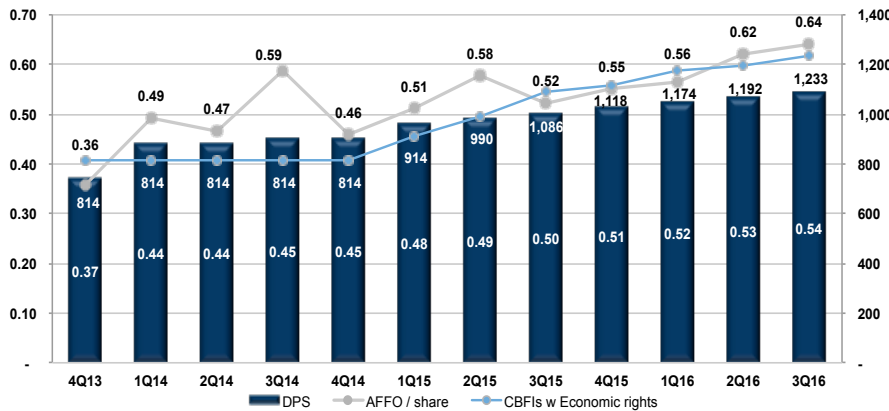
# Key Financial Indicators

### Total Assets/ Investment Properties & Cash since IPO



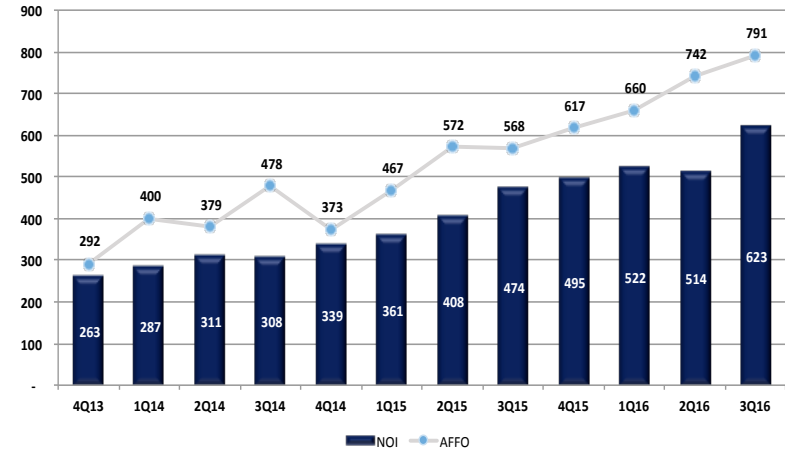
- Constant revenue growth based on organic growth and development projects.

### DPS / AFFO per share, shares w/economic rights (quarterly)



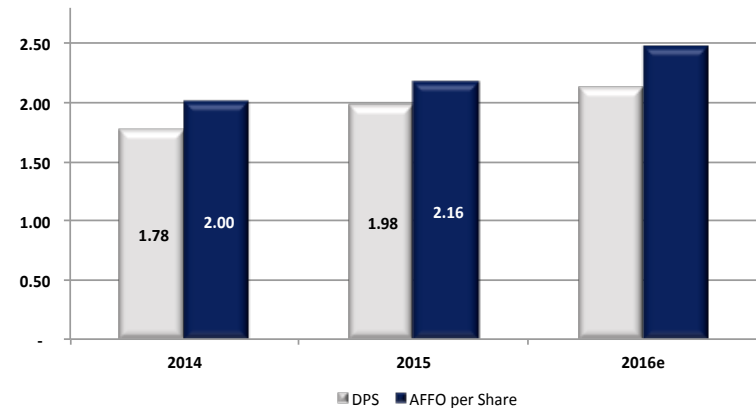
- AFFO in 3Q16: Ps. \$791 million
- Stable and growing dividend.
- Robust bottom line growth

### NOI / AFFO growth since IPO



- Important QoQ NOI growth driven by Fibra development yields, especially during 2016.

### DPS / AFFO per share (yearly)



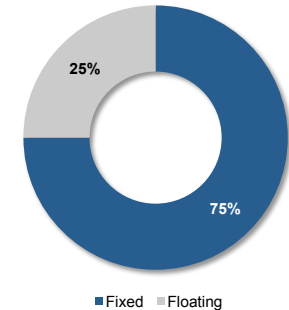
- 13.2% growth in AFFO per share vs. 9M15
- 8.2% Dividend per share growth, 4x the local inflation
- 20.2% growth in CBFIs with economic rights vs. 3Q15

# Capital Structure Overview

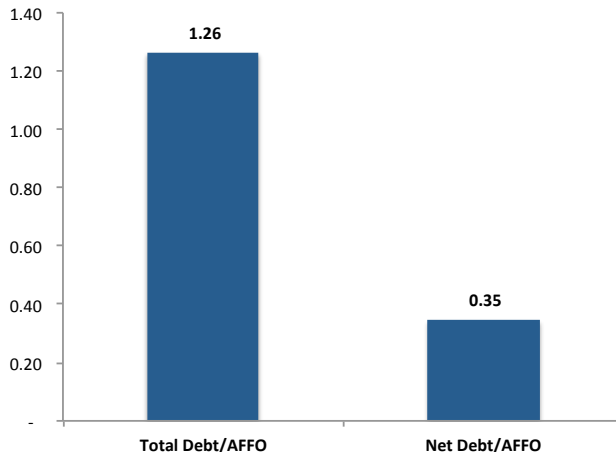
- We successfully conducted our first bond issuance for \$4 billion pesos.
- The bond issuance gives us financial flexibility, while lowering our cost of capital.
- Fibra Danhos has a strong balance sheet and a conservative leverage policy.
- \$1.5 billion peso committed unsecured revolving credit facility, which is 100% undrawn and \$2.9 billion pesos in cash as of 3Q16.

Debt	Institution / Issuance	Currency	Interest Rate	Issuance	Maturity	Tenor (years)	Balance
Bonds	Local (DANHOS 16)	MXN	Fixed 7.80%	11-Jul-16	30-Sep-16	29-Jun-26	\$3,000,000,000
Bonds	Local (DANHOS 16-2)	MXN	Variable TIIE + 0.65%	11-Jul-16	30-Sep-16	23-Dec-19	\$1,000,000,000
			<b>Avg. 7.40%</b>			<b>Avg. 8.15</b>	<b>\$4,000,000,000</b>

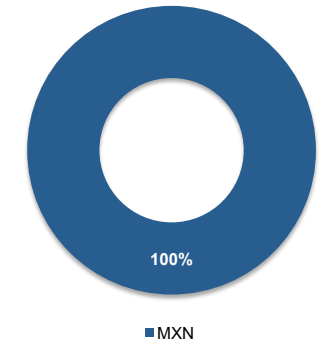
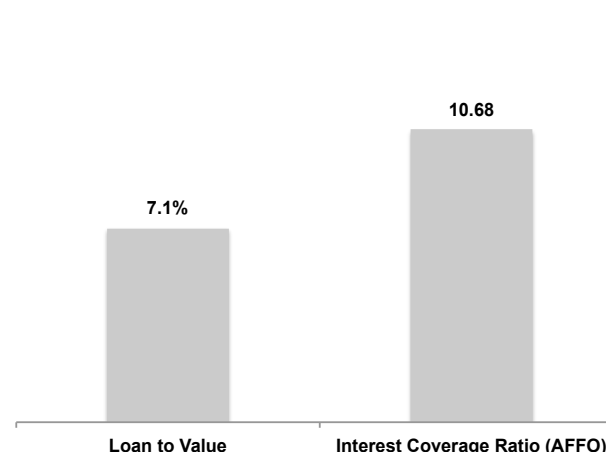
Covenants	Fibra Danhos	Limit	Status
Loan to Value (total debt/total assets)	7.1%	50%	OK
Secured debt limit	0	40%	OK
Debt service coverage ratio (AFFO)	9.82 x	1.5x min	OK
Unencumbered assets to unsecured debt	1384%	150%	OK



**Total/Net Debt to AFFO (3Q16 annualized)**



**Loan to Value/Interest Coverage Ratio**



# Real Estate Portfolio

- Quarter end occupancy (total properties) reached 90.7%. Our same property occupancy was 97.8%.
- We were able to lease vacant spaces in Reforma 222, Parque Esmeralda and Urbitec.
- Renewal rate for the period was 98.75% and occupancy cost reached 7.9%.

Fibra Danhos Portfolio	Opening Year	State / Municipality	GLA	% of GLA	Occupancy	Parking Spaces
<b>Current Operating Portfolio</b>						
<i>Retail</i>						
1. Parque Delta	2005/2016 (expansión)	Benito Juárez, Distrito Federal	67,754	7.5%	99.4%	3,213
2. Parque Duraznos	2000	Miguel Hidalgo, Distrito Federal	15,888	1.8%	98.6%	969
3. Parque Lindavista	2006	Gustavo A. Madero, Distrito Federal	42,072	4.6%	98.4%	2,306
4. Parque Tezontle	2007/2015 (expansion)	Iztapalapa, Distrito Federal	68,995	7.6%	96.2%	2,742
5. Vía Vallejo	2016	Azcapotzalco, Distrito Federal	81,788	9.0%	94.7%	4,725
<b>Sub total Retail</b>			<b>276,497</b>	<b>30.5%</b>	<b>97.0%</b>	<b>13,955</b>
<i>Office</i>						
5. Parque Esmeralda	2000	Tlalpan, Distrito Federal	34,057	3.8%	96.9%	1,636
6. Urbitec	2009	Miguel Hidalgo, Distrito Federal	12,912	1.4%	96.9%	501
7. Parque Virreyes	1989	Miguel Hidalgo, Distrito Federal	7,937	0.9%	94.5%	251
8. Torre Virreyes	2015	Miguel Hidalgo, Distrito Federal	65,590	7.2%	79.4%	2,300
<b>Sub total Office</b>			<b>120,496</b>	<b>13.3%</b>	<b>87.2%</b>	<b>4,688</b>
<i>Mixed-use</i>						
9. Parque Alameda	2003	Cuauhtémoc, Distrito Federal	15,755	1.7%	98.2%	308
10. Reforma 222	2007	Cuauhtémoc, Distrito Federal	44,453	4.9%	99.7%	1,380
11.1 Toreo (Retail, Of. B&C and Hotel)	2014/2016	Naucalpan, Estado de México	172,947	19.1%	80.2%	5,000
<b>Sub total Mixed-use</b>			<b>233,156</b>	<b>25.7%</b>	<b>85.2%</b>	<b>6,688</b>
<b>Total Current Operating Portfolio</b>			<b>630,148</b>	<b>69.5%</b>	<b>90.7%</b>	<b>25,331</b>
<b>Current Development Portfolio</b>						
<i>Retail</i>						
13. Parque Puebla	2017e	Puebla, Puebla	70,000	7.7%	NA	3,000
14. Parque Las Antenas	2017e	Iztapalapa, Distrito Federal	86,500	9.5%	NA	3,000
15. Proyecto Nororiental CDMX	2019e	Nororiental, Distrito Federal	60,000	6.6%	NA	3,000
<b>Sub total Retail</b>			<b>216,500</b>	<b>23.9%</b>	<b>NA</b>	<b>9,000</b>
<i>Mixed-use</i>						
11.2 Toreo (Office tower A and hotel)	2016e	Naucalpan, Estado de México	60,000	6.6%	NA	1,800
<b>Sub total Mixed-use</b>			<b>60,000</b>	<b>6.6%</b>	<b>NA</b>	<b>6,525</b>
<b>Total Current Development Portfolio</b>			<b>276,500</b>	<b>30.5%</b>	<b>NA</b>	<b>15,525</b>
<b>Total Portfolio</b>			<b>906,648</b>	<b>100.0%</b>	<b>90.7%</b>	<b>40,856</b>
<i>Sub total/ Weighted Avg. Retail</i>			<i>492,997</i>	<i>54.4%</i>	<i>97.0%</i>	<i>22,955</i>
<i>Sub total/ Weighted Avg. Office</i>			<i>120,496</i>	<i>13.3%</i>	<i>87.2%</i>	<i>4,688</i>
<i>Sub total/ Weighted Avg. Mixed-use</i>			<i>293,156</i>	<i>32.3%</i>	<i>85.2%</i>	<i>13,213</i>

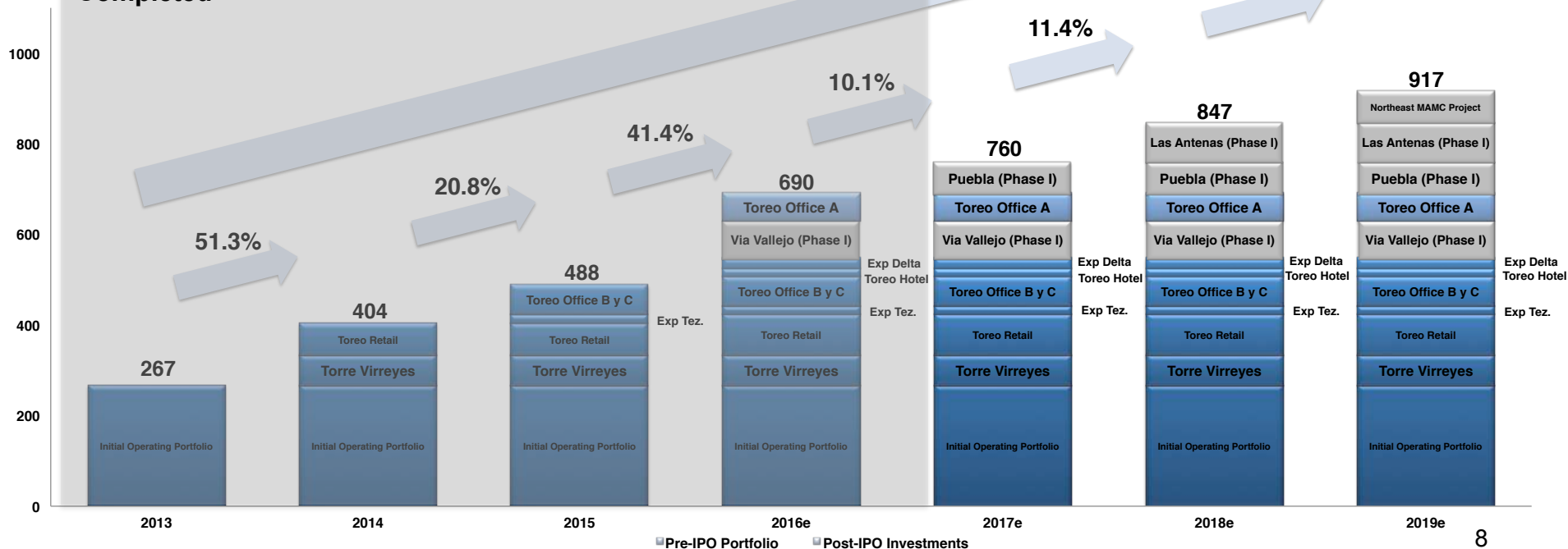
# 5-year growth plan

- GLA is expected to grow 41.4% in 2016 with Parque Delta's expansion, Toreo Office Tower A and Hotel and Via Vallejo. As of 3Q16, We have grown 29.1% considering Parque Delta, Via Vallejo and the Hotel in Toreo.
- We expect to triple GLA of our Initial Operating Portfolio (IPO) by the end of 2017.

Fibra Danhos	2013	2014	2015	2016e	2017e	2018e	2019e
Operating Portfolio	45%	49%	59%	75%	83%	93%	100%
Pre-IPO Development Portfolio	55%	22%	12%	0%	0%	0%	0%
Post-IPO Development Portfolio	0%	29%	29%	25%	17%	7%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

22.8% CAGR, 3.4x

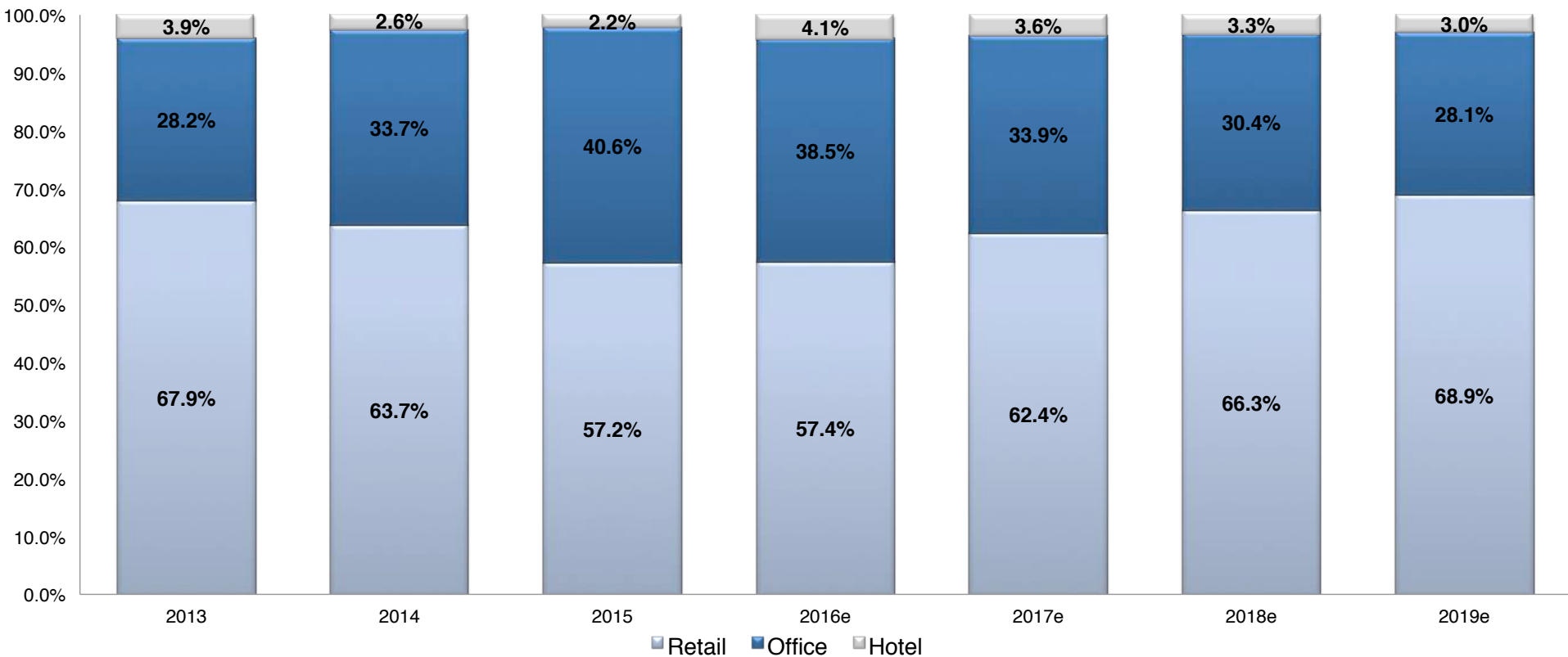
Completed





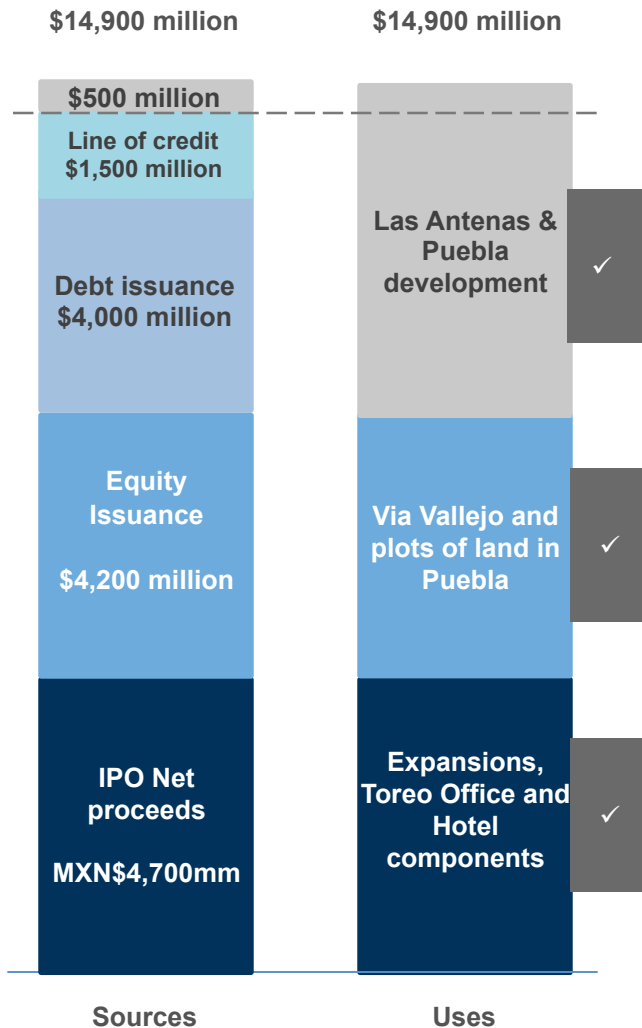
# GLA distribution by sector

- Our long term target mix by sector is 60-70% retail vs. 30-40% office.



# Financing Sources

## How will we finance the growth of our Current Development Portfolio?



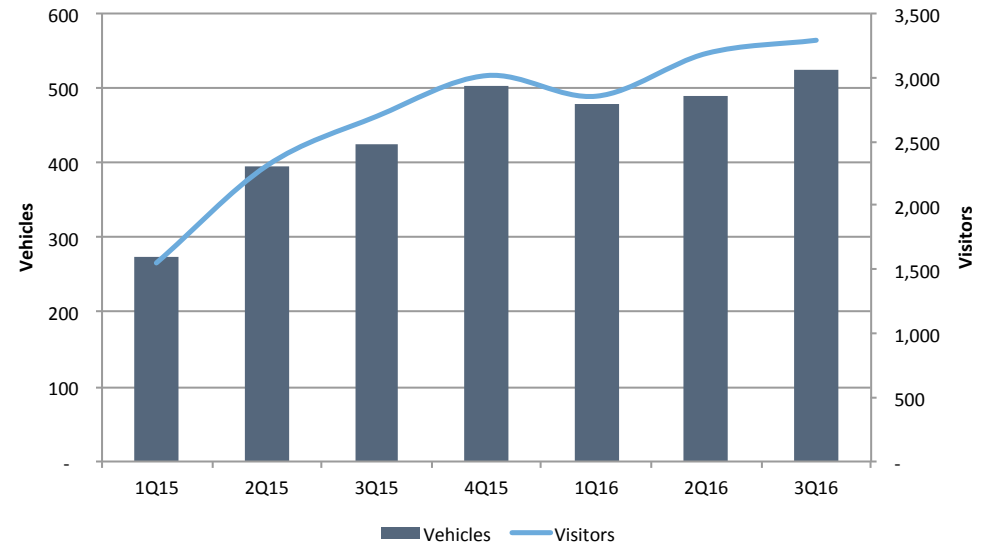
- We are a well-capitalized public entity, with a LTV of 7.1%\*.
- We have signed, and have not yet disposed, a revolving committed line of credit for Ps. \$1.5 billion for the next 4 years.
- We successfully placed a bond issuance for Ps. \$4 billion.

Not considering the new development on the Northeast of Mexico City  
 \*Considering Ps. 4 billion in debt and Total Assets as of the end of 3Q16

# Update: Toreo's Retail Component

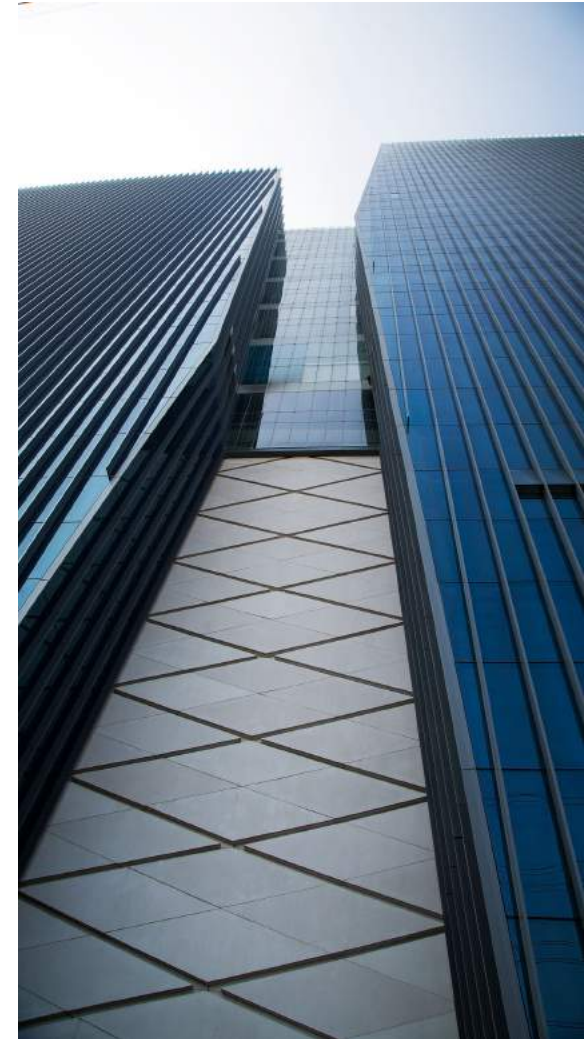
- During 3Q16, Toreo's NOI amounted to **\$79.7 million pesos**.
- A 25,000-sqm Liverpool store will be incorporated to Toreo Parque Central, complementing its successful commercial mix with the country's largest department store.
- We received more than 3.3 million visitors during the quarter.
- We received more than 525 thousand vehicles during the quarter.
- Occupancy rate reached **97.6%**.
- Toreo Parque Central Awards:
  - ADI award for the best real estate development in 2014
  - "Obras" magazine award as the best new building in the country in 2014.

### Flow of Visitors and Vehicles



# Update: Toreo's office towers B&C, hotel

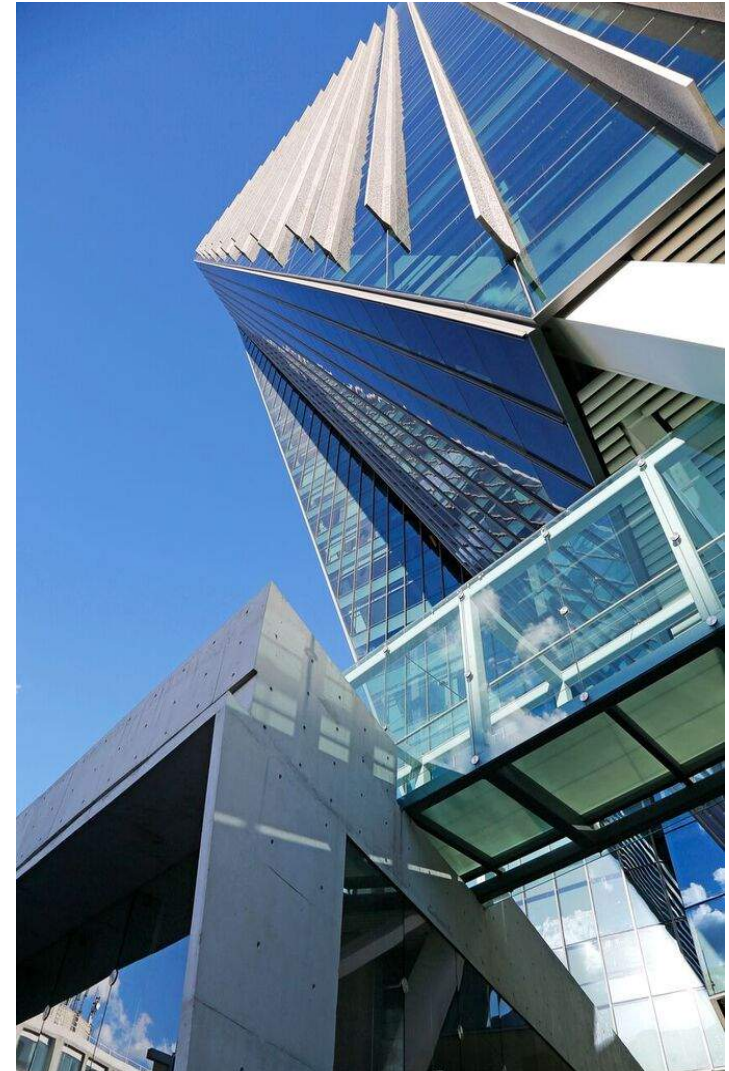
- Office towers B&C started operations on January 4<sup>th</sup>, 2016. The hotel started operations on October 2<sup>nd</sup>, 2016.
- Pre-leasing progress in the office towers reached **51.5% considering executed lease agreements**. We are in the process of signing 7,000 sqm with an important tenant, which will drive occupancy up to 63%.
- We recently signed 7,230 sqm with Grupo Axo.
- NOI for the office towers amounted to \$17.8 million pesos during 3Q16.
- Our tenants: AT&T, Bancomer, IOS Offices, GfK Mexico, Merck, Nielsen, OHL, Old Navy, Niagara Waters, AXO and Kathrein among others.





# Update: Torre Virreyes

- NOI amounted to \$88 million pesos, which represent 14.8% of Current Operating Portfolio's NOI.
- Pre-leasing progress reached 79.4% considering executed lease agreements and we are in the process of signing 11,519 sqm that will drive occupancy to 97%.
- As of 3Q16, 74.3% of its GLA is under operations.
- Torre Virreyes has consolidated as the best office building in the country. To date, we have four restaurants, a cafeteria and a haute couture store under operations.



# Update: Expansions in Tezontle and Delta



- We have completed the work of the expansions and provided and additional 19,000 sqm of additional GLA in Tezontle and 23,000 sqm in Delta.
- Flow of visitors in Tezontle grew 75.4% when compared to 3Q15 and 18.8% in Delta
- 100% of the investments have been made as of 2Q16.
- Tezontle's NOI grew 35.9% when compared to 3Q15 and Delta's NOI grew 25.2% .
- As of 3Q16, we have collected over \$400 million from both expansions.





# Update: Vía Vallejo

## Via Vallejo (Phase I)

- Location: Azcapotzalco, Mexico City
- Opening date was last May 19, 2016
- GLA 81,800 sqm.
- The largest shopping center in the Metropolitan Area of Mexico City scheduled to open this year.
- The total consideration for the project is 3.3 billion pesos. We reached an agreement to pay 1.2 billion pesos in cash and the rest in CBFIs, proceeding to the cancelation of the rest CBFIs issued.
- 100% work completion as of 2Q16
- Pre-leasing progress reached 94.7 considering executed lease agreements.
- More than 133 are operating and account for 86% of the project's GLA
- Among the brands involved in the project are: H&M, Forever 21, SEARS, Cinépolis, Sanborns, ZARA, Bershka, Pull & Bear, Stradivarius, LFT, Sfera, American Eagle, Old Navy, July, Tommy Hilfiger, Guess, Loft, Victoria's Secret, Aeropostale, Cortefiel, Studio F, iShop, Vapiano, El Bajío, ALSEA, Innova Sport, Marti and Recorcholis, among others.



# Projects due in 2016: Toreo office tower A

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## Toreo Office Tower A

- Work progress: Tower A 98.9%
- Development completion schedule: Tower A 2H16.
- Total GLA for tower A is approximately 60,000 sqm.
- With the conclusion of tower A, we will have finished 100% of the commitments set forth during our IPO.





# Development Status: Parque Puebla

## Parque Puebla (Phase I)

- Location: Metropolitan Area of Puebla
- Expected completion date: 1H2017
- Estimated total Investment: \$2.6 billion (excluding land).
- Work Progress: 65.7%
- We have executed lease agreements for 40.4% of its GLA and considering letters of intent pre-leasing progress is 87.7%.
- GLA 70,000 sqm
- We have signed leasing agreements with Liverpool and Cinopolis.
- We are in process of signing to the entry of Sears and several sub-anchors and other tenants.



# Development Status: Las Antenas

## Las Antenas (Phase I)

- Location: Iztapalapa, Mexico City
- Expected completion date: 2H17-1Q18
- GLA 86,500 sqm
- Estimated total investment: \$3.0 billion (excluding land).
- Work Progress: 31%
- We have executed lease agreements for 26.2% of its GLA and considering letters of intent pre-leasing progress is 92.8%.
- We have signed leasing agreements with Liverpool and Cinopolis.
- We are in process of signing to the entry of Sears and several sub-anchors and other tenants.



# New development in the northeast area of the MAMC

- Last July, Fibra Danhos announced a new mixed-use development in the northeast area of Mexico City.
- The project will feature two anchor stores and the vast majority of our existing tenants have shown interest to participate.
- The plots of land have the appropriate zoning permits.
- Location: Northeast of MAMC.
- Expected completion date: 4Q18 - 1Q19.
- Plot of land  $\approx$  60,000 sqm
- GLA over 70,000 sqm





# Appendix



# CBFI Conciliation



<b>Fibra Danhos CBFI Conciliation</b>	<b>As of September 30th, 2016</b>	<b>As of June 30th, 2016</b>	<b>Change</b>
<b>Issued CBFIs as of September 30th, 2016</b>	<b>1,541,245,024</b>	<b>1,541,245,024</b>	<b>-</b>
<b>CBFIs with economic rights</b>	<b>1,233,361,545</b>	<b>1,192,000,000</b>	<b>41,361,545</b>
Initial Operating Portfolio CBFIs	604,372,398	604,372,398	-
Initial Public Offering CBFIs (excluding overallotment option)	200,000,000	200,000,000	-
Executed overallotment option CBFIs	9,802,520	9,802,520	-
Toreo CBFIs with economic rights	181,021,500	171,392,790	9,628,710
Virreyes CBFIs with economic rights	168,873,705	161,485,480	7,388,225
CBFIs to be used as payment for plots of land for Parque Puebla	14,712,490	14,712,490	-
CBFIs used as payment for advisory fee*	25,844,420	22,406,801	3,437,619
Vía Vallejo CBFIs with economic rights	28,734,512	7,827,521	20,906,991
<b>CBFIs without economic rights</b>	<b>307,883,479</b>	<b>349,245,024</b>	<b>(41,361,545)</b>
Toreo CBFIs without economic rights	106,770,853	116,399,563	(9,628,710)
Torre Virreyes CBFIs with economic rights	42,218,426	49,606,651	(7,388,225)
Vía Vallejo CBFIs without economic rights (payment)	25,573,426	46,480,417	(20,906,991)
Vía Vallejo CBFIs without economic rights (adjustment)	41,634,942	41,634,942	-
Vía Vallejo CBFIs without economic rights pending cancellation	30,901,075	30,901,075	-
Parque Puebla CBFIs pending cancellation	1,579,177	1,579,177	-
Issued CBFIs to be used for future advisory fee payments	59,205,580	62,643,199	(3,437,619)

# Land in the Metropolitan Area of Mexico City

It's not about finding land, it's about creating it. Toreo Case Study:

4/23/2008



2/13/2009



4/23/2012



11/26/2012



1/30/2014



4/9/2015





# Land in the Metropolitan Area of Mexico City

It's not about finding land, it's about creating it. Delta and Tezontle Case Studies:

12/2/2001



12/31/2014



8/27/2015



12/20/2013



8/8/2015

