OUR STRENGTHS

Drivers of Our Success

Annual Report 2016

FIBRA PROLOGIS®

FOCUS, DISCIPLINE AND EXCELLENCE

FIBRA Prologis delivered solidly on all our long-term growth strategies.

Dear Fellow Shareholders

In 2016, our second full year as a public company, FIBRA Prologis delivered solidly on our long-term growth strategies. Last year offered the strongest operating environment on record for our business, as consumer and logistics activity drove demand for our properties. We reported consistent cash flow and earnings because we relied on and built upon our core strengths—focus, discipline and excellence in customer service.

The strategy behind our growth is straightforward: We focus on the best locations in six key markets where demand is driven principally by logistics and consumer-oriented users. We seek to maintain our high occupancy rate across our 190 modern properties and increase rents on rollovers by harvesting the spread between market and our in-place rents. We favor a flexible balance sheet with low leverage and healthy liquidity that will provide us with more options and potentially higher growth over the long term.

VALUE EMBEDDED IN OUR PROPERTIES

In-place rents in our portfolio are on average below market rents.

Internal Growth

Our well-located buildings are run by the best team in the business. At the end of 2016, our portfolio reported a record high occupancy of 96.8 percent—up from 96.5 percent at the end of 2015 and 130 basis points above the market. Leasing volume was 8.9 million square feet. During the year, about 70 percent of our existing customers either renewed their leases, expanded their operations or both, leading them to seek additional space.

Cash same store NOI grew 2 percent for the full year. Excluding the impact of peso devaluations, growth was 3.6 percent.

In-place rents across our portfolio are on average below market rents. That presents us with opportunities to capture the value embedded in our portfolio when leases come up for renewal. In 2016, net effective rent change on rollover was up 9.6 percent for the year, led by the Tijuana and Juarez markets, in which rent change on rollovers rose 12 percent.

SOLID GROWTH FUNDS DISTRIBUTIONS

Profitable operations allowed us to distribute 11 cents per certificate on an annual basis in 2016, up 10 percent from 2015.

When peso-denominated leases were renewed in 2016, rents rose 31 percent. Those rent increases helped protect our earnings as pesos were converted into dollars.

External Growth and Financial Results

In 2016, we deployed $117 million and acquired 1.6 million square feet of new Class-A buildings from our sponsor, Prologis. These acquisitions were located primarily in Guadalajara and Mexico City, which house about 56 percent of our operations. Acquisition activity was solidly in our expected range for the year, and property values were stable. The average stabilized portfolio cap rate during the year was 7.2 percent. Recent portfolio transactions suggest that investor appetite since the U.S. presidential election is resilient.

These increases helped sustain FFO even in the face of the substantial decline of the peso against the dollar. FFO was $105.2 million for the year, down 1.7 percent from 2015, in line with expectations. Excluding special non-cash items, FFO increased 7 percent.

CAREFUL BALANCE SHEET MANAGEMENT

We refinanced close to $360 million of debt at a lower interest rate while extending maturities.

32.5%
loan-to-value ratio
ended year.

For 2016, AFFO was $74.5 million, an increase of 7.5 percent from 2015. We distributed 11 cents per certificate on an annual basis in 2016, an increase of 10 percent over the 2015 distribution.

Balance Sheet

At FIBRA Prologis, we take great care in managing our balance sheet. Doing so grants us the flexibility to respond to opportunities that present themselves. We ended the year with a loan-to-value ratio of 32.5 percent and borrowing capacity of $435 million.

Through our 2016 debt management plan, we refinanced close to $360 million of debt at a lower interest rate while extending the maturities. At the close of the year, the weighted average interest rate on our debt was 5 percent. In 2017, some $214 million in debt will mature, with a weighted average cost of 7.2 percent. Even in a period of rising interest rates, we expect these maturities will afford us the opportunity to reduce the cost of our debt service by at least 40 basis points by the end of 2017.

OPERATING CONDITIONS STRONGEST ON RECORD

Some 60 percent of our portfolio serves domestic consumption in Mexico.

Operating Environment

The main drivers of demand for space in Mexico are consumption by the country's rapidly growing middle class, supply chain modernization, e-commerce and exports to the U.S.

Operating conditions in our markets were the strongest on record in 2016 in our history. For the full year, net absorption across those markets surpassed our forecast at a healthy 24.6 million square feet, up 47 percent from 2015. These healthy conditions pushed the overall market vacancy rates down by 367 basis points, closing the year at a new record low of 4.5 percent. In Mexico City alone, a record 10 million square feet was absorbed.

Demand is rising in part because customers that serve the consumer market, such as Walmart Mexico and Liverpool, continue to seek larger and more efficient space to consolidate operations. Moreover, e-commerce, while still in its infancy, is growing rapidly, leading e-commerce operators and logistics providers such as Amazon and DHL to expand their operations in Mexico. Some 60 percent of our portfolio serves domestic consumption in Mexico.

PORTFOLIO WILL DELIVER SOLID RESULTS

Mexico's 12 free trade agreements cover countries representing 60 percent of global GDP.

Looking forward, we believe this pace of outperformance of the net absorption will moderate and supply will likely match demand in 2017. That said, historic low vacancies will provide a healthy buffer.

The Outlook

As we closed out an excellent 2016, we entered the new year with a sound financial position, healthy liquidity and a best-in-class operating portfolio that we expect will continue to deliver solid results.

There's no question, however, that geopolitical developments and the volatility of the peso are going to affect our markets in 2017. The results of the U.S. election have created a sense of policy uncertainty surrounding trade between the U.S. and Mexico.

Despite this uncertainty, our long-term outlook continues to be positive.

BEST LOCATION STRATEGY IN MEXICO

Highly diversified customer base spans industries and space sizes.

Mexico occupies an important role in global supply and manufacturing chains. It enjoys a strategic geographic location—adjacent to the U.S. and proximate to South and Central America. Moreover, Mexico's youthful population and rapidly growing middle class together are driving higher consumption. We believe that supply chain modernization and e-commerce will continue to propel demand for logistics real estate.

In complex times, however, it is a simple proposition that gives us the most confidence. In the real estate business, location matters. And, no portfolio in Mexico has a better location strategy than ours. We have constructed our portfolio to be resilient to disruptions. We have a highly diversified customer base that spans industries and space sizes, and avoids dependency on any one customer. Our local team remains steadfast in their commitment to our customers and vigilant in looking for material signs of slowing demand.

We have a great deal of experience. Each of our leaders has been working in this market for more than 25 years.

CLOSE TO OUR CUSTOMERS

For 2017, we will increase the full-year distribution by 5 percent in dollar terms to 11.55 cents per certificate.

We have managed through many periods of extreme volatility. Our experience tells us that when we face headwinds, we turn to our strengths.

Looking ahead, we will focus on continuing increasing rents and length of leases. Our plan for 2017 takes a prudent approach by favoring a flexible balance sheet with low leverage and healthy liquidity that will provide us with more options and potentially higher growth over the long term. We will tend carefully to our solid balance sheet. And we will continue to share the fruits of our labor with our shareholders. For 2017, we will increase the full-year distribution by 5 percent in dollar terms to 11.55 cents per certificate.

We look forward to the challenges ahead with a clear sense of purpose and optimism.

CHAIRMAN'S VIDEO

We successfully delivered on our 2016 goals while defining a clear path forward to continued growth.

Luis Gutiérrez
Chief Executive Officer
of Prologis Mexico

LEADERSHIP

FROM LEFT TO RIGHT

Luis Gutiérrez
Chief Executive Officer
of Prologis Mexico

Jorge Girault
Financial Vice President
Prologis Mexico

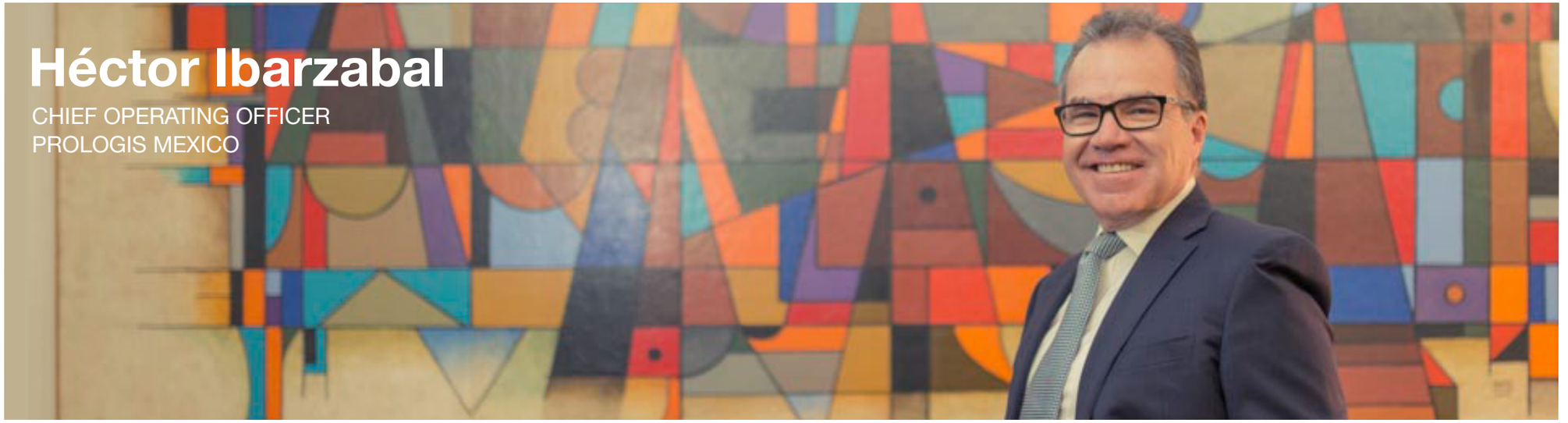
Héctor Ibarzabal
Chief Operating Officer
Prologis Mexico

Luis Gutiérrez

CHIEF EXECUTIVE OFFICER
PROLOGIS MEXICO

Success built upon 27 years of effective teamwork.

Mr. Gutiérrez has nearly three decades of experience in the real estate sector. In addition to serving as CEO of FIBRA Prologis **since 20TK**, he is President for Latin America for Prologis. In that capacity, he is responsible for all Brazil- and Mexico-related activities including operations, investments, acquisitions and industrial property development. Mr. Gutiérrez co-founded and served as Chief Executive Officer of Fondo Opción (formerly G. Acción), the first public real estate company in Mexico. He serves on the executive committee of Consejo de Empresas Globales and is a member of the board of directors of Finances and Central de Estacionamientos. He also served as president of the Mexican Industrial Park Association from 2005-2006. Mr. Gutiérrez holds a civil engineering degree from Universidad Iberoamericana and an MBA from Instituto Panamericano de Alta Dirección de Empresas.



Héctor Ibarzabal

CHIEF OPERATING OFFICER
PROLOGIS MEXICO

Effective decision making based upon 28 years of experience in the Mexican real estate market.

Héctor Ibarzabal is a 30-year veteran of the real estate sector, with extensive experience in structuring, financing and fundraising for real estate in the office, industrial, retail and residential sectors. In addition to serving as chief operating officer of FIBRA Prologis, Mr. Ibarzabal has served as Managing Director and Head of Operations in Mexico for Prologis since 2011. In that capacity, he manages Prologis' development, operations and capital deployment. Before joining Prologis, Mr. Ibarzabal was co-founder of G. Accion, a publicly traded real estate company, where he served as CFO, COO and President. He is a member of the technical committee of Prologis Mexico Fondo Logistico, a Mexican industrial real estate investment vehicle managed by an affiliate of Prologis. Mr. Ibarzabal also serves as a member of the technical committee of FIBRA Prologis and FIBRA Shop, and on the board of directors of SARE, a publicly held Mexican homebuilder. Mr. Ibarzabal holds a civil engineering degree from Universidad Iberoamericana and an MBA from IPADE.

Jorge Girault

FINANCIAL VICE PRESIDENT
PROLOGIS MEXICO

Superior customer service driven by passion, accountability and integrity.

In his 23-year career in real estate, Mr. Girault has worked on structuring, financing, and fundraising for the office, industrial, retail and residential sectors. As an officer of Prologis Mexico Manager, S. de R.L. de C.V., and a manager of Prologis México Fondo Logístico, a Mexican industrial real estate investment vehicle managed by an affiliate of Prologis, Mr. Girault has significant experience managing Prologis' equity and debt raising activities. Mr. Girault started his professional carrier at G. Acción, a publicly traded Mexican real estate company, where he rose from Project Manager to Investor Relations VP and CFO. He is a member of the technical committee of Prologis Mexico Fondo Logístico and is a part-time professor at the Business School of Universidad Iberoamericana. Mr. Girault holds an industrial engineering degree from Universidad Panamericana and an MBA from Universidad Iberoamericana and AD1 at IPADE.

STRATEGIC LOCATION

194
Properties

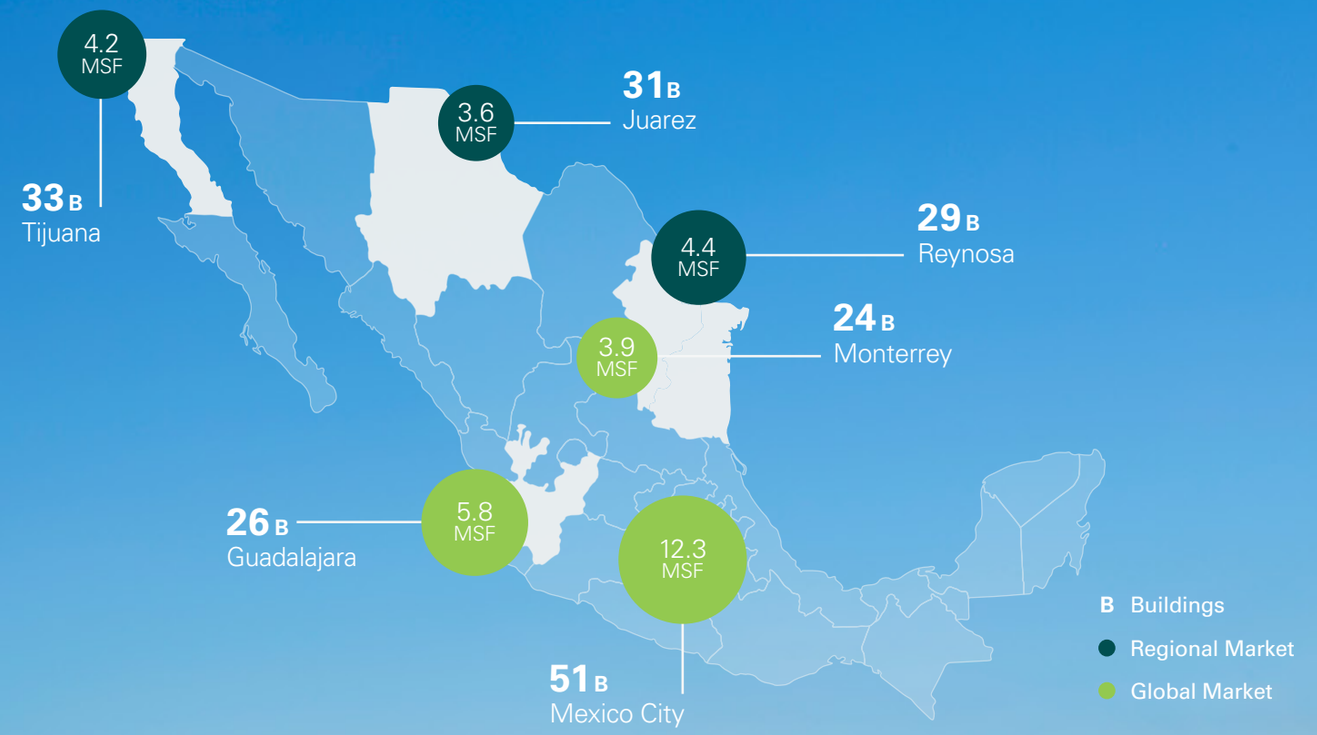
34.2
MSF

96.8%
Occupancy

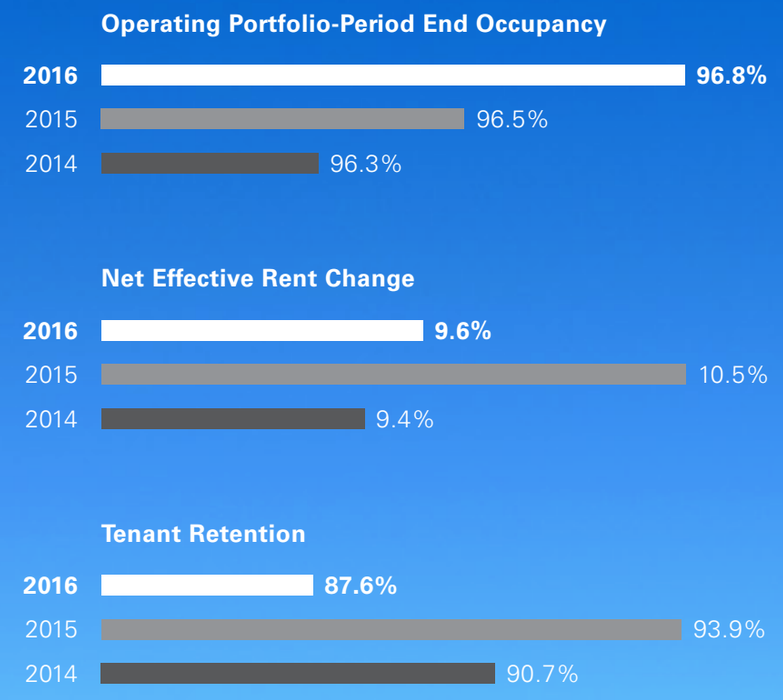
233
Customers

$4.96
Average net effective rent per leased SF

75.6%
USD denominated leases



OUR KEY METRICS TELL A STRONG GROWTH STORY



OUR KEY METRICS TELL A STRONG GROWTH STORY

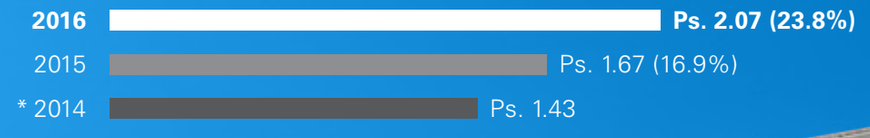
* ANNUALIZED

[1] FFO EXCLUDING REALIZED EXCHANGE LOSS FROM VAT PER CBFI

Revenue Summary (IN MILLION OF PESOS)

FFO per CBFI[1]

Distribution per CBFI (PESOS)



FORWARD-LOOKING STATEMENTS

The statements in this report that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projection about the industry and markets in which FIBRA Prologis operates, management's beliefs and assumptions made by management. Such statements involve uncertainties that could sign ficantly impact FIBRA Prologis financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expresions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, acquisition activity, development activity, disposition activity, general conditions in the geographic areas where we operate, our debt and financial position, are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in financial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions, dispositions and development of properties, (v) maintenance of real estate investment trust ("FIBRA") status and tax structuring, (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings, (vii) risks related to our investments (viii) environmental uncertainties, including risks of natural disasters, and (ix) those additional factors discussed in reports filed with the "Comisión Nacional Bancaria y de Valores" and the Mexican Stock Exchange by FIBRA Prologis under the heading "Risk Factors." FIBRA Prologis undertakes no duty to update any forward-looking statements appearing in this release.

Non-Solicitation - Any securities discussed herein or in the accompanying presentations, if any, have not been registered under the Securities Act of 1933 or the securities laws of any state and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the Securities Act and any applicable state securities laws. Any such announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein or in the presentations, if and as applicable.

FIBRA PROLOGIS®